

PIXELWORKS, INC
Form 10-Q
May 10, 2018
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2018

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____
Commission File Number: 000-30269

PIXELWORKS, INC.

(Exact name of registrant as specified in its charter)

OREGON 91-1761992
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

224 Airport Parkway, Suite 400 95110
San Jose, California
(Address of principal executive offices) (Zip Code)
(408) 200-9200
(Registrant's telephone number, including area code)

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. Yes No

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

Number of shares of Common Stock, par value \$0.001 per share, outstanding as of May 4, 2018: 35,582,500.

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements.

PIXELWORKS, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands)

(Unaudited)

	March 31, 2018	December 31, 2017
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 20,611	\$ 27,523
Accounts receivable, net	4,451	4,640
Inventories	2,589	2,846
Prepaid expenses and other current assets	3,736	1,328
Total current assets	31,387	36,337
Property and equipment, net	5,871	5,605
Other assets, net	1,341	1,338
Acquired intangible assets, net	5,457	5,856
Goodwill	18,407	18,407
Total assets	\$ 62,463	\$ 67,543
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 3,092	\$ 1,436
Accrued liabilities and current portion of long-term liabilities	12,574	16,387
Current portion of income taxes payable	355	445
Total current liabilities	16,021	18,268
Long-term liabilities, net of current portion	1,173	1,487
Convertible debt	—	6,069
Income taxes payable, net of current portion	2,353	2,282
Total liabilities	19,547	28,106
Commitments and contingencies (Note 13)		
Shareholders' equity:		
Preferred stock	—	—
Common stock	422,968	418,891
Accumulated other comprehensive income	20	20
Accumulated deficit	(380,072)	(379,474)
Total shareholders' equity	42,916	39,437
Total liabilities and shareholders' equity	\$ 62,463	\$ 67,543

See accompanying notes to condensed consolidated financial statements.

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PIXELWORKS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)
(Unaudited)

Revenue, net
Cost of revenue (1)
Gross profit
Operating expenses:
Research and development (2)
Selling, general and administrative (3)
Restructuring
Total operating expenses
Income (loss) from operations
Interest income (expense) and other, net (4)
Income (loss) before income taxes
Provision for income taxes
Net income (loss)
Net income (loss) per share:
Basic
Diluted
Weighted average shares outstanding:
Basic
Diluted

(1) Includes:
Amortization of acquired intangible assets
Inventory step-up and backlog amortization
Stock-based compensation
(2) Includes stock-based compensation
(3) Includes:
Stock-based compensation
Amortization of acquired intangible assets

CORPORATE GOVERNANCE

Our Board has adopted corporate governance guidelines. According to these guidelines, the business and affairs of CF Industries shall be managed by or under the direction of our Board of Directors to ensure the vitality of the company for our customers and employees and the other individuals and organizations who depend on us. A copy of our corporate governance guidelines is available on our website. For more information, please refer to the writing to our corporate secretary at the address on the Notice of Annual Meeting accompanying this Proxy Statement.

Director Independence

Our Board has made an affirmative determination that the following seven directors have no material relationship with CF Industries or any of its subsidiaries that would disqualify them from being independent under the requirements for "independence" set forth in the corporate governance standards of the New York Stock Exchange (the "NYSE"): Robert C. Arzbaecher, William A. Berman, Edward A. Schmitt.

Leadership of the Board

Stephen R. Wilson has served as our Board chairman since our initial public offering in August 2005. Mr. Wilson also served as our president and chief executive officer until his retirement in August 2005. Mr. Wilson will continue to serve as non-executive chairman of the Board following his retirement as president and chief executive officer of the company in order to utilize Mr. Wilson's experience during the chief executive officer transition. Our non-management directors selected Stephen A. Furbacher to serve as our Board chairman effective immediately following Mr. Wilson's retirement. Mr. Furbacher will provide the leadership of the Board through his position as lead independent director of the Board. The Board does not require the separation of the offices of Board chairman and lead independent director of Pixelworks Industries at any given point in time. According to our corporate governance guidelines, if the chairman of the Board is not an independent director, our independent director will serve as the lead independent director. If the chairman of the Board is an independent director, he or she will serve as the lead independent director. Because Mr. Furbacher is an independent director, he will serve as the lead independent director. The lead independent director's duties include coordinating the activities of the independent directors, coordinating the agenda for and moderating sessions of the Board, and acting as a liaison among the other members of the Board. Unless otherwise provided in a short-term succession plan approved by the Board, in the event that our chairman of the Board is unable to perform his duties, the non-management directors shall select one of their number to assume the duties of the chairman of the Board and shall allocate the duties of the chairman of the Board. The non-management directors shall consider the situation and take action.

Meetings of Non-management Directors

At each regularly scheduled meeting, the Board conducts executive sessions, which are discussions that involve only the non-management directors. Our executive sessions are presided over by the chairman of the Board (if he or she is an independent director) or by the lead independent director (if the chairman is not an independent director). Following the executive sessions, the Board will discuss the matters discussed in the executive sessions of the Board.

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Code of Corporate Conduct

Our Board has adopted a code of corporate conduct that is applicable to all of our directors, officers, and employees. A copy of the code is available to stockholders at the following address on the Notice of Annual Meeting accompanying this Proxy Statement. We will disclose amendments to, or waivers from, the code on our corporate website.

Stockholder Engagement

We believe that building positive relationships with our stockholders is critical to CF Industries' success. We value the views of, and regularly communicate with, our stockholders on corporate governance and related matters. In 2013, we expanded our stockholder engagement program on governance matters and reached out to stockholders representing more than 10% of our common stock regarding stockholder proposals presented at our 2013 Annual Meeting. Our engagement activities have resulted in valuable feedback that has contributed to our decision-making process. In addition to the substantial stockholder support for the proposals presented at the 2013 Annual Meeting, we have taken the following actions:

The Board adopted, and is submitting for stockholder approval, a Charter amendment to eliminate all supermajority voting provisions from our Charter. If the voting power of our issued and outstanding common stock at the Annual Meeting, the Board will amend our Bylaws to eliminate supermajority voting provisions. For more information, see Proposals 2, 3 and 4, above.

Our Board determined that the company will prepare a semiannual report listing CF Industries' political contributions (the "Political Contributions Report") to the corporate governance and nominating committee. Additionally, the Political Contributions Reports will set forth the United States trade associations that the company has joined more and identify the portion of such dues that is used for advocacy and/or political activities by those associations. The most recent Political Contributions Report, including activities and contributions, lobbying and related matters, are currently available on our website.

Our Board determined that the company will prepare an annual sustainability report with information related to our energy efficiency and emissions (the "Sustainability Report"). Each Sustainability Report will be posted on our website and presented to the corporate governance and nominating committee. Publishing our first Sustainability Report is a significant step and we are committed to developing our sustainability reporting over time, as approved by the Board.

With respect to board diversity, our Board modified our corporate governance guidelines and amended the corporate governance and nominating committee charter to increase the diversity of backgrounds, including personal characteristics such as race, gender and age and the experiences and skills relevant to the Board's performance. The corporate governance and nominating committee has determined that it will incorporate recruitment protocols that seek to identify candidates in a diverse pool. A director, Stephen A. Furbacher, engaged in dialogue with certain stockholders and other stakeholders regarding the Board's board diversity initiative.

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and nominating committee charter are available on our website. For further information, see "Nominations of Director Candidates," below.

In addition to the items above, in 2012 we amended our Bylaws to adopt a majority voting standard for the election of directors in uncontested elections. In 2013, we also amended our Bylaws to declassify our Board. We continue to welcome your input and feedback and look forward to continued engagement with our stockholders.

Committees of the Board

Our Board has established three separate standing committees: the audit committee, the compensation committee, and the corporate governance and nominating committee. The charters for these committees are available to stockholders at our corporate website, www.cfindustries.com, or by writing to our corporate secretary at the address on the Notice of Meeting.

Audit Committee. Our audit committee is a separately designated standing committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934. The members of the audit committee are Robert C. Kuhbach (chairman), Robert C. Arzbaecher, William Davisson, and Stephen J. Hagge, all of whom our Board has affirmatively determined to be independent. The audit committee's responsibilities include: (1) the review of our financial statements and financial reporting process and our systems of internal accounting and financial controls, (2) the performance of our internal control over financial reporting, and (3) the selection, retention, and oversight of our independent registered public accounting firm and the evaluation of our accounting firm's qualifications, independence, and performance. The audit committee's report to the Board is included in the Compensation and Analysis section of our Annual Report to Stockholders.

Compensation Committee. Our compensation committee currently consists of Robert C. Arzbaecher (chairman), Stephen A. Furbacher, Stephen J. Hagge, and William Davisson. The members of the compensation committee are independent under the corporate governance standards of the NYSE applicable to compensation committee members. Our Board has also determined that the members of the compensation committee are "outside directors," within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended, and are not "employees" for purposes of the employee benefit plans and practices, including our executive compensation plans, director compensation plans, and incentive-compensation and equity-based plans. The compensation committee's responsibilities are set forth in the Compensation and Analysis section of our Annual Report to Stockholders. Additional information regarding the processes and procedures of the compensation committee in recommending and determining compensation is included in the Compensation and Analysis section of our Annual Report to Stockholders.

Corporate Governance and Nominating Committee. Our corporate governance and nominating committee currently consists of Edward A. Schmitt (chairman), Robert C. Arzbaecher, Stephen J. Hagge, and William Davisson. The members of the corporate governance and nominating committee are independent under the corporate governance standards of the NYSE. The corporate governance and nominating committee's responsibilities are set forth in the Corporate Governance and Nominating section of our Annual Report to Stockholders. The corporate governance and nominating committee serves as directors and on committees of the Board; advising the directors

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with respect to the Board's composition, procedures, and committees; developing and recommending to the Board a set of corporate governance principles;

Role of the Board in Risk Oversight

In fulfilling its risk oversight role, our Board focuses on the adequacy of our risk management process and the effectiveness of our overall risk management. Our risk management process includes: (i) adequately identify the material risks that the company faces in a timely manner; (ii) implement appropriate risk management strategies to address the risks; (iii) integrate consideration of risk and risk management into business decision-making throughout the company; and (iv) include policies and procedures that require our executives and, as appropriate, to the Board or relevant committees. During 2013, our Board reviewed with key members of management responsible for our strategic, operating, financial reporting, and compliance objectives, as well as the likelihood of occurrence, the potential impact, and the mitigating measures.

Attendance of Directors at Meetings

Directors are expected to attend meetings of our Board and the committees on which they serve, as well as our annual meeting of stockholders. A director will notify the chairman of the Board or the chairman of the appropriate committee in advance of such meeting.

During 2013, our Board held seven meetings, our audit committee held nine meetings, our compensation committee held six meetings, and our corporate governance committee held three meetings. All of our directors attended the 2013 Annual Meeting, which was held on May 22, 2013.

Communications with Directors

The Board has established a process to receive communications from stockholders and other interested parties. Stockholders and other interested parties may communicate with the Board, any individual director, or any group or committee of directors, correspondence should be addressed to the corporate secretary by mail. To communicate with the Board, any individual director, or any group or committee of directors, correspondence should be addressed to the corporate secretary. Such correspondence should be sent c/o the corporate secretary at the address on the Notice of Annual Meeting accompanying this Proxy Statement.

All communications received as set forth in the preceding paragraph will be opened by the office of our general counsel for the sole purpose of determining whether the communication contains information that is confidential, proprietary, or otherwise subject to legal privilege. If such information is identified, the communication will be destroyed. If the communication is not confidential, proprietary, or otherwise subject to legal privilege, the communication will be forwarded promptly to each addressee. In the case of communications addressed to a group or committee of directors, we will distribute copies of the contents to each director who is a member of the Board or of the group or committee to which the envelope or correspondence is addressed.

Stockholder Recommendations of Director Candidates

The corporate governance and nominating committee will consider director candidates recommended by stockholders. In considering candidates submitted by stockholders, the committee will consider the qualifications, experience, and diversity of the candidate. The committee may also take into consideration the number of shares of our common stock that the recommending stockholder owns.

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holds and the length of time that such shares have been held. To have a candidate considered by the committee, a stockholder must submit the recommenda

the name of the stockholder and evidence of the person's ownership of our stock, including the number of shares owned and the length of time of

the name of the candidate, the candidate's resume or a listing of his or her qualifications to be a director of CF Industries, and the person's consen

The stockholder recommendation and information described above must be sent c/o the corporate secretary at the address on the Notice of Annual Meeting 120 days prior to the anniversary date of our most recent annual meeting of stockholders.

Nominations of Director Candidates

The corporate governance and nominating committee believes that the minimum qualifications for serving as a director of CF Industries are that a nominee contribution to the Board's oversight of our business and affairs and have an impeccable record and reputation for honest and ethical conduct in both his or experiences and skills, relevant industry background and knowledge, time availability in light of other commitments, potential conflicts of interest, material

In response to conversations with stockholders and significant stockholder support for a stockholder proposal related to board diversity at the 2013 Annual diversity would be beneficial to the Board and the corporate governance of CF Industries, the Board modified our corporate governance guidelines and amended that our board of directors represent a diversity of backgrounds and our policy and approach with respect to director diversity. In accordance with the corporate governance and nominating committee considers diversity in identifying nominees for director, including personal characteristics such as race, gender, the oversight of the company.

The corporate governance and nominating committee generally identifies potential nominees by engaging firms that specialize in identifying director candidates persons meeting the criteria described above who have had a change in circumstances that might make them available to serve on the Board. As described a

The corporate governance and nominating committee assesses on an annual basis the effectiveness of our policy and approach with respect to director diversity. The corporate governance and nominating committee recommended that we make the changes to our corporate governance and nominating committee charter and recruitment protocols that seek to identify candidates in any future director search who meet the Board's objective to increase the diversity of the Board over searches on behalf of the committee to incorporate such recruitment protocols into future candidate searches.

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Once a person has been identified by the corporate governance and nominating committee as a potential candidate, the committee may collect and review further. If the corporate governance and nominating committee determines that the candidate warrants further consideration, the chairman or another member considered and to serve on the Board, the corporate governance and nominating committee will request information from the candidate, review the person's be considering, and conduct one or more interviews with the candidate. In certain instances, committee members may contact one or more references provide have greater first-hand knowledge of the candidate's accomplishments. The committee's evaluation process will not vary based on whether or not a candidate number of shares held by the recommending stockholder and the length of time that such shares have been held.

In connection with the Annual Meeting and in accordance with the above guidelines, the corporate governance and nominating committee recommended the Board. Additional biographical information regarding Messrs. Arzbaecher, Davisson, Hagge, Kuhbach and Schmitt and the particular experiences, qualifications under the heading "Directors and Director Nominees."

COMMON STOCK OWNERSHIP

Common Stock Ownership of Certain Beneficial Owners

The following table sets forth information, as of March 24, 2014, concerning the beneficial ownership of each person known to us to beneficially own 5% or more of the common stock of the Company as of March 24, 2014, as filed by the respective beneficial owners with the SEC pursuant to Sections 13(d) and 13(g) under the Exchange Act.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership ⁽¹⁾	Percent of Class ⁽²⁾
BlackRock, Inc. 40 East 52 nd Street New York, New York 10022	3,398,015 ⁽³⁾	6.4%
State Street Corporation. 40 East 52 nd Street New York, New York 10022	2,951,070 ⁽⁴⁾	5.5%
The Vanguard Group, Inc. 100 Vanguard Blvd. Malvern, Pennsylvania 19355	3,870,642 ⁽⁵⁾	7.2%

(1) Unless otherwise indicated, beneficial ownership consists of sole power to vote or direct the vote and sole power to dispose or direct the disposition of the common stock of the Company.

(2) Unless otherwise indicated, percentages calculated based upon common stock outstanding as of March 24, 2014 and beneficial ownership of common stock of the Company as of March 24, 2014, as reported in the SEC.

(3) Based on a Schedule 13G (Amendment No. 6), dated January 17, 2014 and filed with the SEC on January 28, 2014, by BlackRock, Inc. ("BlackRock").

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beneficial ownership of shares by its direct and indirect subsidiaries, including BlackRock Advisors, LLC, BlackRock Financial Management, Inc., BlackRock (Luxembourg) S.A., BlackRock (Netherlands) B.V., BlackRock Fund Managers Ltd, BlackRock Life Limited, BlackRock Asset Management Limited, BlackRock Fund Advisors, BlackRock International Limited, BlackRock Institutional Trust Company, N.A., BlackRock Japan Co Ltd, and BlackRock Capital Management. These BlackRock entities have sole power to vote and dispose of or to direct the disposition of all 3,398,015 shares.

- (4) Based on a Schedule 13G, dated February 3, 2014 and filed with the SEC on February 3, 2014, by State Street Corporation ("State Street"), State Street Global Advisors France S.A., State Street Bank and Trust Company, SSGA Funds Management, Inc, State Street Global Advisors Limited, State Street Japan Co., Ltd., State Street Global Advisors, Asia Limited and SSARIS Advisors LLC. These State Street entities have sole power to vote and dispose of or to direct the disposition of 3,398,015 shares.
- (5) Based on a Schedule 13G (Amendment No. 3), dated February 6, 2014 and filed with the SEC on February 12, 2014, by The Vanguard Group, Inc., Vanguard Company, a wholly-owned subsidiary, and Vanguard Investments Australia, Ltd., a wholly-owned subsidiary. These Vanguard entities have sole power to vote and dispose of or to direct the disposition of 87,970 shares of common stock.

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The following table sets forth information, as of March 24, 2014, concerning the beneficial ownership of our common stock by:

each director and each of the executive officers named in the summary compensation table of this Proxy Statement, and

all directors and executive officers as a group.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership ⁽¹⁾			Percent of Class
	Shares of Common Stock Owned Directly or Indirectly ⁽²⁾	Shares of Common Stock that can be Acquired within 60 Days ⁽³⁾	Total Shares of Common Stock	
Robert C. Arzbaecher	12,421		12,421	*
William Davisson	4,580		4,580	*
Stephen A. Furbacher	6,483		6,483	*
Stephen J. Hagge	3,976		3,976	*
John D. Johnson	12,652		12,652	*
Robert G. Kuhbach	3,405		3,405	*
Edward A. Schmitt	9,109		9,109	*
Stephen R. Wilson	99,327	78,752	178,079	*
W. Anthony Will ⁽⁴⁾	14,934	40,260	55,194	*
Dennis P. Kelleher	8,657	9,171	17,828	*
Bert A. Frost	9,211	27,725	36,936	*
Philipp P. Koch	13,276	9,814	23,090	*
Douglas C. Barnard ⁽⁴⁾	9,769	29,132	38,901	*
All directors and executive officers as a group (17 persons)	231,151	217,850	449,001	*

*
Less than 1%

(1) Unless otherwise indicated, beneficial ownership consists of sole power to vote or direct the vote and sole power to dispose or direct the disposition of the common stock, subject to the provisions of applicable community property laws where applicable.

(2) The shares indicated for each of Messrs. Arzbaecher, Davisson, Furbacher, Hagge, Johnson, Kuhbach, and Schmitt include 622 shares of restricted stock. The shares indicated for Messrs. Wilson, Will, Kelleher, Frost, Koch, and Barnard include, respectively, 27,705, 7,175, 6,454, 6,235, 5,255, and 4,880 shares of restricted stock. Restricted stock can be voted during the vesting period.

(3)

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The shares indicated for Messrs. Wilson, Will, Kelleher, Frost, Koch, and Barnard represent shares underlying stock options granted under our 2010 Equity Incentive Plan ("Plans") that have already vested or that will vest within 60 days. The shares underlying these stock options cannot be voted.

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- (4) Messrs. Will and Barnard each also hold, respectively, 371 and 2,594 additional "phantom" shares as a deemed investment under our Supplemental phantom shares cannot be voted.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our directors and officers and persons who own more than 10% of our common stock to file reports of ownership. Specific due dates for these reports have been established and we are required to report in this Proxy Statement any failure by directors, officers, and ten percent representations from our directors and officers, we believe that all such filing requirements were timely met during 2013, with the exception of one Form 4 stock.

PROPOSAL 6: ADVISORY VOTE ON COMPENSATION OF NAMED EXECUTIVE OFFICERS ("SAY ON PAY")

Pursuant to Section 14A of the Exchange Act, our stockholders are entitled to an advisory (non-binding) vote to approve the compensation of our executive officers. Compensation Discussion and Analysis beginning on page 32 and Executive Compensation tables beginning on page 50. This proposal is commonly referred to as the "Say on Pay" proposal.

The Board and the compensation committee believe that the compensation of the executive officers named in this Proxy Statement is appropriate and in the best interests of our stockholders. In the Compensation Discussion and Analysis beginning on page 32, our compensation programs are intended to (i) align the interests of our officers with those of our stockholders, (ii) permit us to attract and retain the best qualified executive officers, and (iii) provide appropriate incentives for attainment of both our short-term and long-term goals. We have instituted stock ownership guidelines and an incentive compensation program. We continue to provide for significant levels of "at risk" performance-based compensation, which further aligns executive and stockholder interests. For example, we award performance shares as performance shares. We regularly review (along with outside compensation consultants) our incentive compensation programs to ensure compatibility with our long-term goals. The following resolution:

"Resolved, that the stockholders of CF Industries Holdings, Inc. approve the compensation of the executive officers named in this Proxy Statement as disclosed in the Compensation Discussion and Analysis, including the Compensation Discussion and Analysis and the compensation tables and any related material."

As an advisory vote, this proposal is not binding on the company. Although the vote is non-binding, the Board and the compensation committee value the input of our stockholders in making decisions for our named executive officers.

