UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☐ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended June 30, 2014

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to

Commission file number 001-32327

The Mosaic Company
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

3033 Campus Drive
Suite E490
Plymouth, Minnesota 55441
(800) 918-8270

(Address and zip code of principal executive offices and registrant’s telephone number, including area code)

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T ($232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer”, “accelerated filer”, and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one): Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer’s classes of common stock as of the latest practicable date: 340,302,863 shares of Common Stock and 34,352,114 shares of Class A Common Stock and 0 shares of Class B Common Stock as of July 30, 2014.
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## PART I. FINANCIAL INFORMATION

### ITEM 1. FINANCIAL STATEMENTS

#### THE MOSAIC COMPANY

**CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS**

(In millions, except per share amounts)

(Unaudited)

<table>
<thead>
<tr>
<th></th>
<th>Three months ended June 30,</th>
<th>Six months ended June 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2014</td>
<td>2013</td>
</tr>
<tr>
<td>Net sales</td>
<td>$2,440.2</td>
<td>$2,618.7</td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>1,919.1</td>
<td>1,953.4</td>
</tr>
<tr>
<td>Gross margin</td>
<td>521.1</td>
<td>665.3</td>
</tr>
<tr>
<td>Selling, general and administrative expenses</td>
<td>87.5</td>
<td>116.1</td>
</tr>
<tr>
<td>Other operating expense</td>
<td>30.4</td>
<td>23.5</td>
</tr>
<tr>
<td>Operating earnings</td>
<td>403.2</td>
<td>525.7</td>
</tr>
<tr>
<td>Change in value of share repurchase agreement</td>
<td>(5.5)</td>
<td>—</td>
</tr>
<tr>
<td>Interest (expense) income, net</td>
<td>(24.6)</td>
<td>0.4</td>
</tr>
<tr>
<td>Foreign currency transaction (loss) gain</td>
<td>(38.7)</td>
<td>22.2</td>
</tr>
<tr>
<td>Other (expense) income</td>
<td>(1.3)</td>
<td>2.8</td>
</tr>
<tr>
<td>Earnings from consolidated companies before income taxes</td>
<td>333.1</td>
<td>551.1</td>
</tr>
<tr>
<td>Provision for income taxes</td>
<td>82.7</td>
<td>126.3</td>
</tr>
<tr>
<td>Earnings from consolidated companies</td>
<td>250.4</td>
<td>424.8</td>
</tr>
<tr>
<td>Equity in net earnings (loss) of nonconsolidated companies</td>
<td>(2.2)</td>
<td>5.2</td>
</tr>
<tr>
<td>Net earnings including noncontrolling interests</td>
<td>248.2</td>
<td>430.0</td>
</tr>
<tr>
<td>Less: Net earnings (loss) attributable to noncontrolling interests</td>
<td>(0.2)</td>
<td>0.2</td>
</tr>
<tr>
<td>Net earnings attributable to Mosaic</td>
<td>$ 248.4</td>
<td>$ 429.8</td>
</tr>
<tr>
<td>Basic net earnings per share attributable to Mosaic</td>
<td>$ 0.65</td>
<td>$ 1.01</td>
</tr>
<tr>
<td>Diluted net earnings per share attributable to Mosaic</td>
<td>$ 0.64</td>
<td>$ 1.01</td>
</tr>
<tr>
<td>Basic weighted average number of shares outstanding</td>
<td>374.2</td>
<td>425.8</td>
</tr>
<tr>
<td>Diluted weighted average number of shares outstanding</td>
<td>376.2</td>
<td>427.2</td>
</tr>
</tbody>
</table>

See Notes to Condensed Consolidated Financial Statements
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**THE MOSAIC COMPANY**

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

(In millions)

(Unaudited)

<table>
<thead>
<tr>
<th></th>
<th>Three months ended June 30,</th>
<th></th>
<th>Six months ended June 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net earnings including noncontrolling interest</strong></td>
<td>$ 248.2</td>
<td>$ 430.0</td>
<td>$465.9</td>
</tr>
<tr>
<td><strong>Other comprehensive income, net of tax</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign currency translation, net of tax</td>
<td>251.6</td>
<td>(256.1)</td>
<td>13.0</td>
</tr>
<tr>
<td>Net actuarial (loss) gain and prior service cost, net of tax</td>
<td>(0.5)</td>
<td>(16.6)</td>
<td>2.9</td>
</tr>
<tr>
<td>Amortization of loss on interest rate swap</td>
<td>0.7</td>
<td>—</td>
<td>1.4</td>
</tr>
<tr>
<td><strong>Other comprehensive income (loss)</strong></td>
<td>251.8</td>
<td>(272.7)</td>
<td>17.3</td>
</tr>
<tr>
<td><strong>Comprehensive income</strong></td>
<td>500.0</td>
<td>157.3</td>
<td>483.2</td>
</tr>
<tr>
<td>Less: Comprehensive income (loss) attributable to noncontrolling interest</td>
<td>0.2</td>
<td>(1.2)</td>
<td>0.9</td>
</tr>
<tr>
<td><strong>Comprehensive income attributable to Mosaic</strong></td>
<td>$ 499.8</td>
<td>$ 158.5</td>
<td>$482.3</td>
</tr>
</tbody>
</table>

See Notes to Condensed Consolidated Financial Statements

2
### THE MOSAIC COMPANY

#### CONDENSED CONSOLIDATED BALANCE SHEETS

(In millions, except per share amounts)

(Unaudited)

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2014</th>
<th>December 31, 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$2,367.0</td>
<td>$5,293.1</td>
</tr>
<tr>
<td>Receivables, net</td>
<td>604.2</td>
<td>543.1</td>
</tr>
<tr>
<td>Inventories</td>
<td>1,579.6</td>
<td>1,432.9</td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>161.0</td>
<td>129.9</td>
</tr>
<tr>
<td>Other current assets</td>
<td>476.6</td>
<td>706.8</td>
</tr>
<tr>
<td>Total current assets</td>
<td>5,188.4</td>
<td>8,105.8</td>
</tr>
<tr>
<td>Property, plant and equipment, net of accumulated depreciation of $4,341.4 million and $4,025.0 million, respectively</td>
<td>9,694.5</td>
<td>8,576.6</td>
</tr>
<tr>
<td>Investments in nonconsolidated companies</td>
<td>720.8</td>
<td>576.4</td>
</tr>
<tr>
<td>Goodwill</td>
<td>1,792.9</td>
<td>1,794.4</td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>192.3</td>
<td>152.2</td>
</tr>
<tr>
<td>Other assets</td>
<td>704.6</td>
<td>348.6</td>
</tr>
<tr>
<td>Total assets</td>
<td>$18,293.5</td>
<td>$19,554.0</td>
</tr>
<tr>
<td><strong>Liabilities and Equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short-term debt</td>
<td>$12.7</td>
<td>$22.6</td>
</tr>
<tr>
<td>Current maturities of long-term debt</td>
<td>0.6</td>
<td>0.4</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>750.2</td>
<td>570.2</td>
</tr>
<tr>
<td>Accrued liabilities</td>
<td>832.2</td>
<td>666.3</td>
</tr>
<tr>
<td>Contractual share repurchase liability</td>
<td>306.5</td>
<td>1,985.9</td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>20.1</td>
<td>20.5</td>
</tr>
<tr>
<td>Total current liabilities</td>
<td>1,922.3</td>
<td>3,265.9</td>
</tr>
<tr>
<td>Long-term debt, less current maturities</td>
<td>3,012.9</td>
<td>3,008.9</td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>1,009.0</td>
<td>1,031.5</td>
</tr>
<tr>
<td>Other noncurrent liabilities</td>
<td>1,084.7</td>
<td>927.1</td>
</tr>
<tr>
<td><strong>Equity:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preferred stock, $0.01 par value, 15,000,000 shares authorized, none issued and outstanding as of June 30, 2014 and December 31, 2013</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Class A Common Stock, $0.01 par value, 211,380,055 shares authorized, 40,536,977 shares issued and outstanding as of June 30, 2014, 254,300,000 shares authorized, 128,759,772 shares issued and 85,839,827 shares outstanding as of December 31, 2013</td>
<td>0.4</td>
<td>1.3</td>
</tr>
<tr>
<td>Class B Common Stock, $0.01 par value, 87,008,602 shares authorized, none issued and outstanding as of June 30, 2014 and December 31, 2013</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Common Stock, $0.01 par value, 1,000,000,000 shares authorized, 352,271,969 shares issued and 340,233,507 shares outstanding as of June 30, 2014, 352,204,571 shares issued and 340,166,109 shares outstanding as of December 31, 2013</td>
<td>3.4</td>
<td>3.0</td>
</tr>
<tr>
<td>Capital in excess of par value</td>
<td>42.3</td>
<td>1.6</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>11,069.2</td>
<td>11,182.1</td>
</tr>
<tr>
<td>Accumulated other comprehensive income</td>
<td>130.6</td>
<td>114.3</td>
</tr>
<tr>
<td>Total Mosaic stockholders’ equity</td>
<td>11,245.9</td>
<td>11,302.3</td>
</tr>
<tr>
<td>Noncontrolling interests</td>
<td>18.7</td>
<td>18.3</td>
</tr>
<tr>
<td>Total equity</td>
<td>11,264.6</td>
<td>11,320.6</td>
</tr>
<tr>
<td>Total liabilities and equity</td>
<td>$18,293.5</td>
<td>$19,554.0</td>
</tr>
</tbody>
</table>

See Notes to Condensed Consolidated Financial Statements
## THE MOSAIC COMPANY

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

(In millions)

(Unaudited)

See Notes to Condensed Consolidated Financial Statements

<table>
<thead>
<tr>
<th></th>
<th>Six months ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>June 30, 2014</td>
</tr>
<tr>
<td><strong>Cash Flows from Operating Activities:</strong></td>
<td></td>
</tr>
<tr>
<td>Net earnings including noncontrolling interests</td>
<td>$465.9</td>
</tr>
<tr>
<td>Adjustments to reconcile net earnings including noncontrolling interests to net cash provided by operating activities:</td>
<td></td>
</tr>
<tr>
<td>Depreciation, depletion and amortization</td>
<td>368.7</td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>(92.0)</td>
</tr>
<tr>
<td>Equity in net loss of nonconsolidated companies, net of dividends</td>
<td>7.0</td>
</tr>
<tr>
<td>Accretion expense for asset retirement obligations</td>
<td>21.2</td>
</tr>
<tr>
<td>Share-based compensation expense</td>
<td>43.5</td>
</tr>
<tr>
<td>Amortization of acquired inventory</td>
<td>35.5</td>
</tr>
<tr>
<td>Change in value of share repurchase agreement</td>
<td>65.5</td>
</tr>
<tr>
<td>Unrealized (gain) loss on derivatives</td>
<td>(29.6)</td>
</tr>
<tr>
<td>Other</td>
<td>8.9</td>
</tr>
<tr>
<td><strong>Net cash provided by operating activities</strong></td>
<td>1,423.3</td>
</tr>
<tr>
<td><strong>Cash Flows from Investing Activities:</strong></td>
<td></td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>(488.9)</td>
</tr>
<tr>
<td>Acquisition of business</td>
<td>(1,353.6)</td>
</tr>
<tr>
<td>Investments in nonconsolidated companies</td>
<td>(149.6)</td>
</tr>
<tr>
<td>Other</td>
<td>(2.5)</td>
</tr>
<tr>
<td><strong>Net cash used in investing activities</strong></td>
<td>(1,994.6)</td>
</tr>
<tr>
<td><strong>Cash Flows from Financing Activities:</strong></td>
<td></td>
</tr>
<tr>
<td>Payments of short-term debt</td>
<td>(123.9)</td>
</tr>
<tr>
<td>Proceeds from issuance of short-term debt</td>
<td>102.8</td>
</tr>
<tr>
<td>Payments of long-term debt</td>
<td>(1.0)</td>
</tr>
<tr>
<td>Proceeds from issuance of long-term debt</td>
<td>4.1</td>
</tr>
<tr>
<td>Proceeds from stock option exercises</td>
<td>1.3</td>
</tr>
<tr>
<td>Repurchases of stock</td>
<td>(2,132.7)</td>
</tr>
<tr>
<td>Cash dividends paid</td>
<td>(194.8)</td>
</tr>
<tr>
<td>Other</td>
<td>(0.6)</td>
</tr>
<tr>
<td><strong>Net cash used in financing activities</strong></td>
<td>2,344.8</td>
</tr>
<tr>
<td><strong>Effect of exchange rate changes on cash</strong></td>
<td>(10.0)</td>
</tr>
<tr>
<td><strong>Net change in cash and cash equivalents</strong></td>
<td>(2,926.1)</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents—December 31</strong></td>
<td>5,293.1</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents—June 30</strong></td>
<td><strong>$2,367.0</strong></td>
</tr>
</tbody>
</table>

**Supplemental Disclosure of Cash Flow Information:**

- Cash paid during the period for:
  - Interest (net of amount capitalized of $19.2 and $22.8 for the six months ended June 30, 2014 and 2013, respectively) | $57.7 | $3.6 |
  - Income taxes (net of refunds) | 60.3 | 133.4
### THE MOSAIC COMPANY

**CONDENSED CONSOLIDATED STATEMENTS OF EQUITY**

(In millions, except per share amounts)

(UNAUDITED)

See Notes to Condensed Consolidated Financial Statements

<table>
<thead>
<tr>
<th>Shares</th>
<th>Mosaic Shareholders</th>
<th>Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Common Stock</td>
<td>Common Stock</td>
</tr>
<tr>
<td><strong>Balance as of May 31, 2013</strong></td>
<td>425.8</td>
<td>$4.3</td>
</tr>
<tr>
<td>Total comprehensive income (loss)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stock option exercises</td>
<td>0.1</td>
<td></td>
</tr>
<tr>
<td>Amortization of stock based compensation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Forward contract to repurchase Class A Common Stock</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividends ($0.50 per share)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividends for noncontrolling interests</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax shortfall related to share based compensation</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Balance as of December 31, 2013</strong></td>
<td>425.9</td>
<td>$4.3</td>
</tr>
<tr>
<td>Total comprehensive income (loss)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stock option exercises</td>
<td>0.1</td>
<td></td>
</tr>
<tr>
<td>Amortization of stock based compensation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Forward contract and repurchases of stock</td>
<td>(45.4)</td>
<td>(0.5)</td>
</tr>
<tr>
<td>Dividends ($0.50 per share)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividends for noncontrolling interests</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax shortfall related to share based compensation</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Balance as of June 30, 2014</strong></td>
<td>380.6</td>
<td>$3.8</td>
</tr>
</tbody>
</table>
1. Organization and Nature of Business

The Mosaic Company (“Mosaic”, and, with its consolidated subsidiaries, “we”, “us”, “our”, or the “Company”) produces and markets concentrated phosphate and potash crop nutrients. We conduct our business through wholly and majority owned subsidiaries as well as businesses in which we own less than a majority or a noncontrolling interest, including consolidated variable interest entities and investments accounted for by the equity method. We are organized into the following business segments:

Our Phosphates business segment owns and operates mines and production facilities in Florida which produce concentrated phosphate crop nutrients and phosphate-based animal feed ingredients, and processing plants in Louisiana which produce concentrated phosphate crop nutrients. Our Phosphates segment’s results also include our international distribution activities. In fiscal 2011, the Phosphates segment acquired a 35% economic interest in a joint venture that owns the Miski Mayo Mine in Peru. On August 5, 2013, we entered into a Shareholders’ Agreement with Saudi Arabian Mining Company (“Ma’aden”) and Saudi Basic Industries Corporation (“SABIC”) under which the parties have formed a joint venture to develop, own and operate integrated phosphate production facilities in the Kingdom of Saudi Arabia (the “Northern Promise Joint Venture”). We own 25% of the joint venture and will market approximately 25% of its production. On March 17, 2014, we completed the acquisition of the Florida phosphate assets and assumption of certain related liabilities (“CF Phosphate Assets Acquisition”) of CF Industries, Inc. (“CF”). This transaction is further described in Note 17 to our Condensed Consolidated Financial Statements in this report.

Our Potash business segment owns and operates potash mines and production facilities in Canada and the U.S. which produce potash-based crop nutrients, animal feed ingredients and industrial products. Potash sales include domestic and international sales. We are a member of Canpotex, Limited (“Canpotex”), an export association of Canadian potash producers through which we sell our Canadian potash outside the U.S. and Canada.

Intersegment sales are eliminated within Corporate, Eliminations and Other. See Note 15 of our Condensed Consolidated Financial Statements in this report for segment results.

2. Cargill Transaction

As previously reported, on May 25, 2011, we facilitated the exit by Cargill, Incorporated (“Cargill”) from its equity interest in us through a split-off to its stockholders and a debt exchange with its debt holders, and initiated the first in a series of transactions (the “Cargill Transaction”) intended to result in the ongoing orderly disposition of the approximately 64% (285.8 million) of our shares that Cargill formerly held. Among other previously reported actions in furtherance of the Cargill Transaction, on December 6, 2013, we entered into a share repurchase agreement (the “MAC Trusts Share Repurchase Agreement”) with two former Cargill stockholders (the “MAC Trusts”) to purchase all of the remaining shares of Class A Common Stock (“Class A Shares”) held by the MAC Trusts through a series of eight purchases occurring from January 8, 2014 through July 30, 2014. At June 30, 2014, pursuant to the MAC Trusts Share Repurchase Agreement, all 21,647,007 Class A Shares, Series A-3, held by the MAC Trusts, and 15,462,145 Class A Shares, Series A-2, had been repurchased for an aggregate of $1.7 billion.

Subsequent to June 30, 2014, pursuant to the MAC Trusts Share Repurchase Agreement, the remaining 6,184,863 Class A Shares, Series A-2, have been repurchased for an aggregate of approximately $300 million.
The MAC Trusts Share Repurchase Agreement, along with the share repurchase agreements we entered with certain Cargill family member trusts (the “Family Trusts Share Repurchase Agreements” and together with the MAC Trusts Share Repurchase Agreement, the “Share Repurchase Agreements”) are accounted for as a forward contract with an initial liability established at fair value based on the average of the weighted average trading price for each of the preceding 20-day trading days as noted above and a corresponding reduction of equity. The contract is subsequently remeasured at the present value of the amount to be paid at settlement with the difference being recognized in the consolidated statement of earnings. We are required to exclude the common shares that are to be repurchased in calculating basic and diluted earnings per share (“EPS”). Any amounts, including contractual (accumulated) dividends and participation rights in undistributed earnings, attributable to shares that are to be repurchased that have not been recognized in the consolidated statement of earnings shall be deducted in computing income available to common shareholders, consistent with the two-class method. See the calculation of EPS in Note 6 of our Condensed Consolidated Financial Statements.

3. Summary of Significant Accounting Policies

Statement Presentation and Basis of Consolidation

The accompanying unaudited Condensed Consolidated Financial Statements of Mosaic have been prepared on the accrual basis of accounting and in accordance with the requirements of the Securities and Exchange Commission (“SEC”) for interim financial reporting. As permitted under these rules, certain footnotes and other financial information that are normally required by accounting principles generally accepted in the United States (“U.S. GAAP”) can be condensed or omitted. The Condensed Consolidated Financial Statements included in this document reflect, in the opinion of our management, all adjustments (consisting of only normal recurring adjustments) necessary for a fair statement of the results for the interim periods presented. The following notes should be read in conjunction with the accounting policies and other disclosures in the Notes to the Consolidated Financial Statements included in our Transition Report on Form 10-K filed with the SEC for the transition period from June 1, 2013 to December 31, 2013 (the “10-K Report”). Sales, expenses, cash flows, assets and liabilities can and do vary during the year as a result of seasonality and other factors. Therefore, interim results are not necessarily indicative of the results to be expected for the full fiscal year.

The accompanying Condensed Consolidated Financial Statements include the accounts of Mosaic and its majority owned subsidiaries. Certain investments in companies where we do not have control but have the ability to exercise significant influence are accounted for by the equity method.

Accounting Estimates

Preparation of the Condensed Consolidated Financial Statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of net sales and expenses during the reporting periods. The most significant estimates made by management relate to the estimates of fair value of acquired assets and liabilities, the recoverability of non-current assets including goodwill, the useful lives and net realizable values of long-lived assets, environmental and reclamation liabilities including asset retirement obligations (“ARO”), the costs of our employee benefit obligations for pension plans and postretirement benefits, income tax related accounts, including the valuation allowance against deferred income tax assets, inventory valuation and accruals for pending legal and environmental matters. Actual results could differ from these estimates.
4. Recently Issued Accounting Guidance

Recently Adopted Accounting Pronouncements

In July 2013, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2013-11, “Income Taxes (Topic 740): Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists”, which requires that an unrecognized tax benefit should be presented in the financial statements as a reduction of a deferred tax asset for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward when settlement in this manner is available under the law. This guidance was effective for us beginning January 1, 2014 and will be applied on a prospective basis to all unrecognized tax benefits that exist at the effective date. This guidance did not have a material impact on our results of operations or financial position.

Pronouncements Issued But Not Yet Adopted

In April 2014, the FASB issued ASU No. 2014-08, “Presentation of Financial Statements (Topic 205) and Property, Plant, and Equipment (Topic 360): Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity”, which changes the criteria for reporting a discontinued operation. Under this standard, a disposal of part of an organization that has a major effect on its operations and financial results is a discontinued operation. This guidance is effective prospectively for us beginning January 1, 2015 with earlier application permitted, but only for disposals (or classifications as held for sale) that have not been reported previously. We do not expect that this guidance will have a material impact on our results of operations or financial position.

In May 2014, the FASB issued ASU No. 2014-09, “Revenue from Contracts with Customers (Topic 606)”, which requires revenue to be recognized based on the amount an entity is expected to be entitled to for promised goods or services provided to customers. The standard also requires expanded disclosures regarding contracts with customers. The guidance in this standard supersedes the revenue recognition requirements in Topic 605, “Revenue Recognition”, and most industry-specific guidance. This guidance is effective for us beginning January 1, 2017, with retrospective application required, subject to certain practical expedients. We are currently evaluating the requirements of this standard, and have not yet determined the impact on our results of operations or financial position.
5. Other Financial Statement Data

The following provides additional information concerning selected balance sheet accounts:

<table>
<thead>
<tr>
<th>(in millions)</th>
<th>June 30, 2014</th>
<th>December 31, 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Other current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Final price deferred(^{(a)})</td>
<td>$ 51.4</td>
<td>$ 154.3</td>
</tr>
<tr>
<td>Income and other taxes receivable</td>
<td>144.8</td>
<td>272.6</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>118.6</td>
<td>115.8</td>
</tr>
<tr>
<td>Assets held for sale(^{(b)})</td>
<td>91.3</td>
<td>111.9</td>
</tr>
<tr>
<td>Other</td>
<td>70.5</td>
<td>52.2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 476.6</strong></td>
<td><strong>$ 706.8</strong></td>
</tr>
<tr>
<td><strong>Accrued liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payroll and employee benefits</td>
<td>$ 146.7</td>
<td>$ 111.8</td>
</tr>
<tr>
<td>Asset retirement obligations</td>
<td>105.1</td>
<td>86.3</td>
</tr>
<tr>
<td>Customer prepayments</td>
<td>275.4</td>
<td>131.9</td>
</tr>
<tr>
<td>Other</td>
<td>305.0</td>
<td>336.3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 832.2</strong></td>
<td><strong>$ 666.3</strong></td>
</tr>
<tr>
<td><strong>Other noncurrent liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asset retirement obligations</td>
<td>$ 759.6</td>
<td>$ 637.6</td>
</tr>
<tr>
<td>Other</td>
<td>325.1</td>
<td>289.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,084.7</strong></td>
<td><strong>$ 927.1</strong></td>
</tr>
</tbody>
</table>

\(^{(a)}\) Final price deferred is product that has shipped to customers, but the price has not yet been agreed upon. This has not been included in inventory as risk of loss has passed to our customers. Amounts in this account are based on inventory cost.

\(^{(b)}\) See further description of assets held for sale in Note 16.

6. Earnings Per Share

We use the two-class method to compute basic and diluted EPS. Earnings for the period are allocated pro-rata between the common stockholders and the participating securities. Our only participating securities are related to the Share Repurchase Agreements. The numerator for basic and diluted EPS is net earnings for common stockholders. The denominator for basic EPS is the weighted-average number of shares outstanding during the period, excluding the effects of shares subject to forward contracts. The denominator for diluted EPS also includes the weighted average number of additional shares of common stock that would have been outstanding if the dilutive potential shares of common stock had been issued, unless the shares are anti-dilutive, and excludes the effects of shares subject to forward contracts.
The following is a reconciliation of the numerator and denominator for the basic and diluted EPS computations:

<table>
<thead>
<tr>
<th></th>
<th>Three months ended June 30,</th>
<th>Six months ended June 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2014</td>
<td>2013</td>
</tr>
<tr>
<td>Net earnings attributed to Mosaic</td>
<td>$248.4</td>
<td>$429.8</td>
</tr>
<tr>
<td>Undistributed earnings attributable to participating securities</td>
<td>(6.3)</td>
<td>—</td>
</tr>
<tr>
<td>Numerator for basic and diluted earnings available to common stockholders</td>
<td>$242.1</td>
<td>$429.8</td>
</tr>
<tr>
<td>Basic weighted average number of shares outstanding</td>
<td>384.0</td>
<td>425.8</td>
</tr>
<tr>
<td>Shares subject to forward contract</td>
<td>(9.8)</td>
<td>—</td>
</tr>
<tr>
<td>Basic weighted average number of shares outstanding attributable to common stockholders</td>
<td>374.2</td>
<td>425.8</td>
</tr>
<tr>
<td>Dilutive impact of share-based awards</td>
<td>2.0</td>
<td>1.4</td>
</tr>
<tr>
<td>Diluted weighted average number of shares outstanding</td>
<td>376.2</td>
<td>427.2</td>
</tr>
<tr>
<td>Basic net earnings per share</td>
<td>$ 0.65</td>
<td>$ 1.01</td>
</tr>
<tr>
<td>Diluted net earnings per share</td>
<td>$ 0.64</td>
<td>$ 1.01</td>
</tr>
</tbody>
</table>

A total of 1.3 million shares of Common Stock subject to issuance upon exercise of stock options for the three and six months ended June 30, 2014, and 0.4 million shares for the three and six months ended June 30, 2013, have been excluded from the calculation of diluted EPS as the effect would have been anti-dilutive.

7. Income Taxes

We record unrecognized tax benefits in accordance with applicable accounting standards. During the six months ended June 30, 2014, gross unrecognized tax benefits increased by $12.8 million to $112.0 million. If recognized, approximately $100.0 million of the $112.0 million in unrecognized tax benefits would affect our effective tax rate in future periods.

We recognize interest and penalties related to unrecognized tax benefits as a component of our income tax provision. We had accrued interest and penalties totaling $23.2 million and $28.8 million as of June 30, 2014 and December 31, 2013, respectively, that were included in other noncurrent liabilities in the Condensed Consolidated Balance Sheets.

Based upon the information available as of June 30, 2014, we anticipate that the amount of uncertain tax positions will change in the next twelve months; however, the change cannot reasonably be estimated.

It is reasonably possible that the Company could change the tax status of one of its non-U.S. subsidiaries within the next twelve months, which would result in a tax benefit to the Company in the period when the tax status changes. As of June 30, 2014, this tax benefit is estimated to be between $60 million and $100 million.

For the three months ended June 30, 2014, tax expense specific to the period included a benefit of $13.5 million, which primarily related to changes in estimates related to the filing of the December 31, 2013 tax returns for certain non-U.S. subsidiaries. For the six months ended June 30, 2014, we recorded tax benefits specific to the period of $76.0 million, which primarily related to the intended sale of our distribution business in Argentina, as well as the changes in estimates previously noted.
8. Inventories

Inventories consist of the following:

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2014</th>
<th>December 31, 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raw materials</td>
<td>$421.1</td>
<td>$34.0</td>
</tr>
<tr>
<td>Work in process</td>
<td>536.3</td>
<td>433.6</td>
</tr>
<tr>
<td>Finished goods</td>
<td>921.6</td>
<td>891.6</td>
</tr>
<tr>
<td>Operating materials and supplies</td>
<td>79.6</td>
<td>73.7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,579.6</strong></td>
<td><strong>$1,432.9</strong></td>
</tr>
</tbody>
</table>

9. Goodwill

The changes in the carrying amount of goodwill, by reporting unit, are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Phosphates</th>
<th>Potash</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as of December 31, 2013</td>
<td>$535.8</td>
<td>$1,258.6</td>
<td>$1,794.4</td>
</tr>
<tr>
<td>Foreign currency translation</td>
<td>—</td>
<td>(1.8)</td>
<td>(1.8)</td>
</tr>
<tr>
<td>Reallocation of goodwill to assets held for sale</td>
<td>5.1</td>
<td>(4.8)</td>
<td>0.3</td>
</tr>
<tr>
<td><strong>Balance as of June 30, 2014</strong></td>
<td>$540.9</td>
<td>$1,252.0</td>
<td>$1,792.9</td>
</tr>
</tbody>
</table>

We review goodwill for impairment annually in October or at any time events or circumstances indicate that the carrying value may not be fully recoverable, which is based on our accounting policy.

10. Financing Arrangements

Term Loan Facility

On March 20, 2014, Mosaic entered into an unsecured $800 million term loan facility (the “Term Loan Facility”) with certain financial institutions. Under the Term Loan Facility, Mosaic may on up to two occasions borrow, on a pro rata basis, up to $370 million under Term A-1 Loans (the “Term A-1 Loans”) and up to $430 million under Term A-2 Loans (“Term A-2 Loans,” and collectively with the Term A-1 Loans, “Loans”). The lenders’ commitments to loan such amounts expire on the earlier of September 19, 2014, full funding of the Loans or earlier termination of the loan commitments (the “Commitment Termination Date”). Final maturity of the Term A-1 Loans is the third anniversary of the Commitment Termination Date and final maturity of the Term A-2 Loans is the fifth anniversary of the Commitment Termination Date. In addition, Mosaic is required to repay 5.00% of the Term A-1 loan balance on each of the first two anniversaries of the Commitment Termination Date and 5.00% of the Term A-2 loan balance on each of the first two anniversaries, 7.50% on the third anniversary, and 10.00% on the fourth anniversary of the Commitment Termination Date. A ticking fee accures at an annual rate of 0.125% on the aggregate undrawn commitments under the Term Loan Facility beginning April 19, 2014. Mosaic may prepay the outstanding Loans at any time, partially or in whole, at its own discretion, without premium or penalty.

As of June 30, 2014, no borrowings have been made or are outstanding under the Term Loan Facility. Proceeds of borrowings under the Term Loan Facility may be used to replenish cash that Mosaic used to fund the CF Phosphate Assets Acquisition as described in Note 17 or for working capital, capital expenditures, dividends, share repurchases, other acquisitions and other lawful corporate purposes.
The Term Loan Facility has cross-default provisions that, in general, provide that a failure to pay principal or interest under any one item of other indebtedness in excess of $50 million or $75 million for multiple items of other indebtedness, or breach or default under such indebtedness that permits the holders thereof to accelerate the maturity thereof, will result in a cross-default.

The Term Loan Facility requires Mosaic to maintain certain financial ratios, including a maximum ratio of Total Debt to EBITDA (as defined) of 3.5 to 1.0, as well as a minimum Interest Coverage Ratio (as defined) of not less than 3.0 to 1.0.

The Term Loan Facility also contains other events of default and covenants that limit various matters. These provisions include limitations on indebtedness, liens, investments and acquisitions (other than capital expenditures), certain mergers, certain sales of assets and other matters customary for credit facilities of this nature.

11. Contingencies

We have described below judicial and administrative proceedings to which we are subject.

We have contingent environmental liabilities that arise principally from three sources: (i) facilities currently or formerly owned by our subsidiaries or their predecessors; (ii) facilities adjacent to currently or formerly owned facilities; and (iii) third-party Superfund or state equivalent sites. At facilities currently or formerly owned by our subsidiaries or their predecessors, the historical use and handling of regulated chemical substances, crop and animal nutrients and additives and by-product or process tailings have resulted in soil, surface water and/or groundwater contamination. Spills or other releases of regulated substances, subsidence from mining operations and other incidents arising out of operations, including accidents, have occurred previously at these facilities, and potentially could occur in the future, possibly requiring us to undertake or fund cleanup or result in monetary damage awards, fines, penalties, other liabilities, injunctions or other court or administrative rulings. In some instances, pursuant to consent orders or agreements with governmental agencies, we are undertaking certain remedial actions or investigations to determine whether remedial action may be required to address contamination. At other locations, we have entered into consent orders or agreements with appropriate governmental agencies to perform required remedial activities that will address identified site conditions. Taking into consideration established accruals of approximately $36.2 million and $31.3 million as of June 30, 2014 and December 31, 2013, respectively, expenditures for these known conditions currently are not expected, individually or in the aggregate, to have a material effect on our business or financial condition. However, material expenditures could be required in the future to remediate the contamination at known sites or at other current or former sites or as a result of other environmental, health and safety matters. Below is a discussion of the more significant environmental matters.

EPA RCRA Initiative. In 2003, the U.S. Environmental Protection Agency ("EPA") Office of Enforcement and Compliance Assurance announced that it would be targeting facilities in mineral processing industries, including phosphoric acid producers, for a thorough review under the U.S. Resource Conservation and Recovery Act ("RCRA") and related state laws. Mining and processing of phosphates generate residual materials that must be managed both during the operation of a facility and upon a facility’s closure. Certain solid wastes generated by our phosphate operations may be subject to regulation under RCRA and related state laws. The EPA rules exempt “extraction” and “beneficiation” wastes, as well as 20 specified “mineral processing” wastes, from the hazardous waste management requirements of RCRA. Accordingly, certain of the residual materials which our phosphate operations generate, as well as process wastewater from phosphoric acid production, are exempt from RCRA regulation. However, the generation and management of other solid wastes from phosphate operations may be subject to hazardous waste regulation if the waste is deemed to exhibit a “hazardous waste characteristic.” As part of its initiative, we understand that EPA has inspected all or nearly all facilities in the
U.S. phosphoric acid production sector to ensure compliance with applicable RCRA regulations and to address any “imminent and substantial endangerment” found by the EPA under RCRA. We have provided the EPA with substantial amounts of information regarding the process water recycling practices and the hazardous waste handling practices at our phosphate production facilities in Florida and Louisiana, and the EPA has inspected all of our currently operating processing facilities in the U.S. In addition to the EPA’s inspections, our phosphates concentrates facilities have entered into consent orders to perform analyses of existing environmental data, to perform further environmental sampling as may be necessary, and to assess whether the facilities pose a risk of harm to human health or the surrounding environment.

We have received Notices of Violation (“NOVs”) from the EPA related to the handling of hazardous waste at our Riverview (September 2005), New Wales (October 2005), Mulberry (June 2006), Green Bay (August 2006) and Bartow (September 2006) facilities in Florida. The EPA issued similar NOVs to our competitors, including with respect to the Plant City Facility acquired in the CF Phosphate Assets Acquisition as described in Note 17, and referred the NOVs to the U.S. Department of Justice (“DOJ”) for further enforcement. We currently are engaged in discussions with the DOJ and EPA with respect to our facilities (excluding the Plant City Facility). We believe we have substantial defenses to allegations in the NOVs, including but not limited to previous EPA regulatory interpretations and inspection reports finding that the process water handling practices in question comply with the requirements of the exemption for extraction and beneficiation wastes. We intend to evaluate various alternatives and continue discussions to determine if a negotiated resolution can be reached. If it cannot, we intend to vigorously defend these matters in any enforcement actions that may be pursued.

We are negotiating the terms of a possible settlement with the EPA, the DOJ, the Florida Department of Environmental Protection and the Louisiana Department of Environmental Quality (collectively, the “Government”) and the final terms are not yet agreed upon or approved. If a settlement can be achieved, in all likelihood our commitments would be multi-faceted with key elements including, in general and among other elements, the following:

- Incurring future capital expenditures likely to exceed $150 million in the aggregate over a period of several years.
- Providing meaningful additional financial assurance for the estimated costs of closure and post-closure care (“Gypstack Closure Costs”) of our phosphogypsum management systems (“Gypstacks”). For financial reporting purposes, we recognize our estimated ARO, including Gypstack Closure Costs, at their present value. This present value determined for financial reporting purposes is reflected on our Consolidated Balance Sheets in accrued liabilities and other noncurrent liabilities. As of December 31, 2013, the undiscounted amount of our ARO, determined using the assumptions used for financial reporting purposes, was approximately $1.5 billion and the present value of our Gypstack Closure Costs reflected in our Consolidated Balance Sheet was approximately $465 million. Currently, financial assurance requirements in Florida and Louisiana for Gypstack Closure Costs can be satisfied through a variety of methods, including satisfaction of financial tests. In the context of a potential settlement of the Government’s enforcement action, we expect that we would agree to pre-fund a material portion of our Gypstack Closure Costs, primarily by depositing cash, currently estimated to be in the amount of approximately $625 million, into a trust fund which would increase over time with reinvestment of earnings. Amounts held in any such trust fund (including reinvested earnings) would be classified as restricted cash included in other assets on our Consolidated Balance Sheets. We expect that any final settlement of this matter would resolve all of our financial assurance obligations to the Government for Gypstack Closure Costs. Our actual Gypstack Closure Costs are generally expected to be paid by us in the normal course of our Phosphates business over a period that may not end until three decades or more after a Gypstack has been closed.
We have also established accruals to address the estimated cost of civil penalties in connection with this matter, which we do not believe, in light of the relevant regulatory history, would be material to our results of operations, liquidity or capital resources.

In light of our strong operating cash flows, liquidity and capital resources, we believe that we have sufficient liquidity and capital resources to be able to fund such capital expenditures, financial assurance requirements and civil penalties as part of a settlement. If a settlement cannot be agreed upon, we cannot predict the outcome of any litigation or estimate the potential amount or range of loss; however, we would face potential exposure to material costs should we fail in the defense of an enforcement action.

See Note 17 for a discussion of how the EPA’s RCRA Initiative and Florida financial assurance requirements affect the facilities we acquired in the CF Phosphate Assets Acquisition.

**EPA EPCRA Initiative.** In July 2008, the DOJ sent a letter to major U.S. phosphoric acid manufacturers, including us, stating that the EPA’s ongoing investigation indicates apparent violations of Section 313 of the Emergency Planning and Community Right-to-Know Act (“EPCRA”) at their phosphoric acid manufacturing facilities. Section 313 of EPCRA requires annual reports to be submitted with respect to the use or presence of certain toxic chemicals. DOJ and EPA also stated that they believe that a number of these facilities have violated Section 304 of EPCRA and Section 103 of the Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”) by failing to provide required notifications relating to the release of hydrogen fluoride from the facilities. The letter did not identify any specific violations by us or assert a demand for penalties against us. We cannot predict at this time whether the EPA and DOJ will initiate an enforcement action over this matter, what its scope would be, or what the range of outcomes of such a potential enforcement action might be.

**Florida Sulfuric Acid Plants.** On April 8, 2010, the EPA Region 4 submitted an administrative subpoena to us under Section 114 of the Federal Clean Air Act (the “CAA”) regarding compliance of our Florida sulfuric acid plants with the “New Source Review” requirements of the CAA. The request received by Mosaic appears to be part of a broader EPA national enforcement initiative focusing on sulfuric acid plants. We cannot predict at this time whether the EPA and DOJ will initiate an enforcement action over this matter, what its scope would be, or what the range of outcomes of such a potential enforcement action might be.

**Other Environmental Matters.** Superfund and equivalent state statutes impose liability without regard to fault or to the legality of a party’s conduct on certain categories of persons who are considered to have contributed to the release of “hazardous substances” into the environment. Under Superfund, or its various state analogues, one party may, under certain circumstances, be required to bear more than its proportionate share of cleanup costs at a site where it has liability if payments cannot be obtained from other responsible parties. Currently, certain of our subsidiaries are involved or concluding involvement at several Superfund or equivalent state sites. Our remedial liability from these sites, alone or in the aggregate, is not expected to have a material effect on our business or financial condition. As more information is obtained regarding these sites and the potentially responsible parties involved, this expectation could change.

We believe that, pursuant to several indemnification agreements, our subsidiaries are entitled to at least partial, and in many instances complete, indemnification for the costs that may be expended by us or our subsidiaries to remedy environmental issues at certain facilities. These agreements address issues that resulted from activities occurring prior to our acquisition of facilities or businesses from parties including, but not limited to, ARCO (BP); Beatrice Fund for Environmental Liabilities; Conoco; Conserv; Estech, Inc.; Kaiser Aluminum & Chemical Corporation; Kerr-McGee Inc.; PPG Industries, Inc.; The Williams Companies; CF; and certain other private parties. Our subsidiaries have already received and anticipate receiving amounts pursuant to
the indemnification agreements for certain of their expenses incurred to date as well as future anticipated expenditures. We record potential indemnifications as an offset to the established accruals when they are realizable or realized.

**MicroEssentials® Patent Lawsuit**

On January 9, 2009, John Sanders and Specialty Fertilizer Products, LLC filed a complaint against Mosaic, Mosaic Fertilizer, LLC, Cargill, Incorporated and Cargill Fertilizer, Inc. in the United States District Court for the Western District of Missouri (the “Missouri District Court”). The complaint alleges that our production of MicroEssentials® SZ, one of several types of the MicroEssentials® value-added ammoniated phosphate crop nutrient products that we produce, infringes on a patent held by the plaintiffs since 2001. Plaintiffs have since asserted that other MicroEssentials® products also infringe the patent. Plaintiffs seek to enjoin the alleged infringement and to recover an unspecified amount of damages and attorneys’ fees for past infringement. Our answer to the complaint responds that the plaintiffs’ patent is not infringed, is invalid and is unenforceable because the plaintiffs engaged in inequitable conduct during the prosecution of the patent.

The Missouri District Court stayed the lawsuit pending an ex parte reexamination of plaintiffs’ patent claims by the U.S. Patent and Trademark Office (the “PTO”). That ex parte reexamination has now ended. On September 12, 2012, however, Shell Oil Company (“Shell”) filed an additional reexamination request which in part asserted that the claims as amended and added in connection with the ex parte reexamination are unpatentable. On October 4, 2012, the PTO issued an Ex Parte Reexamination Certificate in which certain claims of the plaintiffs’ patent were cancelled, disclaimed and amended, and new claims were added. Following the PTO’s grant of Shell’s request for an inter parties reexamination, on December 11, 2012, the PTO issued an initial rejection of all of plaintiffs’ remaining patent claims. On September 12, 2013, the PTO reversed its initial rejection of the plaintiffs’ remaining patent claims and allowed them to stand. Shell has appealed the PTO’s decision. A successful appeal by Shell could limit or eliminate the claims the plaintiffs can assert against us.

We believe that the plaintiffs’ allegations are without merit and intend to defend vigorously against them. At this stage of the proceedings, we cannot predict the outcome of this litigation, estimate the potential amount or range of loss or determine whether it will have a material effect on our results of operations, liquidity or capital resources.

**Brazil Tax Contingencies**

Our Brazilian subsidiary is engaged in a number of judicial and administrative proceedings relating to various non-income tax matters. We estimate that our maximum potential liability with respect to these matters is approximately $102 million. Approximately $55 million of the maximum potential liability relates to PIS and Cofins tax credit cases while the majority of the remaining amount relates to various other non-income tax cases such as value added taxes. In the event that the Brazilian government was to prevail in connection with all judicial and administrative matters involving us and considering the amount of judicial deposits made, our maximum cash tax liability with respect to these matters would be approximately $101 million. Based on the current status of similar tax cases involving unrelated taxpayers, we believe we have recorded adequate accruals, which are immaterial, for the probable liability with respect to these Brazilian judicial and administrative proceedings.

**Other Claims**

We also have certain other contingent liabilities with respect to judicial, administrative and arbitration proceedings and claims of third parties, including tax matters, arising in the ordinary course of business. We do not believe that any of these contingent liabilities will have a material adverse impact on our business or financial condition, results of operations, and cash flows.
12. Accounting for Derivative Instruments and Hedging Activities

We periodically enter into derivatives to mitigate our exposure to foreign currency risks and the effects of changing commodity and freight prices. We record all derivatives on the Consolidated Balance Sheets at fair value. The fair value of these instruments is determined by using quoted market prices, third party comparables, or internal estimates. We net our derivative asset and liability positions when we have a master netting arrangement in place. Changes in the fair value of the foreign currency, commodity, and freight derivatives are immediately recognized in earnings because we do not apply hedge accounting treatment to these instruments. As of June 30, 2014 and December 31, 2013, the gross asset position of our derivative instruments was $22.8 million and $7.9 million, respectively, and the gross liability position of our liability instruments was $7.9 million and $20.4 million, respectively.

Unrealized gains and (losses) on foreign currency exchange contracts used to hedge cash flows related to the production of our products are included in cost of goods sold in the Consolidated Statements of Earnings. Unrealized gains and (losses) on commodities contracts and certain forward freight agreements are also recorded in cost of goods sold in the Consolidated Statements of Earnings. Unrealized gains or (losses) on foreign currency exchange contracts used to hedge cash flows that are not related to the production of our products are included in the foreign currency transaction gain/(loss) line in the Consolidated Statements of Earnings.

