

ADVANCED SEMICONDUCTOR ENGINEERING INC
Form F-4/A
January 06, 2017

As filed with the Securities and Exchange Commission on January 6, 2017

Registration No. 333-214752

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No.1

To

Form F-4

**REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933**

(Exact Name of Registrant as Specified in Its Charter)

Advanced Semiconductor Engineering, Inc.

(Translation of Registrant's name into English)

Republic of China
*(State or Other Jurisdiction of
Incorporation or Organization)*

3674
*(Primary Standard Industrial
Classification Code Number)*

Not Applicable
*(I.R.S. Employer
Identification)*

Number)

26 Chin Third Road

Nantze Export Processing Zone

Nantze, Kaohsiung, Taiwan

Republic of China

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

National Corporate Research, Ltd.

10 E. 40th Street, 10th floor

New York, NY 10016

1 (800) 221 0102

(Name, address, including Zip code, and telephone number, including area code, of agent for service)

Copies to:

George R. Bason, Jr., Esq. James C. Lin, Esq.

Davis Polk & Wardwell LLP

c/o 18th Floor, The Hong Kong Club Building

3A Chater Road

Hong Kong

Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective and the consummation of the share exchange described herein.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount To Be Registered	Proposed Maximum Offering Price per Share	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common Shares of ASE Industrial Holding Co., Ltd., par value NT\$10 per share (1)	903,623,606 (2)	Not Applicable	\$1,837,925,791.22 (2)(3)	\$213,015.60 (4)

American depositary shares issuable upon deposit of the shares registered hereby will be registered under a (1) separate registration statement on Form F-6. Each American depositary share will represent 2 common shares of ASE Industrial Holding Co., Ltd.

Based upon the estimated number of common shares of ASE Industrial Holding Co., Ltd. that may be issued to U.S. holders of the common shares of the Registrant in connection with the share exchange described herein, using the share exchange ratios described herein. This estimate is based upon (a) the actual number of shares of the common shares represented by outstanding American depositary shares of Registrant as of August 21, 2016, and (b) the estimated number of shares of common shares of Advanced Semiconductor Engineering, Inc. (excluding (2) shares represented by American depositary shares but including the number of shares of ASE Industrial Holding Co., Ltd. that may be sold in the Taiwanese market in respect of the fractional shares that otherwise would be received by U.S. holders of the Registrant's common shares in the share exchange) as of August 21, 2016, the most recent date for which information with respect to U.S. resident holders can be determined. The securities to be issued in connection with the transaction outside of the United States are not registered under this registration statement.

Pursuant to Rule 457(f) under the Securities Act of 1933, the filing fee was calculated based on the market value of the securities of the Registrant to be exchanged in the share exchange described herein for securities of ASE Industrial Holding Co., Ltd., calculated pursuant to Rule 457(c) by taking the average of the high and low prices per share of the Registrant's common shares as reported on the Taiwan Stock Exchange as of January 4, 2017 (converted into U.S. dollars based on NT\$32.40 = US\$1.00, which is the exchange rate set forth in the H.10 (3) statistical release of the Federal Reserve Board as in effect on December 30, 2016, the latest available exchange rate set forth in the H.10 statistical release of the Federal Reserve Board) multiplied by 1,807,247,212, which is the total number of shares of the Registrant's common shares held of record by U.S. holders on August 21, 2016, the most recent date for which information with respect to the Registrant's U.S. record holders can be determined), and multiplying the result by 0.0001159.

(4) The Registrant previously paid a registration fee of US\$222,019.64 in connection with the initial filing of the registration statement on Form F-4 (No. 333-214752) previously filed on November 22, 2016.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

The information in this proxy statement/prospectus is subject to completion and amendment. A registration statement relating to the securities described in this proxy statement/prospectus has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy these securities be accepted prior to the time the registration statement becomes effective. This proxy statement/prospectus shall not constitute an offer to sell or the solicitation of any offer to buy nor shall there be any sale of these securities in any jurisdiction, in which such offer, solicitation or sale would be unlawful prior to registration under the securities laws of any such jurisdiction.

PRELIMINARY—SUBJECT TO COMPLETION, DATED JANUARY 6, 2017

PROXY STATEMENT/PROSPECTUS PROPOSED SHARE EXCHANGE

—YOUR VOTE IS IMPORTANT

Dear ASE Shareholders:

We are pleased to report that Advanced Semiconductor Engineering, Inc. (“ASE”) and Siliconware Precision Industries Co., Ltd. (“SPIL”) have entered into a joint share exchange agreement (“Joint Share Exchange Agreement”) pursuant to which a holding company, ASE Industrial Holding Co., Ltd. (“HoldCo”), will be formed by means of a statutory share exchange pursuant to the laws of the Republic of China, and HoldCo will (i) acquire all issued shares of ASE in exchange for shares of HoldCo using the share exchange ratio as described below, and (ii) acquire all issued shares of SPIL using the cash consideration as described below (the “Share Exchange”). Upon the consummation of the Share Exchange, ASE and SPIL will become wholly owned subsidiaries of HoldCo concurrently. Subject to the Share Exchange, the Joint Share Exchange Agreement and the other transactions contemplated thereby being approved by shareholders of ASE and SPIL, and upon the satisfaction of the other conditions for completing the Share Exchange, HoldCo will be formed — and the Share Exchange is expected to become effective — on or around [DATE], 2017.

Pursuant to the terms and subject to the conditions set forth in the Joint Share Exchange Agreement, at the effective time of the Share Exchange (the “Effective Time”):

(i) for SPIL shareholders:

each SPIL common share, par value NT\$10 per share (“SPIL Common Share”), issued immediately prior to the Effective Time (including SPIL’s treasury shares and the SPIL Common Shares beneficially owned by ASE), will be transferred to HoldCo in consideration for the right to receive NT\$51.2, which represents NT\$55, *minus* a cash dividend and a return of capital reserve of NT\$3.8 per SPIL Common Share distributed by SPIL on July 1, 2016, payable in cash in NT dollars, without interest and net of any applicable withholding taxes (“SPIL Common Shares Cash Consideration”); and

each SPIL American depositary share, currently representing five SPIL Common Shares (“SPIL ADS”) will be cancelled in exchange for the right to receive through JPMorgan Chase Bank, N.A., as depositary for the SPIL ADSs (“SPIL Depositary”), the US dollar equivalent of NT\$256 (representing five times of the SPIL Common Shares Cash Consideration) *minus* (i) all processing fees and expenses per SPIL ADS in relation to the conversion from NT dollars into US dollars, and (ii) US\$0.05 per SPIL ADS cancellation fees pursuant to the terms of the deposit agreement dated January 6, 2015 by and among SPIL, SPIL Depositary and the holders and beneficial owners from time to time of the SPIL ADSs issued thereunder, payable in cash in US dollars, without interest and net of any applicable withholding taxes (“SPIL ADS Cash Consideration,” together with the SPIL Common Shares Cash Consideration, “Cash Consideration”).

The Cash Consideration will be subject to adjustments if SPIL issues shares or pays cash dividends during the period from the execution date of the Joint Share Exchange Agreement to the Effective Time, provided, however, that the Cash Consideration shall not be subject to adjustment if the aggregate amount of the cash dividends distributed by SPIL in fiscal year 2017 is less than 85% of its after-tax net profit for fiscal year 2016.

(ii) for ASE shareholders:

each ASE common share (“ASE Common Share”), par value NT\$10 per share, issued immediately prior to the Effective Time (including ASE’s treasury shares), will be transferred to HoldCo in consideration for the right to receive 0.5 HoldCo common shares (“HoldCo Common Shares”), par value NT\$10 per share; and

each ASE American depositary share, currently representing five ASE Common Shares (“ASE ADSs”), will represent the right to receive 1.25 HoldCo American depositary shares, each representing two HoldCo Common Shares (“HoldCo ADSs”) upon surrender for cancellation to Citibank, N.A., as depositary for the ASE ADSs, after the Effective Time. The ratio at which ASE Common Shares will be exchanged for HoldCo Common Shares and ASE ADSs will be exchanged for HoldCo ADSs is hereinafter referred to as the “Exchange Ratio.”

Under Republic of China law, if any fractional HoldCo Common Shares representing less than one common share would otherwise be allotted to former holders of ASE Common Shares in connection with the Share Exchange, those fractional shares will not be issued to those shareholders. Pursuant to the Joint Share Exchange Agreement, ASE will aggregate the fractional entitlements and sell the aggregated ASE Common Shares using the closing price of ASE Common Shares on the Taiwan Stock Exchange (the “TWSE”) on the ninth (9) ROC Trading Day (as defined below) prior to the Effective Time, to an appointee of the Chairman of HoldCo. The cash proceeds from the sale will be distributed to the former holders of ASE Common Shares by HoldCo on a proportionate basis in accordance with their respective fractions at the Effective Time.

If you hold ASE ADSs, you will be able to exchange those ASE ADSs for HoldCo ADSs by delivering your ASE ADSs to Citibank, N.A., as depositary, after the Effective Time. Citibank, N.A., as depositary for the ASE ADSs, will only distribute whole HoldCo ADSs. Citibank, N.A., as depositary for the ASE ADSs, will aggregate the fractional entitlements to HoldCo ADSs, will use commercially reasonable efforts to sell the aggregated HoldCo ADS entitlements in the open market and will distribute the net cash proceeds to the holders of ASE ADSs entitled to them.

Subject to approval at the ASE EGM (as defined below), HoldCo will issue 3,961,811,298 HoldCo Common Shares (based on the number of issued shares of ASE on September 30, 2016) in connection with the Share Exchange.

ASE Common Shares are listed and traded on the TWSE under the ticker “2311” and ASE ADSs are listed and traded on the New York Stock Exchange (“NYSE”) under the ticker symbol “ASX.” On [DATE], 2017, the most recent practicable trading day prior to the printing of this proxy statement/prospectus, the closing price per ASE Common

Share on the TWSE was NT\$[.] (US\$[.]), and the closing price per ASE ADS on the NYSE was US\$[.]. SPIL Common Shares are listed and traded on the TWSE under the ticker “2325” and SPIL ADSs are listed and traded on the NASDAQ National Market (“NASDAQ”) under the ticker symbol “SPIL.” On [DATE], 2017, the most recent practicable trading day prior to the printing of this proxy statement/prospectus, the closing price per SPIL Common Share on the TWSE was NT\$[.] (US\$[.]), and the closing price per SPIL ADS on NASDAQ was US\$[.]. Following completion of the Share Exchange, ASE anticipates that the HoldCo Common Shares will trade on the TWSE and HoldCo ADSs will trade on the NYSE.

Before the Share Exchange can be completed, ASE shareholders must vote to approve, among other things, the Share Exchange and the other transactions contemplated by the Joint Share Exchange Agreement, and SPIL shareholders must vote to approve the Share Exchange and the other transactions contemplated by the Joint Share Exchange Agreement. If you are an ASE shareholder, ASE is sending you this proxy statement/prospectus to ask you to vote in favor of these matters.

The extraordinary general shareholders' meeting of ASE shareholders (the "ASE EGM") is expected to be held on [DATE], 2017, at [TIME] (Taiwan time), at Zhuang Jing Auditorium, 600 Jiachang Road, Nantze Export Processing Zone, Nantze District, Kaohsiung City, Taiwan, Republic of China. At this ASE EGM, ASE shareholders will be asked to approve, among other things, the Share Exchange and the other transactions contemplated by the Joint Share Exchange Agreement. More information about the proposals to be voted on at this ASE EGM is contained in this proxy statement/prospectus. **The board of directors of ASE has unanimously determined that (i) the Exchange Ratio constitutes fair value for each ASE Common Share and each ASE ADS, and (ii) the Joint Share Exchange Agreement and the transactions contemplated thereby are advisable, fair to and in the best interests of ASE and its shareholders. The board of directors of ASE recommends that ASE shareholders vote "FOR" the approval of the Share Exchange and the other transactions contemplated by the Joint Share Exchange Agreement and "FOR" the approval of the other proposals to be voted on at this ASE EGM as described in this proxy statement/prospectus.**

To attend and vote at the ASE EGM under Republic of China law, holders of ASE Common Shares must follow the procedures outlined in the convocation notice, which will be sent to those holders by ASE. To give voting instructions to the depository for the ASE ADSs, holders of ASE ADSs must follow the procedures outlined in the notice of the ASE EGM that Citibank, N.A., as depository for the ASE ADSs, will separately send to those ASE ADS holders.

This proxy statement/prospectus is an important document containing answers to frequently asked questions, a summary description of the transactions contemplated by the Joint Share Exchange Agreement and more detailed information about ASE, SPIL, the Joint Share Exchange Agreement, the Share Exchange and the other transactions contemplated by the Joint Share Exchange Agreement and the other matters to be voted upon by ASE shareholders as part of the ASE EGM. We urge you to read this proxy statement/prospectus and the documents incorporated by reference carefully and in their entirety. **In particular, you should consider the matters discussed in the section entitled "Risk Factors" beginning on page 61.**

Thank you for your cooperation and continued support.

Sincerely,

Jason C.S. Chang

Chairman and Chief Executive Officer

Advanced Semiconductor Engineering, Inc.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the Share Exchange or the securities to be issued in connection therewith, or determined if this proxy statement/prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

You may have dissenters' rights in connection with the transactions under the laws of the Republic of China. See page 57 for a complete discussion of your dissenters' rights, if any.

This document is dated [DATE], 2017 and is first being delivered to ASE shareholders on or about [DATE], 2017.

NOTICE OF EXTRAORDINARY GENERAL MEETING

To Be Held On [DATE], 2017

Dear Shareholders:

This is a notice that Advanced Semiconductor Engineering, Inc. (“ASE”) will hold an Extraordinary General Meeting (the “ASE EGM”) on [DATE], 2017, at [TIME], and the location is expected to be at Zhuang Jing Auditorium, 600 Jiachang Road, Nantze Export Processing Zone, Nantze District, Kaohsiung City, Taiwan, Republic of China.

At the ASE EGM, we will discuss, and ASE shareholders will vote on, the following proposals:

Proposal 1. To consider and to vote upon the joint share exchange agreement entered into between Advanced Semiconductor Engineering, Inc. and Siliconware Precision Industries Co., Ltd. on June 30, 2016 (the “Joint Share Exchange Agreement”) and the proposed share exchange and the other transactions contemplated by the Joint Share Exchange Agreement

Proposal 2. To consider and to vote upon the adoption of the articles of incorporation of ASE Industrial Holding Co., Ltd.

Proposal 3. To consider and to vote upon the Rules of Procedure for Shareholders' Meetings of ASE Industrial Holding Co., Ltd.

Proposal 4. To consider and to vote upon the Rules Governing the Election of Directors and Supervisors of ASE Industrial Holding Co., Ltd.

Proposal 5. To consider and to vote upon the Procedures for Lending Funds to Other Parties of ASE Industrial Holdings Co. Ltd. and Procedures of Making the Endorsement and Guarantees of ASE Industrial Holding Co., Ltd.

Proposal 6. To consider and to vote upon the Procedures for Acquisition or Disposal of Assets of ASE Industrial Holding Co., Ltd.

Proposal 7. To consider and elect the members of the board of directors and supervisors of ASE Industrial Holding Co., Ltd.

Proposal 8. To consider and to vote upon the proposal to waive the non-competition clauses applicable to newly elected directors of ASE Industrial Holding Co., Ltd.

This proxy statement/prospectus describes the proposals listed above in more detail. Please refer to the attached document, including the Joint Share Exchange Agreement and all other annexes and including any documents incorporated by reference, for further information with respect to the business to be transacted at the ASE EGM. You are encouraged to read the entire document carefully before voting. **In particular, see the section entitled “Risk Factors.”**

The record date for the determination of shareholders entitled to vote at the ASE EGM will be [DATE], 2017 (the “ASE EGM Record Date”). Only ASE shareholders who hold common shares of ASE, par value NT\$10 per share (“ASE Common Shares”), of record on the ASE EGM Record Date are entitled to vote at the ASE EGM, or to exercise the appraisal rights conferred on dissenting shareholders by the laws of the Republic of China. Each ASE Common Share entitles its holder to one vote at the ASE EGM on each of the proposals. You may exercise voting rights by electronic means or by attending the ASE EGM in person or by proxy using a duly authorized power of attorney in the prescribed form attached to the notice of convocation distributed by ASE prior to the ASE EGM. You may exercise your voting right by electronic means beginning from the fifteenth (15th) calendar day prior to the ASE EGM until the third calendar day prior to the day of the ASE EGM. Shareholders who intend to exercise voting right electronically must log in to the website maintained by the Taiwan Depository & Clearing Corporation (“TDCC”) (<https://www.stockvote.com.tw>) and proceed in accordance with the instructions provided therein.

If you own American depository shares of ASE (“ASE ADSs”), each representing five ASE Common Shares, Citibank, N.A. (“Citibank”), as depository for the ASE ADSs (the “ASE Depository”), will send to holders of ASE ADSs as of [DATE], 2017, a voting instruction card and notice which outlines the procedures those holders must follow to give proper voting instructions to the ASE Depository. In accordance with and subject to the terms of the amended and restated deposit agreement, dated as of September 29, 2000 and as amended and restated (as so amended and restated, the “ASE Deposit Agreement”), by and among Citibank, as ASE Depository, ASE, and the holders and beneficial owners of ASE ADSs, holders of ASE ADSs have no individual voting rights with respect to the ASE Common Shares represented by their ASE ADSs. Pursuant to the ASE Deposit Agreement, each holder of ASE ADSs is deemed to have authorized and directed the ASE Depository to appoint the Chairman of ASE or his/her designate (the Chairman or his/her designate, the “Voting Representative”), as representative of the ASE Depository, the custodian or the nominee who is registered in the Republic of China as representative of the holders of ASE ADSs to vote the ASE Common Shares represented by ASE ADSs as more fully described below.