At our annual meeting of stockholders held in May 2011, our stockholders voted in favor of an annual frequency of future advisory votes on executive compensation. If the next advisory vote on executive compensation would be held annually until the next advisory vote on the frequency of advisory votes regarding the compensation of our named executive officers. Thus, the next advisory "Say on Pay" proposal will be held at our 2015 annual meeting.

The Board unanimously recommends that you vote FOR the Say on Pay proposal.

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PROPOSAL 7: APPROVAL OF OUR 2014 EQUITY AND INCENTIVE PLAN

On January 31, 2014 the Board, upon the recommendation of the compensation committee and subject to the stockholder approval sought under this Proposal, Appendix C, to replace our 2009 Equity and Incentive Plan, which was previously approved by our Board on April 21, 2009. The replacement of our 2009 Equity and Incentive Plan with our 2014 Equity and Incentive Plan, will mean that no further grants will be made under our 2009 Equity and Incentive Plan following stockholder approval.

set the maximum number of shares of common stock reserved for and available for issuance under our equity plan to 2,789,725, which is the same as the number of shares of common stock reserved for and available for issuance under our 2009 Equity and Incentive Plan;

maintain "fungible share counting," which counts each share awarded pursuant to awards other than options or stock appreciation rights as 1.61 shares of common stock;

permit the company to continue to grant equity awards to eligible individuals pursuant to the 2014 Equity and Incentive Plan until the tenth anniversary of the date of the adoption of the 2014 Equity and Incentive Plan;

constitute approval for purposes of Section 162(m) under the Internal Revenue Code of our 2014 Equity and Incentive Plan and the performance-based awards made under the plan.

The principal purposes of the adoption of our 2014 Equity and Incentive Plan are to (1) set the number of shares of common stock available for grant as intended to retain qualified officers and employees and of compensating non-employee directors while maintaining acceptable levels of potential stockholder dilution; (2) set the number of shares of common stock available for grants intended to satisfy Section 162(m) of the Internal Revenue Code and otherwise ensure that grants intended to satisfy Section 162(m) requirements can be made under our 2014 Equity and Incentive Plan with our 2014 Equity and Incentive Plan, the compensation committee and the Board determined that, in light of the size of the proposed market over the next several years, and the period for which the allocated number of shares is expected to satisfy our compensation objectives, the provisions in the 2014 Equity and Incentive Plan are consistent with our compensation practices. As noted above, approval of the 2014 Equity and Incentive Plan will not increase the total number of shares currently available for grant under the 2014 Equity and Incentive Plan is equal to the number of shares currently available for the issuance for awards under the 2009 Equity and Incentive Plan. The number of shares of common stock available for grant under the 2014 Equity and Incentive Plan.

Approval of our 2014 Equity and Incentive Plan will also constitute approval of the plan for purposes of Section 162(m) under the Internal Revenue Code and the performance-based awards and/or vesting of awards made under the plan.

If our 2014 Equity and Incentive Plan is not approved by stockholders, our 2009 Equity and Incentive Plan will remain in effect in accordance with its existing terms, and the number of shares of common stock reserved for issuance under the plan, but awards made under the 2009 Equity and Incentive Plan will be subject to the terms of the 2009 Equity and Incentive Plan.

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under the plan will no longer be eligible for the performance-based compensation exception to the \$1 million limit on deductible compensation to the executive.

The Board recommends you vote FOR approval of our 2014 Equity and Incentive Plan, which shall also constitute approval of the plan for purposes thereunder.

Significant Aspects of our 2014 Equity and Incentive Plan

Number of Available Shares. Under our 2009 Equity and Incentive Plan, there are currently a total of 2,789,725 shares of common stock available for issuance. On our anticipated headcount over the next several years, the compensation committee has determined that an equal number of shares (the 2,789,725 shares) will be available for at least the next four years while maintaining acceptable levels of potential stockholder dilution from equity awards. If our 2014 Equity and Incentive Plan is approved, the number of shares of common stock available under our 2009 Equity and Incentive Plan. Upon approval of the 2014 Equity and Incentive Plan, no further grants shall be made under the 2009 Equity and Incentive Plan.

Equity Compensation Plan Information

The following table sets forth information as of December 31, 2013 regarding our 2005 Equity and Incentive Plan and our 2009 Equity and Incentive Plan and reflects our proposed 2014 Equity and Incentive Plan.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants, and rights	Weighted average remaining term of outstanding options, warrants, and rights
Equity compensation plans approved by security holders	637,496	\$
Equity compensation plans not approved by security holders ⁽¹⁾	100,036	\$
	737,532	\$

(1) Our 2005 Equity and Incentive Plan was in existence at the time of our initial public offering and has not been approved by stockholders.

The total number of shares of our common stock outstanding as of March 3, 2014 was 54,312,214. Following our March 3, 2014 grants of long-term incentive awards under the 2005 Equity and Incentive Plan and the 2009 Equity and Incentive Plan was \$165.13, the weighted average remaining term for all outstanding options under the 2005 Equity and Incentive Plan and the 2009 Equity and Incentive Plan was 3.1 years. As of the same date, unexercised options outstanding under the 2005 Equity and Incentive Plan and the 2009 Equity and Incentive Plan were 883,317 options outstanding under the 2005 Equity and Incentive Plan and the 2009 Equity and Incentive Plan. As of the same date, unexercised warrants outstanding under the 2005 Equity and Incentive Plan and 2009 Equity and Incentive Plan was 87,228 shares. If the 2014 Equity and Incentive Plan is approved, the number of shares of common stock available under the 2005 Equity and Incentive Plan and the 2009 Equity and Incentive Plan will be reduced by the number of shares of common stock that will be issued upon the exercise of the 2014 Equity and Incentive Plan.

Table of Contents**Equity Overhang, Dilution and Burn Rate**

The company recognizes the dilutive impact of its Equity and Incentive Plans and its long-term goal is to limit the average annual dilution to less than 5% of the total number of shares of common stock outstanding at the end of the year. Over the past three years, the average annual dilution was 1.01%. We manage our equity grants we grant annually as a percentage of total shares of common stock outstanding. Burn rate is another measure of dilution that shows how rapidly a company's equity is diluted and averaged 0.31%. An additional metric that we use to measure the cumulative impact of our Equity and Incentive Plans is equity overhang, or the number of shares granted together as a percentage of the total shares of common stock outstanding at the end of the year. Over the past three years, our overhang has averaged 5.77%.

The following table summarizes our key Equity and Incentive Plans metrics over the last three years:

	2013 (%)	2012 (%)	2011 (%)	Average (%)
Dilution	1.45	0.91	0.66	1.01
Burn Rate	0.43	0.25	0.25	0.31
Equity Overhang	6.35	5.52	5.43	5.77

In considering the proposal to adopt the 2014 Equity and Incentive Plan, the compensation committee reviewed the above metrics along with data compiled for our peer group's dilution and burn rate for our peer group. The company also reviewed the Institutional Shareholder Services burn rate threshold for our industry, which is 2.0%. The reserve under the 2014 Equity and Incentive Plan is in line with our peers, as well as necessary to retain equity compensation as an important recruiting and retention tool. The 2014 Equity and Incentive Plan will be sufficient for at least the next four years of grants.

Approval of Plan and Performance Goals for Section 162(m) Purposes

Section 162(m) of the Internal Revenue Code generally disallows deductions for publicly-held corporations with respect to compensation in excess of \$1 million per year. Compensation payable solely on account of attainment of one or more performance goals is not subject to the deduction limitation if, among other things, the performance goals are approved by the stockholders of the corporation. This is known as the performance-based compensation exception to Section 162(m). The material terms of our 2014 Equity and Incentive Plan are as follows:

Awards under our 2014 Equity and Incentive Plan may be made subject to the attainment of performance goals in order to qualify for this performance-based compensation exception to Section 162(m). The performance goals are:

return on total stockholder equity;

total shareholder return;

earnings per share;

net income (before or after taxes);

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earnings before any or all of interest, taxes, minority interest, depreciation, and amortization;

sales or revenues;

return on assets, capital, or investment;

market share;

cost management goals;

budget comparisons;

implementation or completion of critical projects or processes;

formation of joint ventures or research or development collaborations, or completion of other corporate transactions;

cost per ton of material;

cash flow return on average gross capital employed;

specified strategic objectives;

economic value created;

objectives based on meeting specified market penetration, geographic business expansion, customer satisfaction, employee satisfaction, human re

any combination of, or a specified increase, decrease, or change in, any of the foregoing.

In addition, such performance goals may be based upon the attainment of specified levels of company performance under one or more measures described applicable to an award not intended to constitute performance-based compensation for purposes of Section 162(m), the compensation committee may design or amend the aforementioned business criteria. Performance goals may include a threshold level of performance below which no award will be earned, a level which the maximum amount of the award will be earned. The compensation committee has the authority to make equitable adjustments to the performance company or the financial statements of the company or any subsidiary of the company, in response to changes in applicable laws or regulations, or to account occurrence or related to the disposal of a segment of a business or related to a change in accounting principles.

The stockholders of the company are being asked to approve our 2014 Equity and Incentive Plan for purposes of Section 162(m), so that the company will awards will then be eligible to qualify as performance-based compensation not subject to the \$1 million limit on deductible compensation that might otherwise awards under our 2009 Equity and Incentive Plan will no longer qualify for the performance-based compensation exception to Section 162(m).

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Description of Material Terms of the Plan

The following description of the material terms of our 2014 Equity and Incentive Plan is qualified in its entirety by the terms of the plan document, which is

The plan is administered by the compensation committee of the Board. Each member of the compensation committee is a "non-employee director" (within the meaning of Section 162(m) of the Internal Revenue Code). Employees, consultants, independent contractors and non-employee directors of the company, including approximately 2,800 employees and non-employee directors who would be eligible to participate in the plan.

Authorized Awards under the Plan

The plan authorizes our compensation committee to grant the following awards:

stock options (including options intended to be "incentive stock options" within the meaning of Section 422 of the Internal Revenue Code);

stock appreciation rights, which give the holder the right to receive the difference between the fair market value per share on the date of exercise

performance awards, which are payable in cash or stock upon the attainment of specified performance goals over periods of more than one year;

restricted stock and restricted stock units, which are subject to restrictions on transferability and subject to forfeiture on terms set by our compensation

committee, or other stock or cash-based awards in the discretion of our compensation committee, including unrestricted stock grants and annual cash incentive

Stock Options. Options entitle the holder to purchase shares of common stock during a specified period at the purchase price specified by the compensation committee (the option is granted). Options shall be exercisable over the exercise period (which shall not exceed ten years from the date of grant), at such times and upon such conditions as the compensation committee may determine. Generally, outstanding options under the plan vest as to one third of the underlying shares on each of the first three anniversaries of the date of grant. The exercise price of the stock previously owned by the grantee (subject to such conditions as may be imposed by the compensation committee), through a "broker cashless exercise" arrangement with the compensation committee. No dividend or dividend equivalents are payable in respect of outstanding options.

Stock Appreciation Rights. Stock appreciation rights give the holder the right to receive the difference between the fair market value per share on the date of exercise and the exercise price of the stock appreciation right. Payment of a stock appreciation right may be made in cash or stock at the discretion of the compensation committee. No dividend or dividend equivalents are payable in respect of outstanding options or stock appreciation rights.

Restricted Stock. Restricted stock awards consist of a grant of shares of restricted common stock. Except to the extent restricted under the applicable award agreement, the right to vote restricted stock and the right to receive dividends thereon, provided that dividends with respect to performance-based

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restricted stock for which the applicable performance period has not yet concluded will be accrued during the applicable performance period and will not be subject to such restrictions on transferability and other restrictions, if any, as the compensation committee may impose, which restrictions may lapse under applicable law. We will not place restrictions on restricted stock that shall lapse, in whole or in part, only upon the attainment of performance goals; these restrictions generally will not apply to restricted stock that has vested.

Restricted Stock Units. Restricted stock units give the holder the right to receive shares of common stock or cash, as determined by the compensation committee. Restricted stock units subject to the grant and if payment is made in cash, the fair market value of shares of common stock on the date of vesting or expiration of the deferral period for restricted stock units, provided that dividends with respect to performance based restricted stock units for which the applicable performance period has not yet concluded and to the extent, the applicable performance goals are achieved.

Other Stock or Cash-based Awards. The compensation committee is authorized to grant awards in the form of other stock-based awards or other cash-based awards. Other stock or cash-based awards may be granted with value and payment contingent upon the attainment of performance goals. The compensation committee will determine the value of an award shall be made prior to the certification by the compensation committee that the performance goals have been attained.

Non-Employee Director Awards

Currently, each non-employee director receives, upon joining the Board, a restricted stock grant with a fair market value of \$120,000. Thereafter, each non-employee director receives a restricted stock grant with a fair market value of \$120,000 on the date of each annual meeting of the stockholders. Assuming continuing service as a non-employee director, all shares of restricted stock granted following the date of grant or (y) the first anniversary of the date of grant.

Share Reserve

We have reserved a total of 3,900,000 shares for issuance under our 2009 Equity and Incentive Plan and, as of March 3, 2014, 2,789,725 shares remained available for issuance. If the shares are not issued to stockholders, a total of 2,789,725 shares will be reserved for issuance for awards under the plan the same number of shares that remain available for issuance under the 2009 Equity and Incentive Plan. Further, following the date on which stockholder approval of the 2014 Equity and Incentive Plan is obtained, the shares of our common stock that were reserved under the 2009 Equity and Incentive Plan, or our 2014 Equity and Incentive Plan will be available for subsequent award and issuance under the 2014 Equity and Incentive Plan, provided that, shares tendered or withheld in payment of the exercise price of an award are not available for future grant. As indicated above, the maximum number of shares that can be issued as awards under the 2014 Equity and Incentive Plan is 2,789,725 shares, plus any shares not issued under the prior sentence. The "fungible share counting" provision

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contained in our 2009 Equity and Incentive Plan remains in our 2014 Equity and Incentive Plan, which counts each share awarded pursuant to awards other than the Plan's share reserve. This fungible share counting design also effectively limits the number of "full-value" (i.e., other than stock option or stock appreciation right) shares in the reserve as 1.61 shares for every one share issued in connection with such awards.

Individual Award Limits

Our 2014 Equity and Incentive Plan provides that no more than 1,000,000 shares underlying awards of stock options and stock appreciation rights may be granted to any participant may receive with respect to any cash-based awards under the plan in respect of any annual performance period is \$3 million and for any other performance period the number of months in the performance period and the denominator of which is twelve.

Termination of Employment

Unless otherwise provided by our compensation committee or in an award agreement, in connection with a change in the participant's service relationship, the awards will become fully vested (and in the case of stock options, exercisable).

Change in Control

Unless otherwise provided by our compensation committee, upon a change in control (as defined in the plan), the restrictions, limitations, and conditions applicable to the awards will become fully vested (and in the case of stock options, exercisable).

Transferability of Awards

Unless otherwise provided by our compensation committee, awards granted under the plan generally may not be transferred by a grantee other than by will, intestacy, or to the grantee or his or her guardian or legal representative.

Repricing Prohibition/Cash-Out Prohibition.

The plan administrator may not implement any of the following repricing/cash-out programs without obtaining stockholder approval: (i) the cancellation of outstanding stock appreciation rights with a lower exercise price per share, (ii) the cancellation of outstanding stock options or stock appreciation rights in exchange for cash, or (iii) the cancellation of outstanding stock options or stock appreciation rights.

Amendment or Termination of the Plan

Our Board may amend, alter, suspend, discontinue, or terminate the plan at any time, provided that no such amendment, alteration, suspension, discontinuation, or termination is necessary to comply with any tax or regulatory requirement. Stockholder approval is specifically required for amendments that increase the benefits accruing to plan participants, materially increase the benefits accruing to plan participants, or would permit the compensation committee to waive vesting requirements (other than in connection with a change in the participant's service relationship). No amendment to or

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termination of the plan may adversely affect any awards already granted under the plan without the participant's permission.

Certain Federal Income Tax Consequences

The following discussion is a brief summary of the principal United States federal income tax consequences of the plan under the provisions of the Internal Revenue Code. This discussion is not exhaustive and does not describe, among other things, state, local, or foreign income and other tax consequences. The specific tax consequences to a participant will depend on the participant's individual circumstances.

In general, no taxable income is realized by a participant upon the grant of an option which constitutes an incentive stock option for purposes of the Internal Revenue Code. If an incentive stock option is exercised and the participant does not dispose of the shares within the two-year period after the date of grant or within one year after the date of termination of employment, (i) the participant will not realize ordinary income upon exercise and (ii) upon sale of such shares, any amount realized in excess of the exercise price paid for the shares will constitute an item of income. If the market value of the common stock on the exercise date of an incentive stock option exceeds the purchase price generally will constitute an item which increases the participant's taxable income. If incentive stock options are disposed of in a disqualifying disposition, the participant generally would include in ordinary income in the year of disposition an amount realized on the disposition of the shares) over the exercise price paid for the shares. Subject to certain exceptions, an incentive stock option generally will be treated as a non-qualified stock option at the time of termination of employment. If an incentive stock option is exercised at a time when it no longer qualifies as an incentive stock option, such option will be treated as a non-qualified stock option.

Under existing law and regulations, the grant of non-qualified stock options and stock appreciation rights will not result in income taxable to the employee at the time of grant. If a non-qualified stock option or stock appreciation right results in taxable income to the holder, and the company is entitled to a corresponding deduction. At the time of the exercise of a non-qualified stock option, the participant will be taxed on the fair market value of the shares purchased over the option's exercise price. At the time of the exercise of a stock appreciation right, the participant will be taxed on the fair market value of the shares at the time of exercise less the exercise price paid by the employee upon exercise.

A participant in the plan who is granted a restricted stock award will not be taxed upon the acquisition of such shares so long as the interest in such shares is restricted under Section 83 of the Internal Revenue Code. Upon lapse or release of the restrictions, the recipient will be taxed at ordinary income tax rates on an amount equal to the then current fair market value of the shares at the time of grant. The company will be entitled to a corresponding deduction when the value of the award is included in the recipient's taxable income. The recipient will also be taxed on any gain or loss realized on the value on the date of lapse or termination of restrictions, and upon subsequent disposition any further gain or loss will be long-term or short-term capital gain or loss.

A recipient of a restricted stock award may elect to be taxed at ordinary income tax rates on the full fair market value of the restricted shares at the time of grant. If the election is made, the recipient will be taxed on the full fair market value of the shares at the time of grant. If the election is not made, the recipient will be taxed on the value of the shares at the time of grant less the exercise price paid for the shares.

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no tax will be payable upon the subsequent lapse or release of the restrictions, and any gain or loss upon disposition will be a capital gain or loss.

A participant who is granted a restricted stock unit will not be taxed upon the grant of the award. Upon receipt of payment of cash or common stock pursuant to the award, the participant will be taxed on the amount of cash or common stock received and the fair market value of any shares of common stock received, and the company will be entitled to an income tax deduction equal to the amount of cash or common stock received.

A recipient of a performance award will generally realize ordinary income at the time shares of common stock are transferred or cash is paid to the grantee.

New Plan Benefits

The benefits that will be awarded or paid under the 2014 Equity and Incentive Plan cannot currently be determined. The number of awards (if any) that an award committee and the committee has not determined future awards or who might receive them.

Interests of Certain Persons in Matters to Be Acted Upon

Officers (including the named executive officers), employees, consultants, independent contractors, and non-employee directors of the company are eligible to participate in the plan. As of January 1, 2014, there were approximately 2,800 employees and non-employee directors who would be eligible to participate in the plan. The future grants to non-employee directors are expected to be made at the times and in the amounts described above.

The Board unanimously recommends that you vote FOR Proposal 7.

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COMPENSATION DISCUSSION AND ANALYSIS

Development of Compensation Approach and Objectives

The compensation committee oversees our compensation and employee benefit plans and practices. The committee is composed of five independent non-employee directors. The compensation committee reviews our compensation policies relative to market competitiveness and the needs of our business and then determines what changes in the compensation policies are necessary.

Compensation Philosophy

Our compensation committee has adopted a compensation philosophy that seeks to align the interests of our employees and our stockholders through focus on performance. We seek to attract, retain and motivate our employees, including our executive officers. We seek to benefit from this strategy by attracting key talent, retaining best performers, increasing productivity and reducing costs. Our compensation programs are designed to be cost effective and sustainable across business cycles.

Our goal is to provide direct compensation that is market competitive with other comparable companies. To gauge the competitiveness of our total compensation, we compare our compensation to a group of companies described below under the heading "Industry Reference Group."

Incentive opportunities are structured in light of our cyclical nature and emphasis on a team-based culture.

Components of Compensation

The following compensation elements support the needs of the business, our stockholders, and our employees:

Base salaries are set in line with individual performance and contribution to company goals. In the aggregate, base salaries are targeted around the market median. Compensation committees also consider other factors, such as market conditions and company performance, in determining base salaries. To maintain our desired market position, we conduct annual salary reviews.

Short-term incentives provide executive officers and other employees with the opportunity to earn additional annual compensation beyond base salaries based on individual performance, company performance, and other specified corporate performance goals. Short-term incentives are also targeted around the market median, and achievement of the company's performance goals.

Long-term incentives focus on enterprise value creation and employee retention. Long-term incentives are provided through annual awards. Our 2014 long-term incentive program includes full-value share-based awards, and cash-based awards. Participation is extended to executive officers and other key employees. Distribution guidelines are designed to allow for individual variation in long-term incentives based on performance level, potential contribution, and value to the business. In general, long-term incentives are targeted around the 75th percentile.

Benefit plans are offered at market-competitive levels. We seek to keep benefit plans simple in scope and range, focusing on key employee needs and the company's financial condition.

