MID-STATE BANCSHARES
Form DEF 14A
April 17, 2006

# UNITED STATES SECURITIES AND EXCHANGE COMMISSION

**Washington, D.C. 20549**

## SCHEDULE 14A

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

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Check the appropriate box:

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

Mid-State Bancshares

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

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1. Amount Previously Paid:

2. Form, Schedule or Registration Statement No.:

3. Filing Party:

4. Date Filed:

**1026 East Grand Avenue**

**Arroyo Grande, California 93420**

**NOTICE OF 2006 ANNUAL MEETING**

**OF SHAREHOLDERS AND PROXY STATEMENT**

**MEETING DATE: MAY 16, 2006**

**991 Bennett Avenue, P.O. Box 6002, Arroyo Grande, California 93421-6002**

**805/473-6829 Fax 805/473-7752**

April 17, 2006

Dear Shareholder:

We are pleased to invite you to the Annual Meeting of Shareholders of Mid-State Bancshares to be held on Tuesday, May 16, 2006, at 7:30 p.m, local time, at **The Clark Center, 487 Fair Oaks Avenue, Arroyo Grande, California 93420**. As in the past, in addition to considering the matters described in the Proxy Statement, we will review major developments since our last Shareholders Meeting.

We hope that you will attend the Meeting in person; however, we strongly encourage you to designate the proxies named on the enclosed Proxy Card to vote your shares. This will ensure that your common stock is represented at the Meeting. You will also be able to vote by telephone or by the Internet. The Proxy Statement explains more about these voting procedures. Please read it carefully and please vote promptly.

We look forward to your participation.

By Order of the Board of Directors,

James G. Stathos

Secretary

**MID-STATE BANCSHARES**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

To the Shareholders of Mid-State Bancshares:

NOTICE IS HEREBY GIVEN that, pursuant to its Bylaws and the call of its Board of Directors, the Annual Meeting of Shareholders ( Meeting ) of Mid-State Bancshares ( Mid-State ) will be held as follows:

Place: The Clark Center
487 Fair Oaks Avenue

Arroyo Grande, California

Date: Tuesday, May 16, 2006
Time: 7:30 p.m. local time

Matters to be voted on:

***Election of Directors.*** To elect four (4) Class I Directors to the Board of Directors of Mid-State for terms expiring in 2009 or until their successors have been elected and have qualified. The Board of Directors has nominated the following persons for election:

Trudi G. Carey
H. Edward Heron
James W. Lokey
Stephen P. Maguire

To transact any other business that may be properly brought before the Meeting or any postponement or adjournment of the Meeting.

Only those shareholders of record at the close of business on March 31, 2006, are entitled to notice of and to vote at the meeting or any adjournments or postponements thereof.

Section 2.11 of the Mid-State Bylaws provide for the nomination of directors as follows:

Nominations for election of members of the Board of Directors may be made by the Board of Directors or by any shareholder of any outstanding class of capital stock of the Corporation entitled to vote for the election of directors. Notice of intention to make any nominations (other than for persons named in the notice of the meeting at which such nomination is to be made) shall be made in writing and shall be delivered or mailed to the president of the Corporation by the later of the close of business 21 days prior to any meeting of shareholders called for the election of directors or 10 days after the date of mailing of notice of the meeting to shareholders. Such notification shall contain the following information to the extent known to the notifying shareholder: (a) the name and address of each proposed nominee; (b) the principal occupation of each proposed nominee; (c) the number of shares of capital stock of the corporation owned by each

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proposed nominee; (d) the name and residence address of the notifying shareholder; (e) the number of shares of capital stock of the proposed nominee, a copy of which shall be furnished with the notification, whether the proposed nominee has ever been convicted of or pleaded nolo contendere to any criminal offense involving dishonesty or breach of trust, filed a petition in bankruptcy, or been adjudged bankrupt. The notice shall be signed by the nominating shareholder and by the nominee. Nominations not made in accordance herewith shall be disregarded by the chairman of the meeting, and upon his instructions, the inspectors of election shall disregard all votes cast for each such nominee. The restrictions set forth in this paragraph shall not apply to nomination of a person to replace a proposed nominee who has died or otherwise become incapacitated to serve as a director between the last day for giving notice hereunder and the date of election of directors if the procedure called for in this paragraph was followed with respect to the nomination of the proposed nominee.

IT IS VERY IMPORTANT THAT EVERY SHAREHOLDER VOTE. WE URGE YOU TO SIGN AND RETURN THE ENCLOSED PROXY CARD AS PROMPTLY AS POSSIBLE, OR VOTE BY TELEPHONE OR INTERNET, WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING IN PERSON. IF YOU DO ATTEND THE MEETING AND YOU WISH TO CHANGE YOUR VOTE, YOU MAY WITHDRAW YOUR PROXY PRIOR TO THE TIME IT IS VOTED AND VOTE IN PERSON OR BY FILING A LATER DATED PROXY.

PLEASE INDICATE ON THE PROXY CARD WHETHER OR NOT YOU EXPECT TO ATTEND THE MEETING SO WE CAN PROVIDE ADEQUATE ACCOMMODATIONS.

James G. Stathos

Secretary

April 17, 2006

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## MID-STATE BANCSHARES

**1026 East Grand Avenue**

**Arroyo Grande, CA 93420**

## PROXY STATEMENT

Your vote is very important. For this reason, the Board of Directors is requesting that you allow your common stock to be represented at the 2006 Annual Meeting of Shareholders by the proxies named on the enclosed proxy card. This proxy statement is being sent to you in connection with this request and has been prepared for the Board by our management. We, our, or Mid-State refer to Mid-State Bancshares. The proxy statement is being sent to our shareholders on or about April 17, 2006.

**GENERAL INFORMATION ABOUT THE MEETING**

***The Meeting***. The Meeting will be held on Tuesday, May 16, 2006 at 7:30 p.m., local time, at The Clark Center, 487 Fair Oaks Avenue, Arroyo Grande, California. The term Meeting means this meeting and any postponements or adjournments of it.

***Who Can Vote.*** You are entitled to vote your Mid-State common stock, no par value, if our records showed that you held your shares as of March 31, 2006. At the close of business on that date, a total of 22,377,998 shares of common stock were outstanding and entitled to vote. Each share of Mid-State common stock owned on the record date has one vote. The enclosed proxy card shows the number of shares that you are entitled to vote. Your vote is confidential and will not be disclosed to persons other than those recording the vote.

***Voting Your Proxy.*** If your common stock is held by a broker, bank, or other nominee, you will receive instructions from them that you must follow in order to have your shares voted.

If you hold your shares in your own name as a holder of record, you may instruct the proxies how to vote your common stock by using the toll free telephone number or the Internet voting site listed on the proxy card or by signing, dating, and mailing the proxy card in the postage paid envelope that we have provided to you. Of course, you can always come to the meeting and vote your shares in person. Specific instructions for using the telephone and Internet voting systems are on the proxy card. The proxies will vote your shares in accordance with those instructions. If you sign and return a proxy card without giving specific voting instructions, your shares will be voted for the election of directors named in this proxy statement

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***Matters to be Presented.*** We are not now aware of any matters to be presented other than those described in this proxy statement. If any matters not described in the proxy statement are properly presented at the meeting, the proxies will use their own judgment to determine how to vote your shares. If the meeting is adjourned, the proxies can vote your common stock on the new meeting date as well, unless you have revoked your proxy instructions.

***Revoking your Proxy.*** To revoke your proxy instructions if you are a holder of record, you must advise the Secretary in writing before the proxies vote your common stock at the meeting, deliver later proxy instructions, or attend the meeting and vote your shares in person. Unless you decide to attend the meeting and vote your shares in person after you have submitted voting instructions to the proxies, we recommend that you revoke or amend your prior instructions in the same way you initially gave them that is, by telephone, Internet, or in writing. This will help to ensure that your shares are voted the way you have finally determined you wish them to be voted.

***How Votes are Counted.*** The annual meeting will be held if a majority of the outstanding common stock entitled to vote is represented at the meeting. If you have returned valid proxy instructions or attend the meeting in person, your common stock will be counted for the purpose of determining whether there is a quorum, even if you wish to abstain from voting on some or all matters introduced at the meeting. If you hold your common stock through a nominee, generally the nominee may vote the common stock that it holds for you only in accordance with your instructions. Brokers who are members of the National Association of Securities Dealers, Inc. may not vote shares held by them in a nominee s name unless they are permitted to do so under applicable rules. Under New York Stock Exchange rules, a member broker that has transmitted proxy soliciting materials to a beneficial owner may vote on matters that the Exchange has determined to be routine if the beneficial owner has not provided the broker with voting instructions within 10 days of the meeting. If a nominee cannot vote on a particular matter because it is not routine, there is a broker non-vote on that matter. Broker non-votes count for quorum purposes, but we do not count either abstentions or broker non-votes as votes for or against any proposal.

***Cost of this Proxy Solicitation.*** We will pay the cost of this proxy solicitation. In addition to soliciting proxies by mail, we expect that a number of our employees will solicit shareholders for the same type of proxy, personally and by telephone. None of these employees will receive any additional or special compensation for doing this. We will, on request, reimburse brokers, banks, and other nominees for their expenses in sending proxy materials to their customers who are beneficial owners and obtaining their voting instructions.

***Attending the Meeting.*** If you are a holder of record and plan to attend the annual meeting, please so indicate when you vote. The lower portion of the proxy card is your admission ticket. **If you are a beneficial owner of common stock held by a broker, bank, or other nominee, you will need proof of ownership to be admitted to the meeting.** A recent brokerage statement or a letter from a bank or broker are examples of proof of ownership. If you want to vote your common stock held in nominee name in person, you must get a written proxy in your name from the broker, bank, or other nominee that holds your shares.

**CORPORATE GOVERNANCE**

Consistent with our perception of good business principles, we historically have had a strong commitment to good corporate governance and to the highest standards of ethical conduct. Additionally, as part of a highly regulated industry, the corporate governance principles and procedures of the Sarbanes-Oxley Act of 2002 ( SOA ), the Securities and Exchange Commission (the SEC ) and Nasdaq (our common stock is listed on the Nasdaq national market) are quite familiar. For instance, we believe that at least a majority of our directors have been independent at Mid-State Bank & Trust since at least 1961 and that it has been the case at Mid-State Bancshares since it was formed in 1998. We have for some time delegated policy making and oversight functions to committees which also consist almost entirely of independent directors. We have also had a formal corporate code of ethics in place since 1997. During the last several years, we have been formalizing, refining, and fine-tuning our procedures to comply with the new requirements. We believe that we have taken all required actions to comply with all applicable provisions of the SOA, implementing regulations and the Nasdaq rules.

**<u>Corporate Governance Guidelines</u>**

We have formalized our corporate governance practices into a set of Corporate Governance Guidelines, which include guidelines for determining director independence and reporting concerns to non-employee directors. All of our corporate governance materials, including the Corporate Governance Guidelines and committee charters, are published on the Investor Information section of our website at www.midstatebank.com. The Board regularly reviews corporate governance developments and modifies these Guidelines and charters as warranted. Any modifications are reflected on our website.

**<u>Board of Directors</u>**

Mid-State is governed by a Board of Directors (the Board ) and various committees of the Board that meet throughout the year. Directors discharge their responsibilities throughout the year at Board and committee meetings and also through telephone contact and other communications with the Chairman, the Chief Executive Officer and other officers regarding matters of concern and interest to Mid-State as well as by reviewing materials provided to them. During 2005, there were thirteen (13) meetings of the Board.

**Director Independence**

It is the Board s objective that at least the majority of the Board consists of independent directors. For a director to be considered independent, the Board must determine that the director does not have any material relationship with the Company and is otherwise an independent director within the meaning of the Nasdaq rules. The Board has determined that the following eight (8) directors/nominees (constituting 80% of the entire Board) satisfy Nasdaq s independence requirements: Andrews, Carey, Flood, Heron, Maguire, Miner, Morris, and Rains.

The Nasdaq rules require all members of the Audit, the Compensation, and the Nominating and Corporate Governance Committees to be independent directors. Members of the Audit Committee must also satisfy an additional SEC requirement, which provides that they may not accept directly or indirectly, any consulting, advisory, or other compensatory fee from us or any of our subsidiaries other than their director s compensation. The Board has determined that all members of the Nominating and Corporation Governance Committee, Audit, and Compensation Committees satisfy the relevant independence requirements.

**Meetings and Attendance**

Directors are expected to attend all Board meetings and meetings of committees on which they serve and each annual shareholders meeting. In 2005, all of the then ten (10) members of the Board attended our annual shareholders meeting.

Each of the directors who was a director during all of 2005 attended at least 75% of the meetings of the Board and committees on which they served in 2005.

**Communication with the Board of Directors**

The ability of shareholders to communicate directly with the Board is an important feature of corporate governance and assists in the transparency of the Board s operations. In furtherance of this interest, the Board has included in the Corporate Governance Guidelines a process by which a shareholder may communicate directly in writing to the Board. Please refer to *Shareholder Communications with the Board of Directors* of the Guidelines for further information. Because communications to the Board can be junk mail or spam, or relate to products and services, be solicitations, advertisements or job inquiries or otherwise relate to improper or irrelevant topics, a process has been approved by not less than a majority of the independent directors for screening communications.

**Director Nomination Process**

The Nominating and Corporate Governance Committee is responsible for recommending for the Board s selection the slate of director nominees for election to our Board and for filling vacancies occurring between annual meetings of shareholders.

This Committee will consider shareholder recommendations for candidates for the Board. Recommendations can be made in accordance with the *Selection of Directors - Shareholder Recommendations* of the Guidelines. The committee s non-exclusive list of criteria for Board members is set forth in *Selection of Directors - Criteria* of the Guidelines. The Committee screens all potential candidates in the same manner regardless of the source of the recommendation.

**Meetings of Independent Directors**

The Corporate Governance Guidelines provide that the independent directors will meet without any management directors present at least two times each year. In 2005, the independent directors met two (2) times.

**Code of Conduct**

We expect all of our directors, officers (including our Chief Executive Officer, Chief Financial Officer and Principal Accounting Officer) and employees to adhere to the highest standards of ethics and business conduct with each other, customers, shareholders and communities we serve and to comply with all applicable laws, rules and regulations that govern our business. These principles have long been embodied in our various policies relating to director, officer and employee conduct including such subjects as employment policies, conflicts of interest, professional conduct, and protection of confidential information. The Board adopted a comprehensive code of conduct in 2003 reflecting these policies. Our code of conduct is published on the Investor Information section of our website at www.midstatebank.com. Any change to or waiver of the code of conduct (other than technical, administrative, and other non-substantive changes) will be posted on our website or reported on a Form 8-K filed with the SEC. While the Board may consider a waiver for an executive officer or director, we do not expect to grant such waivers.

**Committees of the Board**

Among other committees, we have an audit, nominating and corporate governance, and compensation committees. The following describes for each of these three committees its current membership, the number of meetings held during 2005, and its function.

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***Audit Committee.*** Directors Andrews (Chairman), Flood, Heron, and Miner.

This Committee met six (6) times in 2005. Each member is an independent director, as defined by the Nasdaq rules and satisfies the additional SEC requirements for independence of audit committee members. Nasdaq rules further require each member be able to read and understand fundamental financial statements. In addition, our Board has determined that George H. Andrews is an audit committee financial expert, as defined by the SEC rules.

Pursuant to its Charter, the Audit Committee is a standing committee appointed annually by the Board. The Committee assists the Board of Directors in fulfilling its responsibility to the shareholders and depositors relating to the quality and integrity of our accounting systems, internal controls, financial-reporting processes, the identification, and assessment of business risks and the adequacy of overall control environment within Mid-State. The Committee s authorities and responsibilities are set forth in the Audit Committee Charter, which is attached as Appendix A to this Proxy Statement. A copy of the Audit Committee s Report for the year-ended December 31, 2005 is attached as Appendix B to this Proxy Statement.

***Nominating and Corporate Governance Committee.*** Directors Flood (Chairman), Carey, and Maguire.

Each member of the Committee is an independent director, as defined by the Nasdaq rules.

The Committee met one (1) time in 2005. The Committee will, among other things:

- Identify individuals believed to be qualified to become Board members, consistent with criteria approved by the Board, and recommend to the Board the nominees to stand for election as directors at the annual meeting of shareholders;
- Develop and recommend to the Board standards to be applied in making determinations as to the absence of material relationships between Mid-State and directors;
- Identify Board members qualified to fill vacancies on any committee of the Board and recommend that the Board appoint the identified member or members to the respective committee;
- Conduct an annual evaluation of the performance of the Board and report conclusions to the Board;
- Develop and recommend to the Board a set of corporate governance principles applicable to Mid-State and review those principles at least once a year;

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Review and recommend any needed changes, and address questions which may arise with respect to the code of conduct, and

Review on an annual basis non-employee director compensation and benefits and make recommendations to the Board on appropriate compensation.

***Compensation Committee.*** Directors Morris (Chairman), Maguire, and Rains.

Each member of the Committee is an independent director, as defined by the Nasdaq rules. This Committee met four (4) times in 2005. The Committee will, among other things:

Establish proper compensation ranges for officers and employees through the review of an annual compensation strategy;

Review and recommend to the Board for approval the compensation of the Chief Executive Officer and other executive officers;

Ensure that the annual executive incentive compensation plan is administered in a manner consistent with Mid-State s compensation strategy;

Subject to Board approval, administer the 2005 Equity Based Compensation Plan;

Make recommendations to the Board with respect to incentive compensation and equity-based compensation plans; and

Review with the Chief Executive Officer management succession and organizational developments.

A copy of the Compensation Committee s Report for the year ended December 31, 2005 is attached as Appendix C to this proxy statement.

***Compensation Committee Interlocks and Insider Participation.*** No member of the Compensation Committee was a current or former officer or employee of Mid-State or its subsidiary during the year. The Chairman of the Compensation Committee during 2005, Director Gregory R. Morris, is the president and principal owner/shareholder of Morris & Garritano Insurance Agency. Morris & Garritano received broker commissions during 2005 in connection with the placement of insurance for Mid-State and its subsidiary. Such broker commissions were less than 5% of Morris & Garritano s gross revenues

for 2005.

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**PROPOSAL 1**

**ELECTION OF DIRECTORS**

Our Bylaws and implementing resolutions provide for a total of ten (10) directors. We have a Classified Board of Directors. A Classified Board means that the directors are divided into three classes with staggered terms and approximately one-third of the Directors are elected at each annual meeting. As a result, the term of office of the current Class I Directors will expire at the 2006 Meeting or upon election and qualification of their successors. The Board of Directors has nominated each of the current Class I Directors to be elected at the Meeting as Class I Directors for a three-year term expiring at our annual meeting in 2009 or until their successors have been elected and qualified. At subsequent annual meetings of the shareholders, a number of directors will be elected equal to the number of directors with terms expiring at that annual meeting. The directors so elected at these subsequent annual meetings will each be elected for a three-year term.

***Vote Required.*** Directors must be elected by a plurality of the votes cast at the meeting. This means that the nominees receiving the greatest number of votes will be elected. Votes withheld for any nominee will not be counted.

***Substitute Nominees.*** Although we know of no reason why any of the nominees would not be able to serve, if any nominee becomes unexpectedly unavailable for election, the proxies would vote your common stock to approve the election of any substitute nominee proposed by the Board. We may also choose to reduce the number of directors to be elected, as permitted by our Bylaws.

**Slate of Directors**

**Trudi G. Carey** has been a director of Mid-State Bancshares since 2000. She is president of The Carey Group, a Santa Barbara firm that specializes in architecture, planning, and construction administration. She has been a licensed architect, real estate broker, and general contractor practicing in the state of California since 1978. Ms. Carey is a member of Mid-State Bancshares Nominating and Corporate Governance Committee and Mid-State Bank & Trust s Board Loan Committee.

**H. Edward Heron** has been a director of Mid-State Bancshares since 1999 when the Company merged with City Commerce Bank, where he was member of the board of directors. A real estate broker for 40 years, Mr. Heron is vice president and branch manager for Coldwell Banker in Santa Barbara. He is an honorary director for life for the California Association of Realtors. Mr. Heron is a member of Mid-State Bancshares Audit Committee and chairman of the Mid-State Bank & Trust Foundation.

**James W. Lokey** has been president and chief executive officer of Mid-State Bank & Trust and Mid-State Bancshares since 2000. During his tenure, the Bank has added a trust and investment management division and a leasing department, and acquired American Commercial Bank and Ojai Valley Bank. He is a director and executive committee member for the California Bankers Association and chairman of the organization s Banker Benefits subsidiary. Mr. Lokey is a member of Mid-State Bancshares Loan Committee and a member of Mid-State Bank & Trust s Board Loan Committee and Trust Services Committee.

**Stephen P. Maguire** has been a director of Mid-State Bancshares since 1999. He is an investment broker and president of Maguire Investments, a regional securities brokerage firm based in Santa Maria. He specializes in wealth management and municipal bonds while overseeing all aspects of the firm s operations. Mr. Maguire is a member of Mid-State Bancshares Compensation Committee and Nominating and Corporate Governance Committee. He is chairman of Mid-State Bank & Trust s Trust Services Committee.

**SECURITY OWNERSHIP OF CERTAIN**

**BENEFICIAL OWNERS AND MANAGEMENT**

To the Company s knowledge, based on the absence of filings which beneficial owners of more than five percent of the outstanding shares of the Company s common stock are required to make with the SEC, there are no beneficial owners of more than five percent of the outstanding shares of the Company s common stock.

***General Information About the Nominees and the Continuing Directors.*** Directors Carey, Heron, Lokey, and Maguire are currently directors of Mid-State. Each of the four (4) nominees has agreed to be named in this proxy statement and to serve if elected.

Unless stated otherwise, all of the nominees and the continuing directors have been continuously employed by their present employers for more than five years. None of our directors is a director of any other company with a class of securities registered pursuant to Section 12 of the Securities Exchange Act of 1934 or subject to the requirements of Section 15(d) of such Act or any company registered as an investment company under the Investment Company Act of 1940. No director or executive officer of the Company is related to any other director or executive officer of the Company by blood, marriage, or adoption.

The following tables set forth certain information, as of March 31, 2006, with respect to the four (4) persons nominated by the Board of Directors for election, the six (6) continuing directors whose terms do not expire at the meeting and executive officers of Mid-State.