As of June 30, 2014 and December 31, 2013, the following is the total absolute notional volume associated with our outstanding derivative instruments:

<table>
<thead>
<tr>
<th>(in millions of Units)</th>
<th>Derivative Instrument</th>
<th>Derivative Category</th>
<th>Unit of Measure</th>
<th>June 30, 2014</th>
<th>December 31, 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreign currency derivatives</td>
<td>Foreign currency</td>
<td>US Dollars</td>
<td>1,237.2</td>
<td>940.2</td>
<td></td>
</tr>
<tr>
<td>Natural gas derivatives</td>
<td>Commodity</td>
<td>MMbtu</td>
<td>3.1</td>
<td>8.2</td>
<td></td>
</tr>
<tr>
<td>Ocean freight contracts</td>
<td>Freight</td>
<td>Tonnes</td>
<td>0.2</td>
<td>0.3</td>
<td></td>
</tr>
</tbody>
</table>

Credit-Risk-Related Contingent Features

Certain of our derivative instruments contain provisions that are governed by International Swap and Derivatives Association ("ISDA") agreements with the counterparties. These agreements contain provisions that allow us to settle for the net amount between payments and receipts, and also state that if our debt were to be rated below investment grade, certain counterparties could request full collateralization on derivative instruments in net liability positions. The aggregate fair value of all derivative instruments with credit-risk-related contingent features that were in a liability position as of June 30, 2014 and December 31, 2013, was $2.6 million and $12.3 million, respectively. We have no cash collateral posted in association with these contracts. If the credit-risk-related contingent features underlying these agreements were triggered on June 30, 2014, we would be required to post $0.2 million of collateral assets, which are either cash or U.S. Treasury instruments, to the counterparties.

Counterparty Credit Risk

We enter into foreign exchange and certain commodity and interest rate derivatives, primarily with a diversified group of highly rated counterparties. We continually monitor our positions and the credit ratings of the counterparties involved and limit the amount of credit exposure to any one party. While we may be exposed to potential losses due to the credit risk of non-performance by these counterparties, material losses are not anticipated. We closely monitor the credit risk associated with our counterparties and customers and to date have not experienced material losses.
13. Fair Value Measurements

Following is a summary of the valuation techniques for assets and liabilities recorded in our Consolidated Balance Sheets at fair value on a recurring basis:

**Foreign Currency Derivatives**—The foreign currency derivative instruments that we currently use are forward contracts, zero-cost collars, and futures, which typically expire within eighteen months. Valuations are based on exchange-quoted prices, which are classified as Level 1. Some of the valuations are adjusted by a forward yield curve or interest rates. In such cases, these derivative contracts are classified within Level 2. Changes in the fair market values of these contracts are recognized in the Condensed Consolidated Financial Statements as a component of cost of goods sold or foreign currency transaction gain (loss). As of June 30, 2014 and December 31, 2013, the gross asset position of our foreign currency derivative instruments was $19.1 million and $0.6 million, respectively, and the gross liability position of our foreign currency derivative instruments was $7.4 million and $18.1 million, respectively.

**Commodity Derivatives**—The commodity contracts primarily relate to natural gas. The commodity derivative instruments that we currently use are forward purchase contracts, swaps, and three-way collars. The natural gas contracts settle using NYMEX futures or AECO price indexes, which represent fair value at any given time. The contracts’ maturities are for future months and settlements are scheduled to coincide with anticipated gas purchases during those future periods. Quoted market prices from NYMEX and AECO are used to determine the fair value of these instruments. These market prices are adjusted by a forward yield curve and are classified within Level 2. Changes in the fair market values of these contracts are recognized in the Condensed Consolidated Financial Statements as a component of cost of goods sold. As of June 30, 2014 and December 31, 2013, the gross asset position of our commodity derivative instruments was $3.5 million and $6.0 million, respectively, and the gross liability position of our commodity derivative instruments was $0.3 million and $2.0 million, respectively.

**Freight Derivatives**—The freight derivatives that we currently use are forward freight agreements. We estimate fair market values based on exchange-quoted prices, adjusted for differences in local markets. These differences are generally valued using inputs from broker quotations. Therefore, these contracts are classified in Level 2. Certain ocean freight derivatives are traded in less active markets with less availability of pricing information and require internally-developed inputs that might not be observable or corroborated by the market. These contracts are classified within Level 3. Changes in the fair market values of these contracts are recognized in the Condensed Consolidated Financial Statements as a component of cost of goods sold. As of June 30, 2014 and December 31, 2013, the gross asset position of our freight derivative instruments was $0.2 million and $1.3 million, respectively, and the gross liability position of our freight derivative instruments was $0.2 million and $0.3 million, respectively.

**Financial Instruments**

The carrying amounts and estimated fair values of our financial instruments are as follows:

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2014</th>
<th></th>
<th>December 31, 2013</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Carrying</td>
<td>Fair Value</td>
<td>Carrying Amount</td>
<td>Fair Value</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$2,367.0</td>
<td>$2,367.0</td>
<td>$5,293.1</td>
<td>$5,293.1</td>
</tr>
<tr>
<td>Receivables, net</td>
<td>604.2</td>
<td>604.2</td>
<td>543.1</td>
<td>543.1</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>750.2</td>
<td>750.2</td>
<td>570.2</td>
<td>570.2</td>
</tr>
<tr>
<td>Short-term debt</td>
<td>12.7</td>
<td>12.7</td>
<td>22.6</td>
<td>22.6</td>
</tr>
<tr>
<td>Long-term debt, including current portion</td>
<td>3,013.5</td>
<td>3,284.3</td>
<td>3,009.3</td>
<td>3,059.6</td>
</tr>
</tbody>
</table>
For cash and cash equivalents, receivables, net, accounts payable and short-term debt, the carrying amount approximates fair value because of the short-term maturity of those instruments. The fair value of long-term debt, including current portion, is estimated using quoted market prices for the publicly registered notes and debentures, classified as Level 1 and Level 2, respectively, within the fair value hierarchy, depending on the market liquidity of the debt.

14. Related Party Transactions

We enter into transactions and agreements with certain of our non-consolidated companies from time to time. As of June 30, 2014 the net amount due to our non-consolidated companies totaled $59.0 million and the amount due from them was $52.6 million at December 31, 2013.

The Condensed Consolidated Statements of Earnings included the following transactions with our non-consolidated companies:

<table>
<thead>
<tr>
<th></th>
<th>Three months ended</th>
<th></th>
<th>Six months ended</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Transactions with non-consolidated companies included in net sales</td>
<td>$ 307.7</td>
<td>$ 464.9</td>
<td>$512.7</td>
<td>$802.8</td>
</tr>
<tr>
<td>Transactions with non-consolidated companies included in cost of goods sold</td>
<td>191.3</td>
<td>168.8</td>
<td>288.7</td>
<td>248.7</td>
</tr>
</tbody>
</table>
15. Business Segments

The reportable segments are determined by management based upon factors such as products and services, production processes, technologies, market dynamics, and for which segment financial information is available for our chief operating decision maker. For a description of our business segments see Note 1 to the Condensed Consolidated Financial Statements in this report. We evaluate performance based on the operating earnings of the respective business segments, which includes certain allocations of corporate selling, general and administrative expenses. The segment results may not represent the actual results that would be expected if they were independent, stand-alone businesses. Corporate, Eliminations and Other primarily represents unallocated corporate office activities and eliminations. All intersegment transactions are eliminated within Corporate, Eliminations and Other. Segment information for the three and six months ended June 30, 2014 and 2013 was as follows:

<table>
<thead>
<tr>
<th>Segment</th>
<th>Phosphates</th>
<th>Potash</th>
<th>Corporate, Eliminations and Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Three months ended June 30, 2014</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net sales to external customers</td>
<td>$ 1,671.5</td>
<td>$ 760.2</td>
<td>$ 8.5</td>
<td>$ 2,440.2</td>
</tr>
<tr>
<td>Intersegment net sales</td>
<td>—</td>
<td>2.1</td>
<td>(2.1)</td>
<td>—</td>
</tr>
<tr>
<td>Net sales</td>
<td>1,671.5</td>
<td>762.3</td>
<td>6.4</td>
<td>2,440.2</td>
</tr>
<tr>
<td>Gross margin</td>
<td>283.5</td>
<td>250.5</td>
<td>(12.9)</td>
<td>521.1</td>
</tr>
<tr>
<td>Operating earnings</td>
<td>206.2</td>
<td>212.9</td>
<td>(15.9)</td>
<td>403.2</td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>115.0</td>
<td>93.8</td>
<td>5.2</td>
<td>214.0</td>
</tr>
<tr>
<td>Depreciation, depletion and amortization expense</td>
<td>94.9</td>
<td>92.0</td>
<td>7.5</td>
<td>194.4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Segment</th>
<th>Phosphates</th>
<th>Potash</th>
<th>Corporate, Eliminations and Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Three months ended June 30, 2013</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net sales to external customers</td>
<td>$ 1,645.7</td>
<td>$ 968.6</td>
<td>$ 4.4</td>
<td>$ 2,618.7</td>
</tr>
<tr>
<td>Intersegment net sales</td>
<td>—</td>
<td>5.3</td>
<td>(5.3)</td>
<td>—</td>
</tr>
<tr>
<td>Net sales</td>
<td>1,645.7</td>
<td>973.9</td>
<td>(0.9)</td>
<td>2,618.7</td>
</tr>
<tr>
<td>Gross margin</td>
<td>279.4</td>
<td>388.9</td>
<td>(3.0)</td>
<td>665.3</td>
</tr>
<tr>
<td>Operating earnings</td>
<td>190.9</td>
<td>346.3</td>
<td>(11.5)</td>
<td>525.7</td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>140.3</td>
<td>216.0</td>
<td>17.7</td>
<td>374.0</td>
</tr>
<tr>
<td>Depreciation, depletion and amortization expense</td>
<td>74.1</td>
<td>88.7</td>
<td>4.9</td>
<td>167.7</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Segment</th>
<th>Phosphates</th>
<th>Potash</th>
<th>Corporate, Eliminations and Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Six months ended June 30, 2014</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net sales to external customers</td>
<td>$ 2,925.1</td>
<td>$1,486.5</td>
<td>$ 14.9</td>
<td>$ 4,426.5</td>
</tr>
<tr>
<td>Intersegment net sales</td>
<td>—</td>
<td>9.0</td>
<td>(9.0)</td>
<td>—</td>
</tr>
<tr>
<td>Net sales</td>
<td>2,925.1</td>
<td>1,495.5</td>
<td>5.9</td>
<td>4,426.5</td>
</tr>
<tr>
<td>Gross margin</td>
<td>490.8</td>
<td>462.6</td>
<td>(20.6)</td>
<td>932.8</td>
</tr>
<tr>
<td>Operating earnings</td>
<td>344.3</td>
<td>379.1</td>
<td>(53.6)</td>
<td>669.8</td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>238.4</td>
<td>237.7</td>
<td>12.8</td>
<td>488.9</td>
</tr>
<tr>
<td>Depreciation, depletion and amortization expense</td>
<td>176.3</td>
<td>178.8</td>
<td>13.6</td>
<td>368.7</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Segment</th>
<th>Phosphates</th>
<th>Potash</th>
<th>Corporate, Eliminations and Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Six months ended June 30, 2013</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net sales to external customers</td>
<td>$ 3,146.5</td>
<td>$1,777.0</td>
<td>$ 7.7</td>
<td>$ 4,931.2</td>
</tr>
<tr>
<td>Intersegment net sales</td>
<td>—</td>
<td>21.5</td>
<td>(21.5)</td>
<td>—</td>
</tr>
<tr>
<td>Net sales</td>
<td>3,146.5</td>
<td>1,798.5</td>
<td>(13.8)</td>
<td>4,931.2</td>
</tr>
<tr>
<td>Gross margin</td>
<td>532.4</td>
<td>785.9</td>
<td>(11.3)</td>
<td>1,307.0</td>
</tr>
<tr>
<td>Operating earnings</td>
<td>375.6</td>
<td>652.5</td>
<td>(11.3)</td>
<td>1,016.8</td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>240.5</td>
<td>450.8</td>
<td>50.2</td>
<td>741.5</td>
</tr>
<tr>
<td>Depreciation, depletion and amortization expense</td>
<td>145.9</td>
<td>167.6</td>
<td>9.2</td>
<td>322.7</td>
</tr>
<tr>
<td>Total assets as of June 30, 2014</td>
<td>$10,894.0</td>
<td>$9,953.9</td>
<td>(2,554.4)</td>
<td>$18,293.5</td>
</tr>
<tr>
<td>Total assets as of December 31, 2013</td>
<td>9,945.1</td>
<td>9,597.4</td>
<td>11.5</td>
<td>19,554.0</td>
</tr>
</tbody>
</table>
16. Assets Held for Sale

In 2013, we decided to exit our distribution businesses in Argentina and Chile. In connection with this decision, we wrote down the related assets by approximately $56 million pre-tax to their estimated fair value, of which $50 million was included in loss on write down of assets in the Consolidated Statement of Earnings in our 10-K Report. As a result of new information regarding the structure of the intended disposition of Argentina’s distribution business as an asset sale, during the six months ended June 30, 2014, we recorded a $53.6 million tax benefit. Additionally, the decision was made in the second quarter of 2014 to close the Chile business and sell the remaining fixed assets. We recorded a loss of $5.6 million pre-tax related to the decision. The assets related to Argentina’s distribution businesses and the fixed assets related to Chile’s distribution businesses qualify for asset held for sale accounting. At June 30, 2014, we included $49.8 million in other current assets and $8.1 million in accrued liabilities in our Condensed Consolidated Balance Sheet as assets held for sale. We expect to continue to sell our products in these countries by using other distribution channels.

In 2013, we also decided to sell the salt operations of our Hersey, Michigan mine and close the related potash operations. In connection with the planned sale of this mine, we wrote down the related assets by approximately $48 million pre-tax, to their estimated fair value in 2013, and recorded a corresponding tax benefit of approximately $17 million, which is reflected in the Consolidated Statement of Earnings in our 10-K Report. At June 30, 2014, approximately $41 million has been included in assets held for sale related to Hersey. The sale of the salt operations was completed on July 29, 2014 for $55 million, resulting in a pre-tax gain of $13.5 million.

17. CF Acquisition

On March 17, 2014, we completed the CF Phosphate Assets Acquisition. The purchase price was $1,172.1 million, which includes $22.2 million related to adjustments to working capital acquired that was paid subsequent to June 30, 2014, plus an additional $203.7 million (all in cash) to fund CF’s asset retirement obligation trust and escrow. We acquired CF’s phosphate mining and production operations in Central Florida and terminal and warehouse facilities in Tampa, Florida. This acquisition allows us to take advantage of synergies associated with combining our phosphate operations and logistical capabilities in Central Florida with those of CF. In addition, we will be able to forego the construction of a beneficiation plant at Ona and the construction of an ammonia plant. The results of the CF phosphates operations have been included in our condensed consolidated financial statements for the period from March 17, 2014 through June 30, 2014.

As part of the CF Phosphate Assets Acquisition, we assumed certain ARO related to Gypstack Closure Costs at both the Plant City, Florida phosphate concentrates facility (the “Plant City Facility”) and a closed Florida phosphate concentrates facility in Bartow, Florida (the “Bonnie Facility”) that we acquired. Associated with these assets are two related financial assurance arrangements for which we became responsible and that pre-fund the estimated Gypstack Closure Costs for these facilities, pursuant to federal or state law. One is a trust (the “Plant City Trust”) established to meet the requirements under a consent decree with the EPA and the FDEP with respect to RCRA compliance at Plant City (the “Plant City Consent Decree”) that also satisfies Florida financial assurance requirements at that site. The other is a trust fund (the “Bonnie Facility Trust”) established to meet the requirements under Florida financial assurance regulations (the “Florida Financial Assurance Requirement”) that apply to the Bonnie Facility. In the CF Phosphate Assets Acquisition, we deposited $189.2 million into the Plant City Trust as a substitute for funds that CF had deposited into trust. The Plant City Trust is currently fully funded based on our most recent closure cost estimates. In addition, in July 2014, the FDEP approved our funding of $14.5 million into the Bonnie Facility Trust, which substituted funds that CF had deposited into an escrow account. We expect we will be required to deposit up to an additional $4 million in the Bonnie Facility Trust near the end of 2015. Both financial assurance funding obligations require estimates of
future expenditures that could be impacted by refinements in scope, technological developments, cost inflation, changes in regulations, discount rates and the timing of activities. Additional funding would be required in the future if increases in cost estimates exceed investment earnings in the Plant City Trust or the Bonnie Facility Trust. The deposits into the Plant City Trust and the Bonnie Facility Escrow are reflected in the Statement of Cash Flows components of the $1,353.6 million cash used in the CF Phosphate Assets Acquisition.

At June 30, 2014, the aggregate amount of AROs associated with the Plant City Facility and the Bonnie Facility included in our consolidated balance sheet was $100 million. The aggregate amount held in the Plant City Trust and the Bonnie Facility Trust exceeds the aggregate amount of AROs associated with the Plant City Facility and the Bonnie Facility because the amount required to be held in the Plant City Trust represents the aggregate undiscounted estimated amount to be paid by us in the normal course of our Phosphates business over a period that may not end until three decades or more after the Gypstack has been closed, while the ARO included in our Condensed Consolidated Balance Sheet reflect the discounted present value of those estimated amounts. As part of the acquisition we also acquired ARO related to land reclamation.

The following table summarizes the amounts of the assets acquired and liabilities assumed as recognized with the acquisition. The fair value of these assets and liabilities is provisional pending receipt of the final valuation:

<table>
<thead>
<tr>
<th>(in millions)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Inventory</td>
<td>$144.1</td>
</tr>
<tr>
<td>Other current assets</td>
<td>0.5</td>
</tr>
<tr>
<td>Mineral properties and rights</td>
<td>499.7</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>627.1</td>
</tr>
<tr>
<td>Funds for asset retirement obligations(1)</td>
<td>203.7</td>
</tr>
<tr>
<td>Other assets</td>
<td>56.8</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>(1.5)</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>(9.0)</td>
</tr>
<tr>
<td>Asset retirement obligation</td>
<td>(145.6)</td>
</tr>
</tbody>
</table>

$1,375.8

(1) Included with other assets in the Condensed Consolidated Balance Sheet as of June 30, 2014

We also signed two strategic supply agreements with CF under which CF will provide Mosaic with ammonia for its production purposes (“CF Ammonia Supply Agreements”). Under one agreement, which is expected to commence prior to January 1, 2017, Mosaic will purchase approximately 545,000 to 725,000 tonnes annually for up to fifteen years at a price tied to the prevailing price of U.S. natural gas. The execution of this agreement was not contingent upon the completion of the acquisition; therefore, no corresponding asset or liability was recorded as part of the acquisition accounting.

Under the second agreement, which became effective on the acquisition date, Mosaic will purchase approximately 270,000 tonnes annually for three years from CF’s Trinidad operations at CFR Tampa market-based pricing. The effectiveness of this agreement was a condition to the acquisition and included in the acquisition accounting, but its impacts were not material.

We recognized approximately $2.0 million and $7.0 million of acquisition and integration costs that were expensed during the three and six months ended June 30, 2014. These costs are included within selling, general and administrative expenses in the Condensed Consolidated Statements of Earnings.
The CF phosphates operations contributed revenues of $217.0 million and net earnings (loss) of $(2.2) million from March 17, 2014 through June 30, 2014, excluding the effects of the acquisition and integration costs described above.

The unaudited pro-forma consolidated results presented below include the effects of the acquisition as if it had been consummated as of January 1, 2013. The pro-forma results below include adjustments related to depreciation and amortization to reflect the fair value of acquired property, plant and equipment and identifiable intangible assets, depletion of acquired mineral rights, and the associated income tax impacts. The pro-forma information does not necessarily reflect the actual results of operations had the acquisition been consummated at the beginning of the fiscal reporting period indicated nor is it indicative of future operating results. The pro-forma information does not include any adjustment for potential revenue enhancements, cost synergies or other operating efficiencies that could result from the acquisition or transaction or integration costs relating to the acquisition.

<table>
<thead>
<tr>
<th>(in millions)</th>
<th>Three months ended June 30, 2014</th>
<th>Three months ended June 30, 2013</th>
<th>Six months ended June 30, 2014</th>
<th>Six months ended June 30, 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>$2,440.2</td>
<td>$2,808.4</td>
<td>$4,571.6</td>
<td>$5,413.8</td>
</tr>
<tr>
<td>Net earnings attributable to Mosaic</td>
<td>$248.4</td>
<td>$432.6</td>
<td>$455.5</td>
<td>$796.3</td>
</tr>
</tbody>
</table>

18. Investment in Northern Promise Joint Venture

As of June 30, 2014, our investment in Northern Promise Joint Venture is approximately $323.5 million and is accounted for as an equity method investment. We currently estimate that the cost to develop and construct the integrated phosphate production facilities (the “Project”) will approximate $7.5 billion, which we expect to be funded primarily through investments by us, Ma’aden and SABIC and through borrowing arrangements and other external project financing facilities (“Funding Facilities”). We currently estimate that our cash investment in the Project, including the amount we have invested to date together with the amounts discussed below, will approximate $850 million. We own a 25% equity interest in the Northern Promise Joint Venture.

On June 30, 2014, the Northern Promise Joint Venture entered into Funding Facilities with a consortium of 20 financial institutions for a total amount of approximately $5.0 billion.

Also on June 30, 2014, in support of the Funding Facilities, we, together with Ma’aden and SABIC, agreed to provide our respective proportionate shares of the funding necessary for the Northern Promise Joint Venture by:

(a) Contributing equity or making shareholder subordinated loans of up to $2.4 billion to fund project costs to complete and commission the Project (the “Equity Commitments”).

(b) Through the earlier of Project completion or June 30, 2020, contributing equity, making shareholder subordinated loans or providing bank subordinated loans, to fund cost overruns on the Project (the “Additional Cost Overrun Commitment”).

(c) Through the earlier of Project completion or June 30, 2020, contributing equity, making shareholder loans or providing bank subordinated loans, to fund scheduled debt service (excluding accelerated amounts) payable under the Funding Facilities and certain other amounts (such commitment, the “DSU Commitment” and such scheduled debt service and other amounts, “Scheduled Debt Service”). Our proportionate share of amounts covered by the DSU Commitment is not presently anticipated to exceed approximately $200 million. No amounts have been recorded as of June 30, 2014 for the fair value of the DSU Commitment as no borrowings have been made against the Funding Facilities. As borrowings are made, will record the fair value of the DSU Commitment with respect thereto. We anticipate that the aggregate fair value of the DSU commitment will be substantially less than $200 million.
The Northern Promise Joint Venture has not yet entered into definitive agreements for certain of the planned Funding Facilities (the “Future Funding Facilities”) for the Project, and the definitive terms with respect to these Future Funding Facilities have not been established. To the extent that the Northern Promise Joint Venture does not obtain definitive commitments for certain of these Future Finance Facilities in the amount of approximately $560 million aggregate principal amount by June 30, 2016, we, together with Ma’aden and SABIC, have agreed to either arrange for other Future Funding Facilities or provide funding in the form of financial indebtedness to the Northern Promise Joint Venture in the amount of our respective proportionate shares of the shortfall.

We anticipate that, in connection with the Future Finance Facilities, we and the Northern Promise Joint Venture will undertake obligations in addition to the current Equity Commitments, the Additional Cost Overrun Commitment, the DSU Commitment and the IFA Bridge Loan.

19. Subsequent Event

On July 21, 2014, we decided to permanently discontinue production of MOP at our Carlsbad, New Mexico facility. The final date for production is expected to be December 31, 2014. The decision was based on the quality of the ore in the Carlsbad basin and the age of the facility’s infrastructure. Our larger potash production facilities at Esterhazy, Belle Plaine and Colonsay in Saskatchewan, Canada will continue to produce MOP.

We plan to transition the Carlsbad facility to exclusive production of our highly valued K-Mag® product line. We currently estimate that the discontinued production will result in total pre-tax charges in the range of $135 million to $160 million (primarily in the form of non-cash accelerated depreciation and depletion charges of approximately $105 million to $130 million and cash severance charges of $10 million to $20 million). The third quarter pre-tax charges are estimated to be in the range of $55 million to $75 million, with the majority of the remainder expected to be recorded in the fourth quarter.
ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following Management’s Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with the material under the heading “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in the Transition Report on Form 10-K of The Mosaic Company filed with the Securities and Exchange Commission for the transition period from June 1, 2013 to December 31, 2013 (the “10-K Report”) and the material under Item 1 of Part I of this report.

Throughout the discussion below, we measure units of production, sales and raw materials in metric tonnes, which are the equivalent of 2,205 pounds, unless we specifically state we mean long ton(s), which are the equivalent of 2,240 pounds. In the following tables, there are certain percentages that are not considered to be meaningful and are represented by “NM.”

Results of Operations

The following table shows the results of operations for the three and six months ended June 30, 2014 and 2013:

<table>
<thead>
<tr>
<th>(in millions, except per share data)</th>
<th>2014</th>
<th>2013</th>
<th>Change</th>
<th>Percent</th>
<th>2014</th>
<th>2013</th>
<th>Change</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>$2,440.2</td>
<td>$2,618.7</td>
<td>$(178.5)</td>
<td>(7)%</td>
<td>$4,426.5</td>
<td>$4,931.2</td>
<td>$(504.7)</td>
<td>(10)%</td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>1,919.1</td>
<td>1,953.4</td>
<td>(34.3)</td>
<td>(2)%</td>
<td>3,493.7</td>
<td>3,624.2</td>
<td>(130.5)</td>
<td>(4)%</td>
</tr>
<tr>
<td>Gross margin</td>
<td>521.1</td>
<td>665.3</td>
<td>(144.2)</td>
<td>(22)%</td>
<td>932.8</td>
<td>1,307.0</td>
<td>(374.2)</td>
<td>(29)%</td>
</tr>
<tr>
<td>Gross margin percentage</td>
<td>21%</td>
<td>25%</td>
<td></td>
<td></td>
<td>21%</td>
<td>27%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Selling, general and administrative expenses</td>
<td>87.5</td>
<td>116.1</td>
<td>(28.6)</td>
<td>(25)%</td>
<td>207.4</td>
<td>207.9</td>
<td>(0.5)</td>
<td>—%</td>
</tr>
<tr>
<td>Other operating expense</td>
<td>30.4</td>
<td>23.5</td>
<td>6.9</td>
<td>29%</td>
<td>55.6</td>
<td>82.3</td>
<td>(26.7)</td>
<td>(32)%</td>
</tr>
<tr>
<td>Operating earnings</td>
<td>403.2</td>
<td>525.7</td>
<td>(122.5)</td>
<td>(23)%</td>
<td>669.8</td>
<td>1,016.8</td>
<td>(347.0)</td>
<td>(34)%</td>
</tr>
<tr>
<td>Change in value of share repurchase agreement</td>
<td>(5.5)</td>
<td>—</td>
<td>(5.5)</td>
<td>NM</td>
<td>(65.5)</td>
<td>—</td>
<td>(65.5)</td>
<td>NM</td>
</tr>
<tr>
<td>Interest (expense) income, net</td>
<td>(24.6)</td>
<td>0.4</td>
<td>(25.0)</td>
<td>NM</td>
<td>(51.3)</td>
<td>4.2</td>
<td>(55.5)</td>
<td>NM</td>
</tr>
<tr>
<td>Foreign currency transaction (loss) gain</td>
<td>(38.7)</td>
<td>22.2</td>
<td>(60.9)</td>
<td>NM</td>
<td>4.7</td>
<td>39.2</td>
<td>(34.5)</td>
<td>(88)%</td>
</tr>
<tr>
<td>Other (expense) income</td>
<td>(1.3)</td>
<td>2.8</td>
<td>(4.1)</td>
<td>(146)%</td>
<td>(6.2)</td>
<td>2.2</td>
<td>(8.4)</td>
<td>NM</td>
</tr>
<tr>
<td>Earnings from consolidated companies before income taxes</td>
<td>333.1</td>
<td>551.1</td>
<td>(218.0)</td>
<td>(40)%</td>
<td>551.5</td>
<td>1,062.4</td>
<td>(510.9)</td>
<td>(48)%</td>
</tr>
<tr>
<td>Provision for income taxes</td>
<td>82.7</td>
<td>126.3</td>
<td>(43.6)</td>
<td>(35)%</td>
<td>80.1</td>
<td>260.0</td>
<td>(179.9)</td>
<td>(69)%</td>
</tr>
<tr>
<td>Earnings from consolidated companies</td>
<td>250.4</td>
<td>424.8</td>
<td>(174.4)</td>
<td>(41)%</td>
<td>471.4</td>
<td>802.4</td>
<td>(331.0)</td>
<td>(41)%</td>
</tr>
<tr>
<td>Equity in net earnings (loss) of nonconsolidated companies</td>
<td>(2.2)</td>
<td>5.2</td>
<td>(7.4)</td>
<td>(142)%</td>
<td>(5.5)</td>
<td>7.5</td>
<td>(13.0)</td>
<td>(173)%</td>
</tr>
<tr>
<td>Net earnings including noncontrolling interests</td>
<td>248.2</td>
<td>430.0</td>
<td>(181.8)</td>
<td>(42)%</td>
<td>465.9</td>
<td>809.9</td>
<td>(344.0)</td>
<td>(42)%</td>
</tr>
<tr>
<td>Less: Net earnings (loss) attributable to noncontrolling interests</td>
<td>(0.2)</td>
<td>0.2</td>
<td>(0.4)</td>
<td>NM</td>
<td>(0.1)</td>
<td>0.3</td>
<td>(0.4)</td>
<td>(133)%</td>
</tr>
<tr>
<td>Net earnings attributable to Mosaic</td>
<td>$248.4</td>
<td>$429.8</td>
<td>$(181.4)</td>
<td>(42)%</td>
<td>$466.0</td>
<td>$809.6</td>
<td>$(343.6)</td>
<td>(42)%</td>
</tr>
<tr>
<td>Diluted net earnings per share attributable to Mosaic</td>
<td>$0.64</td>
<td>$1.01</td>
<td>$(0.37)</td>
<td>(37)%</td>
<td>$1.18</td>
<td>$1.90</td>
<td>$(0.72)</td>
<td>(38)%</td>
</tr>
<tr>
<td>Diluted weighted average number of shares outstanding</td>
<td>376.2</td>
<td>427.2</td>
<td></td>
<td></td>
<td>377.5</td>
<td>427.2</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Overview of Consolidated Results for the three months ended June 30, 2014 and 2013

Net sales decreased to $2.4 billion for the three months ended June 30, 2014, compared to $2.6 billion in the prior year period. Net earnings attributable to Mosaic for the three months ended June 30, 2014 were $248.4 million, or $0.64 per diluted share, compared to $429.8 million, or $1.01 per diluted share, for the period a year ago. Included in net earnings for the three months ended June 30, 2014, is approximately $14 million, or $0.03 per diluted share, related to a discrete income tax benefit. Significant factors affecting our results of operations and financial condition are listed below. Certain of these factors are discussed in more detail in the following sections of this Management’s Discussion and Analysis of Financial Condition and Results of Operations.

Operating earnings for the three months ended June 30, 2014, were primarily impacted by lower potash selling prices compared to the same period in the prior year. Potash selling prices have stabilized and strengthened in 2014 but have not recovered to levels in the comparable prior year period. This was due to uncertainty in the potash market and weak customer sentiment, which was exacerbated in July 2013, when one of our global competitors announced its intention to increase production volumes and corresponding sales volumes.

Other Highlights

During the three months ended June 30, 2014:

- We maintained a strong financial position with cash and cash equivalents of $2.4 billion as of June 30, 2014.
- We continued to execute on our strategic plans and other priorities during the quarter ended June 30, 2014:
  - We continued to repurchase the shares under the MAC Trusts Share Repurchase Agreement. At June 30, 2014, we have repurchased all 21,647,007 Class A Shares, Series A-3, held by the MAC Trusts, and 15,462,145 Class A Shares, Series A-2, for an aggregate of approximately $1.7 billion. Subsequent to June 30, 2014, the remaining 6,184,863 Class A Shares, Series A-2, were repurchased for an aggregate of approximately $300 million, completing our commitments, including the MAC Trust Share Repurchase Agreement, to purchase approximately 52 million shares, which represented approximately 12% of our shares outstanding at December 2013.
  - On April 15, 2014, we signed definitive agreements with Archer Daniels Midland Company (“ADM”) to acquire its fertilizer distribution business and working capital in Brazil and Paraguay for approximately $350 million. This acquisition is expected to significantly accelerate our previously announced growth plans in Brazil as well as replace a substantial amount of planned internal investments in that country. Under the terms of the agreements, we would acquire four blending and warehousing facilities in Brazil, one in Paraguay and additional warehousing and logistics service capabilities. We expect this acquisition to increase our annual distribution in the region from approximately four million metric tonnes to about six million metric tonnes of crop nutrients. We have received anti-trust approval in Brazil. Other regulatory approvals remain pending. We expect the acquisition to close near the end of 2014.
  - The Esterhazy K3 mine development is on track, with both shafts more than 1,500 feet below surface.
  - On June 30, 2014, the Northern Promise Joint Venture entered into funding facilities with a consortium of 20 financial institutions for a total amount of $5.0 billion. We estimate the cost to develop and construct the integrated phosphate production facilities will approximate $7.5 billion, which we expect to be funded through external funding facilities, including the one mentioned above, and investments by the joint venture members.
Subsequent to the quarter end, on July 23, 2014, we announced our decision to permanently discontinue production of MOP at our Carlsbad, New Mexico facility. The final date for production is expected to be December 31, 2014. The decision is based on the quality of the ore in the Carlsbad basin and the age of the facility’s infrastructure. We plan to transition the Carlsbad facility to exclusive production of our highly valued K-Mag product line. We currently estimate that the discontinued production will result in total pre-tax charges in the range of $135 million to $160 million (primarily in the form of non-cash accelerated depreciation and depletion charges of approximately $105 million to $130 million and cash severance charges of $10 million to $20 million). The third quarter pre-tax charges are estimated to be in the range of $55 million to $75 million with the majority of the remainder expected to be recorded in the fourth quarter.

Overview of Consolidated Results for the six months ended June 30, 2014 and 2013

Net earnings attributable to Mosaic for the six months ended June 30, 2014 were $466.0 million, or $1.18 per diluted share, compared to $809.6 million, or $1.90 per diluted share, for the same period a year ago. Included in net earnings is $66 million, or $0.17 per diluted share, related to the change in value of our Share Repurchase Agreements and a discrete income tax benefit of approximately $76 million, or $0.19 per diluted share. On March 17, 2014, we completed the CF Phosphate Assets Acquisition and have included the results in our condensed consolidated financial statements from that date. Results for the six months ended June 30, 2014 and 2013 reflected the factors discussed below. Certain of these factors are discussed in more detail in the following sections of this Management’s Discussion and Analysis of Financial Condition and Results of Operations.

Operating earnings for the six months ended June 30, 2014, were impacted by lower potash and phosphate selling prices compared to the same period in the prior year, partially offset by increased sales volumes for both, and lower raw material costs for our phosphate products.

Potash selling prices reflected the impact discussed above for the three months ended June 30, 2014. Potash sales volumes increased in the current period compared to the same period in the prior year due to a strong spring application season in North America. Also, the signing of supply contracts with customers in China in the first quarter of 2014 helped establish a price floor in the market, leading customers to resume purchasing product.

Phosphates selling prices were also lower than in the same period of the prior year. In the first quarter of the prior year, we began to see phosphates selling prices decline, in part due to softer global demand caused by higher producer inventories and a decline in India’s import demand. This decline continued until the fourth quarter of 2013, when prices hit a floor. In December 2013, we began to see phosphate selling prices increase, which has continued into the first six months of 2014. This was due to several factors, including strong North American demand, production outages by other global producers and rail and barge logistical challenges in the U.S. in the first quarter of 2014 from extended cold weather.

Phosphates sales volumes for the six months ended June 30, 2014, were higher than those from the same period in the prior year. The increase was primarily due to the sale of approximately 0.4 million additional tonnes related to the CF Phosphate Assets Acquisition and rising prices, which helped drive demand in North America during the current year period.
Other noteworthy matters during the six months ended June 30, 2014 and 2013 included:

- Our Board of Directors authorized a $1 billion share repurchase program (the “Repurchase Program”), allowing the Company to repurchase Class A Shares or Common Stock, through direct buybacks or in the open market. For the six months ended June 30, 2014, we purchased 8.4 million shares under this program, including approximately 8.2 million shares under the Family Trusts Share Repurchase Agreements. All the shares under these agreements were repurchased during the first quarter for an aggregate of $387.3 million.
- During the six months ended June 30, 2013, we recorded a pre-tax charge of approximately $42 million for the settlement and related costs of the potash antitrust litigation, which was included in other operating expenses.

Phosphates Net Sales and Gross Margin

The following table summarizes the Phosphates segment’s net sales, gross margin, sales volume, selling prices and raw material prices:

<table>
<thead>
<tr>
<th>(in millions, except price per tonne or unit)</th>
<th>Three months ended June 30,</th>
<th>2014</th>
<th>2013</th>
<th>Change</th>
<th>Percent</th>
<th>2014</th>
<th>2013</th>
<th>Change</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>North America</td>
<td>$724.4</td>
<td>$589.1</td>
<td>$135.3</td>
<td>23%</td>
<td>$1,282.9</td>
<td>$1,138.0</td>
<td>$144.9</td>
<td>13%</td>
<td></td>
</tr>
<tr>
<td>International</td>
<td>947.1</td>
<td>1,056.6</td>
<td>(109.5)</td>
<td>(10)%</td>
<td>1,642.2</td>
<td>2,008.5</td>
<td>(366.3)</td>
<td>(18)%</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>1,671.5</td>
<td>1,645.7</td>
<td>25.8</td>
<td>2%</td>
<td>2,925.1</td>
<td>3,146.5</td>
<td>(221.4)</td>
<td>(7)%</td>
<td></td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>1,388.0</td>
<td>1,366.3</td>
<td>21.7</td>
<td>2%</td>
<td>2,434.3</td>
<td>2,614.1</td>
<td>(179.8)</td>
<td>(7)%</td>
<td></td>
</tr>
<tr>
<td>Gross margin</td>
<td>$283.5</td>
<td>$279.4</td>
<td>$4.1</td>
<td>1%</td>
<td>$490.8</td>
<td>532.4</td>
<td>(41.6)</td>
<td>(8)%</td>
<td></td>
</tr>
<tr>
<td>Gross margin as a percent of net sales</td>
<td>17%</td>
<td>17%</td>
<td></td>
<td>17%</td>
<td>17%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales volume (in thousands of metric tonnes)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Crop Nutrients:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>North America (a)</td>
<td>948</td>
<td>682</td>
<td>266</td>
<td>39%</td>
<td>1,694</td>
<td>1,320</td>
<td>374</td>
<td>28%</td>
<td></td>
</tr>
<tr>
<td>International (b)</td>
<td>806</td>
<td>796</td>
<td>10</td>
<td>1%</td>
<td>1,473</td>
<td>1,668</td>
<td>(195)</td>
<td>(12)%</td>
<td></td>
</tr>
<tr>
<td>MicroEssentials (b)</td>
<td>337</td>
<td>320</td>
<td>17</td>
<td>5%</td>
<td>732</td>
<td>670</td>
<td>62</td>
<td>9%</td>
<td></td>
</tr>
<tr>
<td>Crop Nutrient Blends</td>
<td>792</td>
<td>652</td>
<td>140</td>
<td>21%</td>
<td>1,348</td>
<td>1,144</td>
<td>204</td>
<td>18%</td>
<td></td>
</tr>
<tr>
<td>Feed Phosphates</td>
<td>169</td>
<td>131</td>
<td>38</td>
<td>29%</td>
<td>316</td>
<td>264</td>
<td>52</td>
<td>20%</td>
<td></td>
</tr>
<tr>
<td>Other (b)</td>
<td>324</td>
<td>340</td>
<td>(16)</td>
<td>(5)%</td>
<td>506</td>
<td>525</td>
<td>(19)</td>
<td>(4)%</td>
<td></td>
</tr>
<tr>
<td>Total Phosphates Segment Tonnes</td>
<td>3,376</td>
<td>2,921</td>
<td>455</td>
<td>16%</td>
<td>6,069</td>
<td>5,591</td>
<td>478</td>
<td>9%</td>
<td></td>
</tr>
<tr>
<td>Average selling price per tonne:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DAP (FOB plant)</td>
<td>$465</td>
<td>$477</td>
<td>(12)</td>
<td>(3)%</td>
<td>443</td>
<td>484</td>
<td>(41)</td>
<td>(8)%</td>
<td></td>
</tr>
<tr>
<td>Crop Nutrient Blends (FOB destination)</td>
<td>456</td>
<td>560</td>
<td>(104)</td>
<td>(19)%</td>
<td>454</td>
<td>560</td>
<td>(106)</td>
<td>(19)%</td>
<td></td>
</tr>
<tr>
<td>Average cost per unit consumed in cost of goods sold:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ammonia (metric tonne)</td>
<td>$473</td>
<td>$517</td>
<td>(44)</td>
<td>(9)%</td>
<td>431</td>
<td>533</td>
<td>(102)</td>
<td>(19)%</td>
<td></td>
</tr>
<tr>
<td>Sulfur (long ton)</td>
<td>128</td>
<td>169</td>
<td>(41)</td>
<td>(24)%</td>
<td>114</td>
<td>173</td>
<td>(59)</td>
<td>(34)%</td>
<td></td>
</tr>
</tbody>
</table>

(a) Excludes Crop Nutrient Blends and MicroEssentials®.
(b) Other volumes are primarily single superphosphate (“SSP”), potash and nitrogen products sold outside of North America.
Three months ended June 30, 2014 and 2013

The Phosphates segment’s net sales increased slightly to $1.67 billion for the three months ended June 30, 2014, compared to $1.65 billion for the three months ended June 30, 2013. Higher sales volumes resulted in increased net sales of approximately $230 million, partially offset by lower selling prices, which had an unfavorable impact on net sales of approximately $150 million. The prior year period also included approximately $50 million related to PhosChem net sales for its other member which had minimal impact on gross margin.

Our average DAP selling price was $465 per tonne for the three months ended June 30, 2014, a decrease of 3% from the same period a year ago. The selling price of crop nutrient blends (“Blends”) for the three months ended June 30, 2014 decreased 19% compared to the same period in the prior year primarily due to a decline in prices of crop nutrients used in Blends, particularly potash.

The Phosphates segment’s sales volumes were higher, with 3.4 million tonnes for the three months ended June 30, 2014 compared to 2.9 million tonnes for the same period in the prior year, due primarily to an additional 0.4 million tonnes of sales volumes from the CF Phosphate Assets Acquisition.

Gross margin for the Phosphates segment increased slightly to $283.5 million for the three months ended June 30, 2014, from $279.4 million in the three months ended June 30, 2013. Higher sales volumes and lower product costs had favorable impacts on gross margin of approximately $50 million and $120 million, respectively. This was partially offset by lower selling prices, which had an unfavorable impact on gross margin of approximately $150 million. The lower product costs were driven by approximately $55 million of lower sulfur and ammonia costs used in our North American production, and approximately $110 million of lower raw material costs used in our international distribution locations. Additionally, the CF Phosphates Assets Acquisition had a negative impact of approximately $47 million, or 3%, on gross margin for the three months ended June 30, 2014 due to the effects of amortization of the fair market value adjustment of acquired inventory and raw materials, depletion on acquired mineral rights and additional depreciation on fixed assets. Other factors affecting gross margin and costs are discussed below. As a result of these factors, gross margin as a percentage of net sales was 17% for the three months ended June 30, 2014, comparable to the three months ended June 30, 2013.

The average consumed price for ammonia for our North American operations decreased to $473 per tonne for the three months ended June 30, 2014 from $517 in the same period a year ago. The average consumed price for sulfur for our North American operations decreased to $128 per long ton for the three months ended June 30, 2014, from $169 in the same period a year ago. The purchase price of these raw materials is driven by global supply and demand. The average consumed cost of purchased and produced phosphate rock increased to $68 per tonne for the three months ended June 30, 2014 from $64 per tonne for the three months ended June 30, 2013, primarily due to amortization of the fair market value adjustment of phosphate rock purchased as part of the CF Phosphate Assets Acquisition of approximately $36 million. The percentage of phosphate rock purchased from the Miski Mayo Mine consumed in our North American operations decreased to 6% for the three months ended June 30, 2014, from 10% in the same period a year ago. The percentage of phosphate rock purchased from unrelated parties consumed in our North American operations was 2% for the three months ended June 30, 2014, compared to 4% for the same period a year ago.

