

MOSAIC CO
Form DEF 14A
August 23, 2006
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934
(Amendment No. __)

Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

The Mosaic Company

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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- Fee paid previously with preliminary materials.
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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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Headquarter Offices:

Atria Corporate Center, Suite E490

3033 Campus Drive

Plymouth, MN 55441

Telephone (763) 577-2700

August 23, 2006

Dear Stockholder:

You are cordially invited to attend The Mosaic Company 2006 Annual Meeting of Stockholders. The meeting will be held at the Radisson Hotel and Conference Center, 3131 Campus Drive, Plymouth, Minnesota 55441 on October 4, 2006, at 10:00 a.m. local time. Directions to the meeting are included at the end of the accompanying Proxy Statement. A Notice of the Annual Meeting, a Proxy Statement covering the formal business of the meeting, our Annual Report for the fiscal year ended May 31, 2006, a proxy card and related information are enclosed. At the meeting we will report on our operations during the fiscal year ended May 31, 2006.

I encourage you to attend the meeting and to vote in favor of the election of directors, the proposal to amend The Mosaic Company 2004 Omnibus Stock and Incentive Plan and the proposal to ratify the appointment of KPMG LLP as our independent registered public accounting firm.

Regardless of whether you expect to attend the meeting, please promptly sign and return the proxy card in the enclosed postage-paid envelope. Even if you execute this proxy, you may revoke it at any time before it is voted. If you attend the meeting and wish to vote in person, you will be able to do so even if you have previously returned your proxy card.

Your cooperation and prompt attention to this matter are appreciated.

Sincerely,

Fredric W. Corrigan
President and Chief Executive Officer

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Headquarter Offices:

Atria Corporate Center, Suite E490

3033 Campus Drive

Plymouth, MN 55441

Telephone (763) 577-2700

Notice of 2006 Annual Meeting of Stockholders

To Our Stockholders:

The 2006 Annual Meeting of Stockholders of The Mosaic Company, a Delaware corporation, will be held at the Radisson Hotel and Conference Center, 3131 Campus Drive, Plymouth, Minnesota 55441 on October 4, 2006, at 10:00 a.m. local time, to consider and act upon the following matters, each of which is explained more fully in the accompanying Proxy Statement:

1. The election of four directors for terms expiring in 2009, each as recommended by the Board of Directors;
2. The approval of an amendment to The Mosaic Company 2004 Omnibus Stock and Incentive Plan to increase the number of shares authorized for issuance under the plan from 10,000,000 shares to 25,000,000;
3. The ratification of the appointment of KPMG LLP as our independent registered public accounting firm to audit our financial statements for the year ending May 31, 2007, as recommended by our Audit Committee; and
4. Any other business that may properly come before the 2006 Annual Meeting of Stockholders or any adjournment thereof.

A proxy card for your use in voting on these matters is also enclosed.

In accordance with our bylaws and resolutions of the Board of Directors, only stockholders of record at the close of business on August 9, 2006 are entitled to notice of and to vote at the 2006 Annual Meeting of Stockholders.

By Order of the Board of Directors

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Richard L. Mack
Senior Vice President, General Counsel and Corporate Secretary

August 23, 2006

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PROXY STATEMENT

2006 ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON OCTOBER 4, 2006

The Board of Directors of The Mosaic Company is soliciting proxies for use at the 2006 Annual Meeting of Stockholders to be held on October 4, 2006, and at any adjournment of the meeting. This proxy statement and the enclosed proxy card are first being mailed or given to stockholders on or about August 23, 2006.

QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING AND VOTING

What is the purpose of the meeting?

At our Annual Meeting, stockholders will act upon the matters outlined in the Notice of 2006 Annual Meeting of Stockholders. These include the election of directors, approval of an amendment to The Mosaic Company 2004 Omnibus Stock and Incentive Plan and ratification of the selection of our independent registered public accounting firm. Also, management will report on our performance during the fiscal year ended May 31, 2006 and respond to questions from stockholders.

Who is entitled to vote at the meeting?

The Board of Directors has set August 9, 2006, as the record date for the Annual Meeting. If you were a stockholder of record at the close of business on August 9, 2006, you are entitled to vote at the meeting.

As of the record date, 437,351,948 shares of our common stock were issued and outstanding and, therefore, eligible to vote at the meeting.

What are my voting rights?

Holders of our common stock are entitled to one vote per share. Therefore, a total of 437,351,948 votes are entitled to be cast at the meeting. There is no cumulative voting.

How many shares must be present to hold the meeting?

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In accordance with our bylaws, the holders of a majority of the shares entitled to vote at the meeting must be present at the meeting in order to hold the meeting and conduct business. This is called a quorum. Your shares are counted as present at the meeting if:

you are present and vote in person at the meeting; or

you have properly submitted a proxy card by mail.

How do I vote my shares?

If you are a stockholder of record as of the record date, you can give a proxy to be voted at the meeting by completing, signing and mailing the enclosed proxy card.

What is the difference between a stockholder of record and a street name holder?

If your shares are registered directly in your name, you are considered the stockholder of record with respect to those shares. If your shares are held in a stock brokerage account or by a bank, trust or other nominee, then the broker, bank, trust or other nominee is considered to be the stockholder of record with respect to those shares. However, you still are considered the beneficial owner of those shares, and your shares are said to be held in street name. Street name holders generally cannot vote their shares directly and must instead instruct the broker, bank, trust or other nominee how to vote their shares.

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What does it mean if I receive more than one proxy card?

If you receive more than one proxy card, it means that you hold shares registered in more than one account. To ensure that all of your shares are voted, sign and return each proxy card.

Can I vote my shares in person at the meeting?

If you are a stockholder of record, you may vote your shares in person at the meeting by completing a ballot at the meeting. Even if you currently plan to attend the meeting, we recommend that you also submit your proxy as described above so that your vote will be counted if you later decide not to attend the meeting.

If you are a street name holder, you may vote your shares in person at the meeting only if you obtain a signed letter or other proxy from your broker, bank, trust or other nominee giving you the right to vote the shares at the meeting.

What vote is required for the election of directors or for a proposal to be approved?

The affirmative vote of a plurality of the shares of our common stock present in person or by proxy at the Annual Meeting and entitled to vote in the election of directors is required to elect directors. This means that since stockholders will be electing four directors, the four nominees receiving the highest number of votes will be elected.

The affirmative vote of a majority of the shares of our common stock present in person or by proxy and entitled to vote at the Annual Meeting is required for the approval of the other proposals, provided that, with respect to the proposal to amend The Mosaic Company 2004 Omnibus Stock and Incentive Plan, the total number of shares that vote on the proposal represents a majority of the shares outstanding on the record date.

How are votes counted?

You may either vote **FOR** or **WITHHOLD** authority to vote for each nominee for the Board of Directors. You may vote **FOR**, **AGAINST** or **ABSTAIN** on the other proposals.

If you submit your proxy but abstain from voting or withhold authority to vote on one or more matters, your shares will be counted as present at the meeting for the purpose of determining a quorum. Your shares also will be counted as present at the meeting for the purpose of calculating the vote on the particular matter with respect to which you abstained from voting or withheld authority to vote.

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If you withhold authority to vote for one or more of the directors, this has no effect on the election of those directors. If you abstain from voting on a proposal, your abstention has the same effect as a vote against that proposal.

If you hold your shares in street name and do not provide voting instructions to your broker or other nominee, your shares will be considered to be broker non-votes and will not be voted on any proposal on which your broker does not have discretionary authority to vote under the rules of the New York Stock Exchange (the NYSE). Shares that constitute broker non-votes will be counted as present at the meeting for the purpose of determining a quorum but will not be represented at the meeting for purposes of calculating the vote with respect to such matter or matters. This effectively reduces the number of shares needed to approve such matter or matters.

How does the Board recommend that I vote?

You will vote on the following proposals:

Election of four directors: Phyllis E. Cochran, Harold H. MacKay, Robert L. Lumpkins and William T. Monahan;

Approval of an amendment to The Mosaic Company 2004 Omnibus Stock and Incentive Plan; and

Ratification of the selection of KPMG LLP as our independent registered public accounting firm for the fiscal year ending May 31, 2007.

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The Board of Directors recommends that you vote FOR each of the nominees to the Board of Directors, FOR the proposal to approve an amendment to The Mosaic Company 2004 Omnibus Stock and Incentive Plan and FOR the ratification of KPMG LLP as our independent registered public accounting firm for the fiscal year ending May 31, 2007.

What if I do not specify how I want my shares voted?

If you submit a signed proxy card and do not specify how you want to vote your shares, we will vote your shares:

FOR all of the nominees for director;

FOR the approval of the amendment to The Mosaic Company 2004 Omnibus Stock and Incentive Plan; and

FOR the ratification of the selection of KPMG LLP as our independent registered public accounting firm for the fiscal year ending May 31, 2007.