**2006 Nominees**

| **Name, Address**[1] and Relationship with the Company of Beneficial Owner | **Principal Occupation for Past Five Years** | **Age** | **Year First**[2] **Elected or Appointed Director Bancshares/Bank** | **Term**[3] | **Common Stock Beneficially Owned on March 31, 2006** Number of Shares[4] | Percentage of Shares Outstanding[5] |
|---|---|---|---|---|---|---|
| Trudi G. Carey<br>Director | Architect, Contractor, Real Estate Broker (The Carey Group, Inc.) | 49 | 2000/Bancshares<br>2000/Bank | I | 29,662[6] | .13% |
| H. Edward Heron<br>Director | Vice President,<br>Coldwell Banker | 65 | 1999/Bancshares<br>1996/Bank | I | 51,364[7] | .23% |
| James W. Lokey<br>President/Chief Executive Officer, Mid-State Bancshares and Mid-State Bank & Trust | President/CEO, Mid-State Bank & Trust 3/1/00 to present and Mid-State Bancshares 6/1/01 to present; President, Downey Savings in 1997 and 1998 | 58 | 2000/Bancshares<br>2000/Bank | I | 231,513[8] | 1.04% |
| Stephen P. Maguire<br>Director | President, Maguire Investments, Inc. (Investment Firm) | 55 | 1999/Bancshares<br>1999/Bank | I | 331,243[9] | 1.48% |

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[1] The address for all persons listed is c/o Mid-State Bancshares, 1026 East Grand Avenue, Arroyo Grande, California 93420.

[2] Service with Mid-State Bancshares, Mid-State Bank & Trust, or a bank which was acquired by merger by Mid-State Bank & Trust.

[3] I-Term expiring in 2006; II-Term expiring in 2007; and III-Term expiring in 2008.

[4] Except as otherwise noted, includes shares held by each person s spouse (except where legally separated) and minor children; shares held by any other relative of such person who has the same home; shares held by a family trust as to which such person is a trustee with sole voting and investment power (or shares power with a spouse); or shares held in an Individual Retirement Account as to which such person has pass-through voting rights and investment power.

[5] Includes shares of common stock subject to stock option exercisable within 60 days.

[6] Includes 20,000 shares of common stock subject to stock option exercisable within 60 days.

[7] Includes 24,000 shares of common stock subject to stock option exercisable within 60 days.

[8] Includes 198,181 shares of common stock subject to stock option exercisable within 60 days.

[9] Includes 24,000 shares of common stock subject to stock option exercisable within 60 days.

**Other Directors and Executive Officers**

| Name, Address[10] and and Relationship with the Company of Beneficial Owner | Principal Occupation for Past Five Years | Age | Year First[11] Elected or Appointed Director Bancshares/Bank | Term[12] | Common Stock Beneficially Owned on March 31, 2006 Number of Shares[13] | Percentage of Shares Outstanding[14] |
|---|---|---|---|---|---|---|
| George H. Andrews<br>Director | Certified Public Accountant, Andrews Galloway and Associates, Certified Public Accountants | 59 | 2004/Bancshares<br>2004/Bank | II | 67,566[15] | .30% |
| Daryl L. Flood<br>Director | Retired | 72 | 1998/Bancshares<br>1978/Bank | II | 178,939[16] | .80% |
| Michael Miner<br>Director | Chief Executive Officer, Miner s Ace Hardware | 53 | 2004/Bancshares<br>2004/Bank | II | 10,145[17] | .05% |
| Gregory R. Morris<br>Director | President, Morris & Garritano Insurance Agency | 65 | 1998/Bancshares<br>1987/Bank | III | 122,986[18] | .55% |
| Carrol R. Pruett<br>Chairman of the Board | Chairman of the Board, Mid-State Bancshares and Mid-State Bank & Trust, President/Chief Executive Officer of Mid-State Bancshares Retired in 2001) and, Mid-State Bank & Trust (Retired in 2000) | 68 | 1998/Bancshares<br>1967/Bank | III | 405,947[19] | 1.81% |
| Alan Rains<br>Director | Chairman of the Board, A. Rains Inc., dba Rains Department Store | 75 | 2003/Bancshares<br>2003/Bank | II | 88,577[20] | .40% |
| Harry H. Sackrider Executive Vice President, Mid-State Bancshares and Executive Vice President/ Chief Credit Officer, Mid-State Bank & Trust | Chief Credit Officer, Mid-State Bank & Trust 2002 to present and prior to that was a lender with the Bank | 61 | | | 56,360[21] | .25% |

| | | | | |
|---|---|---|---|---|
| James G. Stathos<br><br>Executive Vice President/ Chief Financial Officer, Mid-State Bancshares and Mid-State Bank & Trust | Chief Financial Officer, Mid-State Bank & Trust and Mid-State Bancshares 1998 to present. Appointed Executive Vice President/Chief Financial Officer of the Bank in April, 1991 | 60 | 137,676[22] | .62% |
| Directors and Executive Officers as a group (12 persons) | | | 1,711,978[23] | 7.65% |

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[10]The address for all persons listed is c/o Mid-State Bancshares, 1026 East Grand Avenue, Arroyo Grande, California 93420.

[11]Service with Mid-State Bancshares, Mid-State Bank & Trust, or a bank which was acquired by merger by Mid-State Bank & Trust.

[12]I-Term expiring in 2006; II-Term expiring in 2007; and III-Term expiring in 2008.

[13]Except as otherwise noted, includes shares held by each person s spouse (except where legally separated) and minor children; shares held by any other relative of such person who has the same home; shares held by a family trust as to which such person is a trustee with sole voting and investment power (or shares power with a spouse); or shares held in an Individual Retirement Account as to which such person has pass-through voting rights and investment power.

[14]Includes shares of common stock subject to stock option exercisable within 60 days.

[15]Includes 4,000 shares of common stock subject to stock option exercisable within 60 days.

[16]Includes 14,000 shares of common stock subject to stock option exercisable within 60 days.

[17]Includes 8,000 shares of common stock subject to stock option exercisable within 60 days.

[18]Includes 68,508 shares held by Mr. Morris as Trustee for Morris & Garritano Profit Sharing Trust, as to which Mr. Morris has sole voting and investment power; and 24,000 shares of common stock subject to stock option exercisable within 60 days.

[19]Includes 224,000 shares of common stock subject to stock option exercisable within 60 days.

[20]Includes 8,000 shares of common stock subject to stock option exercisable within 60 days.

[21]Includes 49,420 shares of common stock subject to stock option exercisable within 60 days.

[22]Includes 123,575 shares of common stock subject to stock option exercisable within 60 days.

[23]Includes 194,036 shares of common stock owned by the executive officers and shares subject to stock options exercisable within 60 days.

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**COMPENSATION AND RELATED MATTERS**

***Director Compensation.*** Directors who are also officers of the Company do not receive additional compensation for their services as directors. During 2005, the Company s non-employee directors received a $14,400 annual retainer and $1,250 for each regular and special meeting attended. The Chairman of the Board received $1,800 for meetings attended. Members of the Committees received $400 for each committee meeting attended, while committee chairpersons received $600 per meeting attended. Members of the Audit Committee received $500 for meetings attended, while the committee chairperson received $1,000 for each meeting attended. Directors are also reimbursed for any out-of-pocket expenses incurred during their duties as directors. Total fees paid to directors in 2005 were $441,850.

***Director Stock Option Awards.*** During 2005, the following stock options were granted: Director Carey received a stock option grant to purchase 20,000 shares of Mid-State Stock at an exercise price of $30.24 per share. The option is a non-qualified stock option grant issued under the 2005 Equity Based Compensation Plan that will be fully vested in five (5) years, and is exercisable for ten (10) years.

***Executive Compensation.*** The Compensation Committee recommends for Board approval the executive compensation awarded to the executive officers, and determines the salaries of those executive officers based upon their experience, performance, and contribution to the success of Mid-State. The following table sets forth the aggregate compensation for services in all capacities paid or accrued by Mid-State or its banking subsidiary to the five (5) most highly compensated executive officers who received total annual salary and bonus of more than $100,000 during 2005.

**Summary Compensation Table**

| | | | | | Long-Term Compensation | | | |
|---|---|---|---|---|---|---|---|---|
| | | Annual Compensation | | | Awards | | Payouts | |
| **Name and Principal Position** | **Year** | **Salary ($)** | **Bonus ($)[24]** | **Other Annual Compensation* ($)[25]** | **Restricted Stock Award(s) ($)** | **Securities Underlying Options/ SARs** (#)** | **LT1P*** Payouts ($)** | **All Other Compensation ($)[26]** |
| James W. Lokey | 2005 | 420,319[27] | 402,876 | 1,308,906 | 0 | 43,945 | 0 | 33,916 |
| President/Chief Executive Officer | 2004 | 397,067[28] | 159,582 | 0 | 0 | 46,417 | 0 | 23,803 |
| | 2003 | 376,034[29] | 301,178 | 60,186 | 0 | 62,950 | 0 | 21,247 |
| James G. Stathos | 2005 | 260,098[30] | 156,579 | 0 | 0 | 18,129 | 0 | 27,293 |
| Executive Vice President/Chief Financial Officer | 2004 | 246,174[31] | 62,501 | 377,930 | 0 | 19,091 | 0 | 26,688 |
| | 2003 | 233,500[32] | 124,186 | 0 | 0 | 26,978 | 0 | 25,037 |
| Harry H. Sackrider | 2005 | 221,155[33] | 152,597 | 0 | 0 | 14,866 | 0 | 59,908[36] |
| Executive Vice President/Chief Credit Officer | 2004 | 201,639[34] | 51,251 | 0 | 0 | 16,640 | 0 | 68,663[37] |
| | 2003 | 179,170[35] | 97,680 | 0 | 0 | 17,985 | 0 | 60,636[38] |
| Steven L. Harding | | 167,019[39] | 94,867 | 0 | 0 | 15,000 | 0 | 41,724[42] |
| Executive Vice President/ Corporate Banking Manager | 2005 | 152,456[40] | 24,412 | 41,331 | 0 | 6,088 | 0 | 66,629[43] |
| | 2004 | 150,000[41] | 47,400 | 0 | 0 | 10,000 | 0 | 46,639[44] |
| | 2003 | | | | | | | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Eldon Shiffman | 2005 | 156,05845 | 111,737 | 196,504 | 0 | 0 | 0 | 78,20348 |
| Senior Vice President/Director of | 2004 | 148,15946 | 37,500 | 0 | 0 | 0 | 0 | 86,74549 |
| Trust & Investment Management Division | 2003 | 144,43747 | 53,943 | 0 | 0 | 5,000 | 0 | 60,60550 |

*Represents the difference between the exercise price and the fair market value of each respective option on the date exercised in the year noted.

** SAR stands for Stock Appreciation Rights and refers to SARs payable in cash or stock, including SARs payable in cash or stock of the election of the Company or a named executive officer.

*** LT1P stands for Long-Term Incentive Plan and refers to any plan providing compensation intended to serve as an incentive for performance to occur over a period longer than one fiscal year, whether such performance is measured by reference to financial performance of the Company or an affiliate, the Company s stock price, or any other measure, but excluding restricted stock, stock option and SAR Plans.

24Amounts shown as bonus payments were earned in the year indicated but not paid until the first quarter of the next fiscal year.

25No executive officer received perquisites or other personal benefits in excess of the lesser of $50,000 or 10% of each officer s total annual salary and bonus.

26Includes Mid-State contribution to defined plans (qualified and non-qualified, and whether or not vested).

27Includes $18,000 accrued in 2005 but deferred pursuant to Mid-State s 401(k) Plan (see Profit Sharing 401(k) Plan ).

28Includes $16,000 accrued in 2004 but deferred pursuant to Mid-State s 401(k) Plan (see Profit Sharing 401(k) Plan ).

29Includes $12,000 accrued in 2003 but deferred pursuant to Mid-State s 401(k) Plan (see Profit Sharing 401(k) Plan ).

30Includes $18,000 accrued in 2005 but deferred pursuant to Mid-State s 401(k) Plan (see Profit Sharing 401(k) Plan ).

31Includes $16,000 accrued in 2004 but deferred pursuant to Mid-State s 401(k) Plan (see Profit Sharing 401(k) Plan ).

32Includes $14,000 accrued in 2003 but deferred pursuant to Mid-State s 401(k) Plan (see Profit Sharing 401(k) Plan ).

33Includes $18,000 accrued in 2005 but deferred pursuant to Mid-State s 401(k) Plan (see Profit Sharing 401(k) Plan ).

34Includes $16,000 accrued in 2004 but deferred pursuant to Mid-State s 401(k) Plan (see Profit Sharing 401(k) Plan ).

35Includes $14,000 accrued in 2003 but deferred pursuant to Mid-State s 401(k) Plan (see Profit Sharing 401(k) Plan ).

36Includes 2005 Deferred Compensation Contribution of $33,173.

37 Includes 2004 Deferred Compensation Contribution of $44,601.

38 Includes 2003 Deferred Compensation Contribution of $36,667.

39 Includes $14,000 accrued in 2005 but deferred pursuant to Mid-State s 401(k) Plan (see Profit Sharing 401(k) Plan

40 Includes $9,225 accrued in 2004 but deferred pursuant to Mid-State s 401(k) Plan (see Profit Sharing 401(k) Plan

41 Includes $10,742 accrued in 2003 but deferred pursuant to Mid-State s 401(k) Plan (see Profit Sharing 401(k) Plan

42 Includes 2005 Deferred Compensation Contribution of $20,745.

43 Includes 2004 Deferred Compensation Contribution of $43,215.

44 Includes 2003 Deferred Compensation Contribution of $21,783.

45 Includes $15,936 accrued in 2005 but deferred pursuant to Mid-State s 401(k) Plan (see Profit Sharing 401(k) Plan ).

46 Includes $14,859 accrued in 2004 but deferred pursuant to Mid-State s 401(k) Plan (see Profit Sharing 401(k) Plan ).

47 Includes $13,650 accrued in 2003 but deferred pursuant to Mid-State s 401(k) Plan (see Profit Sharing 401(k) Plan ).

48 Includes 2005 Deferred Compensation Contribution of $53,885.

49 Includes 2004 Deferred Compensation Contribution of $64,078.

50 Includes 2003 Deferred Compensation Contribution of 37,154.

***Stock Options.*** Mid-State currently has two active stock option plans, the 1996 Stock Option Plan (the 1996 Plan ) and the 2005 Equity Based Compensation Plan (the 2005 Plan ). Both plans are intended to advance our interests by encouraging stock ownership on the part of key employees and non-employee directors.

The 1996 Plan commenced in November 1996 and expired in May 2005. Under the 1996 Plan, there were options outstanding to purchase a total of 1,308,661 shares of common stock as of March 31, 2006. With the approval of the 2005 Plan in May of 2005, no additional grants have been made under the 1996 Plan.

The 2005 Plan was approved by shareholders on May 17, 2005, authorizing a maximum of 1,000,000 shares. The Company intends to use the 2005 Plan primarily to motivate senior management and senior producers that effectively influence shareholders value. The 2005 Plan authorizes the granting of incentive stock options, non-qualified stock options, stock appreciation rights ( SARs ), restricted stock awards ( Restricted Stock ), and performance share cash only awards. Subject to Board ratification, the Compensation Committee will determine the vesting and, where applicable, the expiration date of Awards, but Awards that provide for the right to acquire stock may not remain outstanding more than ten (10) years after the grant date, and any ISO Award granted to any eligible employee owning more than 10% of the Company s stock must be granted at 110% of the Fair Market Value of the stock. Unless the Committee determines otherwise, Awards do not vest or become exercisable until six (6) months after the date of grant.

Pursuant to the 2005 Plan, outstanding options and restricted stock awards were granted to directors and to key, full-time salaried officers and employees of Mid-State and its subsidiaries. As of March 31, 2006 there are 953,931 shares available for grant. The Incentive Stock Options ( ISO ) or Non-Qualified Stock Options ( NSO ) or restricted stock granted to date become exercisable in accordance with a vesting schedule established at the time of grant.

All options granted in the years indicated below to the named executive officers were incentive stock options and have an exercise price equal to the fair market value Mid-State s Common Stock on the date of grant.

The following table furnishes certain information regarding stock options granted under the Stock Option Plan for James W. Lokey, James G. Stathos, Harry H. Sackrider, Steven L. Harding, and Eldon Shiffman.

**Options/SAR Grants In 2005**

**Individual Grants**

| Name | Number of Securities Underlying Options/SARs Granted (#) | Percent of Total Options/ SARs Granted to Employees in 2005 | Exercise or Base Price ($/Sh)51 | Expiration Dat |
|---|---|---|---|---|
| James W. Lokey | 43,945 | 20.31% | $27.58 | 02/16/2015 |
| James G. Stathos | 18,129 | 8.37% | $27.58 | 02/16/2015 |
| Harry H. Sackrider | 14,866 | 6.87% | $27.58 | 02/16/2015 |
| Steven L. Harding | 15,000 | 6.93% | $27.58 | 02/16/2015 |
| Eldon Shiffman | 0 | 0 | | |

51 The exercise price was based on the fair market value of a share of common stock on the date of grant.

**Aggregated Option/SAR Exercises in 2005**

**and Option/SAR Values**

**Number of Securities**

**Underlying Unexercised**

Neither Towers Watson nor McLagan makes recommendations or participates with the Committee in discussions regarding the determination of amounts or forms of compensation for the Named Executive Officers. Towers Watson and McLagan from time to time provide other compensation consulting services to management.

## Principal Elements of Our Executive Compensation Program

The principal elements of our executive compensation program are described in further detail below.

### Base Salary

A portion of annual cash compensation is paid as base salary to provide Named Executive Officers with an appropriate level of security and stability as well as to provide a competitive level of pay for the execution of their key responsibilities. Base salaries for the Named Executive Officers are reviewed on an annual basis, and in connection with a promotion or other change in responsibilities. The Committee establishes base salaries for the Named Executive Officers based on a number of factors, including:

- Evaluation of the executive's scope of responsibilities;
- Experience, contributions, skill level and level of pay compared to comparable executives in the Comparator Groups;
- Recommendations from Semler Brossy; and
- Recommendations from the CEO, in consultation with the Chief Personnel Officer, for each Named Executive Officer other than the CEO.

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There is no set schedule for base salary increases. Base salary increases are periodically provided based on competitive factors or in connection with an increase in responsibilities. Base salaries are generally targeted at approximately the median level for comparable executives in the Comparator Groups. After not increasing the base salaries of any Named Executive Officer in 2013 (other than in connection with our CEO succession), the Committee increased the base salaries of the Named Executive Officer in 2014 as follows.

| **Executive** | **2013 Base Salary** | **2014 Base Salary** |
|---|---|---|
| Soren Schroder | $1,000,000 | $1,200,000 |
| Andrew Burke | $700,000 | $725,000 |
| Raul Padilla(1) | $850,000 | $1,052,239 |
| Brian Thomsen(2) | $400,000 | $778,564 |
| Gordon Hardie | $550,000 | $650,000 |

(1) Amounts shown have been converted from Brazilian reais to U.S. dollars at the exchange rate of 2.68 U.S. dollars per Brazilian real as of December 31, 2014.

(2) Amounts shown have been converted from Swiss francs to U.S. dollars at the exchange rate of .989 U.S. dollars per Swiss franc as of December 31, 2014.

Increases for Messrs. Schroder, Burke and Hardie reflect market competitive positioning for comparable positions in the Comparator Group. In Mr. Schroder's case, as part of ensuring a careful and successful CEO transition, the Committee set his initial base salary below market competitive levels to enable a phased review over time based on his performance. Mr. Padilla's increase reflects market competitive levels for his new position as CEO of Bunge Brazil (he did not receive any base salary increase in connection with his expanded role as Managing Director, Sugar & Bioenergy). Mr. Thomsen's increase reflects his promotion and expanded responsibilities as Managing Director, Bunge Global Agribusiness and CEO, Bunge Product Lines.

The base salary of each Named Executive Officer is set forth in the "Salary" column of the Summary Compensation Table on page 44 of this proxy statement.

**Annual Cash Incentive Awards**

The Committee grants Named Executive Officers an opportunity to earn cash incentive awards under Bunge's Annual Incentive Plan, an annual performance-based incentive plan that is available to a broad group of employees. The Annual Incentive Plan provides a cash incentive that is directly related to the achievement of financial, business unit and individual performance metrics and contributions that drive annual results aligned with our long-term goals.

Target annual cash incentive award opportunities under the Annual Incentive Plan are generally established by the Committee using analyses of comparable executives in the Comparator Groups and based on a percentage of each Named Executive Officer's base salary. The Committee generally sets target annual cash incentive opportunities for Named Executive Officers at approximately the median level for comparable executives in the Comparator Groups.

Threshold, target and maximum performance levels are heavily weighted towards the achievement of Company financial performance metrics. The actual annual incentive awards earned by each Named Executive Officer may be above, at, or below the established target level based on Company financial performance and the Named Executive Officer's individual performance metrics

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attained for the relevant year. In order to receive a partial incentive award under the Annual Incentive Plan, a threshold level of performance must be attained with respect to the performance metrics. If threshold performance levels are not achieved, no payout will be made. Maximum performance levels provide an incentive to significantly enhance performance and are set at challenging levels.

For 2014, the Named Executive Officers were eligible to receive an annual cash incentive award ranging from 0 percent to 250 percent of their target annual incentive award opportunity.

***Company Performance Metrics.*** For 2014, the Committee allocated Annual Incentive Plan metrics between (i) return on net assets ("RONA") for Bunge Limited as a whole and/or for the business unit for which a Named Executive Officer had primary responsibility and (ii) net income after noncontrolling interest for Bunge Limited as a whole and/or EBIT of its business segments, based on the primary responsibilities of the Named Executive Officer. Target levels are aligned with the annual business plan and reflect the achievement of market competitive financial performance.

- **RONA** measures the relationship between profits and the net assets used in our businesses. As Bunge operates in a number of capital intensive businesses, RONA allows us to measure management's ability and efficiency in using our assets to generate profits. The Committee views RONA as a principal driver of sustainable shareholder value.
- **Net income after noncontrolling interest** (net income) measures profitability of ongoing business operations of Bunge Limited as a whole adjusted for noncontrolling interests. The Committee views net income after noncontrolling interest as a useful measure of the overall profitability of ongoing business operations.
- **EBIT** measures earnings before interest and income tax expense. The Committee views EBIT as a useful measure of a business segment's performance without regard to its financing methods or capital structure. EBIT is a financial measure that is widely used by analysts and investors in Bunge's industries.

For 2014, the Committee established the following weightings for the Company financial metrics under the Annual Incentive Plan. The weightings assigned to Mr. Padilla, Mr. Thomsen, and Mr. Hardie reflect their level of responsibility for their respective business segments.