In accordance with and subject to the terms of the ASE Deposit Agreement, if holders of ASE ADSs together holding at least 51% of all the ASE ADSs outstanding as of the record date set by the ASE Depository for the ASE EGM to vote on the proposed Share Exchange and the other transactions contemplated by the Joint Share Exchange Agreement, instruct the ASE Depository, prior to the ASE ADS voting instructions deadline, to vote in the same manner with respect to the Share Exchange and the other transactions contemplated by the Joint Share Exchange Agreement, the ASE Depository shall notify the Voting Representative and appoint the Voting Representative as the representative of the ASE Depository and the holders of ASE ADSs to attend the ASE EGM and vote all ASE Common Shares represented by ASE ADSs outstanding in the manner so instructed by such holders. If voting instructions are received from an ASE ADS holder by the ASE Depository as of the ASE ADS voting instructions deadline, which are signed but without further indication as to voting instructions, the ASE Depository shall deem such holder to have instructed a vote in favor of the items set forth in such instructions.

Furthermore, in accordance with and subject to the terms of the ASE Deposit Agreement, if, for any reason, the ASE Depository has not, prior to the ASE ADS voting instructions deadline, received instructions from holders of ASE ADSs together holding at least 51% of all ASE ADSs outstanding as of the record date set by the ASE Depository for the ASE EGM to vote for the proposed Share Exchange and the other transactions contemplated by the Joint Share Exchange Agreement, to vote in the same manner with respect to the proposed Share Exchange and the other transactions contemplated by the Joint Share Exchange Agreement, the holders of all ASE ADSs shall be deemed to

have authorized and directed the ASE Depositary to give a discretionary proxy to the Voting Representative, as the representative of the holders of ASE ADSs, to attend the ASE EGM and vote all the ASE Common Shares represented by ASE ADSs then outstanding in his/her discretion; provided, however, that the ASE Depositary will not give a discretionary proxy as described if it fails to receive under the terms of the ASE Deposit Agreement a satisfactory opinion from ASE's counsel prior to the ASE EGM. In such circumstances, the Voting Representative shall be free to exercise the votes attaching to the ASE Common Shares represented by ASE in any manner he/she wishes, which may not be in the best interests of the ASE ADS holders. [The Voting Representative has informed ASE that he plans as of the date of this proxy statement/prospectus to vote in favor of all of the proposals at the ASE EGM, although he has not entered into any agreement obligating him to do so.]

The board of directors of ASE has unanimously determined that the Joint Share Exchange Agreement and the transactions contemplated thereby, including the proposed Share Exchange, are advisable, fair to and in the best interests of ASE and its shareholders. The board of directors of ASE recommends that ASE shareholders vote "FOR" each of the proposals set forth above.

YOUR VOTE IS VERY IMPORTANT REGARDLESS OF THE NUMBER OF SHARES THAT YOU OWN.

The proposed Share Exchange cannot be completed without ASE shareholders approving, among other things, the completion by ASE of the proposed Share Exchange and the other transactions contemplated by the Joint Share Exchange Agreement by either (x) the approval of one-half of the shares present at the ASE EGM if at least two-thirds of ASE's outstanding shares attend the ASE EGM, or (y) the approval of two-thirds of the shares present at the ASE EGM if at least one-half of ASE's outstanding shares attend the ASE EGM.

ASE is not asking for a proxy and you are not required to send a proxy to ASE. However, ASE Enterprises Limited, a shareholder of ASE has advised us that it intends to solicit proxies in favor of the authorization and approval of the proposed Share Exchange and the other transactions contemplated by the Joint Share Exchange Agreement.

If you have any questions concerning the Joint Share Exchange Agreement or the other transactions contemplated by the Joint Share Exchange Agreement, including the proposed Share Exchange, or this proxy statement/prospectus, or would like additional copies or need help voting your ASE Common Shares, please contact ASE Investor Relations Department at +886-2-6636-5678 or ir@aseglobal.com, or Citibank Shareholder Services at 1-877-CITI-ADR (248-4237) for questions related to your ASE ADSs.

On behalf of the Board of Directors

Jason C.S. Chang

Chairman of the Board of Directors

ADDITIONAL INFORMATION

This proxy statement/prospectus incorporates important business and financial information about ASE and SPIL that is not included in or delivered with this proxy statement/prospectus. **This information is available to you without charge upon your written or oral request. You can obtain the documents incorporated by reference into this proxy statement/prospectus free of charge by requesting them in writing or by telephone from ASE at the following address and telephone number:**

Advanced Semiconductor Engineering, Inc.
e-mail: ir@aseglobal.com
Tel: +886-2-6636-5678
Room 1901, No. 333, Section 1 Keelung Rd.
Taipei, Taiwan, 110
Republic of China
Attention: Investor Relations

If you would like to request any documents, please do so by [DATE], 2017 in order to receive them before the ASE EGM.

For a more detailed description of the information incorporated by reference into this proxy statement/prospectus and how you may obtain it, see the section entitled “Where You Can Find More Information.”

ABOUT THIS PROXY STATEMENT/PROSPECTUS

This proxy statement/prospectus, which forms part of a registration statement on Form F-4 filed by ASE with the U.S. Securities and Exchange Commission (the “SEC”), constitutes a prospectus of ASE under the Securities Act of 1933, as amended (the “Securities Act”), with respect to the HoldCo Common Shares to be issued to ASE shareholders in connection with the Share Exchange. This proxy statement/prospectus also constitutes a proxy statement for ASE under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). It also constitutes a notice of meeting with respect to the ASE EGM.

You should rely only on the information contained in or incorporated by reference into this proxy statement/prospectus. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this proxy statement/prospectus. This proxy statement/prospectus is dated

January 6, 2017, and you should assume that the information contained in this proxy statement/prospectus is accurate only as of such date. You should also assume that the information incorporated by reference into this proxy statement/prospectus is only accurate as of the date of such information.

This proxy statement/prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction in which or from any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction. Information contained in this proxy statement/prospectus regarding ASE has been provided by ASE and information contained in this proxy statement/prospectus regarding SPIL has been provided by SPIL.

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Definitions

As used in this proxy statement/prospectus, the following defined terms have the following respective meanings:

“ASE” or the “Registrant” refers to Advanced Semiconductor Engineering, Inc. and, as the context requires, its subsidiaries;

“ASE ADS(s)” refers to the American depositary share(s) issued by the ASE Depositary under the ASE Deposit Agreement. Each ASE ADS represents five ASE Common Shares;

“ASE Common Share(s)” refers to the common share(s) of ASE, par value NT\$10 per share;

“ASE Depositary” or “Citibank” refers to Citibank, N.A., as depositary for the ASE ADSs under the ASE Deposit Agreement;

“ASE Deposit Agreement” refers to the Amended and Restated Deposit Agreement, dated as of September 29, 2000, by and among ASE, Citibank and the Holders and Beneficial Owners of ASE ADSs, as amended by Amendment No. 1 to Amended and Restated Deposit Agreement, dated as of April 6, 2006, and by Amendment No. 2 to Amended and Restated Deposit Agreement, dated as of November 27, 2006;

“ASE Share(s)” refers to ASE Common Share(s) and ASE ADS(s), collectively;

“Effective Time” refers to the effective time of the Share Exchange;

“Exchange Act” refers to the U.S. Securities Exchange Act of 1934, as amended;

“FSC” refers to Financial Supervisory Commission of the ROC;

“HoldCo” refers to ASE Industrial Holding Co., Ltd., the holding company that will be formed at the Effective Time as the parent company of ASE and SPIL as a result of the Share Exchange;

“HoldCo ADS(s)” refers to the American depositary share(s) that will be issued to ASE ADS holders upon the consummation of the Share Exchange pursuant to a new American depositary receipt facility to be established by HoldCo with the HoldCo Depositary upon the terms of the HoldCo Deposit Agreement. Each HoldCo ADS will represent two HoldCo Common Shares;

“HoldCo Common Share(s)” refers to the common share(s) of HoldCo, par value NT\$10 per share, that will be issued upon the consummation of the Share Exchange;

“HoldCo Depositary” refers to Citibank, N.A. in its capacity as depositary for the HoldCo ADSs pursuant to the terms of the HoldCo Deposit Agreement;

“HoldCo Deposit Agreement” refers to the deposit agreement for the HoldCo ADSs to be entered into by HoldCo and Citibank, N.A., as HoldCo Depositary, at the Effective Time of the Share Exchange, and to which the holders and beneficial owners of HoldCo ADSs become parties upon acceptance of HoldCo ADSs;

“HoldCo Shares” refers to HoldCo Common Shares and HoldCo ADSs, collectively;

“IFRS” refers to International Financial Reporting Standards as issued by the International Accounting Standards Board;

“Joint Share Exchange Agreement” refers to the Joint Share Exchange Agreement, dated June 30, 2016, by and between ASE and SPIL; an English translation is included as Annex A to this proxy statement/prospectus;

“NASDAQ” refers to the NASDAQ National Market;

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“non-ROC holder” refers to a non-resident individual or non-resident entity that owns ASE Common Shares or ADSs or HoldCo Common Shares or ADSs. As used in the preceding sentence, a “non-resident individual” is a non-ROC national who owns ASE Common Shares or ADSs or HoldCo Common Shares or ADSs and is not physically present in the ROC for 183 days or more during any calendar year, and a “non-resident entity” is a corporation or a non-corporate body that owns ASE Common Shares or ADSs or HoldCo Common Shares or ADSs, is organized under the laws of a jurisdiction other than the ROC and has no fixed place of business or business agent in the ROC;

“NT\$” and “NT dollars” refers to New Taiwan dollars, the official currency of the ROC;

“NYSE” refers to the New York Stock Exchange;

“PRC” or “China” refers to the People’s Republic of China, excluding, for purposes of this proxy statement/prospectus, Hong Kong, the Macau Special Administrative Region and Taiwan;

“ROC” or “Taiwan” refers to the Republic of China;

“ROC Company Law” refers to the Company Law of the ROC;

“ROC Mergers and Acquisitions Act” refers to the Business Mergers and Acquisitions Act of the ROC;

“ROC Trading Day” refers to a day when TWSE is open for business;

“Share Exchange” refers to the transactions pursuant to which ASE will file an application with the TWSE and other competent authorities to establish HoldCo by means of a statutory share exchange, HoldCo will acquire all issued shares of each of ASE and SPIL and ASE and SPIL will become wholly owned subsidiaries of HoldCo concurrently;

“Securities Act” refers to the U.S. Securities Act of 1933, as amended;

“SEC” refers to the U.S. Securities and Exchange Commission;

“SPIL” refers to Siliconware Precision Industries Co., Ltd., and, as the context requires, its subsidiaries;

“SPIL ADS(s)” refers to the American depositary shares issued by the SPIL Depositary under the SPIL Deposit Agreement. Each SPIL ADS represents five SPIL Common Shares;

“SPIL Common Share(s)” refers to the common share(s) of SPIL, par value NT\$10 per share;

“SPIL Depository” refers to JPMorgan Chase Bank, N.A., as depository for the SPIL ADSs under the SPIL Deposit Agreement;

“SPIL Deposit Agreement” refers to the Amended and Restated Deposit Agreement, dated as of January 6, 2015, by and among SPIL, JPMorgan Chase Bank, N.A., as SPIL Depository, and the Holders and Beneficial Owners of SPIL ADSs, as amended;

“TWSE” refers to the Taiwan Stock Exchange;

“U.S.” refers to the United States of America; and

“US\$” and “U.S. dollars” refers to United States dollars, the official currency of the United States of America.

For your convenience, this prospectus contains translations of certain NT dollar amounts into U.S. dollar amounts at a rate of NT\$31.27 to US\$1.00, the exchange rate set forth in the H.10 statistical release of the Federal Reserve Board on September 30, 2016, unless otherwise stated. We make no representation that any NT dollar or U.S. dollar amounts could have been, or could be, converted into U.S. dollars or NT dollars, as the case may be, at any particular rate, or at all.

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Questions and Answers about the Share Exchange

Q. Why am I receiving this document?

A. ASE and SPIL have entered into a Joint Share Exchange Agreement pursuant to which a holding company, HoldCo, will be established by means of a statutory share exchange pursuant to the laws of the ROC, and HoldCo will (i) acquire all issued shares of ASE in exchange for shares of HoldCo using the Exchange Ratio as described below, and (ii) acquire all issued SPIL Common Shares using the cash consideration as described below. Upon the consummation of the Share Exchange, ASE and SPIL will become wholly owned subsidiaries of HoldCo concurrently.

Before the Share Exchange can be completed, ASE shareholders must vote to approve, among other things, the Share Exchange and the other transactions contemplated by the Joint Share Exchange Agreement. If you are an ASE shareholder, ASE is sending you this proxy statement/prospectus to ask you to vote in favor of these matters. ASE will hold the ASE EGM on [DATE], 2017 to obtain these approvals and the approval of certain other proposals that are not conditions to the completion of the Share Exchange.

This proxy statement/prospectus, which you should read carefully, contains important information about the Joint Share Exchange Agreement, the Share Exchange and the other transactions contemplated by the Joint Share Exchange and other matters being considered at the ASE EGM. The enclosed voting materials allow you to vote your shares without attending the applicable shareholders' meeting. Your vote is very important and we encourage you to submit your vote or proxy as soon as possible.

Q. What will SPIL shareholders receive in the Share Exchange?

A. As of the Effective Time of the Share Exchange:

each SPIL Common Share, par value NT\$10 per share, issued immediately prior to the Effective Time (including SPIL's treasury shares and the SPIL Common Shares beneficially owned by ASE), will be transferred to HoldCo in consideration for the right to receive NT\$51.2, which represents NT\$55 *minus* a cash dividend and a return of capital reserve of NT\$3.8 per SPIL Common Share distributed by SPIL on July 1, 2016, payable by HoldCo in cash in NT dollars, without interest and net of any applicable withholding taxes; and

each SPIL ADS will be cancelled in exchange for the right to receive through SPIL Depositary, the US dollar equivalent of NT\$256 (representing five times of the SPIL Common Shares Cash Consideration) *minus* (i) all processing fees and expenses per SPIL ADS in relation to the conversion from NT dollars into US dollars, and (ii) US\$0.05 per SPIL ADS cancellation fees pursuant to the terms of the SPIL Deposit Agreement payable in cash in US dollars, without interest and net of any applicable withholding taxes.

The Cash Consideration will be subject to adjustments if SPIL issues shares or pays cash dividends during the period from the execution date of the Joint Share Exchange Agreement to the Effective Time, provided, however, that the Cash Consideration shall not be subject to adjustment if the aggregate amount of the cash dividends distributed by SPIL in fiscal year 2017 is less than 85% of its after-tax net profit for fiscal year 2016, which is described further in the section entitled “The Joint Share Exchange Agreement—Adjustment to the Consideration.”

Q. What will ASE shareholders receive in the Share Exchange?

A. As of the Effective Time:

each ASE Common Share, par value NT\$10 per share, issued immediately prior to the Effective Time (including ASE’s treasury shares), will be transferred to HoldCo in consideration for the right to receive 0.5 HoldCo Common Shares; and

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each ASE ADS, currently representing five ASE Common Shares, will, after the Effective Time, represent the right to receive 1.25 HoldCo ADSs, each HoldCo ADS representing two HoldCo Common Shares, upon surrender for cancellation to the ASE Depositary after the Effective Time.

Q: How will fractional entitlements to HoldCo Common Shares be handled in the Share Exchange?

ASE will aggregate the fractional entitlements to HoldCo Common Shares and sell the aggregated HoldCo Common Shares using the closing price of ASE Common Shares on the TWSE on the ninth (9th) ROC Trading Day prior to the Effective Time, to an appointee of the Chairman of HoldCo. The cash proceeds from the sale will be distributed to the former holders of ASE Common Shares by HoldCo on a proportionate basis in accordance with their respective fractions at the Effective Time.

Q: How will fractional entitlements to HoldCo ADSs be handled in the Share Exchange?

The ASE Depositary (Citibank) will aggregate the fractional entitlements to HoldCo ADSs, use commercially reasonable efforts to sell the aggregated fractional entitlements to HoldCo ADSs on the open market, and remit the net cash proceeds (after deducting applicable taxes, fees and expenses, including sales commissions) to the holders of ASE ADSs entitled to them.

Q. How do the HoldCo Common Shares differ from ASE Common Shares?

A. HoldCo Common Shares will not materially differ from ASE Common Shares from a legal perspective.

Q. How do the HoldCo ADSs differ from ASE ADSs?

A. HoldCo ADSs will not materially differ from ASE ADSs from a legal perspective.

Q. When is the Share Exchange expected to be completed?

A. The Share Exchange is expected to be completed on or promptly after [DATE], 2017.

Q. What is the record date for voting at the ASE EGM?

A. The record date for voting at the ASE EGM is on or about [DATE], 2017.

Q. How do I vote at the ASE EGM?

A. You may exercise voting rights as a shareholder by electronic means or by attending the ASE EGM, as applicable, in person or by proxy.