Can I change my vote after submitting my proxy?

Yes. You may revoke your proxy and change your vote at any time before your proxy is voted at the Annual Meeting. If you are a stockholder of record, you may revoke your proxy and change your vote by submitting a later-dated proxy by mail or by voting in person at the meeting. To request an additional proxy card, you should contact American Stock Transfer & Trust Company at 1-800-937-5449. If you hold your shares in street name, contact your broker or other nominee regarding how to revoke your proxy and change your vote.

How can I attend the meeting?

You may be asked to present valid picture identification, such as a driver's license or passport, before being admitted to the meeting. If you hold your shares in street name, you also will need proof of ownership to be admitted to the meeting. A recent brokerage statement or letter from your broker or other nominee are examples of proof of ownership.

Please let us know whether you plan to attend the meeting by marking the attendance box on the proxy card.

Who pays for the cost of proxy preparation and solicitation?

We pay for the cost of proxy preparation and solicitation, including the reasonable charges and expenses of brokerage firms, banks or other nominees for forwarding proxy materials to street name holders. We have retained Morrow & Co., Inc. to assist in the solicitation of proxies for

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the annual meeting for a fee of approximately \$5,000, plus associated costs and expenses.

We are soliciting proxies primarily by mail. In addition, our directors, officers and regular employees may solicit proxies by personal interview, telephone or telegrams. These individuals will receive no additional compensation for their services other than their regular salaries.

BENEFICIAL OWNERSHIP OF SECURITIES

Ownership of Securities by Directors and Executive Officers

Our executive officers and directors are encouraged to own our common stock to further align management's and stockholders' interests. Our officers are encouraged to make a substantial investment in our stock, depending upon individual circumstances. Our stock ownership guideline for directors is ownership of shares in an aggregate amount equal in value to \$250,000, to be satisfied prior to the fifth anniversary of the commencement of his or her directorship. For purposes of meeting our stock ownership guidelines, restricted stock, restricted stock units (RSUs) (whether vested or unvested) and shares of our common stock owned by a director are included.

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The following table shows the number of shares of common stock that were owned beneficially, as of August 9, 2006, by (1) each director and director nominee, (2) each executive officer named in the Summary Compensation Table in this proxy statement and (3) all of our directors and executive officers as a group, with sole voting and investment power unless otherwise indicated.

<u>Name</u>	<u>Number of Shares of Common Stock Beneficially Owned (1)</u>	<u>Percent of Outstanding Common Stock (2)</u>
Guillaume Bastiaens	0(3)	*
Raymond F. Bentele	42,318(3)(4)	*
Fredric W. Corrigan	108,014(4)(5)	*
Phyllis E. Cochran	0	*
William R. Graber	4,000(3)	*
Robert L. Lumpkins	5,000(3)	*
Richard L. Mack	16,461(4)	*
Harold H. MacKay	45,750(3)(4)	*
David B. Mathis	43,117(3)(4)	*
Bernard M. Michel	16,950(3)(4)	*
William T. Monahan	7,000(3)	*
Steven L. Pinney	12,369(4)	*
James T. Prokopanko	0(3)	*
Steven M. Seibert	0(3)	*
Lawrence W. Stranghoener	59,370(4)(6)	*
James T. Thompson	32,237(4)	*
All directors and executive officers as a group (19 persons)	430,869(4)	*

* Represents less than 1% of the outstanding shares.

(1) Beneficial ownership of securities is based on information furnished or confirmed by each director or executive officer described above.

(2) Based on the total number of shares outstanding on August 9, 2006.

(3) Does not include stock options or RSUs that are not exercisable within 60 days of August 9, 2006, including 11,129 RSUs held by each of Messrs. Bastiaens, Bentele, Graber, MacKay, Mathis, Monahan and Seibert; 8,625 RSUs held by Mr. Michel; 74,674 RSUs held by Mr. Prokopanko (who became our Executive Vice President and Chief Operating Officer in July 2006); and 22,258 RSUs held by Mr. Lumpkins.

(4) Includes the following shares subject to stock options exercisable within 60 days of August 9, 2006: Mr. Bentele, 40,750 shares; Mr. Corrigan, 92,764 shares; Mr. Mack, 15,461 shares; Mr. MacKay 40,750 shares; Mr. Mathis, 40,750 shares; Mr. Michel, 16,950 shares; Mr. Pinney, 12,369 shares; Mr. Stranghoener, 56,020 shares; Mr. Thompson, 24,737 shares; and all directors and executive officers as a group, 366,834 shares.

(5) Includes 250 shares of common stock held by Mr. Corrigan's wife.

(6) Includes 250 shares of common stock held by Mr. Stranghoener's three children.

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We believe that, as of August 9, 2006, based on filings with the Securities and Exchange Commission (the SEC), the following named organizations are the beneficial owners of more than 5% of our outstanding common stock.

Name and Address of Beneficial Owner	Number of Shares of Common Stock Beneficially Owned	Percent of Outstanding Common Stock
Cargill, Incorporated (1) 15615 McGinty Road West Wayzata, Minnesota 55391	285,759,772	65.3%
Cargill Fertilizer, Inc. 15615 McGinty Road West Wayzata, Minnesota 55391	243,972,618	55.8%
GNS I (U.S.) Corp. 15615 McGinty Road West Wayzata, Minnesota 55391	30,155,221	6.9%

(1) Based solely on a Schedule 13D/A dated August 16, 2006. Includes 30,155,221 shares of common stock held by GNS I (U.S.) Corp. and 243,972,618 shares of common stock held by Cargill Fertilizer, Inc., both of which are wholly owned subsidiaries of Cargill, Incorporated.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended (the Exchange Act), requires our directors and executive officers and persons who own more than 10% of our securities to file initial reports of ownership of those securities on Form 3 and reports of changes in ownership on Form 4 or Form 5 with the SEC. Specific due dates for these reports have been established by the SEC, and we are required to disclose in this proxy statement any failure to timely file the required reports by these dates. Based solely on a review of the copies of these reports received by us and written representations from our directors and executive officers, we believe that our directors, executive officers and more than 10% stockholders complied with all Section 16(a) filing requirements for our 2006 fiscal year, except as otherwise previously disclosed in our proxy statement for our 2005 Annual Meeting.

PROPOSAL NO. 1 ELECTION OF DIRECTORS

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Our Board of Directors currently consists of eleven members and is divided into three classes. The members of each class are elected to serve a three-year term with the term of office for each class ending in consecutive years.

Three directors currently serve in the class of directors whose term expires at the Annual Meeting. Harold H. MacKay, Robert L. Lumpkins and William T. Monahan, each of whom is currently serving in the class of directors whose term expires at the Annual Meeting, will stand for re-election at the Annual Meeting for a three-year term expiring in 2009. In addition, the Board has approved an increase in the number of directors to twelve members and has also nominated Phyllis E. Cochran for election at the Annual Meeting for a three-year term expiring in 2009. Ms. Cochran was identified as a potential director candidate by a third-party search firm engaged by the Corporate Governance and Nominating Committee based on the search criteria specified by the Corporate Governance and Nominating Committee for director candidates.

It is intended that the shares represented by the proxies named on the enclosed proxy card will be voted, unless authorization to do so is withheld, FOR the election of Ms. Cochran and Messrs. Lumpkins, MacKay and

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Monahan to serve until the Annual Meeting of Stockholders in 2009 or until their respective successors have been duly elected and qualified. Directors shall be elected by a plurality of the votes of the shares of common stock present in person or by proxy at the Annual Meeting and entitled to vote in the election. Because Cargill, Incorporated (Cargill) has more than a majority of the votes of the shares of common stock and has, pursuant to an Investor Rights Agreement between Cargill and Mosaic (as amended and restated, the Investor Rights Agreement), agreed to vote its shares in accordance with the recommendation by our Board of Directors in favor of Ms. Cochran and Messrs. Lumpkins, MacKay and Monahan, their election is assured.

If one or more nominees should become unavailable to serve as a director, it is intended that shares represented by the enclosed proxy card will be voted for such substitute nominee or nominees as may be selected by the Board.

The names of the nominees for director and of those directors continuing in office, their ages, their principal occupations during the past five years, certain other directorships held, and their length of service, if any, on the Board are set forth below.

Nominees for Election as a Director for a Term Expiring in 2009

Phyllis E. Cochran. Age 54. Ms. Cochran has served as the Vice President and General Manager of the Parts Group of International Truck and Engine Corporation, the operating company of Navistar International Corporation, one of the world's leading truck and engine manufacturers, since January 2004. She also serves on Navistar's Executive Council. Ms. Cochran served as the Chief Executive Officer and General Manager of Navistar Financial Corporation, Navistar's captive finance company, from December 2002 to December 2003. Since joining Navistar in 1979, she has held various positions, including Vice President of Operations at Navistar Financial Corporation and other financial management roles.