Allocation of Compensation Elements

We provide a mixture of cash compensation and non-cash compensation to our executive officers. The cash portion consists primarily of base salaries and short-term incentives. Non-cash compensation includes long-term incentives and benefit plans.

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We have not established any target allocation between cash and non-cash compensation or between short-term and long-term incentives for our executive officers. We consider our compensation levels relative to the respective median levels by position for base salaries, annual incentive awards, and long-term incentive awards. We also consider any internal factors that may include an individual's operating responsibilities, management level, and tenure and performance in the position.

As a general matter, we do not directly consider amounts realized or realizable from prior compensation in setting future compensation levels or in establishing compensation levels. The compensation committee does review the existing base salaries and target annual incentive levels for our executive officers in connection with its approval of their new base salaries and target annual incentive levels.

We also generally do not consider accounting and tax issues in setting compensation levels or in establishing the particular elements of compensation. As part of our compensation program, the committee does consider the accounting for various stock-based incentives under FASB ASC Topic 718 and the tax treatment of such incentives. The committee generally seeks to preserve the deductibility of performance-based compensation by meeting the requirements of Section 162(m) to the extent practicable and consistent with our compensation objectives.

Our allocation among base salary, short-term incentives, and long-term incentives varies significantly by management level, reflecting individual responsibilities. Our executive officers receive a greater percentage of their total expected compensation in the form of incentives (particularly long-term incentives) and a correspondingly lower percentage of their total expected compensation in the form of base salary.

Role of the Compensation Committee

Our Board has adopted a written charter for our compensation committee, which is available to stockholders at our corporate website, www.cfindustries.com, and in this Proxy Statement.

The Board makes compensation decisions for our non-management directors, acting on the recommendation of the compensation committee, and the compensation committee makes recommendations of our chief executive officer with respect to the executive officers other than himself.

The chairman of the compensation committee sets the agenda for committee meetings, with the assistance of our chief executive officer, our senior vice president, and other members of the committee. At each meeting that is held in person, the compensation committee members also meet in executive session without any members of management present.

The compensation committee has authority under its charter to retain, approve fees for, and terminate advisors, consultants, and agents as it deems necessary. The committee has retained Towers Watson, an outside global human resources consulting firm, to assist the committee in making recommendations and decisions regarding compensation. The committee meets in executive sessions without management present. See "Compensation Consultant Matters" below for additional information regarding the compensation committee's engagement of Towers Watson during fiscal 2013 for

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executive compensation consulting and other services. Our senior vice president of human resources also supports the committee in its duties.

From time to time, the compensation committee may delegate to our chief executive officer, our senior vice president of human resources, or our corporate officers other duties.

Compensation Committee Activities

Our compensation committee has taken a number of steps designed to enhance its ability to carry out its responsibilities effectively and also to ensure that we are able to attract and retain the best talent available to us:

adopting a statement of our compensation philosophy (see "Compensation Philosophy" above);

instituting a practice of holding executive sessions (without management present) at every committee meeting that is held in person unless the committee is otherwise unable to do so;

retaining an outside compensation consultant (Towers Watson) to advise the committee on executive compensation issues and meeting regularly with the consultant (see "Consultant Matters" below);

adopting stock ownership guidelines for our officers and directors and modifying the guidelines from time to time as appropriate (see "Stock Ownership Guidelines" below);

adopting an industry reference group for use in establishing compensation and incentive levels and modifying the composition of the group from time to time as appropriate;

reviewing on an annual basis the existing base salaries and target annual incentives for our executive officers and approving changes in cash compensation as appropriate;

reviewing on an annual basis our short-term incentive program, modifying the program as appropriate, and granting short-term incentive awards to our executive officers as appropriate;

reviewing on an annual basis our long-term incentive program, modifying the program as appropriate, and granting long-term incentive awards to our executive officers as appropriate (see "Long-term Incentives" below);

reviewing on an annual basis our change in control, severance, and retirement benefits and modifying these benefits as appropriate (see "Change in Control, Severance, and Retirement Benefits" below);

reviewing on an annual basis "tally sheets" summarizing the total compensation and benefits for our chief executive officer and the other named executive officers and scenarios (see "Compensation of the Current Chief Executive Officer" below as well as the other above-referenced items);

reviewing on an annual basis the potential effects of the various components of our compensation and benefits upon individual and collective behavior (see "Compensation and Benefits Risk Analysis" below);

reviewing on an annual basis the results of our stockholders' last advisory vote to approve the compensation of our named executive officers (see "Stockholders' Advisory Vote" below).

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reviewing on an annual basis the compensation of our non-management directors and recommending that our Board approve changes in such compensation.

Chief Executive Officer Transition

In September 2013, we announced that Mr. Wilson, our president and chief executive officer since 2003, had informed the Board that he intended to retire and become a non-executive chairman of the Board through the 2014 Annual Meeting. Also in September 2013, the company announced that W. Anthony Will, the company's former president, would be stepping down as our president and chief executive officer. Mr. Will commenced serving as our president and chief executive officer on January 2, 2014.

Cash Compensation

The compensation committee recently reviewed the existing base salaries and target annual incentives for our executive officers for 2013 and approved new compensation levels for 2014.

Review of Existing Compensation Levels for 2013

In connection with its review of our existing base salaries and target annual incentives, which had been in effect for 2013, the committee reviewed a report from a compensation consultant regarding compensation practices.

In performing its market assessment, the compensation consultant used its standard 2013 executive compensation database, adjusting for variations in revenue and stock price collection.

In addition, the committee reviewed information provided by the compensation consultant regarding the publicly reported cash compensation of named executive officers of companies in the "Industry Reference Group."

The committee also reviewed cash compensation recommendations from our chief executive officer for each of the other executive officers. These recommendations were based on each officer's responsibilities, management level, and tenure and performance in the position.

The committee considered all of this information in the context of the goals and objectives of our executive compensation plans. As noted above, we seek to set executive base salaries around the median market rate. Individual performance, relative criticality of the job, and business affordability are also considered in our compensation reviews. Additional information regarding these goals and objectives is set forth above under the headings "Compensation Philosophy" and "Components of Compensation."

Approval of New Compensation Levels for 2014

Based on its review and the other factors discussed above, the committee approved new base salaries and target annual incentives for 2014 for our current executive officers. Mr. Will, who is also a named executive officer, retired on January 2, 2014.

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January 1, 2014.) The following table shows the base salaries and target annual incentives for our named executive officers for 2014 as compared to 2013:

Name and Principal Position	Base Salary		Increase	Target Annual Incentive Level ⁽¹⁾	
	2013	2014		2013	2014
W. Anthony Will ⁽²⁾ President and Chief Executive Officer	\$ 490,000	\$ 860,000	75.5%	65%	100%
Stephen R. Wilson ⁽³⁾ Former President and Chief Executive Officer	\$ 1,100,000	N/A	N/A	125%	N/A
Dennis P. Kelleher Senior Vice President and Chief Financial Officer	\$ 530,000	\$ 550,000	3.8%	65%	65%
Bert A. Frost Senior Vice President, Sales and Market Development	\$ 470,000	\$ 510,000	8.5%	65%	65%
Philipp P. Koch Senior Vice President, Supply Chain	\$ 450,000	\$ 485,000	7.8%	65%	65%
Douglas C. Barnard Senior Vice President, General Counsel, and Secretary	\$ 450,000	\$ 475,000	5.6%	65%	65%

- (1) Target Annual Incentive for 2014 based on attainment of primary EBITDA objective and achievement of a secondary performance metric of 39%
- (2) Mr. Will's 2014 base salary and Target Annual Incentive level were increased to \$860,000 and 100%, respectively, in connection with his election as Chief Executive Officer" below.
- (3) The compensation committee did not approve a new base salary or target annual incentive for Mr. Wilson with respect to 2014 due to his impending resignation, as discussed in the Compensation Committee Report heading "Chief Executive Officer Transition and Compensation of the Former Chief Executive Officer."

Additional information with respect to the base salaries and annual incentive targets of these executive officers with respect to calendar years 2011, 2012, and 2013, and "Executive Compensation Grants of Plan-based Awards."

Short-term Incentives

The compensation committee recently reviewed our short-term incentive program and then granted annual incentive awards to our executive officers for 2013.

Review of the Short-term Incentive Program

During its review of our short-term incentive program, the committee considered the following general goals:

the use of properly structured short-term incentives in order to align the interests of management and stockholders, provide context for management strategy, and focus all members of management on the same corporate goals (financial, operational, and strategic); and

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the need to create a framework for the program that can remain in effect for a significant period of time, while retaining the flexibility for the company to adjust the program to changing business conditions.

The committee also considered the following factors specific to our company:

the difficulty in establishing appropriate short-term performance measures for CF Industries, given the inherent cyclicality in our industry as well as the impact that may have upon our operating results; and

the outlook for our short-term performance and the broad range of possible actual outcomes.

In addition, the committee reviewed a report from Towers Watson, our outside compensation consultant, regarding competitive market practices with respect to executive compensation.

The committee considered all of this information in the context of the goals and objectives of our executive compensation plans. As noted above, we use short-term incentives for additional annual compensation beyond base salary. The role of short-term incentives is to reward and encourage the achievement of annual financial results that exceed the market median. Additional information regarding these goals and objectives is set forth above under the headings "Compensation Philosophy" and "Compensation Objectives."

Selection of Primary Performance Metric for 2014

Based on its review of these general, company-specific, and competitive considerations, the committee determined that the annual incentive awards to our executive officers will be based on a target of \$500 million for the company's 2014 fiscal year. If that EBITDA performance target is attained for 2014, each executive officer will become eligible for an annual bonus, subject to a reduction in the discretion of the committee (sometimes referred to as "negative discretion"). The committee retains the discretion to reduce 2014 annual bonus payments if the target is not attained. If the primary EBITDA objective is not attained, no annual incentive awards will be made to the executive officers under the 2013 executive compensation plan. EBITDA is computed as *the sum of* (i) net earnings attributable to common stockholders *plus* (ii) interest expense (income) *neplus* (iii) income taxes *plus* (iv) depreciation and amortization.

The committee determined that the use of an overall EBITDA performance goal, combined with the reservation of the committee's right to use negative discretion to reduce bonus payments based on financial results and other specified corporate performance goals while retaining the ability to pay incentive awards to executive officers which are deductible for tax purposes, if the EBITDA target described above represents an appropriate level of corporate performance to warrant payment of some level of an annual incentive award to executive officers, the committee based on performance against the specified secondary performance metric, as described below.

Selection of Secondary Performance Metric for 2014

If the primary EBITDA performance objective is attained, it is the committee's intention to use its negative discretion to pay 2014 annual bonuses based on EBITDA divided by average operational assets.

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The "adjusted EBITDA" numerator of this metric is essentially *the sum of* (i) EBITDA (as described above) *plus* (ii) unrealized mark to market loss on impairment, system implementation, or similar types of costs *less* (v) profits (losses) associated with acquisitions and divestitures completed during the year

The "average operational assets" denominator of this metric is essentially the simple average of the beginning and year-end values for *the sum of* (i) cash and cash equivalents *less* (ii) auction rate securities *less* (iv) investments in marketable equity securities *less* (v) total current liabilities *less* (vi) long-term deferred income tax liabilities *less* (vii) other non-current liabilities approved by the committee) *less* (ix) assets associated with acquisitions and divestitures completed during the year *plus* (x) short-term debt or notes payable

In selecting RONA as the applicable metric, the committee noted that it will:

facilitate evaluation of the performance of our executive officers with a focus on the results of their operating decisions; and

facilitate comparisons of our operating results with the results of other companies that have different financing and capital structures and/or tax rates.

The committee also established threshold, target, and ceiling levels for the RONA performance metric:

below the threshold level of 28% RONA, none of the short-term incentive award will be earned;

at the threshold level of 28% RONA, half of the short-term incentive award target will be earned;

at the target level of 39% RONA, all of the short-term incentive award target will be earned; and

at and above the ceiling level of 50% RONA, twice the short-term incentive award target will be earned.

Linear interpolation will be applied for performance results between the threshold and target levels or between the target and ceiling levels.

As is noted above, if the primary EBITDA performance objective is not achieved, no annual incentive payment will be made to the executive officers under the program.

Measured over an extended period, the objective of the committee is to select performance levels such that we have a roughly (i) 80% probability of exceeding the ceiling level. Although the committee considers management's outlook as one of several factors in evaluating the threshold, target, and ceiling levels, it represents only a single scenario from among a broad range of plausible alternatives, given the pronounced effects of highly volatile commodity prices upon our performance in years when our performance is superior by long-term industry standards, and a smaller payout (or none at all) for years when our performance is relatively weak due to cyclical or cyclicity in our industry.

In reviewing our short-term incentive program, the committee was also aware of alternative metrics for measuring company performance, such as achievement of strategic objectives, company culture, progress towards strategic objectives, performance relative to comparable companies, or performance relative to a variable budget, as well as alternative metrics for measuring executive performance.

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goals. The objective in each case would have been to address the inherent cyclicity in our industry as well as the pronounced effects of highly volatile company performance. The measures of company performance align the interests of our executive officers with the interests of our stockholders, reflect our team-based culture, and are designed to ensure that our compensation

Approval of Annual Incentive Awards for 2014

As noted above, the compensation committee recently granted annual incentive awards to our executive officers for calendar year 2014 pursuant to our 2014 Incentive Plan. The committee also assigned each executive officer a target award opportunity for 2014 ranging from 45% to 100% of his or her base salary depending on his or her compensation performance. The annual incentive levels for our named executive officers for 2014 is set forth above under the heading "Cash Compensation Approval of New Compensation Awards." The awards will be based in the first instance on whether the overall EBITDA performance objective is attained as described above under the heading "Selection of Primary Performance Objectives." The amounts will be determined by the committee using its negative discretion authority based upon our RONA performance during 2014 as described above under the heading "RONA Performance."

Approval of Annual Incentive Payments for 2013

The compensation committee recently determined that each of our executive officers earned 186% of his or her target opportunity with respect to his or her 2013 annual incentive award.

Additional information with respect to the compensation committee's grants of annual incentive awards and our subsequent cash payments to the named executive officers is set forth in the "Executive Compensation Summary Compensation Table" and "Executive Compensation Grants of Plan-based Awards."

Long-term Incentives

The compensation committee reviewed our long-term incentive program during 2013 and granted long-term incentive awards to our executive officers.

General Considerations

During its review of our long-term incentive program, the committee considered the following general factors:

the use of properly structured long-term incentives in order to align the interests of senior management and stockholders;

the advantages and disadvantages of using stock options, restricted stock, and/or performance shares for such purposes;

the choice of vesting parameters for stock options and restricted stock and the treatment of death, disability, retirement, resignation, and termination;

the accounting for various stock-based incentives under FASB ASC Topic 718 and the tax treatment of such incentive awards under Section 162(m).

The committee also considered the difficulty in establishing appropriate long-term performance measures for the company, other than stock price appreciation.

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dividends), given the inherent cyclical nature in our industry as well as the pronounced effects of highly volatile commodity prices for raw materials and fertilizers.

In addition, the committee reviewed a report from Towers Watson, our outside compensation consultant, regarding competitive market practices with respect to executive compensation.

The committee considered all of this information in the context of the goals and objectives of our executive compensation plans. As noted above, our long-term incentive awards are provided through annual awards. Our 2009 Equity and Incentive Plan allows the use of stock options, full-value shares, and cash-based awards. Eligibility and vesting requirements related to position responsibility levels are updated annually. In consideration of these guidelines, there is individual variation in long-term incentives based on performance. The design of these awards and the goals and objectives is set forth above under the headings "Compensation Philosophy" and "Components of Compensation."

Design of Awards for 2013

Based on its review of these general, company-specific, and competitive considerations, the committee determined that the long-term incentive awards to our executive officers should be in the form of stock (each measured by fair value on the date of grant), as was the case for 2010, 2011 and 2012.

In selecting a mixture of stock options and restricted stock for our long-term incentive awards, the committee noted that:

the stock option award would provide potential value for executive officers that is tied solely to stock price appreciation after the date of grant;

the stock option and restricted stock awards would be subject to time vesting provisions and therefore create an additional retention mechanism for executive officers;

the restricted stock award would foster stock ownership by executive officers; and

the restricted stock award would provide value for executive officers that fluctuates with total stockholder return (including dividends).

Approval of Awards for 2013

The compensation committee approved long-term incentive awards during 2013 pursuant to our 2009 Equity and Incentive Plan consisting of 105,620 stock options and 105,620 shares of restricted stock.

All of our executive officers were granted awards on August 12, 2013 (other than Mr. Hall who received an award upon joining the company in July 2013 and whose award was granted on August 6, 2013) for the grant date for these awards because it was first business day following the anniversary of our IPO. In selecting August 12, 2013 as the grant date, the committee considered that August 6, 2013 was the date of our IPO.

On the grant date, the committee approved dollar-denominated stock option and restricted stock awards for the individual executive officers. In selecting the award amount, the committee used the general industry market median value for the position (adjusted to reflect the individual's current base salary) as determined by Towers Watson, our outside compensation consultant, as the benchmark for each executive officer for the long-term incentive awards to each of the executive officers other than Mr. Hall.

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himself. These recommendations took into account the chief executive officer's assessment of each individual's operating responsibilities, manag

After the close of business on the grant date, the dollar-denominated awards were translated into an actual number of stock options and an actual to valuation formulas recommended by our outside compensation consultant and approved in advance by the committee. Similarly, the exercise p represented 60% of the total value on the grant date, and the number of shares of restricted stock represented the remaining 40%.

The terms and conditions of these long-term incentive awards were as follows:

The shares of restricted stock granted to our executive officers will vest on the third anniversary of the grant date, subject to earlier forfeiture or assigned, transferred, donated, pledged, or otherwise disposed of (except by will or the laws of descent and distribution). We will pay dividends o

Subject to earlier forfeiture or accelerated vesting (as described below), the options granted during 2013 will generally become exercisable in thro

As discussed below, upon a change in control, the restrictions, limitations, and conditions applicable to the restricted stock and stock option awar vested and exercisable upon death or disability.

Additional information with respect to the compensation committee's grants of restricted stock and stock options to our named executive officers during 20

Design of Awards for 2014

On December 17, 2013, the compensation committee determined that it would be in the company's best interests to begin to grant performance shares as a in shares of common stock in an amount based on the company's three-year total shareholder return as compared to the total shareholder return of compani on achieving threshold, target and maximum performance levels, respectively, and may be increased or decreased by up to 20% based on the company's tot Partners LP, Incitec Pivot Ltd, LSB Industries, Inc., The Mosaic Company, Potash Corporation of Saskatchewan Inc., and Yara International ASA. For 201 and advice from Towers Watson regarding competitive market practices regarding the use of long-term incentives, the compensation committee determined 20% restricted stock units and 20% performance shares (each measured by fair value on the date of grant).

Historically, it had been the compensation committee's practice to grant long-term incentive awards during the third quarter to coincide with the anniversary component of the company's long-term incentive program, the compensation committee determined to instead make annual grants of long-term incentive a the company's annual financial results and performance. Accordingly, on March 3, 2014, the compensation committee approved long-term incentive award 85,500 stock options, 7,115 restricted stock units and 4,690 target performance shares in the aggregate.

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Change in Control, Severance, and Retirement Benefits

The compensation committee reviewed our change in control, severance, and retirement benefits during 2013 as described below. Based on its review, and severance, and retirement benefits continue to serve the best interests of the company and our stockholders and are consistent with competitive market practices.

Change in Control Benefits

With respect to our change in control benefits, the committee noted that we have change in control agreements with our executive officers, as well as certain Equity and Incentive Plan. Additional information regarding these benefits is set forth below under the heading "Executive Compensation Potential Payments."

In connection with its review, the committee noted that the change in control agreements with our executive officers are:

intended to provide some level of income continuity for an executive officer should his or her employment be terminated by us without cause or for no fault of his or her;

designed to avoid unwanted management turnover in the event of a potential change in control; and

designed to ensure that the executive officer's personal interests will remain aligned with the interests of our stockholders in the event of a potential change in control.

The committee also noted that our change in control agreements require both (i) a change in control and (ii) a qualifying termination of the executive officer under the agreement.

In addition, the committee noted that our 2009 Equity and Incentive Plan provides that all plan-based awards will be deemed fully achieved, fully vested, and exercisable if the committee determines otherwise with respect to a particular award at the time of grant and reflects this determination in the applicable award agreement. In addition, our goals in our plan-based awards following a change in control, given the fundamental changes in our organization, capital structure, and operations that would result from a change in control provision for the benefit of our executive officers and the other participants. The 2014 Equity and Incentive Plan contains the same change in control provision.

As part of its review, the committee reviewed "tally sheets," estimating these benefits for our chief executive officer and the other named executive officers.

Based on its review, and the other factors noted above, the committee determined that our change in control benefits serve the best interests of the company.

Severance Benefits

With respect to our severance benefits, the committee noted that none of our executive officers has any employment or severance agreement, and none of our change in control agreements and change in control benefits discussed above, (ii) such severance benefits as we may provide under our standard policies applicable to our executive officers in all jurisdictions, and (iv) such additional severance benefits as our compensation committee may determine to be appropriate.

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approve in certain instances. Based on its review, and the other factors noted above, the committee determined that our severance benefits serve the best interests of the company and its stockholders.

Retirement Benefits

With respect to our retirement benefits, the committee noted that we maintain tax-qualified and nonqualified defined benefit, defined contribution, and defined contribution plans. The committee reviewed the compensation committee's reports under the headings "Executive Compensation - Retirement Benefits" and "Executive Compensation - Nonqualified Deferred Compensation."