Our North American phosphate rock production was 3.6 million tonnes for the three months ended June 30, 2014, compared with 3.8 million tonnes during the same period a year ago. We have decreased phosphate rock production compared to the prior year consistent with our long term mine plans and our higher current inventories, which provide protection against mining interruptions. In June 2014, we also exhausted the reserves at our Hookers Prairie, Florida mine, which had annual operational capacity of 2.0 million tonnes. These decreases were partially offset by additional production of 0.8 million tonnes from the South Pasture, Florida mine that was acquired as part of the CF Phosphates Assets Acquisition.
The Phosphates segment’s North American production of crop nutrient dry concentrates and animal feed ingredients was 2.5 million tonnes for the three months ended June 30, 2014 compared to 2.1 million tonnes in the same period a year ago. The increase in production is due to approximately 0.4 million tonnes of production from the Plant City facility acquired as part of the CF Phosphates Assets Acquisition.

Costs were also impacted by net unrealized mark-to-market derivative gains of $1.8 million for the three months ended June 30, 2014, primarily on foreign currency derivatives, compared to losses of $3.5 million for the same period a year ago, primarily on commodity and foreign currency derivatives.

Six months ended June 30, 2014 and 2013

The Phosphates segment’s net sales decreased to $2.9 billion for the six months ended June 30, 2014, compared to $3.1 billion for the six months ended June 30, 2013. Lower selling prices resulted in decreased net sales of approximately $400 million, partially offset by higher sales volumes, which had a favorable impact of approximately $250 million on net sales. The prior year period also included approximately $60 million related to PhosChem net sales for its other member which had minimal impact on gross margin.

Our average DAP selling price was $443 per tonne for the six months ended June 30, 2014, a decrease of 8% from the same period a year ago due to the factors discussed in the Overview. The selling price of crop nutrient blends (“Blends”) for the six months ended June 30, 2014 decreased 19% compared to the same period in the prior year, primarily due to a decline in prices of crop nutrients used in Blends, particularly potash.

The Phosphates segment’s sales volumes of 6.1 million tonnes for the six months ended June 30, 2014 increased compared to 5.6 million tonnes in the same period a year ago due to factors discussed in the Overview.

Gross margin for the Phosphates segment decreased to $490.8 million for the six months ended June 30, 2014, from $532.4 million in the six months ended June 30, 2013. Lower sales prices had an unfavorable impact on gross margin of approximately $400 million, which was partially offset by the favorable impact of higher sales volumes of approximately $40 million and lower product costs of approximately $320 million. The lower product costs were driven by approximately $150 million of lower sulfur and ammonia costs used in our North American production, and approximately $230 million of lower raw material costs used in our international distribution locations. Additionally, the CF Phosphates Assets Acquisition had a negative impact of approximately $51 million, or 1%, on gross margin for the six months ended June 30, 2014, due to the factors discussed above. Other factors affecting gross margin and costs are discussed below. As a result of these factors, gross margin as a percentage of net sales was unchanged at 17% for the six months ended June 30, 2014, and 2013.

The average consumed price for ammonia for our North American operations decreased to $431 per tonne for the six months ended June 30, 2014, from $533 in the same period a year ago. The average consumed price for sulfur for our North American operations decreased to $114 per long ton for the six months ended June 30, 2014, from $173 in the same period a year ago. The purchase price of these raw materials is driven by global supply and demand. The average consumed cost of purchased and produced phosphate rock was $67 per tonne for the six months ended June 30, 2014 compared to $63 per tonne for the same period in the prior year. The percentage of phosphate rock purchased from the Miski Mayo Mine consumed in our North American operations was comparable at 8% for the six months ended June 30, 2014 and 2013. The percentage of phosphate rock purchased from unrelated parties consumed in our North American operations was 3% for the six months ended June 30, 2014 compared to 4% for the same period a year ago.

Our North American phosphate rock production was 7.1 million tonnes for the six months ended June 30, 2014, compared with 7.5 million tonnes during the same period a year ago, due to the factors discussed above in the three month discussion.
The Phosphates segment’s North American production of crop nutrient dry concentrates and animal feed ingredients was 4.4 million tonnes for the six months ended June 30, 2014, compared to 4.1 million tonnes for the same period of the prior year, due to the factors discussed above in the three month discussion.

Costs were also impacted by net unrealized mark-to-market derivative gains of $2.2 million for the six months ended June 30, 2014, primarily on foreign currency derivatives, compared to gains of $1.3 million for the same period a year ago, primarily on freight derivatives.

**Potash Net Sales and Gross Margin**

The following table summarizes the Potash segment’s net sales, gross margin, sales volume and selling price:

<table>
<thead>
<tr>
<th>(in millions, except price per tonne or unit)</th>
<th>Three months ended June 30, 2014</th>
<th>2014-2013 Change</th>
<th>Percent</th>
<th>Six months ended June 30, 2014</th>
<th>2014-2013 Change</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>North America</td>
<td>$446.7</td>
<td>$480.5</td>
<td>($33.8)</td>
<td>(7)%</td>
<td>$961.2</td>
<td>$920.9</td>
</tr>
<tr>
<td>International</td>
<td>315.6</td>
<td>493.4</td>
<td>(177.8)</td>
<td>(36)%</td>
<td>534.3</td>
<td>877.6</td>
</tr>
<tr>
<td>Total</td>
<td>762.3</td>
<td>973.9</td>
<td>(211.6)</td>
<td>(22)%</td>
<td>1,495.5</td>
<td>1,798.5</td>
</tr>
<tr>
<td><strong>Cost of goods sold</strong></td>
<td>511.8</td>
<td>585.0</td>
<td>(73.2)</td>
<td>(13)%</td>
<td>1,032.9</td>
<td>1,012.6</td>
</tr>
<tr>
<td><strong>Gross margin</strong></td>
<td>$250.5</td>
<td>$388.9</td>
<td>(138.4)</td>
<td>(36)%</td>
<td>$462.6</td>
<td>$785.9</td>
</tr>
<tr>
<td><strong>Gross margin as a percent of net sales</strong></td>
<td>33%</td>
<td>40%</td>
<td></td>
<td></td>
<td>31%</td>
<td>44%</td>
</tr>
<tr>
<td>Sales volume (in thousands of metric tonnes)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Crop Nutrients:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>North America</td>
<td>873</td>
<td>804</td>
<td>69</td>
<td>9%</td>
<td>1,983</td>
<td>1,509</td>
</tr>
<tr>
<td>International</td>
<td>1,427</td>
<td>1,468</td>
<td>(41)</td>
<td>(3)%</td>
<td>2,492</td>
<td>2,602</td>
</tr>
<tr>
<td>Total</td>
<td>2,300</td>
<td>2,272</td>
<td>28</td>
<td>1%</td>
<td>4,475</td>
<td>4,111</td>
</tr>
<tr>
<td>Non-agricultural</td>
<td>200</td>
<td>176</td>
<td>24</td>
<td>14%</td>
<td>380</td>
<td>344</td>
</tr>
<tr>
<td>Total Potash Segment Tonnes</td>
<td>2,500</td>
<td>2,448</td>
<td>52</td>
<td>2%</td>
<td>4,855</td>
<td>4,455</td>
</tr>
<tr>
<td><strong>Average selling price per tonne (FOB plant):</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MOP—North America(a)</td>
<td>$308</td>
<td>$415</td>
<td>($107)</td>
<td>(26)%</td>
<td>$303</td>
<td>$420</td>
</tr>
<tr>
<td>MOP—International</td>
<td>225</td>
<td>326</td>
<td>(101)</td>
<td>(31)%</td>
<td>218</td>
<td>326</td>
</tr>
<tr>
<td>MOP Average</td>
<td>267</td>
<td>366</td>
<td>(99)</td>
<td>(27)%</td>
<td>267</td>
<td>371</td>
</tr>
</tbody>
</table>

(a) This price excludes industrial and feed sales.

**Three months ended June 30, 2014 and 2013**

The Potash segment’s net sales decreased to $762.3 million for the three months ended June 30, 2014, compared to $973.9 million in the same period a year ago. The decrease was primarily due to lower sales prices that resulted in a decrease in net sales of approximately $240 million partially offset by a slight increase in sales volumes that resulted in a favorable impact of approximately $20 million.

Our average MOP selling price was $267 per tonne for the three months ended June 30, 2014, a decrease of $99 per tonne compared with the same period a year ago. Potash selling prices have decreased due to the factors discussed in the Overview.

The Potash segment’s sales volumes of 2.5 million tonnes for the three months ended June 30, 2014, were up slightly compared to the same period in the prior year.
Gross margin for the Potash segment decreased to $250.5 million for the three months ended June 30, 2014 from $388.9 million for the same period in the prior year. Gross margin was unfavorably impacted by approximately $240 million related to lower selling prices partially offset by a favorable impact of approximately $20 million due to the increase in sales volumes. These and other factors affecting gross margin and costs are further discussed below. As a result of these factors, gross margin as a percentage of net sales decreased to 33% for the three months ended June 30, 2014, compared to 40% for the same period a year ago.

We incurred $46.4 million in expenses, including depreciation on brine assets, and $4.0 million in capital expenditures for brine inflows at our Esterhazy mine during the three months ended June 30, 2014, compared to $51.0 million and $15.1 million, respectively, in the three months ended June 30, 2013. We have been effectively managing the brine inflows at Esterhazy since 1985, and from time to time we experience changes to the amounts and patterns of brine inflows. Inflows continue to be higher than average but are still estimated to be within the range of our historical experience. Brine inflow expenses decreased compared to the prior year primarily due to savings achieved on a renegotiated service agreement, combined with the timing of activities and other temporary operating factors that favorably impacted the expenses for the three months ended June 30, 2014. Brine inflow expenditures continue to reflect the cost of addressing changing inflow patterns, including inflows from below our mine workings, which can be more complex and costly to manage, as well as costs associated with horizontal drilling. Brine inflow capital expenditures were higher in the prior year period primarily due to expenditures to increase our pumping capacity and for seismic surveys. The mine has significant brine storage capacity. Depending on inflow rates, pumping and disposal rates, and other variables, the volume of brine stored in the mine may change significantly from period to period. In general, the higher the level of brine stored in the mine, the less time available to mitigate new or increased inflows that exceed our capacity for pumping or disposal of brine outside the mine, and therefore the less time to avoid flooding and/or loss of the mine. Our investments in remote injection and increased pumping capacities facilitate our management of the brine inflows and the amount of brine stored in the mine.

We incurred $44.8 million in Canadian resource taxes for the three months ended June 30, 2014, compared with $67.1 million in the same period a year ago. These taxes decreased due to lower realized prices, which drove lower net sales and profits. We incurred $7.2 million in royalties in the three months ended June 30, 2014, compared to $13.8 million in the three months ended June 30, 2013 primarily due to lower selling prices and production.

Costs were impacted by net unrealized mark-to-market derivative gains of $24.2 million for the three months ended June 30, 2014, primarily on foreign currency derivatives, compared with losses of $15.9 million for the same period a year ago, primarily on foreign currency derivatives.

For the three months ended June 30, 2014, potash production was 2.0 million tonnes compared to 2.2 million tonnes for the three months ended June 30, 2013. Our production and sales volumes were impacted by unplanned down time at our Carlsbad, New Mexico and Colonsay, Saskatchewan mines. Production and sales volumes were also impacted by a shortage of rail service in the first four months of 2014, which prioritized shipments from a large North American grain crop over fertilizer shipments.

We have been notified by Canpotex that our entitlement is being changed, effective July 1, 2014, to approximately 38.8% from approximately 42.5%, as a result of a recent change in the members’ respective peaking capacities.

**Six months ended June 30, 2014 and 2013**

The Potash segment’s net sales decreased to $1.5 billion for the six months ended June 30, 2014, compared to $1.8 billion in the same period a year ago. The decrease was primarily due to lower selling prices that resulted in a decrease in net sales of approximately $510 million partially offset by higher sales volumes that resulted in an increase of approximately $210 million.
Our average MOP selling price was $267 per tonne for the six months ended June 30, 2014, a decrease of $104 per tonne compared with the same period a year ago. Potash selling prices have decreased due to the factors discussed in the Overview.

The Potash segment’s sales volumes increased to 4.9 million tonnes for the six months ended June 30, 2014, compared to 4.5 million tonnes in the same period a year ago due to the factors discussed in the Overview.

Gross margin for the Potash segment decreased to $462.6 million for the six months ended June 30, 2014 from $785.9 million for the same period in the prior year. Gross margin was unfavorably impacted by approximately $510 million related to lower selling prices partially offset by a favorable impact of approximately $120 million due to the increase in sales volumes. Approximately $60 million in increased costs, primarily related to lower production, adversely impacted gross margin. These and other factors affecting gross margin and costs are further discussed below. As a result of these factors, gross margin as a percentage of net sales decreased to 31% for the six months ended June 30, 2014, compared to 44% for the same period a year ago.

We incurred $90.6 million in expenses, including depreciation on brine assets, and $6.1 million in capital expenditures related to managing the brine inflows at our Esterhazy mine during the six months ended June 30, 2014, compared to $104.4 million and $32.1 million, respectively, in the six months ended June 30, 2013. Brine inflow expenses and capital expenditures were higher in the prior year period primarily due to the same factors discussed above for the three months ended June 30, 2014 and 2013.

We incurred $75.1 million in Canadian resource taxes for the six months ended June 30, 2014, compared with $99.2 million in the same period a year ago. These taxes decreased due to lower realized prices, which drove lower net sales and profits. We incurred $13.1 million in royalties in the six months ended June 30, 2014, compared to $28.7 million in the six months ended June 30, 2013 due to lower selling prices and production.

Costs were impacted by net unrealized mark-to-market derivative gains of $20.3 million for the six months ended June 30, 2014, primarily on foreign currency derivatives compared with losses of $22.5 million for the same period a year ago, primarily on foreign currency derivatives.

For the six months ended June 30, 2014, potash production decreased to 3.9 million tonnes compared to 4.4 million tonnes for the six months ended June 30, 2013 due to the factors discussed above.

### Other Income Statement Items

<table>
<thead>
<tr>
<th>(in millions)</th>
<th>Three months ended June 30,</th>
<th>2014</th>
<th>2013</th>
<th>Change</th>
<th>Percent</th>
<th>Six months ended June 30,</th>
<th>2014</th>
<th>2013</th>
<th>Change</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Selling, general and administrative expenses</td>
<td>$ 87.5</td>
<td>$116.1</td>
<td>$(28.6)</td>
<td>(25)%</td>
<td>$207.4</td>
<td>$207.9</td>
<td>$(0.5)</td>
<td>—</td>
<td>—</td>
<td>%</td>
</tr>
<tr>
<td>Other operating expense</td>
<td>30.4</td>
<td>23.5</td>
<td>6.9</td>
<td>29%</td>
<td>55.6</td>
<td>82.3</td>
<td>(26.7)</td>
<td>(32)%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in value of share repurchase agreement</td>
<td>(5.5)</td>
<td>—</td>
<td>(5.5)</td>
<td>NM</td>
<td>(65.5)</td>
<td>—</td>
<td>(65.5)</td>
<td>NM</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest (expense)</td>
<td>(30.6)</td>
<td>(4.6)</td>
<td>26.0</td>
<td>NM</td>
<td>(61.7)</td>
<td>(4.6)</td>
<td>(57.1)</td>
<td>NM</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>6.0</td>
<td>5.0</td>
<td>1.0</td>
<td>20%</td>
<td>10.4</td>
<td>8.8</td>
<td>1.6</td>
<td>18%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest (expense) income, net</td>
<td>(24.6)</td>
<td>0.4</td>
<td>25.0</td>
<td>NM</td>
<td>(51.3)</td>
<td>4.2</td>
<td>(55.5)</td>
<td>NM</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign currency transaction (loss) gain</td>
<td>(38.7)</td>
<td>22.2</td>
<td>(60.9)</td>
<td>NM</td>
<td>4.7</td>
<td>39.2</td>
<td>(34.5)</td>
<td>(88)%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other (expense) income</td>
<td>(1.3)</td>
<td>2.8</td>
<td>(4.1)</td>
<td>NM</td>
<td>(6.2)</td>
<td>2.2</td>
<td>(8.4)</td>
<td>NM</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provision for income taxes</td>
<td>82.7</td>
<td>126.3</td>
<td>(43.6)</td>
<td>(35)%</td>
<td>80.1</td>
<td>260.0</td>
<td>(179.9)</td>
<td>(69)%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
**Selling, General and Administrative Expenses**

For the three and six months ended June 30, 2014, selling, general and administrative expenses were $87.5 million and $207.4 million, respectively, compared to $116.1 million and $207.9 million for the three and six months ended June 30, 2013, respectively. The decrease in the current quarter is primarily related to lower project related costs and reduced spending due to cost saving initiatives, combined with the timing of expenses associated with our previous fiscal year end. The six months ended June 30, 2014, includes incentive compensation of approximately $28 million, driven by a change in the timing of our annual equity incentive grant due to the change in our fiscal year end and additional incentives related to cost savings initiatives.

**Other Operating Expense**

For the three months ended June 30, 2014, we had other operating expense of $30.4 million compared with $23.5 million for the same period in the prior year. The increase in expense was primarily due to costs of approximately $10 million related to the wind down of operations at our Hookers Prairie, Florida phosphates mine, a loss of $5.6 million related to the closure of our Chile distribution business, and expenses of approximately $4 million related to cost saving initiatives. Other operating expenses in the three months ended June 30, 2013 included approximately $8 million related to ARO adjustments that were not repeated in the current year period, due to the timing of changing our fiscal year end, and approximately $7 million of losses on fixed assets disposals in our Phosphates business.

For the six months ended June 30, 2014, we had other operating expense of $55.6 million compared with $82.3 million for the same period in the prior year. The decrease in expense was primarily due to the settlement of the potash antitrust litigation, of which $42 million was recorded during the six months ended June 30, 2013, partially offset by the changes for the three months, as discussed above.

**Change in Value of Share Repurchase Agreement**

The unfavorable change in the value for share repurchase agreement of $5.5 million and $65.5 million for the three and six months ended June 30, 2014 relates to the remeasurement of our share repurchase obligation to its present value at June 30, 2014.

**Interest Expense**

For the three and six months ended June 30, 2014, interest expense was $30.6 million and $61.7 million, respectively, compared to $4.6 million for the three and six months ended June 30, 2014. The increase is primarily related to higher average debt balances as a result of a $2 billion public offering of senior notes completed on November 7, 2013, as part of the implementation of our capital management philosophy.

**Foreign Currency Transaction Gain (Loss)**

For the three and six months ended June 30, 2014, we recorded a foreign currency transaction loss of $38.7 million and a gain of $4.7 million, respectively, compared with a gain of $22.2 million and $39.2 million for the same period in the prior year. For the three months ended June 30, 2014, the loss was mainly the result of the effect of the weakening of the U.S. dollar relative to the Canadian dollar on significant U.S. dollar denominated intercompany receivables and U.S. dollar cash held by our Canadian affiliates. For the six months ended June 30, 2014, the gain was mainly the result of the effect of the weakening of the U.S. dollar relative to the Brazilian Real on significant U.S. dollar denominated payables.

For the three and six months ended June 30, 2013, the gain was mainly the result of the effect of the strengthening of the U.S. dollar relative to the Canadian dollar on significant U.S. dollar denominated intercompany receivables and U.S. dollar cash held by our Canadian affiliates partially offset by the strengthening of the U.S. dollar relative to the Brazilian Real on significant U.S. dollar denominated payables.
Income tax expense was $82.7 million and $80.1 million, and the effective tax rates were 24.8% and 14.5% for the three and six months ended June 30, 2014, respectively.

For the three months ended June 30, 2014, tax expense specific to the period included a benefit of $13.5 million, which primarily related to changes in estimates related to the filing of the December 31, 2013 tax return for certain non-U.S. subsidiaries. For the six months ended June 30, 2014, tax expense specific to the period included a benefit of $76.0 million, which primarily related to the intended sale of our distribution business in Argentina as well as the changes in estimates previously noted.

In addition to items specific to the period, for each period, our income tax rate is impacted by the mix of earnings across the jurisdictions in which we operate and by a benefit associated with depletion. The three and six months ended June 30, 2014 also included a cost of $18.7 million and $28.6 million, respectively, related to certain non-U.S. subsidiaries where our earnings are not permanently reinvested.

For the three and six months ended June 30, 2013, our income tax expense was $126.3 million and $260.0 million, and effective tax rates were 22.9% and 24.5%, respectively.

### Critical Accounting Estimates

The Condensed Consolidated Financial Statements are prepared in conformity with U.S. GAAP. In preparing the Condensed Consolidated Financial Statements, we are required to make various judgments, estimates and assumptions that could have a significant impact on the results reported in the Condensed Consolidated Financial Statements. We base these estimates on historical experience and other assumptions believed to be reasonable by management under the circumstances. Changes in these estimates could have a material effect on our Condensed Consolidated Financial Statements.

The basis for our financial statement presentation, including our significant accounting estimates, is summarized in Note 3 to the Condensed Consolidated Financial Statements in this report. A detailed description of our significant accounting policies is included in Note 3 to the Consolidated Financial Statements in our 10-K Report. Further information regarding our critical accounting estimates is included in Management’s Discussion and Analysis of Results of Operations and Financial Condition in our 10-K Report.

As described in Note 17 to the Condensed Consolidated Financial Statements, we completed the CF Phosphate Assets Acquisition on March 17, 2014. The accounting for this acquisition involves the allocation of the purchase price to the estimated fair values of the assets acquired and liabilities assumed. The allocation of the purchase price reflects preliminary fair value estimates based on management’s analysis, including preliminary work performed by third-party valuation specialists, which are subject to change within the measurement period as valuations are finalized. We do not believe there is a reasonable likelihood that there will be a material change in the preliminary fair value estimates made as part of the acquisition. However, these estimates are preliminary and subject to change within the measurement period as valuations are finalized. Any material adjustments will be applied retrospectively to the closing date of the acquisition.
Liquidity and Capital Resources

As of June 30, 2014, we had cash and cash equivalents of $2.4 billion, stockholders’ equity of approximately $11.3 billion, long-term debt of approximately $3.0 billion and short-term debt of approximately $12.7 million. We continue to target a liquidity buffer of $2.25 billion, with approximately one third in cash on our balance sheet and two thirds in committed credit lines. We also target debt leverage ratios that are consistent with investment grade credit ratings. Our capital allocation priorities include maintaining our assets and liquidity targets, paying our dividend, investing to grow our business, taking advantage of strategic opportunities and returning excess cash to shareholders in order to maintain an efficient balance sheet. During the six months ended June 30, 2014, we executed on strategic opportunities, including the completion of the CF Phosphate Assets Acquisition, which reduced our unrestricted cash by approximately $1.4 billion, invested $488.9 million in capital expenditures, and we returned excess cash to shareholders by repurchasing approximately 45.5 million shares for an aggregate expenditure of approximately $2.1 billion. We also paid $194.8 million in cash dividends.

Funds generated by operating activities, available cash and cash equivalents, and our credit facilities continue to be our most significant sources of liquidity. We believe funds generated from the expected results of operations and available cash, cash equivalents and borrowings under the Term Loan Facility will be sufficient to finance our operations, including our expansion plans, existing strategic initiatives and expected dividend payments, for the next 12 months. There can be no assurance, however, that we will continue to generate cash flows at or above current levels. At June 30, 2014, we had a Term Loan Facility of $800 million, which was fully available, and a $1.5 billion credit facility, of which $1.48 billion was available. Both facilities are available for working capital needs and investment opportunities.

In addition to our working capital and other normal liquidity requirements, we expect to utilize our available liquidity, including cash and cash equivalents and debt capacity, to fund the remainder of our commitment under the MAC Trusts Share Repurchase Agreement, our Share Repurchase Program, our commitments in connection with the Northern Promise Joint Venture, the acquisition of ADM’s distribution business in Brazil and Paraguay and certain financial assurance requirements related to our Phosphates business as discussed under “EPA RCRA Initiative” in Note 11 of our Notes to Condensed Consolidated Financial Statements. We plan to use net proceeds from borrowings under the Term Loan Facility to replenish cash that Mosaic used to fund the CF Phosphate Assets Acquisition.

All of our cash and cash equivalents are diversified in highly rated investment vehicles. Approximately $1.4 billion of cash and cash equivalents are held by non-U.S. subsidiaries and are not subject to significant foreign currency exposures, as the majority are held in investments denominated in U.S. dollars as of June 30, 2014. These funds may create foreign currency transaction gains or losses, however, depending on the functional currency of the entity holding the cash. In addition, there are no significant restrictions that would preclude us from bringing these funds back to the U.S.; however, there would be an income tax expense impact on repatriating approximately $0.2 billion of cash associated with certain undistributed earnings, which are part of the permanently reinvested earnings discussed in Note 12 of our Notes to Consolidated Financial Statements in our 10-K Report. We currently intend to use a portion of this cash for non-U.S. expansions.

The following table represents a comparison of the net cash provided by operating activities, net cash used in investing activities, and net cash used in financing activities for the six months ended June 30, 2014 and 2013:

<table>
<thead>
<tr>
<th>Cash Flow</th>
<th>Six months ended June 30,</th>
<th>2014</th>
<th>2013</th>
<th>Change</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash provided by operating activities</td>
<td>$1,423.3</td>
<td></td>
<td>$1,561.7</td>
<td>$ (138.4)</td>
<td>(9)%</td>
</tr>
<tr>
<td>Net cash used in investing activities</td>
<td>(1,994.6)</td>
<td></td>
<td>(759.9)</td>
<td>(1,234.7)</td>
<td>162%</td>
</tr>
<tr>
<td>Net cash used in financing activities</td>
<td>(2,344.8)</td>
<td></td>
<td>(237.1)</td>
<td>(2,107.7)</td>
<td>NM</td>
</tr>
</tbody>
</table>
Operating Activities

During the six months ended June 30, 2014, net cash provided by operating activities was $1,423.3 million, compared to $1,561.7 million for the six months ended June 30, 2013. During the six months ended June 30, 2014, results of operations, after non-cash adjustments to net earnings, contributed $894.6 million to cash flows from operating activities, compared to a contribution of $1.4 billion as computed on the same basis for the prior year period. Although results of operations, after non-cash adjustments to net earnings, were lower in the six months ended June 30, 2014, compared to the same period last year, changes to working capital were more favorable. Changes in working capital of $528.7 million contributed to cash flows from operating activities during the six months ended June 30, 2014, primarily from a decrease in other current assets and increases in accounts payable and accrued expenses, partially offset by an increase in accounts receivable as discussed below, compared to changes in working capital of $114.8 million during the six months ended June 30, 2013.

The decrease in other current and noncurrent assets of $166.4 million was primarily driven by a decrease in our final price deferred product, which is product shipped to customers but not yet priced. During the six months ended June 30, 2014, a significant amount of product was priced and paid for by customers. The increase in accounts payable of $265.8 million was primarily due to an increase in inventory purchases in Brazil, as they get ready for their high season, that had not yet been paid for at June 30, 2014. The increase in accrued liabilities of $171.8 million for the six months ended June 30, 2014 is primarily related to an increase in customer prepayments in Brazil. The increase in accounts receivable for the six months ended June 30, 2014 was primarily due to increased sales in June 2014.

Investing Activities

Net cash used in investing activities was $1,994.6 million for the six months ended June 30, 2014, compared to $759.9 million for the same period a year ago. The increase in investing activities in the current year was primarily driven by the completion of the CF Phosphate Assets Acquisition for approximately $1.4 billion, partially offset by lower capital expenditures of $488.9 million, of which $102.7 million related to our Potash expansion projects. Capital expenditures decreased in the current year period compared to the same period in the prior year due to lower expansion spending and lower maintenance capital. During calendar 2013, we completed expansion work at both the Belle Plaine and Colonsay mines. In addition, in the first quarter of 2013, we had capital spending for our remote brine injection well.

Financing Activities

Net cash used in financing activities for the six months ended June 30, 2014, was $2,344.8 million, compared to $237.1 million for the same period in the prior year. Cash used in financing activities primarily reflected shares repurchased during the six months for an aggregate of approximately $2.1 billion.

Debt Instruments, Guarantees and Related Covenants

See Note 11 to the Consolidated Financial Statements in our 10-K Report and Note 10 to the Condensed Consolidated Financial Statements in this report for additional information relating to our financing arrangements.

Financial Assurance Requirements

In addition to various operational and environmental regulations related to our Phosphates segment, we are subject to financial assurance requirements. In various jurisdictions in which we operate, particularly Florida and Louisiana, we are required to pass a financial strength test or provide credit support, typically in the form of surety bonds, letters of credit, certificates of deposit or trust funds. Further information regarding financial assurance requirements is included in Management’s Discussion and Analysis of Results of Operations and Financial Condition in our 10-K Report, under “EPA RCRA Initiative,” and in Notes 11 and 17 to our Condensed Consolidated Financial Statements in this report.
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Off-Balance Sheet Arrangements and Obligations

Information regarding off-balance sheet arrangements and obligations is included in Management’s Discussion and Analysis of Results of Operations and Financial Condition in our 10-K Report.

Contingencies

Information regarding contingencies is hereby incorporated by reference to Note 11 to our Condensed Consolidated Financial Statements in this report.

Cautionary Statement Regarding Forward Looking Information

All statements, other than statements of historical fact, appearing in this report constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These statements include, among other things, statements about our expectations, beliefs, intentions or strategies for the future, including statements about the Northern Promise Joint Venture, the CF Phosphate Assets Acquisition or CF Ammonia Supply Agreements, or the Cargill Transaction, and their nature, impact and benefits, statements concerning our future operations, financial condition and prospects, statements regarding our expectations for capital expenditures, statements concerning our level of indebtedness and other information, and any statements of assumptions regarding any of the foregoing. In particular, forward-looking statements may include words such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “may,” “potential,” “predict,” “project” or “should.” These statements involve certain risks and uncertainties that may cause actual results to differ materially from expectations as of the date of this filing.

Factors that could cause reported results to differ materially from those expressed or implied by the forward-looking statements include, but are not limited to, the following:

- business and economic conditions and governmental policies affecting the agricultural industry where we or our customers operate, including price and demand volatility resulting from periodic imbalances of supply and demand;
- changes in farmers’ application rates for crop nutrients;
- changes in the operation of world phosphate or potash markets, including continuing consolidation in the crop nutrient industry, particularly if we do not participate in the consolidation;
- pressure on prices realized by us for our products;
- the expansion or contraction of production capacity or selling efforts by competitors or new entrants in the industries in which we operate, including the effects of test runs by members of Canpotex to prove the production capacity of potash expansion projects;
- the expected cost of the Northern Promise Joint Venture and our expected investment in it, the amount, terms, availability and sufficiency of funding for the Northern Promise Joint Venture from us, Ma’aden, SABIC and existing or future external sources, the ability of the Northern Promise Joint Venture to obtain additional planned funding in acceptable amounts and upon acceptable terms, the future success of current plans for the joint venture and any future changes in those plans;
- build-up of inventories in the distribution channels for our products that can adversely affect our sales volumes and selling prices;
- seasonality in our business that results in the need to carry significant amounts of inventory and seasonal peaks in working capital requirements, and may result in excess inventory or product shortages;
- changes in the costs, or constraints on supplies, of raw materials or energy used in manufacturing our products, or in the costs or availability of transportation for our products;
• rapid drops in the prices for our products that can require us to write-down our inventories to the lower of cost or market;
• the effects on our customers of holding high cost inventories of crop nutrients in periods of rapidly declining market prices for crop nutrients;
• the lag in realizing the benefit of falling market prices for the raw materials we use to produce our products that can occur while we consume raw materials that we purchased or committed to purchase in the past at higher prices;
• customer expectations about future trends in the selling prices and availability of our products and in farmer economics;
• disruptions to existing transportation or terminaling facilities, including those of export associations or joint ventures in which we participate;
• shortages of railcars, barges and ships for carrying our products and raw materials;
• the effects of and change in trade, monetary, environmental, tax and fiscal policies, laws and regulations;
• foreign exchange rates and fluctuations in those rates;
• tax regulations, currency exchange controls and other restrictions that may affect our ability to optimize the use of our liquidity;
• other risks associated with our international operations, including any potential adverse effects related to our joint venture interest in the Miski Mayo mine in the event that protests against natural resource companies in Peru were to extend to or impact the Miski Mayo mine;
• adverse weather conditions affecting our operations, including the impact of potential hurricanes, excessive heat, cold, snow or rainfall, or drought;
• difficulties or delays in receiving, challenges to, increased costs of obtaining or satisfying conditions of, or revocation or withdrawal of required governmental and regulatory approvals including permitting activities;
• changes in the environmental and other governmental regulation that applies to our operations, including the possibility of further federal or state legislation or regulatory action affecting greenhouse gas emissions or of restrictions or liabilities related to elevated levels of naturally-occurring radiation that arise from disturbing the ground in the course of mining activities or possible efforts to reduce the flow of nutrients into the Gulf of Mexico or the Mississippi River basin;
• the potential costs and effects of implementation of federal or state water quality standards for the discharge of nitrogen and/or phosphorus into Florida waterways;
• the financial resources of our competitors, including state-owned and government-subsidized entities in other countries;
• the possibility of defaults by our customers on trade credit that we extend to them or on indebtedness that they incur to purchase our products and that we guarantee, particularly when we are exiting our business operations or locations that produced or sold the products to that customer;
• any significant reduction in customers’ liquidity or access to credit that they need to purchase our products;
• rates of return on, and the investment risks associated with, our cash balances;
• our use of cash and/or available debt capacity to fund share repurchases, including past and future repurchases under the MAC Trusts Share Repurchase Agreement, financial assurance requirements arising in our business and strategic investments, that has reduced and is expected to continue to reduce our available cash and liquidity and increase our leverage;
the effectiveness of our risk management strategy;

• the effectiveness of the processes we put in place to manage our significant strategic priorities, including the expansion of our Potash business, our investment in the Northern Promise Joint Venture and the CF Phosphate Assets Acquisition;

• actual costs of various items differing from management’s current estimates, including, among others, asset retirement, environmental remediation, reclamation or other environmental obligations, Canadian resource taxes and royalties, the liabilities we assumed in the CF Phosphate Assets Acquisition or the costs of the Northern Promise Joint Venture, its existing or future funding and our commitments in support of such funding;

• the costs and effects of legal and administrative proceedings and regulatory matters affecting us, including environmental, tax or administrative proceedings, complaints that our operations are adversely impacting nearby farms, businesses, other property uses or properties, settlements thereof and actions taken by courts with respect to approvals of settlements, resolution of global tax audit activity, and other further developments in legal proceedings and regulatory matters;

• the success of our efforts to attract and retain highly qualified and motivated employees;

• strikes, labor stoppages or slowdowns by our work force or increased costs resulting from unsuccessful labor contract negotiations;

• brine inflows at our Esterhazy, Saskatchewan potash mine as well as potential inflows at our other shaft mines;

• accidents involving our operations, including potential fires, explosions, seismic events or releases of hazardous or volatile chemicals;

• terrorism or other malicious intentional acts, including cybersecurity risks such as attempts to gain unauthorized access to, or disable, our information technology systems, or our costs of addressing malicious intentional acts;

• other disruptions of operations at any of our key production and distribution facilities, particularly when they are operating at high operating rates;

• changes in antitrust and competition laws or their enforcement;

• actions by the holders of controlling equity interests in businesses in which we hold a noncontrolling interest;

• changes in our relationships with other members of export associations and joint ventures in which we participate or their or our exit from participation in such export associations and joint ventures, and other changes in our commercial arrangements with unrelated third parties;

• the adequacy of our property, business interruption and casualty insurance policies to cover potential hazards and risks incident to our business, and our willingness and ability to maintain current levels of insurance coverage as a result of market conditions, our loss experience and other factors;

• potential liabilities imposed on us by the agreements relating to the Cargill Transaction;

• difficulties with realization of the benefits of the CF Phosphate Assets Acquisition or the CF Ammonia Supply Agreements, including the risks that: the acquired assets may not be integrated successfully; the anticipated cost or capital expenditure savings from the transactions may not be fully realized or may take longer to realize than expected; regulatory agencies might not take, or might delay, actions with respect to permitting or regulatory enforcement matters that are necessary for us to fully realize the benefits of the transactions; or the price of natural gas will rise or the market price for ammonia will fall to a level at which the natural gas based pricing under one of the long term CF Ammonia Supply Agreements becomes disadvantageous to us; and
Material uncertainties and other factors known to us are discussed in Item 1A, “Risk Factors,” of our transition period report on Form 10-K for the seven months ended December 31, 2013.

We base our forward-looking statements on information currently available to us, and we undertake no obligation to update or revise any of these statements, whether as a result of changes in underlying factors, new information, future events or other developments.
ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to the impact of fluctuations in the relative value of currencies, the impact on interest rates, fluctuations in the purchase price of natural gas, ammonia and sulfur consumed in operations, and changes in freight costs as well as changes in the market value of our financial instruments. We periodically enter into derivatives in order to mitigate our foreign currency risks, interest rate risks and the effects of changing commodity prices and freight prices, but not for speculative purposes. See Note 14 to the Consolidated Financial Statements in our 10-K Report and Note 12 to the Condensed Consolidated Financial Statements in this report.

Foreign Currency Exchange Contracts

As of June 30, 2014 and December 31, 2013, the fair value of our major foreign currency exchange contracts was $11.9 million and $(17.4) million, respectively. The table below provides information about Mosaic’s significant foreign exchange derivatives.

<table>
<thead>
<tr>
<th>Foreign Currency Exchange Non-Deliverable Forwards</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Brazilian Real</strong></td>
</tr>
<tr>
<td>Notional (million US$)—long</td>
</tr>
<tr>
<td>$ 68.6</td>
</tr>
<tr>
<td>Weighted Average Rate—Brazilian real to U.S. dollar</td>
</tr>
<tr>
<td>$ 63.2343</td>
</tr>
<tr>
<td>Total Fair Value</td>
</tr>
<tr>
<td>$11.9</td>
</tr>
</tbody>
</table>

Further information regarding foreign currency exchange rates and derivatives is included in Management’s Discussion and Analysis of Financial Condition and Results of Operations in our 10-K Report and Note 12 to the Condensed Consolidated Financial Statements in this report.

Commodities

As of June 30, 2014 and December 31, 2013, the fair value of our natural gas commodities contracts was $1.8 million and $(0.6) million, respectively.
The table below provides information about our natural gas derivatives which are used to manage the risk related to significant price changes in natural gas.

<table>
<thead>
<tr>
<th>(in millions)</th>
<th>As of June 30, 2014</th>
<th>As of December 31, 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Natural Gas Swaps</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notional (million MMBtu)—long</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Years ending December 31, 2014</td>
<td>2014</td>
<td>2015</td>
</tr>
<tr>
<td>2014</td>
<td>2.1</td>
<td>1.0</td>
</tr>
<tr>
<td>Weighted Average Rate (US$/MMBtu)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>$ 3.62</td>
<td>$ 3.81</td>
</tr>
<tr>
<td><strong>Total Fair Value</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>$ 1.8</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td></td>
<td>$ (0.6)</td>
</tr>
</tbody>
</table>

Further information regarding commodities and derivatives is included in Management’s Discussion and Analysis of Financial Condition and Results of Operations in our 10-K Report and Note 12 to the Condensed Consolidated Financial Statements in this report.
ITEM 4. CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures designed to ensure that information required to be disclosed in our filings under the Securities Exchange Act of 1934 is (i) recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms, and (ii) accumulated and communicated to management, including our principal executive officer and our principal financial officer, to allow timely decisions regarding required disclosures. Our management, with the participation of our principal executive officer and our principal financial officer, has evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this quarterly report on Form 10-Q. Our principal executive officer and our principal financial officer have concluded, based on such evaluations, that our disclosure controls and procedures were effective for the purpose for which they were designed as of the end of such period.

(b) Changes in Internal Control Over Financial Reporting

Our management, with the participation of our principal executive officer and our principal financial officer, have evaluated any changes in our internal control over financial reporting that occurred during the three months ended June 30, 2014 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting. Our management, with the participation of our principal executive officer and principal financial officer, did not identify any such changes during the three months ended June 30, 2014.
ITEM 1. LEGAL PROCEEDINGS

We have included information about legal and environmental proceedings in Note 11 to our Condensed Consolidated Financial Statements in this report. This information is incorporated herein by reference.

We are also subject to the following legal and environmental proceedings in addition to those described in Note 11 of our Condensed Consolidated Financial Statements in this report:

- **Water Quality Regulations for Nutrient Discharges in Florida.** On December 7, 2010, we filed a lawsuit in the U.S. District Court for the Northern District of Florida, Pensacola Division, against the EPA challenging a rule adopted by the EPA that set numeric water quality standards (the “NNC Rule”) for nitrogen and/or phosphorus in Florida lakes and streams. Our lawsuit was subsequently transferred to the U.S. District Court for the Northern District of Florida, Tallahassee Division (the “Tallahassee District Court”), for consolidation with a number of lawsuits brought by other parties challenging the NNC Rule. The NNC Rule set criteria that would require drastic reductions in the levels of nutrients discharged into Florida lakes and streams, and would have required us and others to significantly limit discharges of these nutrients in Florida beginning in March 2012. Our lawsuit asserted, among other matters, that the criteria set by the EPA did not comport with the requirements of the Federal Water Pollution Control Act or the Administrative Procedure Act, and sought a declaration that the NNC Rule is arbitrary, capricious, an abuse of discretion and not in accordance with law, and vacating the NNC Rule and remanding it for further rulemaking proceedings consistent with the Federal Water Pollution Control Act and its implementing regulations.

In February 2012, the Tallahassee District Court invalidated the NNC Rule in part and upheld it in part, and remanded the invalid parts of the rule to the EPA for reconsideration and reproposal. The Tallahassee District Court subsequently ordered that the effective date of the parts of the NNC Rule that the court had upheld and any parts re-proposed to comply with the court’s order be postponed until January 2013.

The Florida Department of Environmental Protection (the “FDEP”) has adopted state rules that will, if they ultimately become effective, supplant the requirements of the NNC Rule and mitigate some of the potential adverse effects of the NNC Rule. In June 2012, the FDEP rule was upheld by a state administrative law judge in an administrative proceeding challenging the rule brought by certain nongovernmental organizations and the FDEP rule was submitted to the EPA for approval. In July 2012, the nongovernmental organizations appealed the state administrative law judge’s decision upholding the FDEP rule to the Florida First District Court of Appeal. In February 2013, the Florida First District Court of Appeal upheld the administrative law judge’s decision.

In November 2012, the EPA approved the FDEP rule, and also proposed two rules that would establish new federal nutrient criteria for (i) streams and unimpaired lakes, and (ii) coastal waters, certain estuaries not covered in the FDEP rule and flowing waters in South Florida. The EPA has stated that the criteria in the two new proposed rules will not go into effect if the EPA and FDEP take actions necessary to modify the terms of a 2009 consent decree to enable EPA approval of the FDEP rule to meet the consent decree obligations.

On March 15, 2013, the EPA and the FDEP announced that the agencies had reached an agreement in principle under which the FDEP, not the EPA, would implement numeric nutrient criteria for Florida’s waters.

On April 12, 2013, the Tallahassee District Court granted the EPA’s motion to delay the effective date of the EPA’s rules establishing downstream protection values but denied the EPA’s motion to delay the effective date of the EPA’s NNC Rule for lakes and springs, which are now in effect. We are reviewing the potential effect on us of the NNC Rule for lakes and springs.
On January 7, 2014, the court granted the EPA’s motion to modify the consent decree and denied the environmental plaintiffs’ motion to enforce the consent decree according to its original terms, which would have had the effect of requiring the EPA to finalize and apply the federal NNC Rule and prevent the state numeric nutrient criteria from becoming effective. This ruling paves the way for the EPA to withdraw the federal NNC Rule for lakes and springs, and to withdraw the proposed federal NNC Rule for streams and flowing waters, allowing the FDEP criteria to become effective.

On March 7, 2014, the environmental plaintiffs appealed the Tallahassee District Court’s order modifying the consent decree to the Eleventh Circuit Court of Appeals. On April 2, 2014, the EPA published a proposed rule to withdraw the final nutrient criteria standards for lakes, streams and downstream protection values. In that proposed rule, the EPA also indicated that it would not take further action regarding the nutrient criteria rules it had proposed in November 2012.

Subject to further litigation or rulemaking developments, we expect that compliance with the requirements of nutrient criteria rules could adversely affect our Florida Phosphate operations, require significant capital expenditures and substantially increase our annual operating expenses.

- *Nutrient Discharges into the Gulf of Mexico and Mississippi River Basin.* On March 13, 2012, the Gulf Restoration Network, the Missouri Coalition for the Environment, the Iowa Environmental Council, the Tennessee Clean Water Network, the Minnesota Center for Environmental Advocacy, Sierra Club, the Waterkeeper Alliance, Inc., the Prairie Rivers Network, the Kentucky Waterways Alliance, the Environmental Law & Policy Center and the Natural Resources Defense Council, Inc. brought a lawsuit in the U.S. District Court for the Eastern District of Louisiana (the “Louisiana District Court”) against the EPA, seeking to require it to establish numeric nutrient criteria for nitrogen and phosphorous in the Mississippi River basin. In July 2011, the EPA had denied the plaintiffs’ July 2008 petition seeking such standards. On May 30, 2012, the Louisiana District Court granted our motion to intervene in this lawsuit.