**2014 Annual Incentive Plan**

**Company Financial Metrics**

| **Executive** | **Weighting** | **Bunge Business Unit or Segment** | **Financial Metric** |
|---|---|---|---|
| Soren Schroder | 100% | Bunge Limited | Net Income & RONA |
| Andrew J. Burke | 100% | Bunge Limited | Net Income & RONA |
| Raul Padilla | 70% | | EBIT & RONA |

| | | | |
|---|---|---|---|
| 1/1/2014 4/30/2014 | 30% | Bunge Global Agribusiness<br>Bunge Limited | Net Income & RONA |
| 5/1/2014 12/31/2014 | 70%<br>30% | Bunge Brazil<br>Bunge Limited | EBIT & RONA<br>Net Income & RONA |
| Brian Thomsen<br>1/1/2014 4/30/2014 | 100% | Bunge Global Agribusiness | EBIT & RONA |
| 5/1/2014 12/31/2014 | 70%<br>30% | Bunge Global Agribusiness<br>Bunge Limited | EBIT & RONA<br>Net Income & RONA |
| Gordon Hardie | 70%<br>30% | Food & Ingredients<br>Bunge Limited | EBIT & RONA<br>Net Income & RONA |

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The following table sets forth the threshold, target and maximum performance levels established for the Company financial metrics under the Annual Incentive Plan for each Named Executive Officer in 2014 and the actual results achieved against the metrics.

| Business Unit/Segment | Metric | Metric Weighting | Threshold | Maximum | Target | Actual |
|---|---|---|---|---|---|---|
| Bunge Limited | RONA | 40% | 4.3% | 11.4% | 7.1% | 6.3% |
| | Net Income | 30% | 541.9 | 1,445.0 | 903.1 | 715.4 |
| Bunge Brazil | RONA | 40% | 3.2% | 8.6% | 5.4% | 7.4% |
| | EBIT | 30% | 272.7 | 727.2 | 454.5 | 534.4 |
| Bunge Global Agribusiness | RONA | 40% | 4.6% | 12.2% | 7.6% | 7.0% |
| | EBIT | 30% | 651.1 | 1,736.3 | 1,085.2 | 965.3 |
| Food & Ingredients | RONA | 40% | 5.6% | 15.0% | 9.4% | 9.7% |
| | EBIT | 30% | 209.2 | 557.9 | 348.7 | 300.5 |

Amounts used to determine performance against Company financial metrics are derived from our audited financial statements. Under the terms of the Annual Incentive Plan, the Committee may adjust actual results achieved, in its discretion, if it determines that such adjustment is appropriate to reflect unusual, unanticipated or non-recurring items or events. In calculating payouts for 2014 Annual Incentive Plan awards, the Committee made adjustments to the calculation of the financial metrics to remove the impact of two non-operating items: a charge of $132 million related to certain state tax credits in Brazil as a result of a recent Brazilian supreme court ruling; and an asset impairment and restructuring charge of $133 million related to the Brazilian sugar milling business. The Committee determined it was appropriate to exclude these charges in light of their non-operating and unanticipated nature and based on the continuing process to explore strategic alternatives for Bunge's sugar milling assets.

***Individual Performance Metrics.*** In addition to the attainment of Company financial metrics, each Named Executive Officer was evaluated on the achievement of individual performance objectives that generally relate to the achievement of specific aspects of our business plans and strategies as well as other initiatives relating to the executive's position. In 2014, the Committee also assessed Named Executive Officers on a number of core management competencies, including: building organization capabilities; safety initiatives; strategic thinking; teamwork; leadership; communication; and people management.

***2014 Annual Incentive Award Determinations.*** Following completion of audited financial results for the prior fiscal year, the Committee reviews and approves the annual incentive awards based on the results achieved against Company financial metrics and individual performance metrics as described above.

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The following table sets forth the actual incentive awards paid to each Named Executive Officer in 2014.

| Name | 2014 Actual Payout as a Percentage of Target | 2014 Actual Payout Amount |
| --- | --- | --- |
| Soren Schroder | 91% | $1,740,000 |
| Andrew J. Burke | 92% | $670,000 |
| Raul Padilla | 134% | $1,324,627 |
| Brian Thomsen | 97% | $889,788 |
| Gordon Hardie | 115% | $750,000 |

The actual amount awarded to each Named Executive Officer is set forth in the "Non-Equity Incentive Plan Compensation" column of the Summary Compensation Table on page 44 of this proxy statement.

**Other Performance-Based Cash Awards**

***Raul Padilla and Brian Thomsen.*** For a portion of 2014, Raul Padilla (from January 1 April 30, 2014) and Brian Thomsen (from May 1 December 31, 2014) each served as Managing Director, Bunge Global Agribusiness and CEO, Bunge Product Lines. In the dual role as Managing Director, Bunge Global Agribusiness and CEO, Bunge Product Lines, each executive participated in two performance-based annual incentive opportunities. As Managing Director, Bunge Global Agribusiness, Mr. Padilla and Mr. Thomsen participated in the Annual Incentive Plan, consistent with other Named Executive Officers as described above. In addition, to reflect their responsibilities as CEO, Bunge Product Lines, they also participated in a supplemental annual incentive award opportunity based on the trading profits earned by Bunge's agribusiness product lines. Mr. Thomsen participated in this supplemental annual incentive award opportunity for the first time in 2014.

This supplemental annual incentive award opportunity is linked directly to the achievement of pre-established performance objectives aligned with the long-term success and strategic goals of our agribusiness product lines. The award is intended to align the compensation we provide for this position with that provided to comparable executives in commodity trading environments in the Comparator Groups. The award payout is based on actual performance achieved by the product lines, and in order to receive an award payout, a threshold performance level must be achieved. Mr. Padilla and Mr. Thomsen were each eligible to receive a pro rated supplemental annual incentive award opportunity ranging from 0 percent to 250 percent of their respective annual incentive award targets.

The performance metric used for the supplemental annual incentive award opportunity was Risk Adjusted Profit. We define Risk Adjusted Profit as the aggregate profits generated from our global risk management activities in the agribusiness product lines (based on adjusted earnings before interest and taxes), after applying working capital and risk capital charges to take into account the amount of capital utilized and the underlying risk taken during the year.

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The following table sets forth the threshold, target and maximum award opportunities and the award levels that the Committee established for 2014:

| Award Level | Risk Adjusted Profit[(1)] | Percentage of Base Salary |
|---|---|---|
| **Below Threshold** | Less than $240 million | 0% |
| **Threshold** | $240 million | 50% |
| **Target** | $320 million | 100% |
| **Maximum** | $560 million or greater | 250% |

(1) Results between award levels are interpolated.

In order to align the program with the Company's long-term financial performance, the Committee requires that a portion of the supplemental annual incentive award payout be deferred over a two-year period and be at-risk to the future performance of the agribusiness product lines. Amounts deferred are eligible to be paid out in two annual installments, subject to reduction or forfeiture in the event of (i) a cumulative annual risk management loss for the agribusiness product lines during the deferral period; (ii) an executive's resignation of employment for any reason; or (iii) an executive's termination of employment for "cause."

In February 2015, the Committee determined that the Risk Adjusted Profit for the 2014 performance period was below the threshold levels set forth above and no award was paid to either Mr. Padilla or Mr. Thomsen.

***Brian Thomsen.*** For a portion of 2014 (from January 1 April 30, 2014), Brian Thomsen served as Managing Director, Grains & Oilseeds Product Lines. In this position, Mr. Thomsen was eligible for a cash bonus opportunity based on the performance of the Grains & Oilseeds Product Lines. Based on the results achieved, the Committee awarded Mr. Thomsen a prorated bonus of $404,449.

The amount awarded to Mr. Thomsen is also set forth in the "Bonus" column of the Summary Compensation Table on page 44 of this proxy statement.

**Long-Term Incentive Compensation**

Named Executive Officers are eligible to receive long-term equity-based incentive awards under Bunge's 2009 Equity Incentive Plan (the "Equity Incentive Plan"). The long-term equity-based incentive element of our executive compensation program is intended to provide Named Executive Officers with a continuing stake in our long-term success and serves as an important retention tool. We further emphasize equity ownership by senior executives through the share ownership guidelines described below.

Pursuant to the Equity Incentive Plan, the Committee may grant the following long-term incentive awards:

- Stock options;
-

Restricted stock units that vest upon the achievement of certain pre-established performance metrics over a specified performance period (PBRSUs); and

- Restricted stock units that vest subject to the satisfaction of a specified service period (time-based RSUs).

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The Committee primarily grants long-term incentive awards in the form of non-qualified stock options and PBRSUs. Grants are generally made in the first quarter of each year, when compensation decisions for the year are made and after the public release of Bunge's year-end audited financial results. In response to special situations, equity awards may be granted at other times in the event of a new hire, promotion, for retention purposes or to recognize exceptional performance.

The Committee grants Named Executive Officers an equal mix in value of stock options and PBRSUs to further reinforce the performance-driven nature of our executive compensation program by focusing on both the strategic drivers and the achievement of enhanced long-term shareholder value. The Committee targets the value of the long-term incentive awards granted to the Named Executive Officers to approximately the median of the value of equity-based awards granted to comparable executives in the Comparator Groups.

The Committee also considers the following factors in determining the type and amount of long-term incentive awards:

- Potential shareholder dilution;
- Share overhang (defined as the number of shares available for grant, plus outstanding stock option and restricted stock unit awards);
- Paper gains on outstanding long-term incentive awards; and
- Projected cost and accounting expense on Bunge's earnings.

***Stock Option Awards.*** Stock option awards reflect the pay-for-performance principles of our executive compensation program by directly linking long-term incentives to stock price appreciation. Stock options have value only if the trading price of Bunge's common shares exceeds the exercise price of the stock option. Stock options also help us maintain competitive compensation levels and retain executive talent through a multi-year vesting schedule. Stock options generally vest in three equal annual installments following the option grant date and remain exercisable until the tenth anniversary of the option grant date. Pursuant to the terms of the Equity Incentive Plan, the Committee sets the exercise price of a stock option based on the average of the high and low sale prices of Bunge's common shares on the NYSE on the grant date.

On February 27, 2014, the Committee approved the grant of stock options to the Named Executive Officers effective February 28, 2014 (the grant date) with an exercise price equal to the average of the high and low sale prices of Bunge's common shares on the grant date. It is the Committee's practice to authorize annual grants of equity-based incentive compensation awards, including stock options, effective as of the day immediately following the date the Committee meets to authorize the grant of awards. Stock options are valued using a Black-Scholes valuation model. As mentioned above, 50% of the value of the 2014 long-term incentive award consisted of stock options.

Information regarding the grant date fair value and the number of stock options awarded to each Named Executive Officer for 2014 is set forth in the Grants of Plan-Based Awards Table on page 46 of this proxy statement.

***PBRSU Awards***

***2014-2016 Award Decisions.*** PBRSUs are tied to Bunge's long-term performance to ensure that Named Executive Officer pay is directly linked to the achievement of superior, sustained long-term operating performance. Each vested PBRSU is settled with a Bunge common share following the vesting date. In addition, dividend equivalents will be paid in Bunge common shares on the date that PBRSUs are otherwise paid-out, based on the number of shares vesting. However, in no event will dividend equivalents be paid on any shares in excess of the target award granted.

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The Committee, in consultation with Semler Brossy, has revised the performance metrics used for PBRSUs beginning with the 2014-2016 performance period by adding return on invested capital ("ROIC") as a second performance metric. Previously, earnings per share ("EPS") had been the sole metric used for PBRSUs. The Committee considers ROIC to be a key measure of Bunge's strategic focus on the efficient use of capital aligned with the achievement of Bunge's long-term business plans and strategies. Additionally, feedback from shareholders received as part of our shareholder engagement process was supportive of the addition of ROIC.

On February 27, 2014, the Committee approved the grant of PBRSUs for the 2014-2016 performance period, effective February 28, 2014 (the grant date). Payouts of the PBRSUs, if any, will generally be subject to the Named Executive Officer's continued employment with Bunge through the vesting date (generally, the third anniversary of the grant date) and will be based (i) 50% on Bunge's achievement of cumulative, diluted EPS targets and (ii) 50% on Bunge's achievement of average ROIC targets established by the Committee on the grant date.

We define diluted EPS as Bunge's earnings per share calculated using fully diluted common shares outstanding (which includes outstanding stock options) as reflected in our reported audited financial statements. The Committee uses diluted EPS as a performance metric because it has determined that investors generally view it as a key measure of our financial performance that is fundamental to long-term value creation. In setting the EPS targets, the Committee generally averages the prior two years' results with the earliest year's EPS increased by 8.5%. This baseline is then increased by 8.5% for each year in the performance period. The Committee adopted this averaging methodology to balance out volatility in diluted EPS results while preserving the performance-based, motivational and retention-oriented features of these awards. ROIC targets are established at levels that are intended to incentivize continuous improvement of ROIC over the award period.

Based on the above factors, the Committee set threshold, target and maximum award levels for the 2014-2016 performance period in accordance with the table below:

| Award Level | Cumulative 3-Year Diluted EPS (50%) | Average ROIC (50%) | Percent of Award Vesting |
|---|---|---|---|
| **Below Threshold** | Less than $16.65 | Less than 6.5% | 0% |
| **Threshold** | $16.65 | 6.5% | 50% |
| **Target** | $20.81 (target) | 7.5% (target) | 100% |
| **Maximum** | $29.13 or greater | 8.5% or greater | 200% |

Information regarding the fair market value and number of PBRSUs that the Named Executive Officers may earn at the end of the 2014-2016 performance period, subject to satisfaction of the performance metrics described above, is shown in the Grants of Plan-Based Awards Table on page 46 of this proxy statement.

***2012-2014 PBRSU Award Determinations.*** Each year, following the end of a three-year PBRSU performance cycle, the Committee reviews and certifies the performance attained based on our reported audited financial statements, subject to the Committee's discretion under the Equity Incentive Plan to adjust such results for non-recurring charges and other one-time or extraordinary events. Each PBRSU that vests is settled with a Bunge common share.

In February 2015, the Committee reviewed and certified the achievement of the performance metrics for the PBRSUs granted for the 2012-2014 performance period. The following table shows the results for the 2012-2014 performance period.

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| | 2012-2014 PBRSU Award | | | | |
|---|---|---|---|---|---|
| Performance Metric | Threshold Performance | Target Performance | Maximum Performance | Actual Performance | Percentage of Target Award Vested |
| Cumulative 3-year diluted earnings per share | $17.02 | $22.10 | $28.73 | $16.19 | 0% |

Based on the Committee's determination that performance was below the threshold performance levels set forth above, no PBRSUs were paid out to our Named Executive Officers for the 2012-2014 performance period.

**Other Equity-Based Awards**

***Limited Use of Time-Based RSUs.*** It is the Committee's practice to grant time-based RSU awards for special, limited purposes that further our business objectives, such as to recognize exceptional performance; promotions; and as inducement to new hires in recognition of compensation forgone at a previous employer. Time-based RSU awards generally vest based on an employee's continued employment during the vesting period and have no value unless the employee remains employed on the applicable vesting date. Award sizes and vesting dates vary to allow flexibility in connection with the specific award and the circumstances underlying the grant of the award. In addition, dividend equivalents are credited as additional time-based RSUs and are paid out in Bunge common shares on the date that time-based RSUs otherwise vest and are settled.

Awards of time-based RSUs reflect the pay-for-performance principles of our executive compensation program as they link long-term incentives directly to our share price by reducing the value of an employee's compensation if our share price declines.

In 2014, the Committee did not grant any time-based RSUs awards to our Named Executive Officers.

**Retirement and Executive Benefits**

Bunge provides employees with a wide range of retirement and other employee benefits that are designed to assist in attracting and retaining employees critical to Bunge's long-term success and to reflect the competitive practices of the companies in the Peer Group. Named Executive Officers are eligible for retirement benefits under the following plans: (i) Bunge U.S. Pension Plan; (ii) Bunge Excess Benefit Plan; (iii) Bunge U.S. supplemental executive retirement plan ("SERP"); (iv) Bunge Retirement Savings Plan; and (v) Bunge Excess Contribution Plan. Our executive compensation program also provides Named Executive Officers with limited perquisites and personal benefits. The Committee, in consultation with Semler Brossy, periodically reviews the benefits provided to the Named Executive Officers to ensure competitiveness with market practices.

***Retirement Plans.*** The U.S. Pension Plan is a tax qualified retirement plan that covers substantially all U.S. based salaried and non-union hourly employees. Each U.S. based Named Executive Officer is eligible to participate in the plan. All employees whose benefits are limited by the Internal Revenue Code, including the Named Executive Officers, are eligible to participate in the Excess Benefit Plan. In addition, each U.S. based Named Executive Officer is eligible to participate in the SERP. The U.S. Pension Plan, SERP and Excess Benefit Plan are described in the narrative following the Pension Benefits Table on page 49 of this proxy statement, and the estimated annual normal retirement benefits payable to the Named Executive Officers (determined on a present value basis) are set forth in the Pension Benefits Table on page 49 of this proxy statement.

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Each Non-U.S. based Named Executive Officer is eligible to participate in a statutory retirement plan that covers substantially all employees who are employed in the country where the Named Executive Officer is based. Amounts contributed by Bunge to such plans are set forth in the "All Other Compensation" column of the Summary Compensation Table on page 44 of this proxy statement.

***401(k) Plan and Excess Contribution Plan.*** The Retirement Savings Plan is a tax qualified retirement plan that covers substantially all U.S. based salaried and non-union hourly employees. Each Named Executive Officer is eligible to participate in the plan. All employees whose benefits are limited by the Internal Revenue Code, including the Named Executive Officers, are eligible to participate in the Excess Contribution Plan. The Retirement Savings Plan and the Excess Contribution Plan are described in the narrative following the Nonqualified Deferred Compensation Table on page 51 of this proxy statement.

Company matching contributions allocated to the Named Executive Officers under the Retirement Savings Plan and the Excess Contribution Plan are shown in the "All Other Compensation Total" column of the Summary Compensation Table on page 44 of this proxy statement.

***Health and Welfare Plans.*** Active employee benefits such as medical, dental, life insurance and disability coverage are available to U.S. employees through Bunge's flexible benefits plan. Employees contribute toward the cost of the flexible benefits plan by paying a portion of the premium costs on a pre-tax basis. Long-term disability coverage can be paid on an after-tax basis at the employee's option.

***Perquisites and Executive Benefits.*** The Committee periodically reviews the perquisites provided to Bunge's executive officers under our executive compensation program. Under the current policy, Bunge provides U.S. based executive officers, including the Named Executive Officers, with a limited annual perquisite allowance of $9,600. Non-U.S. Named Executive Officers are provided with an automobile allowance in accordance with company programs and local market practices.

**Severance and Change of Control Benefits**

Our executive compensation program is designed to provide for the payment of severance benefits to our Named Executive Officers upon certain types of employment terminations. Providing severance and change of control benefits assists Bunge in attracting and retaining executive talent and reduces the personal uncertainty that executives are likely to feel when considering a corporate transaction. These arrangements also provide valuable retention incentives that focus executives on completing such transactions, thus enhancing long-term shareholder value. The Named Executive Officers are provided with severance benefits under individual arrangements.

Mr. Schroder is the only Named Executive Officer with change of control severance protections. His employment agreement contains a "double trigger" vesting requirement for the payment of severance benefits, meaning that both a change of control must occur and his employment must also be terminated under certain specified circumstances before he is entitled to any severance payment. All unvested equity awards are also subject to double trigger vesting upon a change of control.

None of our employment agreements or other compensation arrangements provide for a golden parachute excise tax gross-up.

The terms of the individual arrangements and a calculation of the estimated severance benefits payable to each Named Executive Officer under their respective arrangements are set forth under the Potential Payments Upon Termination of Employment or Change of Control tables beginning on page 52 of this proxy statement.

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## Compensation Governance

The principal governance elements of our executive compensation program are described in further detail below.

**Executive Compensation Recoupment Policy**

The Committee has adopted a recoupment policy ("clawback") with respect to executive compensation. The policy provides that, if the Board or an appropriate committee thereof determines that an executive officer or other senior executive has engaged in any fraud or misconduct that caused or was a significant contributing factor to Bunge having to restate all or a portion of its financial statement(s), the Board or committee shall take such actions as it deems appropriate to remedy the misconduct and prevent its recurrence.

The actions that may be taken against a particular executive include:

- Requiring reimbursement of any bonus or incentive compensation paid to the executive;
- Causing the cancellation of any equity-based awards granted to the executive;
- Seeking reimbursement of any gains realized on the disposition or transfer of any equity-based awards, if and to the extent that, (i) the amount of compensation was calculated based upon the achievement of certain financial results that were subsequently reduced due to a restatement, (ii) the executive engaged in fraud or misconduct that caused or significantly contributed to the restatement and (iii) the amount of the compensation that would have been awarded to or received by the executive had the financial results been properly reported would have been lower than the amount actually awarded or received.

Any recoupment under this policy is in addition to any other remedies that may be available to Bunge under applicable law.

The Committee will review the Executive Compensation Recoupment Policy in connection with rules on executive compensation recoupment that are anticipated to be issued under the Dodd-Frank Wall Street Reform and Consumer Protection Act to determine if the policy should be revised.

**Share Ownership Guidelines**

To further align the interests of senior management with our shareholders, the Board maintains share ownership guidelines that require executive officers to hold significant amounts of Bunge common shares. Executive officers are required to meet minimum ownership guidelines within five years from the date the executive is hired or appointed to a covered title, as applicable. The guideline applicable to senior executives is based on a multiple of base salary.

- Chief Executive Officer  6 times base salary.
- Other Named Executive Officers  3 times base salary.

The Committee reviews the progress of the Named Executive Officers toward meeting the ownership guidelines annually. In the event of financial hardship or other good cause, the Committee may approve exceptions to the share ownership guidelines as the Committee deems appropriate. For a description of the ownership guidelines applicable to our non-employee directors, see "Director Compensation" on page 19 of this proxy statement.

The following count towards meeting the ownership guideline: (i) shares directly or indirectly beneficially owned by the executive; (ii) shares underlying hypothetical share units held under Bunge's deferred compensation plans; (iii) 50% of the value of unvested time-based RSUs; and (iv) 50% of the difference between the exercise price of a vested, in-the-money stock option and the fair market value

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of a Bunge common share. Unvested stock options and unearned PBRSUs do not count toward achievement of the guidelines.

Executive officers, including the Named Executive Officers, are required to hold 50% of the net shares acquired through long-term incentive plans (such as stock options or PBRSUs) until the guidelines are met.

To further encourage a long-term commitment to Bunge's sustained performance, executive officers are prohibited from hedging, pledging or using their common shares as collateral for margin loans.

**Tax Deductibility of Compensation**

When determining compensation, the Committee considers all relevant factors that may impact Bunge's financial performance, including tax and accounting rules such as the regulations under Section 162(m) of the Internal Revenue Code. Section 162(m) generally precludes a public corporation from taking a deduction for compensation in excess of $1 million with respect to each of the Named Executive Officers (excluding the chief financial officer). One exception to this limitation is if the compensation is considered "qualified performance-based compensation" within the meaning of Section 162(m).