You may exercise your voting right by electronic means beginning from the fifteenth (15th) calendar day prior to the ASE EGM, as applicable, until the third calendar day prior to the day of the ASE EGM (the “Electronic Voting Period”). Shareholders who intend to exercise voting rights electronically must login to the website maintained by the TDCC (<https://www.stockvote.com.tw>) and proceed in accordance with the instructions provided therein.

You may exercise your voting rights by attending the ASE EGM in person or by proxy using a duly authorized power of attorney in the prescribed form attached to the notice of convocation distributed by ASE prior to the respective ASE EGM.

Q: How will shares being represented at the ASE EGM by voting cards be treated?

A: The voting cards used for the ASE EGM will describe the proposals to be voted on by shareholders at the ASE EGM, as applicable, including approval of the Share Exchange. The voting cards will allow shareholders to indicate a “for” or “against” vote with respect to each proposal.

Q. May I change my vote?

A. Yes.

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If you previously voted through the electronic voting website, you may change or revoke your previous voting by logging in to the electronic voting website anytime within the Electronic Voting Period. If you revoked your electronic voting within the Electronic Voting Period, you may attend the ASE EGM, as applicable, and vote in person.

If you previously presented a valid proxy or exercised your vote through the electronic voting website but then wish to attend the ASE EGM in person, you are required to revoke your proxy in writing addressed to ASE or revoke your electronic vote by logging in to the electronic voting website at least two (2) calendar days prior to the ASE EGM. Otherwise, the voting right exercised by your proxy or through the electronic voting website will prevail.

Q: How do I vote if I own ASE ADSs?

A: The ASE Depository will send to holders of ASE ADSs as of [DATE], 2017, a voting instruction card and notice, which outlines the procedures those holders must follow to give proper voting instructions to the ASE Depository.

Q: If I own ASE ADSs, what steps must I take to exchange my ASE ADSs for HoldCo ADSs?

A: If you hold physical certificates, also known as ASE American depository receipts (“ASE ADRs”), representing ASE ADSs, you will be sent a letter of transmittal after the Effective Time by the ASE Depository, which is to be used to surrender your ASE ADSs to the ASE Depository in exchange for HoldCo ADSs. The letter of transmittal will contain instructions explaining the procedure for surrendering the ASE ADSs in exchange for the HoldCo ADSs. **YOU SHOULD NOT RETURN ASE ADRs WITH THE ENCLOSED PROXY CARD.** The HoldCo ADSs will be issued in uncertificated, book-entry form, unless a physical HoldCo ADR is subsequently requested.

If you hold ASE ADSs in uncertificated form registered directly on the books of the ASE Depository, you will not be required to take any action after the Effective Time. The ASE Depository will, after the Effective Time, exchange your ASE ADSs for the applicable HoldCo ADSs and send you a statement reflecting HoldCo ADSs issued in your name as a result of the Share Exchange and a check for the cash in lieu of any fractional HoldCo ADS to which you are entitled as a result of the Share Exchange.

Beneficial holders of ASE ADSs held in “street name” through a bank, broker or other financial institution with an account in The Depository Trust Company (“DTC”) will not be required to take any action after the Effective Time to exchange ASE ADSs for HoldCo ADSs. After the Effective Time, ASE ADSs held in “street name” will be exchanged by the ASE Depository via DTC for the applicable HoldCo ADSs and delivered in book-entry form via DTC to the applicable banks, brokers and other financial institutions for credit to their clients the beneficial owners of ASE ADSs.

Q: If I own ASE ADSs, will I be required to pay any service fees to exchange my ASE ADSs for HoldCo ADSs?

A: There is a US\$0.02 cancellation fee per ASE ADS held payable by holders of ASE ADSs to the ASE Depositary in connection with the exchange of ASE ADSs for HoldCo ADSs.

Q: How will trading in ASE Common Shares and ASE ADSs be affected by the Share Exchange?

ASE expects that ASE Common Shares will be suspended from trading on the TWSE starting from the eighth (8th) ROC Trading Day prior to the Effective Time of the Share Exchange. ASE expects that HoldCo Common Shares will begin trading in Taiwan during TWSE trading hours, at the Effective Time of the Share Exchange. ASE expects that the ASE ADSs will be suspended from trading on the NYSE starting from the eighth (8th) trading day on the NYSE prior to the Effective Time of the Share Exchange. ASE expects that HoldCo ADSs will begin trading on the NYSE during NYSE trading hours, at the Effective Time of the Share Exchange. You will not be able to trade ASE Common Shares and ASE ADSs during these gaps in trading.

Q. Whom can I call with questions?

A: If you have more questions about the Share Exchange and the other transactions contemplated by the Joint Share Exchange Agreement, you should contact:

Kenneth Hsiang
Email: ir@aseglobal.com
Tel: +886-2-6636-5678
Room 1901, No. 333, Section 1 Keelung Rd.
Taipei, Taiwan, 110, Republic of China
Attention: Head of Investor Relations

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Summary

William R. Graber

Robert L. Lumpkins

The following summary highlights selected information described in more detail elsewhere in this proxy statement/prospectus and the documents incorporated by reference into this proxy statement/prospectus and may not contain all the information that may be important to you. To understand the Share Exchange and the other transactions contemplated by the Joint Share Exchange Agreement and the matters being voted on by ASE shareholders and SPIL shareholders at their respective extraordinary shareholders' meeting more fully, and to obtain a more complete description of the legal terms of the Joint Share Exchange Agreement, you should carefully read this entire document, including the annexes, and the documents to which ASE refers you. Each item in this summary includes a page reference directing you to a more complete description of that topic. See the section entitled "Where You Can Find More Information."

The Parties (see page 72)

Advanced Semiconductor Engineering, Inc.

ASE is a company limited by shares incorporated under the laws of the ROC. ASE's services include semiconductor packaging, production of interconnect materials, front-end engineering testing, wafer probing and final testing services, as well as integrated solutions for electronics manufacturing services in relation to computers, peripherals, communications, industrial, automotive, and storage and server applications.

ASE Common Shares are traded on the TWSE under the ticker "2311" and ASE ADSs are traded on the NYSE under the symbol "ASX." ASE's principal executive offices are located at 26 Chin Third Road, Nantze Export Processing Zone, Nantze, Kaohsiung, Taiwan, Republic of China, and the telephone number at the above address is +886-7-361-7131.

Phyllis E. Cochran

The Corporate Governance and Nominating Committee, which is comprised of five directors, including four independent directors, met six times during our 2007 fiscal year. As discussed above under Director Independence, Mr. Lumpkins is not independent because he previously

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served as Vice Chairman and Chief Financial Officer of Cargill.

The responsibilities of the Corporate Governance and Nominating Committee include, among other things:

recommending to the Board a set of corporate governance principles applicable to us and providing ongoing oversight of governance;

recommending to the Board nominees for director (subject to the provisions of the Investor Rights Agreement as described below under "Nomination and Selection of Directors");

recommending to the Board all committee assignments (subject to the provisions of the Investor Rights Agreement);

developing a compensation and benefits program for the Board;

overseeing the Board and committee annual evaluation process;

reviewing and approving certain transactions involving related persons; and

reviewing the succession plan for the Chief Executive Officer.

Environmental, Health and Safety Committee

Members: F. Guillaume Bastiaens, *Chair* Steven M. Seibert

Fredric W. Corrigan

The Environmental, Health and Safety Committee, which is comprised of three directors, including two independent directors, met seven times during our 2007 fiscal year.

The responsibilities of the Environmental, Health and Safety Committee include, among other things:

reviewing policies relating to EHS matters and our objectives and plans for implementing EHS policies, procedures and practices;

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overseeing our monitoring and enforcement of EHS policies and related procedures and practices;

reviewing with management the scope and plans for conducting audits of our EHS performance and the results of the audits;

reviewing our compliance with applicable laws, regulations and our EHS policies;

reviewing with management significant public policy, legislative, regulatory, political and social issues and trends that may impact us;

reviewing and monitoring environmental risks; and

reviewing environmental and safety incidents.

Special Transactions Committee

Members: Harold H. MacKay, *Chair* David B. Mathis

Raymond F. Bentele

The Special Transactions Committee, which is comprised entirely of independent directors designated by the IMC Directors (as defined under

Nomination and Selection of Directors) as required by the Investor Rights Agreement, met seven times during our 2007 fiscal year. The responsibilities of the Special Transactions Committee include providing oversight to the review and approval of commercial or other transactions between Cargill and/or its affiliates (other than Mosaic and its subsidiaries), on the one hand, and Mosaic and/or its subsidiaries, on the other hand, with the objective that such transactions will be fair and reasonable to Mosaic, with arm's length terms and conditions.

Policies Relating to the Board of Directors

Nomination and Selection of Directors

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

Our Bylaws provide that a stockholder entitled to vote at an annual meeting who wishes to nominate a candidate for election to the Board is required to give written notice to our Corporate Secretary of his or her intention to make such a nomination. In accordance with the advance notice procedures in our Bylaws, a notice of nomination is required to be received within the prescribed time and must contain certain information about both the nominee and the stockholder making the nomination. The Corporate Governance and Nominating Committee may require that the proposed nominee furnish other information to determine that person's eligibility to serve as a director. The remainder of the requirements of the advance notice procedures with which a notice of nomination must comply are described in this proxy statement under the caption Stockholder Proposals and Nominations for the 2008 Annual Meeting of Stockholders. A nomination that does not comply with the advance notice procedures may be disregarded. Nominations are subject to the provisions of the Investor Rights Agreement discussed below.

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

Personal characteristics

highest personal and professional ethics, integrity and values

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an inquisitive and objective perspective

practical wisdom and mature judgment

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

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

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

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

Commitment in advance of necessary time for Board and committee meetings

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

A personality reasonably compatible with the existing Board members

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

In connection with the combination of IMC Global Inc. and the fertilizer businesses of Cargill on October 22, 2004, in which we were formed, we entered into the Investor Rights Agreement with Cargill. Under the Investor Rights Agreement, through October 22, 2008, Cargill has agreed to take (including causing its representatives or designees on our Board of Directors to take) commercially reasonable actions to cause any slate of nominees recommended by our Board of Directors to our stockholders to include appropriate individuals to ensure that the resulting Board of Directors will consist of:

seven directors designated by Cargill, or the Cargill Directors;

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

a twelfth director, who is neither a Cargill Director nor an IMC Director, approved by the Corporate Governance and Nominating Committee and a majority of the IMC Directors; and

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

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The Cargill Directors are F. Guillaume Bastiaens, Fredric W. Corrigan, William R. Graber, Robert L. Lumpkins, William T. Monahan, James T. Prokopanko and Steven M. Seibert. The IMC Directors are Raymond F. Bentele, Harold H. MacKay and David B. Mathis. Phyllis E. Cochran is neither a Cargill Director nor an IMC Director. Upon his election to replace Mr. Corrigan, Richard D. Frasch will be a Cargill Director. Upon the election of a replacement for Mr. Michel as a director, the replacement will be an IMC Director.

Cargill has also agreed to vote, through October 22, 2008, the voting securities of Mosaic held by it for the slate of director nominees recommended by our Board of Directors, and against any alternative slate of director nominees.

Also through October 22, 2008, Mosaic and Cargill have agreed to take commercially reasonable actions to cause our Board of Directors to be classified into three classes, with the Cargill Directors and IMC Directors allocated as follows: (1) Class I shall include two Cargill Directors and two IMC Directors; (2) Class II shall

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include two Cargill Directors and one IMC Director; and (3) Class III shall include three Cargill Directors and one IMC Director. Additional directors will be apportioned among the classes to maintain the number of directors in each class as even as possible. The Investor Rights Agreement also provides for the following relating to the composition of our Board of Directors and the committees thereof through October 22, 2008:

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

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

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

Under the provisions of the Investor Rights Agreement, Cargill has the right to designate our Chairman and our Chief Executive Officer and President through October 22, 2008. We have separated the positions of Chairman and Chief Executive Officer so that our Chairman is a nonmanagement director.

Additional provisions of the Investor Rights Agreement are described under *Certain Relationships and Related Transactions* Investor Rights Agreement. Stockholders who are interested in additional detail may refer to the full text of our Investor Rights Agreement, a copy of which we included as an exhibit to our Annual Report on Form 10-K for the fiscal year ended May 31, 2007. The full text of our Investor Rights Agreement is also available on our website at www.mosaicco.com under the *Investors Corporate Governance* caption and is available in print free of charge to any stockholder upon written request addressed to our Corporate Secretary at The Mosaic Company, Atria Corporate Center, Suite E490, 3033 Campus Drive, Plymouth, Minnesota 55441.

Private Sessions of Nonmanagement Directors

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

Compensation of Directors

Nonemployee Directors. The Corporate Governance and Nominating Committee reviews our director compensation program on an annual basis to ensure that it is competitive with market practices. Although matters of director compensation ultimately are the responsibility of the full Board, the Corporate Governance and Nominating Committee evaluates director compensation levels, makes recommendations regarding the structure of director compensation, and develops a director pay philosophy that is aligned with the interests of the Company's stockholders. Our Corporate Governance and Nominating Committee routinely seeks information from management on matters for consideration by our Corporate Governance and Nominating Committee. Our Senior Vice President, General Counsel and Corporate Secretary attends meetings of our Corporate Governance and Nominating Committee but is not generally present during executive sessions. In the course of conducting its review of director compensation, the Corporate Governance and Nominating Committee reviews various formal studies regarding director compensation practices at public companies, as well as a variety of other data sources. Based upon its review, the Corporate Governance and Nominating Committee makes recommendations to the

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full Board regarding director compensation. Neither the Corporate Governance and Nominating Committee nor Mosaic on its behalf has retained a compensation consultant for the purpose of structuring or evaluating director compensation.

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

Attendance

Directors are expected to regularly attend Board meetings and meetings of committees on which they serve and to spend the time necessary to properly discharge their responsibilities. In addition to attendance at Board and committee meetings, directors discharge their responsibilities throughout the year by personal meetings and telephone contact with our executive officers and others regarding our business and affairs. Our full Board held five regular and three special meetings during our 2007 fiscal year. Each director was present for at least 84% of the aggregate number of meetings of the Board and committees of the Board of which such director was a member that occurred during our 2007 fiscal year subsequent to the election of such director to the Board.

The directors nominated for election or re-election to the Board at an annual meeting of stockholders are expected to attend that annual meeting. All other directors are encouraged to attend. Last year, all twelve of our directors attended the 2006 Annual Meeting of Stockholders.

Retirement from the Board

The Board has a retirement policy which provides that a nonemployee director will voluntarily retire from the Board by submitting a letter of resignation to the Chairman to be effective not later than the date on which our Annual Meeting of Stockholders is to be held during the calendar year in which the nonemployee director has attained or will attain the age of 72. A director who meets this criteria shall submit his or her letter of resignation without regard to the term for which he or she was previously elected to the Board. In addition, it is the policy of the Board that employee-directors (other than the Chief Executive Officer) resign from the Board upon their retirement from Mosaic. The Board also has a policy that any nonemployee director or the Chief Executive Officer of Mosaic submit his or her resignation if he or she has a material change in employment, is the subject of media attention that reflects unfavorably on his or her continued service on the Board or has an unresolved conflict of interest with Mosaic. The Board shall accept or reject the resignation based on the best interests of Mosaic.

Communications with the Board

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

Stockholders and interested parties are offered several methods for communication with the Board, including via e-mail and through a toll-free telephone number monitored by the office of our Senior Vice President, General Counsel and Corporate Secretary. They may:

contact our Board via our toll-free telephone number at (800) 461-9330 inside the United States, or call collect to (720) 514-4400 outside the United States;

send written communication in care of our Senior Vice President, General Counsel and Corporate Secretary at The Mosaic Company, Atria Corporate Center, Suite E490, 3033 Campus Drive, Plymouth, Minnesota 55441;

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send e-mail messages to our Board, including the presiding director of our nonmanagement directors or the nonmanagement directors as a group, to directors@mosaicco.com; or

send communications relating to accounting, internal accounting controls or auditing matters by means of e-mail messages to auditchair@mosaicco.com.

Stockholders making such communication are encouraged to state that they are security holders and provide the exact name in which their shares are held and the number of shares held.

It is the responsibility of our Senior Vice President, General Counsel and Corporate Secretary to process in a timely manner each communication from stockholders or other interested parties and to forward such communications:

for communications addressed to the Board of Directors as a whole, to the Chairman of the Board;

for communications to the presiding director of the nonmanagement directors private sessions or the nonmanagement directors as a group, to the director designated by the Corporate Governance and Nominating Committee;

for communications addressed to a committee of the Board, to the chair of such committee;

for communications addressed to an individual director, to such named director; and

for communications relating to accounting, internal accounting controls or auditing matters, to the members of the Audit Committee. Spam such as advertising, solicitations for business, requests for employment or requests for contributions will not be forwarded.

Our Senior Vice President, General Counsel and Corporate Secretary, or a member of his staff under his direction, may handle in his discretion any communication that is described within any of the following categories. In that case, he will provide a copy of the original communication to the Chairman of the Board (or to the chair of the Corporate Governance and Nominating Committee) and advise him of any action taken with respect to the communication:

routine questions, complaints and comments that management can appropriately address;

routine invoices, bills, account statements and related communications that management can appropriately address;

surveys and questionnaires; and

requests for business contacts or referrals.

Our Senior Vice President, General Counsel and Corporate Secretary, or a member of his staff, will forward any communications not clearly addressed as set forth above to the Chairman of the Board for handling.