Effective January 1, 2013, our defined benefit pension plan was renamed the CF Industries Holdings, Inc. Pension Plan (the "Pension Plan"). The Pension Plan is a new defined benefit pension plan, which was approved by the committee in 2012 and became effective on January 1, 2013, under which employees who joined the company after that date are ineligible to receive any pension benefits under the Old Retirement Plan, but are eligible for benefits under the Pension Plan. For our executive officers, eligible compensation is an amount between 4% and 7% (depending on years of service) of the participant's eligible compensation. For our executive officers, eligible compensation is the greater of (i) the annual yield on 10-year treasury nominal securities and (ii) 3% annual interest. The third component of the Pension Plan is Supplement C, which provides for a lump sum payment to employees who commenced employment with Terra Industries, or any other entity that was an employer under the former plan, prior to August 1, 2003.

The committee also reviewed "tally sheets," estimating these benefits for our chief executive officer and the other named executive officers under various assumptions.

For those employees who have reached the age of 60 with at least five years of service at the time of retirement, including our named executive officers, the Pension Plan provides for a lump sum payment.

Based on its review, and the other factors noted above, the committee determined that our retirement benefits serve the best interests of the company and its stockholders.

Chief Executive Officer Transition and Compensation of the Former Chief Executive Officer

On December 18, 2013, in connection with his retirement as president and chief executive officer and his continued service as a director, the Board, upon the recommendation of the compensation committee, approved a resolution providing for quarterly, for Mr. Wilson's service as director and non-executive chairman. This compensation is in lieu of any other compensation generally paid to non-executive directors, including any outstanding stock options and restricted stock awards held by Mr. Wilson at the time of his retirement, which amendment clarified that such outstanding equity awards will not be exercised or cashed out in connection with his retirement. Set forth below is a discussion of Mr. Wilson's compensation for 2013.

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Short-term Incentive Payment for 2013

The compensation committee recently determined that Mr. Wilson earned \$2,557,500 (representing 233% of his base salary and 186% of the relevant target) for Mr. Wilson's annual incentive award for 2013 and our subsequent cash payment to him on that award is set forth above under the heading "Approval of Annual Incentive Awards," "Executive Compensation Table," and "Executive Compensation Grants of Plan-based Awards."

Long-term Incentive Awards for 2013

The compensation committee also granted Mr. Wilson 49,970 stock options and 9,470 shares of restricted stock on August 12, 2013. In making this award, the committee considered Mr. Wilson's performance as a consultant as well as the other factors discussed above. Additional information regarding the committee's review of our long-term incentive program and the heading "Long-term Incentives."

Change in Control, Severance, and Retirement Benefits

The compensation committee also reviewed our change in control, severance, and retirement benefits during 2013, with a particular focus on the benefits Mr. Wilson would receive under various assumptions and scenarios. In addition, as noted above, in connection with his retirement, the committee considered Mr. Wilson's continued service as a director. Based on its review, and the other factors noted above, the committee determined that Mr. Wilson's change in control, severance, and retirement benefits are consistent with competitive market practices. As of his retirement effective January 1, 2014, Mr. Wilson is no longer covered under any change in control or severance provisions of our equity plans that govern equity awards generally. Additional information regarding the heading "Change in Control and Retirement Benefits."

Additional information with respect to Mr. Wilson's total compensation and benefits for 2011, 2012, and 2013 is set forth below under the heading "Executive Compensation."

Compensation of the Current Chief Executive Officer

In connection with Mr. Will's election to the position of president and chief executive officer of the company, on December 18, 2013, the compensation committee approved an annual incentive target of 100% of his base salary under the company's short-term incentive program, each as further described below.

Cash Compensation for 2014

The compensation committee approved a base salary of \$860,000 for Mr. Will for 2014 and an annual incentive target equal to 100% of his base salary in 2014. In setting Mr. Will's base salary and annual incentive target for 2014, the committee considered (i) a competitive market assessment performed by Towers Watson, our outside compensation consultant, of the compensation goals and objectives of our executive compensation plans. The committee also considered the current conditions in the overall economy, and the announced information regarding the

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committee's approval of Mr. Will's base salary and his annual incentive target for 2014 is set forth above under the heading "Cash Compensation."

Short-term Incentive Award for 2014

The compensation committee recently granted Mr. Will an annual incentive award for 2014. Mr. Will's annual incentive payment for 2014 will be based in part on whether the primary EBITDA performance objective is attained, Mr. Will's actual annual incentive payment will be determined by the committee using its negative discretion. The award structure provides for a threshold-level payment equal to 50% of his base salary at an RONA of 28%, (ii) a target-level payment equal to 100% of his base salary at an RONA of 30%, and a maximum-level payment equal to 150% of his base salary at an RONA of 32%. A straight-line interpolation is used to determine the achievement percentage for RONA between threshold, target and maximum performance levels. Additional information is set forth above under the heading "Short-term Incentives."

Change in Control, Severance, and Retirement Benefits

The compensation committee also reviewed our change in control, severance, and retirement benefits during 2013, with a particular focus on the benefits Mr. Will would receive. The committee reviewed "tally sheets," estimating the benefits that Mr. Will would receive under various assumptions and scenarios. Based on its review, and the other factors, the committee amended in connection with his election to the position of president and chief executive officer to reflect the level of change in control benefits that were provided. The amended agreement provides that upon a qualifying termination, as described in more detail under the heading "Executive Compensation Potential Payments Upon Termination or Change in Control," (i) a cash payment equal to the sum of his base salary and target annual incentive payment; (ii) welfare benefit continuation for a period of three years and outplacement services for a period of three years; (iii) a cash payment equal to target levels of performance or, if higher, actual year-to-date performance; (iv) a cash payment equal to the actuarial value of three additional years of age at the time of termination; and (v) a cash payment equal to the contributions that we would have made on his behalf for a period of three years under our Company 401(k) Plan and the related Profit Sharing and Deferral Plan. Mr. Will's amended change in control agreement does not provide for an excise tax gross-up. The committee determined that Mr. Will's change in control and retirement benefits, provide for benefits that are consistent with competitive market practices for a chief executive officer and are in the best interests of the Company. Additional information is set forth below under the heading "Executive Compensation Potential Payments Upon Termination or Change in Control." Additional information is set forth above under the heading "Change in Control, Severance, and Retirement Benefits."

Additional information with respect to Mr. Will's total compensation and benefits for 2011, 2012, and 2013 is set forth below under the heading "Executive Compensation Potential Payments Upon Termination or Change in Control."

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Industry Reference Group

As noted above, the compensation committee has adopted an industry reference group for use in establishing compensation and incentive levels. During 20

Global Industry Classification Standard Subindustry Description	Company Name
Fertilizers and Agricultural Chemicals	Agrium Inc. The Mosaic Company Potash Corporation of Saskatchewan Inc. The Scotts Miracle-Gro Company
Specialty Chemicals	Albemarle Corporation
Commodity Chemicals	Celanese Corporation Westlake Chemical Corporation
Diversified Chemicals	Ashland Inc. Eastman Chemical Company FMC Corporation Huntsman International LLC
Agricultural Products	Ingredion Incorporated (formerly known as Corn Products International, Inc.)
Industrial Gases	Air Products and Chemicals, Inc.
Coal and Consumable Fuels	Arch Coal, Inc.

During 2012, our peer group included Cytec Industries Inc. (Specialty Chemicals). Our compensation committee removed Cytec Industries Inc. from the peer group of approximately \$2 billion and, based on the recommendation of Towers Watson, replaced it with Westlake Chemical Corporation, which is a commodity chemicals producer. We have selected Westlake Chemical Corporation as an industry reference group in our "peer group" for purposes of the stock price performance graph included within our 2013 Annual Report. We have selected Westlake Chemical Corporation because they comprise the members of our reference group that are publicly traded manufacturers of fertilizers with headquarters in North America.

Stockholder Say on Pay Votes

We provide our stockholders with the opportunity to cast an annual advisory vote to approve the compensation of our named executive officers (a "Say on Pay" vote). In 2013, greater than 90% of the votes cast on the Say on Pay proposal at the particular meeting were voted in favor of the proposal. The compensation committee did not change its approach for 2014 in response to the outcome of the Say on Pay vote. The compensation committee will continue to consider the outcome of the Say on Pay vote for our named executive officers.

Financial Restatements

It is the policy of our Board that the compensation committee will, to the extent permitted by governing law, have the sole and absolute authority to make recommendations regarding the payment was predicated upon the

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achievement of certain financial results that were subsequently the subject of a restatement. Where applicable, we will seek to recover any amount determined to be "clawback" language in the forms of incentive award agreements that we use with executive officers in order to enhance the enforceability of these provisions.

Stock Ownership Guidelines

The Board believes that our directors and officers should be stockholders of CF Industries and, based on the recommendation of the compensation committee,

Directors will have five years from the date of their appointment or election to achieve stock ownership with a market value equal to five times the

Officers will have five years from their date of hire or promotion to achieve stock ownership with a market value equal to (i) five times annual base salary in the case of the other executive officers, and (iii) one times annual base salary in the case of the other officers.

For purposes of these guidelines, stock ownership includes (i) any purchased stock, (ii) any "phantom" stock held in our qualified and non-qualified deferred compensation plans (assuming a maximum tax rate) of the "spread" on any vested stock option awards (i.e., the amount by which the market value of the underlying stock exceeds the exercise price), and (iii) any restricted stock awards.

Once an individual meets his or her ownership guideline requirements, it is expected that he or she will maintain ownership at the required levels as stock price fluctuates. He or she has achieved compliance with the ownership guidelines before the sale and that he or she will retain enough shares following the sale in order to maintain the required levels.

We may facilitate stock ownership by directors and officers through grants of equity-based compensation under our 2009 Equity and Incentive Plan. We have not used derivatives on our stock, selling our stock "short," or holding our stock in margin accounts.

Tax Deductibility of Executive Compensation

Section 162(m) of the Internal Revenue Code limits our federal income tax deduction to \$1,000,000 per year for compensation paid to our chief executive officer, however, subject to the deduction limit, provided certain requirements of Section 162(m) are satisfied. We believe that our 2009 Equity and Incentive Plan provides for the grant performance-based compensation which is not subject to the \$1,000,000 limit otherwise imposed by Section 162(m). We will generally seek to present such compensation to the extent practicable and in the best interests of CF Industries and its stockholders. If our 2014 Equity and Incentive Plan is not approved, future awards of compensation exception to Section 162(m).

Compensation Consultant Matters

As noted above, the compensation committee has engaged Towers Watson, an outside global human resources consulting firm, to assist the committee in matters relating to executive compensation. The fees paid to Towers Watson for its services to the committee were \$98,000 in 2013, \$133,000 in 2012 and \$90,000 in 2011.

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In addition, with the prior approval of the compensation committee chairman in each instance, our senior vice president, human resources has engaged Towers Watson for these services to management were \$179,000, in 2013, \$68,000 in 2012 and \$50,000 in 2011.

The compensation committee has determined, after appropriate inquiry (and taking into account the other fees described above), including consideration of the fact that no conflicts of interest exist with respect to Towers Watson's engagement as the committee's independent compensation consultant.

COMPENSATION AND BENEFITS RISK ANALYSIS

As noted above, the compensation committee has reviewed the potential effects of the various components of our compensation and benefits program upon our management. After reviewing the relevant features of:

our annual incentive program, including (i) the selection of appropriate performance metrics, (ii) the focus on collective rather than individual performance as well as threshold, target, and ceiling performance levels, (iv) the consistency of our short-term incentive practices with the practices at comparable companies, (v) the consistency of our reporting to the compensation committee regarding corporate performance, (vii) the discretion the compensation committee has retained to adjust its policy regarding financial restatements;

our long-term incentive program, including (i) the levels of common stock ownership and equity-based awards held by our executive officers, (ii) the consistency of our long-term incentive practices with the practices at comparable companies, and (iv) the limitations on trading imposed on our executive officers;

our change-in-control benefits, including the facts that the change-in-control agreements with our executive officers are (i) intended to provide severance pay to our executive officers without cause or by him or her for good reason in connection with a change in control, (ii) designed to avoid unwanted management turnover in the event of a change in control, and (iii) the interests will remain aligned with the interests of our stockholders in the event of a potential change in control; and

our other awards, plans, programs, policies, and practices, including (i) the appropriateness of the incentives created thereby, (ii) the focus on cost-effective objectives and direct financial incentives with respect to raw materials procurement and transactions involving natural gas derivatives;

the compensation committee believes that the company's compensation and benefits program balances risk and potential reward in a manner that is appropriate.

COMPENSATION COMMITTEE REPORT

The compensation committee oversees our compensation and employee benefit plans and practices, including our executive compensation plans, director compensation, and the compensation committee is composed of five non-employee directors and operates under a written charter adopted by our Board. Each member of the compensation committee

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standards of the NYSE applicable to compensation committee members. Our Board has also determined that all of the members of the committee qualify as "outside directors," within the meaning of Section 162(m) of the Internal Revenue Code.

The compensation committee held six meetings during the year ended December 31, 2013 and met in executive session at each of the five meetings that were discussed with management the compensation discussion and analysis section of this Proxy Statement.

Based on its review and the foregoing meetings and discussions, the compensation committee recommended to the Board that the compensation discussion be filed with the SEC.

Robert C. Arzbaecher (Chairman)
Stephen A. Furbacher
Stephen J. Hagge
John D. Johnson
Edward A. Schmitt

Table of Contents**EXECUTIVE COMPENSATION****Summary Compensation Table**

The following table sets forth the total compensation we provided with respect to the years ended December 31, 2011, 2012, and 2013 for (i) our principal executive officers (as determined on the basis of their total compensation for 2013 other than changes in pension value and nonqualified deferred compensation) and (ii) "Outstanding Equity Awards at Fiscal Year End." As noted in footnote 7 to the following table, Mr. Wilson served as president and chief executive officer through the years ended December 31, 2011 and 2012, and January 1, 2014. Mr. Will became the new president and chief executive officer on January 2, 2014. Accordingly, in line with the rules governing the information required to be disclosed, Mr. Will's compensation for the years ended December 31, 2011, 2012, and 2013. Mr. Will also is included in the table below with respect to his position as senior vice president, manufacturing and distribution, which was his position during the years ended December 31, 2011, 2012, and 2013.

Name and Principal Position	Year	Salary⁽¹⁾ (\$)	Stock Awards⁽²⁾ (\$)	Option Awards⁽²⁾ (\$)	Non-equity Incentive Plan Compensation⁽¹⁾ (\$)
W. Anthony Will⁽⁷⁾	2013	490,000	319,402	479,785	592,400
President and Chief Executive Officer	2012	470,000	349,356	492,450	611,000
Former Senior Vice President, Manufacturing and Distribution	2011	450,000	278,237	336,683	585,000
Stephen R. Wilson⁽⁷⁾	2013	1,100,000	1,800,436	2,699,869	2,557,500
Former President and Chief Executive Officer	2012	1,050,000	1,860,113	2,627,476	2,625,000
	2011	1,000,000	1,389,691	1,684,642	2,400,000
Dennis P. Kelleher⁽⁸⁾	2013	530,000	359,327	539,758	640,800
Senior Vice President and Chief Financial Officer	2012	515,000	349,356	492,450	669,500
	2011	180,822	883,553	748,925	236,700
Bert A. Frost	2013	470,000	319,402	479,785	568,200
Senior Vice President, Sales and Market Development	2012	450,000	349,356	492,450	585,000
	2011	425,000	278,237	336,683	552,500
Philipp P. Koch	2013	450,000	279,476	419,812	544,100
Senior Vice President, Supply Chain	2012	420,000	302,567	427,005	546,000
	2011	400,000	231,865	280,876	520,000
Douglas C. Barnard⁽⁹⁾	2013	450,000	260,464	390,095	544,100
Senior Vice President, General Counsel, and Secretary	2012	420,000	278,653	394,283	546,000
	2011	400,000	207,930	252,666	480,000

(1) Amounts in these two columns represent base salary and non-equity incentive plan compensation earned in 2011, 2012, and 2013 regardless of whether the compensation was actually paid during the year.

(2) Amounts in these two columns represent the grant date fair value computed in accordance with FASB ASC Topic 718 (without taking into account the effect of estimated forfeitures) of the equity-based compensation awards that we granted to the named executive officers pursuant to our Equity and Incentive Plans. Our assumptions with respect to the fair value of the awards are disclosed in the notes to our financial statements as of and for the year ended December 31, 2013. Additional information with respect to the outstanding restricted stock and restricted stock units is provided in the notes to our financial statements as of and for the year ended December 31, 2013. "Outstanding Equity Awards at Fiscal Year End."

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- (3) Amounts in this column represent amounts that the named executive officers earned with respect to the years ended December 31, 2011, 2012, and 2013 under our non-equity incentive plan. Additional information with respect to these annual incentive awards for 2013 is set forth below under the heading "Annual Incentive Awards."
- (4) Amounts in this column represent only the change during the particular year in the actuarial present value of the named executive officer's accumulated pension (including our tax-qualified defined benefit pension plan) and our Supplemental Benefit and Deferral Plan (a nonqualified benefits restoration and deferred compensation plan). See footnotes to our audited financial statements as of and for the year ended December 31, 2013. For this purpose, we have also assumed retirement under the heading "Retirement Benefits."
- (5) This column does not include any above-market or preferential earnings with respect to nonqualified deferred compensation, since all earnings were reinvested in capital market investments selected in advance by the named executive officers. Additional information with respect to the named executive officer's Deferred Compensation is set forth under the heading "Deferred Compensation."
- (6) Amounts in this column for 2013 represent (i) employer contributions and credits to the Company 401(k) Plan (a tax-qualified defined contribution plan), (ii) employer-paid term life insurance premiums, and (iii) dividends on restricted stock, in each case as set forth in the following table:

Name	Employer Contributions and Credits to Retirement Plans (\$)	Employer-paid Life Insurance Premiums (\$)	Dividends on Restricted Stock (\$)	Total (\$)
W. Anthony Will	29,400	1,084	15,020	45,504
Stephen R. Wilson	66,000	2,079	67,055	135,134
Dennis P. Kelleher	31,800	1,173	12,560	45,533
Bert A. Frost	28,200	1,040	12,860	42,100
Philipp P. Koch	27,000	996	11,389	39,385
Douglas C. Barnard	27,000	996	12,564	40,560

None of the named executive officers received any perquisites or personal benefits during 2013 with an aggregate value of \$10,000 or more. Mr. Wilson retired from his positions as president and chief executive officer effective January 1, 2014. Mr. Will was elected president and chief executive officer effective January 1, 2014. In addition, none of the named executive officers received additional compensation for their service as a director or executive officer of TNGP.

- (7) Mr. Wilson retired from his positions as president and chief executive officer effective January 1, 2014. Mr. Will was elected president and chief executive officer effective January 1, 2014.
- (8) Mr. Kelleher joined the company in August 2011.
- (9) The compensation committee determined to include compensation-related disclosure for Mr. Barnard in order to present information with respect to his compensation for 2013.

Table of Contents**Grants of Plan-based Awards**

The following table shows all plan-based awards that we granted for the year ended December 31, 2013 to each of the named executive officers. Additional Table."

Name	Grant Date	Estimated Future Payouts Under Non-equity Incentive Plan Awards ⁽¹⁾			All Other Stock Awards: Number of Shares of Stock or Units ⁽²⁾
		Threshold (\$)	Target (\$)	Maximum (\$)	
W. Anthony Will	12/10/12 8/12/13	159,250	318,500	637,000	1,680
Stephen R. Wilson	12/10/12 8/12/13	687,500	1,375,000	2,750,000	9,470
Dennis P. Kelleher	12/10/12 8/12/13	172,250	344,500	689,000	1,890
Bert A. Frost	12/10/12 8/12/13	152,750	305,500	611,000	1,680
Philipp P. Koch	12/10/12 8/12/13	146,250	292,500	585,000	1,470
Douglas C. Barnard	12/10/12 8/12/13	146,250	292,500	585,000	1,370

(1) Messrs. Will, Wilson, Kelleher, Frost, Koch, and Barnard were assigned target award opportunities equal to 65%, 125%, 65%, 65%, 65%, and 65% of the target award opportunity shown above under the heading "Compensation Discussion and Analysis Short-term Incentives." We recently determined the amounts that each of the named executive officers received for the year ended December 31, 2013, set forth above under the heading "Summary Compensation Table."

(2) The shares shown in this column are shares of restricted stock that will vest on the third anniversary of the grant date, subject to earlier forfeiture if the executive officer dies, becomes disabled, is terminated without cause, is terminated for cause, or otherwise disposed of (except by will or the laws of descent and distribution). We will pay dividends on the restricted stock during 2013. If the executive officer dies, becomes disabled, is terminated without cause, is terminated for cause, or otherwise disposed of (except by will or the laws of descent and distribution) during 2013, the options granted during 2013 will generally become exercisable in three equal annual installments following the date of grant and will vest. The conditions of these restricted stock and stock option awards are described above under the heading "Compensation Discussion and Analysis Long-term Incentives."

(3) Amounts in this column represent the grant date fair value computed in accordance with FASB ASC Topic 718 (without taking into account any dividends expected to be paid on the awards) for the awards that we granted to the named executive officers pursuant to our 2009 Equity and Incentive Plan. Our assumptions with respect to the FASB ASC Topic 718 fair value calculations are set forth in the footnotes to our financial statements as of and for the year ended December 31, 2013.

Table of Contents**Outstanding Equity Awards at Fiscal Year End**

The following table sets forth certain information concerning the outstanding equity awards held as of December 31, 2013 by each of the named executive under the heading "Grants of Plan-based Awards."