Although our executive compensation program seeks to maximize the tax deductibility of compensation payable to the Named Executive Officers by having such compensation qualify as qualified performance-based compensation, the Committee retains full discretion to compensate Named Executive Officers in a manner intended to promote varying corporate goals, including attracting, retaining and rewarding such officers. Therefore, the Committee may award compensation that is not deductible under Section 162(m) if it believes it will contribute to the achievement of Bunge's business objectives. For 2014, Bunge estimates that approximately $1.5 million of executive compensation expenses will not be deductible under Section 162(m).

## Compensation Committee Report

The Compensation Committee has reviewed and discussed the preceding "Compensation Discussion and Analysis" with management. Based on such review and discussions, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in this proxy statement and be included in Bunge Limited's Annual Report on Form 10-K for the year ended December 31, 2014.

The foregoing report on executive compensation for 2014 has been furnished on behalf of the Board by the undersigned members of the Compensation Committee.

Members of the Compensation Committee
Ernest G. Bachrach, Chairman
Bernard de La Tour d'Auvergne Lauraguais
Andrew Ferrier
L. Patrick Lupo
John E. McGlade

## Compensation and Risk

We believe our compensation programs are designed to establish an appropriate balance between risk and reward in relation to Bunge's overall business strategy. To that end, the Compensation Committee has conducted, with the assistance of its independent compensation consultant and management, a compensation risk assessment. The risk assessment focused on our executive

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compensation program, as these are the employees whose actions are most likely to expose Bunge to significant business risk. The relevant features of the executive compensation program that mitigate risk are as follows:

- The program utilizes annual and long-term financial performance goals that are tied to key measures of short-term and long-term performance that drive shareholder value, and targets are set with a reasonable amount of stretch that should not encourage imprudent risk taking.
- The Committee sets target awards under the executive compensation program following the receipt of advice and industry benchmarking surveys provided by Semler Brossy.
- The annual incentive and long-term equity-based compensation program awards are tied to several performance metrics to reduce undue weight on any one measure.
- The annual incentive program's performance metrics appropriately balance focus on generating absolute profits and efficiently managing assets.
- The use of non-financial performance factors in determining the actual payout of annual incentive compensation serves as a counterbalance to the quantitative performance metrics.
- The executive compensation program is designed to deliver a significant portion of compensation in the form of long-term incentive opportunities, which focuses executives on the long-term success of Bunge and discourages excessive focus on annual results.
- The equity incentive program uses a balanced mix of stock options and performance-based restricted stock units that vest over a number of years to ensure that employees are focused on maximizing long-term shareholder value and financial performance and to mitigate the risks associated with the exclusive use of stock price based awards.
- The performance metrics for the performance-based restricted stock units are based on overall Bunge performance over a three-year period, reducing incentives to maximize one business unit's results and focusing on sustainable performance over a three-year cycle rather than any one year.
- Maximum awards that may be paid out under the annual incentive and equity incentive programs are subject to appropriate caps and the Committee retains the discretion to reduce payouts under the plans.
- Bunge has adopted share ownership guidelines that further align the long-term interests of executives with those of our shareholders, as well as restrictions on hedging, holding Bunge common shares in a margin account and using Bunge common shares as collateral for loans, which seek to discourage a short-term stock price focus.

- Bunge has adopted an executive compensation recoupment policy for senior executives, as discussed in "Executive Compensation Recoupment Policy" on page 40 of this proxy statement.

Additionally, as part of its risk assessment, the Committee also reviewed Bunge's compensation program for employees who engage in trading and related activities within Bunge, whom we refer to collectively as global product line team members. Global product line team members have compensation risk higher than that of the overall employee population in that part of their compensation is linked to the profitability of their trading activities. In order to address and mitigate

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the potential risks associated with the compensation program for global product line team members, Bunge has implemented the following features:

- Annual incentive compensation is not granted on a formulaic basis and the Committee retains the discretion to determine appropriate compensation levels for each participant as well as the size of the overall program based on the performance of the individual, the product line and the company as a whole.

- Global product line team members generally participate in the broad performance-based compensation programs for Bunge employees, including the annual incentive and equity incentive programs, which diversifies these employees' focus on performance beyond their individual product lines and aligns a significant portion of their compensation with the performance of the overall company or larger business unit.

- Global product line incentive performance is determined after applying working capital and risk capital charges to ensure that performance is adjusted for the amount of capital utilized and underlying risk taken.

- Global product line team members are subject to the deferral of a substantial portion of their annual incentive compensation for multiple years, with Bunge retaining the right to "recoup" the deferred amounts if the applicable product line incurs an operating loss in a subsequent year. This recoupment feature promotes retention, encourages participants to focus on sustained, superior long-term performance and helps discourage excessive risk taking behavior.

The Committee also reviewed the supplemental annual incentive award opportunity for the CEO, Bunge Product Lines, as discussed in "Other Performance-Based Cash Awards" on page 34 of this proxy statement. As this incentive arrangement is materially consistent with the design of the compensation program for global product line team members, the risk mitigating factors that are listed above also apply to this supplemental annual incentive arrangement. As an additional risk mitigator, Bunge has implemented a cap on the award of 250% of annual incentive award target.

Lastly, as part of its risk assessment, the Committee reviewed certain other trading compensation programs maintained by Bunge. These programs are based on a funded pool approach with the pool being tied to a percentage of relevant gross trading profit. Participants in these programs are not eligible for awards under Bunge's Annual Incentive Plan or Bunge's Equity Incentive Plan as their total incentive opportunity is directly tied to their trading performance. In order to address and mitigate the potential risk associated with these programs, Bunge has implemented the following features:

- A risk oversight/governance process, including a committee that is responsible for the oversight of the participants and program arrangements.

- Daily and monthly drawdown limits that trigger a review by the risk oversight/governance committee.

- Daily value at risk limits and cumulative loss limits.

- Risk capital charges to ensure that performance is adjusted for the underlying risk taken.

- A deferral and recoupment feature should a participant incur a trading loss in a subsequent year.

The Committee reviewed and discussed the findings of the risk assessment and believes that our compensation programs are appropriately balanced and do not motivate employees to take risks that are reasonably likely to have a material adverse effect on Bunge.

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# Compensation Tables

### Summary Compensation Table

The following table sets forth the compensation of our CEO, our Chief Financial Officer and the other three most highly compensated executive officers (the "Named Executive Officers") who were serving as executive officers as of December 31, 2014.

| Name and Position Held | Year | Salary ($)[1] | Bonus ($) | Stock Awards[2][3] ($) | Option Awards[2] ($) | Non-Equity Incentive Plan Compensation[4] ($) | Change in Pension Value & Non-Qualified Deferred Compensation Earnings[5] ($) | All Other Compensation Total[6] ($) | T |
|---|---|---|---|---|---|---|---|---|---|
| Soren Schroder[8] | 2014 | $1,166,667 | | $2,980,125 | $3,186,000 | $1,740,000 | $986,188 | $53,959 | $1 |
| Chief Executive Officer | 2013 | $854,167 | | $2,945,847 | $1,028,816 | $1,320,000 | $161,349 | $201,113 | $ |
| Andrew J. Burke | 2014 | $720,833 | | $874,170 | $934,560 | $670,000 | $806,586 | $34,400 | $ |
| Chief Financial Officer | 2013 | 700,000 | | 1,746,755 | 808,500 | 900,000 | 207,814 | 28,200 | |
| | 2012 | 700,000 | 500,000 | 929,913 | 939,750 | 280,000 | 575,964 | 27,700 | |
| Raul Padilla | 2014 | $920,967[9] | | $874,170 | $934,560 | $1,324,627[9] | $432,941 | $531,978[9] | $ |
| CEO, Bunge Brazil | 2013 | 850,000 | | 743,300 | 808,500 | 2,652,000 | 338,325 | 34,200 | |
| | 2012 | 850,000 | | 1,944,363 | 939,750 | 3,235,000 | 292,054 | 34,200 | |
| Brian Thomsen[10] Managing Director, Global Agribusiness, and CEO, Bunge Product Lines | 2014 | $653,859[11] | $404,449[11][12] | $1,166,499[13] | $1,226,592[13] | $889,788[11] | | $89,383[11] | $ |
| Gordon Hardie | 2014 | $633,330 | | $754,965 | $807,120 | $750,000 | $200,293 | | $ |
| Managing Director, | 2013 | 550,000 | | 758,166 | 539,000 | 470,000 | 57,730 | | |
| Food And Ingredients | 2012 | 541,667 | | 617,462 | 626,500 | 150,000 | 119,907 | 12,014 | |

(1) Reflects annual increases in salary that took effect during 2014. Annual base salaries as of December 31, 2014 were as follows:

| | |
|---|---|
| Soren Schroder: | $1,200,000 |
| Andrew Burke: | $725,000 |
| Raul Padilla: | $1,052,239 |
| Brian Thomsen: | $778,564 |
| Gordon Hardie: | $650,000 |

(2) The amounts shown reflect the aggregate full grant date fair value for equity awards for financial reporting purposes in accordance with ASC Topic 718 (without any reduction for risk of forfeiture) as determined based on applying the assumptions used in Bunge's audited financial statements. See Note 25 to the audited consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2014 (the "Form 10-K") regarding assumptions underlying the valuation of equity awards. Amounts reported for these awards may not represent the amounts that the Named Executive Officers will actually realize from the awards. Whether, and to what extent, a Named Executive Officer realizes value will depend on Bunge's actual operating performance, stock price fluctuations and the Named Executive Officer's continued employment.

(3) Based on the full grant date fair value of the performance based restricted stock units granted on February 28, 2014, the following are the maximum payouts, assuming the maximum level of performance is achieved: Mr. Schroder, $5,960,250; Mr. Burke, $1,748,340; Mr. Padilla, $1,748,340; Mr. Thomsen, $2,332,998; and

Mr. Hardie, $1,509,930. For additional information on these awards, see "Compensation Discussion and Analysis" on page 22 of this proxy statement.

(4) Incentive compensation awards under the Annual Incentive Plan for the 2014 fiscal year that were paid in March 2015.

(5) The aggregate change in the actuarial present value of the accumulated pension benefit as shown in the Pension Benefits Table from year to year. Importantly, the change in pension value is not currently paid to an executive as compensation, but is a measurement of the change in actuarial present value from the prior year. For information about the assumptions used, see the Pension Benefits Table on page 49 of this proxy statement. There are no above market or preferential earnings with respect to the non-qualified deferred compensation arrangements.

(6) Mr. Schroder received Company matching contributions to his 401(k) Plan account of $10,400 and to his Excess 401(k) Plan account of $38,000, and a payment of $5,559 in connection with his relocation pursuant to his promotion to CEO.

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Mr. Burke received Company matching contributions to his 401(k) Plan account of $10,400 and to his Excess 401(k) Plan account of $24,000. Mr. Padilla received Company matching contributions to his 401(k) Plan account of $6,375 and, in connection with his overseas relocation and employment: a relocation allowance of $263,060; a tax equalization payment of $1,650 solely due to moving expenses associated with his overseas employment; reimbursement of temporary living expenses of $43,843; a Company contribution to a statutory retirement plan of $56,688; and a one month salary bonus of $52,625 as required by Brazilian law. In 2014, Mr. Padilla also received an automobile acquisition allowance, which covers a three-year period, as well as an automobile maintenance allowance, totaling $107,737. Mr. Thomsen, in connection with his overseas employment received an automobile allowance of $10,920 and a Company contribution to a statutory retirement plan of $78,463 as required by Swiss law. Mr. Hardie did not participate in the 401(k) Plan or Excess 401(k) Plan in 2014 and received no allowances.

(7) As required by SEC rules, "Total" represents the sum of all columns in the table.

(8) Mr. Schroder was not a Named Executive Officer in 2012.

(9) Amounts shown have been converted from Brazilian reais to U.S. dollars at the exchange rate of 2.68 U.S. dollars per Brazilian real as of December 31, 2014.

(10) Mr. Thomsen was not a Named Executive Officer in 2012 or 2013.

(11) Amounts shown have been converted from Swiss francs to U.S. dollars at the exchange rate of .989 U.S. dollars per Swiss franc as of December 31, 2014.

(12) Amount shown represents a prorated bonus based solely on the performance of the Grains & Oilseeds Product Lines that was payable to Mr. Thomsen for his period of service (from January 1 April 30, 2014) as Managing Director, Grains & Oilseeds Product Lines.

(13) Includes a grant on May 1, 2014 to Mr. Thomsen of 40,500 stock options and a target award of 13,500 performance-based restricted stock units in connection with his promotion to Managing Director, Global Agribusiness and CEO, Bunge Product Lines.

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**Grants of Plan-Based Awards Table**

The following table sets forth information with respect to awards under our Annual Incentive Plan and Equity Incentive Plan to the Named Executive Officers for the fiscal year ended December 31, 2014.

| | | Estimated Future Payouts Under Non-Equity Incentive Plan Awards(1) | | | Estimated Future Payouts Under Equity Incentive Plan Awards(2) | | | All Other Stock Awards: Number of Shares or Units | All Other Options Awards: Number of Securities Underlying Options(3) | Exercise or Base Price of Option Awards | Closing Price on Grant Date | Grant D Fair Va of Stoc and Opt Awards |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Names** | **Grant Date** | **Threshold ($)** | **Target ($)** | **Maximum ($)** | **Threshold (#)** | **Target (#)** | **Maximum (#)** | **(#)** | **(#)** | **($/Sh)** | **($)** | **($)** |
| Soren Schroder | | | | | | | | | | | | |
| 2014 AIP | 02/28/14 | $ 576,000 | $ 1,920,000 | $ 4,800,000 | | | | | | | | |
| 2014 LTIP 2015-17 PBRSUs | 02/28/14 | | | | 18,750 | 37,500 | 75,000 | | | | $ 79.61 | $ 2,980, |
| 2014 LTIP Stock Options | 02/28/14 | | | | | | | | 112,500 | $ 79.47 | 79.61 | 3,186, |
| Andrew J. Burke | | | | | | | | | | | | |
| 2014 AIP | 02/28/14 | 217,500 | 725,000 | 1,812,500 | | | | | | | | |
| 2014 LTIP 2015-17 PBRSUs | 02/28/14 | | | | 5,500 | 11,000 | 22,000 | | | | 79.61 | 874, |
| 2014 LTIP Stock Options | 02/28/14 | | | | | | | | 33,000 | 79.47 | 79.61 | 934, |
| Raul Padilla | | | | | | | | | | | | |
| 2014 AIP | 02/28/14 | 295,748 | 985,820 | 2,464,550 | | | | | | | | |
| 2014 LTIP 2015-17 PBRSUs | 02/28/14 | | | | 5,500 | 11,000 | 22,000 | | | | 79.61 | 874, |
| 2014 LTIP Stock Options | 02/28/14 | | | | | | | | 33,000 | 79.47 | 79.61 | 934, |
| Brian Thomsen | | | | | | | | | | | | |
| 2014 AIP | 02/28/14 | 274,014 | 913,380 | 2,283,450 | | | | | | | | |
| 2014 LTIP 2015-17 PBRSUs | 02/28/14 | | | | 850 | 1,700 | 3,400 | | | | 79.61 | 135, |
| 2014 LTIP Stock Options | 02/28/14 | | | | | | | | 5,100 | 79.47 | 79.61 | 144, |
| 2014 LTIP 2015-17 PBRSUs | 05/01/14 | | | | 6,750 | 13,500 | 27,000 | | | | 75.34 | 1,031, |
| 2014 LTIP Stock Options | 05/01/14 | | | | | | | | 40,500 | 76.40 | 75.34 | 1,082, |
| Gordon Hardie | | | | | | | | | | | | |
| 2014 AIP | 02/28/14 | 195,000 | 650,000 | 1,625,000 | | | | | | | | |
| 2014 LTIP 2015-17 PBRSUs | 02/28/14 | | | | 4,750 | 9,500 | 19,000 | | | | 79.61 | 754, |
| 2014 LTIP Stock Options | 02/28/14 | | | | | | | | 28,500 | 79.47 | 79.61 | 807, |

(1) Represents the range of annual cash incentive award opportunities under the Company Annual Incentive Plan. The performance period for the AIP began on January 1, 2014.

(2) Represents the range of shares that may be released at the end of the 2014-2016 performance period for performance-based restricted stock units ("PBRSUs") awarded under the Company's Equity Incentive Plan ("EIP"). On May 1, 2014, in connection with Mr. Thomsen's promotion, he was granted additional PBRSUs for the 2014-2016 performance period on the same terms as the PBRSUs granted on February 28, 2014. Payment of the award is subject to the achievement of certain Company financial metrics during the performance period. For additional discussion, see "PBRSU Awards" on page 36 of this proxy statement.

(3) On February 27, 2014, the Compensation Committee granted stock options to the Named Executive Officers effective as of February 28, 2014. Under the EIP, the exercise price of the stock options was determined based on the average of the high and low sale prices of Bunge's common shares on the New York Stock Exchange on the grant date of the option (February 28, 2014). The average of the high and low sale prices of Bunge's common shares on the NYSE on February 28, 2014 was $79.47. February 28, 2014 is the grant date of the stock options for purposes of ASC Topic 718. On May 1, 2014, in connection with Mr. Thomsen's promotion, he was granted 40,500 stock options with an exercise price of $76.40, based on the average of the high and low sale price of Bunge's common shares on the NYSE on May 1, 2014.

The stock options vest in three equal installments commencing on the first anniversary of the date of grant and generally remain exercisable until the tenth anniversary of the date of grant.

(4) This column shows the full grant date fair value of PBRSUs and stock options (as applicable) under ASC Topic 718 granted to the Named Executive Officers in 2014. Generally, the full grant date fair value is the amount the Company would expense in its financial statements over the award's vesting schedule. See Note 25 to the audited consolidated financial statements in our Annual Report on Form 10-K regarding assumptions underlying valuation of equity awards.

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**Outstanding Equity Awards Table**

The following table sets forth information with respect to all outstanding equity awards held by the Named Executive Officers as of December 31, 2014.

| | Option Awards(1) | | | | | Stock Awards(2) | | |
|---|---|---|---|---|---|---|---|---|
| | Date of Grant | Number of Securities Underlying Unexercised Options (# Exercisable) | Number of Securities Underlying Unexercised Options (# Unexercisable) | Option Exercise Price ($) | Option Expiration Date | Date of Grant | Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights Held That Have Not Yet Vested (#) | Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights Held That Have Not Vested ($) |
| Soren Schroder | 02/24/06 | 3,333 | | $57.01 | 02/24/16 | | | |
| | 02/27/07 | 4,300 | | 80.06 | 02/27/17 | | | |
| | 02/29/08 | 4,350 | | 110.75 | 02/28/18 | | | |
| | 03/13/09 | 4,500 | | 51.61 | 03/13/19 | | | |
| | 03/03/10 | 25,000 | | 61.60 | 03/03/20 | | | |
| | 03/02/11 | 30,000 | | 71.20 | 03/02/21 | | | |
| | 02/29/12 | 25,000 | 12,500 | 67.63 | 02/28/22 | 03/05/13(3) | 12,725 | 1,156,830 |
| | 03/05/13 | 12,725 | 25,450 | 74.33 | 03/05/23 | 03/05/13(4) | 26,907 | 2,446,115 |
| | 02/28/14 | | 112,500 | 79.47 | 02/28/24 | 02/28/14(5) | 37,500 | 3,409,125 |
| Andrew J. Burke | 02/25/05 | 11,400 | | 52.66 | 02/25/15 | | | |
| | 02/24/06 | 13,800 | | 57.01 | 02/24/16 | | | |
| | 02/27/07 | 12,500 | | 80.06 | 02/27/17 | | | |
| | 02/29/08 | 9,000 | | 110.75 | 02/28/18 | | | |
| | 03/13/09 | 14,000 | | 51.61 | 03/13/19 | | | |
| | 03/03/10 | 15,000 | | 61.60 | 03/03/20 | | | |
| | 03/02/11 | 30,000 | | 71.20 | 03/02/21 | | | |
| | 02/29/12 | 25,000 | 12,500 | 67.63 | 02/28/22 | 03/05/13(3) | 10,000 | 909,100 |
| | 03/05/13 | 10,000 | 20,000 | 74.33 | 03/05/23 | 03/05/13(6) | 6,750 | 613,643 |
| | 02/28/14 | | 33,000 | 79.47 | 02/28/24 | 02/28/14(5) | 11,000 | 1,000,010 |
| Raul Padilla | 02/25/05 | 13,500 | | 52.66 | 02/25/15 | | | |
| | 02/24/06 | 15,000 | | 57.01 | 02/24/16 | | | |
| | 02/27/07 | 12,500 | | 80.06 | 02/27/17 | | | |
| | 02/29/08 | 9,000 | | 110.75 | 02/28/18 | | | |
| | 03/13/09 | 14,000 | | 51.61 | 03/13/19 | | | |
| | 03/03/10 | 15,000 | | 61.60 | 03/03/20 | | | |
| | 03/02/11 | 30,000 | | 71.20 | 03/02/21 | | | |
| | 02/29/12 | 25,000 | 12,500 | 67.63 | 02/28/22 | | | |
| | 03/05/13 | 10,000 | 20,000 | 74.33 | 03/05/23 | 03/05/13(3) | 10,000 | 909,100 |
| | 02/28/14 | | 33,000 | 79.47 | 02/28/24 | 02/28/14(5) | 11,000 | 1,000,010 |
| Brian Thomsen | 02/27/07 | 4,800 | | 80.06 | 02/27/17 | | | |
| | 02/29/08 | 4,650 | | 110.75 | 02/28/18 | | | |
| | 02/29/12 | | 2,100 | 67.63 | 02/28/22 | | | |
| | 03/05/13 | 1,600 | 3,200 | 74.33 | 03/05/23 | 03/05/13(3) | 1,600 | 145,456 |
| | 02/28/14 | | 5,100 | 79.47 | 02/28/24 | 02/28/14(5) | 1,700 | 154,547 |
| | 05/01/14 | | 40,500 | 76.40 | 05/01/24 | 05/01/14(5) | 13,500 | 1,227,287 |
| Gordon Hardie | 02/29/12 | 16,667 | 8,333 | 67.63 | 02/28/22 | | | |
| | 03/05/13 | 6,668 | 13,332 | 74.33 | 03/05/23 | 03/05/13(3) | 6,700 | 609,097 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 02/28/14 | | 28,500 | 79.47 | 02/28/24 | 02/28/14[5] | 9,500 | 863,645 |

(1) Represents grants made from 2005-2014. Options vest in one-third installments on the first, second and third anniversaries of their respective date of grant. All options have a 10-year term. Unless otherwise noted, outstanding equity awards are fully vested as of December 31, 2014.