Our Senior Vice President, General Counsel and Corporate Secretary, or a member of his staff under his direction, will maintain a summary log of all communications (other than those excluded as described above), and on a periodic basis will provide to the Chairman of the Board (or to the chair of the Corporate Governance and Nominating Committee) a copy of all log entries made (to the extent any communications have been

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received) since the immediately preceding report was provided to him. Our Senior Vice President, General Counsel and Corporate Secretary will promptly provide to any director, upon his or her request, a copy of any part of, or all, of the log.

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

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

Policy and Procedures Regarding Transactions with Related Persons

In April 2007, our Board of Directors, upon the recommendation of the Corporate Governance and Nominating Committee, adopted a Related-Person Transactions Approval Policy. A copy of the policy is available on our website at <http://www.mosaicco.com> under the Investors Corporate Governance caption.

This policy delegates to our Corporate Governance and Nominating Committee responsibility for reviewing, approving or ratifying transactions with certain related persons that are required to be disclosed under the rules of the SEC. Under the policy, a related person includes any of the directors or executive officers of the Company, certain stockholders and members of their immediate family.

Separate policies and procedures are applicable to transactions between us and Cargill. These policies and procedures are administered by our Special Transactions Committee. A description of these policies and procedures is described below under Certain Relationships and Related Transactions Special Transactions Committee and Transactions with Cargill.

Our Related-Person Transactions Approval Policy applies to transactions that involve a related person where we are a participant and the amount involved exceeds, or is reasonably expected to exceed, \$100,000, or in which the related person otherwise has a direct or indirect material interest, as well as any amendment or modification to an existing related-person transaction.

Related-person transactions under the policy do not include:

Any transactions between us and Cargill, which are covered under separate policies and procedures referred to above.

Any transaction that involves compensation to a director (if such arrangement has been approved by our Board) or executive officer (if such arrangement has been approved, or recommended to the Board for approval, by the Compensation Committee of our Board or is otherwise available generally to all salaried employees of the Company) in connection with his or her duties to us, including the reimbursement of business expenses incurred in the ordinary course in accordance with our expense reimbursement policies that are applicable generally to all salaried employees.

Any transaction where the related person's interest derives solely from the fact that he or she serves as a director or officer of a not-for-profit organization or charity that receives donations from us in accordance with a matching gift program of ours that is available on the same terms to all of our employees.

In determining whether to approve or ratify a related-person transaction, the Corporate Governance and Nominating Committee will consider, among others, the following factors to the extent it deems relevant:

Whether the terms of the related-person transaction are fair to us and on terms at least as favorable as would apply if the other party was not or did not have an affiliation with a director, executive officer or 5% stockholder of ours.

Whether there are demonstrable business reasons for us to enter into the related-person transaction.

Whether the related-person transaction could impair the independence of a director under our Director Independence Standards.

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Whether the related-person transaction would present an improper conflict of interest for any of our directors or executive officers, taking into account the size of the transaction, the overall financial position of the director or executive officer, the direct or indirect nature of the interest of the director or executive officer in the transaction, the ongoing nature of any proposed relationship, and any other factors our Corporate Governance and Nominating Committee deems relevant.

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Whether the related-person transaction is permitted under the covenants pursuant to our material debt agreements. Any member of our Corporate Governance and Nominating Committee who has an interest in the transaction under discussion will abstain from voting on the approval of the related-person transaction, but may, if so requested by the Chair of the Corporate Governance and Nominating Committee, participate in some or all of the Corporate Governance and Nominating Committee's discussions of the related-person transaction. Any related-person transaction that is not approved or ratified, as the case may be, will be voided, terminated or amended, or such other actions will be taken in each case as determined by the Corporate Governance and Nominating Committee so as to avoid or otherwise address any resulting conflict of interest.

Code of Business Conduct and Ethics

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

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EXECUTIVE AND DIRECTOR COMPENSATION

Compensation Discussion and Analysis

The following discussion should be read in conjunction with the various tables and accompanying narratives appearing in this proxy statement under Executive Compensation Tables beginning on page 35. Those tables and narratives provide more detailed information regarding the compensation and benefits awarded to, earned by or paid to our Chief Executive Officer and President (CEO) and the other executive officers named in the Fiscal 2007 Summary Compensation Table on page 35 (collectively, the Named Executive Officers), as well as the compensation programs in which the Named Executive Officers are eligible to participate.

The Compensation Committee of our Board is responsible for establishing with our management the compensation philosophy of the Company. It is also responsible for overseeing the administration of our compensation programs for our executive officers, as well as other key employees designated by our Compensation Committee. Among other responsibilities of our Compensation Committee are:

establishing, or recommending to our Board, the amount and nature of compensation paid to our executive officers;

overseeing the design and administration of our stock option, incentive and other executive benefit plans;

approving awards under our cash and equity incentive plans to our executive officers; and

reviewing and approving, or recommending to our Board, severance, change in control and other termination arrangements for our executive officers.

Our Compensation Committee's decisions are based on its understanding of Mosaic, our long-term strategies and the market for comparable positions, as well as its knowledge of the capabilities and performance of our executives.

Compensation Philosophy and Objectives

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

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

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

We believe that directly linking compensation to achievement of the business priorities that our Board has established best serves stockholder interests and creates stockholder value. We believe that this occurs both by motivating our key executives to achieve those business priorities and by attracting and retaining key executives by affording them the opportunity to impact their total compensation. We intend that total compensation to employees, including base salary, annual incentives, long-term incentives and benefits, be consistent with the compensation philosophy adopted by our Compensation Committee described above.

Compensation to our executive officers consists of:

Direct compensation:

base salary to provide a fixed compensation level competitive in the marketplace;

annual cash incentives to motivate short-term performance against specified financial targets;

long-term stock incentives to link management compensation to stockholder returns; and

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Benefit programs designed to attract and retain employees in a competitive marketplace for executive talent:

participation in group life, health and disability insurance programs that are generally available to salaried employees;

retirement programs that are generally available to salaried employees;

deferred compensation programs that are generally available to key employees;

a limited number of perquisites, generally consisting of executive physicals and financial and tax planning; and

severance and change in control agreements.

We discuss the separate components of our compensation to our executive officers in more detail under Compensation Components and Process on page 21 below.

Benchmarking

We benchmark our executive compensation against a comparison group of what we consider to be peer companies, which we refer to as our comparator group. We use information about our comparator group to assess the competitiveness of our executive compensation programs. We also review, from time to time, information that is available publicly and consider other surveys and information made available through our Compensation Committee’s independent compensation consultant or others, and consider broader market trends.

Our Compensation Committee has selected the components of our comparator group, with the assistance of our management and our Compensation Committee’s independent compensation consultant. The comparator group consists of fertilizer, chemical and general industry corporations that we believe comprise a reasonably representative sample of the companies with which we compete for executive talent. Our Compensation Committee reviews the composition of our comparator group annually. Our current comparator group consists of the following 26 companies:

Agrium Inc.	Ecolab, Inc.	PPG Industries, Inc.
Air Products & Chemicals, Inc.	FMC Corporation	Praxair, Inc.
Avery Dennison Corporation	Hormel Foods Corporation	Rohm and Haas Company
Baker Hughes Incorporated	IPSCO Inc.	The Clorox Company
Brunswick Corporation	Lyondell Chemical Company	The Scotts Miracle-Gro Company
Cameco Corporation	MeadWestvaco Corporation	The Sherwin-Williams Company
CF Industries Holdings, Inc.	Monsanto Company	The Valspar Corporation
Corn Products International, Inc.	NOVA Chemical Company	Vulcan Materials Company
Eastman Chemical Company	Potash Corporation of Saskatchewan Inc.	

In setting executive pay, we target compensation to be competitive with the evolving practices of our comparator group. The pay positioning of individual executive officers varies based on our Compensation Committee’s and Board’s assessment of such factors as they determine to be relevant. Historically, factors our Compensation Committee and Board commonly considered in particular cases have included the executive officer’s competencies, skills, experience, compensation history including the historic practices of our predecessor companies, performance, level of responsibilities compared to comparator group levels, and competitive compensation in the locale in which the executive is employed, as well as our organizational structure and internal pay relationships.

Role of Executive Officers in Compensation Decisions

Our compensation practices are the result of a continuing interaction between our Compensation Committee and management. It is the role of management to operate the business and the role of our Board and Compensation Committee to oversee management’s actions. Our CEO and our

Vice President - Human Resources generally attend meetings of our Compensation Committee. They are not generally present during executive sessions. They do not participate in the deliberations regarding their own compensation.

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Our Compensation Committee routinely seeks advice and recommendations from management on matters for consideration by our Compensation Committee. These matters include compensation philosophy and program design, as well as specific recommendations for executive compensation. Management's advice and recommendations are primarily formulated by our human resources department, with the oversight of our CEO, our Vice President - Human Resources and our Senior Vice President, General Counsel and Corporate Secretary. Management's advice and recommendations reflect, among other things, an ongoing dialog among the members of our Compensation Committee, our Board and management and input from the independent compensation consultant retained by our Compensation Committee.

Our CEO, Vice President - Human Resources and independent compensation consultant annually review with the Committee and the Chairman of our Board the compensation of each executive officer (other than our CEO) and present compensation recommendations to our Compensation Committee. Our Compensation Committee reviews these recommendations against our stated compensation philosophy and past performance, and exercises its discretion in adopting or changing its compensation decisions or its recommendations to the full Board for its review, discussion and approval.

Our Compensation Committee annually reviews and approves corporate goals and objectives relevant to the compensation of our CEO, and approves, or recommends to the full Board for approval, the compensation of our CEO based on its evaluation. The Chairman of our Board and the other non-employee directors participate with our Compensation Committee in reviewing the performance of our CEO.

Independent Compensation Consultant

Hay Group, Inc. is our independent compensation consultant. Hewitt Associates LLC served as the independent compensation consultant to both IMC and Cargill prior to the October 2004 business combination between IMC and the fertilizer businesses of Cargill in which we were formed. Following the business combination, Hewitt Associates continued to serve as the independent compensation consultant for our Compensation Committee and the Company. In 2006, our Compensation Committee initiated a search for an independent compensation consultant in order to select the consultant that our Compensation Committee felt best satisfied current needs. After reviewing proposals from and interviewing several prospective consultants, in December 2006, our Compensation Committee retained Hay Group, Inc. to serve as the independent compensation consultant for our Compensation Committee and the Company.

The independent consultant furnishes independent advice to our Compensation Committee, and attends and participates in its meetings as requested by our Compensation Committee. Their advice includes, among other things, recommendations for the design of our executive management compensation, severance and change in control policies based on all relevant factors, compilations of data regarding compensation practices of our comparator group and other companies, information regarding other market practices, current practices and evolving trends in executive compensation, and advice on specific matters under consideration by our Compensation Committee. The independent consultant also furnishes management with advice and information with respect to preparation and validation of materials and recommendations relating to compensation prepared by management for our Compensation Committee or Board.

Compensation Components and Process

The primary elements of our direct compensation programs for executives are: (1) cash compensation and (2) long-term variable pay. In order to attract, retain and motivate employees who add distinctive value to Mosaic, our compensation focus includes both of these elements of total compensation.

We intend our compensation programs to be competitive in the industries and areas in which we compete for talent and to reflect the scope and responsibilities of the executive's role. We design our programs to reward performance, with both the short-term variable component of cash compensation and long-term variable pay directly linked to performance of the individual, the business unit, the overall organization and/or our stockholder

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value. All performance measures are aligned with our business goals. In addition, our Compensation Committee considers the annual reviews of an executive officer's performance in setting or recommending to our Board the direct compensation of the executive officer for each fiscal year.

In addition to direct compensation, we also have agreements with our executive officers that furnish them protection in connection with severance and changes in control. Our executive officers are also entitled to participate in employee benefit plans.

The elements of direct compensation, severance and change in control provisions and employee benefit plans are discussed in more detail in the following paragraphs.

Cash Compensation. Cash compensation consists of base pay and short-term variable pay:

Base Pay. We establish base pay levels for executive officers based on our Compensation Committee's review of performance, market trends and surveys of comparator group compensation levels. Our Compensation Committee also considers other factors as discussed above under Benchmarking. Our Compensation Committee reviews base pay levels annually.

Short-Term Variable Pay. For our fiscal year ended May 31, 2007, or fiscal 2007, short-term variable pay included two components: our Management Incentive Plan and our Synergy Incentive Plan.

Management Incentive Plan. Our key managers, including executive officers, participate in our Management Incentive Plan, established pursuant to our 2004 Omnibus Stock and Incentive Plan, which we refer to as our Omnibus Incentive Plan. These key managers are eligible for annual cash incentive compensation based upon the attainment of pre-established business and/or individual performance goals.

Our Compensation Committee establishes an individual target annual incentive amount for each participant based on the same types of factors as are used for setting base salary. Our Compensation Committee reviews target percentages annually. Target annual incentive awards for the Named Executive Officers for fiscal 2007 were as follows:

Named Executive Officer	Target as a Percent of Base Salary	Target in Dollars
James T. Prokopanko	100%	\$ 750,000
Lawrence W. Strangoener	75%	375,000
Steven L. Pinney	65%	227,500
Richard L. Mack	60%	210,000
Norman B. Beug	65%	210,436
Fredric W. Corrigan	150%	1,050,000
James T. Thompson	75%	375,000
David W. Wessling	55%	165,000

Our Board of Directors, as recommended by our Compensation Committee, pre-establishes performance goals under the program for our executive officers each fiscal year. For fiscal 2007, the performance goals were measured against our attainment of the following performance measures:

operating earnings plus equity in net earnings of nonconsolidated companies, which we refer to as operating and equity earnings; and

net cash flow, defined as net cash provided by operations plus proceeds from sales of assets and minus capital expenditures. Our Board of Directors chose the operating and equity earnings and net cash flow measures because they believed these measures were important measures of, among other things, our ability to generate value for stockholders and reduce our long-term indebtedness, which were important objectives of ours for fiscal 2007.

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For fiscal 2007, for executive officers these performance measures were weighted 50% on the operating and equity earnings of Mosaic and consolidated subsidiaries and 50% on the net cash flow of Mosaic and consolidated subsidiaries. The performance measures for executive officers who are leaders of our business segments were based 60% on consolidated results and 40% on operating and equity earnings and net cash flow of their business segments. An individual's potential payout under the program would equal that individual's target annual incentive amount if we achieved the fiscal 2007 budget established by our Board of Directors for operating and equity earnings and for net cash flow.

We also established a threshold of performance below which no payout would be made and a maximum payout percent. We established the threshold and the maximum for each performance measure based on our Compensation Committee's and Board's judgment about the anticipated range of performance and management's ability to take actions that could affect the degree of performance.

The maximum payout percent for the operating and equity earnings measure was 200% and for the net cash flow measure was 250%. Unless the threshold for payout under the consolidated operating and equity earnings measure was met, no payout would be made under the program.

The following charts show the fiscal 2007 payout percentages based on varying degrees of attainment of the performance measures (\$ in millions):

Corporate Performance Measures

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Phosphates Business Unit Performance Measures

Potash Business Unit Performance Measures

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The actual payout to each of our current executive officers for fiscal 2007 was equal to that individual's target annual incentive amount multiplied by (1) the weighting factor for each performance measure for that individual and (2) the percentage of attainment of the applicable performance goal for that measure as shown in the charts above.

Fredric W. Corrigan, our former President and Chief Executive Officer who retired effective January 1, 2007, did not receive any payout under the program for fiscal 2007 because, pursuant to his transition agreement with us relating to his retirement, his payout was based on our performance for the first six months of fiscal 2007 and we did not achieve the threshold for any payout under the consolidated operating and equity earnings measure for that period. James T. Thompson, who retired during fiscal 2007, and David W. Wessling, who resigned during fiscal 2007, did not receive any payout under the program for fiscal 2007 because they were not employees at the end of our fiscal year. We discuss Mr. Corrigan's transition arrangements under "CEO Transition" on page 31. We discuss Mr. Thompson's and Mr. Wessling's retirement and resignation arrangements in notes (12) and (13), respectively, to the Fiscal 2007 Summary Compensation Table.

For fiscal 2007, payouts under our Management Incentive Plan:

for executive officers other than leaders of our business segments, were at 130% of target because we achieved 113% of target for the consolidated operating and equity earnings measure and 146% of target for the consolidated net cash flow measure;

for the head of our Phosphates business segment, was at 148% of target because of the levels of our achievement of the consolidated operating and equity earnings measure and the consolidated net cash flow measure as discussed above and our achievement of 159% of target for the operating and equity earnings measure and 149% of target for the net cash flow measure for our Phosphates business segment; and

for the head of our Potash business segment, was at 126% of target because of the levels of our achievement of the consolidated operating and equity earnings measure and the consolidated net cash flow measure as discussed above and our achievement of 132% of target for the operating and equity earnings measure and 117% of target for the net cash flow measure for our Potash business segment.

The amount awarded to each Named Executive Officer for fiscal 2007 is included in the "Non-Equity Incentive Plan Compensation" column in the Fiscal 2007 Summary Compensation Table.

Synergy Incentive Plan. Prior to the business combination between IMC and the fertilizer businesses of Cargill, we established a goal of achieving pre-tax operating synergies from the combination of \$145 million on an annual run-rate basis by the end of fiscal 2007. We surpassed that goal by the end of fiscal 2006, and continued to achieve additional benefits from our synergy efforts in fiscal 2007. Synergy benefits include, but are not limited to, benefits from cost reduction and cost avoidance

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initiatives, production volume enhancement efforts, opportunity savings, capital spending avoidance, and other classifications. The majority of these benefits have an impact on operating costs, which assists in offsetting higher operating costs facing us (particularly in our Phosphates business segment). These operating costs include energy and other production input costs, wage and benefit costs, water treatment costs, raw material costs, general inflation and the costs required to achieve the synergy benefits.