Name	Option Awards ⁽¹⁾⁽³⁾			
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date
W. Anthony Will	4,900		44.15	4/24/2011
	3,800		51.95	8/10/2011
	4,970		125.33	8/11/2011
	6,700		82.03	8/10/2011
	6,800		67.04	5/25/2012
	7,400		81.30	8/10/2012
	3,659	1,831	149.59	8/10/2012
	2,031	4,064	207.95	8/10/2012
	8,880	190.12	8/12/2012	
Stephen R. Wilson	27,470		125.33	8/11/2011
	37,100		82.03	8/10/2011
	49,600		81.30	8/10/2012
	18,313	9,157	149.59	8/10/2012
	10,839	21,681	207.95	8/10/2012
		49,970	190.12	8/12/2012
Dennis P. Kelleher ⁽⁴⁾	7,140	3,570	170.57	8/22/2012
	2,031	4,064	207.95	8/10/2012
		9,990	190.12	8/12/2012
Bert A. Frost	6,235		48.64	12/11/2011
	5,900		82.03	8/10/2011
	9,900		81.30	8/10/2012
	3,659	1,831	149.59	8/10/2012
	2,031	4,064	207.95	8/10/2012
		8,880	190.12	8/12/2012
Philipp P. Koch	1,500		82.03	8/10/2011
	9,900		81.30	8/10/2012
	3,053	1,527	149.59	8/10/2012
	1,761	3,524	207.95	8/10/2012
		7,770	190.12	8/12/2012
Douglas C. Barnard	4,660		125.33	8/11/2011
	6,700		82.03	8/10/2011
	6,800		67.04	5/25/2012
	6,600		81.30	8/10/2012
	2,746	1,374	149.59	8/10/2012
	1,626	3,254	207.95	8/10/2012
		7,220	190.12	8/12/2012

(1)

The stock options were granted on the dates that are ten years prior to the option expiration dates shown in the same row of the table in each instance.

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- (2) Except as otherwise noted, the shares of restricted stock were granted on the same dates as the stock options shown in the same row of the table in
- (3) The shares of restricted stock listed for all of our officers (other than Mr. Kelleher's award from August 2011 as noted in footnote 4) will vest on the third anniversary of the grant date. Shares of restricted stock may not be sold, assigned, transferred, donated, pledged, or otherwise disposed of (except by will or the laws of descent and distribution) during the vesting period. Subject to earlier forfeiture or accelerated vesting, (i) the options granted on May 25, 2010 became exercisable on the third anniversary of the grant date and the options shown in the table will generally become exercisable in three equal annual installments following the date of grant and will expire ten years after the date of grant. Long-term restricted stock and stock option awards granted in 2013 are described above under the heading "Compensation Discussion and Analysis Long-term Incentive Compensation".
- (4) Mr. Kelleher received an award of 5,180 shares of restricted stock in August 2011 upon joining the company. 31.25% of these shares vested on the third anniversary of the grant date and 37.5% will vest on the third anniversary of the grant date, subject to earlier forfeiture or accelerated vesting.

Option Exercises and Stock Vested

The following table sets forth certain information concerning stock option exercises by each of the named executive officers and the vesting of restricted stock.

Name	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)
W. Anthony Will			6,100	1,143,005
Stephen R. Wilson	140,600	25,861,359	17,100	3,219,075
Dennis P. Kelleher			1,618	313,763
Bert A. Frost	175	29,526	3,400	640,050
Philipp P. Koch			3,400	640,050
Douglas C. Barnard			5,800	1,086,530

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Retirement Benefits

The following table sets forth certain information concerning accumulated retirement benefits as of December 31, 2013 for each of the named executive officers:

Name	Plan Name ⁽¹⁾
W. Anthony Will ⁽⁴⁾	New Retirement Plan Supplemental Benefit and Deferral Plan
Stephen R. Wilson	Old Retirement Plan Supplemental Benefit and Deferral Plan
Dennis P. Kelleher ⁽⁴⁾	New Retirement Plan Supplemental Benefit and Deferral Plan
Bert A. Frost ⁽⁴⁾	New Retirement Plan Supplemental Benefit and Deferral Plan
Philipp P. Koch	Old Retirement Plan Supplemental Benefit and Deferral Plan
Douglas C. Barnard ⁽⁴⁾	New Retirement Plan Supplemental Benefit and Deferral Plan

(1) Our Old Retirement Plan and our New Retirement Plan are each a tax-qualified defined benefit pension plan. Our Supplemental Benefit and Deferral Plan is a tax-qualified defined contribution plan.

(2) The combined annual pension benefit under our Old Retirement Plan and our Supplemental Benefit and Deferral Plan assuming retirement at age 55 (or age 60 for Mr. Koch) with 30 years of service (or 20 years of service for Mr. Koch) and assuming a 5% discount rate (or 4% for Mr. Koch) and assuming a 5% inflation rate (or 4% for Mr. Koch) is (i) \$1,000,000 per year (or \$500,000 per year for Mr. Koch) (ii) 10 times (or 5 times for Mr. Koch) the participant's average annual salary (or average annual incentive earnings) over any consecutive 60 months times (iii) years of eligible service, reduced by a Social Security offset allowance; *provided*, the combined annual pension benefit under our Old Retirement Plan and our Supplemental Benefit and Deferral Plan assuming retirement at age 55 (or age 60 for Mr. Koch) with 30 years of service (or 20 years of service for Mr. Koch) and assuming a 5% discount rate (or 4% for Mr. Koch) and assuming a 5% inflation rate (or 4% for Mr. Koch) is (i) \$400,000 per year. Benefits under our Old Retirement Plan are paid on a straight line annuity basis, but married participants are paid an actuarial lump sum unless the participant has elected a form of annuity permitted under our Old Retirement Plan. Benefits under our Supplemental Benefit and Deferral Plan are paid in a lump sum unless the participant has elected a form of annuity permitted under our Old Retirement Plan. In the event of a participant's death while an active employee, participants who retire early between the ages of 55 and 60 are eligible for a lump sum payment of their qualified benefits, an annuity, in the event of a participant's death while an active employee. Participants who retire early between the ages of 55 and 60 are eligible for a lump sum payment of their qualified benefits, an annuity, in the event of a participant's death while an active employee. Participants who retire early between the ages of 55 and 60 are eligible for a lump sum payment of their qualified benefits, an annuity, in the event of a participant's death while an active employee. Participants who retire early between the ages of 55 and 60 are eligible for a lump sum payment of their qualified benefits, an annuity, in the event of a participant's death while an active employee. Mr. Koch is

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62 years old. Except as discussed below under the heading "Potential Payments Upon Termination or Change in Control," we have no policy for

Payments Begin at Age	Percent of Full Benefit
65	100.00%
64	93.33%
63	86.67%
62	80.00%
61	73.33%
60	66.67%
59	63.33%
58	60.00%
57	56.67%
56	53.33%
55	50.00%

The annual pension benefit under our New Retirement Plan assuming retirement at age 65 is equal to the actuarial equivalent of a participant's cash credit to each participant's cash balance account equal to a percentage of the participant's eligible compensation determined based on a participant's annual return based on the greater of (i) the annual yield on 10-year treasury nominal securities and (ii) 3% annual interest.

Completed Years of Cash Balance Service as of the Last Day of the Plan Year for Which the Pay Credit is Credited	Pay Credit as a Percentage of Compensation for the Plan Year
Fewer than 5	4%
At least 5 but fewer than 10	5%
At least 10 but fewer than 15	6%
At least 15	7%

Benefits under our New Retirement Plan are paid in a straight life annuity or qualified joint and survivor annuity for unmarried and married participants under our New Retirement Plan or a lump sum payment. In the event of a participant's death while an active employee, a benefit is payable to a participant's spouse or other beneficiary in respect to spousal beneficiaries, either a lump sum or an annuity. A participant who has not reached the age of 65, but has completed three years of service

(3) Amounts in this column represent the actuarial present value of the named executive officers' accumulated pension benefits under our Old Retirement Plan. The assumptions with respect to the determination of this value are described in the footnotes to our audited financial statements as of and for the year ended December 31, 2014. The amounts in respect to the aggregate change over the past year in the actuarial present value of the named executive officers' accumulated pension benefits under our Old Retirement Plan

(4) Messrs. Will, Kelleher, Frost and Barnard are ineligible to participate in our Old Retirement Plan because their employment commenced after our Old Retirement Plan was established. Messrs. Will, Kelleher, Frost and Barnard are eligible to participate in the New Retirement Plan under which all domestic employees (including executive officers) became eligible to participate in the Old Retirement Plan.

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Nonqualified Deferred Compensation

The following table sets forth certain information concerning nonqualified deferred compensation arrangements under our Supplemental Benefit and Deferral Plan.

Name	Executive Contributions in Last FY ⁽¹⁾ (\$)	Registrant Contributions in Last FY ⁽²⁾ (\$)	Aggregate Earnings in Last FY ⁽³⁾ (\$)
W. Anthony Will	14,100	14,100	37,963
Stephen R. Wilson	50,700	50,700	755,023
Dennis P. Kelleher	16,500	16,500	11,240
Bert A. Frost	12,900	12,900	26,302
Philipp P. Koch	11,700	11,700	23,801
Douglas C. Barnard	11,700	11,700	79,327

(1) Under our Supplemental Benefit and Deferral Plan, each of the named executive officers may elect to defer (i) up to 6% of his base salary in excess of the annual compensation limit and (ii) up to 100% of his annual incentive payment. Amounts in this column represent the amounts we credited to the accounts of the named executive officers during 2013. These amounts are reported as above-market or preferential earnings on nonqualified deferred compensation in the table set forth in this section. As a result of this delay, the amounts that we credited to the accounts of the named executive officers were not reported as income under the plan and the time when we subsequently credit the participant's account. As a result of this delay, the amounts that we credited to the accounts of the named executive officers deferred during 2013.

(2) For 2013, for each named executive officer who elects to defer any of his base salary in excess of the annual compensation limit, we match (through a notional investment) the amount of his deferral. Amounts in this column represent the amounts we credited to the accounts of the named executive officers during 2013. These amounts are reported as above-market or preferential earnings on nonqualified deferred compensation in the table set forth in this section.

(3) Under our Supplemental Benefit and Deferral Plan, each of the named executive officers makes notional investments of his account balance from time to time in various investment alternatives under our 401(k) Plan.

In order to make these notional investments, the named executive officer notifies the third-party plan administrator of his selections.

The plan administrator then tracks the published total return on the actual securities underlying the named executive officer's notional investments.

Since all such credits and debits are determined by a third-party plan administrator and set to equal the published total return on notional investments, the amounts shown in this column are reported as above-market or preferential earnings on nonqualified deferred compensation in the table set forth in this section.

(4) In general, deferred amounts are paid out in a lump sum upon the termination of the named executive officer's employment.

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Potential Payments Upon Termination or Change in Control

In addition to the payments and benefits provided to our named executive officers pursuant to their change in control agreements described below, commencing upon having reached age 60 with at least five years of service at the time of retirement will continue to vest in their stock option awards that were granted and performance restricted stock units based on their length of service between the grant date of such award and the executive's retirement date and, with respect to performance goals, provided, that, in each case, the executive has provided us with at least six months' notice prior to such retirement if the executive is subject to such notice will have four years from their retirement date to exercise any vested options.

We have entered into change in control agreements with each of the named executive officers, each of which remains currently in effect other than the agreement with respect to retirement effective January 1, 2014, Mr. Wilson is no longer covered under any change in control agreement with the company and, therefore, he is not entitled to the provisions of our equity plans that govern equity awards generally. In connection with Mr. Will's election to the position of president and chief executive officer, severance payments and benefits similar to those that had been available to Mr. Wilson under his change in control agreement prior to his retirement. The same is included in the description below.

Under the terms of the change in control agreements, the named executive officer is entitled to receive certain payments and benefits from us upon a qualifying termination (death or disability) or if he resigns because of good reason, in either case within the period of 24 months following (or in certain cases prior to) a change in control.

Under the change in control agreements, a named executive officer will be deemed to have good reason if we:

fail to pay his specified annual salary or provide certain benefits;

assign him duties inconsistent with his current position or substantially and adversely alter his responsibilities;

fail to continue any compensation plan that constitutes a material portion of his compensation; or

change his primary employment location by more than 35 miles.

Following a qualifying termination, the change in control agreements for each named executive officer (other than Mr. Wilson whose change in control agreement provides for a lump sum payment to the named executive officer equal to two times (or, three times in the case of Mr. Will) the sum of his base salary and target annual incentive (or, in the case of Mr. Will) and outplacement services for a period of up to two years; and (iii) a pro-rata annual incentive payment for the year of termination, assuming target performance).

In addition, if the named executive officer is otherwise eligible to participate in our Old Retirement Plan (or, in the case of Messrs. Will and Kelleher, our New Retirement Plan), he will be deemed to have good reason if we:

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payment equal to the actuarial value of two additional years (or, three additional years in the case of Mr. Will) of age and service credit under the plan and service credit under our Supplemental Benefit and Deferral Plan. If the named executive officer is not fully vested in his benefits under these plans, he will

The named executive officer will also receive a cash payment equal to the contributions that we would have made on his behalf for a period of two years (or three years in the case of Mr. Will) credited to his account balance under our Supplemental Benefit and Deferral Plan. If the named executive officer is not fully vested in his benefits under these plans, he will

The named executive officer will not be obligated to seek other employment in mitigation of the payments and benefits to be provided, and no such other employment will be required under the agreements.

The change in control agreements of the named executive officers, other than Messrs. Will and Kelleher, further provide that, if any of the payments to the named executive officer under the Internal Revenue Code, the named executive officer will be entitled to receive an additional gross-up payment such that, after payment by him of all taxes, he would have received had the excise tax not been imposed.

Each of the named executive officers will be required to sign a release of claims at the time of the qualifying termination as a condition to receiving any such payments.

In addition, upon a change in control (as defined in our Equity and Incentive Plans) the restrictions, limitations, and conditions applicable to outstanding restricted stock awards will be deemed to be fully achieved, and the awards will become fully vested and exercisable, which for the annual incentive payment means payment at target-level performance upon a change in control, as set forth in the applicable incentive award letter.

As described above, as of his retirement effective January 1, 2014, Mr. Wilson is no longer covered under any change in control agreement with the company under the change in control provisions of our equity plans that govern equity awards generally. If Mr. Wilson had experienced a qualifying termination (as defined in our Equity and Incentive Plans) as of January 1, 2014, he would have been entitled to receive (i) a cash payment equal to three times the sum of his base salary and target annual incentive payment; (ii) welfare benefit continuation for a period of three years and outplacement services for a period of three years assuming target levels of performance or, if higher, actual year-to-date performance; (iv) a cash payment equal to the actuarial value of three additional years of service under the Supplemental Benefit and Deferral Plan; and (v) a cash payment equal to the contributions that we would have made on his behalf for a period of three years under our Company 401(k) Plan and Supplemental Benefit and Deferral Plan. Furthermore, if any payments under Mr. Wilson's change in control agreement would have become subject to the "golden parachute" provisions of the Internal Revenue Code, he would receive an additional gross-up payment such that after payment by him of all taxes, including any excise tax imposed upon the gross-up payment, he would

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Assuming a change in control had occurred on December 31, 2013, with a transaction price equal to the closing price for our stock (\$233.04 per share) on the following estimated severance benefits upon a qualifying termination of his employment on such date:

Name	Severance Amount ⁽¹⁾ (\$)	Defined Benefit Pension Plan Enhancement ⁽²⁾ (\$)	Retirement Savings Plan Enhancement ⁽³⁾ (\$)	Early Vesting of Restricted Stock ⁽⁴⁾ (\$)	Early Vesting of Stock Options ⁽⁵⁾ (\$)
W. Anthony Will	1,617,000		58,800	1,216,469	635,892
Stephen R. Wilson ⁽⁸⁾	7,425,000		198,000	6,456,373	3,452,840
Dennis P. Kelleher	1,749,000		63,600	1,284,983	753,754
Bert A. Frost	1,551,000		56,400	1,216,469	635,893
Philipp P. Koch	1,485,000	274,811	54,000	1,042,854	549,334
Douglas C. Barnard	1,485,000		54,000	955,464	506,186

- (1) This amount represents a cash payment to the named executive officer equal to two times (or, in the case of Mr. Wilson, three times) the sum of his base salary and bonus for the year ended December 31, 2013.
- (2) This amount represents the present value of two additional years (or, in the case of Mr. Wilson, three additional years) of age and service credit for the Defined Benefit Pension Plan. As of December 31, 2013, Mr. Wilson had already qualified for the maximum combined annual pension benefit of \$400,000 per year, based on his years of service and salary. Mr. Kelleher, Mr. Frost, and Mr. Barnard are ineligible for these enhanced defined benefit pension benefits since their employment commenced after our Old Retirement Plan was terminated.
- (3) This amount represents a cash payment to the named executive officer equal to the contributions that we would have made on his behalf for a period of two years had he remained employed. Mr. Will contributed the maximum allowable amount under our 401(k) Plan and the related amounts we would have credited to his account balance under the plan.
- (4) This amount represents the value attributable to the accelerated vesting of outstanding restricted stock awards held by the named executive officer as of December 31, 2013 that otherwise have been unvested as of such date.
- (5) This amount represents the value attributable to the accelerated vesting of outstanding stock option awards held by the named executive officer, as of December 31, 2013, less the amount by which (x) the aggregate market value on December 31, 2013 of the underlying stock exceeded (y) the aggregate exercise price of the awards.
- (6) This amount represents the present value of the continuation of certain welfare benefits for the named executive officer for a period of two years had he remained employed. Mr. Will is eligible for a period of up to two years.
- (7) This amount represents an excise tax gross-up payment for the named executive officer such that, after payment by him of all taxes, including any excise tax, he would have received had the excise tax not been imposed under Section 4999 of the Internal Revenue Code.
- (8) As of his retirement, effective January 1, 2014, Mr. Wilson is no longer covered under any change in control agreement with the company and, therefore, is not eligible for more than any benefits provided under the change in control provisions of our equity plans that govern equity awards generally.

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The following table sets forth cash and non-cash compensation with respect to the year ended December 31, 2013 for our non-employee directors. Mr. Wilson was not a director for the year ended December 31, 2013.

Name	Fees Earned or Paid in Cash ⁽¹⁾ (\$)	Dividends on Restricted Stock (\$)	Stock Awards ⁽²⁾ (\$)	Total (\$)
Robert C. Arzbaecher	92,850	1,352	119,934	213,211
William Davisson	85,775	1,352	119,934	205,711
Stephen A. Furbacher	99,925	1,352	119,934	220,286
Stephen J. Hagge	85,350	1,352	119,934	205,711
John D. Johnson	84,425	1,352	119,934	205,286
Robert G. Kuhbach	97,025	1,352	119,934	216,961
Edward A. Schmitt	92,425	1,352	119,934	212,786

(1) Amounts in this column represent fees that our non-employee directors earned during 2013 with respect to their annual cash retainers and meeting fees (or \$500 per meeting for participation via conference call) and each Board committee member received \$1,500 for each committee meeting attended. In 2013, the Board approved a revised annual cash retainer and discontinued the payment of meeting fees. Additional information with respect to the annual cash retainers is set forth below.

(2) Amounts in this column represent the grant date fair value computed in accordance with FASB ASC Topic 718 (without taking into account any dividends) of the restricted stock awards granted to the non-employee directors during 2013 pursuant to our 2009 Equity and Incentive Plan. Our assumptions with respect to the FASB ASC Topic 718 fair value statements as of and for the year ended December 31, 2013. Additional information with respect to these restricted stock awards is set forth below.

Annual Cash Retainer

Effective as of May 14, 2013, each non-employee director, with the exception of Mr. Wilson, became entitled to an annual cash retainer of \$100,000, payable quarterly. For his service as a director and non-executive chairman, Mr. Wilson will receive compensation in the amount of \$360,000 per year, payable quarterly. An independent director will receive additional annual cash retainers in the following amounts, payable quarterly:

Audit committee chairman	\$ 15,000
Compensation committee chairman	\$ 10,000
Corporate governance and nominating committee chairman	\$ 10,000
Lead independent director	\$ 20,000

If the lead independent director is also the chairman of the corporate governance and nominating committee, he will receive only the lead independent director's cash retainer.

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Annual Restricted Stock Grant

Each non-employee director will receive, upon joining the Board, a restricted stock grant with a fair market value of \$120,000, rounded to the nearest whole share. Each non-employee director will receive an annual restricted stock grant with a fair market value of \$120,000, rounded to the nearest whole share, on the date of each annual meeting of the stockholders. The grant will vest on the earlier of (x) the date of the first annual meeting of the stockholders following the date of grant or (y) the first anniversary of the date of grant. Non-employee directors who do not continue their continued service as a director.

POLICY REGARDING RELATED PERSON TRANSACTIONS

We recognize that transactions with related persons can present potential or actual conflicts of interest and create the appearance that our decisions are based on a general matter, it is our preference to avoid such transactions.

Nevertheless, we recognize that there are situations where related person transactions may be in, or not inconsistent with, the best interests of the company. The nature, quantity, or quality, or on other terms, that are not readily available from alternative sources, or when we provide products or services to related persons that are comparable to those provided to employees generally.

In order to deal with the potential conflicts inherent in such transactions, our audit committee has adopted a written policy regarding related person transactions. A transaction involving a related person relationship (or any series of similar transactions, arrangements, or relationships) in which the company was, is, or will be a participant and the amount involved represents a material interest, other than (a) transactions where the rates or charges involved in the transaction are determined by competitive bids, or the transaction involves the company in conformity with law or governmental authority; (b) transactions involving services as a bank depository of funds, transfer agent, registrar, or trustee undertaken solely from his or her service as a director of another entity that is a party to the transaction; or (d) transactions in which the interest of the related person does not constitute a general partnership interest) which is a party to the transaction.