On September 20, 2013, the Louisiana District Court issued a decision in this matter, holding that while the EPA was required to respond directly to the petition and find that numeric nutrient criteria either were or were not necessary for the Mississippi River watershed, the EPA had the discretion to decide this issue based on non-technical factors, including cost, policy considerations, administrative complexity and other issues. The EPA appealed this decision to the Fifth Circuit Court of Appeals in November 2013.

We intend to defend vigorously the EPA’s decision not to establish numeric nutrient criteria for nitrogen and phosphorous in the Mississippi River basin and Gulf of Mexico. In the event that the EPA were required to establish numeric criteria for nitrogen and phosphorous in the Mississippi River basin and Gulf of Mexico, we cannot predict the requirements of such criteria or the effects on us or our customers.

**ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**

Pursuant to our employee stock plans relating to the grant of employee stock options, stock appreciation rights, restricted stock unit awards, and other equity-based awards, we have granted and may in the future grant employee stock options to purchase shares of our Common Stock for which the purchase price may be paid by means of delivery to us by the optionee of shares of our Common Stock that are already owned by the optionee (at a value equal to market value on the date of the option exercise). During the periods covered by this report, no options to purchase shares of our Common Stock were exercised for which the purchase price was so paid.

**ITEM 4. MINE SAFETY DISCLOSURES**

Information concerning mine safety violations or other regulatory matters required by Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K is included in Exhibit 95 to this report.

**ITEM 6. EXHIBITS**

Reference is made to the Exhibit Index on page E-1 hereof.
Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

THE MOSAIC COMPANY

by: /s/ ANTHONY T. BRAUSEN

Anthony T. Brausen
Senior Vice President – Finance and Chief Accounting Officer (on behalf of the registrant and as principal accounting officer)

July 31, 2014

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Exhibit Index

<table>
<thead>
<tr>
<th>Exhibit No</th>
<th>Description</th>
<th>Incorporated Herein by Reference to</th>
<th>Filed with Electronic Submission</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.i.</td>
<td>Certificate of Incorporation of Mosaic, as amended effective May 15, 2014</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>3.ii.</td>
<td>Bylaws of Mosaic, as amended effective May 15, 2014</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>10.i.</td>
<td>Form of Equity Support, Subordination and Retention Agreement dated June 30, 2014 by Mosaic, Saudi Arabian Mining Company, Saudi Basic Industries Corporation, Mizuho Corporate Bank, Ltd., as Intercreditor Agent for certain Finance Parties, and Riyad Bank, London Branch, as Offshore Security Trustee and Agent for certain secured parties</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>10.iii.</td>
<td>Form of retention agreement dated May 29, 2014 from Mosaic to an executive officer</td>
<td></td>
<td>X</td>
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<tr>
<td>31.1</td>
<td>Certification Required by Rule 13a-14(a).</td>
<td></td>
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<tr>
<td>31.2</td>
<td>Certification Required by Rule 13a-14(a).</td>
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<td>95</td>
<td>Mine Safety Disclosures</td>
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</tr>
<tr>
<td>101</td>
<td>Interactive Data Files</td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>

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Section 2: EX-3.I (EX-3.I)

RESTATED CERTIFICATE OF INCORPORATION
OF
THE MOSAIC COMPANY
as amended effective May 15, 2014

ARTICLE I
NAME

The name of the corporation (hereinafter called the “Corporation”) is The Mosaic Company.

ARTICLE II
REGISTERED OFFICE

The address of the registered office of the Corporation in the State of Delaware is 1209 Orange Street in the City of Wilmington, County of New Castle, 19801, and the name of the registered agent of the Corporation in the State of Delaware at such address is The Corporation Trust Company.

ARTICLE III
PURPOSE
The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware (the "General Corporation Law").

ARTICLE IV
CAPITAL STOCK

1. Authorized Stock. (A) The total number of shares of capital stock that the Corporation has authority to issue is 1,313,388,657 of which:

   (1) 1,000,000,000 shares shall be shares of Common Stock, par value $0.01 per share (the “Common Stock”);

   (2) 211,380,055 shares shall be shares of Class A Common Stock, par value $0.01 per share, of which (i) 34,746,723 shall be designated Class A Common Stock, Series A-1 (the “Series A-1 Common Stock”); (ii) 77,666,667 shall be designated Class A Common Stock, Series A-2 (the “Series A-2 Common Stock”); (iii) 77,666,665 shall be designated Class A Common Stock, Series A-3 (the “Series A-3 Common Stock”); and (iv) 21,300,000 shall be designated Class A Common Stock, Series A-4 (the “Series A-4 Common Stock”).
(3) 87,008,602 shares shall be shares of Class B Common Stock, par value $0.01 per share, of which (i) 29,002,847 shall be designated Class B Common Stock, Series B-1 (the “Series B-1 Common Stock”); (ii) 29,002,867 shall be designated Class B Common Stock, Series B-2 (the “Series B-2 Common Stock”); and (iii) 29,002,888 shall be designated Class B Common Stock, Series B-3 (the “Series B-3 Common Stock”); and
(4) 15,000,000 shares shall be shares of Preferred Stock, par value $0.01 per share (the “Preferred Stock”).

(B) The Series A-1 Common Stock, the Series A-2 Common Stock, the Series A-3 Common Stock and the Series A-4 Common Stock are referred to collectively as the “Class A Common Stock”. The Series B-1 Common Stock, the Series B-2 Common Stock and the Series B-3 Common Stock are referred to collectively as the “Class B Common Stock”. The Common Stock, the Class A Common Stock and the Class B Common Stock are referred to collectively as the “Company Common Stock”.

2. Company Common Stock.

(A) General. Except as expressly provided for in this Article IV and in Article IX, the shares of each class and series of Company Common Stock shall have the same powers, rights and privileges and rank equally, share ratably and be identical in all respects as to all matters. Subject to the rights of the holders of any series of Preferred Stock from time to time outstanding, stockholders of the Corporation shall not have any preemptive rights to subscribe for, purchase or receive any part of any new or additional issue of stock of the Corporation and no stockholder will be entitled to cumulative votes at any election of directors.

(B) Dividends and Other Distributions. Subject to the rights of the holders of any series of Preferred Stock from time to time outstanding, and except as expressly provided for in this Article IV, holders of shares of Company Common Stock shall be entitled to receive such dividends and other distributions in cash, securities or property as may be declared thereon by the Board of Directors from time to time out of assets or funds of the Corporation legally available therefor; provided, however, that no dividend or other distribution may be declared or paid in respect of any share of any class or series of Company Common Stock unless a dividend or other distribution, payable in the same amount, ratio, form and manner, is simultaneously declared or paid, as the case may be, in respect of all shares of each class and series of Company Common Stock, without preference or priority of any kind, except that, whenever a dividend or other distribution is paid in shares of Company Common Stock, (i) only shares of Common Stock shall be paid in respect of the shares of Common Stock outstanding as of the record date thereof, (ii) only shares of Series A-1 Common Stock shall be paid in respect of the shares of Series A-1 Common Stock and shares of Series B-1 Common Stock, in each case outstanding as of the record date thereof, (iii) only shares of Series A-2 Common Stock shall be paid in respect of the shares of Series A-2 Common Stock and shares of Series B-2 Common Stock, in each case outstanding as of the record date thereof, (iv) only shares of Series A-3 Common Stock shall be paid in respect of the shares of Series A-3 Common Stock and shares of Series B-3 Common Stock, in each case outstanding as of the record date thereof and (v) only shares of Series A-4 Common Stock shall be paid in respect of the shares of Series A-4 Common Stock outstanding as of the record date thereof. No dividends or distributions shall be paid in shares of Class B Common Stock. The Corporation shall not issue any option, warrant or other right to acquire shares of Class B Common Stock nor shall it implement any rights plan that provides for the distribution of rights to purchase shares of Class B Common Stock.
(C) Liquidation and Other Transactions.

(1) Liquidation. Upon any liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, after the payment in full of all amounts to which the holders of each series, if any, of the then outstanding Preferred Stock shall be entitled, the remaining assets of the Corporation to be distributed to the holders of the capital stock of the Corporation shall be distributed ratably, on a share for share basis, among the holders of the shares of all classes and series of Company Common Stock, together with the holders of the shares of any class of stock ranking on a parity with the Company Common Stock in respect of such distribution. For purposes of this paragraph, unless otherwise provided with respect to any then outstanding series of Preferred Stock, the voluntary sale, conveyance, lease, exchange or transfer (for cash, shares of stock, securities or other consideration) of all or substantially all of the assets of the Corporation or a consolidation or merger of the Corporation with one or more other corporations (whether or not the Corporation is the corporation surviving such consolidation or merger) shall not be deemed to be a liquidation, dissolution or winding up, either voluntary or involuntary.

(2) Other Transactions. The Corporation shall not (i) effect any reorganization, consolidation, combination or merger with or into another corporation or other entity (whether or not the Corporation is the surviving entity), (ii) consummate any agreement providing for, or otherwise approve, any tender or exchange offer for any shares of Company Common Stock, or (iii) grant any “top-up” option or other option in connection with any tender or exchange offer for any shares of Company Common Stock, unless, in each case (other than in the case of an implementation by the Corporation of a rights plan), the holders of outstanding shares of each class and series of Company Common Stock shall be entitled to receive the same kind and amount of consideration (including shares of stock and other securities and property (including cash)), if any, for each share so held, receivable upon such reorganization, consolidation, combination, merger or tender or exchange offer, in each case, without distinction between classes or series of Company Common Stock.

(D) Voting.

(1) Except as otherwise provided in this Article IV and except as required by law, holders of shares of each class and series of Company Common Stock shall be entitled to vote, and shall vote together as one class, on all matters to be voted on by the stockholders of the Corporation. Except as otherwise provided in this Article IV and except as required by law, (x) with respect to all matters other than the election of directors, each holder of shares of Company Common Stock shall be entitled to one (1) vote in person or by proxy for each share of Company Common Stock held of record by such holder, and (y) with respect to the election of directors, each holder of shares of Company Common Stock and/or Class A Common Stock shall be entitled to one (1) vote in person or by proxy for each share of Common Stock and/or Class A Common Stock held of record by such holder, and each holder of shares of Class B Common Stock shall be entitled to ten (10) votes in person or by proxy for each share of Class B Common Stock held of record by such holder.
(2) Notwithstanding anything to the contrary contained in this Restated Certificate of Incorporation, for so long as any shares of Class A Common Stock or Class B Common Stock remain outstanding, without the Requisite Vote or Requisite Votes, as applicable (and any other vote of stockholders required by this Restated Certificate of Incorporation or applicable law):

(i) this Restated Certificate of Incorporation shall not be amended, altered or repealed (including by merger, consolidation or otherwise) in a manner that would alter or change the powers, preferences, or relative, participating, optional or other special rights of the shares of Class A Common Stock and/or Class B Common Stock (or any series thereof), or the qualifications, limitations or restrictions with respect thereto, so as to affect them adversely;

(ii) no series of Preferred Stock shall be established by the Board of Directors, and no shares of any series of Preferred Stock shall be issued by the Corporation (by merger, consolidation or otherwise), if the terms of such series of Preferred Stock would be violated or breached by or as a result of the conversion of the shares of Class A Common Stock or Class B Common Stock (or any series thereof), or the Transfer of any such shares, in accordance with the terms of this Article IV;

(iii) no shares of Class A Common Stock (or any series thereof) or Class B Common Stock (or any series thereof) shall be issued by the Corporation (including by merger, consolidation or otherwise), other than pursuant to the Merger and other than the issuance of shares of Class A Common Stock upon the conversion of shares of Class B Common Stock in accordance with the terms of this Article IV or upon a dividend or other distribution paid by the Corporation in shares of Common Stock or Class A Common Stock in accordance with the terms of this Article IV;

(iv) no reorganization, consolidation, combination or merger of the Corporation with or into another corporation or other entity in which shares of Class A Common Stock (or any series thereof) and/or Class B Common Stock (or any series thereof) are converted into (or entitled to receive with respect thereto) shares of stock or other securities or property (including cash) shall be permitted, unless, in such reorganization, consolidation, combination or merger, each holder of a share of Class A Common Stock and/or Class B Common Stock shall be entitled to receive with respect to each such share the same kind and amount of shares of stock or other securities or property (including cash) as any holder of a share of Common Stock shall be entitled to receive for a share of Common Stock;

(v) the Corporation (including its Board of Directors) shall not, and shall not permit any of its subsidiaries to, make, agree to, approve or recommend any tender or exchange offer for any shares of Company Common Stock, unless such tender or exchange offer is open to all holders of shares of all series and classes of Company Common Stock and the consideration paid to any such holder for shares of Company Common Stock tendered into such tender or exchange offer is the highest consideration paid to any other holder for shares of Company Common Stock tendered into such tender or exchange offer;
(vi) the Corporation shall not subdivide (by any stock split, reclassification, recapitalization or otherwise) or combine (by reverse stock split, reclassification, recapitalization or otherwise) the outstanding shares of Common Stock, Class A Common Stock (or any series thereof) or Class B Common Stock (or any series thereof), unless the outstanding shares of the other such classes and series of Company Common Stock shall be proportionately subdivided or combined in the same manner, in each case so that the numbers of shares of Common Stock, Class A Common Stock (and each series thereof) and Class B Common Stock (and each series thereof) outstanding immediately following such subdivision or combination shall bear the same relationship to one another as did the numbers of shares of Common Stock, Class A Common Stock (and each series thereof) and Class B Common Stock (and each series thereof) outstanding immediately prior to such subdivision or combination; and

(vii) this Section 2(D)(2) and Section 2(D)(4)(a) of this Article IV of this Restated Certificate of Incorporation shall not be amended, altered or repealed (including by merger, consolidation or otherwise), and no provision of this Restated Certificate of Incorporation that is inconsistent with this Section 2(D)(2) or Section 2(D)(4)(a) of this Article IV shall be adopted (including by merger, consolidation or otherwise); provided, however that no vote otherwise required by this Section 2(D)(2) shall be required for the implementation by the Corporation of a rights plan, including the distribution of rights to all holders of the Company Common Stock, the designation of a series of preferred stock in connection therewith, and all other actions contemplated by any such rights plan and the operation thereof, so long as all shares of all holders of shares of Company Common Stock are treated identically pursuant to such distribution and, other than a holder who is an “Acquiring Person” and certain transferees of any such “Acquiring Person” under such rights plan, the operation of such rights plan.

(3) Notwithstanding anything to the contrary contained in this Restated Certificate of Incorporation, for so long as any shares of Class A Common Stock or Class B Common Stock remain outstanding, without the Requisite Common Vote (and any other vote of stockholders required by this Restated Certificate of Incorporation or applicable law):

(i) this Restated Certificate of Incorporation shall not be amended, altered or repealed (including by merger, consolidation or otherwise) in a manner that would alter or change the powers, preferences, or relative, participating, optional or other special rights of the shares of Common Stock, or the qualifications, limitations or restrictions with respect thereto, so as to affect them adversely;

(ii) the Corporation shall not subdivide (by any stock split, reclassification, recapitalization or otherwise) or combine (by reverse stock split, reclassification, recapitalization or otherwise) the outstanding shares of Common Stock, Class A Common Stock (or any series thereof) or Class B Common Stock (or any series thereof), unless the outstanding shares of the other such classes and series of Company Common Stock shall be proportionately subdivided or combined in the same manner, in each case so that the numbers of shares of Common Stock, Class A Common Stock (and each series thereof) and Class B Common Stock (and each series thereof) outstanding immediately following such subdivision or combination shall bear the same relationship to one another as did the numbers of shares of Common Stock, Class A Common Stock (and each series thereof) and Class B Common Stock (and each series thereof) outstanding immediately prior to such subdivision or combination; and
(iii) Section 2(C)(2), this Section 2(D)(3) and Section 2(D)(4)(b) of this Article IV of this Restated Certificate of Incorporation shall not be amended, altered or repealed (including by merger, consolidation or otherwise), and no provision of this Restated Certificate of Incorporation that is inconsistent with Section 2(C)(2), this Section 2(D)(3) or Section 2(D)(4)(b) of this Article IV shall be adopted (including by merger, consolidation or otherwise); provided, however, that no vote otherwise required by this Section 2(D)(3) shall be required for the implementation by the Corporation of a rights plan, including the distribution of rights to all holders of the Company Common Stock, the designation of a series of preferred stock in connection therewith, and all other actions contemplated by any such rights plan and the operation thereof, so long as all shares of all holders of shares of Company Common Stock are treated identically pursuant to such a distribution and, other than a holder who is an “Acquiring Person” and certain transferees of any such “Acquiring Person” under such rights plan, the operation of such rights plan.

(4)(a) “Requisite Vote” and “Requisite Votes,” as applicable, means, in addition to any other or different vote required by applicable law, for purposes of any action described in clauses (i) through (vii) of Section 2(D)(2) of this Article IV, (1) the affirmative vote of holders of at least a majority of the voting power of the shares of all series of Class A Common Stock and all series of Class B Common Stock outstanding as of the record date therefor, voting together as a single class and, (2) if any such action would affect a class or series of Class A Common Stock and/or Class B Common Stock, as applicable, less favorably, or more adversely, than it does any other class or series of Class A Common Stock and/or Class B Common Stock, the affirmative vote of holders of at least a majority of the voting power outstanding as of the record date therefor of the shares of the class or series less favorably or more adversely affected by such action, voting as a separate class.

(b) “Requisite Common Vote” means, in addition to any other or different vote required by applicable law, for purposes of any action described in clauses (i) through (iii) of Section 2(D)(3) of this Article IV, the affirmative vote of holders of at least a majority of the voting power of the shares of Common Stock outstanding as of the record date therefor.

3. Transfer Restrictions and Conversion Applicable to Shares of Class A Common Stock and Class B Common Stock.

(A) Transfer Restrictions of Class A Common Stock and Class B Common Stock.

(1) Except as otherwise set forth in Section 3(A)(2), Section 3(A)(3) or Section 3(A)(4) of this Article IV, (x) shares of Class A Common Stock may not be Transferred by or at the request of any record or beneficial owner of such shares of Class A Common Stock, and (y) shares of Class B Common Stock may not be Transferred by or at the request of any record or beneficial owner of such shares of Class B Common Stock until the Lock-Up Expiration Date applicable to such shares of Class B Common Stock shall have occurred.
(2) Section 3(A)(1) of this Article IV shall not prohibit a record or beneficial owner of shares of Class A Common Stock or Class B Common Stock from transferring such shares in a permitted transfer, provided that (i) any record or beneficial owner of shares of Class A Common Stock or Class B Common Stock that seeks to transfer one or more of such shares pursuant to this Section 3(A)(2) must, upon the Corporation’s request, provide to the Corporation affidavits or other proof reasonably acceptable to the Corporation that such transfer qualifies as a permitted transfer, and any good faith determination of the Corporation that a particular transfer so qualifies or does not so qualify shall be conclusive and binding; and (ii) if a record or beneficial owner of shares of Class A Common Stock or Class B Common Stock makes any transfer of one or more such shares in a permitted transfer, each share of Class A Common Stock and/or Class B Common Stock so transferred shall continue to be bound by the terms of this Article IV, including the restrictions on transfer set forth in this Article IV.

(3) Section 3(A)(1) of this Article IV shall not prohibit a record or beneficial owner of shares of Class A Common Stock from transferring such shares pursuant to a qualified transfer.

(4) (a) At any time or from time to time on or prior to the second (2nd) anniversary of the Issue Date, if the Board of Directors (or any committee thereof designated thereby) determines in good faith it is in the best interests of the Corporation and its stockholders, the Board of Directors (or such committee) may (x) waive or otherwise remove the restrictions on transfer set forth in Section 3(A)(1) of this Article IV with respect to all or any number of the shares of Series A-4 Common Stock, on such terms and conditions as may be fixed by the Board of Directors (or such committee) in its sole discretion and (y) waive or otherwise remove the restrictions on transfer set forth in Section 3(A)(1) of this Article IV (on such terms and conditions as may be fixed by the Board of Directors (or such committee) in its sole discretion) to allow any of the MAC Trusts to transfer all or any number of the shares of Class A Common Stock held by it so long as such transfer will occur on or prior to the second (2nd) anniversary of the Issue Date.

(b) At any time or from time to time after the second (2nd) anniversary of the Issue Date, if the Board of Directors (or any committee thereof designated thereby) determines in good faith it is in the best interests of the Corporation and its stockholders, the Board of Directors (or such committee) may, in its sole discretion, waive or otherwise remove the restrictions on transfer set forth in Section 3(A)(1) of this Article IV, on such terms and conditions as may be fixed by the Board of Directors (or such committee) in its sole discretion, with respect to (w) all or any number of the shares of Series A-1 Common Stock and Series B-1 Common Stock (such shares, the “Combined Series 1 Stock”), (x) all or any number of the shares of Series A-2 Common Stock and Series B-2 Common Stock (such shares, the “Combined Series 2 Stock”), or (y) all or any number of the shares of Series A-3 Common Stock and Series B-3 Common Stock (such shares, the “Combined Series 3 Stock,” and each of the Combined Series 1 Stock, Combined Series 2 Stock and Combined Series 3 Stock is referred to individually as a “Combined Series of Stock”); provided, however, that, except in the case of a waiver or removal of the restrictions on transfer if required to permit transfers pursuant to Section 2.02(b)(vi) of the Governance Agreement, if the Board of Directors (or such committee) waives or otherwise removes the restrictions on transfer set forth in Section 3(A)(1) of this Article IV pursuant to this Section 3(A)(4)(b) with respect to less than all of the outstanding shares of a Combined Series of Stock, the number of shares of such combined series of stock of each holder in respect of which the restrictions on transfer set forth in Section 3(A)(1) of this Article IV
shall be waived or otherwise removed shall be equal to the result obtained by multiplying (i) the number of shares of such Combined Series of Stock held by such holder as of a record date determined by the Board of Directors (or such committee) by (ii) a fraction, the numerator of which shall be the number of outstanding shares of such Combined Series of Stock as of such record date in respect of which the Board of Directors (or such committee) is waiving or otherwise removing the restrictions on Transfer set forth in Section 3(A)(1) of this Article IV and the denominator of which shall be the number of outstanding shares of such Combined Series of Stock as of such record date, rounded down to the nearest whole share. In the event that the Board of Directors (or such committee) waives or otherwise removes the restrictions set forth in Section 3(A)(1) of this Article IV, pursuant to this Section 3(A)(4)(b) with respect to less than all of the shares of any Combined Series of Stock held by any holder, such waiver or removal of restrictions shall apply first to such holder’s shares of Class A Common Stock of the Combined Series of Stock and second to such holder’s shares of Class B Common Stock of such Combined Series of Stock.

(5) Notwithstanding anything to the contrary contained in this Restated Certificate of Incorporation, the Corporation shall not, and shall not permit any of its subsidiaries to, purchase or otherwise acquire any shares of Class A Common Stock or Class B Common Stock at a price per share that exceeds the Common Market Price.

(B) Conversion of Class A Common Stock.

(1) Series A-1 Common Stock; Series A-2 Common Stock; Series A-3 Common Stock. Each share of Series A-1 Common Stock, Series A-2 Common Stock and Series A-3 Common Stock shall be converted into shares of Common Stock on the terms and conditions set forth below in this Section 3(B)(1). Any conversion effected in accordance with this Section 3(B)(1) (other than paragraph (d) of this Section 3(B)(1)) shall be effective upon the applicable Conversion Time whether or not certificates representing such shares are surrendered to the Corporation.

(a) Conversion Upon Lock-up Release Date. (i) Each share of Series A-1 Common Stock outstanding on the First Lock-up Release Date shall be converted, immediately prior to the close of business on such date, automatically and without payment of additional consideration or further action by the holder thereof, into one fully paid and non-assessable share of Common Stock; (ii) each share of Series A-2 Common Stock outstanding on the Second Lock-up Release Date shall be converted, immediately prior to the close of business on such date, automatically and without payment of additional consideration or further action by the holder thereof, into one fully paid and non-assessable share of Common Stock; and (iii) each share of Series A-3 Common Stock outstanding on the Third Lock-up Release Date shall be converted, immediately prior to the close of business on such date, automatically and without payment of additional consideration or further action by the holder thereof, into one fully paid and non-assessable share of Common Stock.

(b) Conversion in Connection with a Released Share Offering. Each share of Series A-1 Common Stock, Series A-2 Common Stock and Series A-3 Common Stock shall be converted, automatically and without payment of additional consideration or further action by the holder thereof, into one fully paid and non-assessable share of Common Stock upon the Transfer of such share pursuant to a Released Share Offering in accordance with the Registration Agreement.
(c) Conversion by the Board.

(i) At any time or from time to time on or prior to the second (2\textsuperscript{nd}) anniversary of the Issue Date, the Board of Directors (or any committee thereof designated thereby) may, in its sole discretion, convert all or any number of the shares of any series of Class A Common Stock (other than Series A-4 Common Stock) held by any MAC Trust, automatically and without payment of additional consideration or further action by the holder thereof, on a share-for-share basis, into fully paid and non-assessable shares of Common Stock (at such time or times and on such terms and conditions as may be fixed by the Board of Directors (or such committee) in its sole discretion) so long as (x) such conversion will occur and is conditioned upon the Transfer of all such shares of Common Stock pursuant to a Structured Formation Offering, Market Sale or Private Sale, (y) such conversion and Transfer will occur on or prior to the second (2\textsuperscript{nd}) anniversary of the Issue Date and (z) the shares of Class A Common Stock that are to be converted pursuant to this clause (i) at any one time shall consist of an equal number of shares of Series A-1 Common Stock, Series A-2 Common Stock and Series A-3 Common Stock then held by such MAC Trust.

(ii) At any time or from time to time after the later of the Class B Conversion Approval and the second (2\textsuperscript{nd}) anniversary of the Issue Date, the Board of Directors (or any committee thereof designated thereby) may, in its sole discretion, convert all or any number of the shares of any series of Class A Common Stock automatically and without payment of additional consideration or further action by the holder thereof, on a share-for-share basis, into fully paid and non-assessable shares of Common Stock (at such time or times and on such terms and conditions as may be fixed by the Board of Directors (or such committee) in its sole discretion); provided, however, that if the Board of Directors (or such committee) elects to convert less than all of the outstanding shares of any series of Class A Common Stock at any time pursuant to this Section 3(B)(1)(c)(ii), the number of shares of such series of Class A Common Stock of each holder that shall be converted shall be equal to the result obtained by multiplying (x) the number of shares of such series of Class A Common Stock held by such holder as of a record date determined by the Board of Directors (or such committee) by (y) a fraction, the numerator of which shall be the number of outstanding shares of such series of Class A Common Stock as of such record date being converted by the Board of Directors (or any such committee), and the denominator of which shall be the number of outstanding shares of such series of Class A Common Stock as of such record date, rounded down to the nearest whole share.

(d) Death Conversion. In the event an estate of a person who shall have died after the Execution Date is a holder of shares of Class A Common Stock or in the event a grantor, settlor or beneficiary of a trust that holds shares of Class A Common Stock shall have died after the Execution Date, such estate or trust may, without payment of additional consideration, convert any shares of Class A Common Stock held by such trust or estate, on a share-for-share basis, into fully paid and non-assessable shares of Common Stock in connection with (a) the Transfer of such shares of Common Stock so long as the proceeds
of such Transfer are to be used (or the proceeds of a prior Permitted Transfer (made pursuant to clause (B) of such definition) of shares of Class B Common Stock that were previously converted into such shares of Class A Common Stock were used) to pay estate taxes and expenses payable by reason of the death of such deceased person or the death of the grantor or settlor of such trust or any one or more beneficiaries of such trust (as applicable), and (b) the Transfer of such shares of Common Stock after the second (2nd) anniversary of the Issue Date so long as (x) the proceeds of such Transfer are to be used to pay estate taxes, debts, obligations and expenses payable by reason of the death of such deceased person or the death of the grantor or settlor of such trust or any one or more beneficiaries of such trust (as applicable) or (y) such Transfer is made in connection with a foreclosure on shares of Class A Common Stock that were pledged pursuant to a Permitted Transfer. In order for a trust or estate to convert shares of Class A Common Stock into shares of Common Stock pursuant to this Section 3(B)(1)(d), such trust or estate shall surrender such the certificate or certificates for such shares (or, if such trust or estate alleges that such certificate or certificates has been lost, stolen or destroyed, such trust or estate shall provide the Corporation with a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation and the transfer agent (if the Corporation does not serve as its own transfer agent) at the office of the transfer agent for the Class A Common Stock (or at the principal office of the Corporation if the Corporation serves as its own transfer agent) and if requested by the Corporation or the transfer agent (if applicable), the posting of a surety bond in customary amount and upon customary terms, against any claim that may be made against the Corporation and/or the transfer agent on account of the alleged loss, theft or destruction of such certificate or certificates), at the office of the transfer agent for the Class A Common Stock (or at the principal office of the Corporation if the Corporation serves as its own transfer agent), together with written notice (x) stating that such trust or estate elects to convert all or a number of shares of Class A Common Stock represented by such certificate or certificates (if any) pursuant to this Section 3(B)(1)(d) and (y) presenting facts indicating that such conversion complies with this Section 3(B)(1)(d). Such notice shall also state such trust or estate’s name or the names of the nominees in which such trust or estate wishes such shares of Common Stock, and the certificate or certificates (if any) for such shares of Common Stock, to be issued. If required by the Corporation, certificates surrendered for conversion shall be endorsed or accompanied by a written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or his, her or its attorney duly authorized in writing. In addition, the trust or estate seeking to convert shares of Class A Common Stock into shares of Common Stock pursuant to this Section 3(B)(1)(d) shall (i) provide to the Corporation affidavits stating that such conversion and the related Transfer of shares of Common Stock is in compliance with any agreement such trust or estate may have with Cargill and (ii) upon the Corporation’s request, provide to the Corporation affidavits or other proof reasonably acceptable to the Corporation that such conversion complies with this Section 3(B)(1)(d), and any good faith determination of the Corporation that a particular conversion so qualifies or does not so qualify shall be conclusive and binding. The close of business on the date of receipt by the transfer agent (or by the Corporation if the Corporation serves as its own transfer agent) of the certificates (or lost certificate affidavit and agreement), notice and, if requested in accordance with the foregoing, any surety bond, affidavits or other proof, shall be the Conversion Time and the
shares of Common Stock issuable upon conversion of such shares of Class A Common Stock shall be deemed outstanding of record as of such time. The Corporation shall, as soon as practicable after any such surrender following such Conversion Time, issue and deliver to the applicable trust or estate or to its nominees, a certificate or certificates (if any) for the number of shares of Common Stock into which such shares of Class A Common Stock were converted pursuant to this Section 3(B)(1)(d) and a certificate representing the shares of Class A Common Stock represented by a surrendered certificate that were not converted into shares of Common Stock pursuant to this Section 3(B)(1)(d).

(2) **Series A-4 Common Stock.** The shares of Series A-4 Common Stock shall be converted into shares of Common Stock on the terms and conditions set forth in this Section 3(B)(2). Any conversion effected in accordance with this Section 3(B)(2) shall be effective upon the applicable Conversion Time whether or not certificates representing such shares are surrendered to the Corporation.

(a) **Conversion in Connection with Certain Sales.** Prior to the second (2nd) anniversary of the Issue Date, each share of Series A-4 Common Stock shall be converted, automatically and without payment of additional consideration or further action by the holder thereof, into one fully paid and non-assessable share of Common Stock upon the Transfer of that share pursuant to a Structured Formation Offering, Market Sale or Private Sale, as applicable.

(b) **Other Conversion.** Immediately after the close of business on the second (2nd) anniversary of the Issue Date, each then outstanding share of Series A-4 Common Stock shall be converted, automatically and without payment of additional consideration or further action by the holder thereof, into one share of Common Stock.

(3) **90% Owner After Tender Offer.** In the event that any Person becomes the record and beneficial owner of 90% or more of the outstanding shares of Company Common Stock as a result of a tender or exchange offer approved or recommended by the Board of Directors (or the exercise of any “top-up” option granted by the Corporation in connection with any such tender or exchange offer), each outstanding share of Class A Common Stock, whether or not held by such Person, shall be converted, automatically and without payment of additional consideration or further action by the holder thereof, into one fully paid and non-assessable share of Common Stock.

**C** Conversion of Class B Common Stock. Each share of Class B Common Stock shall be converted into shares of Series A-1 Common Stock, Series A-2 Common Stock, Series A-3 Common Stock or Common Stock, as applicable, on the terms and conditions set forth below in this Section 3(C). Any conversion effected in accordance with this Section 3(C) shall be effective upon the applicable Conversion Time whether or not certificates representing such shares are surrendered to the Corporation.

(1) **Conversion upon Shareholder Approval.** If the Corporation’s Board of Directors determines to submit to the stockholders of the Corporation, at a duly called meeting of stockholders, a proposal to effect a conversion of the shares of Class B Common Stock, and such proposal is approved by the affirmative vote of the holders of a majority of the voting power of the
shares of Common Stock, Class A Common Stock and Class B Common Stock entitled to vote and present in person or by proxy at the meeting, voting together as a single class (any such approval, the “Class B Conversion Approval”), all of the shares of Class B Common Stock then outstanding shall be converted, automatically and without payment of additional consideration or further action by the holders thereof, as follows:

(a) If the Class B Conversion Approval occurs prior to the First Lock-up Release Date, then immediately prior to the close of business on the date of such Class B Conversion Approval (i) each share of Series B-1 Common Stock shall be converted into one fully paid and non-assessable share of Series A-1 Common Stock, (ii) each share of Series B-2 Common Stock shall be converted into one fully paid and non-assessable share of Series A-2 Common Stock, and (iii) each share of Series B-3 Common Stock shall be converted into one fully paid and non-assessable share of Series A-3 Common Stock;

(b) If the Class B Conversion Approval occurs on or after the First Lock-up Release Date but prior to the Second Lock-up Release Date, then immediately prior to the close of business on the date of such Class B Conversion Approval, (i) each share of Series B-1 Common Stock shall be converted into one fully paid and non-assessable share of Common Stock, (ii) each share of Series B-2 Common Stock shall be converted into one fully paid and non-assessable share of Series A-2 Common Stock, and (iii) each share of Series B-3 Common Stock shall be converted into one fully paid and non-assessable share of Series A-3 Common Stock;

(c) If the Class B Conversion Approval occurs on or after the Second Lock-up Release Date but before the Third Lock-up Release Date, then immediately prior to the close of business on the date of such Class B Conversion Approval, (i) each share of Series B-1 Common Stock and Series B-2 Common Stock shall be converted into one fully paid and non-assessable share of Common Stock, and (ii) each share of Series B-3 Common Stock shall be converted into one fully paid and non-assessable share of Series A-3 Common Stock; and

(d) If the Class B Conversion Approval occurs on or after the Third-Lock-up Release Date, then immediately prior to the close of business on the date of such Class B Conversion Approval, each share of Class B Common Stock shall be converted into one fully paid and non-assessable share of Common Stock.

(2) 90% Owner After Tender Offer. In the event that any Person becomes the record and beneficial owner of 90% or more of the outstanding shares of Company Common Stock as a result of a tender or exchange offer approved or recommended by the Board of Directors (or the exercise of any “top-up” option granted by the Corporation in connection with any such tender or exchange offer), each outstanding share of Class B Common Stock, whether or not held by such Person, shall be converted, automatically and without payment of additional consideration or further action by the holder thereof, into one fully paid and non-assessable share of Common Stock.
(D) Conversion Mechanics.

(1) Manner of Conversion.

(a) Upon the automatic conversion of any shares of Class A Common Stock or any shares of Class B Common Stock pursuant to Section 3(B) or Section 3(C) of this Article IV (other than pursuant to Section 3(B)(1)(d)) (any such conversion, an “Automatic Conversion”), the Corporation will provide written notice of the conversion of such shares to the holders of record of such shares, at such holders’ respective addresses as they appear on the transfer books of the Corporation, as soon as reasonably practicable following the applicable Conversion Time; provided, however, that neither the failure to give such notice nor any defect therein shall affect the validity of the conversion. Such notice, which need not be sent in advance of the occurrence of the applicable Conversion Time, shall state, as appropriate and together with such other information as the Corporation may deem appropriate to include in such notice: (i) the effective date of the conversion; and (ii) the number and series of shares of Class A Common Stock or Class B Common Stock, as the case may be, that were or are to be automatically converted and the number and class and series of shares, as applicable, into which the converted (or to be converted) shares were (or are to be) converted.

(b) In the event of an Automatic Conversion of any shares of Class A Common Stock or any shares of Class B Common Stock, the certificates formerly representing each such share of Class A Common Stock or Class B Common Stock shall thereupon and thereafter be deemed to represent such number and series (if applicable) of shares of Class A Common Stock or Class B Common Stock, as applicable, into which such shares of Class A Common Stock or Class B Common Stock were converted pursuant to such Automatic Conversion unless and until such certificates are exchanged in accordance with the following paragraph.

(c) From and after the Conversion Time applicable to shares of Class A Common Stock or Class B Common Stock converted pursuant to an Automatic Conversion any holder of such shares of former Class A Common Stock or former Class B Common Stock may surrender such holder’s certificate or certificates for such shares (or, if such registered holder alleges that such certificate has been lost, stolen or destroyed, such holder shall provide the Corporation with a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation and the transfer agent (if the Corporation does not serve as its own transfer agent) at the office of the transfer agent for the Class A Common Stock (or at the principal office of the Corporation if the Corporation serves as its own transfer agent) and if requested by the Corporation or the transfer agent (if applicable), the posting of a surety bond in customary amount and upon customary terms, against any claim that may be made against the Corporation and/or the transfer agent on account of the alleged loss, theft or destruction of such certificate), at the office of the transfer agent for the Class A Common Stock and/or Class B Common Stock (or at the principal office of the Corporation if the Corporation serves as its own transfer agent), together with written notice that such holder would like one or more new certificates (if any) representing the shares of Class A Common Stock or Class B Common Stock, as applicable, into which such shares of Class A Common Stock and/or Class B Common Stock were converted pursuant to the Automatic Conversion. Such notice shall state such holder’s name or, where shares were converted into shares of Common Stock, the names of
the nominees in which such holder wishes the certificate or certificates (if any) for such shares to be issued. If required by the Corporation, certificates surrendered for conversion shall be endorsed or accompanied by a written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or his, her or its attorney duly authorized in writing. The Corporation shall, as soon as practicable after any such surrender following the Conversion Time applicable to any such shares, issue and deliver to such holder, or where shares were converted into shares of Common Stock, to his, her or its nominees, a certificate or certificates (if any) for the number of shares of Class A Common Stock or Common Stock into which such shares of Class A Common Stock and/or Class B Common Stock were converted pursuant to the Automatic Conversion.

(2) **Reservation of Shares.** The Corporation shall at all times when Class A Common Stock or Class B Common Stock shall be outstanding, reserve and keep available out of its authorized but unissued capital stock, for the purpose of effecting the conversion of the Class A Common Stock or Class B Common Stock, such number of its duly authorized shares of Class A Common Stock and Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of Class A Common Stock and Class B Common Stock at such time; and if at any time the number of authorized but unissued shares of Class A Common Stock or Common Stock, as applicable, shall not be sufficient to effect the conversion of all then outstanding shares of Class A Common Stock and Class B Common Stock, the Corporation shall take such corporate action as may be necessary to increase its authorized but unissued shares of Class A Common Stock or Common Stock, as applicable, to such number of shares as shall be sufficient for such purposes, including, if applicable, seeking to obtain the requisite stockholder approval of any necessary amendment to this Restated Certificate of Incorporation.

(3) **Effect of Conversion.** Each share of Class A Common Stock and Class B Common Stock converted as herein provided shall no longer be deemed to be outstanding and all rights with respect to such share shall immediately cease and terminate at the Conversion Time applicable to such share, except only the right of the holder thereof to receive shares of Class A Common Stock or Common Stock, as the case may be, in exchange therefor and to receive payment of any dividends declared but unpaid on the share so converted for which the record date has already occurred. Any shares of any series of Class A Common Stock or Class B Common Stock so converted shall be retired and cancelled and may not be reissued as shares of such series, and the Corporation may thereafter take such appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of shares of the applicable series of Class A Common Stock or Class B Common Stock accordingly.

(4) **Treatment of Certain Dividends.**

(a) With respect to any dividends that (i) are declared on shares of Series A-1 Common Stock, Series A-2 Common Stock, Series A-3 Common Stock or Series A-4 Common Stock, (ii) are payable in shares of Series A-1 Common Stock, Series A-2 Common Stock, Series A-3 Common Stock, or Series A-4 Common Stock, respectively, and (iii) have not been paid prior to the conversion of such shares of Series A-1 Common Stock, Series A-2 Common Stock, Series A-3 Common Stock or Series A-4 Common Stock, as applicable, into shares of Common Stock, such dividend shall be paid in the form of shares of Common Stock rather than in the form of shares of Series A-1 Common Stock, Series A-2 Common Stock, Series A-3 Common Stock or Series A-4 Common Stock, as applicable.
(b) With respect to any dividends that (i) are declared on shares of Series B-1 Common Stock, Series B-2 Common Stock or Series B-3 Common Stock, (ii) are payable in shares of Series A-1 Common Stock, Series A-2 Common Stock, or Series A-3 Common Stock, respectively, and (iii) have not been paid prior to the conversion of such shares of Series B-1 Common Stock, Series B-2 Common Stock or Series B-3 Common Stock, as applicable, into shares of Common Stock, such dividend shall be paid in the form of shares of Common Stock rather than in the form of shares of Series A-1 Common Stock, Series A-2 Common Stock or Series A-3 Common Stock, as applicable.

(5) Taxes. The issuance of shares of Common Stock or Class A Common Stock, as the case may be, on the conversion of Class A Common Stock or Class B Common Stock shall be made by the Corporation without charge for expenses or for any documentary, stamp or similar issue or transfer taxes payable in respect of the issue or delivery of shares of Common Stock or Class A Common Stock, as applicable. However, if any such shares are to be issued in a name other than that of the holder of the share or shares of Class A Common Stock and/or Class B Common Stock converted, the person or persons requesting the issuance thereof shall pay to the Corporation the amount of any tax which may be payable in respect of any transfer involved in such issuance or shall establish to the satisfaction of the Corporation that such tax has been paid or is not required to be paid.

(E) General.

(1) The restrictions on Transfer set forth in this Section 3 of Article IV shall be referred to as the “Lock-up.” The Corporation shall not register the purported Transfer of any shares of Class A Common Stock or Class B Common Stock in violation of the Lock-up and any such Transfer in violation of the Lock-up shall be null and void ab initio.

(2) All shares of Class A Common Stock and Class B Common Stock shall be issued solely in certificated form, which certificate shall at all times bear a legend to the effect that such shares are subject to the Lock-up.

(F) Definitions.

The following terms shall have the meanings set forth below:

“Acorn Trust” means the Acorn Trust dated January 30, 1995, as amended.

“Anne Ray Charitable Trust” means the Anne Ray Charitable Trust dated August 20, 1996, as amended.

“beneficial owner” and words of similar import (including “beneficially own” and “beneficial ownership”) shall have the meaning attributed to them under Rule 13d-3 promulgated under the Exchange Act except that a Person shall be deemed to have “beneficial ownership” of all shares that such Person has the right to acquire, whether such right is exercisable immediately or only after passage of time.
“Cargill” means Cargill, Incorporated and its successors.

“Cargill Family Entity” means any corporation, partnership or limited liability company of which, in each case, at least ninety percent (90%) in value of the stock or other ownership interests is owned by one or more Cargill Family Members, Cargill Family Trusts, other Cargill Family Entities or Cargill Family Member Estates.

“Cargill Family Member” means (a) any natural person who is a lineal descendent of W.W. Cargill, including a legally adopted descendent and his or her descendents; (b) any natural person who is a spouse of any person referred to in clause (a); and (c) any natural person who is a brother, sister or parent, including as a result of a legal adoption, of any person referred to in clause (a).

“Cargill Family Member Estate” means the estate of any Cargill Family Member.

“Cargill Family Trust” means any trust the primary beneficiaries of which are Cargill Family Members, Cargill Family Entities, other Cargill Family Trusts and/or Charitable Organizations.

“Charitable Organization” means an organization described in Section 170(c), Section 501(c)(3) or Section 501(c)(4) of the Code.


“Common Market Price” means the average (rounded to the nearest cent) of the volume-weighted average trading price of a share of Common Stock (rounded to the nearest cent) on the New York Stock Exchange for each of the 20 trading days immediately preceding the date of the Transfer.

“Conversion Time” means, with respect to any share of Company Common Stock, the date and time that such share is converted into any other class or series of Company Common Stock as set forth in Section 3 of this Article IV.


“Execution Date” means January 18, 2011.

“Family Members” means, with respect to any natural person, such person’s spouse, parents, grandparents, children, grandchildren, great-grandchildren, brothers and sisters, mother-in-law and father-in-law, brothers-in-law and sisters-in-law, daughters-in-law and sons-in-law. Adopted and step-members are also included as “Family Members.”

“First Lock-Up Release Date” means the first day after the thirty (30) month anniversary of the Issue Date.