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(2) Value of unvested restricted stock units using a share price of $90.91, the closing price of Bunge common shares on December 31, 2014. PBRSUs for the 2012-2014 performance cycle are not included in the table. No shares were paid out with respect to the 2012-2014 performance cycle because result were below threshold performance levels.

(3) Payment amount of the PBRSUs will be determined as of December 31, 2015 based on satisfaction of target performance measures for the 2013-2015 performance period. Employee must generally be employed on the vesting date.

(4) Time-based RSUs that fully vest on March 5, 2016.

(5) Payment amount of the PBRSUs will be determined as of December 31, 2016 based on satisfaction of target performance measures for the 2014-2016 performance period. Employee must generally be employed on the vesting date.

(6) Time-based RSUs that vested ratably in two equal installments commencing on March 5, 2014, subject to the completion of the sale of the fertilizer blending and distribution business.

**Option Exercises and Stock Vested Table**

The following table sets forth information with respect to the exercise of stock options and restricted stock units awarded to the Named Executive Officers that vested or were earned during 2014.

| | Option Awards | | Stock Awards | |
|---|---|---|---|---|
| **Name** | **Number of Shares Acquired on Exercise (#)** | **Value Realized Upon Exercise ($)** | **Number of Shares Acquired on Vesting (#)** | **Value Realized Upon Vesting ($)** |
| Soren Schroder | | | | |
| Andrew J. Burke | | | 1,740(1) | 138,201 |
| | | | 6,853(2) | 536,453 |
| Raul Padilla | 20,000(3) | $ 819,580(4) | | |
| Brian Thomsen | 29,450(3) | $ 558,951(5) | | |
| Gordon Hardie | | | 3,552(2) | 278,051 |
| | | | 3,139(6) | 261,228 |

(1) Represents time-based restricted stock units that vested on March 2, 2014. Value realized upon vesting was determined by multiplying the number of shares acquired by the average of the high and low sale prices of Bunge's common shares on March 2, 2014 ($79.47) and March 3, 2014 ($78.43).

(2) Represents time-based restricted stock units that vested on March 5, 2014. Value realized upon vesting was determined by multiplying the number of shares acquired by the average of the high and low sale prices of Bunge's common shares on March 5, 2014 ($78.28).

(3) Represents the total number of Bunge common shares acquired upon exercise of stock options.

(4) Value realized upon exercise of the stock options is based on the actual sales price of the Bunge common shares acquired upon exercise on March 5, 2014 ($78.06), minus the exercise price of the stock options.

(5) Value realized upon exercise of the stock options is based on the weighted average sales price of the Bunge common shares acquired upon exercise of the applicable stock options on March 4, 2014 ($78.89), minus the applicable exercise prices of the stock options.

(6) Represents time-based restricted stock units that vested on October 1, 2014. Value realized upon vesting was determined by multiplying the number of shares acquired by the average of the high and low sale prices of Bunge's common shares on October 1, 2014 ($83.22).

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**Pension Benefits Table**

The following table sets forth pension benefit information for the Named Executive Officers with respect to each defined benefit pension plan in which such executive participates as of December 31, 2014.

| Name | Plan Name | Number of Years of Credited Service (#) | Present Value of Accumulated Benefits ($)[1] | Payments During Last Fiscal Year ($) |
|---|---|---|---|---|
| Soren Schroder | Pension Plan | 9 | $ 294,774 | |
| | SERP | 9 | 557,711 | |
| | Excess Plan | 9 | 1,212,009 | |
| Andrew J. Burke | Pension Plan | 13 | 552,697 | |
| | SERP | 13 | 787,293 | |
| | Excess Plan | 13 | 1,826,621 | |
| Raul Padilla | Pension Plan | 4 | 153,933 | |
| | SERP | 4 | 391,634 | |
| | Excess Plan | 4 | 814,451 | |
| Brian Thomsen[2] | Pension Plan | | | |
| | SERP | | | |
| | Excess Plan | | | |
| Gordon Hardie | Pension Plan | 3 | 98,820 | |
| | SERP | 3 | 68,783 | |
| | Excess Plan | 3 | 210,327 | |

(1) Amounts were calculated as of December 31, 2014, using assumptions that were used for Bunge's audited consolidated financial statements based on the earliest age that an individual could receive an unreduced pension benefit. See Note 19 to the audited consolidated financial statements in the Form 10-K for material assumptions.

(2) Mr. Thomsen is not eligible to participate in the defined benefit plans based on his overseas employment.

**Retirement Plan Benefits**

The Named Executive Officers are eligible to receive retirement benefits under the Pension Plan, the SERP and the Excess Benefit Plan. Information regarding each of these plans is set forth below.

***The Pension Plan***

The Pension Plan is a tax qualified retirement plan that covers substantially all of our U.S.-based salaried and non-union hourly employees. The Pension Plan pays benefits at retirement to participants who terminate employment or retire from Bunge after meeting the eligibility requirements for a benefit. The Pension Plan provides pension benefits based on: (i) the participant's highest average salary for 60 consecutive months within the 120 consecutive months prior to termination of employment ("final average salary") and (ii) the participant's length of service.

A participant's annual benefit is calculated as (i) 1% of his or her final average salary multiplied by his or her years of benefit service and (ii) 0.5% of his or her final average salary over the average of the social security wage base multiplied by years of benefit service to a maximum of 35 years. For purposes of the Pension Plan, average social security wage base means the average of the social security wage base during the 35-year period preceding the participant's social security retirement

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age. For purposes of the Pension Plan, a participant's salary for a year is deemed to include base salary and 50% of any award under our annual incentive plans for that year. Because the Pension Plan is a tax qualified retirement plan, a participant's salary is restricted by the compensation limit imposed by the Internal Revenue Code. For 2014, this salary limit was $260,000. If a participant's salary exceeds this limit, such amounts are subject to the non-tax qualified retirement plans described below.

Participants are entitled to an annual pension benefit for life, payable in equal monthly installments. Participants may earn increased pension benefits by working additional years. The normal retirement age under the Pension Plan at which a participant may receive an unreduced normal retirement benefit is age 65. Participants who complete 10 or more years of service with the Company may elect to receive an early retirement benefit following attainment of age 55. Mr. Burke and Mr. Padilla are eligible to elect to receive an early retirement benefit. Benefits payable to a participant who retires between ages 60 and 62 are subject to a 0.4% reduction for each month before age 62 and a 0.5% reduction for each month between ages 55 and 59. Participants who have 10 years of service and retire on or after age 62 are eligible to receive an unreduced early retirement benefit.

The present value estimates shown in the Pension Benefits Table assume payment in the form of a single life annuity of the Named Executive Officer's accrued benefit under the Pension Plan, based on a participant's salary and service through December 31, 2014 (the Pension Plan measurement date for financial reporting purposes) and commencing on the earliest date that benefits are available unreduced. The present value assumes a discount rate of 4.2% and mortality as set forth in the Mercer Industry Longevity Experience Study generational annuitant only mortality table with no collar for the Consumer Goods and Food and Drink industry projected using the mortality improvement scale implied by the Social Security Administration's rates of mortality.

***The Excess Benefit Plan***

The Excess Benefit Plan, a non-tax qualified retirement plan, is designed to restore retirement benefits that cannot be paid from the Pension Plan due to the Internal Revenue Code limits described above. The benefit provided under the Excess Benefit Plan will equal the difference between (i) the benefit that would have been earned under the Pension Plan, without regard to any Internal Revenue Code limitations, and (ii) the actual benefit payable from the Pension Plan. All Named Executive Officers in the Pension Plan are potentially eligible to participate in the Excess Benefit Plan, provided that their Pension Plan benefits are limited by the Internal Revenue Code.

Benefits payable under the Excess Benefit Plan are payable to participants following termination of employment on the later of the first day of the month following the participant's (i) six-month anniversary of termination of employment or (ii) 65th birthday, or if the participant has 10 years of service, the first day of the month following the participant's 62nd birthday, in accordance with the applicable restrictions set forth in Section 409A of the Internal Revenue Code. All amounts under the Excess Benefit Plan are paid out of the Company's general assets.

The present value estimates shown in the Pension Benefits Table for accumulated benefits under the Excess Benefit Plan are determined using the same payment, discount rate and mortality assumptions as were used to estimate the values shown for the Pension Plan.

***The SERP***

We have adopted the SERP, a non-tax qualified retirement plan, to attract, retain and reward certain key employees whose benefits under the Pension Plan and the Excess Benefit Plan are limited by the definition of compensation in the Pension Plan and further limited by the Internal Revenue Code. The Board designates those key employees who are eligible to participate in the SERP.

A participant's SERP benefit equals the amount that his or her benefit would equal if the Pension Plan (i) included 100% of such participant's bonus compensation when calculating his or her

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benefit and (ii) was administered without regard to any Internal Revenue Code limitation over any amounts payable to such participant under the Pension Plan and/or Excess Benefit Plan, as applicable.

Benefits payable under the SERP are paid coincident with and in the same distribution form and manner as the payment of the participant's benefit under the Excess Benefit Plan, subject to applicable restrictions set forth in Section 409A of the Internal Revenue Code. All amounts under the SERP are paid out of the Company's general assets.

The present value estimates shown in the Pension Benefits Table for accumulated benefits under the SERP are determined using the same payment, discount rate and mortality assumptions as were used to estimate the values shown for the Pension Plan.

**Nonqualified Deferred Compensation Table**

The following table sets forth certain information with respect to our nonqualified deferred compensation plans in which the Named Executive Officers participate as of December 31, 2014.

| | Nonqualified Deferred Compensation | | | | |
|---|---|---|---|---|---|
| Name | Executive Contributions in Last FY ($) | Registrant Contributions in Last FY[1] ($) | Aggregate Earnings in Last FY ($) | Aggregate Withdrawals/ Distributions ($) | Aggregate Balance at Last FYE ($) |
| Soren Schroder | | $ 38,000 | $ 3,873 | | $ 52,506 |
| Andrew J. Burke | | $ 24,000 | $ 26,930 | | $ 224,731 |
| Raul Padilla | | | $ 7,920 | $ 347,150[2] | $ 1,049,493[3] |
| Brian Thomsen | | | | | |
| Gordon Hardie | | | | | |

(1) The amount set forth for each Named Executive Officer is reported in the "All Other Compensation" column of the Summary Compensation Table.

(2) Represents a portion of the supplemental annual incentive award previously made to Mr. Padilla that was mandatorily deferred, as reported in the 2012 proxy statement. This amount was paid on March 31, 2014.

(3) Mr. Padilla's aggregate account balance as of December 31, 2014 consisted of (i) $985,650, representing the portion of his supplemental annual incentive awards made in March 2013 and March 2014 that were mandatorily deferred and (ii) $63,843, representing his aggregate Excess 401(k) Plan contributions and cumulative earnings thereon.

***401(k) Plan***

The Company sponsors the 401(k) Plan, a tax-qualified retirement plan that covers substantially all of Bunge's U.S.-based salaried and non-union hourly employees. Participants may contribute up to 50% of their compensation on a before-tax basis into their 401(k) Plan accounts. In addition, the Company matches an amount equal to 100% for each dollar contributed by participants on the first 3% of their regular earnings and 50% for each dollar contributed on the next 2% of their regular earnings.

Because the 401(k) Plan is a tax qualified retirement plan, the Internal Revenue Code limits the "additions" that can be made to a participant's 401(k) plan account each year (for 2014, $52,000). "Additions" include Company matching contributions and before-tax contributions made by a participant. In addition, the Internal Revenue Code limits the amount of annual compensation that may be taken into account in computing benefits under the 401(k) Plan. In 2014, this compensation limit was $260,000.

Participants may also direct the investment of their 401(k) Plan accounts into several investment alternatives, including a Bunge common share fund.

***Excess Contribution Plan***

The Company sponsors the Excess Contribution Plan, which is a non-tax qualified defined contribution plan that is designed to restore retirement benefits that cannot be paid from the 401(k)

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Plan due to Internal Revenue Code limits. Participants in the 401(k) Plan are eligible to participate in the Excess Contribution Plan, provided that their 401(k) Plan benefits are limited by the Internal Revenue Code.

The amounts shown as "Registrant Contributions" represent Company matching contributions made under the Excess Contribution Plan to the Named Executive Officers and are also reported in the "All Other Compensation" column of the Summary Compensation Table. The benefit provided under the Excess Contribution Plan is equal to the difference between the benefit that would have been earned under the 401(k) Plan, without regard to any Internal Revenue Code limits, and the actual benefit provided under the 401(k) Plan. A Participant's account balance is credited with the same investment return as the investment alternatives he or she selected under the 401(k) Plan (including the Bunge common share fund).

Payments are made from the Company's general assets in a lump sum cash payment following a participant's termination of employment, subject to applicable restrictions set forth in Section 409A of the Internal Revenue Code.

***Bunge Limited Employee Deferred Compensation Plan (the "Deferred Compensation Plan")***

The Deferred Compensation Plan, which is a non-tax qualified deferred compensation plan, is designed to provide participants with an opportunity to defer receipt of current income into the future on a tax-deferred basis. Amounts deferred into the Deferred Compensation Plan are shown as "Executive Contributions" and are reported in the Summary Compensation Table and, in the case of PBRSUs, have previously been reported.

Eligible employees (including the Named Executive Officers) who meet the minimum base salary level may participate in the Deferred Compensation Plan. For 2014, the minimum base salary level required to participate in the Deferred Compensation Plan was $260,000.

The Deferred Compensation Plan allows participants to voluntarily defer from 1% to 10% of their base salary and 10% to 100% of their annual incentive compensation and PBRSUs. Gains and losses are credited based on a participant's election of a variety of deemed investment choices.

Subject to the applicable restrictions set forth in Section 409A of the Internal Revenue Code, a Participant may elect to defer receipt of income for any period not less than 36 months from the date of deferral and will receive a distribution of his or her account following the end of his or her elected deferral period or death. Subject to applicable restrictions set forth in Section 409A of the Internal Revenue Code, participants may elect to receive payment of their deferred account balance in a lump sum or in up to 25 annual installments. Distributions of a participant's account are made in cash and from Bunge's general assets.

## Potential Payments Upon Termination of Employment or Change of Control

The Company has entered into certain agreements and maintains certain plans that will require us to provide compensation to the Named Executive Officers in the event of certain terminations of employment. The amount of compensation payable to the Named Executive Officer in each situation is shown in the table below. The amounts assume that the respective termination of employment event occurred on December 31, 2014.

These amounts are estimates only and do not necessarily reflect the actual amounts that would be paid to the Named Executive Officers, which would only be known at the time that they become eligible for payment. The amounts are in addition to (i) vested or accumulated benefits generally under Bunge's defined benefit pension plans, 401(k) plans, and non-qualified deferred compensation plans, which are set forth in the disclosure tables above; (ii) benefits paid by insurance providers under life and disability insurance policies; and (iii) benefits generally available to U.S. salaried employees, such as accrued vacation.

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Unless stated otherwise, the value of unvested and accelerated stock options shown in the tables below have been determined by multiplying (i) the number of unvested stock options that would have been accelerated by (ii) the difference between (x) the exercise price of the stock option and (y) the average of the high and low sale prices of Bunge's common shares on December 31, 2014 ($91.50). Likewise, the value of unvested restricted stock unit awards shown in the tables below have been determined by multiplying (i) the number of unvested restricted stock units that would have been accelerated by (ii) the average of the high and low sale prices of Bunge's common shares on December 31, 2014.

| Name | Executive Benefits and Payments Upon Termination[(1)] | Death, Disability or Retirement ($) | Termination without Cause or Resignation for Good Reason ($) | Change of Control followed by Termination without Cause or Resignation for Good Reason ($) |
|---|---|---|---|---|
| Soren Schroder | **Cash Compensation**[(2)] | | | |
| | Severance | $ | $ 3,335,000 | $ 5,520,000 |
| | ProRata Annual Incentive Plan Award | 1,920,000 | 1,920,000 | 1,920,000 |
| | Medical Continuation | | 9,312 | 27,935 |
| | **Equity Incentive Plan**[(3)] | | | |
| | Performance-Based Restricted Stock Units | | | |
| | 2013 2015 | 708,172 | 1,164,338 | 1,164,338 |
| | 2014 2016 | 958,870 | 3,431,250 | 3,431,250 |
| | Stock Options Unvested and Accelerated | 2,088,727 | 2,088,727 | 2,088,727 |
| | Time-Based RSUs Unvested and Accelerated | 2,461,991 | 2,461,991 | 2,461,991 |
| | **Total** | 8,137,760 | 14,410,618 | 16,614,241 |
| Andrew J. Burke | **Cash Compensation**[(4)] | | | |
| | Severance | | 1,450,000 | |
| | ProRata Annual Incentive Plan Award | 725,000 | 725,000 | |
| | **Equity Incentive Plan**[(3)] | | | |
| | Performance-Based Restricted Stock Units | | | |
| | 2013 2015 | 556,521 | 556,521 | |
| | 2014 2016 | 319,623 | 319,623 | |
| | Stock Options Unvested and Accelerated | 1,038,765 | 602,405 | |
| | Time-Based RSUs Unvested and Accelerated | 617,625 | | |
| | **Total** | 3,257,534 | 3,653,549 | |

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| Name | Executive Benefits and Payments Upon Termination(1) | Death, Disability or Retirement ($) | Termination without Cause or Resignation for Good Reason ($) | Change of Control followed by Termination without Cause or Resignation for Good Reason ($) |
|---|---|---|---|---|
| Raul Padilla | **Cash Compensation**(5) | | | |
| | Severance | | 2,104,478 | |
| | ProRata Annual Incentive Plan Award | 1,052,239 | 1,052,239 | |
| | **Equity Incentive Plan**(3) | | | |
| | Performance-Based Restricted Stock Units | | | |
| | 2013 2015 | 556,521 | 556,521 | |
| | 2014 2016 | 281,268 | 281,268 | |
| | Stock Options Unvested and Accelerated | 1,038,765 | 590,375 | |
| | Time-Based RSUs Unvested and Accelerated | | | |
| | **Total** | 2,928,793 | 4,584,881 | |
| Brian Thomsen | **Cash Compensation**(6) | | | |
| | Severance | | 1,946,411 | |
| | ProRata Annual Incentive Plan Award | 1,167,846 | 1,167,846 | |
| | **Equity Incentive Plan**(3) | | | |
| | Performance-Based Restricted Stock Units | | | |
| | 2013 2015 | 89,043 | 89,043 | |
| | 2014 2016 | 318,721 | 318,721 | |
| | Stock Options Unvested and Accelerated | 777,974 | 268,482 | |
| | Time-Based RSUs Unvested and Accelerated | | | |
| | **Total** | 2,353,584 | 3,790,503 | |
| Gordon Hardie | **Cash Compensation**(7) | | | |
| | Severance | | 1,300,000 | |
| | ProRata Annual Incentive Plan Award | 650,000 | 650,000 | |
| | **Equity Incentive Plan**(3) | | | |
| | Performance-Based Restricted Stock Units | | | |
| | 2013 2015 | 372,869 | 372,869 | |
| | 2014 2016 | 242,914 | 242,914 | |
| | Stock Options Unvested and Accelerated | 770,674 | 427,669 | |
| | Time-Based RSUs Unvested and Accelerated | | | |
| | **Total** | 2,036,457 | 2,993,452 | |

(1) Total does not include vested amounts or accumulated benefits through December 31, 2014, including vested stock options, accumulated retirement benefits and amounts under deferred compensation plans, as those amounts are set forth in the disclosure tables above.

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(2) For purposes of this table, Mr. Schroder's compensation for 2015 is as follows: base salary equal to $1,200,000 and a target annual bonus equal to $1,920,000.

(3) For disclosure purposes only, we have assumed that target performance measures were achieved for performance-based awards as of December 31, 2014.

(4) For purposes of this table, Mr. Burke's compensation for 2014 is as follows: base salary equal to $725,000 and a target annual bonus equal to $725,000. Pursuant to Mr. Burke's employment offer letter dated December 4, 2001, as amended, if his employment is terminated under circumstances that would call for severance pay under the Company's severance program, he is entitled to the greater of (i) the standard severance benefits of the Company at the time of termination or (ii) a payment equivalent to 12 months of his then base salary, plus 12 months of his target AIP award. In addition, if the termination is not performance-related, Mr. Burke will receive his pro-rated AIP award for the year in which his employment is terminated. For disclosure purposes only, we have assumed that the termination was not performance-related. Such benefits would be contingent upon delivery of a release of any employment-related claims against the Company in a form mutually agreeable to Mr. Burke and the Company.

(5) For purposes of this table, Mr. Padilla's compensation for 2014 is as follows: base salary equal to $1,052,239 and a target annual bonus equal to $1,052,239. Pursuant to Mr. Padilla's employment offer letter effective as of July 1, 2010, if his employment is terminated under circumstances that would call for severance pay under the Company's severance program, he is entitled to the greater of (i) the standard severance benefits of the Company at the time of termination or (ii) a payment equivalent to 12 months of his then base salary, plus 12 months of his target AIP award. In addition, if the termination is not performance-related, Mr. Padilla will receive his pro-rated AIP award for the year in which his employment is terminated. For disclosure purposes only, we have assumed that the termination was not performance-related. Such benefits would be contingent upon delivery of a release of any employment-related claims against the Company in a form mutually agreeable to Mr. Padilla and the Company.

(6) For purposes of this table, Mr. Thomsen's compensation for 2014 is as follows: base salary equal to $778,564 and a target annual bonus equal to $1,167,846. Pursuant to Mr. Thomsen's employment offer letter effective April 11, 2014, if his employment is terminated under circumstances that would call for severance pay under the Company's severance program, he is entitled to the greater of (i) the standard severance benefits of the Company at the time of termination or (ii) a payment equivalent to 12 months of his then base salary, plus 12 months of his target AIP award. In addition, if the termination is not performance-related, Mr. Thomsen will receive his pro-rated AIP award for the year in which his employment is terminated. For disclosure purposes only, we have assumed that the termination was not performance-related. Such benefits would be contingent upon delivery of a release of any employment related claims against the Company in a form mutually agreeable to Mr. Thomsen and the Company.

(7) For purposes of this table, Mr. Hardie's compensation for 2014 is as follows: base salary equal to $650,000 and a target annual bonus equal to $650,000. Pursuant to Mr. Hardie's offer letter effective June 14, 2011, if his employment is terminated under circumstances that would call for severance pay under the Company's severance program, he is entitled to the greater of (i) the standard severance benefits of the Company at the time of termination or (ii) a payment equivalent to 12 months of his then base salary, plus his target AIP award. In addition, if the termination is not performance-related, Mr. Hardie will receive his pro-rated AIP award for the year in which his employment is terminated. For disclosure purposes only, we have assumed that the termination was not performance-related. Such benefits would be contingent upon delivery of a release of any employment-related claims against the Company in a form mutually agreeable to Mr. Hardie and the Company.