In addition, transactions involving the purchase of products or services (other than personal or professional services) from an entity for which a director of the company is or was considered to involve a material interest on the part of such director (and therefore shall not be considered related person transactions) if (i) the director did not receive such products or services in transactions made in the ordinary course of business and on substantially the same terms as those prevailing at the time for transactions with other unrelated persons and (ii) the value of such products or services for the period is less than the greater of \$500,000 or 1% of such entity's consolidated gross revenues for the most recently completed fiscal year for which data is published.

For purposes of the policy, a "related person" means:

any person who is, or at any time since the beginning of our last fiscal year was, a director or executive officer of the company or a nominee to be a director or executive officer of the company.

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any person who is known to be the beneficial owner of more than 5% of any class of our voting securities;

any immediate family member of any of the foregoing persons; and

any firm, corporation, or other entity in which any of the foregoing persons is employed or is a general partner or principal or in a similar position

Except as described below with respect to certain commercial transactions in the ordinary course of business, any proposed transaction with a related person

The general counsel will assess whether the proposed transaction is a related person transaction for purposes of this policy.

If the general counsel determines that the proposed transaction is a related person transaction, the proposed transaction shall be submitted to the audit committee, in consultation with the chief executive officer or the chief financial officer, determines that it is not practicable or desirable for us to waive the general counsel's authority to act between committee meetings).

The audit committee, or where submitted to the chairman of the committee, the chairman, shall consider all of the relevant facts and circumstances relating to the transaction, including: (i) the impact on the company; (ii) the impact on a director's independence in the event the related person is a director, an immediate family member of a director, or a significant employee of the company; (iii) the impact on other suppliers or customers for comparable products or services; (iv) the terms of the transaction; and (v) the terms available to unrelated third parties.

The committee (or the chairman) shall approve only those related person transactions that are in, or are not inconsistent with, the best interests of the company.

The committee or chairman, as applicable, shall convey the decision to the general counsel, who shall convey the decision to the appropriate persons.

At the audit committee's first meeting of each fiscal year, the committee shall review any previously approved related person transactions that remain ongoing with the company of more than \$120,000. Based on all relevant facts and circumstances, taking into consideration the company's contractual obligations, the committee may modify, or terminate the related person transaction. At its first meeting in 2014, the audit committee determined that the company did not engage in any related person transactions.

No member of the audit committee shall participate in any review, consideration, or approval of any related person transaction with respect to which such member has a conflict of interest.

Sales of our products and services to related persons in the ordinary course of business, at prices and on terms consistent with those offered to similarly situated persons, shall be subject to the approval procedures described above; provided, however, that any (i) modification or amendment of a multi-year supply contract or (ii) entry into, modification, or termination of a multi-year supply contract shall be subject to the approval procedures described above.

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subject to the same procedures under this policy as are applicable to any other related person transactions.

PROPOSAL 8: RATIFICATION OF SELECTION OF INDEPENDENT AUDITOR

The audit committee has selected KPMG as the independent registered public accounting firm to perform the audit of our financial statements and our internal control over financial reporting for the year ended December 31, 2013.

KPMG representatives are expected to attend the Annual Meeting. They will have an opportunity to make a statement if they desire to do so and will be available to answer questions.

We are asking our stockholders to ratify the selection of KPMG as our independent registered public accounting firm for 2014. Although ratification is not required for ratification as a matter of good corporate practice. Should the stockholders fail to provide such ratification, the audit committee will reconsider its approval of the selection of KPMG as our independent registered public accounting firm. In its discretion, the audit committee may select a different registered public accounting firm at any time during the year if it determines that such a change is in the best interests of the company.

Unless otherwise instructed, we will vote all proxies we receive FOR ratifying the selection of KPMG as the company's independent registered public accounting firm.

The Board unanimously recommends that you vote FOR the proposal to ratify the selection of KPMG as our independent registered public accounting firm.

AUDIT AND NON-AUDIT FEES

On behalf of CF Industries and its affiliates, the audit committee retained KPMG to audit our consolidated financial statements for 2013. In addition, the audit committee retained KPMG to provide non-audit services in 2013.

The aggregate fees for professional services provided by KPMG with respect to these various services for 2013 and 2012 were:

	2013	2012
Audit fees ⁽¹⁾	\$ 2,796,500	\$ 2,783,200
Audit-related fees ⁽²⁾	29,500	40,000
Tax fees		
All other fees		
	\$ 2,826,000	\$ 2,823,300

(1) Audit fees consisted principally of audit and review work performed on the consolidated financial statements, as well as work generally only the audits and review of documents filed with the SEC.

(2) Audit-related fees were principally for audits of employee benefit plans and, in 2012, a review of the audit programs utilized by the company's insurance carriers.

PRE-APPROVAL OF AUDIT AND NON-AUDIT SERVICES

Consistent with SEC policies regarding auditor independence, the audit committee has responsibility for appointing, setting the compensation of, and overseeing the work of the independent registered public accounting firm.

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public accounting firm. In recognition of this responsibility, the audit committee has established a policy to pre-approve all audit and permissible non-audit

Prior to engagement of the independent registered public accounting firm for the next year's audit, management will submit a list of services and related fees to the audit committee for approval.

Audit services include audit and review work performed on the financial statements and audit work related to internal control over financial reporting. *Audit services* are also expected to provide, including statutory audits and review of documents filed with the SEC.

Audit-related services are for assurance and related services that are traditionally performed by the independent registered public accounting firm and include consultation regarding financial accounting and reporting standards.

Tax services include all services, except those services specifically related to the audit of the financial statements, performed by the independent registered public accounting firm for tax advice.

All other services are those services not captured in the audit, audit-related, or tax categories. The company generally doesn't request such services.

Prior to engagement, the audit committee pre-approves independent registered public accounting firm services within each category. The fees are budgeted and the audit committee reports actual fees versus the budget periodically throughout the year by category of service. During the year, circumstances may arise when it may become necessary to engage the independent registered public accounting firm for services not contemplated in the original pre-approval categories. In those instances, the audit committee requires specific pre-approval before engaging the independent registered public accounting firm.

The audit committee has delegated specific pre-approval authority to the chairman of the audit committee provided that the estimated fee for any such engagement is within the budget. For purposes only, any pre-approval decisions to the audit committee at its next scheduled meeting.

AUDITOR INDEPENDENCE

We understand the need for KPMG to maintain objectivity and independence in its audit of our financial statements and our internal control over financial reporting. The audit committee has restricted the non-audit services that KPMG may provide to us primarily to audit-related services and tax services. The committee also has determined that the use of KPMG for these services are more effective or economical than services available from other service providers, and, to the extent possible, only after competitive bidding. It is not intended that fees be paid to KPMG.

Our audit committee has adopted restrictions on our hiring of any KPMG partner, director, manager, staff, advising member of the department of professional accountants for providing audit assurance on any aspect of their certification of our financial statements. KPMG partners assigned to our audit rotate at least every five years.

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AUDIT COMMITTEE REPORT

The audit committee is responsible for monitoring the integrity of our consolidated financial statements, our system of internal controls, and the independence of the selection, evaluation, and oversight of our independent auditors. The audit committee is composed of four non-management directors and operates under the meaning of the rules of the corporate governance standards of the NYSE applicable to audit committee members.

Management is responsible for the financial reporting process, including establishing and maintaining adequate internal control over financial reporting, and accounting principles. KPMG, our independent auditor, is responsible for auditing the financial statements. The audit committee's responsibility is to monitor the information provided to it and on the representations made by management and KPMG.

During 2013, the audit committee held nine meetings and met in executive session at each of the five meetings that were held in person and at three of the meetings (the audited consolidated financial statements of CF Industries for the year ended December 31, 2013. The audit committee also discussed with KPMG the requirements of the Committees), the standards of the Public Company Accounting Oversight Board, and Rule 2-07 of Regulation S-X of the Securities Act of 1933, as amended by the Public Company Accounting Oversight Board regarding the independent accountant's communications with the audit committee concerning independence. The provision of non-audit services by KPMG was compatible with maintaining its independence.

Based on its review and the foregoing meetings, discussions, and reports, and subject to the limitations on its role and responsibilities referred to above and the consolidated financial statements of CF Industries for the year ended December 31, 2013, as audited by KPMG, be included in our Annual Report on Form 10-K and recommended to the Board that the Board seek stockholder ratification of the selection of KPMG.

Robert G. Kuhbach (Chairman)
Robert C. Arzbaecher
William Davisson
Stephen J. Hagge

ADDITIONAL INFORMATION

Submission of Future Stockholder Proposals

Under SEC rules, a stockholder who intends to present a proposal at the next annual meeting of stockholders and who wishes the proposal to be included in the proxy statement should submit the proposal in writing to our corporate secretary at the address on the Notice of Annual Meeting accompanying this Proxy Statement. The proposal must be received by the corporate secretary on or before the anticipated mailing date of this proxy statement).

Our Bylaws require that written notice of (i) proposals intended to be presented by a stockholder at the next annual meeting, but that are not intended for inclusion in the proxy statement, be submitted to the corporate secretary at least 30 days before the date of the meeting.

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meeting pursuant to Rule 14a-8, and (ii) nominees for the election of directors intended to be made by a stockholder at the next annual meeting be delivered to the Secretary of the Company no earlier than January 14, 2015 and no later than February 13, 2015. Such advance notice deadline will also be the deadline for "timely" proposals. Advance notice must set forth the information prescribed in our Bylaws. You can obtain a copy of our Bylaws by writing our corporate secretary at the address on the

Cost of Annual Meeting and Proxy Solicitation

We pay the cost of the Annual Meeting and the cost of soliciting proxies. In addition to soliciting proxies by mail, we may solicit proxies by personal interview. We are not compensated for these activities. We also intend to request that brokers, banks, and other nominees solicit proxies from their principals, and we will reimburse

We have also retained Innisfree M&A Incorporated ("Innisfree") for consulting and solicitation services in connection with the Annual Meeting, for which we will reimburse Innisfree for out-of-pocket expenses and to indemnify Innisfree against certain liabilities and expenses, including legal fees and related charges.

Annual Report on Form 10-K

A copy of our Annual Report on Form 10-K for the fiscal year ended December 31, 2013, required to be filed with the SEC, without exhibits, will be made available to you upon written request to our corporate secretary at the address on the Notice of Annual Meeting accompanying this Proxy Statement.

April 3, 2014

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**PROPOSED FORM OF
SECOND AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
CF INDUSTRIES HOLDINGS, INC.**

Explanatory Note

This proposed form of Second Amended and Restated Certificate of Incorporation of CF Industries Holdings, Inc. gives effect to amendments to the C 5, to grant holders of not less than 25% of our outstanding common stock the right to call a special meeting of stockholders. The actual Second Amended and those amendments approved by stockholders at the Annual Meeting.

Prior amendments to the Charter approved in accordance with Delaware law and incorporated into this proposed form of Second Amended and Restated

**PROPOSED FORM OF
SECOND AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
CF INDUSTRIES HOLDINGS, INC.**

Pursuant to Sections ~~241~~242 and 245 of the
Delaware General Corporation Law

CF Industries Holdings, Inc., a corporation organized and existing under the General Corporation Law of the State of Delaware (the "DGCL"), does hereby

1. The name of the corporation is CF Industries Holdings, Inc. (the "Corporation"). The Corporation was originally incorporated under the laws of Delaware with the Secretary of State of the State of Delaware on April 15, 2005.
- ~~2. The Corporation has not received payment for any of its stock.~~
- ~~3. This Second Amended and Restated Certificate of Incorporation (the "Amended and Restated Certificate of Incorporation") was duly adopted by the Corporation in accordance with Sections ~~241~~242 and 245 of the DGCL.~~
- ~~3. This Amended and Restated Certificate of Incorporation restates and integrates and further amends the certificate of incorporation of the Corporation.~~
4. The text of the Certificate of Incorporation is hereby amended and restated in its entirety to read as follows:

ARTICLE I

The name of the Corporation is CF Industries Holdings, Inc.

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ARTICLE II

The address of the registered office of the Corporation in the State of Delaware is 2711 Centerville Road, Suite 400, City of Wilmington 19808, County of Delaware.

ARTICLE III

The purpose of the Corporation is to engage in any lawful act or activity for which a corporation may be organized under the DGCL.

ARTICLE IV

(A) *Authorized Capital Stock.* The total number of shares of stock which the Corporation shall have authority to issue is 550,000,000 shares of capital stock (the "Authorized Capital Stock") and (ii) 50,000,000 shares of preferred stock, par value \$0.01 per share (the "Preferred Stock").

(B) *Preferred Stock.* Except as provided in Article IV(C) with respect to Series A Junior Participating Preferred Stock (as hereinafter defined), the Corporation shall have the power to issue and sell all or any part of the Preferred Stock in one or more classes or series, and to fix for each such class or series such voting powers, full or limited, or no voting powers, and such other limitations or restrictions thereof, as shall be stated and expressed in the resolution or resolutions adopted by the Board of Directors providing for the issuance of such series may be (i) subject to redemption at such time or times and at such price or prices; (ii) entitled to receive dividends (which may be cumulative or non-cumulative) in preference to, the dividends payable on any other class or classes or any other series; (iii) entitled to such rights upon the dissolution of, or upon any distribution of assets of the Corporation or classes of stock, or of any other series of the same or any other class or classes of stock, of the Corporation at such price or prices or at such rates of exchange as shall be determined by the Board of Directors.

(C) *Series A Junior Participating Preferred Stock.* There is hereby created a series of Preferred Stock, designated Series A Junior Participating Preferred Stock.

(D) *Power to Sell and Purchase Shares.* Subject to the requirements of applicable law, the Corporation shall have the power to issue and sell all or any part of the Preferred Stock for any consideration, as the Board of Directors shall from time to time, in its discretion, determine, whether or not greater consideration could be received upon the issuance of such shares. Subject to the requirements of applicable law, the Corporation shall have the power to purchase any shares of any class of stock herein or hereafter authorized from time to time, in its discretion, determine, whether or not less consideration could be paid upon the purchase of the same number of shares of another class, and as otherwise permitted by law.

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ARTICLE V

The following provisions are inserted for the management of the business and the conduct of the affairs of the Corporation, and for further definition, I

(A) The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors.

(B) The Board of Directors shall consist of not less than 3 or more than 15 members, the exact number of which shall be fixed from time to

(C) The Board of Directors shall be and is divided into three classes designated: Class I, Class II and Class III, which shall be as nearly equal in number as possible. The term of office of the directors shall be for a one-year term expiring at the 2014 annual meeting of stockholders; (2) at the 2014 annual meeting of stockholders, the directors whose terms expire at the 2013 annual meeting of stockholders; and (3) at the 2015 annual meeting of stockholders and each annual meeting of stockholders thereafter, all directors shall be elected at the same time. Notwithstanding the foregoing, (1) at the 2013 annual meeting of stockholders, the directors whose terms expire at the 2013 annual meeting of stockholders, the directors whose terms expire at the 2014 annual meeting of stockholders, the directors whose terms expire at the 2015 annual meeting of stockholders, the Board of Directors will no longer be classified under Section 141(d) of the Delaware General Corporation Law. If the number of directors is changed, any increase or decrease shall be apportioned among the classes so as to maintain the number of directors in each class as nearly equal in number as possible. If the number of directors is changed, any increase or decrease shall be apportioned among the classes so as to maintain the number of directors in each class as nearly equal in number as possible.

(D) A director shall hold office until the annual meeting for the year in which his or her term expires and until his or her successor shall be elected. A director shall be removed from office.

(E) Subject to the terms of any one or more classes or series of Preferred Stock, any vacancy on the Board of Directors that results from an expiration of term of office, provided that a quorum is present, and any other vacancy occurring on the Board of Directors may only be filled by a majority of the Board of Directors at an annual meeting of stockholders, (i) any director of any class elected to fill a vacancy resulting from an increase in the number of directors of such class shall have the same remaining term as that of his predecessor; (ii) any director elected to fill a vacancy not resulting from an increase in the number of directors shall have the same remaining term as that of his predecessor; (iii) any incumbent director. Subject to the rights, if any, of the holders of shares of Preferred Stock then outstanding, (x) until the 2015 annual meeting of stockholders, any director of the Board of Directors, may be removed from office at any time, but only for cause and only by the affirmative vote of the holders of ~~at least two-thirds of the~~ shares then entitled to vote ~~generally~~ at an election of directors ~~of the Corporation~~ and (y) from and after the 2015 annual meeting of stockholders, any director of the Board of Directors, may be removed from office at any time, but only for cause, by the holders of a majority of the shares then entitled to vote at an election of directors. Notwithstanding the foregoing, whenever the holder

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Preferred Stock issued by the Corporation shall have the right, voting separately by class or series, to elect directors at an annual or special meeting. The election of directors shall be governed by the terms of this Amended and Restated Certificate of Incorporation applicable thereto, and such directors so elected shall not be subject to removal by the stockholders.

(F) In addition to the powers and authority hereinbefore or by statute expressly conferred upon them, the directors are hereby empowered to do all such things as may be necessary or proper to carry out the powers and authority conferred upon them, subject, nevertheless, to the provisions of the DGCL, this Amended and Restated Certificate of Incorporation, and any By-Laws adopted by the stockholders, or any prior act of the directors which would have been valid if such By-Laws had not been adopted.

ARTICLE VI

No director shall be personally liable to the Corporation or any of its stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent that the liability of the director is not eliminated or limited by the DGCL, as amended hereafter. If the DGCL is amended hereafter to authorize the further elimination or limitation of the liability of directors, the liability of a director shall be limited to the extent authorized by the DGCL, as so amended. Any repeal or modification of this *Article VI* shall not adversely affect any right or protection of a director of the Corporation in effect prior to such repeal or modification.

ARTICLE VII

The Corporation shall indemnify its directors and officers to the fullest extent authorized or permitted by law, as now or hereafter in effect, and such right shall survive the termination or expiration of the term of office of such director or officer and shall inure to the benefit of his or her heirs, executors and personal and legal representatives; *provided, however*, that, except for proceedings brought by or on behalf of the Corporation or officer (or his or her heirs, executors or personal or legal representatives) in connection with a proceeding (or part thereof) initiated by such person unless the Corporation is the defendant or respondent in such proceeding, the indemnification conferred by this *Article VII* shall include the right to be paid by the Corporation the expenses incurred in defending or otherwise participating in any such proceeding.

The Corporation may, to the extent authorized from time to time by the Board of Directors, provide rights to indemnification and to the advancement of expenses to its directors and officers of the Corporation.

The rights to indemnification and to the advancement of expenses conferred in this *Article VII* shall not be exclusive of any other right which any person may have under any applicable law, the By-Laws of the Corporation, any statute, agreement, vote of stockholders or disinterested directors or otherwise.

Any repeal or modification of this *Article VII* shall not adversely affect any rights to indemnification and to the advancement of expenses of a director or officer of the Corporation in effect prior to such repeal or modification.

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ARTICLE VIII

Any action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of stockholders. Any action is hereby specifically denied.

ARTICLE IX

(A) Meetings of stockholders may be held within or without the State of Delaware, as the By-Laws may provide. The books of the Corporation may be kept in any place as may be designated from time to time by the Board of Directors or in the By-Laws of the Corporation.

(B) Unless otherwise required by law, special meetings of stockholders, ~~for any purpose or purposes,~~ may be called by (i) the Chairman of the Board of Directors, ~~stockholders to call, and (iv) subject to the provisions of the Corporation's By-Laws, a special meeting of stockholders is hereby specifically denied shall be called by the~~ twenty-five percent (25%) of the voting power of all outstanding shares of Common Stock entitled to vote at such meeting, such voting power to be calculated in accordance with the Corporation's By-Laws. Subject to the rights of the holders of any shares of Preferred Stock, special meetings of stockholders may not be called by any other person. Only such proposals shall be acted upon, as were specified in the notice thereof.

ARTICLE X

In furtherance and not in limitation of the powers conferred upon it by the laws of the State of Delaware, the Board of Directors shall have the power to amend, alter, change or repeal the Corporation's By-Laws. The Corporation's By-Laws also may be amended, altered, changed or repealed by ~~two-thirds~~ a majority of the voting power of the Corporation's then issued and outstanding capital stock entitled to vote generally at an election of directors.

ARTICLE XI

The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Amended and Restated Certificate of Incorporation, the Corporation's By-Laws or the DGCL, and all rights herein conferred upon stockholders are granted subject to such reservation; ~~provided, however, that in addition to any other vote that may be required by law, the affirmative vote of the holders of at least two thirds of the voting power of the Corporation's then issued and outstanding capital stock of the Corporation shall be required to amend, alter, change or repeal, or to adopt any provision inconsistent with Articles V, VIII, IX and X of this Amended and Restated Certificate of Incorporation.~~

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IN WITNESS WHEREOF, the Corporation has caused this Amended and Restated Certificate of Incorporation to be executed on its behalf this 14th d

CF INDUSTRIES HO

By: _____

Name: Douglas C

Title: Senior Vic

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SERIES A JUNIOR PARTICIPATING PREFERRED

Section 1. *Designation and Amount.* The shares of such series shall be designated as "Series A Junior Participating Preferred Stock" and the number of shares of such series shall be

Section 2. *Dividends and Distributions.*

(a) Subject to the prior and superior rights of the holder of any shares of any series of Preferred Stock ranking prior and superior to the shares of Series A Junior Participating Preferred Stock shall be entitled to receive, when, as and if declared by the Board of Directors out of funds legally available for the purpose of such payment each year (each such date being referred to herein as a "Quarterly Dividend Payment Date"), commencing on the first Quarterly Dividend Payment Date after the Effective Date, an amount per share (rounded to the nearest cent) equal to the greater of (a) \$0.01 or (b) subject to the provision for adjustment hereinafter set forth, 1,000 times the amount (payable in kind) of all non-cash dividends or other distributions other than a dividend payable in shares of Common Stock or a subdivision of the outstanding shares of \$0.01 per share, of the Corporation (the "Common Stock") since the immediately preceding Quarterly Dividend Payment Date, or, with respect to the first Quarterly Dividend Payment Date, Series A Junior Participating Preferred Stock. In the event the Corporation shall at any time after August 10, 2005 (the "Effective Date") (i) declare any dividend on the Common Stock, (ii) combine the outstanding Common Stock into a smaller number of shares, then in each such case the amount to which holders of shares of Series A Junior Participating Preferred Stock shall be entitled under the preceding sentence shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately prior to such event.