“Governance Agreement” means that certain Governance Agreement, dated as of January 18, 2011, by and among the Corporation, the Mosaic Company and the Stockholder Parties thereto, as such agreement may be amended from time to time.
“Issue Date” means the date on which Cargill consummates the Split-off, as such term is defined in the Merger and Distribution Agreement, in accordance with the terms thereof.

“Lock-Up Expiration Date” means: (A) with respect to each share of Series B-1 Common Stock, the First Lock-Up Release Date, (B) with respect to each share of Series B-2 Common Stock, the Second Lock-Up Release Date and (C) with respect to each share of Series B-3 Common Stock, the Third Lock-Up Release Date.

“Lilac Trust” means the Lilac Trust dated August 20, 1996, as amended.

“MAC Trusts” means the Margaret A. Cargill Foundation, the Acorn Trust, the Lilac Trust and the Anne Ray Charitable Trust.

“Margaret A. Cargill Foundation” means the Margaret A. Cargill Foundation established under the Acorn Trust dated January 30, 1995, as amended.

“Market Sale” means a sale of capital stock of the Corporation by the MAC Trusts pursuant to and in accordance with Section 2.2(a) of the Registration Agreement.

“Merger” shall have the meaning assigned to such term in the Merger and Distribution Agreement.

“Merger and Distribution Agreement” means that certain Merger and Distribution Agreement, dated as of January 18, 2011, by and among the Corporation, The Mosaic Company, GNS Merger Sub LLC, the MAC Trusts and Cargill, as such agreement may be amended from time to time.

“Permitted Transfer” means:

(A) any Transfer of shares to the Corporation or any of its subsidiaries other than any such Transfer of shares of Class A Common Stock or Class B Common Stock at a price per share that exceeds the Common Market Price;

(B) any Transfer of shares by an estate of a person who shall have died after the Execution Date or by a trust (in the event a grantor, settlor or beneficiary of such trust shall have died after the Execution Date), in each case so long as the proceeds of such Transfer are to be used to pay estate taxes and expenses payable by reason of the death of such deceased person or the death of the grantor or settlor of such trust or any one or more beneficiaries of such trust (as applicable);

(C) any pledge of shares by an estate of a person who shall have died after the Execution Date or by a trust (in the event a grantor, settlor or beneficiary of such trust shall have died after the Execution Date), in each case so long as such pledge of shares is made to a bank, trust company or other financial institution as security for a bona fide loan and the proceeds of such loan are to be, or shall have been, used to pay estate taxes, debts, obligations and expenses payable by reason of the death of such deceased person or the death of the grantor or settlor of such trust or any one or more beneficiaries of such trust (as applicable), and the Transfer of any such pledged shares in connection with a foreclosure on such pledged shares;
(D) any Transfer of shares of a deceased holder to the estate of such deceased holder upon such deceased holder’s death and the Transfer of such shares from the estate of such deceased holder to the beneficiaries thereof, provided that each such Transfer is pursuant to the deceased holder’s will or the laws of descent or distribution;

(E) any Transfer of shares of a holder to the bankruptcy estate of such holder if such holder has become bankrupt or insolvent;

(F) any Transfer of shares by a natural person to (i) any of such holder’s Family Members, (ii) a trust for the benefit of the holder or one or more of such holder’s Family Members (a “Qualified Trust”) or (iii) any corporation, partnership or limited liability company of which, in each case, 100% of the voting and equity interests are beneficially owned by one or more of such holder and such holder’s Family Members or a trust for the benefit of one or more of such holder’s Family Members;

(G) any Transfer of shares by a Qualified Trust to the beneficiaries and/or grantor or settlor of such trust, in each case in accordance with the terms of the governing trust instrument;

(H) any Transfer of shares of Series A-4 Common Stock by a Charitable Organization to another Charitable Organization to satisfy the transferor’s annual distribution requirements under the Code, applicable treasury regulations or state law; to the extent, and only to the extent, such transferor’s liquid assets are insufficient, in the good faith judgment of the transferor, to meet such annual distribution requirements and operating requirements for such period;

(I) any Transfer of shares by the Acorn Trust to the MAC Foundation in accordance with the governing trust agreement for the Acorn Trust and any Transfer of shares from the Lilac Trust to the Anne Ray Charitable Trust in accordance with the governing trust agreement for the Lilac Trust;

(J) any Transfer of shares by a holder thereof (other than a Transfer of shares to the Corporation or any of its subsidiaries, which is the subject of clause (A) of this definition) approved by the Board of Directors and by Cargill;

(K) any Transfer of shares after the second (2nd) anniversary of the Issue Date with respect to which no gain or loss is recognized for U.S. federal income tax purposes;

(L) any Transfer of shares after the second (2nd) anniversary of the Issue Date to Cargill Family Members, Cargill Family Entities, Cargill Family Member Estates, Cargill Family Trusts and Charitable Organizations; and

(M) any Transfer of shares after the second (2nd) anniversary of the Issue Date by a Cargill Family Trust to the beneficiaries and/or grantors or settlors of such trust.
“Person” means any individual, corporation (including not-for-profit), general or limited partnership, limited liability company, joint venture, estate, trust, association, organization, governmental entity or agency or other entity of any kind or nature.

“Private Sale” means a sale of capital stock of the Corporation by the MAC Trusts pursuant to and in accordance with Section 2.2(c) of the Registration Agreement.

“Qualified Transfer” means a Transfer (A) pursuant to a tender or exchange offer that is made by the Corporation or any of its subsidiaries or approved (including solely for the purposes of this definition) or recommended by the Board of Directors (or a designated committee thereof) in which all classes of Company Common Stock are offered the same form and amount of consideration per share or (B) arising as a result of a reorganization, consolidation, combination or merger or similar transaction to which the Corporation is a party and in which all classes of Company Common Stock are offered the same kind and amount of consideration per share.

“Registration Agreement” means that certain Registration Agreement, dated as of January 18, 2011, by and among the Corporation, The Mosaic Company, Cargill, the MAC Trusts and the other Persons party thereto, as such agreement may be amended from time to time.

“Released Share Offering” has the meaning assigned to such term in the Registration Agreement.

“Second Lock-Up Release Date” means the first day after the forty-two (42) month anniversary of the Issue Date.

“Structured Formation Offering” means any of the First Formation Offering, the Second Formation Offering, the Third Formation Offering, the Fourth Formation Offering, and the S&P 500 Index Inclusion Offering, as each such term is defined in, and pursuant to, the Registration Agreement.

“Third Lock-Up Release Date” means the first day after the fifty-four (54) month anniversary of the Issue Date.

“Transfer” means (with its cognates having corresponding meanings), with respect to any securities (“applicable securities”), (i) any direct or indirect sale, exchange, issuance, transfer, redemption, grant, pledge, hypothecation or other disposition, whether voluntary or involuntary, by operation of law or otherwise, and whether or not for value, of any of the applicable securities, or any securities, options, warrants or rights convertible into or exercisable or exchangeable for, or for the purchase or other acquisition of, any applicable securities or any contract or other binding arrangement or understanding (in each case, whether written or oral) to take any of the foregoing actions or (ii) entering into any swap or other agreement, arrangement or understanding, whether or not in writing, that, directly or indirectly, transfers, conveys or otherwise disposes of, in whole or in part, any of the economic or other risks or consequences of ownership of any applicable securities, including short sales of applicable securities, option transactions with respect to applicable securities, use of equity or other derivative financial instruments relating to applicable securities and other hedging arrangements with respect to applicable securities, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of the applicable securities, other securities, cash or otherwise; provided, however, that the grant of a proxy in connection with a solicitation of proxies subject to the provisions of Section 14 of the Exchange Act shall not constitute a “Transfer”.
4. Preferred Stock.

The Board of Directors is authorized, subject to limitations prescribed by law and Section 2(D)(2) of this Article IV, to provide by resolution or resolutions for the issuance of shares of Preferred Stock from time to time in one or more series, and, by filing a certificate pursuant to the applicable law of the State of Delaware (each a “Preferred Stock Designation”), to establish the number of shares to be included in each such series, and to fix the voting powers (if any), designations, powers, preferences, and relative, participating, optional or other rights, if any, of the shares of each such series, and any qualifications, limitations and restrictions thereof. The shares of Preferred Stock of any one series shall be identical with each other in all respects except as to the dates from and after which dividends thereon shall cumulate, if cumulative.

The authority of the Board of Directors with respect to each series shall include, but not be limited to, determination of the following:

(a) the designation of the series, which may be by distinguishing number, letter or title;
(b) the number of the shares of the series, which number the Board of Directors may thereafter (except where otherwise provided in the Preferred Stock Designation) increase or decrease (but not below the number of shares of such series then outstanding);
(c) whether dividends, if any, shall be cumulative or noncumulative and the dividend rate of the series;
(d) the dates at which dividends, if any, shall be payable;
(e) the redemption rights and price or prices, if any, for shares of the series;
(f) the terms and amount of any sinking fund provided for the purchase or redemption of shares of the series;
(g) the amounts payable on, and the preferences, if any, of shares of the series in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation;
(h) whether the shares of the series shall be convertible or exchangeable into shares of any other class or series, or any other security, of the Corporation or any other corporation, and, if so, the specification of such other class or series or of such other security, the conversion price or prices or exchange rate or rates, any adjustments thereof, the date or dates at which such shares shall be convertible or exchangeable and all other terms and conditions upon which such conversion or exchange may be made;
(i) restrictions on the issuance of shares of the same series or of any other class or series;
(j) the voting rights, if any, of the holders of shares of the series; and

(k) such other powers, preferences and relative, participating, optional and other special rights, and the qualifications, limitations and restrictions thereof as the Board of Directors shall determine.

ARTICLE V
BYLAWS

In furtherance and not in limitation of the powers conferred by statute and except as provided herein or in the bylaws, the Board of Directors shall have the power to adopt, amend, repeal or otherwise alter the bylaws without any action on the part of the stockholders in accordance with the bylaws; provided, however, that any bylaws made by the Board of Directors and any and all powers conferred by any of said bylaws may be amended, altered or repealed by the stockholders.

ARTICLE VI
LIMITATION OF DIRECTORS’ LIABILITY; INDEMNIFICATION

A director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director’s duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involved intentional misconduct or a knowing violation of law, (iii) under Section 174 of the General Corporation Law, or (iv) for any transaction from which the director derived an improper personal benefit. Each person who is or was a director or officer of the Corporation, and each person who serves or served at the request of the Corporation as a director or officer of another enterprise, shall be indemnified by the Corporation in accordance with, and to the fullest extent authorized by, the General Corporation Law.

If the General Corporation Law is hereafter amended to authorize the further elimination or limitation of the liability of a director, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the General Corporation Law as so amended.

Any repeal or modification of the foregoing provisions of this Article VI shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification with respect to acts or omissions occurring prior to such repeal or modification.

ARTICLE VII
ELECTION OF DIRECTORS

The election of directors need not be by written ballot unless the bylaws of the Corporation shall so provide.
ARTICLE VIII

BOARD OF DIRECTORS

The business of the Corporation shall be managed by or under the direction of the Board of Directors. A majority of the whole Board of Directors shall constitute a quorum for the transaction of business. Any director may tender his resignation at any time. Subject to any rights of the holders of any series of Preferred Stock, any director may be removed from office at any time, but only for cause and then only by the affirmative vote of the holders of at least a majority of the voting power of the then outstanding Voting Stock (as hereafter defined), voting together as a single class. For purposes of this Restated Certificate of Incorporation, “Voting Stock” shall mean the outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors.

The number of directors to constitute the whole Board of Directors shall be established as provided in the bylaws. Subject to the rights of the holders of any series of Preferred Stock to elect additional directors under specified circumstances, at the annual meeting of stockholders of the Corporation that is held in calendar year 2014 (the “2014 Annual Meeting”), the directors whose terms expire at the 2014 Annual Meeting (or such directors’ successors) will be elected to hold office for a one-year term expiring at the annual meeting of stockholders of the Corporation that is held in calendar year 2015 (the “2015 Annual Meeting”); the directors whose terms expire at the 2015 Annual Meeting (or such directors’ successors), will be elected to hold office for a one-year term expiring at the annual meeting of stockholders of the Corporation that is held in calendar year 2016; and at the 2016 Annual Meeting, and each annual meeting of stockholders of the Corporation thereafter, all directors shall be elected to hold office for a one-year term expiring at the next annual meeting of stockholders of the Corporation. For the avoidance of doubt, each person appointed by the directors of the Corporation or elected by the stockholders of the Corporation to the Board of Directors before the 2014 Annual Meeting will serve for the full term to which he or she was appointed or elected before the 2014 Annual Meeting.

Notwithstanding the foregoing provisions of this section, each director shall serve until his successor is duly elected and qualified or until his death, resignation or removal. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

ARTICLE IX

STOCKHOLDER ACTION BY WRITTEN CONSENT

Action shall be taken by the stockholders of the Corporation only at annual or special meetings of the stockholders, and stockholders may not act by written consent; provided, however, that any action required or permitted to be taken by stockholders for or in connection with any action set forth in Section 2(D)(2) of Article IV and recommended by the Board of Directors may be taken without a meeting if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of the applicable classes and/or series of shares of Class A Common Stock and/or Class B Common Stock representing the Requisite Votes (in addition to the holders of outstanding shares of Company Common Stock representing the minimum number of votes that are otherwise required under applicable law or this Restated Certificate of Incorporation) and shall otherwise comply with the procedures set forth in the bylaws of the Corporation. Special meetings of the stockholders may only be called as provided in the bylaws.
ARTICLE X
AMENDMENT

The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Restated Certificate of Incorporation, in the manner now or hereafter prescribed by statute (but subject to Section 2(D)(2) and Section 2(D)(3) of Article IV), and all rights conferred upon stockholders herein are granted subject to this reservation; provided, however, that no Preferred Stock Designation shall be amended after the issuance of any shares of the series of Preferred Stock created thereby, except in accordance with the terms of such Preferred Stock Designation and the requirements of applicable law.

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ARTICLE I
MEETINGS OF STOCKHOLDERS

SECTION 1.1. Annual Meeting. An annual meeting of the stockholders, for the election of directors and for the transaction of such other business as may properly come before the meeting, shall be held at such place, on such date, and at such time as the Board of Directors shall each year fix. The Board of Directors may, in its sole discretion, determine that the meeting shall not be held at any place, but shall be held solely by means of remote communication, subject to such guidelines and procedures as the Board of Directors may adopt, as permitted by applicable law. Subject to Section 1.7, any other proper business may be transacted at an annual meeting.

SECTION 1.2. Special Meetings.

(a) Special meetings of the stockholders, for any purpose or purposes prescribed in the notice of the meeting, may be called by (x) the Board of Directors pursuant to a resolution adopted by a majority of the total number of authorized directors (whether or not there exist any vacancies in previously authorized directorships at the time any such resolution is presented to the Board for adoption), or (y) the Chairman of the Board, and shall be held at such place, on such date, and at such time as the Board of Directors shall fix. Business transacted at special meetings shall be confined to the purpose or purposes stated in the notice.

(b) The Board of Directors may, in its sole discretion, determine that the special meeting shall not be held at any place, but shall be held solely by means of remote communications, subject to such guidelines and procedures as the Board of Directors may adopt, as permitted by applicable law.

SECTION 1.3. Notice of Meetings. Written notice of the place, date, and time of all meetings of the stockholders, the means of remote communication, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called shall be given, not less than ten (10) nor more than sixty (60) days before the date on which the meeting is to be held, to each stockholder of record entitled to vote at such meeting, except as otherwise provided herein or required by law (meaning, here and hereinafter, as required from time to time by the General Corporation Law of the State of Delaware, as may be amended from time to time) or the Restated Certificate of Incorporation of the Corporation (the "Restated Certificate of Incorporation").

When a meeting is adjourned to another place, date or time, written notice need not be given of the adjourned meeting if the place, date and time thereof and the means of remote communication, if any, by which stockholders and proxyholders may be deemed present in person and vote at such adjourned meeting are announced at the meeting at which the
adjournment is taken; provided, however, that if the date of any adjourned meeting is more than thirty (30) days after the date for which the meeting was originally noticed, or if a new record date is fixed for the adjourned meeting, written notice of the place, date, and time of the adjourned meeting shall be given in conformity herewith. At any adjourned meeting, any business may be transacted which might have been transacted at the original meeting.

SECTION 1.4. Quorum. At any meeting of the stockholders, the holders of a majority of all of the shares of the stock entitled to vote at the meeting, present in person or by proxy, shall constitute a quorum for all purposes, unless or except to the extent that the presence of a larger number may be required by law. If a quorum is present when a meeting is convened, the subsequent withdrawal of stockholders, even though less than a quorum remains, shall not affect the ability of the remaining stockholders lawfully to transact business.

If a quorum shall fail to attend any meeting, the chairman of the meeting or the holders of a majority of the shares of stock entitled to vote who are present, in person or by proxy, may adjourn the meeting to another place, date, or time until a quorum is present.

SECTION 1.5. Organization. The Chairman of the Board or such person as the Board of Directors may have designated or, in the absence of such a person, the Chief Executive Officer of the Corporation, or in the absence of such officer, the President of the Corporation or, in the absence of such officer, such person as may be chosen by the holders of a majority of the shares entitled to vote who are present, in person or by proxy, shall call to order any meeting of the stockholders and act as chairman of the meeting. The secretary of the meeting shall be such person as the chairman appoints.

SECTION 1.6. Conduct of Business; Remote Communication. The chairman of any meeting of stockholders shall determine the order of business and the rules, regulations and procedure at the meeting, including such regulation of the manner of voting and the conduct of discussion as seem to him in order.

If authorized by the Board of Directors in accordance with these Bylaws and applicable law, stockholders and proxyholders not physically present at a meeting of stockholders may, by means of remote communication, (1) participate in a meeting of stockholders and (2) be deemed present in person and vote at a meeting of stockholders, whether such meeting is to be held at a designated place or solely by means of remote communication, provided that (i) the Corporation shall implement reasonable measures to verify that each person deemed present and permitted to vote at the meeting by means of remote communication is a stockholder or proxyholder, (ii) the Corporation shall implement reasonable measures to provide such stockholders and proxyholders a reasonable opportunity to participate in the meeting and to vote on matters submitted to the stockholders, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with such proceedings, and (iii) if any stockholder or proxyholder votes or takes other action at the meeting by means of remote communication, a record of such vote or other action shall be maintained by the Corporation.
SECTION 1.7. Notice of Stockholder Business.

(a) At an annual meeting of the stockholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting, business must be (a) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors, (b) properly brought before the meeting by or at the direction of the Board of Directors, or (c) properly brought before an annual meeting by a stockholder. For business to be properly brought before an annual meeting by a stockholder, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation. To be timely, a stockholder’s notice must be delivered to or mailed and received at the principal offices of the Corporation no more than one hundred twenty (120) days and no less than ninety (90) days prior to the anniversary date of the immediately preceding annual meeting (provided, however, that in the event that no annual meeting was held in the previous year or the annual meeting is called for a date that is not within thirty (30) days from the anniversary date of the preceding year’s annual meeting date, written notice by a stockholder in order to be timely must be received by the later of (x) the twentieth (20th) day following the day on which the first public disclosure of the date of the annual meeting was made or (y) ninety (90) days prior to the date of such annual meeting). Delivery shall be by hand or by certified or registered mail, return receipt requested. In no event shall the public disclosure of an adjournment of an annual meeting commence a new time period for the giving of stockholder’s notice as described above.

(b) A stockholder’s notice to the Secretary with respect to an annual meeting shall set forth as to each matter, other than the election of directors, the stockholder proposes to bring before the annual or special meeting (1) a brief description of the business desired to be brought before the annual or special meeting and the reasons for conducting such business at the annual or special meeting, (2) the name and address, as they appear on the Corporation’s books, of the stockholder proposing such business, (3) a representation that the stockholder is a holder of record of shares of stock of the Corporation entitled to vote with respect to such business and intends to appear in person or by proxy at the meeting to move the consideration of such business, (4) the class and number of shares of the Corporation which are beneficially owned by the stockholder, and (5) any material interest of the stockholder in such business.

(c) Notwithstanding anything in these Bylaws to the contrary, no business shall be conducted at an annual or special meeting except in accordance with the procedures set forth in either this Section 1.7 or in Sections 2.12 and 2.13 of these Bylaws. The Chair of an annual or special meeting shall, if the facts warrant, determine and declare to the meeting that business was not so properly brought before the meeting, and in such event, such business not properly brought before the meeting shall not be transacted.

SECTION 1.8. Proxies and Voting. At any meeting of the stockholders, every stockholder entitled to vote may vote in person or by proxy authorized by an instrument in writing filed in accordance with the procedure established for the meeting.

Each stockholder shall have one vote for every share of stock entitled to vote which is registered in his name on the record date for the meeting, except as otherwise provided herein or required by law.
All voting, including on the election of directors, and except where otherwise required by law, may be by a voice vote; provided, however, that upon demand therefor by a stockholder entitled to vote or by his proxy, a stock vote shall be taken. Every stock vote shall be taken by ballots, each of which shall state the name of the stockholder or proxy voting and such other information as may be required under the procedure established for the meeting. Every vote taken by ballots shall be counted by an inspector or inspectors appointed by the chairman of the meeting.

Except as otherwise required by law, the Restated Certificate of Incorporation or these Bylaws, all other matters shall be decided by the vote of the holders of stock having a majority of the votes cast by the holders of all stock entitled to vote on such question which are present in person or proxy at the meeting.

SECTION 1.9. Stock List. A complete list of stockholders entitled to vote at any meeting of stockholders, arranged in alphabetical order for each class of stock and showing the address of each such stockholder and the number of shares registered in his name, shall be open to the examination of any such stockholder, for any purpose germane to the meeting, for a period of at least ten days prior to the meeting: (i) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (ii) during ordinary business hours, at the principal place of business of the Corporation. In the event that the Corporation determines to make the list available on an electronic network, the Corporation may take reasonable steps to ensure that such information is available only to stockholders of the Corporation. If the meeting is to be held at a place, the list shall also be produced and kept at the time and place of the meeting during the whole time thereof and may be inspected by any stockholder who is present. If the meeting is to be held solely by means of remote communication, the list shall be open to the examination of any stockholder during the whole time thereof on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting. The stock ledger shall be the only evidence as to who are the stockholders entitled to examine the stock ledger, the list of stockholders or the books of the Corporation, or to vote in person or by proxy at any meeting of stockholders.

ARTICLE II
BOARD OF DIRECTORS

SECTION 2.1. Number and Term of Office. The number of directors and term of office shall be fixed from time to time exclusively by the Board of Directors pursuant to a resolution adopted by a majority of the total number of authorized directors (whether or not there exist any vacancies in previously authorized directorships at the time any such resolution is presented to the Board for adoption). The number of directors shall be twelve (12) until otherwise fixed. Each director shall hold office until his successor is elected and qualified or until his earlier death, resignation, retirement, disqualification or removal.

SECTION 2.2. Vacancies and Newly Created Directorships. Subject to the rights of the holders of any series of Preferred Stock then outstanding, newly created directorships resulting from any increase in the authorized number of directors above thirteen (13) may be filled only by the stockholders at an annual or special meeting of stockholders by the vote of a majority of the
shares entitled to vote for the election of directors at such annual or special meeting. For purposes of this Section 2.2, a majority of votes cast means that the number of shares voted “for” a director must exceed the number of shares voted “against” that director.

Any vacancies in the Board of Directors resulting from death, resignation, retirement, disqualification, or other cause (other than (x) as a result of an increase in the authorized number of directors above thirteen (13) or (y) one or more directors’ removal from office by a vote of the stockholders) may be filled only by a majority vote of the directors then in office, though less than a quorum. Any director chosen in accordance with this Section 2.2 shall hold office for a term expiring at the next annual meeting of stockholders. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

SECTION 2.3. Removal and Resignation. Subject to the rights of the holders of any series of Preferred Stock then outstanding, any director, or the entire Board of Directors, may be removed from office at any time, only for cause, and only by the affirmative vote of the holders of at least a majority of the voting power of its then outstanding shares of stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class. Vacancies in the Board of Directors resulting from such removal may be filled by (i) a majority of the directors then in office, though less than a quorum, or (ii) the stockholders at a special meeting of the stockholders properly called for that purpose, by the vote of the holders of a plurality of the shares entitled to vote at such special meeting. A director so chosen shall hold office until the next annual meeting of stockholders.

Any director may resign at any time by giving written notice to the Chairman of the Board, if any, the President or the Secretary. Unless otherwise stated in a notice of resignation, it shall take effect when received by the officer to whom it is directed, without any need for its acceptance.

SECTION 2.4. Regular Meetings. Unless otherwise determined by the Board of Directors, a regular annual meeting of the Board of Directors shall be held, without call or notice, immediately after and, if the annual meeting of stockholders is held at a place, at the same place as the annual meeting of stockholders, for the purpose of organizing the Board of Directors, electing officers and transacting any other business that may properly come before such meeting. Additional regular meetings of the Board of Directors shall be held at such place or places, on such date or dates, and at such time or times as shall have been established by the Board of Directors and publicized among all directors. A notice of each regular meeting shall not be required.

SECTION 2.5. Special Meetings. Special meetings of the Board of Directors may be called by three (3) of the directors then in office, by the Chairman of the Board or by the Chief Executive Officer and shall be held at such place, on such date, and at such time as may be fixed by the person or persons calling the special meeting. Notice of the place, date, and time of each such special meeting shall be given to each director who does not waive the right to a notice by (i) mailing written notice not less than five (5) days before the meeting, (ii) sending notice one (1) day before the meeting by an overnight courier service and two (2) days before the meeting if by overseas courier service, or (iii) by telephoning, telecopying, telegraphing, electronically transmitting or personally delivering the same not less than twenty-four (24) hours before the meeting. Unless otherwise indicated in the notice thereof, any and all business may be transacted at a special meeting.
SECTION 2.6. Quorum. At any meeting of the Board of Directors, a majority of the total number of authorized directors shall constitute a quorum for all purposes. If a quorum shall fail to attend any meeting, a majority of those present may adjourn the meeting to another place, date, or time, without further notice or waiver thereof.

SECTION 2.7. Participation in Meetings by Conference Communications Equipment. Members of the Board of Directors, or of any committee of the Board of Directors, may participate in a meeting of such Board or committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other and such participation shall constitute presence in person at such meeting.

SECTION 2.8. Conduct of Business. At any meeting of the Board of Directors, business shall be transacted in such order and manner as the Board may from time to time determine, and all matters shall be determined by the vote of a majority of the directors present at a meeting at which a quorum is present, except as otherwise provided herein or required by law.

SECTION 2.9. Powers. The Board of Directors may, except as otherwise required by law, exercise all such powers and do all such acts and things as may be exercised or done by the Corporation, including, without limiting the generality of the foregoing, the unqualified power:

(a) To declare dividends from time to time in accordance with law;

(b) To purchase or otherwise acquire any property, rights or privileges on such terms as it shall determine;

(c) To authorize the creation, making and issuance, in such form as it may determine, of written obligations of every kind, negotiable or non-negotiable, secured or unsecured, and to do all things necessary in connection therewith;

(d) To remove any officer of the Corporation with or without cause, and from time to time to pass on the powers and duties of any officer upon any other person for the time being;

(e) To confer upon any officer of the Corporation the power to appoint, remove and suspend subordinate officers, employees and agents;

(f) To adopt from time to time such stock option, stock purchase, bonus or other compensation plans for directors, officers, employees and agents of the Corporation and its subsidiaries as it may determine;

(g) To adopt from time to time such insurance, retirement, and other benefit plans for directors, officers, employees and agents of the Corporation and its subsidiaries as it may determine; and

(h) To adopt from time to time regulations, not inconsistent with these Bylaws, for the management of the Corporation’s business and affairs.
SECTION 2.10. Action Without Meeting. Unless otherwise restricted by the Restated Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors, or of any committee thereof, may be taken without a meeting if all members of the Board of Directors or such committee, as the case may be, consent thereto in writing (which may be in counterparts) or by electronic transmission, and the written consent or consents or electronic transmission or transmissions are filed with the minutes of proceedings of the Board of Directors or such committee. Such filing shall be made in paper form if the minutes of the Corporation are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

SECTION 2.11. Compensation of Directors. Directors, as such, may receive, pursuant to resolution of the Board of Directors or a committee of the Board of Directors, reimbursement of their reasonable expenses, if any, of attendance at meetings and fixed fees and other compensation for their services as directors, including, without limitation, their services as members of committees of the Board of Directors.

SECTION 2.12. Nomination of Director Candidates. (a) Subject to any limitations stated in the Restated Certificate of Incorporation, nominations for the election of directors may be made by the Board of Directors or a proxy committee appointed by the Board of Directors or by any stockholder entitled to vote in the election of directors generally who complies with the notice procedures set forth in this Section 2.12. Any stockholder entitled to vote in the election of directors generally may nominate one or more persons for election as directors at an annual meeting of stockholders or a special meeting of stockholders at which directors are to be elected pursuant to the Corporation’s notice of meeting only if written notice of such stockholder’s intent to make such nomination or nominations has been timely given, to the Secretary of the Corporation. To be timely, a stockholder’s notice must be delivered to or mailed and received at the principal offices of the Corporation (i), with respect to an election to be held at an annual meeting of stockholders, no more than one hundred twenty (120) days and no less than ninety (90) days prior to the anniversary date of the immediately preceding annual meeting (provided, however, that in the event that no annual meeting was held in the previous year or the annual meeting is called for a date that is not within thirty (30) days from the anniversary date of the preceding year’s annual meeting, written notice by a stockholder in order to be timely must be received by the later of (x) the twentieth (20th) day following the day on which the first public disclosure of the date of the annual meeting was made or (y) ninety (90) days prior to the date of such annual meeting), and (ii), with respect to the election to be held at a special meeting of stockholders for the election of directors, prior to the close of business on the tenth (10th) day following the date on which the first public disclosure of the date of the special meeting was made or in accordance with Section 1.2. Delivery shall be by hand, or by certified or registered mail, return receipt requested. In no event shall the public announcement of an adjournment of any annual or special meeting commence a new time period for giving of a stockholder notice as described above.

(b) A stockholder’s notice to the Secretary shall set forth (x) as to each person whom the stockholder proposes to nominate for election or re-election as a director: (1) the name, age, business address and residence address of such person, (2) the principal occupation or employment of such person, (3) the class and number of shares of stock of the Corporation which are beneficially owned by such person, (4) any other information relating to such person.
that would be required to be disclosed in solicitations of proxies for the election of such person as a director of the Corporation pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended, had the nominee been nominated by the Board of Directors, (5) such person’s written consent to being named in any proxy statement as a nominee and to serving as a director if elected and (6) a statement whether each such person, if elected, intends to tender, promptly following such person’s failure to receive the required vote for election at the next meeting at which such person would face election, an irrevocable resignation effective upon acceptance of such resignation by the Board of Directors, in accordance with the Corporation’s Corporate Governance Guidelines; and (y) as to the stockholder giving notice: (1) the name and address, as they appear on the Corporation’s records, of such stockholder, (2) the class and number of shares of stock of the Corporation which are beneficially owned by such stockholder (determined as provided in clause (x)(3) above), (3) a representation that the stockholder is a holder of record of stock of the Corporation entitled to vote on the election of directors at such meeting and that such stockholder intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice, and (4) a description of all agreements, arrangements or understandings between the stockholder and each nominee of the stockholder and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the stockholder.

(c) At the request of the Board of Directors any person nominated by the Board of Directors for election as a director shall furnish to the Secretary that information required to be set forth in a stockholder’s notice of nomination which pertains to the nominee. The Corporation may require any proposed nominee of the Board of Directors to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as a director of the Corporation.

(d) The presiding officer of the meeting shall refuse to acknowledge the nomination of any person not made in compliance with the foregoing procedure.

SECTION 2.13. Election of Directors. Except as otherwise provided by law, the Certificate of Incorporation of the Corporation or these Bylaws, directors shall be elected by a majority of the votes cast at any meeting for the election of directors at which a quorum is present; provided that, if, as of a date that is fourteen (14) days in advance of the date on which the Corporation files its definitive proxy statement (regardless of whether or not it is thereafter revised or supplemented) for such meeting with the Securities and Exchange Commission, the Secretary of the Corporation determines that the number of nominees exceeds the number of directors to be elected, the directors shall be elected by the vote of a plurality of the shares represented in person or by proxy at any such meeting and entitled to vote on the election of directors. For purposes of this Section 2.13, a majority of votes cast means that the number of shares voted “for” a director must exceed the number of shares voted “against” that director. If a director is not elected, the director shall tender his or her irrevocable resignation to the Board of Directors, to be effective upon the acceptance by the Board of Directors, in accordance with the Corporation’s Corporate Governance Guidelines. If directors are to be elected by a plurality of votes cast, stockholders shall not be permitted to vote “against” a nominee.
ARTICLE III
COMMITTEES

SECTION 3.1. Committees of the Board of Directors. The Board of Directors shall have four (4) standing committees consisting of one or more directors as determined by the Board of Directors, which shall be designated the Executive Committee, the Audit Committee, the Corporate Governance and Nominating Committee and the Compensation Committee, and each of which shall be governed by its charter as approved by the Board of Directors and which shall comply with the applicable provisions of the Sarbanes-Oxley Act of 2002 and the rules and regulations of the Securities and Exchange Commission and the New York Stock Exchange. The Board of Directors, by a vote of a majority of the whole Board, may from time to time designate one or more other committees of the Board, with such lawfully delegable powers and duties as it thereby confers, to serve at the pleasure of the Board. All committees of the Board of Directors shall be comprised of one or more directors. The Board of Directors may, if it desires, designate directors as alternate members who may replace any absent or disqualified member at any meeting of a committee.

The Audit Committee shall be comprised entirely of Non-Associated Directors, all of whom satisfy the applicable independence requirements of the New York Stock Exchange applicable to audit committees. The Corporate Governance and Nominating Committee shall be comprised of a majority of Non-Associated Directors. The Chairman of the Compensation Committee, if there be such an officer, shall be a Non-Associated Director and, if required by Section 162(m) of the Internal Revenue Code of 1986, as amended, or Section 16 of the Securities Exchange Act of 1934, as amended, all other members of the Compensation Committee shall be Non-Associated Directors. The term “Non-Associated Director” shall mean a member of the Board of Directors who would be considered an “independent director” of the Corporation under (a) Section 303A.02 of the New York Stock Exchange Listed Company Manual and (b) the applicable rules and regulations of the Securities and Exchange Commission.

Any committee so designated may exercise the power and authority of the Board of Directors to declare a dividend, to authorize the issuance of stock or to adopt a certificate of ownership and merger if the resolution which designates the committee or a supplemental resolution of the Board of Directors shall so provide. In the absence or disqualification of any member of any committee and any alternate member in his place, the member or members of the committee present at the meeting and not disqualified from voting, whether or not a quorum, may by unanimous vote appoint another member of the Board of Directors to act at the meeting in the place of the absent or disqualified member.

SECTION 3.2. Conduct of Business. Each committee may determine the procedural rules for meeting and conducting its business and shall act in accordance therewith, except as otherwise provided herein or required by law. In the absence of such rules, each committee shall conduct its business in the same manner as the Board of Directors conducts its business pursuant to Article II of these Bylaws.
ARTICLE IV
OFFICERS

SECTION 4.1. Generally. The officers of the Corporation shall consist of a President, a Secretary and a Treasurer. The Corporation may also have, at the discretion of the Board of Directors, a Chairman of the Board, a Chief Executive Officer, one or more Vice Presidents, and such other officers as may from time to time be appointed by the Board of Directors. Officers shall be elected by the Board of Directors, which shall consider that subject at its first meeting after every annual meeting of stockholders. Each officer shall hold office at the pleasure of the Board, until his successor is elected and qualified or until his earlier resignation or removal. Any number of offices may be held by the same person.

SECTION 4.2. Powers and Duties of Executive Officers. The officers of the Corporation shall have such powers and duties in the management of the Corporation as may be prescribed by the Board of Directors and, to the extent not so provided, as generally pertain to their respective offices, subject to the control of the Board of Directors. The Board of Directors may require any officer, agent or employee to give security for the faithful performance of his or her duties.

SECTION 4.3. Chairman of the Board. The Chairman of the Board, if there shall be such an officer, shall, if present, preside at all meetings of the Board of Directors, and exercise and perform such other powers and duties as may be from time to time assigned to him by the Board of Directors or as provided by these Bylaws.

SECTION 4.4. President. Subject to such supervisory powers, if any, as may be given by the Board of Directors to the Chairman of the Board or the Chief Executive Officer, if there be such officers, the President shall be the general manager and chief executive officer of the Corporation and shall, subject to the control of the Board of Directors, have general supervision, direction, and control of the business and other officers, employees and agents of the Corporation. The President shall preside at all meetings of the stockholders. The President shall have the general powers and duties of management usually vested in the office of president of a corporation, and shall have such other powers and duties as may be prescribed by the Board of Directors or by these Bylaws. The President shall have power to sign all stock certificates, contracts and other instruments of the Corporation which are authorized by the Board of Directors.

SECTION 4.5. Vice President. In the absence or disability of the President, the Vice Presidents, if any, in order of their rank as fixed by the Board of Directors, or if not ranked, the Vice President designated by the Board of Directors, shall perform the duties of the President, and when so acting shall have all the powers of, and be subject to all the restrictions upon, the President. The Vice Presidents, if any, shall have such other powers and perform such other duties as from time to time may be prescribed for them respectively by the Board of Directors or these Bylaws.

SECTION 4.6. Treasurer. The Treasurer shall keep and maintain or cause to be kept and maintained, adequate and correct financial books and records of account of the Corporation in written form or any other form capable of being converted into written form. The Treasurer
shall deposit all monies and other valuables in the name and to the credit of the Corporation with such depositaries as may be designated by the Board of Directors. The Treasurer shall disburse all funds of the Corporation as may be ordered by the Board of Directors, shall render to the President and directors, whenever they request it, an account of all transactions as Treasurer and of the financial condition of the Corporation, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or by these Bylaws.

SECTION 4.7. Secretary. The Secretary shall keep, or cause to be kept, a book of minutes in written form of the proceedings of the Board of Directors, committees of the Board, and stockholders. Such minutes shall include all waivers of notice, consents to the holding of meetings, or approvals of the minutes of meetings executed pursuant to these Bylaws or the General Corporation Law. The Secretary shall keep, or cause to be kept at the principal executive office or at the office of the Corporation’s transfer agent or registrar, a record of its stockholders, giving the names and addresses of all stockholders and the number and class of shares held by each.

The Secretary shall give or cause to be given, notice of all meetings of the stockholders and of the Board of Directors required by these Bylaws or by law to be given, and shall keep the seal of the Corporation in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or these Bylaws.

SECTION 4.8. Delegation of Authority. The Board of Directors may from time to time delegate the powers or duties of any officer to any other officers or agents, notwithstanding any provision hereof.

SECTION 4.9. Resignation; Removal; Vacancies. Subject to the rights and obligations set forth in a written employment agreement, if any, any officer of the Corporation may be removed at any time, with or without cause, by the Board of Directors. Any officer may resign at any time by giving written notice to the Chairman of the Board, if any, the President or the Secretary. A vacancy occurring in any office of the Corporation may be filled for the unexpired portion of the term thereof by the Board of Directors at any regular or special meeting.

SECTION 4.10. Action With Respect to Securities of Other Corporations. Unless otherwise directed by the Board of Directors, the President or any officer of the Corporation authorized by the President shall have power to vote and otherwise act on behalf of the Corporation, in person or by proxy, at any meeting of stockholders of or with respect to any action of stockholders of any other corporation in which this Corporation may hold securities and otherwise to exercise any and all rights and powers which this Corporation may possess by reason of its ownership of securities in such other corporation.

ARTICLE V
STOCK

SECTION 5.1. Certificates of Stock. Each stockholder shall be entitled to a certificate signed by, or in the name of the Corporation by, the Chief Executive Officer, the President or a Vice President, and the Secretary, an Assistant Secretary or the Treasurer, certifying the number of shares owned by him or her. Any or all the signatures on the certificate may be facsimile. In
case any officer, transfer agent, or registrar who has signed or whose facsimile, stamp or other imprint signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if such officer, transfer agent, or registrar continued to be such at the date of issue.

SECTION 5.2. Transfers of Stock. Upon surrender to the Corporation or the transfer agent of the Corporation of a certificate for stock of the Corporation duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer or, if the relevant stock certificate is claimed to have been lost, stolen or destroyed, upon compliance with the provisions of Section 5.4 of these Bylaws, and upon payment of applicable taxes with respect to such transfer, and in compliance with any restrictions on transfer applicable to such stock certificate or the shares represented thereby of which the Corporation shall have notice and subject to such rules and regulations as the Board of Directors may from time to time deem advisable concerning the transfer and registration of stock certificates, the Corporation shall issue a new certificate or certificates for such stock to the person entitled thereto, cancel the old certificate and record the transaction upon its books. Transfers of stock shall be made only upon the transfer books of the Corporation kept at an office of the Corporation or by transfer agents designated to transfer shares of the stock of the Corporation.

SECTION 5.3. Record Date. The Board of Directors may fix a record date, which shall not be more than sixty (60) nor fewer than ten (10) days before the date of any meeting of stockholders, nor more than sixty (60) days prior to the time for the other action hereinafter described, as of which there shall be determined the stockholders who are entitled: (i) to notice of or to vote at any meeting of stockholders or any adjournment thereof; (ii) to receive payment of any dividend or other distribution or allotment of any rights; (iii) to exercise any rights with respect to any change, conversion or exchange of stock; or (iv) to take, receive or participate in any other lawful action.

If no record date is fixed, (i) the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held; and (ii) the record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting, but the Board of Directors may fix a new record date for the adjourned meeting.

SECTION 5.4. Lost, Stolen or Destroyed Certificates. In the event of the loss, theft or destruction of any certificate of stock, the Corporation may issue a new certificate for stock in the place of any such certificate, and the Corporation may require the owner of the lost, stolen or destroyed certificate, or such stockholder’s legal representative, to give the Corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate.
SECTION 5.5. Stockholders of Record. The Corporation shall be entitled to treat the holder of record of any stock of the Corporation as the holder thereof and shall not be bound to recognize any equitable or other claim to or interest in such stock on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise required by the laws of the State of Delaware.

SECTION 5.6. Regulations. The issue, transfer, conversion and registration of certificates of stock shall be governed by such other regulations as the Board of Directors may establish.

ARTICLE VI
NOTICES

SECTION 6.1. Notices. Except as otherwise specifically provided herein or required by law, all notices required to be given to any stockholder, director, officer, employee or agent shall be in writing and may in every instance be effectively given by hand delivery to the recipient thereof, by depositing such notice in the mails, postage paid, or by sending such notice by prepaid telegram, mailgram or commercial courier service or any other reliable means permitted by applicable law (including, subject to the next paragraph, electronic transmission). Any such notice shall be addressed to such stockholder, director, officer, employee or agent at his last known address as the same appears on the books of the Corporation. The time when such notice is received by such stockholder, director, officer, employee or agent, or by any person accepting such notice on behalf of such person, if hand delivered, or dispatched, if delivered through the mails or by telegram, courier or mailgram, shall be the time of the giving of the notice. Such requirement for notice shall also be deemed satisfied, except in the case of stockholder meetings, if actual notice is received orally or by other writing by the person entitled thereto as far in advance of the event with respect to which notice is being given as the minimum notice period required by law or these Bylaws.

Without limiting the foregoing, any notice to stockholders given by the Corporation pursuant to these Bylaws shall be effective if given by a form of electronic transmission consented to by the stockholder to whom the notice is given. Any such consent shall be revocable by the stockholder by written notice to the Corporation and shall also be deemed revoked if (1) the Corporation is unable to deliver by electronic transmission two consecutive notices given by the Corporation in accordance with such consent and (2) such inability becomes known to the Secretary of the Corporation, the transfer agent or other person responsible for the giving of notice; provided, however, that the inadvertent failure to treat such inability as a revocation shall not invalidate any meeting or other action. Notice given by a form of electronic transmission in accordance with these Bylaws shall be deemed given: (i) if by facsimile telecommunication, when directed to a number at which the stockholder has consented to receive notice; (ii) if by electronic mail, when directed to an electronic mail address at which the stockholder has consented to receive notice; (iii) if by a posting on an electronic network, together with separate notice to the stockholder of such specific posting, upon the later of such posting and the giving of such separate notice; and (iv) if by another form of electronic transmission, when directed to the stockholder.
SECTION 6.2. **Waivers.** A written waiver of any notice, signed by a stockholder, director, officer, employee or agent, whether before or after the time of the event for which notice is to be given, shall be deemed equivalent to the notice required to be given to such stockholder, director, officer, employee or agent. Neither the business nor the purpose of any meeting need be specified in such a waiver. Attendance of a person at a meeting shall constitute a waiver of notice for such meeting, except when the person attends a meeting for the express purpose of objecting, and does in fact object, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

**ARTICLE VII**

**MISCELLANEOUS**

SECTION 7.1. **Facsimile Signatures.** In addition to the provisions for use of facsimile signatures elsewhere specifically authorized in these Bylaws, facsimile signatures of any officer or officers of the Corporation may be used whenever and as authorized by the Board of Directors or a committee thereof.