Robert L. Lumpkins. Age 62, director since January 2004. Mr. Lumpkins has served as Vice Chairman of Cargill since 1995 and a member of Cargill's Corporate Leadership Team since its inception in 1999. Mr. Lumpkins served as Chief Financial Officer of Cargill from 1989 to 2005. Since joining Cargill in 1968, he has held various financial and line management positions. Mr. Lumpkins serves as a member of the board of directors of Cargill, Ecolab, Inc. and WhereNet, Inc. He also serves on the nonprofit board of Howard University.

Harold H. MacKay. Age 66, director since October 2004. Mr. MacKay has served as Counsel to the law firm MacPherson Leslie & Tyerman LLP (MacPherson) in Regina, Saskatchewan, Canada since 2005. Prior to that, Mr. MacKay was a partner of MacPherson from 1969 to 2004. He served as the Clifford Clark policy advisor to the Department of Finance of Canada from 2002 to 2004 and chaired the Task Force on the Future of the Canadian Financial Services Sector in 1997 and 1998. Mr. MacKay is a director of The Toronto-Dominion Bank and previously served as a director of The Vigoro Corporation from 1994 through its acquisition by IMC Global Inc. in 1996, and served as a director of IMC Global Inc. from 1996 to October 2004. He was made an Officer of the Order of Canada in 2002.

William T. Monahan. Age 59, director since October 2004. Mr. Monahan is the retired Chairman of the Board, President and Chief Executive Officer of Imation Corporation which he held from 1996 until his retirement in 2004. Prior to the formation of Imation, he served as Group Vice President responsible for 3M's Electro and Communications Group, senior managing director of 3M Italy and Vice President of 3M's Data Storage Products Division. Mr. Monahan is currently a director of Hutchinson Technology Inc. and Pentair Inc. and serves as Non-Executive Chairman of the Board of Novelis Inc.

The Board of Directors recommends a vote FOR the election of the four nominees listed above.

Directors Continuing in Office

Guillaume Bastiaens. Age 63, director since October 2004. Mr. Bastiaens has served as Vice Chairman of Cargill since February 1998. Mr. Bastiaens has been a member of Cargill's Corporate Leadership Team since its

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inception in 1999 and has served as a director at Cargill since 1995. He joined Cargill in 1967 and has held various leadership positions in Cargill's processing and technology operations in Europe and the United States. Mr. Bastiaens serves as a director of Donaldson Company, Inc.

Raymond F. Bentele. Age 69, director since October 2004. Mr. Bentele is the retired President and Chief Executive Officer of Mallinckrodt Inc., having served in that capacity from 1982 to 1992. Mr. Bentele was Executive Vice President of Mallinckrodt Group Inc. (formerly known as IMCERA Group Inc.) from 1989 until his retirement. He is also a director of the AMCON Distributing Company and Leggett & Platt Inc. and previously served as a director of IMC Global Inc. from 1990 to 1991 and from June 1994 to October 2004.

Fredric W. Corrigan. Age 63, director since January 2004. Mr. Corrigan has served as our President and Chief Executive Officer since October 2004. Mr. Corrigan previously served as Executive Vice President of Cargill and as a member of Cargill's Corporate Leadership Team from 1999 to 2004. Since joining Cargill in 1966, he has held various positions, including Chairman of the Board of Cargill Fertilizer, Inc. from 1994 to 2004. Mr. Corrigan serves as a member of the board of directors of Xcel Energy Inc.

William R. Graber. Age 63, director since October 2004. Mr. Graber is the retired Senior Vice President and Chief Financial Officer of McKesson Corporation, a healthcare services company. Mr. Graber held this position since joining McKesson in February 2000 through his retirement in May 2004. From 1991 to 1999, Mr. Graber was with Mead Corporation where, prior to becoming Vice President and Chief Financial Officer, he served as Controller and Treasurer. From 1965 to 1991, Mr. Graber held a variety of financial management positions at General Electric Company. Mr. Graber currently serves as a director of Solectron Corporation and Kaiser Permanente.

David B. Mathis. Age 68, director since October 2004. Mr. Mathis has served as Chairman of Kemper Insurance Companies since November 2003. He was both Chairman and Chief Executive Officer of Kemper between February 1996 and November 2003. Mr. Mathis has held a variety of management positions at Kemper since joining the firm in 1960. He is currently a director of Thomas Group, Inc. and serves on the board of trustees of Lake Forest College. He previously served as a director of IMC Global Inc. from February 1995 to October 2004.

Bernard M. Michel. Age 68, director since October 2005. Mr. Michel is the retired Chairman of Cameco Corporation (Cameco), an international mining company which is a supplier, refiner and converter of uranium, a partner in the generation of nuclear electricity and a gold producer. From April 1993 to December 2002, Mr. Michel served as Chairman of the Board and Chief Executive Officer of Cameco. Mr. Michel is a director of IPSCO Inc. and is Chairman of the Board of Bruce Power Inc., an Ontario privately owned nuclear electric utility. Mr. Michel previously served as a director of IMC Global Inc. from May 2003 to October 2004.

James T. Prokopanko. Age 53, director since October 2004. Mr. Prokopanko joined us as our Executive Vice President and Chief Operating Officer in July 2006. Previously, he was a Corporate Vice President of Cargill from 2004 to July 2006. He was Cargill's Corporate Vice President with executive responsibility for procurement from 2002 to July 2006 and a platform leader of Cargill's Ag Producer Services Platform from 1999 to July 2006. After joining Cargill in 1978, he served in a wide range of leadership positions, including being named Vice President of the North American crop inputs business in 1995. During his Cargill career, Mr. Prokopanko was engaged in retail agriculture businesses in Canada, the United States, Brazil, Argentina and the United Kingdom.

Steven M. Seibert. Age 51, director since October 2004. Mr. Seibert has operated The Seibert Law Firm in Tallahassee, Florida since January 2003 and represents private and public sector clients in environmental and land use matters. He is currently serving as the Executive Director of the Century Commission for a Sustainable Florida. Prior to starting a law practice, Mr. Seibert was Secretary of the Florida Department of Community Affairs (the FDCA) from 1999 to 2003. Prior to his appointment to the FDCA, Mr. Seibert served as an elected County Commissioner representing Pinellas County, Florida from 1992 to 1999.

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CORPORATE GOVERNANCE

Our Board of Directors oversees the management of our business and determines overall corporate policies. The Board's primary responsibilities are directing our fundamental operating, financial and other corporate strategies and evaluating the overall effectiveness of our management. Our Board currently consists of eleven members and is divided into three classes. The members of each class are elected to serve a three-year term with the term of office for each class ending in consecutive years. Our current Board, which was assembled as part of the business combination (the Combination) of IMC Global Inc. and the fertilizer businesses of Cargill on October 22, 2004, in which Mosaic was formed, is divided into three classes, the first two classes of which will serve less than three years prior to standing for re-election at an annual meeting of stockholders. In accordance with our bylaws, our Board has approved an increase in the size of the Board to twelve members, to be effective upon election of directors at our 2006 Annual Meeting.

Board Independence

Because more than 50% of our voting power is held by Cargill, we have opted to be treated as a controlled company for purposes of the NYSE listing standards. As a result, the NYSE listing standards do not require our Board to be comprised of at least a majority of independent directors, or our Corporate Governance and Nominating Committee or our Compensation Committee to be comprised entirely of independent directors. The NYSE listing standards do, however, require our Audit Committee to be comprised entirely of independent directors and also require our Board to make a formal determination each year as to which of our directors are independent. In addition to meeting the minimum standards of independence adopted by the NYSE, no director qualifies as independent under the NYSE listing standards unless the Board affirmatively determines that the director has no material relationship with the corporation. The Board of Directors approved and adopted Director Independence Standards setting forth specific criteria by which the independence of our directors will be determined, including restrictions on the nature and extent of any affiliations directors and their immediate family members may have with Mosaic, its independent accountants, or any commercial or non-profit entity with which Mosaic has a relationship. A copy of our Director Independence Standards is attached to this proxy statement as Appendix A and is available on our website at www.mosaicco.com under the Investors Corporate Governance caption.

Our Board of Directors is comprised of a majority of directors who are independent within the meaning of the NYSE listing standards, our Audit Committee is comprised solely of directors who are independent, and the chair and a majority of the members of our Compensation Committee and of our Corporate Governance and Nominating Committee are independent. Our Board has determined that Raymond F. Bentele, William R. Graber, Harold H. MacKay, David B. Mathis, Bernard M. Michel, William T. Monahan and Steven M. Seibert have no material relationships with us and are independent. Our Board has also determined that Phyllis E. Cochran, a director nominee listed in this proxy statement, has no material relationships with us and is independent. In making the independence determinations, our Corporate Governance and Nominating Committee reviewed all of our directors' relationships with us based primarily on a review of the responses of the directors to questions regarding employment, business, familial, compensation and other relationships with us and our management. Fredric W. Corrigan is not independent because he is our current President and Chief Executive Officer. James T. Prokopanko is not independent because he is our current Executive Vice President and Chief Operating Officer. Robert L. Lumpkins, our Chairman of the Board, is not independent because he is a current Vice Chairman of Cargill. Guillaume Bastiaens is not independent because he is a current Vice Chairman of Cargill.