In order to motivate key employees, including executive officers, to achieve or exceed the expected levels of synergies, in addition to the Management Incentive Plan, in fiscal 2005 we established a Synergy Incentive Plan. This special plan was effective only for each of our first three fiscal years, and ended May 31, 2007.

Pursuant to the plan, key managers, including executive officers, were eligible for additional annual cash incentive compensation. We established a bonus pool for each fiscal year based upon attainment of levels of annual pre-tax synergies, calculated on an annual run-rate basis, resulting from the combination that our Board, as recommended by our Compensation Committee, pre-established.

For fiscal 2007, we exceeded the maximum amount of pre-tax synergies, \$175 million on an annual run-rate basis, on which the bonus pool under the plan for fiscal 2007 was based. Accordingly, we established a bonus pool of \$6,992,700 for fiscal 2007. We paid individual bonuses from the pool based upon the assessment, by our Compensation Committee, in the case of executive officers, and by our Senior Leadership Team, in the case of other participants, of business unit and individual contributions towards achieving our synergy goals. The amount awarded to each Named Executive Officer for fiscal 2007 is included in the Non-Equity Incentive Plan Compensation column in the Fiscal 2007 Summary Compensation Table. We did not award any bonus under the Synergy Incentive Plan to Mr. Prokopanko because he first became an employee and one of our executive officers in fiscal 2007. As a result, he had limited opportunity to contribute to our achievement of synergies from the combination.

Long-Term Variable Pay. Long-term incentive awards are made under our Omnibus Incentive Plan in the form of non-qualified stock options to purchase our common stock and restricted stock units providing grants of our common stock. We use an annual grant of stock options and restricted stock unit awards shortly after the beginning of each fiscal year as a significant component of our executive compensation package. We believe these equity-based awards help align the interests of executive officers and other key employees with those of our stockholders by tying significant portions of the participants' compensation to the market price of our common stock.

Key terms of our stock options and restricted stock units are that:

Stock options generally become exercisable in equal annual installments in the first three years following the date of grant, expire ten years after the date of grant, and allow grantees to purchase our common stock at the full market price of our common stock on the day the options were granted. The Omnibus Incentive Plan expressly prohibits the repricing of options or granting options with exercise prices less than the fair market value of our common stock on the date of grant; and

Restricted stock unit awards provide grants of our common stock that vest after a period of continued employment with us, which is generally three years. Prior to vesting, restricted stock units do not include voting or dividend rights.

During fiscal 2007, we implemented two changes related to grants of options and restricted stock units under the Omnibus Incentive Plan. These changes were:

At the annual meeting of stockholders on October 4, 2006, the stockholders approved an amendment to the Omnibus Incentive Plan to increase the number of our shares of common stock authorized for issuance under the plan from 10,000,000 shares to 25,000,000 shares; and

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In July 2006, our Compensation Committee amended the forms used for new grants of stock options and restricted stock units to provide that (absent consent by our Compensation Committee):

stock options and restricted stock units held by employees whose employment terminates due to normal retirement at or after age 60, death or disability would vest in accordance with the normal vesting schedule; and

following termination of employment due to normal retirement at or after age 60, death or disability, stock options are exercisable for up to the earlier of (i) five years or (ii) the remaining term of the option.

This change was implemented in order to align our program with evolving market trends. Previously granted stock options and restricted stock units were not affected, and continue to provide that (absent consent of our Compensation Committee):

option installments vested at the time of retirement at or after age 65, death or disability are exercisable for three years; and

unvested options vest upon termination of employment only if the termination is due to retirement at age 65 or older, death or disability.

We have adopted guidelines for long-term incentive awards. Under these guidelines, the target value and proportion of total compensation represented by awards of stock options and restricted stock units reflect market data for comparable positions at our comparator group companies. In establishing guidelines, we also consider the amounts and value of outstanding awards and the potential dilutive effect on our stockholders.

The proportion of awards represented by restricted stock units generally increases with the level of the participant's responsibility within Mosaic. We generally establish restricted stock unit awards for executive officers to approximate half of the aggregate dollar value of the executive officer's total long-term incentive awards.

Once we have determined the target value of a participant's long-term incentive awards and the proportion to be represented by stock options and restricted stock units, we establish the specific number of shares to be subject to the stock option and restricted stock unit awards as follows:

Stock Options. The number of shares to be subject to stock options is calculated using a Black-Scholes option pricing model that is based upon assumptions derived from historical data regarding market prices and other data over a period of time preceding the date on which the calculation is made.

The Black-Scholes model that we use to determine the number of shares to be subject to stock options uses assumptions that are not identical to those used to determine share-based compensation expense for the stock options in our financial statements under Statement of Financial Accounting Standards No. 123 (revised 2004), Share Based Payments, or FAS 123R. We discuss the assumptions we used in calculating the FAS 123R share-based compensation expense of our stock options in note 22 to our audited financial statements for fiscal 2007. We discuss the differences between the assumptions under FAS 123R and the assumptions we used in determining the number of stock option shares that we granted in fiscal 2007 in note (3) to the Fiscal 2007 Summary Compensation Table.

The option exercise price is set at a price equal to the closing price of our common stock as reported by The New York Stock Exchange on the date of grant of the option.

Under our current guidelines generally applicable to our annual grants of long-term incentive awards, the date of our annual grant is the third trading day after issuance of our press release announcing earnings for our fourth fiscal quarter. The date of grant for other long-term incentive awards is also generally the third business day after issuance of a press release announcing quarterly earnings. We believe that this helps assure that the option exercise price reflects material information regarding Mosaic. In order to address any potential changes in circumstances between the date of action by our

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Compensation Committee and the date of grant, the Chair of our Compensation Committee also reviews the terms of grants immediately prior to the date of grant and has the authority to determine in his discretion that grants should not be made without further consideration by our Compensation Committee.

Restricted Stock Units. As in the case of stock options, under our current guidelines the date of our annual grant of restricted stock units is the third trading day after issuance of our press release announcing earnings for our fourth fiscal quarter.

The number of shares subject to the initial grant of restricted stock units in fiscal 2007 was established by calculating an amount equal to one-third of the number of option shares that would be granted under the Black-Scholes option pricing model described above in order to achieve the same target value. Because this calculation methodology resulted in grants that were lower than the recipients' perception, based on our prior communications to them, that grants would be established by dividing the target value of the grant by the closing price of a share of our common stock on the date of grant, our Compensation Committee authorized a supplemental grant of 65,294 restricted stock units that was made on October 6, 2006 to make up the difference. In December 2006, our Compensation Committee modified the methodology for calculating future grants of restricted stock units to this new methodology.

We have included information regarding restricted stock unit and stock option awards in fiscal 2007 in the Stock Awards and Option Awards columns, respectively, in the Fiscal 2007 Summary Compensation Table and in the Fiscal 2007 Grants of Plan-Based Awards Table on page 44, and information regarding stock options and restricted stock units outstanding at the end of fiscal 2007 in the Fiscal 2007 Outstanding Equity Awards at Fiscal Year-End Table on page 47.

Employee Benefits. As part of a competitive total compensation program, we also offer our executives the ability to participate in customary employee benefit programs. These benefit programs include participation in our retirement and group life, health and disability programs on the same basis as other salaried employees, as well as a deferred compensation program, perquisites and protection in the event of severance or a change in control.

Retirement Benefits. Each of the Named Executive Officers and other salaried employees in the United States are eligible to participate in the Mosaic Investment Plan, a defined contribution plan qualified under Section 401(k) of the Internal Revenue Code. We have similar defined contribution retirement plans that cover our full-time non-union Potash business segment employees in Canada. Norman B. Beug, the leader of our Potash business segment, participates in the Canadian plans. We have included our contributions to the accounts of the Named Executive Officers for fiscal 2007 in the All Other Compensation column in the Fiscal 2007 Summary Compensation Table. We have included a discussion of the methodology for determining our contributions, including a portion of our contribution that is based upon the level of attainment of the net cash flow performance measure under the Management Incentive Program, and of the vesting provisions applicable to our contributions, in note (6)(b) to that table.

In addition, beginning in calendar 2006, we implemented an unfunded non-qualified deferred compensation plan that has restoration provisions under which we credit the accounts of participants in the Mosaic Investment Plan with amounts that would have been contributed under the Mosaic Investment Plan that exceed limitations for tax-qualified plans under the Internal Revenue Code. We have included our contributions to the accounts of the Named Executive Officers for fiscal 2007 under our deferred compensation plan in the All Other Compensation column in the Fiscal 2007 Summary Compensation Table.

We also provide restoration benefits to our full-time non-union Potash business segment employees in Canada through fully-funded contributions to participants' accounts in an employee savings plan. Our contributions to the Canadian employee savings plan are taxable compensation to the participants. A third party holds participants' account balances under the Canadian employees savings plan.

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Pursuant to a supplemental retirement agreement entered into by IMC and Mr. Beug prior to the business combination between IMC and the fertilizer businesses of Cargill, Mr. Beug is entitled to additional retirement benefits based on his final average salary and years of credited service to us and our predecessor companies. We have set forth the aggregate change for fiscal 2007 in the actuarial present value of Mr. Beug's benefits under the supplemental retirement agreement in the Change in Pension Values and Nonqualified Deferred Compensation Earnings column in the Fiscal 2007 Summary Compensation Table. We have set forth additional information regarding the supplemental retirement agreement, including the actuarial present value of Mr. Beug's accumulated benefit under the agreement, the benefit formula, and the elements of compensation upon which his benefits under the agreement are determined, in the Fiscal 2007 Pension Benefits Table and accompanying narrative and notes on page 49.

Deferred Compensation Plan. In addition to the restoration provisions discussed above under Retirement Benefits, our unfunded non-qualified deferred compensation plan permits the Named Executive Officers and other key employees in the United States who we select to contribute from 5% to 80% of base salary and bonus to the plan. Our directors may contribute up to 100% of directors' fees and any other compensation paid in cash. Contributions are made on a tax-deferred basis until distribution of the participant's plan balance. A participant's balance (including balances arising from the restoration provisions described above under Retirement Benefits) accrues gains or losses at rates equal to those on various investments selected by the participant. The investment alternatives are the same as are available for selection by participants as investments under the Mosaic Investment Plan, except that our common stock is excluded.

We do not have a deferred compensation plan for Canadian employees of our Potash business. Full-time non-union Canadian employees of our Potash business may elect to make after-tax contributions of up to 30% of pay to the Canadian employees savings plan discussed in the preceding bullet.

Cargill Pension Plan. In addition, certain of our employees, including several of our Named Executive Officers, who were employees of Cargill before the business combination between IMC and the fertilizer businesses of Cargill, participate in Cargill's salaried employees' pension plan. Although no additional years of credited service are accrued under this pension plan after December 31, 2004, additional years of vesting service are credited for the purpose of determining eligibility to retire, and covered compensation for purposes of determining benefits includes compensation paid by us to the executive subsequent to the business combination.

In accordance with the merger and contribution agreement between IMC and Cargill relating to the combination, Cargill incurs the costs associated with pre-combination benefits for certain former employees of Cargill and its subsidiaries under certain pension plans, including Cargill's salaried employees' pension plan, and charges them to us. The amount that Cargill may charge to us for pension costs relating to all former Cargill employees may not exceed \$2.0 million per year or \$19.2 million in the aggregate. As of May 31, 2007, the unused portion of the \$19.2 million was \$13.2 million. Cargill is solely responsible for payment of the annual pension benefits to the participants under Cargill's salaried employees' pension plan.

We have included the change for fiscal 2007 in the actuarial present value of the accumulated benefit under Cargill's salaried employees' pension plan for each Named Executive Officer in the Change in Pension Values and Nonqualified Deferred Compensation Earnings column in the Fiscal 2007 Summary Compensation Table. We have included additional information regarding Named Executive Officers' benefits under the plan, including the actuarial present value of their accumulated benefits under the plan, the benefit formula, and the elements of compensation upon which benefits under the plan are determined, in the Fiscal 2007 Pension Benefits Table and accompanying narrative and notes.

Group Life, Health and Disability Plans. We have established group life, health and disability plans for salaried employees in the U.S. and Canada. The Named Executive Officers may participate in these plans on the same basis as other salaried employees.

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Perquisites and Other Benefits. We furnish a limited number of perquisites to our Named Executive Officers. During fiscal 2007, we furnished the following perquisites to our Named Executive Officers that meet the threshold for reporting in the All Other Compensation column in the Fiscal 2007 Summary Compensation Table under the rules of the Securities and Exchange Commission:

We have an executive physical exam program pursuant to which approximately 100 senior leaders, including the Named Executive Officers, are entitled to reimbursement for the costs of physicals every three years (in the case of participants under age 40), every two years (in the case of participants between the ages of 40 and 49) and annually (in the case of executives age 50 and older);

We have an executive financial planning program pursuant to which our executive officers, our Vice President and Treasurer and our Vice President Tax are eligible for reimbursement of up to \$20,000 over a three-year period for the costs of financial and tax planning;

We have a relocation plan that pays employees for the cost of relocation. In fiscal 2007, we provided relocation benefits under this plan to Steven L. Pinney, the leader of our Phosphates business segment. We relocated his principal office from our Florida operations to our Plymouth, Minnesota headquarters and expanded his responsibilities to include longer-term strategic initiatives, a greater level of participation in our corporate leadership activities and oversight of our Supply Chain function; and

We paid tuition and travel expenses for Richard L. Mack, our Senior Vice President, General Counsel and Corporate Secretary, to attend graduate courses to obtain a Masters degree in Business Administration at the Kellogg School of Management of Northwestern University.

New Severance and Change in Control Arrangements.

In April 2007, our Board, upon the recommendation of our Compensation Committee, authorized us to enter into new senior management severance and change in control agreements with each of our executive officers as well as certain other officers or executives designated by our Compensation Committee and Board. These offers resulted in new agreements with those executive officers who were not yet parties to our prior senior management severance agreements, and amended and restated existing agreements with each of our other executive officers. These agreements set forth the terms and conditions upon which our executive officers would be entitled to receive certain benefits upon termination of employment:

by us with cause;

by us without cause;

by the executive officer for good reason;

by the executive officer without good reason; or

due to the executive officer's death or disability.

These agreements are intended by our Board, as recommended by our Compensation Committee, to:

help us attract and retain executive talent in a competitive marketplace;

enhance the prospects that our executive officers would remain with us and devote their attention to our performance in the event of a potential change in control;

foster their objectivity in considering a change in control proposal;

facilitate their attention to our affairs without the distraction that could arise from the uncertainty inherent in change in control and severance situations; and

protect our confidential information and prevent unfair competition following a separation of an executive officer's employment from us.

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In addition, stock options and restricted stock units under our Omnibus Incentive Plan vest upon a change in control.

The Severance and Change in Control Compensation Table on page 58, together with the accompanying narrative and notes, explains in detail the benefits under these arrangements and the circumstances under which a Named Executive Officer would be entitled to them.

CEO Transition

In July 2006, our Board elected James T. Prokopanko as our Executive Vice President and Chief Operating Officer, effective July 31, 2006. Prior to becoming our Executive Vice President and Chief Operating Officer, Mr. Prokopanko was a Corporate Vice President of Cargill and a director of The Mosaic Company.

Our Board, as recommended by our Compensation Committee, also approved compensation arrangements for Mr. Prokopanko for his service as our Executive Vice President and Chief Operating Officer. These arrangements entitled Mr. Prokopanko to base pay of \$525,000 per year, a target bonus under our Management Incentive Plan equal to 80% of his base pay, and long-term incentive awards under our Omnibus Incentive Plan. The long-term incentive awards were in the form of grants of stock options on August 4, 2006 (the date on which we granted awards generally under the Omnibus Incentive Plan in 2006) that we valued for compensation purposes at \$550,000, and restricted stock units on that date that we valued for compensation purposes at \$550,000.

In addition, in lieu of long-term incentive compensation from Cargill valued by our Board at approximately \$1.8 million that Mr. Prokopanko forfeited upon his resignation from Cargill, our Board approved the payment to Mr. Prokopanko of \$600,000 on July 31, 2006 and the grant to Mr. Prokopanko of additional stock options on August 4, 2006 that we valued for compensation purposes at \$600,000, and restricted stock units on that date that we valued for compensation purposes at \$600,000.

The values of the long-term incentive awards granted to Mr. Prokopanko and the value of the additional stock options were based on the same methodologies as we used for the annual long-term incentive awards to other employees. The value of the restricted stock units in lieu of long-term incentive compensation from Cargill was determined by dividing the target value of the grant by the closing price of a share of our common stock on the date of grant.

On October 3, 2006, we announced that, effective January 1, 2007, Mr. Prokopanko would succeed Fredric W. Corrigan as our CEO and President upon Mr. Corrigan's retirement.