SECTION 7.2. **Corporate Seal.** The Board of Directors may provide a suitable seal, containing the name of the Corporation, which seal shall be in the charge of the Secretary. If and when so directed by the Board of Directors or a committee thereof, duplicates of the seal may be kept and used by the Treasurer or by an Assistant Secretary or other officer designated by the Board of Directors.

SECTION 7.3. **Reliance Upon Books, Reports and Records.** Each director, each member of any committee designated by the Board of Directors, and each officer of the Corporation shall, in the performance of his duties, be fully protected in relying in good faith upon the books of account or other records of the Corporation, including reports made to the Corporation by any of its officers, by an independent certified public accountant, or by an appraiser.

SECTION 7.4. **Fiscal Year.** The fiscal year of the Corporation shall be determined by resolution of the Board of Directors.

SECTION 7.5. **Time Periods.** In applying any provision of these Bylaws which require that an act be done or not done a specified number of days prior to an event or that an act be done during a period of a specified number of days prior to an event, calendar days shall be used, the day of the doing of the act shall be excluded, and the day of the event shall be included.

SECTION 7.6. **Form of Records.** Any records maintained by the Corporation in the regular course of its business, including its stock ledger, books of account, and minute books, may be kept on, or be in electronic format or any other information storage device, provided that the records so kept can be converted into clearly legible form within a reasonable time. The Corporation shall so convert any records so kept upon the request of any person entitled to inspect the same.

SECTION 7.7. **Transactions With Interested Parties.** No contract or transaction between the Corporation and one or more of the directors or officers, or between the Corporation and any other corporation, partnership, association, or other organization in which one or more
of the directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board of Directors or a committee of the Board of Directors at which the contract or transaction is authorized or solely because any such director’s or officer’s votes are counted for such purpose if (a) the material facts as to the director’s or officer’s relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors or the committee, and (b) the Board of Directors or the committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors be less than a quorum. Interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes the contract or transaction.

SECTION 7.8. Definitions. (a) For purposes of these Bylaws, “electronic transmission” means any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process.

(b) For purposes of these Bylaws, “public disclosure” shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service, or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Securities Exchange Act of 1934, as amended.

ARTICLE VIII
INDEMNIFICATION OF DIRECTORS AND OFFICERS

SECTION 8.1. Right to Indemnification. Each person who was or is made a party or is threatened to be made a party to or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (“Proceeding”), by reason of the fact that he or she, or a person of whom he or she is the legal representative, is or was a director or officer of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, whether the basis of such Proceeding is alleged action in an official capacity as a director, officer, employee or agent or in any other capacity while serving as a director, officer, employee or agent, shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the General Corporation Law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said law permitted the Corporation to provide prior to such amendment) against all expenses, liability and loss (including attorneys’ fees, judgments, fines, penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by such person in connection therewith and such indemnification shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of his or her heirs, executors and administrators; provided, however, that, except as provided in Section 8.2, the Corporation shall indemnify any such person seeking indemnity in connection with a Proceeding (or part thereof) initiated by such person only if such Proceeding (or part thereof) was authorized by the Board of Directors of the
Corporation. Such right shall be a contract right enforceable by each such person, and shall include the right to be paid by the Corporation expenses incurred in defending or otherwise responding to (e.g., as a witness or subpoenaed party) any such Proceeding in advance of its final disposition to the extent not prohibited by the Sarbanes-Oxley Act of 2002; provided, however, that, if required by the General Corporation Law, the payment of such expenses incurred by a director or officer in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such person while a director or officer, including, without limitation, service to an employee benefit plan) in advance of the final disposition of such Proceeding, shall be made only upon delivery to the Corporation of an undertaking, by or on behalf of such director or officer, to repay all amounts so advanced if it should be determined ultimately that such director or officer is not entitled to be indemnified under this Section 8.1 or otherwise.

Any indemnification as provided herein (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of a director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in the General Corporation Law. Such determination shall be made (1) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (2) if such a quorum is not obtainable, or, even if obtainable a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (3) by the stockholders.

For purposes of this Article VIII: (i) any reference to “other enterprise” shall include all plans, programs, policies, agreements, contracts and payroll practices and related trusts for the benefit of or relating to employees of the Corporation and its related entities (“employee benefit plans”); (ii) any reference to “fines”, “penalties”, “liability” and “expenses” shall include any excise taxes, penalties, claims, liabilities and reasonable expenses (including reasonable legal fees and related expenses) assessed against or incurred by a person with respect to any employee benefit plan; (iii) any reference to “serving at the request of the Corporation” shall include any service as a director, officer, employee or agent of the Corporation or trustee or administrator of any employee benefit plan which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants, beneficiaaries, fiduciaries, administrators and service providers; and (iv) any reference to serving at the request of the Corporation as a director, officer, employee or agent of a partnership or trust shall include service as a partner or trustee.

SECTION 8.2. Right of Claimant to Bring Suit. If a claim for indemnification or advancement of expenses under Section 8.1 is not paid in full by the Corporation within ninety (90) days after a written claim therefor has been received by the Corporation, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any Proceeding in advance of its final disposition where the required undertaking, if any, has been tendered to the Corporation) that the claimant has not met the standards of conduct which make it permissible under the General Corporation Law for the Corporation to indemnify the claimant for the amount claimed. Neither the failure of the Corporation (including its Board of Directors, independent legal
counsel, or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the General Corporation Law, nor an actual determination by the Corporation (including its Board of Directors, independent legal counsel, or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that claimant has not met the applicable standard of conduct.

SECTION 8.3. Indemnification of Employees and Agents. The Corporation may, to the extent authorized from time to time by the Board of Directors, grant rights to indemnification, and to the advancement of related expenses to the extent not prohibited by the Sarbanes-Oxley Act of 2002, to any employee or agent of the Corporation to the fullest extent of the provisions of this Article VIII with respect to the indemnification of and advancement of expenses to directors and officers of the Corporation.

SECTION 8.4. Non-Exclusivity of Rights. The rights conferred on any person by Sections 8.1, 8.2 and 8.3 shall not be exclusive of any other right which such persons may have or hereafter acquire under any statute, provisions of the Restated Certificate of Incorporation, bylaw, agreement, vote of stockholders or disinterested directors or otherwise.

SECTION 8.5. Indemnification Contracts. The Board of Directors is authorized to enter into a contract with any director, officer, employee or agent of the Corporation, or any person serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, including employee benefit plans, providing for indemnification and expense advancement rights at least equivalent to those provided for in this Article VIII.

SECTION 8.6. Insurance. The Corporation may maintain insurance, at its expense, to protect itself and any such director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture trust or other enterprise against any such expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expenses, liability or loss under the General Corporation Law.

SECTION 8.7. Effect of Amendment. Any amendment, repeal or modification of any provision of this Article VIII by the stockholders or the directors of the Corporation shall not adversely affect any right or protection of any present or former director or officer of the Corporation existing pursuant to this Article VIII at the time of such amendment, repeal or modification without the prior written consent of such present or former director or officer whose rights or protections would be adversely affected by such amendment, repeal or modification.

SECTION 8.8. Savings Clause. If this Article VIII or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify each director, officer, employee and agent of the Corporation as to costs, charges and expenses (including attorneys’ fees), judgments, fines and amounts paid in settlement with respect to any action, suit or proceeding, whether civil, criminal, administrative or investigative, including an action by or in the right of the Corporation, to the fullest extent permitted by any applicable portion of this Article VIII that shall not have been invalidated and to the fullest extent permitted by applicable law.
ARTICLE IX
AMENDMENTS

The Board of Directors is expressly empowered to adopt, amend, alter or repeal the Bylaws of the Corporation, subject to the right of the stockholders to adopt, amend, alter or repeal the Bylaws of the Corporation; provided, however, that the Board of Directors may make no such adoption, amendment, alteration or repeal of, or that is inconsistent with the terms of Section 8.7. Any adoption, amendment or repeal of the Bylaws of the Corporation by the Board of Directors permitted under this Article IX shall require the approval of a majority of the total number of authorized directors (whether or not there exist any vacancies in previously authorized directorships at the time any resolution providing for adoption, amendment or repeal is presented to the Board). The stockholders shall also have power to adopt, amend, alter or repeal the Bylaws of the Corporation.

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Section 4: EX-10.I (EX-10.I)

EQUITY SUPPORT, SUBORDINATION AND RETENTION AGREEMENT

dated

30 June 2014

by

SAUDI ARABIAN MINING COMPANY
as Ma’aden

SAUDI BASIC INDUSTRIES CORPORATION
as SABIC

THE MOSAIC COMPANY
as Mosaic

MOSAIC PHOSPHATES B.V.
as Mosaic Shareholder

MA’ADEN WA’AD AL SHAMAL PHOSPHATE COMPANY
as Company

MIZUHO BANK, LTD.
as Intercreditor Agent

and

RIYAD BANK, LONDON BRANCH
as Offshore Security Trustee and Agent

Bahrain
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THIS AGREEMENT is dated 30 June 2014 and made as a deed between:

(1) SAUDI ARABIAN MINING COMPANY (“Ma’aden”);
(2) SAUDI BASIC INDUSTRIES CORPORATION (“SABIC”);
(3) THE MOSAIC COMPANY (“Mosaic”);
(4) MOSAIC PHOSPHATES B.V., (the “Mosaic Shareholder”);
(5) MA’ADEN WA’AD AL SHAMAL PHOSPHATE COMPANY (the “Company”);
(6) MIZUHO BANK, LTD. as intercreditor agent for the Finance Parties (the “Intercreditor Agent”); and
(7) RIYAD BANK, LONDON BRANCH as offshore security trustee and agent on behalf of the Secured Parties (the “Offshore Security Trustee and Agent”).

THE PARTIES AGREE as follows:

SECTION 1 - INTERPRETATION

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

Terms defined in the Common Terms Agreement shall, unless otherwise defined in this Agreement, have the same meaning when used herein and, in addition:

“Acceding Shareholder” means each new shareholder of the Company that accedes to this Agreement in accordance with Clause 28.5 (Accession of Acceding Shareholders).

“Accession Date” means the date on which any Acceding Shareholder accedes to this Agreement in accordance with Clause 28.5 (Accession of Acceding Shareholders).

“Additional Cost Overrun Commitment” means, in relation to a Sponsor, the undertakings of that Sponsor in Clause 5 (Additional Cost Overrun Commitment).

“Additional Cost Overrun Funding Notice” has the meaning given to such term in Clause 5.1 (Additional Cost Overrun Balance).

“Assignment of Business Interruption Insurance” has the meaning given to such term in Clause 8.6 (Assignment of Business Interruption Insurance).

“Authorisation” means an authorisation, consent, approval, resolution, licence, permit, exemption, filing, notarisation or registration necessary in connection with the Project pursuant to any applicable law.

“Bank Subordinated Loan” means any loan to the Company from a bank, financial institution or other entity rated at least A- by S&P or Fitch or A3 by Moody’s which has acceded to this Agreement pursuant to and in accordance with Clause 28.3 (Accession of Subordinated Loan Creditors) provided always that such loan shall be subordinated in the manner required by Clause 15 (Subordinated Loans).

“Base Equity Commitment” means any Sponsor’s obligation to provide Contributed Base Equity pursuant to paragraph (a) of Clause 4.1 (Contributed Equity Undertaking).
“Base Rate” means in relation to Senior Sponsor Debt denominated in Dollars or Riyals, LIBOR or SIBOR respectively.

“Common Terms Agreement” means the agreement so entitled, entered into by the Company, the Intercreditor Agent and others on or about the date hereof.

“Commercial Pledge” has the meaning given to such term in paragraph (c)(iv) of Clause 8.1 (New Security).

“Commercial Mortgage” has the meaning given to such term in Clause 8.3 (Commercial Mortgage).

“Company’s Assignment of Insurances” has the meaning given to such term in paragraph (c)(iii) of Clause 8.1 (New Security).

“Company’s Assignment of Re-insurances” has the meaning given to such term in paragraph (c)(ii)(B) of Clause 8.1 (New Security).

“Company’s Assignment of Technology Rights” has the meaning given to such term in paragraph (c)(i) of Clause 8.1 (New Security).

“Dispute” has the meaning given to such term in paragraph (b) of Clause 40.1 (Litigation).

“Disputing Party” has the meaning given to such term in paragraph (b) of Clause 41.2 (Procedure for arbitration).

“DSU Commitment” means, in relation to a Sponsor, the undertakings of that Sponsor set out in Clause 6 (Debt Service Undertaking Commitment).

“Facility Debt Service” means the aggregate of:

(a) all scheduled amounts of principal payable under the Conventional Facility, the ECA Facility, the PIF Facility, any Ancillary Facility and the SIDF Facility;

(b) any scheduled refunds of Stage Payments or the Fixed Element of any Islamic Rental Payment payable under the Dollar Procurement Facility Documents, Riyal Procurement Facility Documents and the Wakala Facility Finance Documents and the Fixed Element of any Late Delivery Compensation Payments scheduled to fall due under the Wakala Facility;

(c) any scheduled Purchase Prices under a WCM Agreement (unless capable of being settled by a WCRM Transaction);

(d) all scheduled amounts of Commission payable under the Conventional Facility, the ECA Facility, the PIF Facility, any Ancillary Facility and the SIDF Facility (other than, for the avoidance of doubt, Commission which is capitalised in accordance with the relevant Facility Agreement);

(e) any Advance Rental Payments or the Variable Element of any Islamic Rental Payment payable under the Dollar Procurement Facility Documents, Riyal Procurement Facility Documents and the Wakala Facility Finance Documents and the Additional Fixed Elements of any Late Delivery Compensation Payments scheduled to fall due under the Wakala Facility;

(f) any scheduled Profits Amounts under a WCM Agreement;

(g) any Hedging Amounts (if payable by the Company);
(h) all other fees and charges and other Finance Costs payable under or in respect of the Secured Debt and the SIDF Facility including without limitation default Commission and Late Payment Charges; and

(i) without double counting all scheduled repayments of principal and payment of Commission and other finance costs in respect of any Permitted Indebtedness (other than Subordinated Loans),

excluding in relation to any of the foregoing any amount which has only become due and payable as a result of the taking of an Initial Action or Enforcement Action (each term as defined in the Intercreditor Agreement) and any mandatory prepayment pursuant to clause 8 (Mandatory Prepayment) of the Common Terms Agreement or otherwise.

“First Currency” has the meaning given to such term in Clause 26.1 (Currency indemnity).

“IFA Balance” means an amount equal to the portion of the Infrastructure Funding Amount, if any, which the Company has not received by the IFA Longstop Date.

“IFA Bridge Loan” has the meaning given to such term in Clause 11.1 (Infrastructure Funding Amount).

“IFA Bridge Loan Repayment” means the repayment of an IFA Bridge Loan (or any part of it) by the Company from funds standing to the credit of the Infrastructure Funding Account and made from the proceeds of any Infrastructure Funding received after the IFA Longstop Date.

“IFA Longstop Date” means 31 December 2016.

“Infrastructure Funding” means the funding allocated for the development of infrastructure assets to be utilised for the Project pursuant to Article 3 of the Council of Ministers Resolution No. 87 dated 28/2/1433H.

“Infrastructure Funding Amount” means two hundred and sixty million Dollars (USD 260,000,000) of Infrastructure Funding.

“Insolvency Event” means any event of the type described in clauses 29.6 (Insolvency) or 29.7 (Insolvency proceedings) of the Common Terms Agreement (without reference to any conditions or grace periods referred to therein).

“Insurers’ Assignment of Re-insurances” has the meaning given to such term in paragraph (c)(ii)(A) of Clause 8.1 (New Security).

“LCIA” has the meaning given to such term in paragraph (a) of Clause 41.1 (Arbitration Option).

“New Security” has the meaning given to such term in Clause 8.1 (New Security).

“Non-Sponsor Saudi GRE” has the meaning given to such term in paragraph (a)(iii) of Clause 13.2 (New Shareholders).

“Obligor” means each Sponsor, the Mosaic Shareholder or each Acceding Shareholder.

“Party” means a party to this Agreement.
“Permitted Payment” means:
(a) a payment made from the Residual Accounts as contemplated by clause 33.13 (Priority of Distributions) of the Common Terms Agreement and payable in accordance with the provisions of the Common Terms Agreement;
(b) a payment of a Reimbursable Drawstop Amount; and
(c) an IFA Bridge Loan Repayment.

“Proportion” means:
(a) during the period commencing on the date of this Agreement and ending on the Project Completion Date, in relation to:
   (i) Ma’aden, 60% (sixty per cent.);
   (ii) Mosaic, 25% (twenty five per cent.); and
   (iii) SABIC, 15% (fifteen per cent.);
(b) and thereafter, in relation to a Sponsor or an Acceding Shareholder, a proportion corresponding to its (or in relation to Mosaic, the Mosaic Shareholder’s) percentage ownership (whether direct or indirect) in the issued share capital of the Company at the applicable time.

“Saudi GRE” has the meaning given to such term in paragraph (a)(ii) of Clause 13.2 (New Shareholders).

“Second Currency” has the meaning given to such term in Clause 26.1 (Currency indemnity).

“Senior Sponsor Debt Criteria” has the meaning given to such term in Clause 7.3 (Senior Sponsor Debt Criteria).

“Senior Sponsor Debt” has the meaning given to such term in Clause 7.3 (Senior Sponsor Debt Criteria).

“Shareholder Accession Deed” means an accession deed in the form, or substantially in the form, set out in Schedule 2 (Shareholder Accession Deed).

“Shareholders Agreement” means the agreement numbered 1 in schedule 4 (Project Documents) of the Common Terms Agreement.

“Shareholder Funding” means any (or a combination) of:
(a) Contributed Equity; and
(b) Bank Subordinated Loans.

“Shareholder Subordinated Loan” means any loan from a Sponsor or Shareholder to the Company provided to fund the applicable Sponsor’s or Shareholder’s obligations under this Agreement, any loan from a Sponsor or Shareholder to the Company as a form of equity contribution (but excluding any such loan to the extent reimbursed by way of Approved Reimbursable Project Costs and Reimbursable Drawstop Amounts), which loans shall be subordinated in the manner required by Clause 15 (Subordinated Loans) but excluding, for the avoidance of doubt, any loan made available under a SIDF Senior Sponsor Facility.
“Shareholder Tax Amount” means, in relation to a Sponsor (or in the case of Mosaic, the Mosaic Shareholder) or an Acceding Shareholder on an Instalment Payment Date, an SIDF Repayment Date, or a Commission Payment Date, the sum of any Shareholder Tax and Severance Fees paid by the Company for and on behalf of such Sponsor (or, in the case of Mosaic, the Mosaic Shareholder) where such payment is in discharge of such Sponsor’s or Mosaic Shareholder’s obligation to pay for Shareholder Tax or Severance Fees, or Acceding Shareholder (and not already reimbursed by such Sponsor, Mosaic Shareholder or Acceding Shareholder to the Company) since the earlier of (i) the date falling thirty six (36) months before such date, and (ii) the last date on which an amount was paid into the Residual Account pursuant to clause 33.11 (Residual Accounts) of the Common Terms Agreement.

“Shareholder Tax Reimbursement” has the meaning given to such term in Clause 9 (Reimbursement).

“Shareholder Tax Reimbursement Commitment” means in relation to a Sponsor or an Acceding Shareholder, the undertakings of that Sponsor in Clause 9.2 (Deposit undertaking).

“Shareholder Tax Reimbursement Portion” means in respect of any Sponsor (or, in the case of Mosaic, the Mosaic Shareholder) or Acceding Shareholder, on a relevant date the amount equal to the following:

\[ \text{RDS} \times \left( \frac{\text{STA}}{\text{TSTA}} \right) \]

where:

\( \text{RDS} \) = the total Repayment Debt Shortfall calculated pursuant to Clause 9 (Reimbursement) for the relevant date;

\( \text{STA} \) = the Shareholder Tax Amount for such Sponsor (or, in the case of Mosaic, the Mosaic Shareholder) or Acceding Shareholder for the relevant date; and

\( \text{TSTA} \) = the aggregate of all Shareholder Tax Amounts for the Sponsors (or, in the case of Mosaic, the Mosaic Shareholder) and all Acceding Shareholders on such relevant date.

“SIDF Non-Funding Event” means the event described in paragraph (a) or paragraph (b) of Clause 8.1 (New Security) as the context requires.

“SIDF Release Event” has the meaning given to such term in paragraph (c) of Clause 8.1 (New Security).

“SIDF Senior Sponsor Facility” has the meaning given to such term in Clause 7.2 (SIDF Senior Sponsor Facility).

“SIDF Supplemental Facility” has the meaning given to such term in Clause 7.1 (SIDF Supplemental Facility).

“SIDF Supplemental Lender” has the meaning given to such term in Clause 7.1 (SIDF Supplemental Facility).

“Standby Equity Commitment” means any Sponsor’s obligation to provide Contributed Standby Equity pursuant to paragraph (b) of Clause 4.1 (Contributed Equity Undertaking).

“Subordinated Loan” means a Shareholder Subordinated Loan or a Bank Subordinated Loan.
“Subordinated Loan Creditor” means, in relation to a Subordinated Loan, a Sponsor, a Shareholder or any bank, financial institution, or other entity which provides such Subordinated Loan to the Company.

“Subordinated Loan Creditor Accession Deed” means an accession deed in the form, or substantially in the form, set out in Schedule 1 (Subordinated Loan Creditor Accession Deed).

“Subordinated Loan Documents” means any agreement or document evidencing or providing for the provision of a Subordinated Loan.

“Tribunal” has the meaning given to such term in paragraph (b) of Clause 41.2 (Procedure for arbitration).

“US Obligor” means Mosaic and any Acceding Shareholder whose jurisdiction of incorporation is a state of the United States of America or the District of Columbia.

1.2 Construction

The rules of construction set out in clauses 1.2 (Construction) and 1.3 (Currency symbols and definitions) of the Common Terms Agreement shall apply mutatis mutandis to this Agreement as if references therein to “this Agreement” were a reference to this Agreement.

1.3 Documents and Statutes

Save where the contrary is indicated, any reference in this Agreement to:

(a) this Agreement, any Transaction Document, any Authorisation or any other agreement or document shall be construed as a reference to the same as it may have been, or may from time to time be, amended, restated, varied, novated, replaced or supplemented, provided that any amendment, restatement, variation, novation, replacement or supplement to the provisions of the Common Terms Agreement referred to in Clauses 1.2 (Construction), 4.1 (Contributed Equity Undertaking), 5.3 (Sponsor undertaking), 6.1 (Debt Service undertaking), 9.2 (Deposit Undertaking), 11.1 (Infrastructure Funding Amount) and 23 (Late Payments) shall, to the extent that it would increase the obligations of the Sponsor under this Agreement, be deemed not to have been made, unless otherwise agreed by the Intercreditor Agent and the Sponsors; and

(b) a statute, statutory provision or code shall be construed as a reference to such statute, statutory provision or code as the same may have been, or may from time to time be, amended or re enacted and all instruments, orders, plans, regulations, bylaws, permissions and directions at any time made thereunder.

1.4 Third party rights

(a) Unless expressly provided to the contrary in a Finance Document, a person who is not a Party has no right under the Third Parties Act to enforce or enjoy the benefit of any term of this Agreement.

(b) Save as provided in the Intercreditor Agreement, the consent of any person who is not a Party is not required to rescind or vary this Agreement at any time.

1.5 Offshore Security Trustee and Agent’s and Intercreditor Agent’s actions

Any reference in this Agreement to an action of the Offshore Security Trustee and Agent or the Intercreditor Agent shall be construed as a reference to such Agent acting in accordance with the provisions of the Intercreditor Agreement.
1.6 **Obligations several**

The obligations of each Obligor under this Agreement are several. Failure by an Obligor to perform its obligations under this Agreement does not affect the obligations of any other Obligor under this Agreement. Unless specified to the contrary herein, each Sponsor and Acceding Shareholder shall be liable only for its Proportion of any payment due under this Agreement and is not responsible for the obligations of the other Sponsor or any other Acceding Shareholder under this Agreement.

1.7 **Satisfaction of other Sponsor’s Obligations**

A Sponsor or any Acceding Shareholder may at its option and in its sole discretion, satisfy the Additional Cost Overrun Commitment, DSU Commitment, Shareholder Tax Reimbursement Commitment and/or Equity Commitment of any other Sponsor or Acceding Shareholder.
SECTION 2 - REPRESENTATIONS AND WARRANTIES

2. REPRESENTATIONS AND WARRANTIES

2.1 Making of representations and warranties

(a) Each Obligor makes the representations and warranties set out in this Clause 2 (other than Clause 2.18 (Technology Rights Agreements)) to the extent and on the dates set out in Clause 3 (Date of Making Representations and Warranties).

(b) Ma’aden makes the representations and warranties set out in Clause 2.18 (Technology Rights Agreements) on the dates set out in Clause 3 (Date of Making Representations and Warranties).

2.2 Status

(a) It is duly incorporated and validly existing under the laws of its jurisdiction of incorporation.

(b) Each US Obligor is duly qualified and is licensed and in good standing under the laws of its jurisdiction of incorporation.

2.3 Ownership

In relation to:

(a) Ma’aden, fifty per cent. (50%) of its issued and voting share capital is owned by the Government of the Kingdom of Saudi Arabia, acting through PIF;

(b) the Mosaic Shareholder, 100 per cent. (100%) of its issued and voting share capital is owned directly or indirectly by Mosaic; and

(c) SABIC, seventy per cent. (70%) of its issued and voting share capital is owned by the Government of the Kingdom of Saudi Arabia, acting through PIF.

2.4 Binding obligations

The obligations expressed to be assumed by it in each Finance Document and each Key Project Document to which it is party are (subject to any Legal Reservations (in respect of each Sponsor and the Mosaic Shareholder) and subject to laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors (in respect of each Acceding Shareholder)) legal, valid, binding and enforceable obligations.

2.5 Power and authority

It has the corporate power to enter into, perform and deliver, and has taken all necessary corporate action to authorise its entry into, performance and delivery of, the Transaction Documents to which it is party and the transactions contemplated by those Transaction Documents.

2.6 Transactions permitted

The execution by it of the Transaction Documents to which it is expressed to be party and the performance by it of its obligations or the exercise of its rights thereunder do not in any material respect:

(a) contravene its constitutional documents;
(b) contravene any applicable law;
(c) contravene any agreement, obligation or court order binding upon it or applicable to its assets or revenues; or
(d) cause any limitation on its corporate powers or the powers of any authorised officer to be exceeded.

2.7 Validity and admissibility in evidence
Subject to:
(a) any Legal Reservations (in respect of each Sponsor and the Mosaic Shareholder); and
(b) any laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors (in respect of each Acceding Shareholder),

all material Authorisations which are required and in the ordinary course of business would be obtained, have been obtained or effected and are in full force and effect:
(i) to enable it lawfully to enter into, exercise its rights and comply with its obligations under the Transaction Documents; and
(ii) to make the Transaction Documents to which it is party admissible in evidence, in the case of those Transaction Documents governed by the laws of the Kingdom of Saudi Arabia (subject to translation into Arabic by a certified translator), in the Kingdom of Saudi Arabia or, if different, its jurisdiction of incorporation or organisation and, in the case of those Transaction Documents governed by the laws of England, in England or, if different, its jurisdiction of incorporation or organisation.

2.8 Authorisations
(a) It is in receipt of, and in compliance in all material respects with, all material Authorisations which it is required to obtain for the Project, under the provisions of any applicable law at the time of making this representation.
(b) It is not aware that any material Authorisations will not be granted when required.
(c) It is not aware that any conditions to the effectiveness of any material Authorisation will not be satisfied when required.
(d) All material Authorisations which it is required to obtain under the provisions of applicable law at the time of making this representation are in full force and effect and it is not aware of any steps being taken to revoke any of these Authorisations.

2.9 No misleading information
Save as disclosed in writing by it to the Intercreditor Agent on or prior to the Signing Date:
(a) all factual information in relation to the Project, the Company and the Obligors (other than the Acceding Shareholders) contained in the Information Memorandum or otherwise supplied by an Obligor (other than the Acceding Shareholders) in relation to the Project was, at the date thereof, true, accurate and complete in all material respects and no material factual information in relation to the Project or an Obligor (other than the Acceding Shareholders) has been omitted;
(b) the statements of opinion, projections and forecasts contained in the Original Base Case Financial Model and the Information Memorandum in relation to the Project were made and prepared in good faith on the basis of reasonable assumptions and were based upon the latest information available to it at that time, it being understood that projections and forecasts are by their nature predictions of future events and actual results may vary from such projections and forecasts and that nothing in this paragraph (b) shall be taken as a representation that such statements, projections and forecasts will ultimately prove to be correct; and

(c) it is not aware of any facts or circumstances, and nothing has occurred, that renders the factual information relating to it, the Project and/or the Company set out in the Information Memorandum misleading or incorrect, in each case in a manner that, if disclosed, would be reasonably likely to materially and adversely affect the decision of a person considering whether to provide it or the Company with finance on the terms of the relevant Finance Document.

2.10 Transaction Documents
All the representations and warranties made by it in the Transaction Documents to which it is party are true and correct in all material respects.

2.11 Key Project Documents
It is not aware of any Force Majeure Event or Insolvency Event affecting any of the Key Project Documents to which it is party.

2.12 Pari passu ranking
Its payment obligations under the Finance Documents and Key Project Documents to which it is party rank at least pari passu with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law.

2.13 Insolvency proceedings
No insolvency proceedings or other similar procedure relating to it before any court, agency or other relevant authority is currently in progress or, to the best of its knowledge, pending or threatened.

2.14 Other proceedings
No litigation, arbitration or administrative proceedings or other procedure for the resolution of disputes, or claim relating to it before any court, arbitral body, agency or other relevant authority is currently in progress or, to the best of its knowledge, pending or threatened which, if adversely determined, would reasonably be expected to have a Material Adverse Effect.

2.15 No immunity
(a) The performance of its obligations under the Finance Documents and Key Project Documents to which it is party constitute private and commercial acts.

(b) It is subject to civil and commercial law and to legal proceedings and in any proceedings taken in the Kingdom of Saudi Arabia and its jurisdiction of incorporation in relation to any Finance Document and Key Project Document to which it is party and it is not and will not be entitled to claim for itself or its assets immunity from suit, set off, judgment, execution, attachment or other legal process.
2.16  **Winding up**

It has not taken any steps and is not aware of any steps having been taken for its winding up, dissolution, administration or reorganisation or similar event or for the appointment of a receiver, administrator, administrative receiver, trustee or similar officer of it or of any or all of its affairs, property assets or revenues.

2.17  **Improper acts**

It is not involved in any illegal activities in relation to drugs, terrorism, money laundering or similar activities.

2.18  **Technology Rights Agreements**

(a) It is not aware of any infringement of any material intellectual property right belonging to a third party having occurred prior to the novation of the Technology Rights Agreements (to which it is a party) to the Company caused by the use of the technologies thereunder.

(b) It is not aware of any litigation, arbitration or other procedure for the resolution of disputes, or claim relating to any infringement of any material intellectual property right belonging to a third party in connection with the technologies under the Technology Rights Agreements before any court, arbitral body or other relevant authority in progress prior to the novation of the Technology Rights Agreements to the Company or, to the best of its knowledge, pending or threatened prior to the novation of the Technology Rights Agreements to the Company which, if adversely determined, would reasonably be expected to have a Material Adverse Effect.

2.19  **No improper gifts**

It has not made or received a Prohibited Payment and it is not aware that a Prohibited Payment has been made or provided, directly or indirectly, by (or on behalf of) it, any of its Affiliates, its officers, directors or any other person acting on its behalf to, or for the benefit of, any public authority (or any official, officer, director, agent or key employee of, or other person with management responsibilities in any public authority) in connection with the Project or any of the Transaction Documents.

2.20  **Compliance with applicable law**

It is in compliance in all material respects with all applicable laws to the extent that such compliance is required under the provisions of such applicable law at the time of making this representation.

2.21  **Financial statements**

Its most recent financial statements furnished to the Finance Parties were prepared in accordance with generally accepted accounting standards in its jurisdiction of incorporation and they represent fairly its financial condition in all material respects as of the date on which the financial statements were drawn up.

3.  **DATE OF MAKING REPRESENTATIONS AND WARRANTIES**

(a) Each Sponsor and the Mosaic Shareholder makes the representations and warranties set out in Clauses 2.2 (Status) to 2.17 (Improper acts) inclusive and Clauses 2.19 (No improper gifts) to 2.21 (Financial statements) inclusive in respect of itself to the Intercreditor Agent (on behalf of each Finance Party) on the Signing Date.
(b) Ma’aden makes the representations and warranties set out in Clause 2.18 (Technology Rights Agreements) in respect of itself to the Intercreditor Agent (on behalf of each Finance Party) on the Signing Date.

(c) Each Sponsor and the Mosaic Shareholder shall be deemed to repeat the representations and warranties in respect of itself set out in:

(i) Clauses 2.2 (Status), 2.4 (Binding obligations), 2.5 (Power and authority), 2.6 (Transactions permitted) (other than paragraph (b) of Clause 2.6 (Transactions permitted), 2.7 (Validity and admissibility in evidence), 2.8 (Authorisations), 2.12 (Pari passu ranking), 2.15 (No immunity), 2.16 (Winding up), 2.17 (Improper acts) and 2.19 (No improper gifts) (inclusive) on each day on which:

(A) a Utilisation Request or Stage Payment Request is received by a Facility Agent; and

(B) a Utilisation or Stage Payment is made,

in each case, up to and including the Project Completion Date and with reference to the facts and circumstances then subsisting;

(ii) Clauses 2.4 (Binding obligations), 2.5 (Power and authority), 2.6 (Transactions permitted) (other than paragraph (b) of Clause 2.6 (Transactions permitted)) 2.10 (Transaction Documents) and 2.11 (Key Project Documents) on the date any new Key Project Document is entered into by it but only in relation to such new Key Project Document; and

(iii) Clause 2.21 (Financial Statements) on the date its financial statements are furnished to the Finance Parties but only in relation to such financial statements.

(d) Each Acceding Shareholder makes the representations and warranties set out in Clause 2.2 (Status), Clauses 2.4 (Binding obligations) to 2.8 (Authorisations) inclusive, Clauses 2.10 (Transaction Documents) to 2.17 (Improper Acts) inclusive, Clause 2.19 (No improper gifts) and Clause 2.20 (Compliance with applicable law) in respect of itself to the Intercreditor Agent (on behalf of each Finance Party) on the Accession Date relative to it.
SECTION 3 - EQUITY SUPPORT AND EQUITY RETENTION

4. USE OF EQUITY TO MEET PROJECT COSTS

4.1 Contributed Equity Undertaking

Each Sponsor (and in the case of Mosaic through the Mosaic Shareholder) undertakes to the Company, to provide the Company (in its respective Proportion) with:

(a) Contributed Equity up to the Base Equity Limit to the extent necessary to pay for Base Project Costs (the “Base Equity Commitment”); and

(b) Contributed Equity up to the Standby Equity Limit to the extent necessary to pay for Standby Project Costs (the “Standby Equity Commitment”).

4.2 Payment

(a) All payments to be made by a Sponsor under this Clause 4 shall be made no later than the due date for the relevant payments to the relevant Disbursement Account or, following the occurrence of an Event of Default which is continuing, as the Intercreditor Agent or the Offshore Security Trustee and Agent may from time to time direct, provided that in each case, such proceeds may be applied only to pay for Base Project Costs or Standby Project Costs (as the case may be) as they become due and payable such that the ratio of Overall Project Debt Utilisation to Equity does not exceed 70:30.

(b) For the avoidance of doubt:

(i) the payment of Contributed Equity cannot be accelerated as a consequence of an Event of Default; and

(ii) a Sponsor may, in its sole discretion, satisfy another Sponsor’s obligation to provide Contributed Equity pursuant to this Clause.

(c) The obligations of the Sponsors under this Clause 4 are separate and independent of any obligations to make payments under Clause 5 (Additional Cost Overrun Commitment), 6 (Debt Service Undertaking Commitment), 9 (Reimbursement) or 11 (Infrastructure Funding).

5. ADDITIONAL COST OVERRUN COMMITMENT

5.1 Additional Cost Overrun Balance

If at any time there exists, or the Company determines that there will within the next ninety (90) days exist, an Additional Cost Overrun Balance excluding any Facility Debt Service payable by the Company, the Company shall immediately demand by written notice to each Sponsor (with a copy to the Intercreditor Agent and the Offshore Security Trustee and Agent) (an “Additional Cost Overrun Funding Notice”) that the Sponsors provide, in their respective Proportions, sufficient funds by way of Shareholder Funding to meet such Additional Cost Overrun Balance.

5.2 Additional Cost Overrun Funding Notice

The Additional Cost Overrun Funding Notice shall state:

(a) the amount of the Additional Cost Overrun Balance required to be funded by each Sponsor;
Each Sponsor undertakes to each other Party that it will provide, or in the case of Bank Subordinated Loans procure the provision of, its Proportion of such Shareholder Funding promptly following receipt of an Additional Cost Overrun Funding Notice, and in any event by no later than the date which is required in such Additional Cost Overrun Funding Notice.

The proceeds of any Shareholder Funding provided pursuant to Clause 5.3 (Sponsor undertaking) shall be paid into the relevant Disbursement Account or, following the occurrence of an Event of Default which is continuing, as the Intercreditor Agent or the relevant Security Trustee and Agent may from time to time direct provided that, in each such case, the proceeds of such Shareholder Funding may only be applied towards Project Costs.

The Company undertakes to the Offshore Security Trustee and Agent (as trustee and agent for itself and each other Secured Party) that it will, from time to time, issue such Additional Cost Overrun Funding Notices pursuant to this Clause 5 as are required to ensure that it is always able to meet all Project Costs constituted by an Additional Cost Overrun Balance as and when they fall due.

Offshore Security Trustee and Agent’s rights

5.6 (a) If at any time the Offshore Security Trustee and Agent reasonably believes (or is instructed by the Intercreditor Agent that the Intercreditor Agent reasonably believes) and the Technical and Environmental Consultant confirms that there exists an Additional Cost Overrun Balance, it shall be entitled to serve a notice on the Company requiring it to exercise its rights under this Clause 5 and to serve an Additional Cost Overrun Funding Notice on the Sponsors.

(b) If the Company fails to serve an Additional Cost Overrun Funding Notice on any Sponsor within seven (7) days of receiving notice to do so from the Offshore Security Trustee and Agent, the Offshore Security Trustee and Agent may (but shall not be obliged to) serve an Additional Cost Overrun Funding Notice on that Sponsor in respect of its Proportion of the relevant Additional Cost Overrun Balance and the provisions of Clauses 5.2 (Additional Cost Overrun Funding Notice) and 5.3 (Sponsor undertaking) shall apply to such Additional Cost Overrun Funding Notice as if the Additional Cost Overrun Funding Notice had been served by the Company.
5.7 Limitation on exercise of rights

The Offshore Security Trustee and Agent hereby agrees that, prior to the issue of an Enforcement Notice pursuant to clause 10.1 (Enforcement Notice) of the Intercreditor Agreement, unless the Company has failed to exercise its right to make demand on the Additional Cost Overrun Commitment within seven (7) days of receiving notice to do so from the Offshore Security Trustee and Agent pursuant to Clause 5.6 (Offshore Security Trustee and Agent’s rights), the Offshore Security Trustee and Agent shall not exercise any of its rights under paragraph (b) of Clause 5.6 (Offshore Security Trustee and Agent’s rights) in respect of the Additional Cost Overrun Commitment.

6. DEBT SERVICE UNDERTAKING COMMITMENT

6.1 Debt Service undertaking

Each Sponsor undertakes to the Offshore Security Trustee and Agent (as trustee and agent for itself and each other Secured Party) and the Company, to provide (as a separate and independent obligation) by way of Shareholder Funding its Proportion of such amounts as are required to pay all Facility Debt Service payable by the Company to the extent that, on the due date for payment thereof, the Company has insufficient funds available to it to be applied to such obligations in accordance with the provisions of clause 33 (Deposits into and Withdrawals from Project Accounts) of the Common Terms Agreement.

6.2 Demand

(a) The Company shall, as soon as it becomes aware that it will have insufficient funds available to it for payment of its Facility Debt Service obligations, but in any event no later than five (5) Business Days prior to the due date for the relevant payments, serve a notice in writing on each Sponsor (with a copy to the Intercreditor Agent and the Offshore Security Trustee and Agent) setting out the anticipated amount and currency of the shortfall, each Sponsor’s Proportion of such amount and the date on which such payments are required to be made.

(b) If the Company fails to deliver the notice referred to in paragraph (a) above on any Sponsor, the Offshore Security Trustee and Agent shall serve such notice on that Sponsor on behalf of the Company:

   (i) after the Intercreditor Agent has confirmed to the Offshore Security Trustee and Agent that it has received a Single Facility Majority Approval to instruct the Offshore Security Trustee and Agent to serve such notice; and

   (ii) for the avoidance of doubt, no earlier than the date falling four (4) Business Days prior to the due date for the relevant payment, in which case the provisions of Clause 6.1 (Debt Service undertaking) shall apply as if notice had been served by the Company.

6.3 Payment

All payments to be made by a Sponsor or, as the case may be, a Subordinated Loan Creditor under this Clause 6 shall be made no later than the due date for the relevant payments to the relevant Debt Service Account or, following the occurrence of an Event of Default which is continuing, as the Intercreditor Agent or the Offshore Security Trustee and Agent may from time to time direct, provided that in each case, such proceeds may be applied only towards meeting Facility Debt Service. The obligations of the Sponsors under this Clause 6 are separate and independent of any obligations to make payments under Clauses 4 (Use of Equity to meet Project Costs), 5 (Additional Cost Overrun Commitment) or 9 (Reimbursement).
7. SIDF SUPPLEMENTAL FACILITY

7.1 SIDF Supplemental Facility

Subject to Clause 7.2 (SIDF Senior Sponsor Facility), if by the SIDF Longstop Date the total amount of SIDF Commitments under the SIDF Facilities which satisfy the SIDF Admission Criteria is less than SAR 2,100,000,000 (the difference being the “Outstanding SIDF Commitments”), the Sponsors shall, by no later than the SIDF Longstop Date, procure that a bank or financial institution (but, for the avoidance of doubt, excluding any Sponsor or any Affiliate of any Sponsor) (a “SIDF Supplemental Lender”) provides Financial Indebtedness to the Company pursuant to one or more facilities (each a “SIDF Supplemental Facility”) subject to the following:

(a) the principal amount of any SIDF Supplemental Facility when aggregated with the principal amount of any other SIDF Supplemental Facility and any SIDF Senior Sponsor Facility, is equal to the Outstanding SIDF Commitments;

(b) in relation to a SIDF Supplemental Facility denominated in Dollars, the applicable margin must be no more than one per cent. (1%) above the relevant margin, and the applicable fees no more than one per cent. (1%) above the relevant fees, applicable to the Conventional Facility;

(c) in relation to a SIDF Supplemental Facility denominated in Riyals, the applicable margin must be no more than one per cent. (1%) above the relevant margin, and the applicable fees no more than one per cent. (1%) above the relevant fees, applicable to the Riyal Procurement Facility;

(d) the Company has provided an Updated Base Case Financial Model to the Intercreditor Agent that demonstrates that following the incurrence of any proposed SIDF Supplemental Debt:

(i) the minimum Projected DSCR on each Calculation Date is greater than or equal to 1.7:1; and

(ii) the LLCR on each Calculation Date is greater than or equal to 1.95:1,

(e) the purpose of each SIDF Supplemental Facility is the payment of Project Costs; and

(f) each SIDF Supplemental Facility includes a draw down mechanism that requires the Company to use reasonable endeavours to:

(i) utilise the SIDF Supplemental Facility prior to further utilisation of the Conventional Facility, to the extent that Conventional Loans outstanding at that time are not drawn pro rata with loans outstanding under that SIDF Supplemental Facility; and

(ii) otherwise make utilisations on a pro rata basis with the Conventional Facility.

7.2 SIDF Senior Sponsor Facility

If the Sponsors are unable (or choose not) to procure SIDF Supplemental Facilities in a total aggregate principal amount equal to the Outstanding SIDF Commitments, then the Sponsors themselves shall, or shall procure that one or more of their Affiliates shall, by no later than the
SIDF Longstop Date, provide Financial Indebtedness to the Company pursuant to a facility (the “SIDF Senior Sponsor Facility”) subject to the following:

(a) the principal amount of the SIDF Senior Sponsor Facility when aggregated with the aggregate principal amount of all SIDF Supplemental Facilities is equal to the Outstanding SIDF Commitments;

(b) the Company has provided an Updated Base Case Financial Model to the Intercreditor Agent, that demonstrates that following the incurrence of the total amount of Financial Indebtedness under the SIDF Senior Sponsor Facility:
   (i) the minimum Projected DSCR on each Calculation Date is greater than or equal to 1.7:1; and
   (ii) the LLCR on each Calculation Date is greater than or equal to 1.95:1;

(c) the purpose of the SIDF Senior Sponsor Facility is the payment of Project Costs;

(d) the SIDF Senior Sponsor Facility includes a draw down mechanism that requires the Company to use reasonable endeavours to:
   (i) utilise the SIDF Senior Sponsor Facility prior to further utilisation of the Conventional Facility, to the extent that Conventional Loans outstanding at that time are not drawn pro rata with loans outstanding under that SIDF Senior Sponsor Facility; and
   (ii) otherwise make utilisations on a pro rata basis with the Conventional Facility, and

(e) the Senior Sponsor Debt Criteria with respect to the SIDF Senior Sponsor Facility are satisfied.