Committees of the Board of Directors

The Board has six committees, including the Executive Committee, the Audit Committee, the Compensation Committee, the Corporate Governance and Nominating Committee, the Environmental, Health and Safety Committee and the Special Transactions Committee, each of which plays a significant role in the discharge of the Board's duties and obligations. The membership of each committee is set forth below. All of the members of the

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Audit Committee and the Special Transactions Committee, as well as the chairs of the Compensation Committee and of the Corporate Governance and Nominating Committee, are independent under NYSE listing standards. Each of the committees routinely meets in private session without the Chief Executive Officer or other members of management in attendance. Each of the six committees operates under a written charter. The charters are available on our website at www.mosaicco.com under the Investors Corporate Governance caption and are available in print free of charge to any stockholder upon written request addressed to our Corporate Secretary at The Mosaic Company, Atria Corporate Center, Suite E490, 3033 Campus Drive, Plymouth, Minnesota 55441.

Executive Committee

Members:	Robert L. Lumpkins, <i>Chair</i>	Harold H. MacKay
	Raymond F. Bentele	William T. Monahan
	Fredric W. Corrigan	

The Executive Committee, which is comprised of our Chairman, our Chief Executive Officer, and the chairs of our Audit, Corporate Governance and Nominating, and Compensation Committees, did not meet during our 2006 fiscal year. The Executive Committee is responsible for acting on matters requiring action between Board meetings when it is unnecessary or impractical to convene the full Board, as determined by the chair of the committee.

Audit Committee

Members:	Raymond F. Bentele, <i>Chair</i>	David B. Mathis
	William R. Graber	William T. Monahan

The Audit Committee, which is comprised of four directors, met 20 times during our 2006 fiscal year. The Board of Directors has determined that all of the members of the Audit Committee meet the existing independence and experience requirements of the NYSE and the SEC. The Board has further determined that William R. Graber is an audit committee financial expert within the meaning of Item 401(h) of Regulation S-K promulgated by the SEC. The responsibilities of the Audit Committee include, among other things, the appointment, retention, compensation and oversight of the work of our independent registered public accounting firm; reviewing the scope and results of the annual independent audit and quarterly reviews of our financial statements with the independent registered public accounting firm, management and internal auditor; reviewing the internal audit plan and audit results; reviewing the quality and adequacy of internal control systems with management, the internal auditor and the independent registered public accounting firm; and reviewing with the independent registered public accounting firm and management the application and impact of new and proposed accounting rules, regulations, disclosure requirements and reporting practices on our financial statements and reports.

Compensation Committee

Members:	William T. Monahan, <i>Chair</i>	Bernard M. Michel
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Guillaume Bastiaens

Steven M. Seibert

David B. Mathis

The Compensation Committee, which is comprised of five directors, including four independent directors, met seven times during our 2006 fiscal year. The responsibilities of the Compensation Committee include determining the amount and nature of compensation paid by us to our Chief Executive Officer, other executive officers and key employees; reviewing and recommending to the Board the annual management incentive compensation plan; administering the stock option, incentive compensation and other executive benefit plans; reviewing incentive compensation awards; considering the competitiveness of our executive compensation and other compensation programs with respect to relevant industries and the business community generally; and reviewing the succession plan for senior management other than the Chief Executive Officer.

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Members:	Harold H. MacKay, <i>Chair</i>	William R. Graber
	Raymond F. Bentele	Robert L. Lumpkins

The Corporate Governance and Nominating Committee, which is comprised of four directors, including three independent directors, met six times during our 2006 fiscal year. James T. Prokopanko served as a member of the Corporate Governance and Nominating Committee until his appointment as our Executive Vice President and Chief Operating Officer in July 2006, at which time he resigned his membership. The responsibilities of the Corporate Governance and Nominating Committee include recommending to the Board a set of corporate governance principles applicable to us and providing ongoing oversight of governance; recommending to the Board nominees for director (subject to the provisions of the Investor Rights Agreement as described below under "Nomination and Selection of Directors"); recommending to the Board all committee assignments (subject to the provisions of the Investor Rights Agreement); developing a compensation and benefits program for the Board; overseeing the Board and committee annual evaluation process; and reviewing the succession plan for the Chief Executive Officer.

Environmental, Health and Safety Committee

Members:	Guillaume Bastiaens, <i>Chair</i>	Steven M. Seibert
	Bernard M. Michel	

The Environmental, Health and Safety Committee, which is comprised of three directors, including two independent directors, met six times during our 2006 fiscal year. James T. Prokopanko served as a member of the Environmental, Health and Safety Committee until his appointment as our Executive Vice President and Chief Operating Officer in July 2006, at which time he resigned his membership. The responsibilities of the Environmental, Health and Safety Committee include reviewing policies relating to environment, health and safety (EHS) and our objectives and plans for implementing EHS policies, procedures and practices; overseeing our monitoring and enforcement of EHS policies and related procedures and practices; reviewing with management the scope and plans for conducting audits of our EHS performance and the results of the audits; reviewing our compliance with applicable laws, regulations and our EHS policies; reviewing with management significant public policy, legislative, regulatory, political and social issues and trends that may impact us; reviewing and monitoring environmental risks; and reviewing environmental and safety incidents.

Special Transactions Committee

Members:	Harold H. MacKay, <i>Chair</i>	David B. Mathis
	Raymond F. Bentele	Bernard M. Michel

The Special Transactions Committee, which is comprised entirely of independent directors designated by the IMC Directors (as defined under "Nomination and Selection of Directors") as required by the Investor Rights Agreement, met seven times during our 2006 fiscal year. The responsibilities of the Special Transactions Committee include providing oversight to the review and approval of commercial or other transactions between Cargill and/or its affiliates (other than Mosaic and its subsidiaries), on the one hand, and Mosaic and/or its subsidiaries, on the other hand, with the objective that such transactions will be fair and reasonable to Mosaic, with arm's length terms and conditions.

Policies Relating to the Board of Directors

Nomination and Selection of Directors

The Corporate Governance and Nominating Committee identifies and evaluates potential director candidates in a variety of ways. Periodically the Corporate Governance and Nominating Committee solicits input on

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potential director candidates from committee and Board members. From time to time the Corporate Governance and Nominating Committee may also identify candidates from other sources, including through consultations with senior management and through the assistance of director search firms. Prior to each annual meeting of stockholders, the Corporate Governance and Nominating Committee will also evaluate director candidates recommended by stockholders who have complied with the advance notice procedures set forth in our bylaws.

Our bylaws provide that a stockholder entitled to vote at an annual meeting who wishes to nominate a candidate for election to the Board is required to give written notice to our Corporate Secretary of his or her intention to make such a nomination. In accordance with the advance notice procedures in our bylaws, a notice of nomination is required to be received within the prescribed time and must contain certain information about both the nominee and the stockholder making the nomination. The Corporate Governance and Nominating Committee may require that the proposed nominee furnish other information to determine that person's eligibility to serve as a director. The remainder of the requirements of the advance notice procedures with which a notice of nomination must comply are described in this proxy statement under the caption "Stockholder Proposals and Nominations for the 2007 Annual Meeting of Stockholders." A nomination that does not comply with the advance notice procedures may be disregarded. Nominations are subject to the provisions of the Investor Rights Agreement discussed below.

All director nominees should possess, in the judgment of the Corporate Governance and Nominating Committee, the director qualifications set forth in Section II of our Corporate Governance Guidelines, including:

Personal characteristics

highest personal and professional ethics, integrity and values

an inquisitive and objective perspective

practical wisdom and mature judgment

Broad experience at the policy-making level in business, agriculture, government, academia or technology

Expertise that is useful to us and complementary to the background and experience of other Board members, so that an appropriate balance of skills and experience of the membership of the Board can be achieved and maintained

Willingness to represent the best interests of all stockholders and objectively appraise management performance

Involvement only in activities or interests that do not create a material conflict with the director's responsibilities to us and our stockholders

Commitment in advance of necessary time for Board and committee meetings

Diversity, in its broadest sense, reflecting, but not limited to, geography, gender and ethnicity

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A personality reasonably compatible with the existing Board members

The full text of our Corporate Governance Guidelines is available on our website at www.mosaicco.com under the Investors Corporate Governance caption and is available in print free of charge to any stockholder upon written request addressed to our Corporate Secretary at The Mosaic Company, Atria Corporate Center, Suite E490, 3033 Campus Drive, Plymouth, Minnesota 55441.