***Additional Information Regarding Potential Payments Upon Termination of Employment or Change of Control***

***Schroder Employment Agreement.*** On February 6, 2013, Bunge entered into an employment agreement with Mr. Schroder in connection with his promotion to CEO.

In the event of Mr. Schroder's termination without "Cause" or his resignation for "Good Reason" before a "Change of Control," his severance will be equal to:

- two times the sum of the highest base salary paid to him over the two-year period immediately prior to his termination of employment and the average of the annual cash bonus paid over such two-year period, payable in monthly installments over 24 months (the "severance period");

- a lump sum payment equal to a pro rata portion of the annual bonus he would have been entitled to receive for the performance period had he remained employed;

- continuation, at his own expense, of health and medical insurance coverage under COBRA and, if he is not eligible under the Company's retiree medical plan, a payment equal to the after-tax cost of obtaining coverage for the period between the end of the COBRA

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continuation period and the completion of the applicable severance period; provided, however, if he is eligible under the retiree medical plan and elects to immediately begin his benefit under the Company's pension plan, in lieu of such continuation coverage, he shall be eligible to enroll in the retiree medical plan at his own expense;

- immediate vesting of entitlement to receive retiree medical and life insurance coverage offered to senior executives (if any);
- immediate vesting of any service or performance requirements (to the extent performance is satisfied as of termination) in respect of any equity-based award; and
- without duplication of the above, benefits due to other senior executives upon termination.

In the event of Mr. Schroder's resignation for Good Reason or termination without Cause during a "Change of Control Period," he will be entitled to the same severance benefit as set forth above, except that for purposes of determining the payment amount for the severance period, he will be entitled to receive three times the sum of the highest base salary paid to him over the three-year period immediately prior to his termination and the target annual cash bonus in effect at the time of his termination, payable in monthly installments over a 36-month period.

If Mr. Schroder's employment terminates due to "Disability," he will be entitled to his pro rata bonus due for the year in which such Disability occurs.

If Mr. Schroder's employment terminates due to his death, his estate is entitled to his pro rata bonus due for the year in which his death occurs.

As a condition to receiving the severance benefits, Mr. Schroder will continue to be bound by the terms of the non-competition and non solicitation provisions contained in the employment agreement for 18 months following the date of his termination of employment for any reason and by the terms of the confidentiality provision indefinitely. Mr. Schroder must also execute and deliver a general mutual release of claims against the Company and its subsidiaries.

The following definitions are provided in Mr. Schroder's employment agreement for certain of the terms used in this description:

"Cause" means Mr. Schroder's termination of employment by the Company for any of the following reasons: (a) any willful act or omission or any act of gross negligence that constitutes a material breach of the agreement; (b) willful and continued failure or refusal to substantially perform his duties; (c) willful and material violation of any law or regulation applicable to the Company and its subsidiaries that could reasonably be expected to have an adverse impact on its business or reputation; (d) conviction of, or a plea to, a felony, or any willful fraud; or (d) any other willful misconduct that is materially injurious to the financial condition, business or reputation of, or is otherwise materially injurious to, the Company and its subsidiaries.

"Good Reason" means a resignation by Mr. Schroder for any of the following reasons: (a) a failure to pay material compensation that is due and payable; (b) a material diminution of his authority, responsibilities or positions under the agreement; (c) the occurrence of acts or conduct that prevent or substantially hinder him from performing his duties or responsibilities; or (d) if immediately prior to the Change of Control Period, his principal place of employment is located within the metropolitan New York area, any relocation during the Change of Control Period outside of the metropolitan New York area.

"Disability" means a physical or mental disability or infirmity, as determined by a physician selected by the Company, that prevents (or, in the opinion of such physician, is reasonably expected to prevent) the normal performance of duties as an employee of the Company for any continuous period of

180 days or for 180 days during any one 12-month period.

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"Change of Control" means the occurrence of any of the following events: (a) the acquisition by any person of 35% or more of the Company's common shares; (b) a change in a majority of the members of the Board of Directors without approval of the existing Board members; or (c) a merger, amalgamation or consolidation of the Company, a disposition of all or substantially all of the Company's assets or the acquisition of assets of another corporation, except if it would result in continuity of the Company's shareholders of more than 50% of the then-outstanding common shares and outstanding voting securities, as the case may be.

"Change of Control Period" means the period beginning on the date of the Change of Control and ending 30 months later, and can include the 12-month period immediately preceding such Change of Control, if Mr. Schroder is terminated without Cause during this 12-month period and there is a reasonable basis to conclude such termination was at the request or direction of the acquirer.

***Equity Acceleration Under the 2009 Equity Incentive Plan.*** Under the 2009 Equity Incentive Plan, a participant's equity award will be subject to the following treatment upon a termination of employment (except as otherwise provided under an individual award agreement or employment agreement):

- In the event of a termination of employment due to death, disability or Retirement (defined as termination of employment after attaining age 65), an individual's stock options become fully vested and immediately exercisable. Disability has the same meaning as under the Company long-term disability plan for all awards except incentive stock options, for which disability means permanent and total disability within the meaning of Section 22(e)(3) of the Internal Revenue Code.
- In the event of a termination of employment without Cause or upon early retirement (as defined under Bunge's retirement policies), all stock options that would have vested in the 12-month period following termination of employment will immediately vest and become exercisable.

Generally, for all terminations of employment other than for Cause or voluntary resignation, all performance-based and non-performance-based restricted stock unit awards vest pro rata through the date of termination (though performance based units remain subject to satisfaction of the applicable performance goals).

The 2009 Equity Incentive Plan does not include any provisions requiring accelerated vesting in connection with a change of control.

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## SHARE OWNERSHIP OF DIRECTORS, EXECUTIVE OFFICERS AND PRINCIPAL SHAREHOLDERS

The following table sets forth information regarding the beneficial ownership of our common shares by each member of our Board, each executive officer and our directors and executive officers as a group as of March 2, 2015, based on 145,095,712 shares issued and outstanding.

All holders of our common shares are entitled to one vote per share on all matters submitted to a vote of holders of common shares, and the voting rights attached to common shares held by our directors, executive officers or major shareholders do not differ from those that attach to common shares held by any other holder.

Under Rule 13d-3 of the Exchange Act, "beneficial ownership" includes shares for which the individual, directly or indirectly, has or shares voting or investment power, whether or not the shares are held for the individual's benefit.

| | Amount and Nature of Beneficial Ownership (Number of Shares) | | | |
|---|---|---|---|---|
| **Beneficial Owner** | **Direct or Indirect(1)** | **Voting or Investment Power(2)** | **Right to Acquire(3)** | **Percent of Class** |
| Soren Schroder | 31,849 | | 171,933 | * |
| Ernest G. Bachrach | 49,809 | | 23,114(4) | * |
| Enrique H. Boilini | 49,809 | | 11,000 | * |
| Carol M. Browner | 1,355 | | | * |
| Francis Coppinger | 49,393 | 717,642(5) | 12,705(6) | * |
| Bernard de La Tour d'Auvergne Lauraguais | 344,231 | 3(7) | 11,000 | * |
| William Engels | 15,747 | | 11,000 | * |
| Andrew Ferrier | 2,500 | | | * |
| Kathleen Hyle | 3,343 | | | * |
| L. Patrick Lupo | 15,928 | | 13,000 | * |
| John E. McGlade | | | | * |
| Andrew J. Burke | 36,169 | | 169,550 | * |
| Gordon Hardie | 7,618 | | 47,834 | * |
| David Kabbes | 3,058 | | 24,900 | * |
| Pierre Mauger | 633 | | 14,250 | * |
| Raul Padilla | 55,971 | | 164,000 | * |
| Vicente Teixeira | 19,895 | | 101,584 | * |
| Brian Thomsen | 13,241 | | 16,450 | * |
| All directors and executive officers as a group (18 persons) | 700,549 | 717,645 | 792,320 | 1.52% |

* Less than 1%.

(1) These shares are held individually or jointly with others, or in the name of a bank, broker or nominee for the individual's account or in a family trust.

(2) This column includes other shares over which directors and executive officers have or share voting or investment power, including shares directly owned by certain relatives with whom they are presumed to share voting and/or investment power.

(3) This column includes: (i) shares which directors and executive officers have a right to acquire through the exercise of stock options granted under Bunge's Non-Employee Directors Equity Incentive Plans and the Equity Incentive Plans, respectively, that have vested or will vest within sixty (60) days of March 2, 2015, (ii) restricted stock units and dividend equivalent payments for which shares are issuable within sixty (60) days of March 2, 2015, but are mandatorily deferred in accordance with the terms and conditions of these awards and (iii) shares underlying hypothetical share units held by non-employee directors who have elected

to receive, under the Non-Employee Directors Deferred Compensation Plan, a distribution in the form of common shares.

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(4) Includes 12,164 shares underlying hypothetical share units held under the Non-Employee Directors Deferred Compensation Plan.

(5) Includes 2,563 common shares held by his wife and 715,079 common shares held by a company owned by his wife.

(6) Includes 1,712 shares underlying hypothetical share units held under the Non-Employee Directors Deferred Compensation Plan.

(7) Includes 3 common shares held by his wife.

The following table sets forth information regarding the beneficial ownership of our common shares by persons or groups known to Bunge to be beneficial owners of more than 5% of our issued and outstanding common shares.

| Beneficial Owner | Number of Common Shares Beneficially Owned | Percentage of Common Shares Outstanding on December 31, 2014 |
|---|---|---|
| BlackRock, Inc.[(1)] | 7,465,024 | 5.1% |
| FMR LLC[(2)] | 11,211,702 | 7.707% |
| The Vanguard Group[(3)] | 10,111,697 | 6.96% |
| T. Rowe Price Associates, Inc.[(4)] | 7,539,941 | 5.1% |

(1) Based on information filed with the SEC on Schedule 13G on February 6, 2015: BlackRock, Inc. reported beneficial ownership of 7,465,024 shares, sole voting power as to 6,244,509 of the shares and sole dispositive power as to 7,465,024 of the shares. The principal business address of BlackRock, Inc. is 55 East 52nd Street, New York, NY 10022.

(2) Based on information filed with the SEC on Schedule 13G/A on February 13, 2015: FMR LLC reported beneficial ownership of 11,211,702 shares, sole voting power as to 573,548 of the shares and sole dispositive power as to 11,211,702 of the shares. The principal business address of FMR LLC is 245 Summer Street, Boston, MA 02210.

(3) Based on information filed with the SEC on Schedule 13G/A on February 10, 2015: (i) The Vanguard Group reported beneficial ownership of 10,111,697 shares, sole voting power as to 139,244 of the shares, sole dispositive power as to 9,981,241 of the shares and shared dispositive power as to 130,456 of the shares, (ii) Vanguard Fiduciary Trust Company reported beneficial ownership of 85,156 shares and (iii) Vanguard Investments Australia, Ltd. reported beneficial ownership of 99,388 shares. The principal business address of The Vanguard Group is 100 Vanguard Blvd., Malvern, PA 19355.

(4) Based on the information filed with the SEC on Schedule 13G on February 12, 2015: T. Rowe Price Associates, Inc. reported beneficial ownership of 7,539,941 shares, sole voting power as to 1,619,062 of the shares and sole dispositive power as to 7,539,941 of the shares. The principal business address of T. Rowe Price Associates, Inc. is 100 E. Pratt Street, Baltimore, MD 21202.

## AUDIT COMMITTEE REPORT

Bunge's Audit Committee is composed of five independent directors, all of whom are financially literate. In addition, Bunge's Board has determined that each of Mr. Boilini, Mr. Engels and Ms. Hyle qualifies as an audit committee financial expert as defined under Item 407 of Regulation S-K of the Securities Act of 1933, as amended. The Audit Committee operates under a written charter, which reflects NYSE listing standards and Sarbanes-Oxley Act requirements regarding audit committees. A copy of the charter is available on Bunge's website at *www.bunge.com*.

The Audit Committee's primary role is to assist the Board in fulfilling its responsibility for oversight of (1) the quality and integrity of Bunge's financial statements and related disclosures, (2) Bunge's compliance with legal and regulatory requirements, (3) Bunge's independent auditors' qualifications, independence and performance and (4) the performance of Bunge's internal audit and control functions.

Bunge's management is responsible for the preparation of its financial statements, its financial reporting process and its system of internal controls. Bunge's independent auditors are responsible for performing an audit of the financial statements in accordance with the standards of the Public Company Accounting Oversight Board (PCAOB), and issuing an opinion as to the conformity of those audited financial statements to U.S. generally accepted accounting principles. The Audit Committee monitors and oversees these processes.

The Audit Committee has adopted a policy designed to increase its oversight of Bunge's independent auditor. Under the policy, the Audit Committee approves all audit, audit-related services, tax services and other services provided by the independent auditor. In addition, any services provided by the independent auditor that are not specifically included within the scope of the audit must be pre-approved by the Audit Committee in advance of any engagement. The Audit Committee's charter also ensures that the independent auditor discusses with the Audit Committee important issues such as internal controls, critical accounting policies, instances of fraud and the consistency and appropriateness of Bunge's accounting policies and practices.

The Audit Committee has reviewed and discussed with management and Deloitte & Touche LLP, Bunge's independent auditors, the audited financial statements as of and for the year ended December 31, 2014. In addition, the Audit Committee met regularly with management and Deloitte & Touche LLP to discuss the results of their evaluations of Bunge's internal controls and the overall quality of Bunge's financial reporting. The Audit Committee has also discussed with Deloitte & Touche LLP the matters required to be discussed by Statement on Auditing Standards No. 61 (Communication with Audit Committees) as amended, as adopted by the PCAOB in Rule 3200T. In addition, the Audit Committee has received the written disclosures and the letter from Deloitte & Touche LLP required by the applicable requirements of the PCAOB regarding Deloitte & Touche LLP's communications with the Audit Committee concerning independence and has discussed with them their independence from Bunge and its management. The Audit Committee also considered whether the non-audit services provided by Deloitte & Touche LLP to Bunge during 2014 were compatible with their independence as auditors.

Based on these reviews and discussions, the Audit Committee has recommended to the Board, and the Board has approved, the inclusion of the audited financial statements in Bunge's Annual Report on Form 10-K for the year ended December 31, 2014 for filing with the Securities and Exchange Commission.

Members of the Audit Committee

Kathleen Hyle, Chairman
Enrique H. Boilini
Carol M. Browner
Francis Coppinger
William Engels

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## PROPOSAL 2 APPOINTMENT OF INDEPENDENT AUDITORS AND AUTHORIZATION OF THE AUDIT COMMITTEE OF THE BOARD TO DETERMINE THE INDEPENDENT AUDITORS' FEES

### General

Our Board has recommended and asks that you appoint Deloitte & Touche LLP as our independent auditors for the fiscal year ending December 31, 2015 and authorize the Audit Committee of the Board to determine the independent auditors' fees. You would be acting based on the recommendation of our Audit Committee. Pursuant to Bermuda law and our bye-laws, an auditor is appointed at the annual general meeting or at a subsequent general meeting in each year and shall hold office until a successor is appointed.

The affirmative vote of a majority of the votes cast on the proposal is required to make such appointment. If you do not appoint Deloitte & Touche LLP, our Board will reconsider its selection of Deloitte & Touche LLP and make a new proposal for independent auditors.

Deloitte & Touche LLP, the member firms of Deloitte Touche Tohmatsu, and their respective affiliates (collectively, the "Deloitte Entities") have audited our annual financial statements since our 1996 fiscal year.

Representatives of the Deloitte Entities are expected to be present at the Annual General Meeting and will have the opportunity to make a statement if they desire to do so. We also expect that they will be available to respond to questions.

### Fees

The chart below sets forth the aggregate fees for professional services rendered by the Deloitte Entities for services performed in each of 2014 and 2013, and breaks down these amounts by category of service:

| | 2014 | 2013 |
|---|---|---|
| Audit Fees | $ 13,926,000 | $ 13,324,000 |
| Audit-Related Fees | 333,000 | 473,000 |
| Tax Fees | 241,000 | 129,000 |
| All Other Fees | 0 | 0 |
| **Total** | **$ 14,500,000** | **$ 13,926,000** |

### Audit Fees

Audit fees are fees billed for the audit of our annual consolidated financial statements, the audit of management's assessment on internal control over financial reporting and the reviews of our quarterly financial statements. Additionally, audit fees include comfort letters, statutory audits, consents and other services related to SEC matters.

### Audit-Related Fees

For 2014 and 2013, audit-related fees principally included fees for accounting consultation related to certain merger and acquisition activities and statutory attestation services in Argentina.

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### Tax Fees

Tax fees in 2014 and 2013 primarily related to tax compliance services. Tax compliance services are services rendered based upon facts already in existence or transactions that have already occurred to document, compute and review amounts to be included in tax filings.

### All Other Fees

No fees were paid to the Deloitte Entities in 2014 and 2013 for any other professional services.

### Pre-Approval Policies and Procedures

The Audit Committee approves all audit services, audit-related services, tax services and other services provided by Deloitte & Touche LLP. Any services provided by Deloitte & Touche LLP that are not specifically included within the scope of the audit must be pre-approved by the Audit Committee in advance of any engagement.

In making its recommendation to appoint Deloitte & Touche LLP as our independent auditor for the fiscal year ending December 31, 2015, the Audit Committee has considered whether the services provided by Deloitte & Touche LLP are compatible with maintaining the independence of Deloitte & Touche LLP and has determined that such services do not interfere with Deloitte & Touche LLP's independence.

## RECOMMENDATION OF THE BOARD

Our Board recommends that, based on the recommendation of the Audit Committee, you vote FOR the appointment of Deloitte & Touche LLP to serve as our independent auditors for the fiscal year ending December 31, 2015 and the authorization of the Audit Committee of the Board to determine the independent auditors' fees.

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## PROPOSAL 3 ADVISORY VOTE TO APPROVE NAMED EXECUTIVE OFFICER COMPENSATION

Pursuant to the rules of the SEC, Bunge is required to provide shareholders with a non-binding advisory "say-on-pay" vote to approve the compensation of our Named Executive Officers as disclosed in the Compensation Discussion & Analysis ("CD&A"), related compensation disclosure tables and narrative disclosures of this proxy statement. The Board recognizes the importance of our shareholders' opportunity to cast an advisory say-on-pay vote as a means of expressing views regarding the compensation of our Named Executive Officers. Based upon the outcome of our 2011 say-on-pay frequency vote, we intend to hold an annual advisory say-on-pay vote until the next say-on-pay frequency vote, which, in accordance with applicable law, will occur no later than the Company's Annual General Meeting of Shareholders in 2017.

Bunge's compensation philosophy is to pay for performance, support Bunge's business goals, align the interests of management and our shareholders and offer competitive compensation arrangements to attract, retain and motivate high-caliber executives. In the CD&A, we have provided shareholders with a description of our executive compensation program, including the philosophy underpinning the program, the individual elements of the compensation program, and how our compensation program is administered. Our executive compensation program consists of elements designed to complement each other and reward achievement of short-term and long-term objectives by linking compensation to key performance metrics. We have chosen the selected metrics to align executive compensation to the achievement of strong financial performance and the creation of shareholder value. Our Compensation Committee regularly reviews our executive compensation program to ensure alignment with our business strategy and compensation philosophy. Additionally, our executive compensation program has been designed to appropriately balance risks and rewards and discourage excessive risk-taking by our executives.

For the reasons highlighted above, and more fully discussed in the CD&A, the Board unanimously recommends a vote for the following resolution:

"RESOLVED, that the shareholders approve the compensation of the Named Executive Officers as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, the accompanying compensation tables and related narrative disclosure in this Proxy Statement."

You may vote "for" or "against" this proposal, or you may abstain from voting. Although the vote on this Proposal 3 is advisory and non-binding, the Compensation Committee and the Board will review the voting results on the proposal and will consider shareholder views in connection with our executive compensation program.

## RECOMMENDATION OF THE BOARD

Our Board recommends that shareholders vote FOR the approval of the non-binding advisory vote to approve Named Executive Officer compensation.

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**PROPOSAL 4 RE-APPROVAL OF PERFORMANCE GOALS UNDER THE BUNGE LIMITED ANNUAL INCENTIVE PLAN**

**Introduction**

The Bunge Limited Annual Incentive Plan (the "Plan") became effective on January 1, 2011 after shareholder approval at the Company's Annual General Meeting in 2010. In order for Bunge to continue to make awards to certain executive officers under the Plan that will qualify as "performance-based compensation" that is exempt from the $1 million deduction limit (as described below) imposed by Section 162(m) of the Internal Revenue Code of 1986, as amended, and the relevant income tax regulations thereunder (the "Code"), the performance measures on which performance goals may be based must be reapproved by Bunge's shareholders periodically. Bunge is seeking shareholder approval of the original performance measures set forth in the Plan, as well as three additional performance measures risk adjusted profit; risk capital and talent development. A summary of the Plan is included below. The complete text of the Plan is set forth in Appendix B to this Proxy Statement, and shareholders are urged to review it together with the following information, which is qualified in its entirety by reference to Appendix B.

Section 162(m) of the Code, places a limit of $1 million on the amount Bunge may deduct in any one year for compensation paid to the Chief Executive Officer and each of its other three most highly-compensated executive officers (excluding the Chief Financial Officer). If awards pursuant to the Plan constitute qualified performance-based compensation, the awards may not be subject to the deductibility limitation of Code Section 162(m). In order to continue to qualify for this exemption, among other things, shareholders must reapprove the material terms of the performance measures on which performance goals may be based every five years. If the existing performance measures and the new performance measures are not approved by shareholders, the Plan will continue in full force and effect. However, in accordance with Code Section 162(m), Bunge's ability to deduct qualified performance-based compensation under the Plan will be limited to $1 million per covered executive officer. Although Bunge generally designs awards pursuant to the Plan to be eligible for deductibility under Code Section 162(m), there is no guarantee that the exemption will be available for awards in any particular circumstance. To maintain flexibility in compensating Bunge's executive officers, the Compensation Committee (the "Committee") may from time to time pay compensation that may not be deductible if it believes it will contribute to the achievement of Bunge's business objectives.

***Performance Goals.*** The Plan includes the following financial and non-financial performance measures for awards intended to be qualified performance-based compensation. The performance measures below include those financial performance measures originally approved by shareholders and three additional performance measures added by the Board, subject to shareholder approval: risk adjusted profit; risk capital and talent development.