(b) The Corporation shall declare a dividend or distribution on the Series A Junior Participating Preferred Stock as provided in Paragraph (A) above (including dividends payable in shares of Common Stock); provided that, in the event no dividend or distribution shall have been declared on the Common Stock during the period ending on the Quarterly Dividend Payment Date, a dividend of \$0.01 per share on the Series A Junior Participating Preferred Stock shall nevertheless be payable on such subsequent Quarterly Dividend Payment Date.

(c) Dividends shall begin to accrue and be cumulative on outstanding shares of Series A Junior Participating Preferred Stock from the Quarterly Dividend Payment Date for Series A Junior Participating Preferred Stock, unless the date of issue of such shares is prior to the record date for the first Quarterly Dividend Payment Date, in which case dividends on such shares shall begin to accrue and be cumulative from the first Quarterly Dividend Payment Date or is a date after the record date for the determination of holders of shares of Series A Junior Participating Preferred Stock. Accrued but unpaid dividends shall not exceed the total amount of such dividends at the time accrued and

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payable on such shares shall be allocated pro rata on a share-by-share basis among all such shares at the time outstanding. The Board of Directors may fix a date for the payment of such dividend or distribution, which record date shall be no more than 30 days prior to the date fixed for the payment of such dividend or distribution, which record date shall be no more than 30 days prior to the date fixed for the payment of such dividend or distribution.

Section 3. *Voting Rights.* The holders of shares of Series A Junior Participating Preferred Stock shall have the following voting rights:

(A) Subject to the provision for adjustment hereinafter set forth, each share of Series A Junior Participating Preferred Stock shall entitle the holder thereof to one vote. The Board of Directors of the Corporation shall at any time after the Effective Date (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the shares of Common Stock into a greater number of shares, then in each such case the number of votes per share to which holders of shares of Series A Junior Participating Preferred Stock were entitled immediately before such event, which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock outstanding immediately after such event.

(B) Except as otherwise provided herein or by law, the holders of shares of Series A Junior Participating Preferred Stock and the holders of shares of Common Stock shall vote as a single class in the election of directors of the Corporation.

(C) (i) If at any time dividends on any Series A Junior Participating Preferred Stock shall be in arrears in an amount equal to six (6) quarterly dividends ("default period") which shall extend until such time when all accrued and unpaid dividends for all previous quarterly dividend periods and for the current quarter shall have been declared and paid or set apart for payment. During each default period, all holders of Preferred Stock (including holders of the Series A Junior Participating Preferred Stock) shall have the right to elect two (2) directors.

(ii) During any default period, such voting right of the holders of Series A Junior Participating Preferred Stock may be exercised initially at any meeting of stockholders, and thereafter at annual meetings of stockholders, provided that neither such voting right nor the right of the holders of any other series of Preferred Stock shall be exercised unless the holders of ten percent (10%) in number of shares of Preferred Stock outstanding shall be present in person or by proxy. The holders of Series A Junior Participating Preferred Stock shall exercise such voting right initially during an election of directors, or, if such right is exercised at any, in the Board of Directors as may then exist up to two (2) directors or, if such right is exercised at an annual meeting, to elect two (2) directors. If the holders of the Preferred Stock shall have the right to make such increase in the number of directors as shall be necessary to permit the election of directors in any default period and during the continuance of such period, the number of directors shall not be increased or decreased except as provided herein.

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(i) declare or pay dividends on, make any other distributions on, or redeem or purchase or otherwise acquire for consideration any shares of Series A Junior Participating Preferred Stock;

(ii) declare or pay dividends on or make any other distributions on any shares of stock ranking on a parity (either as to dividends or upon liquidation) with the Series A Junior Participating Preferred Stock and all such parity stock on which dividends are payable or in arrears;

(iii) redeem or purchase or otherwise acquire for consideration shares of any stock ranking on a parity (either as to dividends or upon liquidation) with the Series A Junior Participating Preferred Stock; or

(iv) purchase or otherwise acquire for consideration any shares of Series A Junior Participating Preferred Stock, or any shares of stock ranking on a parity with the Series A Junior Participating Preferred Stock, in exchange for shares of any stock of the Corporation made in writing or by publication (as determined by the Board of Directors) to all holders of such shares upon such terms as the Board of Directors may determine in good faith will result in fair and equitable treatment among the respective series and classes, shall determine in good faith will result in fair and equitable treatment among the respective series and classes;

(B) The Corporation shall not permit any subsidiary of the Corporation to purchase or otherwise acquire for consideration any shares of stock of the Corporation or any subsidiary of the Corporation or to acquire such shares at such time and in such manner.

Section 5. *Reacquired Shares.* Any shares of Series A Junior Participating Preferred Stock purchased or otherwise acquired by the Corporation in exchange for shares of any stock of the Corporation shall upon their cancellation become authorized but unissued shares of Preferred Stock and may be reissued as part of a new series of Preferred Stock subject to the restrictions on issuance set forth herein.

Section 6. *Liquidation, Dissolution or Winding Up.* (A) Upon any liquidation (voluntary or otherwise), dissolution or winding up of the Corporation, the Corporation shall distribute to the holders of shares of Series A Junior Participating Preferred Stock (plus an amount equal to accrued and unpaid dividends and distributions thereon, whether or not declared, to the date of such liquidation, dissolution or winding up) the Series A Liquidation Preference, no additional distributions shall be made to the holders of shares of Series A Junior Participating Preferred Stock unless, upon liquidation, dissolution or winding up, the Corporation has a "Common Adjustment" equal to the quotient obtained by dividing (i) the Series A Liquidation Preference by (ii) 1,000 (as appropriately adjusted as set forth in the Series A Liquidation Preference Agreement with respect to the Common Stock) (such number in clause (ii), the "Adjustment Number"). Following the payment of the full amount of the Series A Liquidation Preference to the holders of Series A Junior Participating Preferred Stock and Common Stock, respectively, holders of Series A Junior Participating Preferred Stock and holders of shares of Common Stock shall share equally and ratably in any remaining assets of the Corporation.

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Stock shall receive their ratable and proportionate share of the remaining assets to be distributed in the ratio of the Adjustment Number to 1 with respect to

(B) In the event, however, that there are not sufficient assets available to permit payment in full of the Series A Liquidation Preference and the liquidation preference of the Series A Junior Participating Preferred Stock, then such remaining assets shall be distributed ratably to the holders of such parity shares in proportion to their respective ownership interests. If, after payment in full of the Common Adjustment, then such remaining assets shall be distributed ratably to the holders of Common Stock.

(C) In the event the Corporation shall at any time after the Effective Date (i) declare any dividend on Common Stock payable in shares of Common Stock or in a smaller number of shares, then in each such case the Adjustment Number in effect immediately prior to such event shall be adjusted by multiplying such number by the number of shares outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

Section 7. *Consolidation, Merger, etc.* In case the Corporation shall enter into any consolidation, merger, combination or other transaction in which the Corporation issues any other property, then in any such case the shares of Series A Junior Participating Preferred Stock shall at the same time be similarly exchanged or changed for a number of shares of stock, securities, cash and/or any other property (payable in kind), as the case may be, into which or for which each share of Series A Junior Participating Preferred Stock is then outstanding. If, after the Effective Date (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding Common Stock, or (iii) combine the outstanding shares of Common Stock, then in each such case the Adjustment Number in effect immediately prior to such event shall be adjusted by multiplying such number by the number of shares of Common Stock that were outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

Section 8. *No Redemption.* The shares of Series A Junior Participating Preferred Stock shall not be redeemable.

Section 9. *Ranking.* The Series A Junior Participating Preferred Stock shall rank junior to all other series of the Corporation's Preferred Stock as to the payment of dividends and otherwise.

Section 10. *Amendment.* At any time when any shares of Series A Junior Participating Preferred Stock are outstanding, neither the Amended and Restated Articles of Incorporation nor the Amended and Restated Charter shall be amended in any manner which would materially alter or change the powers, preferences or special rights of the Series A Junior Participating Preferred Stock as to the payment of dividends on outstanding shares of Series A Junior Participating Preferred Stock, voting separately as a class.

Section 11. *Fractional Shares.* Series A Junior Participating Preferred Stock may be issued in fractions of a share which shall entitle the holder, in the event of any liquidation, to participate in the distributions and to have the benefit of all other rights of holders of Series A Junior Participating Preferred Stock.

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FORM OF AMENDMENT TO CF INDUSTRIES HOLDINGS, INC. AMENDED AND RESTATED BYLAWS TO GRANT HOLDERS OF NET LONG SHARES THE RIGHT TO REQUEST A SPECIAL MEETING OF STOCKHOLDERS

Article II, Section 3. *Special Meetings.*

Unless otherwise required by law, Special Meetings of Stockholders may be called by (i) the Chairman of the Board of Directors, if there be one, (ii) the Secretary of the Corporation, or (iii) any stockholder or beneficial owner of the Corporation, if such stockholder or beneficial owner is representing at least twenty-five percent (25%) of the voting power of all outstanding shares of common stock which shares are determined to be "Net Long Shares" of the Corporation. Notwithstanding the foregoing, Special Meetings of the Stockholders may not be called by any other person or persons.

For purposes of this Section 3 and for determining the Requisite Percentage, Net Long Shares shall be limited to the number of shares of common stock of the Corporation owned by a person's net long position as defined in Rule 14e-4 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), provided that (x) for purposes of this Section 3, the date for determining and/or documenting a stockholder's or beneficial owner's Net Long Shares shall instead be the date for determining and/or documenting a stockholder's or beneficial owner's ownership of the Corporation's common stock on the New York Stock Exchange (or any successor thereto) on such date (or, if such date is not a trading day, the next succeeding trading day) and (y) a "subject security" shall refer to the outstanding common stock of the Corporation; and (z) to the extent not covered by such definition, the time the Special Meeting Request is delivered to the Corporation, have the right to vote or direct the vote at the Special Meeting or as to which such person or persons has or have a beneficial ownership interest, in whole or in part, directly or indirectly, any of the economic consequences of ownership of such shares. In addition, to the extent any affiliates of the Corporation have or have a beneficial ownership interest in such shares with respect to the calling of the Special Meeting, the determination of Net Long Shares may include the effect of aggregating the Net Long Shares (including such shares) owned by such affiliates, and such determination shall be decided by the Board of Directors in its reasonable determination.

A Special Meeting Request must be delivered to or mailed to the attention of the Secretary at the principal executive offices of the Corporation. To be effective, a Special Meeting Request must be submitted by the stockholder of record submitting the Special Meeting Request and by each of the beneficial owners, if any, on whose behalf the Special Meeting Request is submitted. The Special Meeting Request must include (i) a statement of the specific purpose(s) of the Special Meeting and the matters proposed to be acted on at the Special Meeting, the text of any proposal or business to be conducted at the Special Meeting (including, but not limited to, any proposal to amend the Bylaws of the Corporation, the text of the proposed amendment), the reasons for conducting such business at the Special Meeting, and (ii) the names and addresses of the stockholders of record and beneficial owners submitting the Special Meeting Request. In the case of any director nominations proposed to be presented at the

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Special Meeting, the information required by clauses (a)(i) through (a)(vi) of the fourth paragraph of Article II, Section 5 of these Bylaws¹ and clauses (b)(i) through (b)(vi) of the fourth paragraph of Article II, Section 5 of these Bylaws, including with respect to each Requesting Stockholder;² (iii) in the case of any matter (other than a director nomination) proposed to be conducted at the Special Meeting of Article II, Section 4 of these Bylaws, including with respect to each Requesting Stockholder;³ (iv) a representation that each Requesting Stockholder, or any person acting in concert with such Requesting Stockholder, does not intend to be presented at the Special Meeting; (v) a representation as to whether the Requesting Stockholder, or any person acting in concert with such Requesting Stockholder, intends to be presented at the Special Meeting; (vi) an agreement by the Requesting Stockholders to notify the Corporation promptly in the event of any decrease in the number of shares of capital stock of the Corporation that the Requesting Stockholders own the Requisite Percentage as of the date on which the Special Meeting Request is delivered to the Secretary; provided, however, that if the Requesting Stockholders own the Requisite Percentage, then to be valid, the Special Meeting Request must also include documentary evidence (or, if not simultaneously delivered to the Secretary within ten (10) days after the date on which the Special Meeting Request is delivered to the Secretary) that the beneficial owners on whose behalf the Special Meeting Request is delivered to the Secretary. In addition, each Requesting Stockholder shall promptly provide any other information reasonably requested by the Secretary.

¹ Clauses (a)(i) through (a)(vi) of the fourth paragraph of Article II, Section 5 of the Bylaws, require, with respect to each person whom the stockholder nominates for election to the Board of Directors, (i) the name and address of the person, (ii) the principal occupation or employment of the person, (iii) the class or series and number of shares of capital stock of the Corporation owned by such person, (iv) the number of, any shares owned beneficially but not of record by such person, (v) whether and the extent to which any hedging or other transaction or arrangement or understanding (including any derivative or short positions, profit interests, options or borrowed or loaned shares) has been made, the effect or intent of which is to increase or decrease the voting power of, such person with respect to any share of stock of the Corporation and (vi) any other information relating to the person's connection with the solicitation of proxies for election of directors pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder.

² Clauses (b)(i) through (b)(vi) and clause (b)(xi) of the fourth paragraph of Article II, Section 5 of the Bylaws, require, with respect to each Requesting Stockholder, (i) the name and address of the person, (ii) the number of shares of capital stock of the Corporation which are owned beneficially or of record by such person, (iii) the nominee holder for, and number of, any shares of capital stock of the Corporation which are owned beneficially or of record by such person, (iv) the number of, any shares of capital stock of the Corporation which are owned beneficially or of record by such person, (v) whether and the extent to which any hedging or other transaction or arrangement or understanding (including any derivative or short positions, profit interests, options or borrowed or loaned shares) has been entered into by or on behalf of, or any other agreement, arrangement or understanding (including any derivative or short positions, profit interests, options or borrowed or loaned shares) has been made, the effect or intent of which is to mitigate loss to or manage risk or benefit of share price changes for, or to increase or decrease the voting power of, such person with respect to any share of stock of the Corporation and (vi) any other information relating to the person's connection with the solicitation of proxies for election of directors pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder.

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(v) a description of all agreements, arrangements or understandings between or among such persons or any other person (including their names) p
interest of such person in such nominations, including any anticipated benefit to such person therefrom and (xi) any other information relating to
statement or other filings required to be made in connection with the solicitation of proxies for election of directors pursuant to Section 14 of the

3
Clauses (i) through (vi) and clause (x) of the fourth paragraph of Article II, Section 4 of the Bylaws, require, with respect to each Requesting Stock
stock of the Corporation which are owned beneficially or of record by such person, (iii) the nominee holder for, and number of, any shares owned
transaction or series of transactions has been entered into by or on behalf of, or any other agreement, arrangement or understanding (including an
effect or intent of which is to mitigate loss to or manage risk or benefit of share price changes for, or to increase or decrease the voting power of,
arrangements or understandings between or among such persons or any other person (including their names) in connection with the proposal of s
business and (x) any other information relating to such stockholder or any Stockholder Associated Person that would be required to be disclosed
pursuant to Section 14 of the Exchange Act, and the rules and regulations promulgated thereunder.

The Corporation will provide the Requesting Stockholders with notice of the record date for the determination of stockholders entitled to vote at the S
update the notice delivered pursuant to this Section 3 not later than ten (10) business days after such record date to provide any material changes in the fore
of the previous paragraph, also as of a date not more than five (5) business days before the scheduled date of the Special Meeting as to which the Special M

In determining whether a Special Meeting has been requested by stockholders holding in the aggregate at least the Requisite Percentage, multiple Spec
(i) each Special Meeting Request identifies substantially the same purpose or purposes of the Special Meeting and substantially the same matters proposed
and (ii) such Special Meeting Requests have been delivered to the Secretary of the Corporation within sixty (60) days of the earliest dated Special Meeting

A Special Meeting Request shall not be valid, and a special meeting requested by stockholders shall not be held, if (i) the Special Meeting Request do
not a proper subject for stockholder action under applicable law; (iii) the Special Meeting Request is delivered during the period commencing ninety (90) d
and ending on the date of the next annual meeting; (iv) an identical or substantially similar item (as determined in good faith by the Board of Directors, a "S
Meeting held not more than twelve (12) months before the Special Meeting Request is delivered; (v) the Special Meeting Request relates to the election or

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director(s) was presented at an Annual Meeting of Stockholders or Special Meeting held not more than ninety (90) days before the Special Meeting Request was made; (vi) the Special Meeting Request was made in a manner that involved a violation of Regulation 14A under the Securities Act of 1933; or (vii) the Special Meeting Request was made in a manner that involved a violation of Regulation 14A under the Securities Act of 1933; and (viii) the Special Meeting Request was made in a manner that involved a violation of Regulation 14A under the Securities Act of 1933. If the requirements set forth in this Section 3 have been satisfied and such determination shall be binding on the Corporation and its stockholders.

Except as otherwise provided in this Article II, Section 3, a Special Meeting held following a Special Meeting Request shall be held at such time and place as determined by the Board of Directors.

A Requesting Stockholder may revoke a Special Meeting Request by written revocation delivered to Secretary at the principal executive offices of the Corporation. If, after the Special Meeting Request is made, there are unrevoked requests from Requesting Stockholders holding, in the aggregate, at least the percentage of the total number of shares of the Corporation's common stock as set forth in the Special Meeting Request, the Special Meeting shall be held at the time and place specified in the Special Meeting Request.

If none of the Requesting Stockholders appear or send a duly authorized agent to present the business to be presented for consideration specified in the Special Meeting Request at the Special Meeting, notwithstanding that proxies in respect of such matter may have been received by the Corporation, the Special Meeting shall be adjourned to a later date and time to be determined by the Board of Directors.

Business transacted at any Special Meeting shall be limited to (i) the purpose(s) stated in the valid Special Meeting Request for such Special Meeting and (ii) any other business that the Board of Directors determines to be in the best interests of the Corporation. The chairman of a Special Meeting shall determine all matters relating to the conduct of the Special Meeting, including, without limitation, whether the business has been properly brought before the Special Meeting in accordance with these Bylaws. If the chairman of a Special Meeting determines that business has not been properly brought before the Special Meeting, the chairman shall declare to the meeting that the business was not properly brought before the meeting and such business shall not be transacted.

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**CF INDUSTRIES HOLDINGS, INC.
2014 EQUITY AND INCENTIVE PLAN**

1. *Purpose; Types of Awards; Construction.*

The purposes of the CF INDUSTRIES HOLDINGS, INC. 2014 Equity and Incentive Plan (the "Plan") are to promote the interests of the Company and its independent contractors (including non-employee directors) of the Company and its Subsidiaries with appropriate incentives and rewards to encourage their proprietary interest in the long-term success of the Company and to reward the performance of individuals in fulfilling their personal responsibilities for long-term "options" and "nonqualified stock options"), stock appreciation rights, restricted stock, restricted stock units and other stock- or cash-based awards. The Plan "performance-based compensation" under Section 162(m) of the Code may comply with such requirements, and the Plan and Awards shall be interpreted in

2. *Definitions.*

For purposes of the Plan, the following terms shall be defined as set forth below:

- (a) "Annual Incentive Program" means the program described in Section 6(c) hereof.
- (b) "Award" means any Option, SAR, Restricted Stock, Restricted Stock Unit or Other Stock-Based Award or Other Cash-Based Award granted under the Plan.
- (c) "Award Agreement" means any written agreement, contract, notice or other instrument or document evidencing an Award.
- (d) "Board" means the Board of Directors of the Company.
- (e) A "Change in Control" shall be deemed to have occurred if an event set forth in any one of the following paragraphs shall have occurred:
 - (i) any Person is or becomes the Beneficial Owner (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities acquired directly from the Company or any of its affiliates) representing 25% or more of the combined voting power of the Company's outstanding securities;
 - (ii) the following individuals cease for any reason to constitute a majority of the number of directors then serving on the Board: i) any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, whose appointment or election by the Board or nomination for election by the Company's stockholders was approved or recommended on the date hereof or whose appointment, election or nomination for election was previously so approved or recommended; or
 - (iii) there is consummated a merger or consolidation of the Company or any direct or indirect subsidiary of the Company with any

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consolidation immediately following which the individuals who comprise the Board immediately prior thereto constitute at least a majority of the surviving such merger is then a subsidiary, the ultimate parent thereof; or

(iv) the stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or there is consummation of the Company's assets, other than (a) a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, at least 60% of the assets, following the completion of such transaction in substantially the same proportions as their ownership of the Company immediately prior to such transaction or series of transactions and (ii) to the extent required to avoid the imposition of accelerated taxation and such event constitutes a change in control event (as determined in accordance with Section 409A of the Code).