In connection with the Combination, we have entered into the Investor Rights Agreement with Cargill. Under the Investor Rights Agreement, during the four-year period commencing on the effective date of the Combination (*i.e.*, October 22, 2004) (the Standstill Period), Cargill has agreed to take (including causing its representatives or designees on our Board of Directors to take) commercially reasonable actions to cause any slate of nominees recommended by our Board of Directors to our stockholders to include appropriate individuals to ensure that the resulting Board of Directors will consist of:

seven directors designated by Cargill (the Cargill Directors);

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four directors designated by IMC Global Inc. (or any replacement director nominees designated by such IMC directors or their duly elected replacements) (the IMC Directors);

effective with the election of directors at the 2006 Annual Meeting, a twelfth director approved by the Corporate Governance and Nominating Committee and a majority of the IMC Directors; and

such additional directors, if any, as appointed or nominated by the Board in accordance with our bylaws and the Investor Rights Agreement.

The Cargill Directors are Guillaume Bastiaens, Fredric W. Corrigan, William R. Graber, Robert L. Lumpkins, William T. Monahan, James T. Prokopanko and Steven M. Seibert. The IMC Directors are Raymond F. Bentele, Harold H. MacKay, David B. Mathis and Bernard M. Michel. If elected at the Annual Meeting, Phyllis E. Cochran will be neither a Cargill Director nor an IMC Director.

Cargill has also agreed to vote, during the Standstill Period, the voting securities of Mosaic held by it for the slate of director nominees recommended by our Board of Directors, and against any alternative slate of director nominees.

Also during the Standstill Period, Mosaic and Cargill have agreed to take commercially reasonable actions to cause our Board of Directors to be classified into three classes, with the Cargill Directors and IMC Directors allocated as follows: (1) Class I shall include two Cargill Directors and two IMC Directors; (2) Class II shall include two Cargill Directors and one IMC Director; and (3) Class III shall include three Cargill Directors and one IMC Director. Additional directors will be apportioned among the classes to maintain the number of directors in each class as even as possible. The Investor Rights Agreement also provides for the following relating to the composition of our Board of Directors and the committees thereof during the Standstill Period:

We have agreed to take commercially reasonable actions to ensure that at least three of the seven Cargill Directors are nonassociated directors (as defined below) and that at least three of the four IMC Directors are nonassociated directors; and

We have agreed to take commercially reasonable actions to cause our Corporate Governance and Nominating Committee to be comprised of three Cargill Directors (if reasonably practicable to do so, but in any event no less than two Cargill Directors) and two IMC Directors, except as otherwise necessary to comply with applicable requirements of law and stock exchange listing requirements. The Corporate Governance and Nominating Committee recommends the composition of the other committees, with the objective of including no less than two IMC Directors on each committee unless the IMC Directors otherwise agree.

Nonassociated director, as used in the Investor Rights Agreement, means a member of our Board of Directors who would be considered an independent director of Mosaic under the rules and regulations of the SEC and the NYSE.

Under the provisions of the Investor Rights Agreement, Cargill has the right to designate our Chairman and our Chief Executive Officer and President until the Standstill Period expires. We have separated the positions of Chairman and Chief Executive Officer, so that our Chairman is a nonmanagement director.

Additional provisions of the Investor Rights Agreement are described under Certain Relationships and Related Transactions Investor Rights Agreement. The full text of our Investor Rights Agreement is available on our website at www.mosaicco.com under the Investors Corporate

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Governance caption and is available in print free of charge to any stockholder upon written request addressed to our Corporate Secretary at The Mosaic Company, Atria Corporate Center, Suite E490, 3033 Campus Drive, Plymouth, Minnesota 55441.

Private Sessions of Nonmanagement Directors

The nonmanagement directors meet in private session at each regular Board meeting without the Chief Executive Officer or other members of management in attendance. Our Chairman of the Board, Robert L. Lumpkins, presides at these sessions.

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Compensation of Directors

Nonemployee Directors. During our 2006 fiscal year, each nonemployee director, with the exception of the Chairman of the Board, received a retainer of \$45,000, attendance fees of \$1,800 for each Board meeting attended and an additional \$1,200 for attendance at each meeting of a Board committee on which such director served. The Chairman of the Board received a retainer of \$90,000 and the same attendance fees as the other directors. The chair of the Audit Committee received an additional retainer of \$10,000, and each nonemployee director who served as chair of the other Board committees (other than the Executive Committee, which did not meet during the 2006 fiscal year) received an additional retainer of \$5,000. Each nonemployee director (which included Mr. Prokopanko until July 31, 2006 when he became our Executive Vice President and Chief Operating Officer) received RSUs granted under our 2004 Omnibus Stock and Incentive Plan on August 1, 2005 valued at \$60,000 (or in the case of the Chairman of the Board, valued at \$120,000). These RSUs will vest completely on the earlier of (1) August 1, 2008, or (2) subject to the approval of the Board in its sole discretion, a director's departure from the Board for reasons other than removal for cause, provided however that such departure cannot occur before certain dates specified by the Board.

For our 2007 fiscal year, in light of the emerging practice of eliminating per meeting fees, our Board of Directors, at the recommendation of the Corporate Governance and Nominating Committee, modified the compensation structure for our nonemployee directors by moving to an all inclusive fee structure in lieu of per meeting fees. In connection with the modification, the cash retainer paid to each nonemployee director other than Chairman of the Board has been changed to \$75,000, while the cash retainer paid to the Chairman of the Board was changed to \$150,000. In addition, the retainer paid to the chair of the Audit Committee was changed to \$15,000 and other members of this committee will receive an annual retainer of \$5,000. Each nonemployee director who serves as chair of other Board committees (other than the Executive Committee) will receive an annual cash retainer of \$7,000 during our 2007 fiscal year. Each nonemployee director will also receive annual RSU grants valued at \$65,000 (or in the case of the Chairman of the Board, valued at \$130,000).

In addition, we reimburse our directors for travel and business expenses incurred in connection with meeting attendance.

Employee Directors. Employee directors (currently Mr. Corrigan and Mr. Prokopanko) receive no fees or remuneration for service on the Board or any committee of the Board.

Attendance

Directors are expected to regularly attend Board meetings and meetings of committees on which they serve and to spend the time necessary to properly discharge their responsibilities. In addition to attendance at Board and committee meetings, directors discharge their responsibilities throughout the year by personal meetings and telephone contact with our executive officers and others regarding the business and affairs of Mosaic. Our full Board held five regular and six special meetings during our 2006 fiscal year. Each director was present for at least 93% of the aggregate number of meetings of the Board and committees of the Board of which such director was a member that occurred during our 2006 fiscal year subsequent to the election of such director to the Board.

The directors nominated for election or re-election to the Board at an annual meeting of stockholders are expected to attend such annual meeting, and all other directors are encouraged to attend. Last year all eleven of our directors attended the 2005 Annual Meeting of Stockholders.

Retirement from the Board

The Board has a mandatory retirement policy which provides that, as a general rule, a nonemployee director will not be nominated by the Board for re-election to the Board after he or she has attained the age of 70. It is recognized that, from time to time, there may be circumstances in which our interests will be best served by

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requesting a director to accept a nomination beyond the age of 70. If the Board makes such a determination, the service of a director nominated for continued service beyond the normal retirement age will be on a year-to-year basis at the request of the Board. In addition, it is the policy of the Board that employee-directors (other than the Chief Executive Officer) resign from the Board upon their retirement from Mosaic. The Board also has a policy that any nonemployee director or the Chief Executive Officer of Mosaic submit his or her resignation if he or she has a material change in employment, is the subject of media attention that reflects unfavorably on his or her continued service on the Board or has an unresolved conflict of interest with Mosaic. The Board shall accept or reject the resignation based on the best interests of Mosaic.

Communications with the Board

The Corporate Governance and Nominating Committee believes that accessibility to the members of the Board is an important element of our corporate governance practices and has adopted a policy regarding communications with the Board. This policy, ratified by the Board, sets forth the methods of communication with the Board as a whole and with individual directors. Pursuant to the policy, our General Counsel serves as confidential intermediary between stockholders or other interested parties and the Board.

Stockholders and interested parties are offered several methods for communication with the Board, including via e-mail and through a toll-free telephone number monitored by our Office of the General Counsel. They may contact the Board via our toll-free telephone number at (800) 461-9330 inside the United States, or call collect to (720) 514-4400 outside the United States. They may also send written communication in care of the General Counsel at The Mosaic Company, Atria Corporate Center, Suite E490, 3033 Campus Drive, Plymouth, Minnesota 55441. Alternatively, e-mail messages to the Board of Directors, including the presiding director of our nonmanagement directors or the nonmanagement directors as a group, may be sent to directors@mosaicco.com. For communications relating to accounting, internal accounting controls or auditing matters, e-mail messages may be sent to auditchair@mosaicco.com.