7.3 Senior Sponsor Debt Criteria

(a) Any SIDF Senior Sponsor Facility or any other Financial Indebtedness, excluding a Shareholder Subordinated Loan, provided by a Sponsor or an Affiliate of a Sponsor (the “Senior Sponsor Debt”) must satisfy the following conditions (the “Senior Sponsor Debt Criteria”):
   (i) at any time until the Final Maturity Date, the aggregate principal amount of the Senior Sponsor Debt (then outstanding and commitments therefor) must not exceed US$ 3,500,000,000;
   (ii) the Base Rate, fees and margin applicable to any Senior Sponsor Debt shall be:
      (A) if the relevant Senior Sponsor Debt is denominated in Dollars, no more than the Base Rate, fees and margin applicable to the Conventional Facility; or
      (B) if the relevant Senior Sponsor Debt is denominated in Riyals, no more than the Base Rate, fees and margin applicable to the Riyal Procurement Facility.

(b) In event that any Sponsor or Shareholder, directly or indirectly, transfers any shares in the Company to a third party in accordance with Clause 13 (Share Retention and New Shareholders) below, it shall concurrently transfer, on a pro rata basis, its rights
and interest in any Senior Sponsor Debt provided by (or on behalf of) such Sponsor or Shareholder at such time, and any remaining commitments therefor, to such third party transferee.

(c) To the extent that an Affiliate provides any Senior Sponsor Debt on behalf of any Sponsor or Shareholder, such Sponsor and Shareholder shall maintain Control over such Affiliate for so long as such Senior Sponsor Debt is outstanding.

7.4 **Total SIDF Commitments**

The Company and each Sponsor must procure that the aggregate of the SIDF Commitments and the commitments under each SIDF Supplemental Facility and each SIDF Senior Sponsor Facility on the SIDF Longstop Date is not less than SAR 2,100,000,000.

7.5 **Documentation**

The Sponsors must provide the Intercreditor Agent with no less than thirty (30) days notice of the proposed incurrence of any SIDF Supplemental Facility or any Sponsor Facility, together with an Updated Base Case Financial Model, the relevant Ancillary Facility Agreements and all other documentation in relation thereto.

7.6 **SIDF Supplemental Lender accession**

Each SIDF Supplemental Lender and each Senior Sponsor Facility Participant shall accede to the Common Terms Agreement and the Intercreditor Agreement by executing a CTA Accession Memorandum and shall have no rights or benefits thereunder until such CTA Accession Memorandum has been countersigned by the Intercreditor Agent. A Sponsor or an Affiliate of a Sponsor shall only have the voting rights applicable to the providers of Senior Sponsor Debt as set out in the Intercreditor Agreement.

8. **SECURITY**

8.1 **New Security**

If:

(a) the Company has not procured any SIDF Facilities by the SIDF Longstop Date;

(b) at any time prior to the SIDF Longstop Date, the Company decides to no longer seek financing from SIDF for the Project; or

(c) SIDF has irrevocably released the Security granted to it pursuant to the SIDF Assignment of Technology Rights, the SIDF Assignment of Insurances and the SIDF Mortgages after the Company has discharged all of its obligations under each SIDF Facility Agreement (the “SIDF Release Event”),

the Company, subject to Clause 8.2 (*New Security Coverage*), shall as soon as reasonably practicable and in any event within one hundred and twenty (120) days of the earlier to occur of (a), (b) and (c) above, execute security documents and deliver the same to, the Security Trustee and Agent in a form reasonably acceptable to the Security Trustee and Agent, and provide any other document as may be reasonably required by the Security Trustee and Agent, so as to:

(i) assign by way of first ranking security all of the Company’s rights to receive Insurance Proceeds in favour of the Security Trustee and Agent (the “Company’s Assignment of Insurances”);
(ii) subject to clause 28.9 (Market availability) of the Common Terms Agreement:

(A) procure the assignment, by way of first ranking security, of all of the Insurers’ rights to receive any re-insurance proceeds relative to the Project in favour of the Company (the “Insurers’ Assignment of Re-insurances”); and

(B) assign by way of first ranking security all of the Company’s rights to receive re-insurance proceeds relative to the Project in favour of the Security Trustee and Agent (the “Company's Assignment of Re-insurances”);

(iii) assign by way of first ranking security all of the Company’s rights under each Technology Rights Agreement in favour of the Security Trustee and Agent (the “Company’s Assignment of Technology Rights”); and

(iv) pledge certain commercial assets comprising the Project Facilities (the “Commercial Pledge”) in favour of the Security Trustee and Agent.

Together (i), (ii), (iii) and (iv) (the “New Security”).

and as soon as is reasonably practicable thereafter perfect such New Security in a manner reasonably required by the relevant Security Trustee and Agent.

8.2 New Security Coverage

The New Security to be granted by the Company pursuant to Clause 8.1 (New Security) (other than the Commercial Pledge, the Insurer’s Assignment of Re-insurances and the Company’s Assignment of Re-insurances) will cover so far as is possible the same assets which were intended to be encumbered under the relevant SIDF Security Document (and no more) and be in the customary forms for similar Security granted in the Kingdom of Saudi Arabia in respect of projects similar to the Project.

8.3 Commercial Mortgage

The Company will either: (i) perfect the Commercial Pledge in a manner reasonably required by the relevant Security Trustee and Agent or (ii) grant a new mortgage or mortgages over the same assets that were or would have been the subject of the Commercial Pledge (the “Commercial Mortgage”) and perfect such Security in a manner reasonably required by the relevant Security Trustee and Agent to the extent that:

(a) if it is then possible under the laws of the Kingdom of Saudi Arabia for the Company to grant effective mortgages such as those contemplated by the Commercial Mortgage in favour of the Security Trustee and Agent (on behalf of the Secured Parties) and it becomes customary to do so for projects similar to the Project, in the Kingdom of Saudi Arabia; and

(b) if the costs associated with the Commercial Mortgage are not disproportionate to the benefit thereby conferred on the Secured Parties or the effective provision of the Commercial Mortgage does not impose a disproportionate burden on the Company in terms of commercial impact, ongoing requirements, costs, taxes and/or management time when compared with the benefit conferred on the Secured Parties.
8.4 Amendment of Finance Documents
The Sponsors, the Company and the Intercreditor Agent hereby agree that if a SIDF Non-Funding Event occurs, the Sponsors, Company and Intercreditor Agent shall:

(a) promptly amend the Finance Documents to the extent the Security Trustee and Agent reasonably requires to take into account the New Security under the Common Terms Agreement and any other relevant Finance Documents; and

(b) promptly amend the Finance Documents to the extent necessary to remove references to SIDF, the SIDF Finance Documents (other than, for the avoidance of doubt, this Agreement) and provisions relating to the SIDF Facility and the SIDF Security Documents.

8.5 SIDF Release Event
The Company shall procure the occurrence of a SIDF Release Event as soon as reasonably practicable.

8.6 Assignment of Business Interruption Insurance
If:

(a) at the date of execution of the SIDF Assignment of Insurances, the SIDF Assignment of Insurances explicitly states that it does not extend to cover business interruption insurances; or

(b) a SIDF Non-Funding Event or the SIDF Release Event occurs,

the Company shall within sixty (60) days of the earlier to occur of (a) and (b) above, assign until the Final Maturity Date by way of first ranking security all of the Company’s rights to receive the proceeds of any business interruption insurances (the “Assignment of Business Interruption Insurance”) in favour of and deliver the same to, the Security Trustee and Agent in a form reasonably acceptable to the Security Trustee and Agent, and sign any other document as may be reasonably required by the Security Trustee and Agent.

8.7 Legal opinions
The Company shall deliver to the Security Trustee and Agent, upon the execution of:

(a) the Company’s Assignment of Insurances, the Commercial Mortgage and the Company’s Assignment of Re-insurances, legal opinions as to the capacity and enforceability of the Security created or expressed to be created thereby, and

(b) the Commercial Pledge and the Company’s Assignment of Technology Rights, legal opinions as to the capacity of the Company to enter into such agreements,

in each case from counsel and in a form and in line with Saudi Arabian market norms and acceptable to the Security Trustee and Agent (acting reasonably).

9. REIMBURSEMENT

9.1 Reimbursement of Shareholder Tax Amounts
If on an Instalment Payment Date, a SIDF Repayment Date or a Commission Payment Date after the first to occur of the Project Completion Date and the Project Completion Longstop Date, there are insufficient sums standing to the credit of the Debt Service Account (prior to
any transfer of monies from the Debt Service Reserve Account to the Debt Service Account to meet all Facility Debt Service due on such date (the “Repayment Debt Shortfall”), the Company shall immediately issue a notice to each Sponsor and each Acceding Shareholder, which shall be copied to the Intercreditor Agent, setting out that Sponsor’s (or, in the case of Mosaic, the Mosaic Shareholder’s) or Acceding Shareholder’s Shareholder Tax Amount up to such date.

9.2 Deposit undertaking

Each Sponsor and Acceding Shareholder undertakes to deposit (or in the case of Mosaic, undertakes to procure that the Mosaic Shareholder deposits) within ten (10) Business Days of the date of a notice issued under Clause 9.1 (Reimbursement of Shareholder Tax Amounts), into the Debt Service Account in cleared funds an amount (a “Shareholder Tax Reimbursement”) equal to the lesser of (i) the Shareholder Tax Amount attributable to that Sponsor (or in the case of Mosaic, the Mosaic Shareholder) or Acceding Shareholder, and (ii) the Shareholder Tax Reimbursement Portion for such Sponsor (or in the case of Mosaic, the Mosaic Shareholder) or Acceding Shareholder, as the case may be.

9.3 Failure to Serve Notice

If the Company fails to deliver the notice referred to in Clause 9.1 (Reimbursement of Shareholder Tax Amounts) on any Sponsor or any Acceding Shareholder, the Offshore Security Trustee and Agent may (but shall not be obliged to) serve such notice on that Sponsor or Acceding Shareholder on behalf of the Company in which case the provisions of Clause 9.2 (Deposit undertaking) shall apply as if notice had been served by the Company.

9.4 Stapling of obligations

In event that any Sponsor or Shareholder, directly or indirectly, transfers any shares in the Company to a third party in accordance with Clause 13 (Share Retention and New Shareholders) below, the Transferee agrees that it shall be liable, on a pro rata basis, for the Shareholder Tax Reimbursement Commitment of the Transferor.

10. GENERAL

10.1 Satisfaction and expiry

(a) The Additional Cost Overrun Commitment and the DSU Commitment for a Sponsor shall be satisfied by that Sponsor providing, or in the case of Bank Subordinated Loans procuring the provision of, Shareholder Funding in an amount equal to its Proportion of the aggregate amount required to be provided under or pursuant to the Additional Cost Overrun Commitment or, as the case may be, the DSU Commitment.

(b) The Additional Cost Overrun Commitment and the DSU Commitment will expire on the first to occur of the Project Completion Date and the Project Completion Longstop Date, except that any liability to provide or procure Shareholder Funding that has arisen on or before such date will survive such expiration.
10.2 Rights of the Offshore Security Trustee and Agent

The rights of the Offshore Security Trustee and Agent in respect of the obligations of the Sponsors under Clause 5 (Additional Cost Overrun Commitment) and Clause 6 (Debt Service Undertaking Commitment), or the Sponsors and Acceding Shareholders under Clause 9 (Reimbursement), shall include (without limitation):

(a) the right to make a claim for payment of the Additional Cost Overrun Commitment, the DSU Commitment and a Shareholder Tax Reimbursement Commitment, including the issuing of any notice to any Sponsor or any Acceding Shareholder as the case may be, demanding payment;

(b) the right to receive any and all monies due or to become due to the Company under, pursuant to or in respect of:

(i) the Additional Cost Overrun Commitment, provided that it shall apply such monies towards Project Costs; and

(ii) the DSU Commitment or Shareholder Tax Reimbursement Commitment, provided that it shall apply such monies towards the payment of Facility Debt Service.

(c) any right of the Company to damages (whether liquidated, general or otherwise) for any breach by any Sponsor or as the case may be, any Acceding Shareholder, of the provisions of:

(i) Clause 5 (Additional Cost Overrun Commitment), provided that it shall apply such damages towards Project Costs; and

(ii) Clause 6 (Debt Service Undertaking Commitment) and Clause 9 (Reimbursement);

(d) any right of the Company to compel performance of the Additional Cost Overrun Commitment, the DSU Commitment or the Shareholder Tax Reimbursement; and

(e) the right to attend, and control, any court proceedings, and to agree to any settlement of any disputes, in relation to the Additional Cost Overrun Commitment, the DSU Commitment or the Shareholder Tax Reimbursement Commitment.

The Offshore Security Trustee and Agent shall exercise its rights under this Clause 10.2 in accordance with the instructions of the Intercreditor Agent.

11. INFRASTRUCTURE FUNDING

11.1 Infrastructure Funding Amount

If the Company has not received the entire Infrastructure Funding Amount by the IFA Longstop Date, each Sponsor (and in the case of Mosaic, through the Mosaic Shareholder) undertakes to provide a Shareholder Subordinated Loan in an amount equal to its respective Proportion of the IFA Balance to the Company (an “IFA Bridge Loan”) by no later than the date falling fifteen Business Days after the IFA Longstop Date.

11.2 Payment

(a) All payments to be made by a Sponsor or the Mosaic Shareholder in respect of an IFA Bridge Loan shall be made to the IFA Account or, following the occurrence of an Event of Default which is continuing, as the Intercreditor Agent or the Offshore Security Trustee and Agent may from time to time direct, provided that such proceeds may be applied only to pay for Project Costs as they become due and payable after the IFA Longstop Date.

(b) For the avoidance of doubt the provision by a Sponsor of an IFA Bridge Loan cannot be accelerated as a consequence of an Event of Default.
12. MOSAIC GUARANTEE AND INDEMNITY

12.1 Guarantee and indemnity

Mosaic irrevocably and unconditionally:

(a) guarantees to each Finance Party punctual performance by the Mosaic Shareholder of all the Mosaic Shareholder’s obligations under this Agreement and any other Finance Document to which the Mosaic Shareholder is a party;

(b) undertakes with each Finance Party that, whenever the Mosaic Shareholder does not pay any amount due from the Mosaic Shareholder when due under or in connection with any Finance Document to which it is a party, Mosaic shall immediately on demand pay that amount as if it was the principal obligor; and

(c) agrees with each Finance Party that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify that Finance Party immediately on demand against any cost, loss or liability it incurs as a result of the Mosaic Shareholder not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it under the Finance Documents to which it is a party on the date when it would have been due. The amount payable by Mosaic under this indemnity will not exceed the amount it would have had to pay under this Clause 12 if the amount claimed had been recoverable on the basis of a guarantee.

12.2 All the Mosaic Shareholder’s obligations

The guarantee and indemnity contained in Clause 12.1 (Guarantee and indemnity) are in respect of all of the Mosaic Shareholder’s obligations under the Finance Documents to which it is a party.

12.3 Continuing guarantee

This guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by the Mosaic Shareholder under this Agreement and any other Finance Document to which the Mosaic Shareholder is a party, regardless of any intermediate payment or discharge in whole or in part or partial settlement or other matter.

12.4 Reinstatement

If any discharge, release or arrangement (whether in respect of any obligation of the Mosaic Shareholder or Mosaic under any Finance Document to which it is a party or any security for those obligations) is made by a Finance Party in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of Mosaic under this Clause 12 in respect of such obligation will continue or be reinstated as if the discharge, release or arrangement had not occurred.

12.5 Waiver of defences

The obligations of Mosaic under this Clause 12 will not be affected by an act, omission, matter or thing which, but for this Clause 12, would reduce, release or prejudice any of its obligations under this Clause 12 (without limitation and whether or not known to it or any Finance Party) including:
Mosaic waives any right it may have of first requiring any Finance Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from the Mosaic Shareholder before claiming from Mosaic under this Clause 12. This waiver applies irrespective of any law or any provision of a Finance Document to which Mosaic or the Mosaic Shareholder is party to the contrary.

Until all amounts which have become payable by the Mosaic Shareholder under or in connection with the Finance Documents have been irrevocably paid in full, each Finance Party (or any trustee or agent on its behalf) may:

(a) refrain from applying or enforcing any other moneys, security or rights held or received by that Finance Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and Mosaic shall not be entitled to the benefit of the same; and

(b) hold in an interest-bearing suspense account any moneys received from Mosaic or on account of Mosaic’s liability under this Clause 12.

12.6 Immediate recourse

Mosaic waives any right it may have of first requiring any Finance Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from the Mosaic Shareholder before claiming from Mosaic under this Clause 12. This waiver applies irrespective of any law or any provision of a Finance Document to which Mosaic or the Mosaic Shareholder is party to the contrary.

12.7 Appropriations

Until all amounts which have become payable by the Mosaic Shareholder under or in connection with the Finance Documents have been irrevocably paid in full, each Finance Party (or any trustee or agent on its behalf) may:

(a) any time, waiver or consent granted to, or composition with, the Mosaic Shareholder or other person;

(b) the release of the Mosaic Shareholder under the terms of any composition or arrangement with any creditor of the Mosaic Shareholder;

(c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, the Mosaic Shareholder or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;

(d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the Mosaic Shareholder or Mosaic;

(e) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of any Finance Document to which the Mosaic Shareholder or Mosaic is a party or any other document or security to which the Mosaic Shareholder or Mosaic is a party including without limitation any change in the purpose of, any extension of or any increase in any facility, or the addition of any new facility, under any Finance Document to which the Mosaic Shareholder or Mosaic is a party or other document or security to which the Mosaic Shareholder or Mosaic is a party;

(f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security; or

(g) any insolvency or similar proceedings.

12.8 Deferral of Guarantor’s rights

In the event the Mosaic Shareholder fails to pay when due any amount due from it under any of the Finance Documents to which it is a party, until all amounts which have become payable
by the Mosaic Shareholder under or in connection with the Finance Documents have been irrevocably paid in full and unless the Intercreditor Agent otherwise directs, Mosaic shall not exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents or by reason of any amount being payable, or liability arising, under this Clause 12:

(a) to be indemnified by the Mosaic Shareholder;
(b) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by any Finance Party;
(c) to bring legal or other proceedings for an order requiring Mosaic Shareholder to make any payment, or perform any obligation, in respect of which Mosaic has given a guarantee, undertaking or indemnity under Clause 12.1 (Guarantee and indemnity);
(d) to exercise any right of set-off against Mosaic Shareholder; and/or
(e) to claim or prove as a creditor of Mosaic Shareholder in competition with any Finance Party.

If Mosaic receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Finance Parties by the Obligors under or in connection with the Finance Documents to be repaid in full on trust for the Finance Parties and shall promptly pay or transfer the same to the Agent or as the Agent may direct for application in accordance with clause 46 (Payments under Finance Documents) of the Common Terms Agreement

12.9 Additional security

The guarantee is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by any Finance Party.

12.10 Mosaic’s Obligations

(a) Subject to the other provisions of this Agreement (including, without limitation, Clauses 12.3 (Continuing Guarantee), 12.4 (Reinstatement), 12.5 (Waiver of defences), 12.6 (Immediate recourse), 12.7 (Appropriations), 12.8 (Deferral of Guarantor’s Rights) and 12.9 (Additional security), the obligations in this Clause 12 shall not be construed as imposing greater obligations or liabilities (including, without limitation, liability to make payments) on Mosaic than would have been imposed on it under the terms of this Agreement and the other Finance Documents had it been named as the Mosaic Shareholder therein.

(b) For the avoidance of doubt, notwithstanding paragraph (a) above, Mosaic’s obligations under this Clause 12 will be reduced or released or prejudiced (as the case may be) to the extent that the Finance Parties agree to the Mosaic Shareholder’s obligations under this Agreement being reduced or released or prejudiced in accordance with the Finance Documents.
13. SHARE RETENTION AND NEW SHAREHOLDERS

13.1 Restriction on disposals

(a) Each Sponsor and the Mosaic Shareholder undertakes to the Offshore Security Trustee and Agent (as trustee and agent for itself and each other Secured Party) to procure that the Sponsors shall retain, directly or indirectly (and if indirectly, only through wholly-owned Subsidiaries) all the issued share capital in the Company until the Project Completion Date.

(b) Ma’aden undertakes to the Offshore Security Trustee and Agent (as trustee and agent for itself and each other Secured Party) that it shall retain, directly or indirectly (and if indirectly, only through wholly-owned Subsidiaries) at least 60% of the issued share capital in the Company from the Project Completion Date until the Final Maturity Date, provided that any entity to which Ma’aden (or its relevant Subsidiary) does transfer any shares under this paragraph (b) shall accede to this Agreement as an Acceding Shareholder in accordance with the terms of Clause 28.5 (Accession of Acceding Shareholders).

(c) Mosaic undertakes to the Offshore Security Trustee and Agent (as trustee and agent for itself and each other Secured Party) that it shall retain, directly or indirectly (and if indirectly, only through wholly-owned Subsidiaries) at least 25% of the issued share capital in the Company from the Project Completion Date until the sixth anniversary of the Project Completion Date, provided that any entity to which Mosaic (or its relevant Subsidiary) does transfer any shares under this paragraph (c) shall accede to this Agreement as an Acceding Shareholder in accordance with the terms of Clause 28.5 (Accession of Acceding Shareholders).

(d) SABIC undertakes to the Offshore Security Trustee and Agent (as trustee and agent for itself and each other Secured Party) that it shall retain, directly or indirectly (and if indirectly, only through Subsidiaries) at least 5% of the issued share capital in the Company from the Project Completion Date until the third anniversary of the Project Completion Date, provided that any entity to which SABIC (or its relevant Subsidiary) does transfer any shares under this paragraph (d) shall accede to this Agreement as an Acceding Shareholder in accordance with the terms of Clause 28.5 (Accession of Acceding Shareholders).

(e) Each Sponsor and the Mosaic Shareholder undertakes to the Offshore Security Trustee and Agent (as trustee and agent for itself and each other Secured Party) undertake that they will not, prior to the Final Maturity Date, except with the prior consent of the Offshore Security Trustee and Agent or save as permitted under or pursuant to paragraphs (a), (b), (c) and (d) above:

(i) transfer or otherwise dispose of or pledge or create any Security in or over all or any portion of the shares (or any interest in such shares) which as at the date hereof it holds in the Company or which it may hold at any time in the future; or

(ii) take any other action such that it would cease to:

(A) own full legal and beneficial title in and to the issued share capital of the Company that it holds; or

(B) directly control the voting entitlements to the shares that it owns.
13.2 New Shareholders

(a) Subject to Clause 13.1 (Restriction on Disposals), a Sponsor or a Shareholder (each a “Transferor”) may transfer its direct or indirect shareholding in the Company (a “Transfer”) to a third party (who, for the avoidance of doubt is not a Sponsor or the Subsidiary of a Sponsor) (a “Transferee”) subject to each of the following conditions being satisfied:

(i) the Transferor has notified the Intercreditor Agent and, other than where the proposed Transferee will not assume any marketing obligations, the Market Consultant of reasonable details regarding the proposed Transfer and the proposed Transferee by the date falling sixty (60) days prior to the date on which the proposed Transfer is to be effected (the “Proposed Transfer Date”);

(ii) if the Transferee is not a Saudi Arabian government related entity (a “Saudi GRE”), such Transfer will be subject to the following conditions:

(A) the Market Consultant having confirmed that in its reasonable opinion the Transferee should be able to market the relevant product(s) in the quantity expected under the marketing agreement pursuant to which it will market the relevant product(s) and at a price that would fairly represent the market price in the market in which the Transferee proposes to market the relevant product(s), as soon as possible, and in any event within thirty (30) days of the notice provided to the Intercreditor Agent in paragraph (a)(i) of Clause 13.2 (New Shareholders); and

(B) the Transferee will take a share in the marketing of the products which is no greater than the fraction which the shares of the Company to be owned by the relevant Transferee bears to the total value of issued shares in the Company.

(iii) if the Transferee is a Saudi Arabian government related entity other than a Sponsor (a “Non-Sponsor Saudi GRE”):

(A) such Transferee’s shareholding in the share capital of the Company (when aggregated with the shareholdings of all other Non-Sponsor Saudi GREs to whom transfers have been made) will not exceed fifteen per cent. (15%) of the issued share capital of the Company; and

(B) the share of the marketing of the Transferor is assumed either by:

(1) an existing Sponsor; or

(2) the Company, in which case the Market Consultant has provided his confirmation that in its reasonable opinion the Company should be able to market the relevant product(s) in the quantity expected and at a price that would fairly represent market price in the market in which it proposes to market the relevant product(s), as soon as possible and in any event, within thirty (30) days of the notice provided to the Intercreditor Agent in paragraph (a)(i) of Clause 13.2 (New Shareholders).
Each Sponsor and each Acceding Shareholder agrees and covenants with the Offshore Security Trustee and Agent (as trustee and agent for itself and the other Secured Parties) that any and all obligations of the Company to the Sponsor arising out of or in respect of the performance by the Sponsor of its obligations under Clause 5 (Additional Cost Overrun Commitment), Clause 6 (Debt Service Undertaking Commitment) or Clause 11 (Infrastructure Funding), or the Sponsor or any Acceding Shareholder of its obligations under Clause 9 (Reimbursement), shall be subordinated to the same extent as a Subordinated Loan pursuant to Clause 15 (Subordinated Loans).

14. **SUBORDINATION OF CLAIMS**

Each Sponsor and each Acceding Shareholder agrees and covenants with the Offshore Security Trustee and Agent (as trustee and agent for itself and the other Secured Parties) that any and all obligations of the Company to the Sponsor arising out of or in respect of the performance by the Sponsor of its obligations under Clause 5 (Additional Cost Overrun Commitment), Clause 6 (Debt Service Undertaking Commitment) or Clause 11 (Infrastructure Funding), or the Sponsor or any Acceding Shareholder of its obligations under Clause 9 (Reimbursement), shall be subordinated to the same extent as a Subordinated Loan pursuant to Clause 15 (Subordinated Loans).
SECTION 4 - SUBORDINATED LOANS

15. SUBORDINATED LOANS

15.1 Structure

Each Subordinated Loan Creditor and the Company agrees and covenants with the Offshore Security Trustee and Agent (as trustee and agent for itself and the other Secured Parties) that:

(a) no Subordinated Loan will have the benefit of any Security over the assets, rights or obligations of the Company;
(b) payment of Subordinated Loans and all claims of the Subordinated Loan Creditors in respect thereof will, subject only to payments permitted by Clause 19 (Permitted Payments), be fully postponed and subordinated to the Secured Debt; and
(c) the Secured Debt will at all times and for all purposes rank ahead of the Subordinated Loans.

15.2 Subordination not affected

The priorities described in this Clause 15 will not be affected by any reduction or increase in the principal amount of the Secured Debt or by any intermediate reduction or increase in, amendment or variation (however fundamental) of any of the Finance Documents, or by any variation or satisfaction of the Secured Debt or any other circumstances.

15.3 Restrictions on Subordinated Loans

(a) The Company agrees and covenants with the Offshore Security Trustee and Agent (as trustee and agent for itself and the other Secured Parties) that, prior to the Final Maturity Date, except as permitted by Clause 19 (Permitted Payments), it will not:

(i) make any payment, repayment, prepayment, redemption or distribution (whether in respect of principal, commission or otherwise) of, in respect of, by reference to or on account of any Subordinated Loan, in cash or in kind and whether by loan or otherwise;
(ii) redeem, purchase or otherwise acquire any of the Subordinated Loans;
(iii) exercise any set off or counterclaim against or in respect of any of the Subordinated Loans or discharge any of the Subordinated Loans by set off or counterclaim;
(iv) create or permit to subsist any Security in respect of any Subordinated Loan;
(v) other than as permitted under paragraph (b) (v) below, permit to subsist any guarantee, indemnity, security or other assurance against loss or other financial support for or in respect of any of the Subordinated Loans; or
(vi) take or omit to take any action whereby the subordination contemplated by this Agreement would be impaired.
(b) Each Subordinated Loan Creditor agrees and covenants with the Offshore Security Trustee and Agent (as trustee and agent for itself and the other Secured Parties) that, prior to the Final Maturity Date, except as permitted by Clause 19 (Permitted Payments) it will not:

(i) demand, accept or receive any payment, repayment, prepayment, redemption or distribution (whether in respect of principal, commission or otherwise) of, in respect of, by reference to or on account of any Subordinated Loan, in cash or in kind and whether by loan or otherwise;

(ii) permit to subsist or receive any Security in respect of any of the Subordinated Loans;

(iii) redeem, sell, assign or otherwise dispose of any of the Subordinated Loans or any right it may have against the Company in respect thereof unless the purchaser, assignee or disposee becomes a party to this Agreement as a Subordinated Loan Creditor by executing a Subordinated Loan Creditor Accession Deed in accordance with Clause 28.3 (Accession of Subordinated Loan Creditors);

(iv) exercise any set off or counterclaim against or in respect of any of the Subordinated Loans or discharge any of the Subordinated Loans by set off or counterclaim;

(v) accept or permit to subsist any guarantee, indemnity, security or other assurance against loss in respect of any Subordinated Loan unless the provider thereof becomes a party to this Agreement as a Subordinated Loan Creditor by executing a Subordinated Loan Creditor Accession Deed in accordance with Clause 28.3 (Accession of Subordinated Loan Creditors);

(vi) permit any of the Subordinated Loans to be evidenced by a negotiable instrument, unless the instrument notes the subordination set out in this Agreement and is deposited with the Offshore Security Trustee and Agent;

(vii) take or permit to be taken any action or step, or petition for, initiate or support any step, to commence or continue any proceedings against the Company or with a view to the bankruptcy, insolvency, winding up, liquidation, receivership, administration, reorganisation, dissolution or similar proceedings of the Company or, other than pursuant to Clause 15.5 (Insolvency), claim or rank as a creditor in the insolvency, winding up, bankruptcy or liquidation of the Company;

(viii) pursue any claim or commence any action or proceeding against the Company arising in connection with any of the Subordinated Loans;

(ix) accelerate or declare any of the Subordinated Loans prematurely due and payable;

(x) enforce, sue or prove for any claim for repayment of any of the Subordinated Loans by execution or otherwise; or

(xi) take or omit to take any action whereby the subordination contemplated by this Agreement would be impaired.

15.4 Sponsor guarantee

Notwithstanding the provisions of Clause 15.3 (Restrictions on Subordinated Loans), a Sponsor may guarantee the obligations of the Company under a Bank Subordinated Loan and each Sponsor agrees and covenants with the Offshore Security Trustee and Agent (as trustee and agent for itself and the other Secured Parties) that if it does so any and all obligations of the Company to the Sponsor arising out of or in respect thereof shall be subordinated to the same extent as a Subordinated Loan.
15.5 **Insolvency**

If an Insolvency Event occurs in respect of the Company prior to the Final Maturity Date:

(a) the claims of the Subordinated Loan Creditors in respect of the Subordinated Loans will be postponed until such time as the Secured Debt is paid and, subject to paragraph (b) below, no amount will be payable to the Subordinated Loan Creditors in respect of any Subordinated Loan nor will any distribution of assets of the Company of any kind or character be made to the Subordinated Loan Creditors; and

(b) the Offshore Security Trustee and Agent may (and is irrevocably authorised and empowered in its own name or in the name of the relevant Subordinated Loan Creditors pursuant to Clause 22 (Power of Attorney) to, take such steps and action) or may require a Subordinated Loan Creditor to:

(i) demand, claim, enforce and prove for any of the Subordinated Loans;

(ii) file claims and proofs of claim and give receipts in respect of any Subordinated Loan and take all such proceedings and steps as the Offshore Security Trustee and Agent considers reasonable to recover any outstanding Subordinated Loans;

(iii) receive all distributions on or on account of any Subordinated Loans; and/or

(iv) exercise all voting rights in respect of the Subordinated Loans, **provided that** the Offshore Security Trustee and Agent will not exercise such voting rights or require any Subordinated Loan Creditor to exercise such voting rights in a way which would amend any of the Subordinated Loan Documents or reduce, discharge, waive, or extend the due date for payment of or reschedule any of the Subordinated Loans.

16. **ORDER OF APPLICATION**

At any time prior to the Final Maturity Date, any sums received or recovered by the Offshore Security Trustee and Agent or any other Secured Party in respect of the Subordinated Loans will be applied in accordance with:

(a) the Pre-enforcement Payment Priorities; or

(b) following an Event of Default, the Post-enforcement Payment Priorities.

17. **PRESERVATION OF DEBT**

Notwithstanding the provisions of this Agreement postponing, subordinating or preventing the payment of any of the Subordinated Loans, the Subordinated Loans will, as between the Company and each Subordinated Loan Creditor, be deemed to remain owing or due and payable in accordance with the terms of the Subordinated Loan Documents. No delay on the part of a Subordinated Loan Creditor in exercising any rights under any Subordinated Loan Document against the Company as a result of the provisions of this Agreement postponing, restricting or preventing such exercise will constitute a permanent waiver of those rights.
18. TURNOVER

18.1 Non Permitted Payments

If at any time prior to the Final Maturity Date, any Subordinated Loan Creditor receives or recovers, other than by way of a Permitted Payment:

(a) any payment, discharge, receipt or distribution of, or on account of, whether in cash or in kind, in relation to a Subordinated Loan;

(b) any amount by way of set off or counterclaim in respect of a Subordinated Loan;

(c) the proceeds of enforcement of any right against or of seizure or attachment of the assets of the Company in respect of a Subordinated Loan;

(d) any distribution in cash or in kind made as a result of the occurrence of an Insolvency Event in respect of the Company by reference to a Subordinated Loan,

that Subordinated Loan Creditor will hold that amount on trust for the Offshore Security Trustee and Agent and promptly pay that amount to the Offshore Security Trustee and Agent to be applied in accordance with Clause 16 (Order of application).

18.2 No charge

To the extent that any trust in favour of, or holding of property for, the Offshore Security Trustee and Agent under this Agreement:

(a) is invalid or unenforceable;

(b) constitutes the creation of a charge falling to be registered under any applicable law by a Subordinated Loan Creditor; or

(c) contravenes any contractual obligation of a Subordinated Loan Creditor or any of its affiliates,

the Subordinated Loan Creditor shall not hold the relevant asset or assets on trust for the Offshore Security Trustee and Agent but shall instead, immediately upon receipt of the relevant asset or assets, pay and deliver to the Offshore Security Trustee and Agent an amount equal to the amount of the relevant payment, receipt, proceeds, recovery or other asset or assets (if received or held in cash) or its or their value (if received in kind) for application in accordance with Clause 16 (Order of application).

18.3 Repayment of amounts

Notwithstanding the provisions of Clauses 18.1 (Non Permitted Payments) and 18.2 (No charge), if a Subordinated Loan Creditor pays an amount to the Offshore Security Trustee and Agent pursuant to the provisions of Clauses 18.1 (Non Permitted Payments) or 18.2 (No charge) and is subsequently required pursuant to applicable law to repay such amount to the Company then the Offshore Security Trustee and Agent shall:

(a) if (and to the extent) it has not already paid such amount to the Intercreditor Agent in accordance with Clause 16 (Order of application), repay an amount equal to such amount to such Subordinated Loan Creditor; or

(b) if it has already paid such amount to the Intercreditor Agent in accordance with Clause 16 (Order of application), repay an amount equal to such amount to such Subordinated Loan Creditor to the extent (but only to the extent) such amount (or part thereof) is repaid to the Offshore Security Trustee and Agent in accordance with clause 15.4 (Reversal of redistribution) of the Intercreditor Agreement.
19. PERMITTED PAYMENTS

(a) The Company shall be permitted to pay, and the Subordinated Loan Creditors shall be permitted to receive, payment in respect of a Subordinated Loan if and only to the extent that such payment constitutes a Permitted Payment.

(b) The Offshore Security Trustee and Agent shall not be entitled to demand, claim, enforce or prove for any Distribution which has been paid to a Subordinated Loan Creditor unless, at the time the Distribution was made, the payment was not a Permitted Payment or the Company was insolvent.

20. OVERRIDE

This Agreement overrides anything in any Subordinated Loan Document to the contrary. Without prejudice to the foregoing, at no time until the Final Maturity Date will any Subordinated Loan Creditor enforce any remedy against the Company by reason of failure of the Company to comply with its obligations under a Subordinated Loan Document to the extent that compliance with such obligations would violate or be a default under this Agreement.

21. FURTHER ASSURANCE

Each of the Company, each Sponsor, the Mosaic Shareholder, each Acceding Shareholder and each Subordinated Loan Creditor agrees that it will promptly, at the direction of the Offshore Security Trustee and Agent or the Intercreditor Agent, execute and deliver at its own expense any document (executed as a deed or under hand, as such Agent may direct), and do all acts or things necessary to establish the validity and enforceability of the subordination effected by, and the obligations of such Party under, this Agreement.

22. POWER OF ATTORNEY

(a) Each Subordinated Loan Creditor irrevocably and by way of security for the performance of its obligations under this Agreement appoints the Offshore Security Trustee and Agent to be the attorney of such Subordinated Loan Creditor for the purposes of, in the name and on behalf of such Subordinated Loan Creditor, signing, sealing, executing, delivering and perfecting all deeds, instruments, acts and things which may be required (or which the Offshore Security Trustee and Agent considers expedient or desirable) for taking any action pursuant to Clause 15.5 (Insolvency).

(b) The Offshore Security Trustee and Agent has full power to delegate the power conferred on it by this Clause 22 but no such delegation will preclude the subsequent exercise of such power by it or preclude subsequent delegation of such power.

(c) Each Subordinated Loan Creditor will ratify and confirm all things done, all documents executed and all transactions entered into by the attorney in the exercise or purported exercise of such attorney’s power.
SECTION 5 - PAYMENTS

23. LATE PAYMENTS

If a Subordinated Loan Creditor, a Sponsor, the Mosaic Shareholder or an Acceding Shareholder fails to make payment of any amount payable by it under this Agreement, such person shall pay Commission on each sum demanded (both before and after judgment) from the date of demand until the date of payment calculated on a daily basis at the rate determined in accordance with the provisions of clause 10.2 (Default Commission) of the Common Terms Agreement.

24. COSTS AND EXPENSES

24.1 Amendment costs

If an amendment, waiver or consent to or in respect of this Agreement is requested by the Company, a Sponsor, the Mosaic Shareholder or an Acceding Shareholder, the Company shall promptly on demand by the Intercreditor Agent on behalf of the Finance Parties pay to the Intercreditor Agent all out of pocket costs and expenses (including legal fees) reasonably incurred by any Finance Party (excluding, for the avoidance of doubt, any management or internal time charge) in relation to such amendment, waiver or consent.

24.2 Enforcement costs

The Company shall promptly upon demand by the Offshore Security Trustee and Agent on behalf of the Secured Parties pay to the Offshore Security Trustee and Agent all costs and expenses (including legal fees) incurred by any Secured Party in connection with the enforcement of or the preservation of any rights under this Agreement except where such costs and expenses are incurred due to any dispute, claim or matter arising solely between the Secured Parties and such dispute, claim or matter does not involve the Company, a Sponsor, the Mosaic Shareholder or an Acceding Shareholder.

24.3 Consultants

(a) Notwithstanding the provisions of Clauses 24.1 (Amendment costs) and 24.2 (Enforcement costs), the costs and expenses of any Consultant consulted by the Finance Parties shall only be payable by the Company if the Finance Parties instructing such consultant did so in accordance with their respective obligations set out in the Finance Documents.

(b) Notwithstanding any other provision of this Agreement, if a Default has occurred the Company shall pay any reasonable costs and expenses incurred by a consultant who the Finance Parties have appointed to assist them in respect of such Default, provided that the expertise of such consultant is pertinent to the prevailing Default as determined by the Intercreditor Agent.

(c) Notwithstanding the provisions of Clauses 24.1 (Amendment costs) and 24.2 (Enforcement costs), the Company shall only be responsible for the legal costs and expenses of legal counsel that are common to all Secured Parties except where a divergence of interests has arisen between Secured Parties who are party to different Facilities; in which case the Company will be responsible for the legal costs and expenses of providing separate legal representation for the Secured Parties of each Facility by legal counsel within the same legal firm as the Facility Participants’ Counsel.
25. TAX GROSS UP AND INDEMNITIES

25.1 Definitions

(a) In this Clause 25:

“Tax Obligor” means:

(in respect of any payment to or due to a Finance Party) the Company, a Sponsor, the Mosaic Shareholder, an Acceding Shareholder or a Subordinated Loan Creditor; and

(in respect of any payment to or due to the Company) a Sponsor, the Mosaic Shareholder or an Acceding Shareholder.

“Protected Party” means the Company or, as the case may be, a Finance Party which is or will be, for or on account of Tax, subject to any liability or required to make any payment in relation to a sum received or receivable (or any sum deemed for the purposes of Tax to be received or receivable) under this Agreement.

“Tax Credit” means a credit against, relief or remission for, or repayment of, any Tax.

“Tax Deduction” means a deduction or withholding for or on account of Tax from a payment under this Agreement other than a FATCA Deduction.

“Tax Payment” means an increased payment made by an Obligor to the Company or, as the case may be, a Finance Party under Clause 25.2 (Tax gross up) or a payment under Clause 25.3 (Tax indemnity).

(b) In this Clause 25, a reference to “determines” or “determined” means a determination made in the absolute discretion of the person making the determination.

25.2 Tax gross up

(a) Each Tax Obligor shall make all payments to be made by it under this Agreement without any Tax Deduction, unless a Tax Deduction is required by law.

(b) Promptly upon becoming aware that a Tax Obligor must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) such Tax Obligor shall notify the Intercreditor Agent and the other Parties accordingly.

(c) If a Tax Deduction is required by law to be made by a Tax Obligor the amount of the payment due from such Tax Obligor shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.

(d) If a Tax Obligor is required to make a Tax Deduction, it shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.

(e) Within thirty (30) days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, a Tax Obligor shall deliver to the Intercreditor Agent evidence reasonably satisfactory that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.
25.3 Tax indemnity

(a) Each Tax Obligor shall (within three (3) Business Days of demand by the Company or the Intercreditor Agent (in case of any other Protected Party)) pay to a Protected Party an amount equal to the loss, liability or cost which that Protected Party determines will be or has been (directly or indirectly) suffered for or on account of Tax by that Protected Party in respect of this Agreement.

(b) Paragraph (a) above shall not apply:

(i) with respect to any Tax assessed on the Company (in the case of a payment due to it) or a Finance Party (in the case of a payment due to it):

(A) under the law of the jurisdiction in which the Company or, as the case may be, that Finance Party is incorporated or, if different, the jurisdiction (or jurisdictions) in which such person is treated as resident for tax purposes; or

(B) under the law of the jurisdiction in which that Finance Party’s Facility Office is located in respect of amounts received or receivable in that jurisdiction,

if that Tax is imposed on or calculated by reference to the net income received or receivable (but not any sum deemed to be received or receivable) by the Company or, as the case may be, that Finance Party; or

(ii) to the extent a loss, liability or cost:

(A) is compensated for by an increased payment under Clause 25.2 (Tax gross up); or

(B) relates to a FATCA Deduction to be made by the Company or a Finance Party.

25.4 Tax Credit

If a Tax Obligor makes a Tax Payment and the Company or, as the case may be, a Finance Party determines that:

(a) a Tax Credit is attributable either to an increased payment of which that Tax Payment forms part, or that Tax Payment; and

(b) the relevant person has obtained, utilised and retained that Tax Credit,

such person shall pay an amount to the Company, the relevant Sponsor, the Mosaic Shareholder, the relevant Acceding Shareholder, or the relevant Subordinated Loan Creditor as the case may be, which the Company or, as the case may be, such Finance Party determines will leave it (after that payment) in the same after Tax position as it would have been in had the Tax Payment not been required to be made by the Company, the relevant Sponsor, the Mosaic Shareholder, the relevant Acceding Shareholder or the relevant Subordinated Loan Creditor, as the case may be. Nothing herein contained shall interfere with the right of any Finance Party to arrange its tax affairs in whatever manner it thinks fit nor oblige any Finance Party to disclose any information relating to its tax affairs or any computations in respect thereof.
25.5 FATCA Information

(a) Subject to paragraph (c) below, each Party shall, within ten (10) Business Days of a reasonable request by another Party:

(i) confirm to that other Party whether it is:

(A) a FATCA Exempt Party; or

(B) not a FATCA Exempt Party; and

(ii) supply to that other Party such forms, documentation and other information relating to its status under FATCA (including its applicable “passthru payment percentage” or other information required under the US Treasury Regulations or other official guidance including intergovernmental agreements) as that other Party reasonably requests for the purposes of that other Party’s compliance with FATCA.