Notwithstanding the foregoing or anything to the contrary herein, (i) a "Change in Control" shall not be deemed to have occurred by virtue of the holders of the common stock of the Company immediately prior to such transaction or series of transactions continue to have substantially the same ownership of the Company immediately following such transaction or series of transactions and (ii) to the extent required to avoid the imposition of accelerated taxation and such event constitutes a change in control event (as determined in accordance with Section 409A of the Code).

(f) "Code" means the Internal Revenue Code of 1986, as amended from time to time.

(g) "Committee" shall mean, at the discretion of the Board, a Committee of the Board, which shall consist of two or more persons, each of whom shall be a director within the meaning of Section 162(m) of the Code and a "nonemployee director" within the meaning of Rule 16b-3.

(h) "Company" means CF INDUSTRIES HOLDINGS, INC., a corporation organized under the laws of the State of Delaware, or any successor entity.

(i) "Consultant" means any person who is engaged by the Company or a Subsidiary to render consulting or advisory services and is compensated therefor.

(j) "Continuous Service" means that the Grantee's service with the Company or a Subsidiary, whether as an employee, consultant or independent contractor, in any capacity in which the Grantee renders service to the Company or a Subsidiary as an employee, director, consultant or independent contractor, professional or otherwise, shall not terminate a Grantee's Continuous Service.

(k) "Covered Employee" shall have the meaning set forth in Section 162(m)(3) of the Code.

(l) "Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time, and as now or hereafter construed, interpreted, applied and enforced.

(m) "Fair Market Value" means, with respect to Stock or other property, the fair market value of such Stock or other property determined by a reasonable person in an arm's length transaction.

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established from time to time by the Committee. Unless otherwise determined by the Committee in good faith, the per share Fair Market Value of the Stock on the national securities exchange on which the Stock is principally traded, for the relevant date (or, if there is no such closing sales price reported on the relevant date, if the shares of Stock are then traded in an over-the-counter market, the average of the closing reported bid and asked prices for the shares of Stock in such market, as reported on the relevant date, then on the first day thereafter on which closing bid and asked prices are reported), or (iii) if the shares of Stock are not so reported, the Committee, in its sole discretion, shall determine.

- (n) "Grantee" means an employee, consultant or independent contractor (including non-employee director) of the Company or any Subsidiary of the Company.
- (o) "ISO" means any Option intended to be and designated as an incentive stock option within the meaning of Section 422 of the Code.
- (p) "Long Term Incentive Program" means the program described in Section 6(b) hereof.
- (q) "NQSO" means any Option that is not designated as an ISO.
- (r) "Option" means a right, granted to a Grantee under Section 6(b)(i), to purchase shares of Stock. An Option may be either an ISO or an NQSO.
- (s) "Other Cash-Based Award" means cash awarded under the Annual Incentive Program or the Long Term Incentive Program, including cash awards under the Long Term Incentive Plan.
- (t) "Other Stock-Based Award" means a right or other interest granted to a Grantee under the Annual Incentive Program or the Long Term Incentive Program, or otherwise based on, or related to, Stock, including but not limited to (i) unrestricted Stock awarded as a bonus or upon the attainment of Performance Goals from the Company containing terms and conditions prescribed by the Committee.
- (u) "Performance Goals" means performance goals based on the attainment by the Company or any Subsidiary of the Company (or any division, department, or business unit) of one or more of the following criteria (as determined in accordance with generally accepted accounting principles): (1) return on total stockholder equity, before any or all of interest, taxes, minority interest, depreciation and amortization; (2) sales or revenues; (3) return on assets, capital or investment; (4) completion of critical projects or processes; (5) the formation of joint ventures, research or development collaborations, or the completion of other business objectives; (6) employees employed; (7) specified strategic objectives; (8) economic value created; (9) objectives based on meeting specified market penetration, geographic expansion, or operational supervision of litigation, information technology or budget comparisons; (10) total shareholder return and (11) any combination of, or a specified level of, attainment of specified levels of performance under one or more of the measures described above relative to the performance of other entities. To

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any requirements for stockholder approval) or applicable to an Award not intended to constitute performance-based compensation for purposes of performance goals may be based or adjust, modify or amend the aforementioned business criteria. Performance Goals may include a threshold level of performance. An Award will be earned and a level of performance at which the maximum amount of the Award will be earned. The Committee shall have the authority to suspend or terminate an Award in the event of certain events affecting the Company or any Subsidiary of the Company or the financial statements of the Company or any Subsidiary of the Company, if such events are determined to be extraordinary or unusual in nature or infrequent in occurrence or related to the disposal of a segment of a business or related to a

(v) "Person" shall have the meaning set forth in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, or other fiduciary holding securities under an employee benefit plan of the Company or any Subsidiary Corporation, (3) an underwriter temporarily or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

(w) "Plan" means this CF INDUSTRIES HOLDINGS, INC. 2014 Equity and Incentive Plan, as amended from time to time.

(x) "Restricted Stock" means an Award of shares of Stock to a Grantee under Section 6(b)(iii) that may be subject to certain restrictions and

(y) "Restricted Stock Unit" means a right granted to a Grantee under Section 6(b)(iv) to receive Stock or cash at the end of a specified deferral

(z) "Rule 16b-3" means Rule 16b-3, as from time to time in effect promulgated by the Securities and Exchange Commission under Section

(aa) "Securities Act" means the Securities Act of 1933, as amended from time to time, and as now or hereafter construed, interpreted and applied

(bb) "Stock" means shares of the common stock, par value \$0.01 per share, of the Company.

(cc) "Stock Appreciation Right" or "SAR" means the right, granted to a Grantee under Section 6(b)(ii), to be paid an amount measured by the

(dd) "Subsidiary" means a "subsidiary corporation," whether now or hereafter existing, as defined in Section 424(f) of the Code.

(ee) "Total Authorized Shares" shall have the meaning set forth in Section 5 of the Plan.

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3. *Administration.*

The Plan shall be administered by the Committee. The Committee shall have the authority in its discretion, subject to and not inconsistent with the express or implied authority specifically granted to it under the Plan or necessary or advisable in the administration of the Plan, including, without limitation, the authority to grant Awards, to determine the type and number of Awards to be granted, the number of shares of Stock to which an Award may relate and the terms, conditions, restrictions, and limitations, other than such time as required to ensure that an underlying Award which is intended to comply with the requirements of Section 162(m) of the Code so compliance with such requirements is not cancelled, forfeited, exchanged, or surrendered; to make adjustments in the terms and conditions of, and the Performance Goals (if any) included in, Awards relating to the Plan; to determine the terms and provisions of the Award Agreements (which need not be identical for each Grantee); and to make all other changes to the Plan foregoing (but without limiting the authority of the Committee under Section 3 hereof), neither the Board, the Committee nor their respective delegates shall have the authority to exercise, at a lower exercise, base or purchase price; to cancel any such Award in exchange for cash; or to exchange any Option or SAR that has been granted to a Grantee for the Company's stockholders.

All determinations of the Committee shall be made by a majority of its members either present in person or participating by conference telephone at a meeting, and may be performed by one or more agents such administrative duties as it may deem advisable, and the Committee or any person to whom it has delegated duties as aforesaid may employ such persons as it may deem advisable to perform such duties, provided that the Committee shall not delegate its authority to grant, and determine the terms of, Awards granted to any Covered Person on all persons, including but not limited to the Company, any Subsidiary of the Company, or Grantee (or any person claiming any rights under the Plan from the Company).

No member of the Board or Committee shall be liable for any action taken or determination made in good faith with respect to the Plan or any Award granted hereunder.

4. *Eligibility.*

Awards may be granted to executive officers and other key employees, consultants and independent contractors (including non-employee directors) of the Company and its Subsidiaries, and to consultants to the Company or its Subsidiaries. In determining the persons to whom Awards shall be granted and the number of Shares to be covered by each Award, the Committee shall take into account potential contributions to the success of the Company or its Subsidiaries and such other factors as the Committee shall deem relevant in connection with each Award.

5. *Stock Subject to the Plan.*

The maximum number of shares of Stock reserved for the grant of Awards under the Plan ("Total Authorized Shares") shall be the sum of (i) 2,789,720 shares of Stock reserved for the 2009 Equity and Incentive Plan and the CF Industries Holdings, Inc. 2009 Equity and Incentive Plan (the "2009 Plan") as of the date this Plan is adopted.

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approved by the Company's shareholders, but only to the extent such awards terminate or expire on or after such date without the delivery of shares, in each case, the number of shares available for grant under the Plan, each share of Stock subject to or issued in respect of an Option or a Stock Appreciation Right shall be counted against the Total Authorized Shares as 1.61 shares. Subject to adjustment as provided in the Code, Total Authorized Shares may be awarded under the Plan to any individual in a single calendar year. Determinations made in respect of the limitation set forth in the Code. Total Authorized Shares may, in whole or in part, be authorized but unissued shares or shares that shall have been or may be reacquired by the Company. If shares subject to an Award are forfeited, cancelled, exchanged or surrendered or if an Award terminates or expires without a distribution of shares to the Grantee, such shares, upon cancellation, exchange, surrender, termination or expiration, again be available for Awards under the Plan; provided that to the extent an Award counted against the Total Authorized Shares to the extent that shares of stock subject to an Award that counted as 1.61 shares is returned to the Plan, the Total Authorized Shares will be credited with 1.61 shares. (i) shares withheld by the Company to satisfy tax withholding obligations and (ii) shares withheld by the Company or otherwise received by the Company to satisfy tax withholding obligations and repurchased by the Company with Option proceeds. Upon the exercise of any Award granted in tandem with any other Award, such related Award shall be counted against the number of shares shall no longer be available for Awards under the Plan. All shares of Stock covered by a Stock Appreciation Right shall be counted against the Total Authorized Shares.

In the event of a dividend (other than a normal cash dividend) or other distribution (whether in the form of cash, Stock, or other property), recapitalization, stock split, exchange, or other similar corporate transaction or event which affects the Stock, the Committee shall appropriately adjust the number and kind of shares of Stock available for grant under the Plan and shall also adjust, in each case, in order to prevent dilution or enlargement of the rights of Grantees under the Plan, (i) the number and kind of shares of Stock available for grant under the Plan, (ii) the exercise price, grant price, or purchase price relating to any outstanding Award, provided, that, with respect to ISOs, such adjustment shall be made in accordance with the Code. To the extent to be appropriate, the Performance Goals applicable to outstanding Awards. The Committee shall have the authority to determine the specific adjustments to the Performance Goals. The decision of the Committee regarding any such adjustment shall be final, binding and conclusive.

6. *Specific Terms of Awards.*

(a) *General.* The term of each Award shall be for such period as may be determined by the Committee. Subject to the terms of the Plan and the Company upon the grant, maturation, or exercise of an Award may be made in such forms as the Committee shall determine at the date of grant or maturity, including a single payment or transfer, in installments, or on a deferred basis (consistent with Section 8(c)). The Committee may make rules relating to installment payments.

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respect to Awards, including the rate of interest to be credited with respect to such payments. In addition to the foregoing, the Committee may impose such other terms and conditions, not inconsistent with the provisions of the Plan, as the Committee shall determine.

(b) *Long Term Incentive Program.* Under the Long Term Incentive Program, the Committee is authorized to grant the Awards described in the Plan for the purposes of the Plan. Such Awards may be granted with value and payment contingent upon the attainment of Performance Goals. Each Award shall be subject to terms and conditions containing such terms and conditions applicable to such Award as the Committee shall determine at the date of grant or thereafter.

(i) *Options.* The Committee is authorized to grant Options to Grantees on the following terms and conditions:

(A) *Type of Award.* The Award Agreement evidencing the grant of an Option under the Plan shall designate the Option as either an Incentive Option or a Non-qualified Option.

(B) *Exercise Price.* The exercise price per share of Stock purchasable under an Option shall be determined by the Committee. The exercise price for Stock subject to an Option shall be the fair market value of one share of Stock on the date of grant of such Option. The exercise price for Stock subject to an Option may be paid in cash or by the Committee, through a "broker cashless exercise" procedure approved by the Committee, a combination of the above, or any other method approved by the Committee, at such exercise price.

(C) *Term and Exercisability of Options.* Unless the Committee determines otherwise, the date on which the Option shall become exercisable shall be the date of grant. Options shall be exercisable over the exercise period (which shall not exceed ten years from the date of grant), at such time as the Committee shall determine. Provided, that the Committee shall have the authority to accelerate the exercisability of any outstanding Option at such time as the Committee shall determine, to the extent of any or all full shares of Stock as to which the Option has become exercisable, by such procedures as the Committee shall determine.

(D) *Termination of Employment, etc.* An Option may not be exercised unless the Grantee is then a director of, in the case of a Non-qualified Option, the Company, and unless the Grantee remains in Continuous Service, since the date of grant of the Option; provided, that the Committee may, in its discretion, terminate the exercisability of an Option, at such time as the Committee shall determine, to a date not later than the expiration date of such Option.

(E) *Dividends.* No dividend or dividend equivalents shall be payable in respect of outstanding Options. A Grantee shall not be entitled to receive dividends on the shares of Stock subject to an Option until the Grantee has given written notice of the exercise thereof, has paid in full for the shares of Stock to be delivered to the Grantee.

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(F) *Other Provisions.* Options may be subject to such other conditions including, but not limited to, restrictions on transfer, forfeiture, or other provisions, at the discretion or as may be required by applicable law.

(ii) *SARs.* The Committee is authorized to grant SARs to Grantees on the following terms and conditions:

(A) *In General.* SARs may be granted independently or in tandem with an Option. Unless the Committee determines otherwise, an SAR granted in tandem with an NQSO or at any time thereafter or (2) granted in tandem with an ISO may only be granted at the time of grant of the related Option is exercisable. Payment of a SAR may be made in cash, Stock, or property as specified in the Award Agreement or otherwise.

(B) *SARs.* A SAR shall confer on the Grantee a right to receive an amount with respect to each share subject thereto, of exercise over (2) the grant price of the SAR (which in the case of an SAR granted in tandem with an Option shall be equal to the grant price of the Option) or as the Committee may determine, which shall not be less than the Fair Market Value of one share of Stock on the date of grant.

(C) *Dividends.* No dividend or dividend equivalents shall be payable in respect of outstanding SARs. A Grantee shall not be entitled to receive dividends or dividend equivalents on shares of Stock subject to a SAR until the Grantee has given written notice of the exercise thereof, has satisfied the requirements of the Award Agreement, and has satisfied the requirements of the Plan.

(iii) *Restricted Stock.* The Committee is authorized to grant Restricted Stock to Grantees on the following terms and conditions:

(A) *Issuance and Restrictions.* Restricted Stock shall be subject to such restrictions on transferability and other restrictions as the Committee may determine, which shall lapse separately or in combination at such times, under such circumstances, in such installments, or otherwise, as the Committee may determine, in whole or in part, upon the attainment of Performance Goals.

(B) *Forfeiture.* Upon termination of employment with or service to the Company or any Subsidiary of the Company, the Company may provide, by rule or regulation or in any Award Agreement, or may determine in any individual case, that restrictions or other restrictions shall apply to Restricted Stock terminations resulting from specified causes.

(C) *Certificates for Stock.* Restricted Stock granted under the Plan may be evidenced in such manner as the Committee may determine. If such certificates shall bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Restricted Stock.

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date of grant or thereafter. The maximum value of the aggregate payment that any Grantee may receive with respect to Other Cash-Bas for any other performance period in excess of one year, such amount multiplied by a fraction, the numerator of which is the number of may be decreased or, with respect to any Grantee who is not a Covered Employee, increased in the sole discretion of the Committee based on the certification by the Committee that the Performance Goals have been attained. The Committee may establish such other rules applicable to the Code (if such Awards are intended to be performance-based compensation for purposes of Section 162(m)).

(c) *Annual Incentive Program.* The Committee is authorized to grant Awards to Grantees pursuant to the Annual Incentive Program, and the maximum value of the aggregate payment that any Grantee may receive under the Annual Incentive Program in respect of any calendar year as a Covered Employee, increased in the sole discretion of the Committee based on such factors as it deems appropriate. No payment shall be made to a Grantee unless the certification by the Committee that the Performance Goals have been attained (if such Award is intended to be performance-based compensation for purposes of Section 162(m)). The Committee may establish such other rules applicable to the Code (if such Awards are intended to be performance-based compensation for purposes of Section 162(m)).

7. *Change in Control Provisions.*

Unless otherwise determined by the Committee and evidenced in an Award Agreement, in the event of a Change of Control:

- (a) any Award carrying a right to exercise that was not previously vested and exercisable shall become fully vested and exercisable; and
- (b) the restrictions, deferral limitations, payment conditions, and forfeiture conditions applicable to any other Award granted under the Plan or any Award Agreement underlying such Awards shall be delivered, and any performance conditions imposed with respect to Awards shall be deemed to be fully achieved.

8. *General Provisions.*

(a) *Nontransferability.* Unless otherwise determined by the Committee, Awards shall not be transferable by a Grantee except by will or to the Grantee or his guardian or legal representative. No Award may be transferred for value prior to the vesting, exercise or delivery of Stock with respect to the Award.

(b) *No Right to Continued Employment, etc.* Nothing in the Plan or in any Award, any Award Agreement or other agreement entered into by the Grantee with the Company or Subsidiary of the Company or to be entitled to any remuneration or benefits not set forth in the Plan or such Award Agreement or other agreement shall entitle the Grantee to continue his employment or to terminate such Grantee's employment or independent contractor relationship.

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(c) *Taxes.* The Company or any Subsidiary of the Company is authorized to withhold from any Award granted, any payment relating to amounts of withholding and other taxes due in connection with any transaction involving an Award, and to take such other action as the Committee may provide in the Award Agreement that in the event that a Grantee is required to pay any amount to be withheld in connection with such obligation (in whole or in part) by electing to have withheld a portion of the shares of Stock otherwise to be received upon settlement or exercise. The Plan are intended to be exempt from, or to comply with, the requirements of Section 409A of the Code and any regulations or guidance promulgated thereunder, in any interpretation.

(d) Stockholder Approval; Amendment and Termination.

(i) The Plan shall take effect upon its approval by the Company's shareholders. Upon such approval, no further grants shall be made outstanding in accordance with their terms and the terms of the 2009 Plan.

(ii) The Board may at any time and from time to time alter, amend, suspend, or terminate the Plan in whole or in part; provided, however, in order for the Plan to continue to comply with Section 162(m) or any other law, regulation or stock exchange requirement shall not be the case, the foregoing, stockholder approval shall be required for any amendment to the Plan which (a) increases the maximum number of shares of Stock that may be awarded under the Plan, (b) increases the maximum dollar value of awards that may be granted under the Plan, (c) otherwise materially increases the benefits accruing to Plan participants, (d) permits the Committee to waive vesting requirements (including the relationship) or (e) amends the provisions of this Section 8(d)(ii). Notwithstanding the foregoing, no amendment to or termination of the Plan or Award theretofore granted under the Plan. Prior to the occurrence of a Change in Control, the Committee may expand, reduce or otherwise modify awards used in outstanding Awards under the Annual Incentive Program for any reason at any time before, during or after the calendar year to which the award and/or the Committee, may be made at any time, and may have a retroactive effective date.

(e) *Clawback Policy.* Any Award granted under this Plan is subject to any applicable recoupment or "clawback" policies of the Company.

(f) *Expiration of Plan.* Unless earlier terminated by the Board pursuant to the provisions of the Plan, the Plan shall expire on the tenth anniversary of the date of its adoption under the Plan after such expiration date. The expiration of the Plan shall not affect adversely any of the rights of any Grantee, without such Grantee's consent.

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(g) *Deferrals.* The Committee shall have the authority to establish such procedures and programs that it deems appropriate to provide Grants granted under the Plan, consistent with the requirements of Section 409A of the Code.

(h) *No Rights to Awards; No Stockholder Rights.* No Grantee shall have any claim to be granted any Award under the Plan, and there is no transferee of an Award shall have no rights as a stockholder with respect to any shares covered by the Award until the date of the issuance of a

(i) *Unfunded Status of Awards.* The Plan is intended to constitute an "unfunded" plan for incentive and deferred compensation. With respect to any Award shall give any such Grantee any rights that are greater than those of a general creditor of the Company.

(j) *No Fractional Shares.* No fractional shares of Stock shall be required to be issued or delivered pursuant to the Plan or any Award. The Company shall determine whether such fractional shares or any rights thereto shall be forfeited or otherwise eliminated.

(k) *Regulations and Other Approvals.*

(i) The obligation of the Company to sell or deliver Stock with respect to any Award granted under the Plan shall be subject to the Company obtaining of all such approvals by governmental agencies as may be deemed necessary or appropriate by the Committee.

(ii) Each Award is subject to the requirement that, if at any time the Committee determines, in its absolute discretion, that the listing of the Stock on an exchange or under any state or federal law, or the consent or approval of any governmental regulatory body is necessary or desirable as a condition to the issuance of such Award, then the Award shall be granted or payment made or Stock issued, in whole or in part, unless listing, registration, qualification, consent or approval has been obtained.

(iii) In the event that the disposition of Stock acquired pursuant to the Plan is not covered by a then current registration statement or prospectus, the Company shall be deemed to have acquired the Stock against transfer to the extent required by the Securities Act or regulations thereunder, and the Committee may require a Grantee receiving such Stock from the Company in writing that the Stock acquired by such Grantee is acquired for investment only and not with a view to distribution.

(iv) The Committee may require a Grantee receiving Stock pursuant to the Plan, as a condition precedent to receipt of such Stock, to execute a written agreement that the Company may determine is necessary or desirable to further the Company's interests.

(l) *Governing Law.* The Plan and all determinations made and actions taken pursuant hereto shall be governed by the laws of the State of California.