Stockholders making such communication are encouraged to state that they are security holders and provide the exact name in which their shares are held and the number of shares held. It will be the responsibility of our General Counsel to process in a timely manner each communication from stockholders or other interested parties and to forward such communications as follows:

- (1) communications addressed to the Board of Directors as a whole will be forwarded to the Chairman of the Board;
- (2) communications to the presiding director of the nonmanagement directors private sessions or the nonmanagement directors as a group will be forwarded to the director designated by the Corporate Governance and Nominating Committee;
- (3) communications addressed to a committee of the Board will be forwarded to the chair of such committee;
- (4) communications addressed to an individual director will be forwarded to such named director; and
- (5) communications relating to accounting, internal accounting controls or auditing matters will be referred to the members of the Audit Committee.

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Spam such as advertising, solicitations for business, requests for employment or requests for contributions will not be forwarded. In addition, material that is unduly hostile, threatening, illegal or similarly unsuitable will be excluded, provided that any communication that is filtered out must be made available to any nonmanagement director upon request.

Our General Counsel, or a member of his or her staff under his or her direction, may handle in his or her discretion any communication that is described within any of the following categories, but he or she will provide

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a copy of the original communication to the Chairman of the Board (or to the chair of the Corporate Governance and Nominating Committee) and advise him or her of any action taken with respect to the communication:

Routine questions, complaints and comments that can be appropriately addressed by management;

Routine invoices, bills, account statements and related communications that can be appropriately addressed by management;

Surveys and questionnaires; and

Requests for business contacts or referrals.

Any communications not clearly addressed as set forth above will be forwarded to the Chairman of the Board for handling.

Our General Counsel, or a member of his or her staff under his or her direction, will maintain a summary log of all communications (other than those excluded as described above), and on a quarterly basis will provide to the Chairman of the Board (or to the chair of the Corporate Governance and Nominating Committee) a copy of all log entries made (to the extent any communications have been received) since the immediately preceding report was provided to him or her. Our General Counsel will promptly provide to any director, upon his or her request, a copy of any part of, or all, of the log.

Any director receiving such communications may, at his or her discretion, forward copies of any such communications to any other directors, any Board committee, the other nonmanagement directors or the entire Board for information and/or action as deemed appropriate.

The full text of our policy regarding stockholder communications with the Board of Directors is available on our website at www.mosaicco.com under the Investors Corporate Governance caption.

Code of Business Conduct and Ethics

Our Board of Directors and management are dedicated to superior corporate governance. Our Code of Business Conduct and Ethics (the Code of Ethics) is a statement of our high standards for ethical and legal compliance, and it governs the manner in which we conduct our business. A copy of our Code of Ethics is available on our website at www.mosaicco.com under the Investors Corporate Governance caption and is available in print free of charge to any stockholder upon written request addressed to our Corporate Secretary at The Mosaic Company, Atria Corporate Center, Suite E490, 3033 Campus Drive, Plymouth, Minnesota 55441.

EXECUTIVE COMPENSATION

Report of the Compensation Committee

The Compensation Committee is responsible for determining the amount and nature of compensation paid to our Chief Executive Officer and other executive officers and overseeing the administration of our stock option, executive incentive and other executive benefit plans. Our decisions are based on our understanding of Mosaic, its long-term strategies and the market for comparable positions, as well as our knowledge of the capabilities and performance of our executives.

Compensation Philosophy and Objectives

Our underlying philosophy in designing compensation policies and programs is to align our strategic interests with our stockholders' interests and to optimize our ability to attract, retain and motivate key executives to create stockholder value. Within this overall compensation philosophy, our specific objectives are that:

Total direct compensation will be established around the median of the competitive market, with the ability to earn more than that for superior performance; and

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Actual compensation will be positioned relative to market, as appropriate, based on Mosaic's performance as well as individual performance.

Total direct compensation will consist of salary, annual incentive and long-term incentives. A peer group of 25 other companies selected by the Compensation Committee with the assistance of an independent compensation consultant is used to assess the competitiveness of our executive compensation programs. These peer companies consist of fertilizer, chemical and general industry corporations that we believe comprise a reasonably representative sample of the companies with which we compete for executive talent.

Compensation Components and Process

There are two primary elements of our executive compensation programs: (1) cash compensation, consisting of base pay and short-term variable pay and (2) long-term variable pay. In order to attract, retain and motivate employees who add distinctive value to Mosaic, our compensation focus includes all of these elements of total compensation. We intend our compensation programs to be competitive in the industries in which we compete for talent and to reflect the scope and responsibilities of the executive's role. We design our programs to reward performance, with each element of compensation linked to performance (that of the individual, the business unit or the overall organization). All performance measures are aligned with our business goals.

Cash Compensation. Base pay levels for executive officers are established based on our review of market trends and surveys of peer group compensation levels.

Key managers of Mosaic and our subsidiaries, including executive officers, participate in our Management Incentive Program (the "MIP"), established pursuant to The Mosaic Company 2004 Omnibus Stock and Incentive Plan (the "Omnibus Stock Plan"). Pursuant to the MIP, these key managers are eligible for annual cash incentive compensation based upon the attainment of pre-established business and/or individual performance goals. These performance goals are pre-established by the Board, upon the recommendation of the Compensation Committee or a subcommittee of outside directors or, in the case of performance goals for participants other than executive officers, by our Senior Leadership Team comprised of senior executives of Mosaic. Threshold, target and maximum payout levels are set based upon the extent to which the specified performance measures are attained. The business performance measures for executive officers for both the fiscal year ended May 31, 2006 and the fiscal year ending May 31, 2007 are Mosaic's (1) operating earnings plus equity in net earnings of nonconsolidated companies ("operating earnings") and (2) net cash flow, except that the incentives for executive officers who are leaders of our business units are also based in part on such measures for their business units. A threshold for payout under the corporate operating earnings measure must be attained before any payout is made under the MIP. The operating earnings and net cash flow measures are deemed by the Board of Directors to be important measures of, among other things, our ability to generate value for stockholders and reduce our long-term indebtedness. Target annual incentive awards for executive officers range from 40% to 150% of base salary. For our 2006 fiscal year, we did not pay any incentive compensation under the MIP because the threshold for corporate operating earnings was not achieved.

Prior to the Combination, Mosaic established a goal of achieving pre-tax operating synergies from the Combination of \$145 million on an annual run-rate basis by the end of the fiscal year ending May 31, 2007. We surpassed that goal by the end of fiscal 2006, and expect to continue to achieve additional benefits from our synergy efforts in the fiscal year ending May 31, 2007. Synergy benefits include, but are not limited to, benefits from cost reduction and cost avoidance initiatives, production volume enhancement efforts, opportunity savings, capital spending avoidance and other classifications. The majority of these benefits have an impact on operating costs which assists in offsetting higher operating costs facing Mosaic (particularly in our Phosphates business segment) such as energy and other production input costs, wage and benefit costs, water treatment costs, raw material costs, general inflation and the costs required to achieve the synergy benefits. In order to motivate key employees, including executive officers, to achieve or exceed the expected levels of synergies, in addition to the MIP, we established a Synergy Incentive Plan for each of our first three fiscal years (ending May 31, 2007).

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pursuant to which key managers, including executive officers, are eligible for additional annual cash incentive compensation. The Synergy Incentive Plan is designed to incent key employees to achieve synergies from the Combination. Under the Synergy Incentive Plan, a bonus pool is established for each fiscal year based upon attainment of levels of annual pre-tax synergies, calculated on an annual run-rate basis, from the Combination that have been pre-established by the Board, upon the recommendation of the Compensation Committee. Individual bonuses are payable from the pool based upon the assessment, by us in the case of executive officers and by our Senior Leadership Team in the case of other participants, of business unit and individual contributions towards achieving our synergy goals.

Long-Term Variable Pay. Long-term incentive awards are made under the Omnibus Stock Plan in the form of stock options to purchase our common stock and restricted stock units (RSU or RSUs) providing grants of our common stock. We use stock options and RSU awards as a significant component of our executive compensation package because these equity-based awards align the interests of executive officers and other key employees with those of our stockholders. Stock options generally become exercisable in equal annual installments in the first three years following the date of grant, expire ten years after the date of grant, and allow grantees to purchase our common stock at the full market price of our common stock on the day the options were granted. The Omnibus Stock Plan expressly prohibits the repricing of options granted thereunder. RSU awards provide grants of our common stock that vest after a period of continued employment with us, which is generally three years. Prior to vesting, RSUs do not include voting or dividend rights.