(b) If a Party confirms to another Party pursuant to paragraph (a)(i) above that it is a FATCA Exempt Party and it subsequently becomes aware that it is not, or has ceased to be a FATCA Exempt Party, that Party shall notify that other Party reasonably promptly.

(c) Paragraph (a) above shall not oblige any Finance Party to do anything which would or might in its reasonable opinion constitute a breach of:

(i) any law or regulation;

(ii) any fiduciary duty; or

(iii) any duty of confidentiality.

(d) If a Party fails to confirm its status or to supply forms, documentation or other information requested in accordance with paragraph (a) above (including, for the avoidance of doubt, where paragraph (c) above applies), then:

(i) if that Party failed to confirm whether it is (and/or remains) a FATCA Exempt Party then such Party shall be treated for the purposes of the Finance Documents as if it is not a FATCA Exempt Party; and

(ii) if that Party failed to confirm its applicable “passthru payment percentage” then such Party shall be treated for the purposes of the Finance Documents (and payments made thereunder) as if its applicable “passthru payment percentage” is 100%, until (in each case) such time as the Party in question provides the requested confirmation, forms, documentation or other information.

25.6 FATCA Deduction

(a) Each Party may make any FATCA Deduction it is required to make by FATCA, and any payment required in connection with that FATCA Deduction, and no Party shall be required to increase any payment in respect of which it makes such a FATCA Deduction or otherwise compensate the recipient of the payment for that FATCA Deduction.
(b) Each Party shall promptly, upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of such FATCA Deduction) notify the Party to whom it is making the payment and, in addition, shall notify the Company, the Intercreditor Agent and the other Sponsors.

25.7 Agent resignation

The Offshore Security Trustee and Agent shall resign in accordance with terms of the Intercreditor Agreement (and, to the extent applicable, shall use reasonable endeavours to appoint a successor Agent) if on or after the date which is three months before the earliest FATCA Application Date relating to any payment to the Offshore Security Trustee and Agent under the Finance Documents, either:

(a) the Offshore Security Trustee and Agent fails to respond to a request under clause 13.8 (FATCA Information) of the Common Terms Agreement and the Company, a Sponsor, a Shareholder or the Intercreditor Agent reasonably believes that the Offshore Security Trustee and Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;

(b) the information supplied by the Offshore Security Trustee and Agent pursuant to clause 13.8 (FATCA Information) of the Common Terms Agreement indicates that it will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date; or

(c) the Offshore Security Trustee and Agent notifies the Company, a Sponsor, a Shareholder or the Intercreditor Agent that it will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;

and (in each case) the Company, a Sponsor, a Shareholder or the Intercreditor Agent reasonably believes that a Party will be required to make a FATCA Deduction that would not be required if the Offshore Security Trustee and Agent were a FATCA Exempt Party, and the Company or that Shareholder or Sponsor or the Intercreditor Agent, by notice to the Offshore Security Trustee and Agent, requires it to resign.

25.8 FATCA impaired agent

If, at any time:

(a) any Agent is not a FATCA Exempt Party (or a notice requiring its resignation has been given under Clause 25.7 (Agent Resignation)); and

(b) the Company, a Shareholder, a Sponsor or any Finance Party reasonably believes that it will be required to make a FATCA Deduction that would not be required if the Offshore Security Trustee and Agent were a FATCA Exempt Party,

the Company, a Shareholder, a Sponsor or the Intercreditor Agent (as the case may be) which is required to make a payment under this Agreement to the Offshore Security Trustee and Agent may instead pay that amount direct to the required recipient(s) and such payment must be made on the due date for payment under this Agreement. A Party which has made a payment in accordance with this Clause 25.8 shall be discharged of the relevant payment obligation under this Agreement.
26. CURRENCY INDEMNITY

26.1 Currency indemnity

If any sum due from a Sponsor, the Mosaic Shareholder, an Acceding Shareholder or any Subordinated Loan Creditor under this Agreement (a "Relevant Sum"), or any order, judgment or award given or made in relation to a Relevant Sum, has to be converted from the currency (the "First Currency") in which that Relevant Sum is payable into another currency (the "Second Currency") for the purpose of:

(a) making or filing a claim or proof against such Sponsor, the Mosaic Shareholder, Acceding Shareholder or Subordinated Loan Creditor, as the case may be; or

(b) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

such Sponsor, the Mosaic Shareholder, Acceding Shareholder or Subordinated Loan Creditor, as the case may be, shall as an independent obligation, within ten (10) Business Days of demand, indemnify each Finance Party to whom that Relevant Sum is due against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between:

(i) the rate of exchange used to convert that Relevant Sum from the First Currency into the Second Currency; and

(ii) the rate or rates of exchange available to that person at the time of its receipt of that Relevant Sum.

26.2 Currency of payment

Each Sponsor, the Mosaic Shareholder, each Acceding Shareholder and each Subordinated Loan Creditor waives any right it may have in any jurisdiction to pay any amount under this Agreement in a currency or currency unit other than that in which it is expressed to be payable.
27. **BENEFIT OF AGREEMENT**

This Agreement shall be binding upon and enure to the benefit of each Party and its or any subsequent respective successors, transferees and assigns.

28. **ASSIGNMENTS AND TRANSFERS**

28.1 **The Sponsors and Company**

Save as otherwise permitted under the terms of this Agreement, neither a Sponsor, nor the Mosaic Shareholder, nor an Acceding Shareholder, nor the Company nor a Subordinated Loan Creditor may assign, transfer, novate or dispose of any of, or any interest in, its rights, interests or obligations under this Agreement.

28.2 **Change of Intercreditor Agent or Offshore Security Trustee and Agent**

(a) Each of the Intercreditor Agent and the Offshore Security Trustee and Agent may only transfer its rights and obligations under this Agreement in accordance with clause 37 (Change of Agents or Account Banks) of the Common Terms Agreement.

(b) If the Intercreditor Agent or the Offshore Security Trustee and Agent resigns or is replaced in accordance with paragraph (a) above, the benefit of, and its obligations under, this Agreement shall be transferred to its successor upon delivery to the Intercreditor Agent (or, in the case of a successor to the Intercreditor Agent, the existing Intercreditor Agent, the Agents and the Account Banks) of a duly completed and duly executed CTA Accession Memorandum.

(c) Upon the transfer set out in paragraph (a) above, the retiring or resigning Intercreditor Agent or, as the case may be, Offshore Security Trustee and Agent shall be discharged from any further obligation in respect of this Agreement. Its successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.

(d) The Intercreditor Agent shall upon receipt of a duly completed and duly executed CTA Accession Memorandum from a successor Offshore Security Trustee and Agent provide a copy of it to each of the Sponsors, the Acceding Shareholders and the Subordinated Loan Creditors and, upon receipt thereof, the Sponsors, the Acceding Shareholders and the Subordinated Loan Creditors shall be deemed to have acknowledged the transfer of the Offshore Security Trustee and Agent’s rights and obligations under this Agreement to its successor.

(e) The Offshore Security Trustee and Agent shall upon receipt of a duly completed and duly executed CTA Accession Memorandum from a successor Intercreditor Agent provide a copy of it to each of the Sponsors, the Acceding Shareholders and the Subordinated Loan Creditors and, upon receipt thereof, the Sponsors, the Acceding Shareholders and the Subordinated Loan Creditors shall be deemed to have acknowledged the transfer of the Intercreditor Agent’s rights and obligations under this Agreement to its successor.

28.3 **Accession of Subordinated Loan Creditors**

(a) Where it is proposed that Shareholder Funding is to be provided in full or in part by a Bank Subordinated Loan in accordance with the terms of this Agreement, the bank or financial institution providing the Bank Subordinated Loan must, prior to making any
Each Sponsor, the Mosaic Shareholder, Acceding Shareholder, Subordinated Loan Creditor and the Company acknowledge that each of the Offshore Security Trustee and Agent and the Intercreditor Agent holds the rights and benefits under this Agreement on behalf of each of the Secured Parties (or, in the case of the Intercreditor Agent, the Finance Parties) from time to time, and that if a Secured Party (or, as the case may be, a Finance Party) transfers or assigns all or any part of its rights and/or obligations under the Facility Documents to which it is a party (or, in the case of a Secured Hedging Counterparty, assigns all or part of its rights and/or obligations under a Secured Hedging Agreement to which it is a party or enters into a new Secured Hedging Agreement and becomes a party to the Intercreditor Agreement in accordance with the terms thereof) such rights and benefits will be held by the Offshore Security Trustee and Agent and the Intercreditor Agent on behalf of the Secured Parties (or, as the case may be, Finance Parties) following such assignment or transfer (or, as the case may be, new Secured Hedging Agreement).

28.4 Changes to Secured Parties and Finance Parties

Each Sponsor, the Mosaic Shareholder, Acceding Shareholder, Subordinated Loan Creditor and the Company acknowledge that each of the Offshore Security Trustee and Agent and the Intercreditor Agent holds the rights and benefits under this Agreement on behalf of each of the Secured Parties (or, in the case of the Intercreditor Agent, the Finance Parties) from time to time, and that if a Secured Party (or, as the case may be, a Finance Party) transfers or assigns all or any part of its rights and/or obligations under the Facility Documents to which it is a party (or, in the case of a Secured Hedging Counterparty, assigns all or part of its rights and/or obligations under a Secured Hedging Agreement to which it is a party or enters into a new Secured Hedging Agreement and becomes a party to the Intercreditor Agreement in accordance with the terms thereof) such rights and benefits will be held by the Offshore Security Trustee and Agent and the Intercreditor Agent on behalf of the Secured Parties (or, as the case may be, Finance Parties) following such assignment or transfer (or, as the case may be, new Secured Hedging Agreement).

28.5 Accession of Acceding Shareholders

(a) Where a person is to acquire shares in the Company from a Sponsor or the Mosaic Shareholder as permitted under Clause 13 (Share Retention and New Shareholders) or from another Acceding Shareholder, such person shall prior to acquiring such shares accede to this Agreement as an Acceding Shareholder by executing and delivering to the Intercreditor Agent and the Offshore Security Trustee and Agent a duly executed Shareholder Accession Deed.

(b) Upon receipt of a Shareholder Accession Deed by the Intercreditor Agent and countersignature by the Intercreditor Agent, such person acquiring shares referred to in paragraph (a) above will acquire all the rights and assume all the obligations of a Sponsor, the Mosaic Shareholder or another Acceding Shareholder under this Agreement.
29. MISCELLANEOUS

29.1 No set off

All payments to be made by a Sponsor, the Mosaic Shareholder, an Acceding Shareholder, the Company or a Subordinated Loan Creditor under this Agreement shall be calculated and be made without (and free and clear of any deduction for) set off or counterclaim.

29.2 Business Days

(a) Subject to paragraph (b) below, any payment under this Agreement which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).

(b) For the avoidance of doubt and notwithstanding any provision under this Agreement or any other Finance Document, any payment under this Agreement which is due to be made to a Finance Party or by a Finance Party on 31 December shall be made on the preceding Business Day.

29.3 Currency of account

(a) Subject to paragraph (b) below and save as is otherwise provided in this Agreement, the Dollar is the currency of account and payment for any sum due from a Sponsor, the Mosaic Shareholder, Acceding Shareholder, the Company or any Subordinated Loan Creditor under this Agreement.

(b) Each payment in respect of costs, expenses or Taxes shall be made in the currency in which the costs, expenses or Taxes are incurred.

29.4 Change of currency

(a) Unless otherwise prohibited by law, if more than one currency or currency unit are at the same time recognised by the central bank of any country as the lawful currency of that country, then:

(i) any reference in this Agreement to, and any obligations arising under this Agreement in, the currency of that country shall be translated into, or paid in, the currency or currency unit of that country designated by the Intercreditor Agent (after consultation with the Sponsors); and

(ii) any translation from one currency or currency unit to another shall be at the official rate of exchange recognised by the central bank for the conversion of that currency or currency unit into the other, rounded up or down by the Intercreditor Agent (acting reasonably).

(b) If a change in any currency of a country occurs, this Agreement will, to the extent the Intercreditor Agent (acting reasonably and after consultation with the Sponsors) specifies to be necessary, be amended to comply with any generally accepted conventions and market practice in the relevant interbank market and otherwise to reflect the change in currency.
30. **SET OFF**

A Secured Party may set off any matured obligation due from a Sponsor, the Mosaic Shareholder, the Company or any Subordinated Loan Creditor under this Agreement against any matured obligation owed by that Secured Party to such person, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Secured Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set off.

31. **NOTICES**

31.1 **Communications in writing**

Any communication to be made under or in connection with this Agreement shall be made in writing and, unless otherwise stated, may be made by fax or letter.

31.2 **Addresses**

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with this Agreement is:

(a) in the case of a Sponsor, that identified with its name below;
(b) in the case of the Mosaic Shareholder, that identified with its name below;
(c) in the case of the Company, that identified with its name below;
(d) in the case of each Agent, that identified with its name below or, as the case may be, specified in the CTA Accession Memorandum pursuant to which it became a Party;
(e) in the case of each Subordinated Loan Creditor other than a Sponsor, or the Mosaic Shareholder, that specified in the Subordinated Loan Creditor Accession Deed pursuant to which it became a Party;
(f) in the case of each Acceding Shareholder, that specified in the Shareholder Accession Deed pursuant to which it became a Party, or any substitute address, fax number or department or officer as the Party may notify to the other Parties, by not less than five (5) Business Days’ notice.

31.3 **Delivery**

(a) Any communication or document made or delivered by one person to another under or in connection with this Agreement will only be effective:

(i) if by way of fax, when received in legible form; or
(ii) if by way of letter, when it has been left at the relevant address or five (5) Business Days after being deposited in the post, postage prepaid, in an envelope addressed to it at that address,

and, if a particular department or officer is specified as part of its address details provided under Clause 31.2 (Addresses), if addressed to that department or officer.

(b) Any communication or document to be made or delivered to the Intercreditor Agent, or the Offshore Security Trustee and Agent will be effective only when actually
received by such Party and then only if it is expressly marked for the attention of the department or officer identified with such Party’s signature below (or any substitute department or officer as such Party shall specify for this purpose).

31.4 **Notification of address and fax number**

Promptly upon receipt of notification of an address and fax number or change of address or fax number pursuant to Clause 31.2 (*Addresses*) or changing its own address or fax number, the Intercreditor Agent shall notify the other Parties.

31.5 **Electronic communication**

Notwithstanding any other provision in this Clause 31, any communication to be made between the Parties under or in connection with this Agreement may be made by electronic mail or other electronic means, if the Parties:

(a) agree that, unless and until notified to the contrary, this is to be an accepted form of communication;

(b) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and

(c) notify each other of any change to their address or any other such information supplied by them.

Any electronic communication made between the Parties will be effective only when actually received in readable form.

31.6 **English language**

(a) Any notice given under or in connection with this Agreement must be in English.

(b) All other documents (other than the conditions precedent listed in schedule 2 (*Initial Conditions Precedent*) of the Common Terms Agreement unless expressly stated otherwise therein) provided under or in connection with this Agreement must be:

   (i) in English; or

   (ii) if not in English, and if so required by the Intercreditor Agent, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

32. **CALCULATIONS AND CERTIFICATES**

32.1 **Accounts**

In any litigation or arbitration proceedings arising out of or in connection with this Agreement, the entries made in the accounts maintained by a Secured Party are prima facie evidence of the matters to which they relate.

32.2 **Certificates and determinations**

Any certification or determination by a Secured Party of a rate or amount under any Finance Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates.
32.3 Day count convention

Any commission or fee accruing under this Agreement will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of three hundred and sixty (360) days or, in any case where the practice in the relevant interbank market differs, in accordance with that market practice.

33. PARTIAL INVALIDITY

If, at any time, any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

34. REMEDIES AND WAIVERS

No failure to exercise, nor any delay in exercising, on the part of either Agent, any right or remedy under this Agreement shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.

35. AMENDMENTS AND WAIVERS

35.1 Amendments

Any term of this Agreement may be amended only with the consent of the Intercreditor Agent, acting in accordance with the terms of the Intercreditor Agreement, and the other Parties to this Agreement. The Intercreditor Agent may effect, on behalf of any Secured Party, any amendment permitted by this Clause 35.

35.2 Waivers

Any term of this Agreement may be waived only with the consent of the Intercreditor Agent, acting in accordance with the terms of the Intercreditor Agreement. The Intercreditor Agent may effect, on behalf of any Secured Party, any waiver permitted by this Clause 35.

36. COUNTERPARTS

This Agreement may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

37. NOTICE AND ACKNOWLEDGEMENT OF ASSIGNMENT

37.1 Notice

The Company by its execution of this Agreement hereby notifies each Sponsor of the fact that it has assigned to the Offshore Security Trustee and Agent (as trustee and agent for itself and each other Secured Party), as security for the payment and discharge of the Company’s obligations under the Finance Documents all its rights under this Agreement pursuant to the Assignment of Completion Support.

37.2 Acknowledgement

Each Sponsor hereby acknowledges receipt of such notice of assignment and confirms that it has not received notice of any previous encumbrance over such rights.
38. PRESERVATION OF RIGHTS

38.1 Waiver of defences

None of the subordination provisions set out in Clause 14 (Subordination of Claims) and Clause 15 (Subordinated Loans) or otherwise effected by this Agreement, the obligations of the Company, the Sponsors, the Mosaic Shareholder, the Acceding Shareholders or the Subordinated Loan Creditors contained in this Agreement or the rights, powers and remedies conferred upon the Offshore Security Trustee and Agent or any of the Secured Parties by this Agreement or by law shall be discharged, impaired or otherwise affected by:

(a) the bankruptcy, winding up, dissolution, administration or reorganisation or any similar proceeding in any jurisdiction of the Company, a Sponsor, the Mosaic Shareholder, an Acceding Shareholder; any Subordinated Loan Creditor or any other person or any change in its status, function, control or ownership;

(b) any of the obligations of the Company, a Sponsor, the Mosaic Shareholder, an Acceding Shareholder or any Subordinated Loan Creditor or any other person under any Finance Document or under any Security created pursuant to a Security Document being or becoming illegal, invalid, unenforceable or ineffective in any respect;

(c) any time or other indulgence being granted or agreed to be granted to the Company, a Sponsor, the Mosaic Shareholder, an Acceding Shareholder or any Subordinated Loan Creditor or any other person in respect of its obligations under any Finance Document or any Security created pursuant to a Security Document;

(d) any amendment (however fundamental) to, or any variation (however fundamental), waiver or release of, any of the terms of any Finance Document or any other document or any Security created pursuant to a Security Document;

(e) any failure to take, or fully to take, any security contemplated by any Finance Documents or otherwise agreed to be taken in respect of the obligations of the Company, a Sponsor, the Mosaic Shareholder, an Acceding Shareholder or any Subordinated Loan Creditor under any of the Finance Documents;

(f) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce any rights against or security over the assets of any person or any non presentation or non observance of any formality or other requirement in respect of any instrument or any failure to realise or fully to realise the value of, or any release, discharge, exchange or substitution of; any Security created pursuant to a Security Document;

(g) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any person;

(h) any intermediate payment or discharge of any of the Secured Debt in whole or in part; or

(i) any other act, event or omission which, but for this Clause 38.1, might operate to discharge, impair or otherwise affect any of the obligations of the Company, any Sponsor, the Mosaic Shareholder, any Acceding Shareholder or any Subordinated Loan Creditor contained in this Agreement or any of the rights, powers or remedies conferred upon the Secured Parties or any of them by this Agreement, or by law.
38.2 Settlement conditional

Any settlement or discharge given by any Secured Party in respect of the obligations of the Company, a Sponsor, the Mosaic Shareholder, an Acceding Shareholder or any Subordinated Loan Creditor under this Agreement or any other agreement reached between such Secured Party and the Company, a Sponsor, the Mosaic Shareholder, an Acceding Shareholder or any such Subordinated Loan Creditor in relation to it shall be, and be deemed always to have been, void if any act on the faith of which such Secured Party gave the Company, the Sponsor, the Mosaic Shareholder, the Acceding Shareholder or the Subordinated Loan Creditor that settlement or discharge or entered into that agreement is subsequently avoided by or in pursuance of any provision of law.

38.3 Exercise of rights

No Secured Party shall be obliged before exercising any of the rights, powers or remedies conferred upon it in respect of the Company, a Sponsor, the Mosaic Shareholder, an Acceding Shareholder or any Subordinated Loan Creditor by this Agreement or by law:

(a) to make any demand of the Company, a Sponsor the Mosaic Shareholder, an Acceding Shareholder, any Subordinated Loan Creditor or any other person;

(b) to take any action or obtain judgment in any court against the Company, a Sponsor, the Mosaic Shareholder, an Acceding Shareholder, any Subordinated Loan Creditor or any other person;

(c) to make or file any claim or proof in a winding up or dissolution of the Company, a Sponsor, the Mosaic Shareholder, an Acceding Shareholder, any Subordinated Loan Creditor or any other person; or

(d) to enforce or seek to enforce any security taken in respect of any of the obligations of the Company under any Finance Document.

38.4 Non competition

Each Sponsor, the Mosaic Shareholder, each Acceding Shareholder and each Subordinated Loan Creditor agrees that until the Final Maturity Date it shall not exercise any rights which it may at any time have by reason of payment or performance by it of its obligations under this Agreement or by virtue of the operation of Section 3 (Equity Support and Equity Retention) (in the case of a Sponsor) or Clause 9 (Reimbursement) (in the case of a Sponsor or an Acceding Shareholder) or Clause 15 (Subordinated Loans) or Clause 18 (Turnover) (in the case of a Subordinated Loan Creditor):

(a) to be indemnified by the Company or to receive any collateral from the Company; and/or

(b) to claim any contribution from any other guarantor of the Company’s obligations under the Finance Documents; and/or

(c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of any Secured Party under any Finance Document or of any other security taken pursuant to, or in connection with, any Finance Document by the Secured Parties or any of them.
The obligations of each Sponsor, the Mosaic Shareholder, each Acceding Shareholder and each Subordinated Loan Creditor contained in this Agreement shall constitute and be continuing obligations notwithstanding any settlement of account or other matter or thing whatsoever, and shall not be considered satisfied by any intermediate payment or satisfaction of all or any of the obligations of the Company under any of the Finance Documents.
39. **GOVERNING LAW**

This Agreement is governed by English law.

40. **ENFORCEMENT**

40.1 **Litigation**

Subject to Clause 41 (Arbitration):

(a) no Finance Party shall be prevented from taking proceedings relating to a Dispute in any courts with jurisdiction. To the extent allowed by law, the Finance Parties may take concurrent proceedings in any number of jurisdictions; and

(b) the Finance Parties and the Company each hereby irrevocably and unconditionally submit and consent to the non-exclusive jurisdiction of the following fora to settle any disputes arising out of or in connection with this Agreement (including a dispute regarding the existence, validity or termination of this Agreement) and to determine any suit, action or proceedings (a “Dispute”):

(i) the courts of England;

(ii) the SAMA Committee; and

(iii) the Enforcement Department in respect of any legal action or proceedings arising out of or relating to any Order Note,

and the parties shall not challenge any submission in accordance with this Clause on the grounds that any such forum is not a convenient forum.

40.2 **Service of process**

(a) Ma’aden and the Company agree that the process by which any proceedings before the courts of England in respect of this Agreement are begun may be served on it by being delivered to Ma’aden HR Limited Co. at 100 New Bridge Street, London EC4V 6JA or its registered office for the time being.

(b) Mosaic and the Mosaic Shareholder agree that the process by which any proceedings before the courts of England in respect of this Agreement are begun may be served on it by being delivered to TMF Corporate Services Limited at Fifth Floor, 6 St. Andrew Street, London EC4A 3AE or its registered office for the time being.

(c) SABIC agrees that the process by which any proceedings before the courts of England in respect of this Agreement are begun may be served on it by being delivered to SABIC UK Petrochemicals Limited at Wilton, Redcar, Cleveland TS10 4RF or its registered office for the time being.

(d) Each Subordinated Loan Creditor (where it is funding from a Facility Office outside of England and Wales) and each Acceding Shareholder agrees that the process by which any proceedings before the courts of England in respect of this Agreement are begun may be served on it at the address specified in its Subordinated Loan Creditor Accession Deed or Shareholder Accession Deed as the case may be.

(e) If the appointment of the person described in paragraphs (a) or (d) above ceases to be effective in respect of either Sponsor, the Company, the Mosaic Shareholder, any
Acceding Shareholder or any Subordinated Loan Creditor, such Party shall immediately appoint a further person in England to accept service of process on its behalf in England and, failing such appointment within fifteen (15) days, the Intercreditor Agent shall be entitled to appoint such person by notice to such Party.

(f) Nothing in this Agreement shall affect the right to serve process on a Sponsor, the Mosaic Shareholder, the Company, any Acceding Shareholder or, as the case may be, any Subordinated Loan Creditor in any other manner permitted by law.

(g) Each Sponsor, the Mosaic Shareholder, the Company, each Acceding Shareholder and each Subordinated Loan Creditor agrees that failure by a process agent to notify it of the process will not invalidate the proceedings concerned.

40.3 Waiver of immunity

To the extent that the Company, the Mosaic Shareholder, a Sponsor, any Acceding Shareholder or any Subordinated Loan Creditor may be entitled in any jurisdiction to claim for itself or its assets immunity from any suit, execution, attachment or other legal process under this Agreement, each such Party hereby irrevocably waives all immunity it or its assets or revenues may otherwise have in any jurisdiction, including immunity in respect of:

(a) the giving of any relief by way of injunction or order for specific performance or for the recovery of assets or revenues; and

(b) the issue of process against its assets or revenues for the enforcement of a judgement or, in an action *in rem*, for the arrest, detention or sale of any of its assets or revenues.

41. ARBITRATION

41.1 Arbitration Option

(a) Any Finance Party or the Company may by notice in writing to the relevant party/parties to a Dispute at the address given for the sending of notices under this Agreement pursuant to Clause 31 (Notices) require that a Dispute be finally resolved by arbitration under the Rules of Arbitration of the London Court of Arbitration ("LCIA") in force at the time the arbitration commences, which rules are deemed incorporated by reference into this Clause.

(b) Notice under paragraph (a) above must be given before any substantive defence or response has been submitted in any formal legal proceedings that have been commenced in respect of the Dispute in accordance with Clause 40 (Enforcement).

41.2 Procedure for arbitration

(a) The arbitration shall take place in London and shall be conducted in the English language.

(b) The tribunal shall consist of three arbitrators (the "Tribunal"). The claimant (or claimants jointly) shall nominate one arbitrator for appointment by the LCIA Court. The respondent (or respondents jointly) shall nominate one arbitrator for appointment by the LCIA Court. The LCIA Court shall appoint the chairman.

(c) None of the arbitrators shall:

(i) be an employee or agent or former employee or agent of the Company, any Sponsor, any Shareholder, any Project Party or any person that directly or indirectly beneficially owns any share capital of the Company or an employee of any Finance Party;
(ii) have any political, business or other ties to the Kingdom of Saudi Arabia; or

(iii) be a person with familial ties to the Company, any Project Party, the Government of the Kingdom of Saudi Arabia or any person that directly or indirectly beneficially owns any share capital of the Company.

(d) The award of an arbitrator in relation to a Dispute shall be final and binding on the parties to that Dispute. The Parties hereby waive any right to apply to any court of law and/or other judicial authority to determine a preliminary point of law and/or review any question of law and/or the merits, insofar as such waiver may be validly made.

(e) The Parties agree that any arbitral award may be enforced against the parties to an arbitration and their respective assets.

(f) The Tribunal shall have the power to award the costs of the arbitral award against the losing party to such arbitration or as between the parties to such arbitration as the Tribunal in its discretion deems appropriate.

(g) The Tribunal, upon the request of a party to a Dispute or a party to this Agreement which itself wishes to be joined in any reference to arbitration proceedings in relation to a Dispute, may join any party to this Agreement to any arbitration in relation to that Dispute and may make a single, final award determining all Disputes between them. Each of the Parties hereby consents to be joined to any arbitration in relation to any Dispute at the request of a party to that Dispute.

(h) Where, pursuant to the above provisions, the same Tribunal has been appointed in relation to two or more Disputes, the Tribunal may, with the agreement of all the parties concerned or upon the application of one of the parties, being a party to each of the Disputes, order that the whole or part of the matters at issue shall be heard together upon such terms or conditions as the Tribunal thinks fit. The Tribunal shall have power to make such directions and any interim or partial award as it considers just and desirable.

This document is executed as a deed and is delivered and takes effect at the date written at the beginning of it.
We refer to an equity support, subordination and retention agreement (the “Equity Support, Subordination and Retention Agreement”) dated [—] and originally made between Saudi Arabian Mining Company, Saudi Basic Industries Corporation, The Mosaic Company, as Sponsors, Mosaic Phosphates B.V. as Mosaic Shareholder, Ma’aden Wa’ad Al Shamal Phosphate Company as Company, Mizuho Bank, Ltd. as Intercreditor Agent and Riyad Bank, London Branch as Offshore Security Trustee and Agent. Terms defined in the Equity Support, Subordination and Retention Agreement shall have the same meanings in this Subordinated Loan Creditor Accession Deed.

IN WITNESS WHEREOF this Subordinated Loan Creditor Accession Deed has been executed as a deed poll and is intended to be and is hereby delivered on the date first above written.

1 Delete if Subordinated Loan Creditor funds from a Facility Office incorporated in England and Wales.
The acceding Subordinated Loan Creditor

EXECUTED AS A DEED

By: [Full name of acceding Subordinated Loan Creditor]

The Intercreditor Agent

MIZUHO BANK, LTD.

By:

Date:

The Offshore Security Trustee and Agent

RIYAD BANK, LONDON BRANCH

By:

Date:
We refer to an equity support, subordination and retention agreement (the “Equity Support, Subordination and Retention Agreement”) dated [—] and originally made between Saudi Arabian Mining Company, Saudi Basic Industries Corporation and The Mosaic Company, as Sponsors, Mosaic Phosphates B.V. as Mosaic Shareholder, Ma’aden Wa’ad Al Shamal Phosphate Company as Company, Mizuho Bank, Ltd. as Intercreditor Agent and Riyad Bank, London Branch as Offshore Security Trustee and Agent. Terms defined in the Equity Support, Subordination and Retention Agreement shall have the same meanings in this Shareholder Accession Deed.

Address: [—]
Facsimile No: [—]

IN WITNESS whereof this Shareholder Accession Deed has been executed as a deed poll and is intended to be and is hereby delivered on the date first above written.
The Acceding Shareholder
EXECUTED AS A DEED

By: [Full name of Acceding Shareholder]

The Intercreditor Agent
MIZUHO BANK, LTD.

By:

Date:

The Offshore Security Trustee and Agent
RIYAD BANK, LONDON BRANCH

By:

Date:
THE COMPANY

EXECUTED as a deed by

MA’ADEN WA’AD AL SHAMAL

PHOSPHATE COMPANY

Khalil Al Watban

Name: Khalil Al Watban
Title: Chairman
Address: P.O. Box 68861, Riyadh 11537, Kingdom of Saudi Arabia
Fax: +966 11 874 8296
Attention: Chief Legal Counsel

*Signature of Witness

Khalid Zowayed

Name of witness
Khalid Zowayed
Address
P.O. Box 11981, Bahrain
Occupation
Lawyer

*Signature of Witness

Omar Al Ansari

Name of witness
Omar Al Ansari
Address
P.O. Box 11981, Bahrain
Occupation
Lawyer

* Each witness declares himself to be an adult Muslim male.
SPONSOR AND SHAREHOLDER

EXECUTED as a deed by
SAUDI ARABIAN MINING COMPANY

Name: Khalid Al-Rowais
Title: VP Finance and IT corporate
Address: P.O Box 68861, Riyadh 11537, KSA
Fax No.: +966118748296
Attention: Chief Legal Counsel

*Signature of Witness
Name of witness: Khaled Zowayed
Address: P.O Box 11981, Bahrain
Occupation: Lawyer

*Signature of Witness
Name of witness: Omar Al Ansari
Address: P.O Box 11981, Bahrain
Occupation: Lawyer

* Each witness declares himself to be an adult Muslim male.
SPONSOR

EXECUTED as a deed by )
THE MOSAIC COMPANY ) Christiano C. Barros

Name: Cristiano (“Cris”) C. Barros
Title: Vice President and Treasurer
Address: 3033 Campus Drive, Suite E490, Plymouth, MN, USA 55441
Fax No.: +1 (763) 577-2982
Attention: General Counsel

*Signature of Witness 
Khaled Zowayed
Name of witness Khaled Zowayed
Address P.O Box 11981, Bahrain
Occupation Lawyer

*Signature of Witness 
Omar Al Ansari
Name of witness Omar Al Ansari
Address P.O. Box 11981, Bahrain
Occupation Lawyer

* Each witness declares himself to be an adult Muslim male.
MOSAIC SHAREHOLDER

EXECUTED as a deed by

MOSAIC PHOSPHATES B.V.

Cristiano (“Cris”) C. Barros

Name: Cristiano (“Cris”) C. Barros
Title: Authorised Signatory
Address: Kbelweg 37, 7th Floor, 1014 BA Amsterdam, the Netherlands
Fax No.: +31 (0) 206730016
Attention: Managing Director

With a copy to:
Address: 3033 Campus Drive, Suite E490, Plymouth, MN, USA 55441
Fax No.: +1 (763) 577-2982
Attention: General Counsel

*Signature of Witness
Khaled Zowayed
Name of witness Khaled Zowayed
Address P.O Box 11981, Bahrain
Occupation Lawyer

*Signature of Witness
Omar Al Ansari
Name of witness Omar Al Ansari
Address P.O. Box 11981, Bahrain
Occupation Lawyer

* Each witness declares himself to be an adult Muslim male.
EXECUTED as a deed by

SAUDI BASIC INDUSTRIES CORPORATION

Mutlaq Al-Morished

Name: Mutlaq Al Morished
Title: Executive Vice President, Corporate Finance
Address: SABIC HQ, Qurdoba District, Exit 8, P.O. Box 5101, Riyadh 11422
Fax No.: +966 (11) 2259570
Attention: SABIC CFO, Department: Corporate Finance

*Signature of Witness
Abdulaziz M. AlFakhr
Name of witness Abdulaziz M. AlFakhr
Address Sabic H2
Occupation Head of Cash Management

*Signature of Witness
Hosam Almogbil
Name of witness Hosam Almogbil
Address SABIS Ha
Occupation Analyst

* Each witness declares himself to be an adult Muslim male.
INTERCREDITOR AGENT

EXECUTED as a deed by
MIZUHO BANK, LTD.

Christian Ayves / Akihito Hayano

Name: Christian Ayves / Akihito Hayano
Title: Director Natural Resources / Vice President
Address: Bracken House, One Friday Street, London, EC4M 9JA
Fax No.: +44 207 012 4053
Attention: Loans Agency, ‘loanagency@mhcb.co.uk’

*Signature of Witness  Khaled Zowayed
Name of witness  Khaled Zowayed
Address  P.O. Box 11981, Bahrain
Occupation  Lawyer

*Signature of Witness  Omar Al Ansari
Name of witness  Omar Al Ansari
Address  P.O. Box 11981, Bahrain
Occupation  Lawyer

* Each witness declares himself to be an adult Muslim male.
May 29, 2014

Anthony T. Brausen
6485 Virginia Drive
Excelsior, MN 55331

RE: Retention Bonus

Dear Tony:

It is an exciting time for Mosaic and you play a key role in the critical growth of our business. The world in which we operate is changing and I believe that together, we can take Mosaic’s brand, reputation, and community leadership to the next level. Mosaic wishes to assure that you provide services for Mosaic through at least June 1, 2015. In exchange for your providing services through that date, Mosaic will pay you a cash retention bonus of $1,000,000 (gross) on June 1, 2015, subject to the terms of this agreement.

Specific Retention Bonus Terms

The following terms and requirements must be met to receive the bonus:

- Employment Status – You must remain a full-time salaried Mosaic employee from today’s date until June 1, 2015 (the “performance period”) to be eligible for the bonus, except as provided under the Separation provision below. If you are on a leave of absence (due to an illness,
disability, etc.) during the performance period but continue to be employed by Mosaic, the bonus will be calculated as set forth under the Leave of Absence provision below. (If you are able to perform your assigned duties and Mosaic places you on leave, your bonus will not be pro-rated.)

- **Leave of Absence** – If the cumulative number of days of leave during the performance period is 90 calendar days or less, then you will receive the entire bonus, subject to the other terms of this agreement. If the cumulative number of days of leave during the performance period is more than 90 calendar days, then you will receive a pro-rated bonus based on the number of days of active employment during the performance period (assuming there are more than 90 days of active employment).

- **Satisfactory Performance** – Mosaic retains discretion to reduce the bonus in the event your job performance during the performance period is determined to be unsatisfactory or fails to meet expected standards (based on standard of “improvement required” as used in Mosaic’s annual EDGE performance evaluation process).

- **Separation** –
  1. If Mosaic terminates you during the performance period for Cause or you resign your employment with Mosaic for reasons other than Good Reason you will not receive the bonus.
  2. If you terminate employment prior to payment of the bonus and the reason constitutes Good Reason, you will receive the bonus provided you sign and do not rescind the General Release of Claims in Exhibit A attached to the Senior Management Severance and Change in Control Agreement between Mosaic and you dated April 1, 2014 or any successor thereto (“Senior Management Severance Agreement”).
  3. If you die or become disabled (as defined in Mosaic’s long term disability plan) before payment of the bonus, you (or, in the event of your death, your estate) will receive a pro-rated bonus based on the number of days of active employment during the performance period.
For purposes of this agreement only, the term “Cause” shall have the same meaning as defined in the Senior Management Severance Agreement. For purposes of this agreement only, the term “Good Reason” shall have the meaning as defined in the Senior Management Severance Agreement (including the timing requirements) as modified by the next sentence. Should Mosaic determine that a reorganization or reduction of your authority, duties, or responsibilities is appropriate before the payment of the bonus, you agree that any such reorganization or reduction of your authority, duties, or responsibilities will not be Good Reason for purposes of this agreement. In all events, if a bonus is paid, the bonus will be paid on June 1, 2015.

- **Impact on 401(k) Plan and Nonqualified Plan** – The bonus will not be considered compensation for purposes of determining benefits under Mosaic’s 401(k) plan or nonqualified plan.
- **Agreement Regarding Interaction of this Agreement and the Senior Management Severance Agreement** – You agree that if you are paid a bonus (including a pro-rated bonus) under this agreement and there has been or is a reorganization or reduction in your authority, duties, or responsibilities up through the date the bonus is paid, you will not assert that change as Good Reason under the Senior Management Severance Agreement and will not seek to collect a payment under that agreement due to such a change. However, if you have not yet received and agree not to seek the bonus under this agreement, and there is a reorganization or reduction in your authority, duties, or responsibilities, you may seek to obtain a payment due to Good Reason under the Senior Management Severance Agreement (subject to the terms of that agreement).
- **Confidentiality** – You agree to keep the terms and conditions of this agreement and any information exchanged or obtained in connection with this agreement confidential and proprietary. Notwithstanding the foregoing, it shall not be a breach of this agreement for you to disclose the terms and provisions of this Agreement to your legal, financial and tax advisors, and family, provided they agree to keep and comply with this Confidentiality provision. It will also not be considered a breach of this Confidentiality provision if, pursuant to a legal requirement or process, you are required to disclose the existence or terms of this agreement. This Confidentiality provision will be null and void if the existence or terms of this agreement are disclosed as part of a securities law filing or broadly disseminated by Mosaic to the public.

**Taxes and Section 409A**

The bonus payment is subject to income and employment taxes. This agreement shall be interpreted in a manner that complies with section 409A and guidance under section 409A (collectively “section 409A”). Notwithstanding the foregoing, although the intent is to comply with section 409A, you are responsible for all taxes and penalties under this agreement.

**Successors**

This agreement shall be binding upon and inure to the benefit of Mosaic’s successors and assigns.

**Modification and Survival**

This agreement may only be amended by a further written agreement between Mosaic and you. The obligations set forth in this agreement shall survive the termination of this agreement.

**Conclusion**

By signing below, you indicate you have read and understood the terms of this agreement and that you agree to the terms of this agreement.

/s/ Anthony T. Brausen
Anthony T. Brausen
5/29/14
Date

Best regards,

/s/ L. Stranghoener
Larry Stranghoener
Executive Vice President, Chief Financial Officer
May 29, 2014

Anthony T. Brausen
6485 Virginia Drive
Excelsior, MN 55331

RE: Retention Bonus

Dear Tony

In the event your role and/or job responsibilities change while you are employed with Mosaic, this letter is confirmation that you will keep your Senior Vice President officer title.

Best Regards,

/s/ L. Stranghoener
Larry Stranghoener
Executive Vice President, Chief Financial Officer
c: Personnel File

Section 6: EX-31.1 (EX-31.1)

Certification Required by Rule 13a-14(a)

1. Lawrence W. Stranghoener, certify that:

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent function):
a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: July 31, 2014

/s/ Lawrence W. Stranghoener
Lawrence W. Stranghoener
Interim Chief Executive Officer
The Mosaic Company

Section 7: EX-31.2 (EX-31.2)

Certification Required by Rule 13a-14(a)

I, Richard L. Mack, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Mosaic Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent function):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: July 31, 2014

/s/ Richard L. Mack
Richard L. Mack
Executive Vice President and Chief Financial Officer
The Mosaic Company
### Section 8: EX-32.1 (EX-32.1)

**Certification of Chief Executive Officer Required by Rule 13a-14(b) and Section 1350 of Chapter 63 of Title 18 of the United States Code**

I, Lawrence W. Stranghoener, the Chief Executive Officer (Interim) of The Mosaic Company, certify that (i) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2014 of The Mosaic Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in such report fairly presents, in all material respects, the financial condition and results of operations of The Mosaic Company.

July 31, 2014

/s/ Lawrence W. Stranghoener

Lawrence W. Stranghoener  
Interim Chief Executive Officer  
The Mosaic Company  

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### Section 9: EX-32.2 (EX-32.2)

**Certification of Chief Financial Officer Required by Rule 13a-14(b) and Section 1350 of Chapter 63 of Title 18 of the United States Code**

I, Richard L. Mack, the Executive Vice President and Chief Financial Officer of The Mosaic Company, certify that (i) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2014 of The Mosaic Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in such report fairly presents, in all material respects, the financial condition and results of operations of The Mosaic Company.

July 31, 2014

/s/ Richard L. Mack  

Richard L. Mack  
Executive Vice President and Chief Financial Officer  
The Mosaic Company  

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### Section 10: EX-95 (EX-95)

**MINE SAFETY DISCLOSURES**

The following table shows, for each of our U.S. mines that is subject to the Federal Mine Safety and Health Act of 1977 (“MSHA”), the information required by Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K. Section references are to sections of MSHA.

| Section 104 citations for violations of mandatory health or safety standards that could significantly and substantially contribute to the cause and effect of a mine safety or health hazard (#) | Potash Mine Carlsbad, New Mexico | Florida Phosphate Rock Mines |
|---|---|---|---|---|---|---|---|
| 4 | $4,962 | $831 | $816 | $100 |

<table>
<thead>
<tr>
<th>Section 104(b) orders (#)</th>
<th>Four Corners</th>
<th>Hookers Prairie</th>
<th>South Fort Meade</th>
<th>Wingate</th>
<th>Pasture</th>
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<tr>
<th>Section 104(d) citations and orders (#)</th>
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<tr>
<th>Section 110(b)(2) violations (#)</th>
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<tr>
<th>Section 107(a) orders (#)</th>
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<tr>
<th>Proposed assessments under MSHA (whole dollars)</th>
<th>$4,962</th>
<th>$831</th>
<th>$816</th>
<th>$100</th>
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<tr>
<th>Mining-related fatalities (#)</th>
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<table>
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<tr>
<th>Section 104(e) notice</th>
<th>No</th>
<th>No</th>
<th>No</th>
<th>No</th>
<th>No</th>
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</table>

Notice of the potential for a pattern of violations under Section 104(e) is not made.

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<table>
<thead>
<tr>
<th>Legal actions before the Federal Mine Safety and Health Review Commission (&quot;FMSHRC&quot;) initiated (#)</th>
<th>No</th>
<th>No</th>
<th>No</th>
<th>No</th>
<th>No</th>
<th>No</th>
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<tr>
<td>Legal actions before the FMSHRC resolved (#)</td>
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<tr>
<td>Legal actions pending before the FMSHRC, end of period:</td>
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<td>Contests of citations and orders referenced in Subpart B of 29 CFR Part 2700 (#)</td>
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<td>Contests of proposed penalties referenced in Subpart C of 29 CFR Part 2700 (#)</td>
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<tr>
<td>Complaints for compensation referenced in Subpart D of 29 CFR Part 2700 (#)</td>
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<tr>
<td>Complaints of discharge, discrimination or interference referenced in Subpart E of 29 CFR Part 2700 (#)</td>
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<td>Applications for temporary relief referenced in Subpart F of 29 CFR Part 2700 (#)</td>
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<tr>
<td>Appeals of judges’ decisions or orders referenced in Subpart H of 29 CFR Part 2700 (#)</td>
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<tr>
<td>Total pending legal actions (#)</td>
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