In anticipation of this transition, in October 2006 we entered into a transition agreement with Mr. Corrigan that established January 1, 2007 as Mr. Corrigan's retirement date and established the terms upon which he would continue to serve us through and after his retirement, including the services he would provide to us and his compensation for those services. The transition agreement provides that:

Mr. Corrigan would continue to service as our CEO until January 1, 2007;

we would continue to pay him base salary at the rate of \$700,000 per year through his retirement date;

we would pay him pro-rated portions of his bonuses under the Management Incentive Plan and the Synergy Incentive Plan based upon results for the first six months of fiscal 2007;

the vesting of stock options and restricted stock units that we granted to him in 2004 and 2005 would be accelerated as of his retirement date and exercisable during the three-year period following his retirement;

he would be entitled to participate in the supplemental grant of restricted stock units that was made on October 6, 2006 as described above under Compensation Components and Process Long-Term Variable Pay Restricted Stock Units;

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we would pay him the remaining portion of the balance available to him under our financial and tax planning program and for earned but unused vacation;

he would be eligible to participate in our other customary employee benefits through his retirement date;

he would continue to serve as a director until the 2007 annual meeting of stockholders;

during the transition period between his retirement date and our 2007 annual meeting of stockholders, he would serve as an independent contractor to us in order to assist in the transition of his duties as CEO to Mr. Prokopanko, for which we would pay him consultant fees at the rate of \$60,000 per month and (subject to performance of his consulting duties in accordance with the terms of his transition agreement) a bonus of \$962,500; and

for his services as a non-employee director between his retirement date until the 2007 annual meeting of stockholders, we would pay him the standard compensation for non-employee directors, consisting of:

a cash retainer of \$75,000; and

an award of restricted stock units having a value for compensation purposes on the date of grant of \$65,000.

The transition agreement also included Mr. Corrigan's agreement not to:

disclose our confidential information; and

for a period of 12 months following termination of employment:

solicit our customers, dealers, employees and suppliers, or interfere with our business relationships; or

compete with us.

In addition, we required Mr. Corrigan to sign a release of all claims against us as a condition to receipt of the items listed above.

Stockholders who are interested in additional detail may refer to the complete text of the transition agreement, a copy of which we included as an exhibit to our Annual Report on Form 10-K for the fiscal year ended May 31, 2007.

In addition, in connection with Mr. Prokopanko's selection as our CEO on January 1, 2007, our Board, upon the recommendation of our Compensation Committee, modified Mr. Prokopanko's compensation to reflect his new role and consistent with our compensation philosophy and practices as discussed above, as follows:

we increased his base annual salary to \$750,000;

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we increased his target bonus under our Management Incentive Plan for fiscal 2007 to 100% of his base salary;

we agreed to grant him long-term incentives under the Omnibus Incentive Plan valued for compensation purposes at \$900,000 on the date of grant, to be comprised of 50% (in value) of stock options and 50% (in value) of restricted stock units, all of which were granted on the third trading day after our second fiscal quarter earnings release. The value of the options was based on a Black-Scholes valuation model using assumptions determined in a manner consistent with the annual grant of options and the value of the restricted stock units was determined by dividing the target value of the grant by the closing price of a share of our common stock on the date of grant; and

we guaranteed him a minimum six-month bonus of \$250,000 for the first two quarters of fiscal 2007, to be paid during the normal timing for payouts under our Management Incentive Plan in the summer of 2007.

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The Fiscal 2007 Summary Compensation Table and other tables under Executive Compensation Tables , together with the accompanying narratives and notes, include additional detail about our compensation to Mr. Prokopanko and Mr. Corrigan for fiscal 2007, including the arrangements described in the preceding paragraphs.

On July 7, 2006, our Board, upon the recommendation of our Compensation Committee, authorized a one-time retention award for Mr. Stranghoener consisting of restricted stock units valued for compensation purposes at \$1,000,000. We granted this award to Mr. Stranghoener in recognition of his importance to our past and future efforts to integrate our operations following the combination of IMC and the fertilizer businesses of Cargill. We determined the number of restricted stock units by dividing the target value of the award by the closing price of a share of our common stock on the date of grant, August 4, 2006, vesting 50% on each of the first two anniversaries of the grant date.

Retirement Agreement

James T. Thompson, one of our Executive Vice Presidents and a Named Executive Officer, left the Company effective March 31, 2007. Pursuant to the authorization of our Board, upon the recommendation of our Compensation Committee, we entered into a retirement agreement with Mr. Thompson and terminated his prior severance agreement. We have included a summary of the terms of the retirement agreement in note (12) to the Fiscal 2007 Summary Compensation Table.

Resignation Agreement

David W. Wessling, our Vice President Human Resources and a Named Executive Officer, left the Company effective March 14, 2007. Pursuant to the authorization of our Board, upon the recommendation of our Compensation Committee, we entered into a resignation agreement with Mr. Wessling and terminated his prior severance agreement. We have included a summary of the terms of the resignation agreement in note (13) to the Fiscal 2007 Summary Compensation Table.

Policy on Deductibility of Compensation

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

As discussed under Corporate Governance Committees of the Board of Directors Compensation Committee on page 10, three of the members of our Compensation Committee qualify as outside directors and are able to serve as a subcommittee of outside directors for purposes of meeting this aspect of the provisions of Section 162(m). In the discussion above, when we refer to action by our Compensation Committee with respect to matters required to be taken by outside directors under Section 162(m), we mean that the subcommittee has taken the action.

While the tax impact of any compensation arrangement is one factor to be considered, the tax impact is evaluated in light of our overall compensation philosophy. We will consider ways to maximize the deductibility of executive compensation while retaining the discretion we deem necessary to compensate officers in a manner commensurate with performance and the competitive environment for executive talent.

However, from time to time we may award compensation which is not fully deductible if we determine that the award is consistent with our philosophy and is in the best interests of Mosaic and our stockholders.

Our Omnibus Incentive Plan is designed to permit employee stock options and awards under the Management Incentive Plan to meet the performance-based criteria of Section 162(m). Our restricted stock units and the Synergy Incentive Plan do not meet the performance-based criteria of Section 162(m).

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Stock Ownership Guidelines

On February 8, 2007, our Compensation Committee adopted stock ownership guidelines for our executive officers. Executive officers must achieve the following levels of ownership:

CEO, five times base salary;

Executive Vice Presidents and Senior Vice Presidents, three times base salary; and

Other executive officers, one times base salary.

For purposes of the stock ownership guidelines, in addition to shares of our outstanding common stock owned by an executive officer, restricted stock units awarded under our Omnibus Incentive Plan are included in the executive officer's holdings. Shares of common stock and restricted stock units are valued on the date of purchase or grant. Unexercised employee stock options are not included in determining the amount of stock held. Executive officers are required to achieve their respective ownership targets within six years of the time of hire or promotion. Our Compensation Committee will review each participant's compliance or progress towards compliance annually, and may impose conditions, restrictions or limitations on any participant in order to achieve the purposes of the stock ownership guidelines. The Chair of our Compensation Committee and our Human Resources Department may jointly grant exemptions in the event of hardship.

Compensation Committee Report

The Compensation Committee has reviewed and discussed with management the foregoing Compensation Discussion and Analysis. Based on our review and discussion with management, we have recommended to our Board of Directors that the Compensation Discussion and Analysis be included in this proxy statement and incorporated by reference into our Annual Report on Form 10-K for the fiscal year ended May 31, 2007.

Respectfully submitted,

William T. Monahan, *Chair*

Guillaume Bastiaens

David B. Mathis

Steven M. Seibert

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The following tables and accompanying narratives and notes summarize the total compensation awarded to, earned by or paid to each of our Named Executive Officers for our fiscal year ended May 31, 2007, or fiscal 2007.

Our Board elected James T. Prokopanko as our Executive Vice President and Chief Operating Officer effective July 31, 2006, and elected him to succeed Fredric W. Corrigan as our Chief Executive Officer and President effective January 1, 2007. We have furnished a narrative discussion of the executive compensation arrangements for Mr. Prokopanko and Mr. Corrigan during this transition period under Compensation Discussion and Analysis CEO Transition on page 31. The tables below and accompanying narratives and notes include additional detail about our compensation to Mr. Prokopanko and Mr. Corrigan for fiscal 2007.

In addition, during fiscal 2007, James T. Thompson, a former Executive Vice President, retired, and David W. Wessling, our former Vice President Human Resources, resigned. The agreements we entered into with Mr. Thompson and Mr. Wessling in connection with their respective retirement and resignation are described in notes (12) and (13), respectively, to the Fiscal 2007 Summary Compensation Table below. The tables below and accompanying narratives and notes include additional detail about our compensation to Mr. Thompson and Mr. Wessling and the agreements we entered into with them.

We have included a narrative discussion of our compensation philosophy, processes and components and the bases upon which we make compensation decisions in the Compensation Discussion and Analysis on page 19. The following tables and accompanying narratives and notes provide quantitative data and additional information about the compensation we paid our Named Executive Officers for fiscal 2007 and should be read in conjunction with the Compensation Discussion and Analysis.

Fiscal 2007 Summary Compensation Table

Name and Principal Position	Year	Salary (\$) (1)(2)	Stock Awards (\$) (3)	Option Awards (\$) (3)	Non-Equity Incentive Plan Compensation (\$) (2)(4)	Change in	All Other Compensation (\$) (6)	Total (\$)
						Pension Value and Nonqualified Deferred Compensation Earnings (5)		
James T. Prokopanko Chief Executive Officer and President(7)	2007	532,386	386,612(8)	404,580(9)	975,000	643,409	2,941,987	
Lawrence W. Stranghoener Executive Vice President and Chief Financial Officer	2007	468,750	698,086	413,285	767,500	73,361	2,420,982	
Steven L. Pinney Senior Vice President - Phosphate Operations	2007	342,083	203,523	303,595	512,130	42,000	1,493,335	
Richard L. Mack	2007	329,167	220,920	240,048	473,000	9,000	1,382,665	

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Senior Vice President,

General Counsel and

Corporate Secretary

Norman B. Beug(10) Senior Vice President -	2007	309,819	156,755	158,420	482,968	552,364	70,744	1,731,070
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Potash Operations

Fredric W. Corrigan former Chief Executive	2007	410,985	3,516,393(11)	3,699,185	800,000		1,066,426	9,492,989
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Officer and President

James T. Thompson(12) former Executive	2007	406,250	1,635,670	2,291,523			1,664,279	5,997,722
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Vice President

David W. Wessling(13) former Vice President,	2007	231,250	553,016	530,861		18,000	816,716	2,149,843
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Human Resources

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- (1) Reflects the dollar amount of base salary paid in fiscal 2007.
- (2) Includes any amounts deferred at the officer's election to the officer's account under our qualified and non-qualified defined contribution retirement plans and under our deferred compensation plan. These amounts are shown in the "Executive Contributions in Last FY" column to the Fiscal 2007 Non-Qualified Deferred Compensation Table on page 53.
- (3) Reflects the compensation cost recognized in our financial statements for fiscal 2007 with respect to restricted stock units or stock options, determined in accordance with Statement of Financial Accounting Standard 123R, or FAS 123R, except that in accordance with SEC rules, the amounts shown disregard the estimate of forfeitures related to service-based vesting conditions prescribed by FAS 123R. The assumptions used in the valuation are discussed in note 22 to our audited financial statements for fiscal 2007. The accounting treatment of restricted stock units and stock option awards for Messrs. Corrigan, Thompson and Wessling is substantially different than for the other Named Executive Officers because:

As discussed above under "Compensation Components and Process - Long-Term Variable Pay" in our Compensation Discussion and Analysis on page 26, grants to employees of stock options and restricted stock units beginning in fiscal 2007 provide for continued vesting of the stock options and restricted stock units in the event of retirement after age 60. Mr. Corrigan was over age 60 at the time of his grants in fiscal 2007. As a result, FAS 123R required that we include the entire grant date fair value of Mr. Corrigan's fiscal 2007 grants as a cost for fiscal 2007, rather than allocating the cost over the three-year vesting period for the awards. We have included a further discussion of these grants, including the numbers of shares and the option exercise price, in the Fiscal 2007 Grants of Plan-Based Awards Table and accompanying notes on page 44.

In addition, as part of the transition agreement for Mr. Corrigan that is described under "Compensation Discussion and Analysis - CEO Transition," and the retirement and resignation agreements for Mr. Thompson and Mr. Wessling that are described in notes (12) and (13), respectively, below, we accelerated the vesting of stock options and restricted stock units for Messrs. Corrigan, Thompson and Wessling. As a result, FAS 123R required that we recalculate the grant date fair value and expense the cost of the remaining grant date fair value of these grants in fiscal 2007 rather than amortizing the cost over the normal three-year vesting period for the awards. We have included a further discussion of these accelerated grants, including the numbers of shares and option exercise prices, in the Fiscal 2007 Grants of Plan-Based Awards and accompanying notes.

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Although the model we use to determine our FAS 123R expense for purposes of our financial statements and the model we use to determine our grants of stock options both use a Black-Scholes methodology, the two models are different in important respects. The model we use to determine our FAS 123R expense is dictated by generally accepted accounting principles while we believe the model we use to determine our grants of stock options is more consistent with the methodology that other companies in the competitive marketplace for executive talent use to make compensation decisions. As a result, our FAS 123R expense is not the same as the target value of our option awards established by our Compensation Committee. The primary differences between the model that we used to determine our FAS 123R expense and the model we used to determine our grants of stock options for fiscal 2007 are as follows:

Input	FAS 123R Model	Compensation Model	Effect on Value
Stock Price Volatility	Expected life of option, including IMC stock price history	Mosaic stock price history (from October 22, 2004 business combination between IMC and Cargill Crop Nutrition)	The FAS 123R assumption includes stock price history from IMC that is more volatile than Mosaic stock price history. This factor increases the FAS 123R valuation compared to the model we use for compensation decisions.
Term of Option	Expected life	Full ten-year term in accordance with the provisions of the option	The longer life assumed for purposes of making compensation decisions increases the value we use to determine compensation compared to the FAS 123R model.

(4) Reflects awards under our Management Incentive Plan and our Synergy Incentive Plan for fiscal 2007.

Our Management Incentive Plan provides for annual cash incentive compensation to key managers, including the Named Executive Officers, based upon the attainment of pre-established business and/or individual performance goals.

Our Synergy Incentive Plan is a bonus plan established for the first three fiscal years following our formation through the business combination of IMC and the fertilizer businesses of Cargill. Pursuant to the plan, we established a bonus pool each year based upon our achievement of synergies from the combination. We determined individual awards based upon our assessment of the contributions of each participant towards achieving those synergies. Fiscal 2007 was the last year for our Synergy Incentive Plan.

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The table below shows the respective amounts awarded under our Management Incentive Plan and Synergy Incentive Plan for fiscal 2007 to each Named Executive Officer:

Name	Fiscal 2007 Award	
	Management Incentive Plan(\$)	Synergy Incentive Plan(\$)
James T. Prokopanko	975,000	
Lawrence W. Stranghoener	487,500	280,000
Steven L. Pinney	312,130	200,000
Richard L. Mack	273,000	200,000
Norman B. Beug	282,968	200,000
Fredric W. Corrigan		800,000
James T. Thompson		
David W. Wessling		

We have included additional information about our Management Incentive Plan and our Synergy Incentive Plan, including the performance measures for fiscal 2007 and the levels of performance that were achieved, under Compensation Components and Process Short-Term Variable Pay Management Incentive Plan on page 22 and Compensation Components and Process Short-Term Variable Pay Synergy Incentive Plan on page 25 in our Compensation Discussion and Analysis. Awards under our Management Incentive Plan and Synergy Incentive Plan for fiscal 2007 were paid in August 2007.

(5) Reflects the aggregate increase in the actuarial value of pension benefits for fiscal 2007 under Cargill's salaried employees' pension plan for Messrs. Pinney, Mack and Wessling, and under a supplemental retirement agreement with Mr. Beug.

The Cargill plan is a tax-qualified defined benefit pension plan under the provisions of the Internal Revenue Code. Benefits under the plan are generally based on years of service and final average salary prior to termination of employment or retirement. No additional years of credited service are accrued under Cargill's salaried employees' pension plan for Messrs. Pinney, Mack or Wessling after December 31, 2004. Accordingly, their total credited years of service primarily reflects their service with Cargill prior to the October 22, 2004 business combination between IMC and the fertilizer businesses of Cargill through December 31, 2004. However, covered compensation for purposes of determining benefits under Cargill's salaried employees' pension plan for Messrs. Pinney, Mack and Wessling includes post-combination compensation paid by us. In accordance with the merger and contribution agreement related to the combination, Cargill incurs the costs associated with pre-combination benefits for certain former employees of Cargill under certain pension plans, including Cargill's salaried employees' pension plan, and charges them to us. The amount that Cargill may charge to us under these plans for pension costs relating to all former Cargill employees may not exceed \$2.0 million per year or \$19.2 million in the aggregate. As of May 31, 2007, the unused portion of the \$19.2 million was \$13.2 million. Cargill is solely responsible for payment of the annual pension benefits to the participants under Cargill's salaried employees' pension plan.

Our supplemental retirement agreement with Mr. Beug provides additional annual retirement benefits to him over the retirement benefits that would be payable to him under (a) our retirement plans that are available to salaried Canadian employees generally and (b) a defined benefit pension plan sponsored by another company from which we acquired our Belle Plaine potash mine and in which Mr. Beug participated prior to our acquisition of that mine. Benefits under the supplemental retirement agreement are based on years of service and final average salary prior to termination of employment or retirement.

We have included additional information about these plans, including the plan measurement date, methodology and assumptions used in determining the amounts in this column, in the Fiscal 2007 Pension Benefits Table and accompanying narrative and notes on page 49.

No non-qualified deferred compensation earnings are reflected in this column because our deferred compensation arrangements do not offer above-market earnings.