We have adopted guidelines for long-term incentive awards. Under these guidelines, the target value and proportion of total compensation represented by awards of stock options and RSUs reflect market data for comparable positions at our peer group companies as well as the remaining number of shares available for awards under the Omnibus Stock Plan. The proportion of awards represented by RSUs generally increases with the level of the participant's responsibility within Mosaic, with RSU awards for executive officers generally expected to approximate half of the aggregate dollar value of the executive officer's total long-term incentive awards. Once the target value of a participant's long-term incentive awards and the proportion to be represented by stock options and RSUs have been determined, the specific number of shares to be subject to the stock option and RSU awards is established as follows:

Stock Options. The number of shares to be subject to stock options is calculated using a Black-Scholes option pricing model that is based upon assumptions derived from historical data regarding market prices and other data over a period of time preceding the date on which the calculation is made. We have included a discussion of the assumptions we used for the grant of stock options in the fiscal year ended May 31, 2006 in note (3) to the table under Executive Compensation Option Grants in Last Fiscal Year. The option exercise price is then set at a price equal to the closing price of our common stock as reported by the New York Stock Exchange on the date of grant of the option. Under our current guidelines generally applicable to our annual grants of long-term incentive awards, the date of grant is the third trading day after issuance of our press release announcing earnings for our fourth fiscal quarter. We believe that this helps assure that the option exercise price reflects material information regarding Mosaic.

RSUs. The number of shares to be subject to RSUs is established by calculating an amount equal to one-third of the number of option shares that would be granted under the Black-Scholes option pricing model described above.

Policy on Deductibility of Compensation

Section 162(m) (Section 162(m)) of the Internal Revenue Code of 1986, as amended (the Internal Revenue Code), limits the tax deductibility by a corporation of annual compensation in excess of \$1 million paid to the corporation's Chief Executive Officer or any of its four most highly compensated executive officers (other than the Chief Executive Officer). However, performance-based compensation that has been approved by stockholders is excluded from the \$1 million limit if, among other requirements, the compensation is payable only upon attainment of pre-established, objective performance goals and the board committee that establishes

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such goals consists only of outside directors. Four of the members of our Compensation Committee qualify as outside directors and are able to serve as a subcommittee of outside directors for purposes of meeting this aspect of the provisions of Section 162(m).

While the tax impact of any compensation arrangement is one factor to be considered, the tax impact is evaluated in light of our overall compensation philosophy. We will consider ways to maximize the deductibility of executive compensation while retaining the discretion we deem necessary to compensate officers in a manner commensurate with performance and the competitive environment for executive talent. However, from time to time we may award compensation which is not fully deductible if we determine that the award is consistent with our philosophy and is in the best interests of Mosaic and our stockholders.

The Omnibus Stock Plan is designed to permit certain awards made thereunder to meet the performance-based criteria of Section 162(m).

Chief Executive Officer Compensation

Mr. Corrigan participates in the executive compensation programs described throughout this report. Mr. Corrigan's base pay for our fiscal year ended May 31, 2006 was \$700,000. His base pay reflected his pre-Combination base pay at Cargill and our review prior to the Combination of competitive market data for our selected peer group companies. Because Mr. Corrigan's base pay from Mosaic was set at the time of the Combination and, therefore, less than a full year had elapsed when his compensation was set for the fiscal year ended May 31, 2006, Mr. Corrigan's base pay for the fiscal year ended May 31, 2006 was unchanged from the annualized rate of his base pay for the fiscal year ended May 31, 2005. Mr. Corrigan's target bonus award under the MIP is set at 150% of base pay. The level of Mr. Corrigan's target bonus award under the MIP was set based upon our review prior to the Combination of competitive market data for our selected peer group companies to result in target cash compensation that is below the market median of our selected peer group companies. As in the case of other participants as discussed above, Mr. Corrigan received no compensation under the MIP for the fiscal year ended May 31, 2006. Mr. Corrigan received a bonus of \$350,000 under the Synergy Incentive Plan for our 2006 fiscal year. We set Mr. Corrigan's Synergy Incentive Plan bonus based on our assessment of his contributions to the achievement of synergies from the Combination during the fiscal year ended May 31, 2006, including that the level of synergies achieved for that fiscal year surpassed our plans for this period. On August 1, 2005, Mr. Corrigan was also granted stock options relating to 278,293 shares of our common stock and RSUs relating to 92,764 shares of our common stock, based upon the factors described above for stock option and RSU awards.

We believe that directly linking compensation to achievement of the business priorities established by the Board best serves stockholder interests and creates stockholder value both by motivating our key executives to achieve those business priorities and by attracting and retaining key executives by affording them the opportunity to impact their total compensation. Total compensation to employees, including base salary, incentives under the MIP, the Synergy Incentive Plan and long-term incentives under the Omnibus Stock Plan, is intended to be consistent with the compensation philosophy adopted by the Compensation Committee that total direct compensation be established around the median of a group of peer companies representing fertilizer, chemical and general industry companies of similar size and scope to Mosaic, with the ability to earn more for superior performance.

Respectfully submitted,

William T. Monahan, *Chair*

Guillaume Bastiaens

David B. Mathis

Bernard M. Michel

Steven M. Seibert

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The following table sets forth compensation information for our Chief Executive Officer and each of our other four most highly compensated executive officers for our 2006 and 2005 fiscal years. Information for the 2005 fiscal year does not include a full year of compensation but rather represents the period from the date of the Combination, October 22, 2004, through May 31, 2005. The executive officers listed below are collectively referred to as the **Named Executive Officers** in this proxy statement. The compensation shown excludes amounts for any fiscal year prior to becoming an executive officer.

Name and Principal Position	Fiscal Year	Annual Compensation			Long-Term Compensation		
		Salary (\$)	Bonus (\$ (1))	Other Annual Compensation (\$)	Awards		All Other Compensation (\$ (3))
					Restricted Stock Awards (\$ (2))	Securities Underlying Options (#)	
Fredric W. Corrigan President and Chief Executive Officer	2006	700,000	350,000		1,603,890	278,293	35,967
	2005	425,313	648,659		1,300,000	280,700	25,456
James T. Thompson Executive Vice President	2006	475,000	175,000		427,703	74,212	32,819
	2005	288,958	225,000		400,000	136,032	8,669
Lawrence W. Stranghoener Executive Vice President and Chief Financial Officer	2006	425,000	225,000		374,242	64,935	31,595
	2005	258,542	167,000		350,000	52,084	5,312
Steven L. Pinney Senior Vice President Phosphate Operations	2006	325,000	175,000		213,860	37,106	32,152
	2005	197,021	143,000		275,000	51,822	115,973
Richard L. Mack Senior Vice President, General Counsel and Corporate Secretary	2006	279,167	150,000		267,321	46,382	24,383
	2005	151,008	110,000		250,000	10,384	75,538

- (1) Bonus amounts include payments, if any, made under our MIP and Synergy Incentive Plan. For 2006, no payments were made under the MIP.
- (2) Reflects grants of RSUs under the Omnibus Stock Plan. The table below sets forth the number of shares subject to outstanding RSUs granted to the Named Executive Officers and the aggregate fair market value of an equivalent number of outstanding shares of common stock at May 31, 2006:

<u>Name</u>	<u>Number of Shares</u>	<u>Aggregate Value(\$)</u>
	<u>Subject to RSUs</u>	

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Fredric W. Corrigan	179,201	2,788,368
James T. Thompson	51,333	798,741
Lawrence W. Stranghoener	44,917	698,909
Steven L. Pinney	30,654	476,976
Richard L. Mack	32,084	499,227

No dividend equivalents are being paid on the RSUs.

- (3) Includes, for our 2006 fiscal year, contributions made by us to the Mosaic Investment Plan. Excludes amounts, if any, for services for the period January 1, 2006 through May 31, 2006 to be credited to the accounts of the Named Executive Officers as of December 31, 2006 under the restoration provisions of our Non-Qualified Deferred Compensation Plan because such amounts are not yet determinable. Under the restoration provisions, we will credit the accounts of such employees under the Mosaic Investment Plan for calendar 2006 and subsequent years amounts that would have been contributed under the Mosaic Investment Plan but for limitations imposed by the Internal Revenue Code.

Table of Contents**Option Grants in Last Fiscal Year**

The following table sets forth information with respect to all options to purchase shares of common stock granted during our 2006 fiscal year to each of the Named Executive Officers. There were no grants of stock appreciation rights to the Named Executive Officers during our 2006 fiscal year.