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*Financial Measures*

- accounts payable;
- accounts receivable;
- cash flow;
- cash flow at risk;
- cash flow return on investment;
- cash value added;
- credit at risk;
- days cash cycle;
- days sales outstanding;
- debt;
- earnings at risk;
- earnings before interest and tax (EBIT);
- earnings before interest, tax depreciation and amortization (EBITDA);
- earnings per share;
- economic value added;
- 
- income from continuing operations (net income after minority interests);
- interest coverage;
- margin;
- market capitalization;
- revenue growth;
- risk adjusted economic profit;
- risk adjusted profit;
- risk adjusted return on capital;
- risk adjusted return on equity;
- risk adjusted return on invested capital;
- risk adjusted return on net capital;
- risk capital;
- share price;
- Sharpe ratio;
- value at risk; and
- 

- effective tax rate;
- free cash flow;
- impairment write offs;
- working capital.

*Non-Financial Measures*

- amount of inventory;
- brand recognition;
- customer/supplier satisfaction;
- days of inventory;
- employee turnover;
- energy usage;
- headcount;
- loading time/days loading;
- market share;
- product quality;
- productivity/efficiency;
- quality;
- recruiting;
- risk management;
- safety/environment;
- satisfaction indexes;
- talent development;
- turnaround time; and
- volumes.

**Summary of Plan**

***Purposes.*** The purposes of the Plan are to (i) attract, retain and motivate certain employees of Bunge and its subsidiaries and (ii) focus participants towards achieving specific business goals established for Bunge and its subsidiaries.

***Eligibility and Participation.*** Each employee who is recommended by the Chief Executive Officer or his designee to participate in the Plan and who is approved by the Committee or is included in the Plan by the Committee, shall be eligible to participate in the Plan.

***Administration.*** The Plan will be administered by the Committee. Subject to the terms of the Plan, the Committee will have full authority to administer the Plan; designate the employees who will participate in the Plan; determine the terms and conditions of awards; and construe and interpret the terms of the Plan and any awards granted. All determinations of the Committee are final, binding and conclusive upon all persons.

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***Awards.*** Within ninety days after the beginning of each calendar year, the Committee will establish performance goals that may be based on any combination of company and individual performance measures. Performance goals will be determined annually by the Committee from among those performance measures listed above. Final awards will be based on the level of achievement of the performance measures and the predetermined award payout levels.

The Committee may adjust the performance goals and award opportunities under the Plan (either up or down) if it determines that unusual, non-recurring or unanticipated changes or events have materially affected the fairness of the performance goals and unduly influenced Bunge's ability to meet them.

***Payments.*** All awards will be payable in cash between January 1 and March 15 following the end of the relevant calendar year and after the Committee certifies in writing that the performance goals and any other relevant terms of the awards have been satisfied. The maximum amount payable to a participant under the Plan for any calendar year will be $8 million.

***Termination of Employment.*** In the event of a participant's death, disability retirement, or transfer to another business unit of Bunge that does not participate in the Plan, the participant's final award will be reduced to reflect his or her participation prior to the termination only. In the event of any other kind of termination of employment, a participant's award for the year of termination will be forfeited; provided, however, that the Committee has the discretion to pay a partial award for the portion of the year that the participant was employed by Bunge.

***Recoupment of Awards.*** Any awards granted under the Plan to participants who are subject to Bunge's Executive Compensation Recoupment Policy, as amended from time to time, may be reduced or subject to recoupment pursuant to the terms and conditions of such policy.

***Duration of the Plan.*** The Plan was effective as of January 1, 2011, and shall remain in effect until terminated by the Board or the Committee.

***Amendment and Termination of the Plan.*** The Board or the Committee may, at any time, amend, suspend or terminate the Plan. No amendment, suspension or termination may reduce the rights of a participant to a payment or distribution with respect to an earned award without his or her consent.

***New Plan Benefits.*** As discussed above, benefits under the Plan are within the discretion of the Committee, and performance goals may vary from performance period to performance period and from participant to participant. Thus, benefits to be paid under the Plan are not determinable at this time. A summary of awards made under the Plan for Bunge's last fiscal year to the Named Executive Officers is included in the Summary Compensation Table and accompanying footnotes on page 44 of this proxy statement.

**RECOMMENDATION OF THE BOARD**

The Board of Directors recommends that you vote FOR the approval of the additional performance goals and the re-approval of the existing performance measures for the Plan.

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**EQUITY COMPENSATION PLAN INFORMATION**

The following table sets forth certain information, as of December 31, 2014, with respect to our equity compensation plans.

| Plan category | (a) Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights | (b) Weighted-Average Exercise Price Per Share of Outstanding Options, Warrants and Rights | (c) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) |
|---|---|---|---|
| Equity compensation plans approved by shareholders[(1)] | 5,703,923[(2)] | $73.70[(3)] | 3,685,409[(4)] |
| Equity compensation plans not approved by shareholders[(5)] | 13,820[(6)] | [(7)] | [(8)] |
| Total | 5,717,743 | $73.70 | 3,685,409 |

(1) Includes our 2009 Equity Incentive Plan, Equity Incentive Plan, Non-Employee Directors' Equity Incentive Plan and 2007 Non-Employee Directors' Equity Incentive Plan.

(2) Includes non-statutory stock options outstanding as to 4,441,492 common shares, performance-based restricted stock unit awards outstanding as to 1,142,086 common shares and 3,864 vested and deferred restricted stock units outstanding (including, for all restricted and deferred restricted stock unit awards outstanding, dividend equivalents payable in common shares) under our 2009 Equity Incentive Plan and Equity Incentive Plan. This number also includes non-statutory stock options outstanding as to 92,000 common shares under our Non-Employee Directors' Equity Incentive Plan, 24,151 unvested restricted stock units and 330 vested deferred restricted stock units (including, for all restricted and deferred restricted stock unit awards outstanding, dividend equivalents payable in common shares) outstanding under our 2007 Non-Employee Directors' Equity Incentive Plan. Dividend equivalent payments that are credited to each participant's account are paid in our common shares at the time an award is settled. Vested deferred restricted stock units are paid at the time the applicable deferral period lapses.

(3) Calculated based on non-statutory stock options outstanding under our 2009 Equity Incentive Plan, Equity Incentive Plan and our Non-Employee Directors' Equity Incentive Plan. This number excludes outstanding time-based restricted stock unit and performance-based restricted stock unit awards under the 2009 Equity Incentive Plan and Equity Incentive Plan and restricted and deferred restricted stock unit awards under the 2007 Non-Employee Directors' Equity Incentive Plan.

(4) Includes dividend equivalents payable in common shares. Shares available under our 2009 Equity Incentive Plan may be used for any type of award authorized under the plan. Awards under the plan may be in the form of statutory or non-statutory stock options, restricted stock units (including performance-based) or other awards that are based on the value of our common shares. Our 2009 Equity Incentive Plan provides that the maximum number of common shares issuable under the plan is 10,000,000, subject to adjustment in accordance with the terms of the plan. This number also includes shares available for future issuance under our 2007 Non-Employee Directors' Equity Incentive Plan. Our 2007 Non-Employee Directors' Equity Incentive Plan provides that the maximum number of common shares issuable under the plan may not exceed 600,000, subject to adjustment in accordance with the terms of the plan. No additional awards may be granted under the Equity Incentive Plan and the Non-Employee Directors' Equity Incentive Plan.

(5) Includes our Non-Employee Directors' Deferred Compensation Plan.

(6)

Includes rights to acquire 13,820 common shares under our Non-Employee Directors' Deferred Compensation Plan pursuant to elections by our non-employee directors.

(7) Not applicable.

(8) Our Non-Employee Directors' Deferred Compensation Plan does not have an explicit share limit.

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## PROPOSAL 5    SHAREHOLDER PROPOSAL REGARDING SUPPLY CHAIN AND DEFORESTATION

Bunge has received notice from Green Century Equity Fund, 114 State Street, Suite 200, Boston, Massachusetts 02109, that it intends to present a separate proposal for voting at the Annual General Meeting. Green Century Equity Fund has submitted documentation indicating that it is the beneficial owner of 2,364 Bunge common shares. The shareholder proposal will be voted on at the Annual General Meeting only if properly presented by or on behalf of Green Century Equity Fund. The text of the shareholder proposal and supporting statement appear exactly as received by Bunge unless otherwise noted. All statements contained in the shareholder proposal and supporting statement are the sole responsibility of the proponent of the shareholder

**Shareholder Proposal**

WHEREAS: Conversion of forests to commodity agriculture is the single largest cause of deforestation, which contributes significantly to climate change, disrupted rainfall patterns, soil erosion, species extinction, and community land conflicts.

Adverse weather resulting from climate change, including shifted rainfall patterns, are highlighted as top risk factors in Bunge's 2014 10-K. As one of the largest suppliers of agricultural commodities globally, Bunge both contributes to and is severely impacted by the adverse impacts of deforestation on agricultural production.

Deforestation and peatland degradation accounts for 10-15% of global greenhouse gas emissions  around that of the entire global transportation sector. In addition to driving climate change, deforestation has been shown to severely alter global rainfall patterns, according to 2005 NASA data.

Commercial agriculture is recognized as the leading driver of global deforestation, accounting for over 70% of tropical deforestation between 2000-2012, approximately half of which was illegal. Deforestation globally is increasing.

Concerns about deforestation have prompted leading global consumer and agriculture companies to adopt 'zero deforestation' policies for sourcing key agricultural commodities. These time-bound commitments include full supply-chain traceability; protections for high carbon stock (HCS) and high conservation value (HCV) forests; peatlands; community and worker rights; and independent verification.

Demand for sustainably sourced ingredients is growing, and many companies that have made these commitments are likely Bunge customers. Competitors Cargill and Wilmar announced 'no deforestation, no exploitation' pledges this year for all commodities they handle.

Investors with $15 trillion in assets have requested increased information through CDP's forests disclosure program about how companies are managing risks associated with deforestation, an increase of 30% since 2014. Bunge does not disclose its impacts on deforestation.

Failure to keep pace with shifting market expectations for sustainable production may pose significant risks to Bunge including restricted market access, reputational damage, loss of goodwill, and barriers to capital.

Bunge's stated mission is 'to ensure food security tor a growing population in a sustainable way.' Proponents believe that the adverse impacts of deforestation  due largely to agriculture  will pose increasing risks to global food production and thus Bunge's business. While Bunge recently announced a zero-deforestation palm oil sourcing policy, the company does not appear to have a comprehensive strategy for monitoring or reducing deforestation across each of its commodity supply chains, including soy and sugar.

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Resolved: Shareholder request that Bunge set quantitative, time-bound goals for reducing its supply chain impacts on deforestation and related human rights, and report annually against key performance indicators and metrics that demonstrate progress against these goals.

Supporting Statement:

Proponents believe meaningful indicators would include:

- An assessment of risks related to the company's supply chain and operational impacts on deforestation;
- Percentage of each key commodity that Bunge can trace and independently verify, via credible third parties, as not contributing to (l) physical expansion into peatlands, HCV or HCS forests or (2) human rights abuses;
- A time-bound plan for 100% sourcing consistent with those criteria.

**Board of Directors' Statement in Opposition to the Shareholder Proposal**

The Board of Directors recommends a vote **"Against"** the foregoing proposal for the following reasons:

The Board and management of Bunge Limited are committed to the protection of biodiversity and human rights and the reduction of greenhouse gas emissions. We share the belief that the agrifood system should be sustainable. Over the past decade, Bunge has made meaningful progress improving its own operations and addressing common challenges on the ground. The Board and management are committed to making further advances in a manner that accomplishes the Company's sustainability priorities, addresses material risks, creates commercial opportunities and works constructively within the multi-stakeholder context inherent to agrifood value chains. The Board believes that the Company's existing and planned efforts provide a more focused and effective path forward than that outlined in the proposal.

**The Company has established governance procedures to manage issues associated with deforestation, human rights, water, climate change and other matters.** In 2014, the Board created a dedicated Sustainability and Corporate Responsibility Committee. The committee provides oversight of relevant activities and issues, including company policies, strategies, programs, performance goals, disclosure, relationships with stakeholders and evaluation of social, political, environmental and other trends in sustainability. According to a 2014 study (*Gaining Ground: Corporate Progress on the Ceres Roadmap for Sustainability*), boards formally oversee sustainability performance at only 32 percent of the 613 largest publicly traded companies in the U.S.

**The Company has taken practical measures across multiple commodities to address deforestation and human rights issues.** In Brazil, where Bunge has a significant asset presence and which is widely considered a priority area for environmental conservation, the Company:

- links its commercial contracting system to the Brazilian labor ministry database to block agricultural producers who have violated labor laws from doing business with Bunge,
- automatically blocks all producers named by IBAMA, the Brazilian environmental agency, as violators of environmental law from doing business with Bunge,
-

signed an agreement with Para State to block purchases from newly deforested lands and is implementing a system to ensure purchases come only from legally established properties,

- has exported since 2013 over 300,000 tons of soy adhering to the 2BsVs sustainability certification protocol,

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- certified 4 of its sugarcane mills under the Bonsucro sustainability protocol,
- collaborates with The Nature Conservancy to promote landscape planning and conservation in Para State, as well as farmer participation in the national government's CAR environmental registry and better agronomic practices in Mato Grosso and Bahia States.

For palm oil, the Company has adopted a global sourcing policy that calls for a 100 percent traceable supply chain free of deforestation and human rights abuses. The Company is currently working to map its supply chain and has committed to issuing a plan for implementation of this policy and to regular reporting on its progress.

**The Company has helped lead important multi-stakeholder efforts that have resulted in tangible improvements at both the landscape level and on the farm.** The Soy Moratorium in Brazil, initiated in 2006 by Bunge and other industry participants, has been credited with contributing to an over 70 percent reduction in deforestation in the Amazon. Since the moratorium's inception, 99 percent of new soy plantings in the Amazon have occurred on previously cleared land (H.K. Gibbs, et al, "Brazil's Soy Moratorium," *Science*, 23 January, 2015). The Soy Working Group, comprised of industry and NGO members, has overseen satellite monitoring and other activities to help enforce the Moratorium and advance sustainability in the region. The Field to Market alliance in the United States, of which Bunge was a founding member, has developed a suite of useful measurement tools and resources that promote continuous improvement at the farm level. The approach is endorsed by over 65 companies, NGOs, academic institutions and farm groups. Field to Market seeks to engage 20% of productive acres of U.S. commodity crop production, equivalent to 50 million acres, in its supply chain sustainability program by 2020.

**The Company has increased its public disclosure concerning these issues.** www.bunge.com/citizenship houses information on Bunge's governance, policies, environmental performance and engagement with civil society on key sustainability issues facing the Company and its industry. The site is updated regularly. Bunge submits two disclosures (water and carbon) to the Carbon Disclosure Project and an annual communication of progress to the Roundtable on Sustainable Palm Oil, and publishes regional GRI sustainability reports in Argentina and Brazil. The Company will issue a global GRI sustainability report in 2015.

**The Company is committed to taking additional steps to address deforestation and other relevant issues.** Bunge is currently investigating methodologies and tools that it expects will facilitate the incorporation of additional environmental criteria into its commodity origination planning and activities to reduce deforestation risks in its supply chains. The tools, incorporating data on native vegetation, indigenous and protected areas, soil quality and other agronomic considerations, would be initially applied in Brazil, but are intended to be capable of being applied in other geographies as well, thus serving as a common analytical platform for approaching the issue of deforestation.

**For the foregoing reasons, the Board recommends that you vote AGAINST this proposal.**

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## CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS

### Loans to Directors and Executive Officers

We have no outstanding loans to any director. In addition, we are in compliance with the provisions of the Sarbanes-Oxley Act of 2002 prohibiting certain loans to directors and executive officers.

### Policy for the Review and Approval of Related Person Transactions

Various policies and procedures of our Company, including our Code of Conduct, Corporate Governance Guidelines and annual questionnaires and/or certifications completed by our directors and executive officers, require disclosure of and/or otherwise identify transactions or relationships that may constitute conflicts of interest or may require disclosure under applicable SEC rules as "related person transactions" between Bunge and related persons. Our Corporate Governance and Nominations Committee has adopted a written policy for the review and approval of related person transactions. The policy is designed to operate in conjunction with and as a supplement to the provisions of our Code of Conduct.

Under the policy, our Legal Department will review all actual and proposed related person transactions presented to or identified by it and then present any transaction in which a related person is reasonably likely to have a direct or indirect material interest to the Corporate Governance and Nominations Committee for review and approval or ratification. In determining whether to approve or ratify a related person transaction, the Corporate Governance and Nominations Committee will consider all the available and relevant facts and circumstances, including, but not limited to, (a) whether the transaction was the product of fair dealing, (b) the terms of the transaction and whether similar terms would have been obtained from an arms' length transaction with a third party and (c) the availability of other sources for comparable products or services. The policy also identifies certain types of transactions that our Board has identified as not involving a direct or indirect material interest and are, therefore, not considered related person transactions for purposes of the policy. For purposes of the policy, the terms "*related person*" and "*transaction*" have the meanings contained in Item 404 of Regulation S-K of the SEC.

## SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Bunge is subject to the SEC reporting requirements applicable to U.S. domestic public companies, and its executive officers, directors and certain persons who own 10 percent or more of its common shares are obligated by Section 16(a) of the Exchange Act to file reports of their ownership of Bunge's common shares with the SEC and to furnish Bunge with copies of the reports.

Based solely upon a review of copies of reports filed pursuant to Section 16(a) of the Exchange Act, or written representations from persons required to file such reports, we believe that all filings required to be made were timely made in accordance with the requirements of the Exchange Act, except that, due to an administrative error, Ms. Roebuck filed a late Form 4 on December 4, 2014, reflecting the following transactions pursuant to Bunge's equity incentive plan: (i) a grant of 3,000 restricted stock units awarded on February 28, 2014; (ii) 9 restricted stock units awarded on June 2, 2014 pursuant to a dividend reinvestment feature; and (iii) 12 restricted stock units awarded on September 2, 2014 pursuant to a dividend reinvestment feature.

## SHAREHOLDER PROPOSALS FOR THE 2016 ANNUAL GENERAL MEETING OF SHAREHOLDERS

To be considered for inclusion in Bunge's proxy statement for the Company's Annual General Meeting of Shareholders in 2016 (the "2016 Annual General Meeting"), presently anticipated to be held on May 25, 2016, shareholder proposals must be received by Bunge no later than December 17,

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2015. In order to be included in Bunge sponsored proxy materials, shareholder proposals will need to comply with the SEC's Rule 14a-8. If you do not comply with Rule 14a-8, we will not be required to include the proposal in the proxy statement and the proxy card we will mail to our shareholders. Shareholder proposals should be sent to Bunge's Secretary at Bunge Limited, 50 Main Street, White Plains, New York 10606, U.S.A., Attention: Secretary.

Shareholders may also make proposals that are not intended to be included in Bunge's proxy statement for the 2016 Annual General Meeting pursuant to our bye-laws. Nomination of candidates for election to the Board or other business may be proposed to be brought before the 2016 Annual General Meeting by any person who is a registered shareholder on the date of the giving of the notice of such proposals and on the record date for the determination of shareholders entitled to receive notice of and vote at the 2015 Annual General Meeting. Notice must be given in writing and in proper form in accordance with our bye-laws to the Secretary of Bunge at Bunge's registered office at Bunge Limited, Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda, with a copy to us at 50 Main Street, White Plains, New York 10606, U.S.A., Attention: Secretary, not later than December 17, 2015.

In addition, shareholders may submit proposals on matters appropriate for shareholder action at the Annual General Meeting of Shareholders in accordance with Sections 79 and 80 of the Companies Act 1981 of Bermuda. To properly submit such a proposal, either at least 100 shareholders or any number of shareholders who represent at least 5% of the total voting rights of our voting shares must notify us in writing of their intent to submit a proposal. In accordance with Bermuda law, any such shareholder proposal to be voted on at the 2016 Annual General Meeting and at future annual general meetings must be received by us no later than six weeks prior to the annual general meeting date. Please deliver any such proposal to Bunge Limited, Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda, Attention: Secretary, with a copy to us at 50 Main Street, White Plains, New York 10606, U.S.A., Attention: Secretary.

## DIRECTIONS TO ANNUAL GENERAL MEETING

The Annual General Meeting will be held at 10:00 a.m., Eastern Time, on May 20, 2015 at the Sofitel Hotel, 45 West 44th Street, New York City. The telephone number is (212) 354-8844 and the fax number is (212) 354-2480.

## UNITED STATES SECURITIES AND EXCHANGE COMMISSION REPORTS

A copy of our 2014 Annual Report, which includes our Annual Report on Form 10-K for the fiscal year ended December 31, 2014, as filed with the SEC, is enclosed with these proxy materials. Our Annual Report on Form 10-K is also available to shareholders free of charge on our website at *www.bunge.com* under the captions "Investors SEC Filings" or by writing to us at 50 Main Street, White Plains, New York 10606, U.S.A., Attention: Investor Relations.

## NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIALS

***Important Notice Regarding the Availability of Proxy Materials for the Annual General Meeting to be held on May 20, 2015.***

**Bunge Limited's 2015 Proxy Statement is available at www.bunge.com/2015proxy.pdf and our 2014 Annual Report is available at *www.bunge.com/2014AR.pdf*.**

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## OTHER MATTERS

We know of no other business that will be brought before the Annual General Meeting. If any other matter or any proposal should be properly presented and should properly come before the meeting for action, the persons named in the accompanying proxy will vote upon such proposal at their discretion and in accordance with their best judgment.

By order of the Board of Directors.

Carla L. Heiss
*Secretary*

April 10, 2015

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**APPENDIX A CATEGORICAL STANDARDS OF DIRECTOR INDEPENDENCE**

In order to qualify as independent, the Board must determine that a director has no material relationship with Bunge.

(1) A director will not be independent if:

- the director was employed by Bunge or an immediate family member of the director was an executive officer of Bunge within the preceding three years,
- (i) the director is a current partner or employee of a firm that is Bunge's external auditor; (ii) the director has an immediate family member who is a current partner of such firm; (iii) the director has an immediate family member who is a current employee of such firm and personally works on Bunge's audit; or (iv) the director or the director's immediate family member was within the last three years (but is no longer) a partner or employee of such a firm and personally worked on Bunge's audit within that time,
- a present executive officer of Bunge serves or served on the compensation committee of the Board of directors of a company which employed the director or which employed an immediate family member of the director as an executive officer within the preceding three years,
- the director or the director's immediate family member received, during any 12-month period within the preceding three years, more than $120,000 per year in direct compensation from Bunge other than director and committee fees and pension or other forms of deferred compensation for prior service, *provided* that such compensation is not contingent on continued service, or
- the director is a current employee, or the director's immediate family member is a current executive officer, of another company and the other company made payments to, or received payments from, Bunge for property or services in an amount which, in any of the last three fiscal years, exceeded the greater of $1,000,000 or 2% of such other company's consolidated gross revenues.