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(6) The table below shows the components of compensation that are included in this column:

Name	Perquisites \$(a)	Company Contributions to Defined Contribution Plans\$(b)	Other\$(c)	Total(\$)
James T. Prokopanko		22,559	620,850	643,409
Lawrence W. Stranghoener		73,361		73,361
Steven L. Pinney	34,851	55,153		90,004
Richard L. Mack	70,423	40,107		110,530
Norman B. Beug		68,968	1,776	70,744
Fredric W. Corrigan		138,924	927,502	1,066,426
James T. Thompson	11,757	72,403	1,580,119	1,664,279
David W. Wessling		31,212	785,504	816,716

(a) Perquisites include:

A one-time payment to Mr. Pinney under our relocation policy equal to one month's base salary, together with reimbursement of travel expenses incurred in his search for a new residence, as a result of our decision to relocate his office from the Florida offices of our Phosphates business segment to our Plymouth, Minnesota headquarters as described in "Employee Benefits Perquisites and Other Benefits" in our Compensation Discussion and Analysis on page 30;

Our payment of tuition and travel expenses for Mr. Mack to attend graduate courses to obtain a Masters degree in Business Administration; and

Reimbursement to Mr. Thompson under our financial planning and executive physical programs. Our financial planning and executive physical programs are described under "Compensation Component and Process Employee Benefits Perquisites and Other Benefits" in our Compensation Discussion and Analysis.

The incremental cost to us of perquisites for fiscal 2007 did not exceed \$10,000 for any other Named Executive Officer.

(b) Reflects our contributions for Named Executive Officers who are employees in the U.S. to the Mosaic Investment Plan, a defined contribution plan qualified under Section 401(k) of the Internal Revenue Code, and to the accounts of each such officer under deferred compensation arrangements reflecting amounts that would have been credited to their accounts in the plan but for limitations under the Internal Revenue Code, as well as our contributions to the account of Mr. Beug, who is employed by our Canadian Potash business, under our Canadian defined contribution plans.

Mosaic Investment Plan

We contribute the following amounts to the Named Executive Officers' accounts in the Mosaic Investment Plan:

We match the first 3% of the participant's contributions and half of the next 3% of the participant's contributions. These contributions vest immediately.

We contribute an amount each year equal to a percentage of the participant's eligible pay, consisting of base pay and bonuses (including those under the Management Incentive Plan and the Synergy Incentive Plan). The percentage of the participant's pay that we contribute increases with the participant's age. For pay up to the social security wage base, the percentage we pay ranges from 3% for participants under age 30 to 9% for participants age 60 and older. For pay in excess of the social security wage base, the percentage we pay is 3%. The social security wage base for calendar 2006 was \$220,000 and for calendar 2007 is \$225,000. These contributions vest once we have employed the participant for at least three years. Our contributions to Mr. Prokopanko's account are not vested because we have employed him for less than three years. Prior to vesting, Mr. Prokopanko would forfeit these contributions upon a termination of his employment.

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We also make a discretionary non-elective employer contribution. Our Compensation Committee has determined to base the discretionary non-elective employer contribution on our achievement of performance goals under our Management Incentive Plan. For fiscal 2007, we determined the amount of the discretionary non-elective employer contribution based on the net cash flow measure under the plan, as follows:

(dollars in millions)

Net Cash Flow	\$125.0	\$225.0	\$325.0	\$425.0	\$525.0
Contribution	0%	0.5%	1.0%	1.5%	2.0%
(Percent of participant s eligible pay)					

Based on the formula in the table above, for fiscal 2007 we made discretionary non-elective employer contributions to participants' accounts of 1.5% of calendar 2006 eligible pay.

These contributions vest once we have employed the participant for at least three years. Our contributions to Mr. Prokopanko's account are not vested because we have employed him for less than three years. Prior to vesting, Mr. Prokopanko would forfeit these contributions upon a termination of his employment.

Contributions that we would have made under the Mosaic Investment Plan that exceed limitations for tax-qualified plans under the Internal Revenue Code are contributed to our unfunded non-qualified deferred compensation plan. We have included additional information about our unfunded non-qualified deferred compensation plan under *Non-Qualified Deferred Compensation* on page 52.

Canadian Plans

We contribute the following amounts to participants' accounts in the Canadian defined contribution plans in which Mr. Beug participates:

We match the first 3% of the participant's contributions and half of the next 3% of the participant's contributions. These contributions vest immediately;

We contribute an amount each year equal to a percentage of the participant's covered compensation. For Mr. Beug, covered compensation includes:

base pay;

bonuses (including those under our Management Incentive Plan and the Synergy Incentive Plan); and

unused amounts under our Canadian flex credit plan. We describe the flex credit plan in note (c) below.

The percentage of the participant's pay that we contribute increases with the participant's age. For pay up to the limit established each year under Canadian law, the percentage we pay ranges from 3% for participants under age 30 to 9% for participants age 60 and older. For pay in excess of the limit, the percentage we pay ranges from 4% for participants under age 30 to 10% for participants age 60 and older. These contributions vest once we have employed the participant for at least two years; and

For former employees of the company from which we acquired our Belle Plaine potash mine, including Mr. Beug, we contribute an additional amount equal to a percentage of the participant's covered compensation. For covered compensation up to the year's maximum pensionable earnings established under Canadian law, we contribute 1/2% of covered compensation.

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For covered compensation above that limit, we contribute 2% of covered compensation. The year's maximum pensionable earnings for calendar 2006 was \$42,100 and for calendar 2007 is \$43,700.

We make a discretionary non-elective contribution that is the same as under the Mosaic Investment Plan.

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Taxable compensation to the participant on our contributions up to the limit established each year under Canadian law is deferred, while our contributions that exceed the limit are taxable compensation to the participant. The limit for calendar 2006 was the lesser of \$19,000 or 18% of earnings for calendar 2006 and for calendar 2007 is the lesser of \$20,000 or 18% of earnings for calendar 2007. We contribute the amounts that are above these limits to the participant's account in our employee savings plan. The Canadian employee savings plan accounts are held by a third party. The participants choose among various investment alternatives that are the same as are available under the Canadian tax-qualified defined contribution plans. Participants may withdraw their account balances at any time. Participants may also contribute up to 30% of pay on an after-tax basis to their employee savings plan accounts. Participants account balances under the Canadian employee savings plan are not obligations of ours.

(c) Reflects the following:

For Mr. Prokopanko:

a payment of \$600,000 in connection with our hiring him as Executive Vice President and Chief Operating Officer as part of compensation to him in lieu of long-term incentive compensation from Cargill valued by our Board at approximately \$1.8 million. In addition to this \$600,000 payment, also in lieu of the long-term incentive compensation from Cargill, we provided Mr. Prokopanko with the compensation described in notes (8) and (9); and

director's fees of \$20,850 for his service as a non-employee director prior to July 31, 2007, when he became an executive officer of the Company.

For Mr. Beug, payment to him of unused amounts under our flex credit plan. Under our flex credit plan, salaried employees of our Canadian Potash business are entitled to apply an amount each year equal to \$1,108 plus 1.169% of annual salary on a pre-tax basis to the payment of premiums under our group life, health or medical plans or as a contribution to the participant's health spending account. Any unused portion is paid to the participant as taxable compensation.

For Mr. Corrigan:

consulting fees of \$300,000, a pro rata portion (\$577,500) of the consulting bonus he will receive subject to performance of his consulting duties, and \$12,502 for the payout of the remaining portion of the balance available to him under our financial and tax planning program and unused vacation, all pursuant to our transition agreement with him relating to his retirement; and

director's fees of \$37,500 for his service as a non-employee director for the period following his retirement as our Chief Executive Officer and President effective January 1, 2007.

Our transition agreement with Mr. Corrigan is described under "CEO Transition" in our Compensation Discussion and Analysis.

Termination payments of \$1,580,119 and \$785,504 for Messrs. Thompson and Wessling, respectively. Additional information regarding the nature of their respective termination payments is included in notes (12) and (13) below.

(7)

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Mr. Prokopanko was elected as our Executive Vice President and Chief Operating Officer, effective July 31, 2006, and succeeded Mr. Corrigan as Chief Executive Officer and President effective January 1, 2007. We have included a discussion of the compensation arrangements for Mr. Prokopanko and Mr. Corrigan under "CEO Transition" in our Compensation Discussion and Analysis.

- (8) The amounts for Mr. Prokopanko include the FAS 123R expense with respect to restricted stock units that we valued for compensation purposes at \$600,000 in connection with our hiring him as Executive Vice President and Chief Operating Officer as part of compensation to him in lieu of long-term incentive compensation from Cargill valued by our Board at approximately \$1.8 million. In addition to these

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- restricted stock units, also in lieu of the long-term incentive compensation from Cargill, we provided Mr. Prokopanko with the compensation described in notes (6)(c) and (9). The amounts also reflect \$39,997 of FAS 123R expense with respect to restricted stock units granted to Mr. Prokopanko for his service as a non-employee director prior to his election as an executive officer.
- (9) The amounts for Mr. Prokopanko include stock options that we valued for compensation purposes at \$600,000 in connection with our hiring him as Executive Vice President and Chief Operating Officer as part of compensation to him in lieu of long-term incentive compensation from Cargill valued by our Board at approximately \$1.8 million. In addition to these stock options, also in lieu of the long-term incentive compensation from Cargill, we provided Mr. Prokopanko with the compensation described in notes (6)(c) and (8).
- (10) Mr. Beug is an employee of our Canadian Potash business and his compensation is paid in Canadian dollars. We converted amounts paid to Mr. Beug to U.S. dollars for purposes of this proxy statement at a rate of CAD 1.136687/USD 1.0, the average rate we used to convert the profit and loss statement of our Potash business to U.S. dollars for fiscal 2007, except for payments in the Non-Equity Incentive Compensation column which are shown at the U.S. dollar amounts of his awards under our Management Incentive Plan and Synergy Investment Plan as approved by our Compensation Committee.
- (11) The amounts for Mr. Corrigan reflect \$7,222 of FAS 123R expense for fiscal 2007 with respect to 3,140 restricted stock units granted to him on February 1, 2007 for his service as a non-employee director after his retirement as an employee on January 1, 2007 as well as the FAS 123R expense for fiscal 2007 of restricted stock units granted to him for service as an employee prior to his retirement.
- (12) Mr. Thompson left the Company effective March 31, 2007. Pursuant to the authorization of our Board, upon the recommendation of our Compensation Committee, we entered into a retirement agreement with Mr. Thompson and terminated his prior severance agreement. The retirement agreement provided that, in connection with his departure, Mr. Thompson was entitled to:

a payment of \$875,000;

a payment of \$375,000 in lieu of a bonus under our Management Incentive Plan for fiscal 2007;

a payment of \$281,250 in lieu of a bonus under our Synergy Incentive Plan for fiscal 2007;

continued health and dental benefits for up to a year;

compensation for unused vacation;

the vesting of stock options to purchase 256,485 shares of our common stock at exercise prices ranging from \$15.04 per share to \$17.29 per share (with the continued right to exercise these options as well as 24,737 vested stock options held by Mr. Thompson at an exercise price of \$17.29 per share through March 31, 2008); and

the receipt of 80,044 shares of the Company's common stock due to the vesting of restricted stock units.

The Retirement Agreement also included Mr. Thompson's agreement not to:

disclose our confidential information; and

for a period of 12 months following termination of employment:

solicit our customers, dealers, employees and suppliers, or interfere with our business relationships; or

compete with us.

In addition, we required Mr. Thompson to sign a release of all claims against us as a condition to receipt of the items listed above.

Stockholders who are interested in additional detail may refer to the complete text of the retirement agreement, a copy of which we included as an exhibit to our Annual Report on Form 10-K for the fiscal year ended May 31, 2007.

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(13) Mr. Wessling left the Company effective March 14, 2007. Pursuant to the authorization of our Board, upon the recommendation of the Compensation Committee, we entered into a resignation agreement with Mr. Wessling and terminated his prior severance agreement. The resignation agreement provided that, in connection with his departure, Mr. Wessling was entitled to:

a payment of \$465,000;

a payment of \$165,000 in lieu of a bonus under our Management Incentive Plan for fiscal 2007;

a payment of \$123,750 in lieu of a bonus under our Synergy Incentive Plan for fiscal 2007;

continued health and dental benefits for up to a year;

compensation for unused vacation;

the vesting of stock options to purchase 56,283 shares of our common stock at exercise prices ranging from \$15.45 per share to \$17.29 per share (with the continued right to exercise these options as well as 12,369 vested stock options held by Mr. Wessling at an exercise price of \$17.29 per share through March 14, 2008); and

the receipt of 25,129 shares of our common stock due to the vesting of restricted stock units.

The resignation agreement also included Mr. Wessling's agreement not to:

disclose our confidential information; and

for a period of 12 months following termination of employment:

solicit our customers, dealers, employees and suppliers, or interfere with our business relationships; or

compete with us.

In addition, we required Mr. Wessling to sign a release of all claims against us as a condition to receipt of the items listed above.

Stockholders who are interested in additional detail may refer to the complete text of the resignation agreement, a copy of which we included as an exhibit to our Annual Report on Form 10-K for the fiscal year ended May 31, 2007.

Grants of Plan-Based Awards

The following table and accompanying narrative and notes provide information about our awards under our Management Incentive Plan and Synergy Incentive Plan, as well as our grants of stock options and restricted stock units, to each of our Named Executive Officers for fiscal 2007. In addition, the table includes information about our grants of stock options and restricted stock units in prior years to Messrs. Corrigan, Thompson and Wessling because we incurred expense under FAS 123R with respect to the acceleration of vesting of their stock options and restricted stock units in fiscal 2007, as described in note (3) to the Fiscal 2007 Summary Compensation Table. We did not grant any other award under any equity or non-equity incentive plan in fiscal 2007 that would be paid out in a future fiscal year.

Table of Contents*Fiscal 2007 Grants of Plan-Based Awards Table*

Name	Grant Date	Compensation Committee Approval Date (1)	Estimated Future Payouts Under Non-Equity Incentive Awards			All Other	All Other	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards (\$ (4)
			Threshold (\$)	Target (\$)	Maximum (\$)	Stock Awards; Number of Shares of Stock or Units (#) (2)	Option Awards; Number of Securities Underlying Awards (#) (3)		
James T. Prokopanko			0(5)	750,000	1,687,500				
				(6)					
	8/4/06	7/6/06					86,751	15.45	634,150
	8/4/06(7)	7/6/06					94,637	15.45	691,796
	8/4/06	7/6/06				28,917			446,768
	8/4/06(7)	7/6/06				38,835			600,001
	10/6/06(8)	9/30/06				6,174			103,229
	2/1/07	9/30/06					53,957	20.70	526,081
	2/1/07	9/30/06				21,739			449,997
Lawrence W. Stranghoener			0(5)	375,000	1,125,000				
				280,000(6)					
	8/4/06	7/6/06					61,120	15.45	446,787
	8/4/06	7/6/06				20,373			314,763
	8/4/06(9)	7/6/06				64,725			1,000,001
	10/6/06(8)	9/30/06				4,350			72,732
Steven L. Pinney			0(5)	227,500	787,500				
				200,000(6)					
	8/4/06	7/6/06					43,375	15.45	317,071
	8/4/06	7/6/06				14,458			223,376
	10/6/06(8)	9/30/06				3,088			51,631
Richard L. Mack			0(5)	210,000	787,500				
				200,000(6)					
	8/4/06	7/6/06					47,319	15.45	345,902
	8/4/06	7/6/06				15,773			243,693
	10/6/06(8)	9/30/06				3,368			56,313
Norman B. Beug			0(5)	210,436	728,433				
				200,000(6)					
	8/4/06	7/6/06					43,375	15.45	317,071
	8/4/06	7/6/06				14,458			223,376
	10/6/06(8)	9/30/06				3,088			51,631
Fredric W. Corrigan			0(5)	1,050,000	1,575,000				
				800,000(6)					
	8/4/06	7/6/06					276,025	15.45	2,017,743
	8/4/06	7/6/06				92,008			1,421,524
	10/6/06(8)	9/30/06				19,646			328,481
	2/1/07(10)	9/30/06				3,140			64,998
	10/29/04(11)	9/30/06					280,700	15.04	(538,944)
	10/29/04(11)	9/30/06				86,437			(115,634)
	8/1/05(11)	9/30/06					278,293	17.29	(794,063)
	8/1/05(11)	9/30/06				92,764			(135,436)

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James T. Thompson		0(5)	375,000	1,125,000			
				(6)			
	8/4/06	7/6/06			70,978	15.45	518,849(12)
	8/4/06	7/6/06		23,659			365,532(12)
	10/6/06(8)	9/30/06		5,052			84,469(12)
	8/4/06	3/5/07			70,978	15.45	198,029(13)
	8/4/06	3/5/07		23,659			217,899(13)
	10/6/06	3/5/07		5,052			40,113(13)
	10/29/04(14)	3/5/07			136,032	15.04	424,420
	10/29/04(14)	3/5/07		26,596			255,854
	8/1/05(14)	3/5/07			74,212	17.29	1,484
	8/1/05(14)	3/5/07		24,737			182,312
David W. Wessling			0(5)	165,000	675,000		
				(6)			
	8/4/06	7/6/06			31,546	15.45	230,601(15)
	8/4/06	7/6/06		10,515			162,457(15)
	10/6/06(8)	9/30/06		2,245			37,536(15)
	8/4/06	2/15/07			31,546	15.45	76,026(16)
	8/4/06	2/15/07		10,515			92,637(16)
	10/6/06	2/15/07		2,245			16,927(16)
	8/1/05(17)	2/15/07			37,106	17.29	(8,658)
	8/1/05(17)	2/15/07		12,369			86,212

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- (1) We describe our practices for granting stock options and restricted stock units to employees, including general terms and the timing of grants and approvals, under Compensation Components and Process Long-Term Variable Pay in our Compensation Discussion and Analysis.
- (2) Shows the number of shares subject to restricted stock units granted under our Omnibus Incentive Plan.
- (3) Shows the number of shares subject to stock options granted under our Omnibus Incentive Plan.
- (4) Reflects the grant date fair value for each Named Executive Officer's grants of restricted stock units or stock options in fiscal 2007, determined in accordance with FAS 123R. A more detailed discussion of our FAS 123R expense, including differences in its application to the grants to Messrs. Corrigan, Thompson and Wessling as compared to other Named Executive Officers, is included in note (3) to the Fiscal 2007 Summary Compensation Table.
- (5) Our Management Incentive Plan provides for annual cash incentive compensation to key managers, including the Named Executive Officers, based upon the attainment of pre-established business and/or individual performance goals. This row shows the threshold, target and maximum potential annual awards under the program for fiscal 2007.