Name	Individual Grants				
	Number of Securities Underlying Options Granted (#) (1)	% of Total Options Granted to Employees in Fiscal Year	Exercise Price (\$/Share) (2)	Expiration Date	Grant Date Present Value (\$) (3)
Fredric W. Corrigan	278,293	17%	17.29	08/01/15	1,778,292
James T. Thompson	74,212	5%	17.29	08/01/15	474,215
Lawrence W. Stranghoener	64,935	4%	17.29	08/01/15	414,935
Steven L. Pinney	37,106	2%	17.29	08/01/15	237,107
Richard L. Mack	46,382	3%	17.29	08/01/15	296,381

- (1) The options vest in three equal installments on August 1 in 2006, 2007 and 2008.
- (2) Exercise price is the fair market value of the common stock on the date of grant, which is equal to the closing price at which the common stock was traded on such date, as reflected on the NYSE composite tape.
- (3) The Black-Scholes option pricing model was used to determine the grant date present value of the options to purchase shares of common stock granted in our 2006 fiscal year by Mosaic. Based on the Black-Scholes model, the present value of each option granted to the Named Executive Officers was \$6.39 share. The material assumptions and adjustments incorporated in the model in estimating the value of the options include the following: (a) an option exercise price of \$17.29 per share; (b) an option term of ten years; (c) an interest rate of 4.00%, representing the interest rate on a U.S. Treasury security on the date of grant with a maturity date corresponding to that of the option term; (d) a volatility rate of 32.60%, calculated using our daily stock prices since the Combination; (e) no dividends; and (f) a reduction of approximately 9.8% to reflect the probability of forfeiture due to termination prior to vesting, and approximately 18.5% to reflect the probability of a shortened option term due to termination of employment prior to the option expiration date. The ultimate values of the options will depend upon the future market price of our common stock, which cannot be forecast with reasonable accuracy. The actual value, if any, an optionee will realize upon exercise of an option will depend upon the excess of the market value of our common stock over the exercise price on the date the option is exercised.

Aggregated Option Exercises in Last Fiscal Year and Fiscal Year-End Option Values

The following table sets forth information with respect to all outstanding options to purchase our common stock held by each of the Named Executive Officers as of May 31, 2006. There were no options exercised by such individuals during our 2006 fiscal year.

Name	Shares Acquired On Exercise (#)	Value Realized (\$)	Number of Securities Underlying Unexercised Options at Fiscal Year-End (#)		Value of Unexercised In-the-Money Options at Fiscal Year-End \$(1)	
			Exercisable	Unexercisable	Exercisable	Unexercisable

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Fredric W. Corrigan		558,993
James T. Thompson		210,244
Lawrence W. Stranghoener	17,361	99,658
Steven L. Pinney		88,928
Richard L. Mack		56,766

- (1) The value is calculated based on a May 31, 2006 closing stock price of \$15.56 as quoted on the NYSE composite tape, which is less than the relevant exercise price.

Table of Contents**Defined Benefit Pension Plans**

Cargill maintains defined benefit pension plans that provide retirement benefits to certain employees of Cargill and other associated employers, including Mosaic. These plans include Cargill's Salaried Employees' Pension Plan (the "Cargill Pension Plan"), in which Messrs. Pinney and Mack participate. The Cargill Pension Plan is a tax-qualified defined benefit pension plan under the provisions of the Internal Revenue Code. Benefits under the Cargill Pension Plan are generally based on a combination of years of service and final average salary, which is the average of the employee's 60 highest consecutive months' salary in the 120 month period while employed at Cargill or the associated companies (including Mosaic) prior to termination of employment or retirement. Although no additional years of credited service are accrued under the Cargill Pension Plan for Messrs. Pinney and Mack after December 31, 2004, additional years of vesting service are credited for the purpose of determining eligibility to retire, and covered compensation for purposes of determining benefits under the Cargill Pension Plan for Messrs. Pinney and Mack includes post-Combination compensation paid by Mosaic. In accordance with the Merger and Contribution Agreement, Cargill incurs the costs associated with pre-Combination benefits for certain former employees of Cargill and its subsidiaries under certain pension plans, including the Cargill Pension Plan, and charges them to Mosaic. The amount that Cargill may charge to Mosaic for pension costs relating to all former Cargill employees may not exceed \$2.0 million per year or \$19.2 million in the aggregate. Cargill is solely responsible for payment of the annual pension benefits to the participants under the Cargill Pension Plan.

The following table sets forth the estimated annual pension benefits under the Cargill Pension Plan payable to participants in that plan at normal retirement age (*i.e.*, 65) for various classifications of earnings and years of credited service.

Cargill Pension Plan

Final Average Annual Salary	Credited Years of Service					
	10	15	20	25	30	35
\$220,000	\$ 23,500	\$ 35,700	\$ 51,400	\$ 67,000	\$ 82,700	\$ 98,300
230,000	24,700	37,500	53,900	70,300	86,700	103,100
240,000	25,800	39,200	56,400	73,500	90,700	107,800
250,000	27,000	41,000	58,900	76,800	94,700	112,600
260,000	28,100	42,700	61,400	80,000	98,700	117,300
270,000	29,300	44,400	63,800	83,300	102,700	122,100

Covered compensation for fiscal year 2006 for purposes of the above table is generally the same as salary shown in the Summary Compensation Table; however, covered compensation under the Cargill Pension Plan is subject to limits established under the Internal Revenue Code (\$220,000 at May 31, 2006). Messrs. Pinney and Mack have 29 and 10 years, respectively, of credited service under the Cargill Pension Plan.

The benefits shown in the above tables for the Cargill Pension Plan reflect annual life only annuity amounts for employees retiring in 2006 at age 65. Benefits under the Cargill Pension Plan are reduced for primary Social Security benefits and the amounts shown in the above tables reflect the estimated reduction.

Severance Agreements

In order to provide executive officers with appropriate assurances to continue to perform their duties and responsibilities and thereby promote the stability of Mosaic, we have entered into severance agreements with Messrs. Corrigan, Thompson, Stranghoener, Pinney and Mack. The severance agreements set forth the terms and conditions upon which the executive officer is entitled to receive certain benefits upon termination of employment by (1) us without Cause or (2) the executive officer for Good Reason (as the terms Cause and Good Reason are defined below).

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In general, upon termination of employment by us without Cause or by the executive officer for Good Reason, the executive officer is entitled to amounts earned but unpaid to the date of termination plus an amount equal to the executive officer's annual base salary and target bonus (two times annual base salary and target bonus in the case of Mr. Corrigan), continued coverage of health and dental coverage for up to a year (two years in the case of Mr. Corrigan), compensation for unused vacation, and outplacement services for up to one year (with a maximum cost of \$25,000).

For purposes of the severance agreements, Cause means (1) breach of the severance agreement, (2) gross neglect or willful failure or refusal to perform the executive officer's duties, (3) personal dishonesty intended to result in substantial personal enrichment at our expense, (4) willful or intentional acts to injure Mosaic, (5) knowing or intentional fraud against Mosaic or our customers, suppliers, clients, agents or employees, or (6) conviction of a felony or any crime involving fraud, dishonesty or moral turpitude. Likewise, Good Reason means a material demotion in status or duties, or a relocation requiring the executive officer to move his or her regular office location by more than 50 miles.

As of July 27, 2006, the amount of cash severance payments (excluding cash compensation for unused vacation) to Messrs. Corrigan, Thompson, Stranghoener, Pinney and Mack in the event of termination by us without Cause or by the executive officer for Good Reason is estimated to be \$3,500,000, \$831,250, \$701,250, \$536,250 and \$450,000, respectively.

The severance agreements also provide that all options and RSUs granted under the Omnibus Stock Plan to the executive officer will immediately vest upon a Change in Control. For these purposes, Change in Control means (1) Cargill and its affiliates (Cargill Entities) transferring to an unaffiliated third party a number of shares of our common stock sufficient to elect a majority of the Board of Directors, (2) the Cargill Entities beneficial ownership falling below 50% of our outstanding common stock and a third party unaffiliated with the Cargill Entities acquiring ownership of at least 50% of our outstanding common stock, or (3) the Cargill Entities acquiring beneficial ownership of 90% or more of the outstanding shares of our common stock.

The severance agreements require the executive officers to furnish at least 30 days advance notice of a termination of employment without Good Reason, and, for a period of 12 months following termination of employment, prohibit the executive officer from (1) disclosing confidential information, (2) soliciting our customers, dealers, employees and suppliers, or interfering with our business relationships, or (3) competing with us.

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STOCKHOLDER RETURN INFORMATION

The following performance graph compares the cumulative total return on our common stock for a period beginning October 25, 2004 (the date our common stock began trading on the NYSE) with the cumulative total return of the Standard & Poor's 500 Stock Index (the S&P 500), the Standard & Poor's Specialty Chemicals Index (the S&P Group Index) and a peer group of companies selected by us (the 2006 Peer Group).

The 2006 Peer Group is comprised of Agrium Inc., Potash Corporation of Saskatchewan Inc. and Terra Industries Inc. Our stock price performance differs from that of the 2006 Peer Group during some periods due to differences in the market segments in which we compete or in the level of our participation in such segments compared to other members of the 2006 Peer Group. The S&P Group Index is comprised of Ecolab Inc., International Flavors & Fragrances Inc., Rohm and Haas Company and Sigma-Aldrich Corporation. In accordance with Standard & Poor's policies, companies with less than a majority of their stock publicly traded are not included in the S&P 500, and, accordingly, we are not included in the S&P 500 or in the S&P Group Index. The comparisons set forth below assume an initial investment of \$100 and reinvestment of dividends or distributions.

Comparison of Cumulative Total Return

The Mosaic Company, S&P 500, S&P Group Index and 2006 Peer Group

10/25/04