(2) In addition, in order to assist it in determining what constitutes a material relationship, the Board has adopted the following categorical standards for relationships that, subject to paragraph (1) above, will not be deemed to impair a director's independence:

- the director or the director's immediate family member is a director or executive officer of, or employed by, another company that sells to or purchases from Bunge agricultural commodity, fertilizer or other products or services in the ordinary course of business, *provided* that such transactions are on arm's length terms,
- the director or the director's immediate family member holds a beneficial interest in an enterprise which sells to or purchases from Bunge agricultural commodity, fertilizer or other products or services in the ordinary course of business, provided that such transactions are on arm's length terms,

- the director or the director's immediate family member serves as an officer, director or trustee of a charitable, educational or other not- for-profit organization, and Bunge's donations to the organization or commercial relationships with the organization, as the case may be, are less than the greater of $1 million or 2% of that organization's annual gross revenues, and

- transactions or relationships that ended prior to the beginning of Bunge's most recently completed three-year fiscal period.

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For purposes of these standards, immediate family members include a director's spouse, parents, children, siblings, mothers- and fathers-in- law, sons- and daughters-in-law, brothers- and sisters-in- law, and anyone (other than domestic employees) who shares the director's home. However, when applying the three-year look back provisions in the categories set forth above, individuals who are no longer immediate family members as a result of legal separation or divorce or those who have died or become incapacitated are not included.

For relationships not covered by the foregoing standards, the determination of whether the relationship is material or not, and therefore whether the director would be independent or not, shall be made by the directors who satisfy the above independence standards. The Board's determination of each director's independence will be disclosed annually in Bunge's proxy statement.

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## APPENDIX B THE BUNGE LIMITED ANNUAL INCENTIVE PLAN

## BUNGE LIMITED ANNUAL INCENTIVE PLAN

**(As Amended, Effective as of May 20, 2015)**

### SECTION 1. ESTABLISHMENT AND PURPOSE

1.1 Establishment of the Plan. Bunge Limited, a company incorporated under the laws of Bermuda (the "Company"), hereby establishes an annual incentive compensation plan to be known as the Bunge Limited Annual Incentive Plan (the "Plan"). The Plan permits the awarding of annual cash bonuses to Employees (as defined below), based on the achievement of performance goals that are pre-established by the Board of Directors of the Company (the "Board") or by the Committee (as defined below).

The Plan was effective as of January 1, 2011 (the "Effective Date"), after shareholder approval at the Company's Annual General Meeting in 2010. Subject to approval by the Company's shareholders at the 2015 Annual General Meeting, the Plan, as amended, shall become effective as of May 20, 2015. The Plan shall remain in effect until terminated by the Board or Committee in accordance with Section 10.

1.2 Purpose. The purposes of the Plan are to (i) provide greater motivation for Employees to attain and maintain the highest standards of performance, (ii) attract and retain employees of outstanding competence and (iii) direct the energies of Employees towards the achievement of specific business goals established for the Company and its Subsidiaries (as defined below).

The purposes of the Plan shall be carried out by the payment to Participants (as defined below) of annual incentive cash awards, subject to the terms and conditions of the Plan. The Plan also is intended to secure the full deductibility of incentive awards payable to Participants where and when relevant. All compensation payable under the Plan to Participants is intended to be deductible by the Company under Section 162(m) of the Code (as defined below).

### SECTION 2. DEFINITIONS

As used in the Plan, the following terms shall have the meanings set forth below (unless otherwise expressly provided).

"*Award Opportunity*" means the various levels of incentive awards which a Participant may earn under the Plan, as established by the Committee pursuant to Section 5.1.

"*Base Salary*" shall mean the regular base salary earned by a Participant during a Plan Year prior to any salary reduction contributions made to (i) any deferred compensation plans, (ii) a plan qualifying under Section 401(k) of the Code, or (iii) a cafeteria plan under Section 125 of the Code; *provided, however*, that Base Salary shall not include awards under the Plan, any bonuses, equity awards, the matching contribution under any plan of the Company or any of its Subsidiaries (as applicable) providing such, relocation allowances, severance payments or any other special awards as determined by the Committee.

"*Board*" has the meaning set forth in Section 1.1.

"*Code*" means the Internal Revenue Code of 1986, as amended from time to time, and the regulations and guidance promulgated thereunder.

"*Committee*" means the Compensation Committee of the Board, provided that the Committee shall consist of two or more individuals, appointed by the Board to administer the Plan, pursuant to Section 3, who are "outside directors" to the extent required by and within the meaning of Section 162(m) of the Code.

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"*Company*" has the meaning set forth in Section 1.1.

"*Disability*" means a long-term disability, as defined under Bunge's long-term disability insurance plan or such other applicable plan, as the Committee, in its sole discretion, may determine.

"*Effective Date*" means the date the Plan becomes effective, as set forth in Section 1.1 herein.

"*Employee*" means an employee of the Company or a Subsidiary who is recommended by the Chief Executive Officer of the Company, or his designee, and is designated by the Committee for participation in the Plan, or is included in the Plan by the Committee.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended from time to time.

"*Executive Officers*" shall mean an executive officer as set forth in Section 162(m) of the Code or any other executive officer designated by the Committee for purposes of exempting distributions under the Plan from Section 162(m)(3) of the Code.

"*Final Award*" means the actual award earned during a Plan Year by a Participant, as determined by the Committee under the Plan.

"*Financial*" shall mean the corporate financial performance of the Company and its Subsidiaries.

"*Non-financial*" shall mean the non-financial performance of a specified segment of the Company's operations designated as such by the Chief Executive Officer and approved by the Committee for purposes of the Plan, such as a business unit, function, Subsidiary, division or other such segmentation.

"*Participant*" means an Employee who is participating in the Plan pursuant to Section 4.

"*Plan*" means the Bunge Limited Annual Incentive Plan.

"*Plan Year*" means the calendar year, commencing on January $1^{st}$ and ending on December $31^{st}$.

"*Retirement*" means normal or early retirement from employment with the Company or a Subsidiary, as applicable, in accordance with the terms of the applicable pension plan document and/or the retirement policies of the Company or of any Subsidiary employing the Participant.

"*Section 409A*" means Section 409A of the Code.

"*Subsidiary*" means any company or corporation in which the Company beneficially owns, directly or indirectly, 50% or more of the securities entitled to vote in the election of the directors of the corporation.

"*Target Incentive Award*" means the award to be paid to a Participant when performance measures are achieved, as established by the Committee.

**SECTION 3. ADMINISTRATION**

3.1 Authority of the Committee. The Plan shall be administered by the Committee. Subject to the terms of the Plan, except with respect to matters under Section 162(m) of the Code that are required to be determined or established by the Committee to qualify awards under the Plan as qualified performance-based compensation, the Committee shall have the power to delegate to any officer or employee of the Company the authority to administer and interpret the procedural aspects of the Plan, including adopting and enforcing rules to decide procedural and administrative issues.

Subject to the limitations set forth in the Plan, the Committee shall have full authority to: (i) designate the Employees who shall participate in the Plan, (ii) establish Award Opportunities in such forms and subject to such conditions and amounts as it shall determine, (iii) impose such

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limitations, restrictions, and conditions upon such Award Opportunities as it shall deem appropriate, (iv) determine whether any payment under the Plan shall be mandatorily or may be voluntarily deferred by a Participant, (v) interpret and construe the Plan and adopt, amend, and rescind administrative guidelines and other rules and regulations relating to the Plan, (vi) make any and all factual and legal determinations in connection with the administration and interpretation of the Plan, the Award Opportunities and any documents related to the Award Opportunities, (vii) correct any defect or omission or reconcile any inconsistency in the Plan, the Award Opportunities and any documents related to the Award Opportunities, and (viii) make all other necessary determinations and take all other actions necessary or advisable for the implementation and administration of the Plan, the Award Opportunities and any documents related to the Award Opportunities. The Committee's determinations on matters within its authority shall be final, binding and conclusive upon all parties.

3.2 Limitation of Liability. The Committee shall be entitled to rely in good faith upon any report or other information furnished to it by any officer or employee of the Company or from the financial, accounting, legal or other advisers of the Company. Each member of the Committee, each individual designated by the Committee to administer the Plan and each other person acting at the direction of, or on behalf of, the Committee shall not be liable for any determination or anything done or omitted to be done in good faith by him or by any other member of the Committee or any other such individual in connection with the Plan, except for his own willful misconduct or as expressly provided by statute, and to the extent permitted by law and the bye-laws of the Company, shall be fully indemnified and held harmless by the Company with respect to such determination, act or omission.

**SECTION 4. ELIGIBILITY AND PARTICIPATION**

4.1 Eligibility. Subject to the terms of the Plan, each Employee who is recommended by the Chief Executive Officer of the Company or his designee to participate in the Plan, and who is approved by the Committee, or is included in the Plan by the Committee, shall be eligible to participate in the Plan for such Plan Year.

4.2 Participation. Participation in the Plan shall be determined annually by the Committee based upon the criteria set forth in the Plan. Participation in the Plan during the applicable Plan Year shall be limited to those Employees ("Participants") who are designated by the Committee; *provided that* participation by an Employee of a Subsidiary shall constitute such Subsidiary's agreement to pay, at the direction of the Committee, awards directly to its Employees or to reimburse the Company for the cost of such participation in accordance with rules adopted by the Committee. Participants shall be notified of the applicable performance goals and related Award Opportunities for the relevant Plan Year.

4.3 Partial Plan Year Participation. Except as provided in Section 9, in the event that an Employee becomes eligible to participate in the Plan subsequent to the commencement of a Plan Year, then such Employee's Final Award shall be based on the Base Salary earned as an eligible Employee for the relevant Plan Year, *provided that* the Employee has participated in the Plan for at least three months.

4.5 No Right to Participate. No Participant or other Employee shall at any time have a right to participate in the Plan for any Plan Year, despite having participated in the Plan during a prior Plan Year.

**SECTION 5. AWARD DETERMINATION**

5.1 Performance Goals. Prior to the beginning of each Plan Year, or as soon as practicable thereafter (but in no event more than ninety days from the beginning of such Plan Year), the Committee shall establish in writing the performance goals for that Plan Year. For any performance period that is less than twelve months, the performance goals shall be established before 25% of the relevant performance period has elapsed.

Except as provided in Section 9, the performance goals may include, without limitation, any combination of Financial, Non-financial and individual performance goals. Performance goals shall have any reasonable definitions that the Committee may specify and may be described in terms of objectives that are related to the individual Participant or objectives that are Company-wide or related to a Subsidiary, division, department, region, segment, product line, function or business unit or any combination of the foregoing and may be measured on an absolute or cumulative basis, an annualized or compound annual basis, or on the basis of percentage of improvement over time, and may be measured in terms of Company performance (or performance of the applicable Subsidiary, division, department, region, segment, product line, function or business unit or any combination of the foregoing) or measured relative to selected peer companies or a market or other index. After the performance goals are established, the Committee shall align the achievement of the performance goals with the Award Opportunities (as described in Section 5.2 herein), such that the level of achievement of the pre-established performance goals at the end of the Plan Year shall determine the amount of the Final Award. Except as provided in Section 9, the Committee also shall have the authority to exercise subjective discretion in the determination of Final Awards, as well as the authority to delegate the ability to exercise subjective discretion in this respect.

The performance period with respect to which awards may be payable under the Plan shall generally be the Plan Year; *provided, however,* that the Committee shall have the authority and discretion to designate different performance periods under the Plan.

5.2 Award Opportunities. Prior to the beginning of each Plan Year, or as soon as practicable thereafter (but in no event more than ninety days from the beginning of such Plan Year), the Committee shall establish an Award Opportunity for each Participant. The established Award Opportunity shall vary in relation to the job classification of each Participant. Except as provided in Section 9, in the event a Participant changes job levels during a Plan Year, the Participant's Award Opportunity may be adjusted to reflect the amount of time at each job level during the Plan Year.

5.3 Adjustment of Performance Goals. Except as provided in Section 9, the Committee shall have the right to adjust the performance goals and the Award Opportunities (either up or down) applicable to a Plan Year, to the extent permitted by Section 162(m) of the Code, if it determines that the occurrence of unusual, non recurring or other unanticipated changes or events have materially affected the fairness of the goals and have unduly influenced the Company's ability to meet them, including without limitation, events such as material acquisitions, changes in the capital structure of the Company, and extraordinary accounting changes. Further, in the event of a Plan Year of less than twelve months, the Committee shall have the right to adjust the performance goals and the Award Opportunities accordingly, at its sole discretion, except as provided in Section 9.

5.4 Final Award Determinations. At the end of each Plan Year, Final Awards shall be computed for each Participant as determined by the Committee. Except as provided in Section 9, each Final Award shall be based upon the (i) Participant's Target Incentive Award percentage, multiplied by his Base Salary and (ii) satisfaction of Financial, Non-financial and individual performance goals (if applicable). Final Award amounts may vary above or below the Target Incentive Award, based on the level of achievement of the pre-established Financial, Non-financial, and individual performance goals.

5.5 Limitations. The amount payable to a Participant for any Plan Year shall not exceed $8,000,000.

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**SECTION 6. PAYMENT OF FINAL AWARDS**

6.1 Form and Timing of Payment. As soon as practicable after the end of each Plan Year, the Committee shall certify in writing the extent to which the Company and each Participant has achieved the performance goals for such Plan Year, including the specific target objective(s) and the satisfaction of any other material terms of the awards, and the Committee shall calculate the amount of each Participant's Final Award for the relevant period. Generally, Final Award payments shall be payable to the Participant, or to his estate in the case of death, in a single lump-sum cash payment, on or between January 1 and March 15 after the end of each Plan Year, after the Committee, in its sole discretion, has certified in writing that the specified performance goals were achieved.

6.2 Payment of Partial Awards. In the event a Participant no longer meets the eligibility criteria as set forth in the Plan during the course of a particular Plan Year, the Committee may, in its sole discretion, compute and pay a partial award for the portion of the Plan Year that an Employee was a Participant in a manner consistent with Section 6.1.

6.3 Unsecured Interest. No Participant or any other party claiming an interest in amounts earned under the Plan shall have any interest whatsoever in any specific asset of the Company or of any Subsidiary. To the extent that any party acquires a right to receive payments under the Plan, such right shall be equivalent to that of an unsecured general creditor of the Company.

**SECTION 7. TERMINATION OF EMPLOYMENT**

7.1 Termination of Employment Due to Death, Disability, Retirement or Transfer to a Business Unit not Included in the Plan. In the event a Participant's employment is terminated by reason of death, Disability or Retirement or the Participant is transferred to another business unit of the Company that does not participate in the Plan, the Final Award determined in accordance with Section 5.4 herein shall be reduced to reflect participation prior to such termination or transfer only. The reduced award shall be based upon the amount of Base Salary earned during the Plan Year prior to termination of employment or transfer of employment to a business unit that does not participate in the Plan. In the case of a Participant's Disability, the employment termination shall be deemed to have occurred on the date the Committee determines, in its sole discretion, that the requirements of Disability have been satisfied.

The Final Award thus determined shall be payable at the same time as Final Awards are payable to other Employees in a manner consistent with Section 6.1.

7.2 Termination of Employment for Other Reasons. In the event a Participant's employment is terminated for any reason other than death, Disability or Retirement (as determined by the Committee, in its sole discretion), all of the Participant's rights to a Final Award for the Plan Year then in progress shall be forfeited. However, the Committee, in its sole discretion, may pay a partial award for the portion of that Plan Year that the Participant was employed by the Company, computed as determined by the Committee in a manner consistent with Section 6.1.

**SECTION 8. RIGHTS OF PARTICIPANTS**

8.1 Employment, Claims to Awards. Nothing in the Plan shall interfere with or limit in any way the right of the Company to terminate any Participant's employment at any time, nor confer upon any Participant any right to continue in the employ of the Company. No Participant shall have any claim to be granted any award under the Plan, and there is no obligation for uniformity of treatment of Participants under the Plan.

8.2 Nontransferability. No right or interest of any Participant in the Plan shall be assignable or transferable, or subject to any lien, directly, by operation of law, or otherwise, including, but not limited to, execution, levy, garnishment, attachment, pledge, and bankruptcy.

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**SECTION 9. EXECUTIVE OFFICERS**

9.1 Applicability. The provisions of this Section 9 shall apply only to Executive Officers. In the event of any inconsistencies between this Section 9 and the other Plan provisions, the provisions of this Section 9 shall control with respect to Executive Officers.

9.2 No Participation After Commencement of Plan Year. An Executive Officer who becomes eligible after the beginning of a Plan Year may not participate in the Plan for such Plan Year. Such Executive Officer will be eligible to participate in the Plan for the succeeding Plan Year.

9.3 Award Determination. Prior to the beginning of each Plan Year, or as soon as practicable thereafter, the Committee shall establish the Target Incentive Award percentage for each Executive Officer and performance goals for that Plan Year. Performance goals to be used shall be chosen from among any combination of the Financial and Non-financial performance goals as set forth in Schedule A and such other individual performance goals as may be established by the Committee. The Committee may select one or more of the performance goals specified from Plan Year to Plan Year which need not be the same for each Executive Officer in a given year. Final Awards shall be paid in a manner consistent with Section 6.1.

At the end of the Plan Year and prior to payment, the Committee shall certify in writing the extent to which the performance goals and any other material terms were satisfied. Final Awards shall be computed for each Executive Officer based on (i) the Participant's Target Incentive Award multiplied by his Base Salary, and (ii) Financial, Non-financial and individual performance (if applicable).

Final Award amounts may vary above or below the Target Incentive Award based on the level of achievement of the pre-established Financial, Non-financial and individual performance goals.

9.4 Non-adjustment of Performance Goals. Once established, performance goals shall not be changed during the Plan Year. Participants shall not receive any payout when the Company or Non-financial segment (if applicable) does not achieve at least minimum performance goals.

9.5 Discretionary Adjustments. The Committee retains the discretion to eliminate or decrease the amount of the Final Award otherwise payable to a Participant.

9.6 Possible Modification. If, on advice of the Company's tax counsel, the Committee determines that Code Section 162(m) and the regulations thereunder will not adversely affect the deductibility for federal income tax purposes of any amount paid under the Plan by applying one or more of Section 2, 4.3, 5.1, 5.2, 5.3 or 5.4 to an Executive Officer without regard to the exceptions to such Section or Sections contained in this Section 9, then the Committee may, in its sole discretion, apply such Section or Sections to the Executive Officer without regard to the exceptions to such Section or Sections that are contained in this Section 9.

**SECTION 10. AMENDMENT AND MODIFICATION**

The Board or the Committee, in its sole discretion, without notice, at any time and from time to time, may modify or amend, in whole or in part, any or all of the provisions of the Plan, or suspend or terminate it entirely; *provided, however,* that no such modification, amendment, suspension, or termination may, without the consent of a Participant (or his or her beneficiary in the case of the death of the Participant), reduce the right of a Participant (or his or her beneficiary, as the case may be) to a payment or distribution hereunder which he or she has already earned and is otherwise entitled, except where such modification, amendment, suspension or termination is necessary to comply with applicable law, including without limitation, any modifications or amendments made pursuant to Section 409A.

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**SECTION 11. MISCELLANEOUS**

11.1 Governing Law. The Plan, and all agreements hereunder, shall be governed by and construed in accordance with the laws of New York.

11.2 Withholding Taxes. The Company and its Subsidiaries shall have the right to deduct from all payments under the Plan any federal, state, local and/or foreign income, employment or other applicable payroll taxes required by law to be withheld with respect to such payments.

11.3 Gender and Number. Except where otherwise indicated by the context, any masculine term used herein also shall include the feminine, the plural shall include the singular, and the singular shall include the plural.

11.4 Recoupment of Awards. Final Awards granted under the Plan to a Participant who is subject to the Company's Executive Compensation Recoupment Policy, as amended from time to time, may be reduced or subject to recoupment pursuant to the terms and conditions of such Executive Compensation Recoupment Policy.

11.5 Severability. In the event any provision of the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

11.6 Costs of the Plan. All costs of implementing and administering the Plan shall be borne by the Company.

11.7 Successors. All obligations of the Company and its Subsidiaries under the Plan shall be binding upon and inure to the benefit of any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, amalgamation, consolidation, or otherwise, of all or substantially all of the business and/or assets of the Company.

11.8 Unfunded Status. The Plan is intended to constitute an "unfunded" plan for incentive compensation. With respect to any payments not yet made to a Participant by the Company, nothing contained herein shall give any such Participant any rights that are greater than those of a general unsecured creditor of the Company.

11.9 Compliance with Section 409A. Notwithstanding any provision in the Plan to the contrary, if any Final Award is considered to be a "deferral of compensation" as defined in Section 409A and any provision of the Plan contravenes Section 409A or would cause any person to be subject to additional taxes, interest and/or penalties under Section 409A, the Committee may, without notice or consent of any Participant, modify such provision to the extent necessary or desirable to ensure the Plan continues to be exempt from the requirement of Section 409A. In making such modifications the Committee shall attempt, but shall not be obligated, to maintain, to the maximum extent practicable, the original intent of the applicable provision without contravening the provisions of Section 409A. Moreover, any discretionary authority that the Committee may have pursuant to the Plan shall not be applicable to a Final Award that is subject to Section 409A to the extent such discretionary authority would contravene Section 409A.

**SCHEDULE A**

## FINANCIAL PERFORMANCE MEASURES

- accounts payable
- accounts receivable
- cash flow
- cash-flow return on investment
- cash flow risk
- cash value added
- credit at risk
- days cash cycle
- days sales outstanding
- debt
- earnings at risk
- earnings before interest and tax (EBIT)
- earnings before interest, tax depreciation and amortization (EBITDA)
- earnings per share
- economic profit
- economic value added
- effective tax rate
- free cash flow
- impairment write offs
- income from continuing operations
- interest coverage
- margin
- market capitalization
- net financial debt
- net income
- net income after non-controlling interests
- net sales
- operating cash flow
- operating earnings before asset impairment
- operating profit
- pre-tax income
- return on equity
- return on invested capital
- return on net assets
- return on tangible net assets
- return on tangible net worth
- revenue growth
- risk adjusted economic profit
- risk adjusted profit
- risk adjusted return on capital
- risk adjusted return on equity
- risk adjusted return on invested capital
- risk adjusted return on net assets
- risk capital
- selling general and administrative expenses
- share price
- Sharpe Ratio
- value at risk
- working capital

## NON-FINANCIAL PERFORMANCE MEASURES

- amount of inventory
- brand recognition
- customer/supplier satisfaction
- days of inventory
- employee turnover
- energy usage
- headcount
- loading time/days loading
- market share
- product quality
- productivity/efficiency
- quality
- recruiting
- risk management
- safety/environment
- satisfaction indexes
- talent development
- turn around time
- volumes

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