We paid the actual awards for fiscal 2007 in August 2007. The amount of the actual award for each Named Executive Officer is included as part of the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table and shown in note (4) to that table.

We have included additional information about our Management Incentive Plan, including the performance measures for fiscal 2007 and the levels of performance that were achieved, under Compensation Components and Process Short-Term Variable Pay Management Incentive Plan in our Compensation Discussion and Analysis.

- (6) Our Synergy Incentive Plan provided for annual cash incentive compensation to key managers, including Named Executive Officers, based on their contributions to our achievement of synergies during each of our first three fiscal years after the October 2004 business combination between IMC and the fertilizer businesses of Cargill. The plan ended May 31, 2007. This row shows the actual amount of the award to the Named Executive Officer under our Synergy Incentive Plan for fiscal 2007. We paid the fiscal 2007 awards in August 2007. We did not award any bonus under the Synergy Incentive Plan to Mr. Prokopanko because he first became an employee and one of our executive officers in fiscal 2007. As a result, he had limited opportunity to contribute to our achievement of synergies from the combination. As described in notes (12) and (13) to the Summary Compensation Table, Mr. Thompson and Mr. Wessling, who left us during fiscal 2007, did not receive awards under the Synergy Incentive Plan for fiscal 2007. Instead, their respective retirement and resignation agreements provided that our termination payments to Mr. Thompson and Mr. Wessling would include \$281,250 and \$123,750, respectively, in lieu of their bonuses under the Synergy Incentive Plan for fiscal 2007.

We designed our Synergy Incentive Plan to serve as an incentive for performance in each of our first three fiscal years following the combination. Each fiscal year, we established a bonus pool under the plan. We established the aggregate size of the bonus pool for each fiscal year based on objective performance measures. We paid individual bonuses from the pool based upon the assessment, by our Compensation Committee, in the case of executive officers, and by our Senior Leadership Team, in the case of other participants, of business unit and individual contributions towards achieving our synergy goals. Accordingly, awards under the plan did not have threshold, target and maximum potential amounts. The amount we show for each Named Executive Officers in the Target column is the actual award for each Named Executive Officer for fiscal 2007. These amounts are included as part of the Non-Equity Incentive Plan Compensation column in the Summary Compensation Table and shown in note (4) to that table.

We have included additional information about our Synergy Incentive Plan, including the performance measures for fiscal 2007 and the levels of performance that were achieved, under Compensation Components and Process Short-Term Variable Pay Synergy Incentive Plan in our Compensation Discussion and Analysis.

- (7) This award was made to Mr. Prokopanko in connection with our hiring him, in lieu of long-term incentive compensation from Cargill, as described in notes (8) and (9) to the Fiscal 2007 Summary Compensation Table.

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- (8) These restricted stock units are part of the supplemental grant made on October 6, 2006 to recipients of our August 4, 2006 annual grant of restricted stock units that is described under Compensation Components and Process Long-Term Variable Pay in our Compensation Discussion and Analysis.
- (9) These restricted stock units are the one-time retention award to Mr. Strangoener that is described under CEO Transition in our Compensation Discussion and Analysis.
- (10) Reflects a grant to Mr. Corrigan of restricted stock units for his service as a non-employee director beginning January 1, 2007. Our practices for granting restricted stock units to non-employee directors, including general terms and the timing of grants and approvals, are described in note (4) to the Fiscal 2007 Non-Employee Director Compensation Table on page 60.
- (11) We granted these stock options and restricted stock units in prior fiscal years. We accelerated their vesting in connection with Mr. Corrigan's retirement, as described under CEO Transition in our Compensation Discussion and Analysis. The date shown in the Compensation Committee Approval Date column is the date the Compensation Committee recommended acceleration of the stock options and restricted stock units. The amounts shown in the Grant Date Fair Value of Stock and Option Awards column represent the incremental change in the grant date fair value under FAS 123R that resulted from the acceleration of vesting. Numbers in parentheses indicate that the grant date fair value determined in accordance with FAS 123R decreased as a result of the acceleration of vesting.
- (12) Reflects the grant date fair value on the date of grant, August 4, 2006.
- (13) These are the same stock options and restricted stock units to which note (12) relates. The grant date fair value shown in this row reflects the incremental change due to the acceleration of Mr. Thompson's awards in connection with his retirement.
- (14) We granted these stock options and restricted stock units in prior fiscal years. We accelerated their vesting in connection with Mr. Thompson's retirement, as described in note (12) to the Fiscal 2007 Summary Compensation Table. The date shown in the Compensation Committee Approval Date column is the date the Compensation Committee approved acceleration of the stock options and restricted stock units. The amounts shown in the Grant Date Fair Value of Stock and Option Awards column represent the incremental change in the grant date fair value under FAS 123R that resulted from the acceleration of vesting.
- (15) Reflects the grant date fair value on the date of grant, August 4, 2006.
- (16) These are the same stock options and restricted stock units to which note (15) relates. The grant date fair value shown in this row reflects the incremental change due to the acceleration of Mr. Wessling's awards in connection with his resignation.
- (17) We granted these stock options and restricted stock units in prior fiscal years. We accelerated their vesting in connection with Mr. Wessling's resignation, as described in note (13) to the Fiscal 2007 Summary Compensation Table. The date shown in the Compensation Committee Approval Date column is the date the Compensation Committee approved acceleration of the stock options and restricted stock units. The amounts shown in the Grant Date Fair Value of Stock and Option Awards column represent the incremental change in the grant date fair value under FAS 123R that resulted from the acceleration of vesting. Numbers in parentheses indicate that the grant date fair value determined in accordance with FAS 123R decreased as a result of the acceleration of vesting.

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

The following table and accompanying narrative and notes summarize the outstanding equity awards held by the Named Executive Officers as of May 31, 2007.

Fiscal 2007 Outstanding Equity Awards at Fiscal Year-End Table

Name	Number of Securities Underlying Unexercised Options Exercisable (#)	Option Awards			Stock Awards	
		Number of Securities Underlying Unexercised Options Unexercisable (#)	Option Exercise Price (\$ (1))	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$ (2))
James T. Prokopanko		181,388(3)	15.45	8/4/16	3,452(4)	121,269
		53,957(5)	20.70	2/1/17	3,470(6)	121,901
					67,752(7)	2,380,128
					6,174(8)	216,893
				21,739(9)	763,691	
Lawrence W. Stranghoener		61,120(3)	15.45	8/4/16	21,645(6)	760,389
	34,722	17,362(10)	15.04	9/22/14	20,373(7)	715,703
	21,645	43,290(11)	17.29	8/1/15	4,350(8)	152,816
					23,272(13)	817,545
				64,725(14)	2,273,789	
Steven L. Pinney		43,375(3)	15.45	8/4/16	12,369(6)	434,523
		51,822(12)	15.04	10/29/14	14,458(7)	507,910
	12,368	24,738(11)	17.29	8/1/15	3,088(8)	108,481
					18,285(13)	642,352
Richard L. Mack		47,319(3)	15.45	8/4/16	15,461(6)	543,145
		10,384(12)	15.04	10/29/14	15,773(7)	554,105
	15,460	30,922(11)	17.29	8/1/15	3,368(8)	118,318
					16,623(13)	583,966
Norman B. Beug	4,300		37.625	6/23/07	9,276(6)	325,866
	5,950		30.656	6/18/08	14,458(7)	507,910
	6,200		22.6562	4/27/09	3,088(8)	108,481
					9,974(13)	350,387
	9,300		15.0312	2/22/10		
	7,000		13.55	2/28/11		
	8,750		10.71	11/5/11		
	22,000		10.76	1/2/13		
	40,000		10.19	1/2/14		
	9,276	43,375(3)	15.45	8/4/16		
	18,553(11)	17.29	8/1/15			
Fredric W. Corrigan	280,700		15.04	1/1/10	92,008(7)	3,232,241
	278,293		17.29	1/1/10	19,646(8)	690,164

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		276,025(3)	15.45	1/1/12	3,140(15)	110,308
James T. Thompson	136,032		15.04	3/31/08		
	74,212		17.29	3/31/08		
	70,978		15.45	3/31/08		
David W. Wessling	31,546		15.45	3/14/08		

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- (1) The exercise price for all stock options is the fair market value of our common stock on the date of grant, which is equal to the closing price as reflected on The New York Stock Exchange composite tape.
- (2) The amounts were calculated by multiplying the closing market price of our common stock on May 31, 2007 of \$35.13 per share by the number of unvested shares.
- (3) One-third of these options vested on August 4, 2007 and one-third vest on August 4 in each of 2008 and 2009.
- (4) These restricted stock units vest on the earlier of (a) November 30, 2007 or (b) subject to the approval of the Board in its sole discretion, Mr. Prokopanko's departure from the Board for reasons other than removal for cause.
- (5) These options vest in three equal installments on February 1, 2008, 2009 and 2010.
- (6) These restricted stock units vest on August 1, 2008, or, in the case of Mr. Prokopanko, if earlier, subject to the approval of the Board in its sole discretion, Mr. Prokopanko's departure from the Board for reasons other than removal for cause.
- (7) These restricted stock units vest on August 4, 2009.
- (8) These restricted stock units vest on October 6, 2009.
- (9) These restricted stock units vest on February 1, 2010.
- (10) These options vest on September 22, 2007.
- (11) Half of these options vested on August 1, 2007 and the other half vest on August 1, 2008.
- (12) These options vest on October 29, 2007.
- (13) These restricted stock units vest on October 29, 2008.
- (14) Half of these restricted stock units vested on August 4, 2007 and the other half vest on August 4, 2008.
- (15) These restricted stock units vest on February 1, 2010.

Option Exercises and Stock Vested

The following table and accompanying notes set forth information about stock options that the Named Executive Officers exercised during fiscal 2007 and restricted stock units of the Named Executive Officers that vested during fiscal 2007.

Fiscal 2007 Option Exercises and Stock Vested Table

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise	Value Realized on Exercise	Number of Shares Acquired on Vesting	Value Realized on Vesting
	(#)	(\$) (1)	(#)	(\$) (2)
James T. Prokopanko				
Lawrence W. Stranghoener				
Steven L. Pinney				
Richard L. Mack				
Norman B. Beug				
Fredric W. Corrigan			179,201	3,827,733
James T. Thompson			80,044	2,133,973
David W. Wessling	37,106	477,343	25,129	677,729

- (1) We calculated these amounts by multiplying the number of shares exercised times the difference between (a) the closing price of our common stock on the date of the option exercise as reported on The New York Stock Exchange composite tape and (b) the exercise price of the stock option.
- (2) We calculated these amounts by multiplying the number of shares vested times the closing price of our common stock as reported on The New York Stock Exchange composite tape on the vesting date.

Table of Contents**Pension Benefits***Cargill Pension Plan*

Messrs. Pinney, Mack and Wessling participate in Cargill's salaried employees' pension plan. This plan is a tax-qualified defined benefit pension plan under the provisions of the Internal Revenue Code. Benefits under the plan are generally based on years of service and final average salary prior to termination of employment or retirement. No additional years of credited service are accrued under Cargill's salaried employees' pension plan for Messrs. Pinney, Mack or Wessling after December 31, 2004. Accordingly, their total credited years of service primarily reflects their service with Cargill, while their credited years of service for employment at Mosaic includes only the period from the October 22, 2004 business combination between IMC and the fertilizer businesses of Cargill through December 31, 2004. However, additional years of vesting service are credited for the purpose of determining eligibility to retire, and covered compensation for purposes of determining benefits under Cargill's salaried employees' pension plan for Messrs. Pinney, Mack and Wessling includes post-combination compensation that we pay them.

In accordance with the merger and contribution agreement related to the combination, Cargill incurs the costs associated with pre-combination benefits for certain former employees of Cargill under certain pension plans, including Cargill's salaried employees' pension plan, and charges them to us. The amount that Cargill may charge to us under these plans for pension costs relating to all former Cargill employees may not exceed \$2.0 million per year or \$19.2 million in the aggregate. As of May 31, 2007, the unused portion of the \$19.2 million was \$13.2 million.

Cargill is solely responsible for payment of the annual pension benefits to the participants under Cargill's salaried employees' pension plan.

Supplemental Retirement Agreement

IMC and Mr. Beug entered into a supplemental retirement agreement prior to the business combination between IMC and the fertilizer businesses of Cargill. This agreement provides additional annual retirement benefits to Mr. Beug over the retirement benefits that would be payable to him under (a) our retirement plans that are available to salaried Canadian employees generally and (b) a defined benefit pension plan sponsored by another company from which we acquired our Belle Plaine potash mine and in which Mr. Beug participated prior to our acquisition of that mine. Benefits under the supplemental retirement agreement are based on years of service and final average salary prior to termination of employment or retirement. In addition, prior to the combination, IMC established a trust to secure the payment of certain retirement obligations, including Mr. Beug's supplemental retirement agreement. The trust agreement requires that we fund 105% of the aggregate actuarially determined liabilities under all of these retirement obligations by means of contributions to the trust and/or by furnishing letters of credit to the trustee. As of the date of this proxy statement, we had furnished the trustee with a letter of credit under our senior secured bank credit facility in the amount of approximately \$4.1 million.

The following table and accompanying narrative and notes provide information about the participation of the Named Executive Officers in Cargill's salaried employees' pension plan and under Mr. Beug's supplemental retirement agreement.

Fiscal 2007 Pension Benefits Table

Name	Plan Name	Number of years of Credited	Present Value of Accumulated
		Service	Benefit
		(#)	(\$) (1)
Steven L. Pinney(2)	Cargill, Incorporated and Associated Companies Salaried Employees' Pension Plan	29	576,000
Richard L. Mack(2)	Cargill, Incorporated and Associated Companies Salaried Employees' Pension Plan	10	73,000
Norman B. Beug(3)	Supplemental Retirement Agreement	30	1,657,791
David W. Wessling(2)	Cargill, Incorporated and Associated Companies Salaried Employees' Pension Plan	21	257,000

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- (1) These amounts are estimates and do not necessarily reflect the actual amounts that will be paid to the Named Executive Officers, which will only be known when they become eligible for payment.
- (2) Annual benefits under Cargill's salaried employees' pension plan are equal to the sum of:

Old Formula Benefit. The annual benefit for service through December 31, 1991 indexed for future salary increases. The benefit is:

1.50% of final average annual salary minus 1.25% of annual social security benefits at age 65 determined as of December 31, 1991, times

years of service (not to exceed 40), times

an index factor. The index factor is determined by dividing final average salary at termination by final average salary determined at December 31, 1991; plus

New Formula Benefit. For service after December 31, 1991, the benefit is equal to 0.80% of final average salary plus 0.35% of final average salary in excess of Covered Compensation (as defined for social security purposes), all times years of service. Years of service are based on service after December 31, 1991 and are limited to (i) 40 years less service as of December 31, 1991 for the 0.80% component of the benefit, and (ii) 35 years less service as of December 31, 1991 for the 0.35% component of the benefit. For the new formula benefit, service is frozen for Messrs. Pinney, Mack and Wessling as of December 31, 2004 and final average salary and covered compensation are as of the termination date.

Normal retirement benefits are payable at age 65. Messrs. Pinney, Mack or Wessling may retire with unreduced retirement benefits under the plan once they are age 60. Once they are age 55, they may retire early and receive benefits that are reduced based on the percentages specified in the table below for each year that the payments start prior to age 60. Messrs. Pinney, Mack and Wessling are ages 53, 39 and 46, respectively, and had 31, 12 and 23 years of credited vesting service at March 1, 2007.

Years of Credited Vesting Service	Per Year Reduction Percentage
35 or more	3%
30 - 34	4%
25 - 29	5%
20 - 24	6%
15 - 19	7%

If they terminate employment before age 55, they may either receive an unreduced benefit commencing at age 65, or may elect to receive a reduced benefit at an earlier date.

The normal form of payment of the annual benefit is a straight life annuity. Optional benefit forms include actuarial equivalent joint and survivor and 10-year certain and life annuities. The plan does not offer lump sum payments.

The credited years of service for Messrs. Pinney, Mack and Wessling include their service with Cargill. Their benefits under the plan are fully vested.

Compensation Used to Determine Pension Benefits

Eligible compensation consists of base salary. Eligible compensation is limited under the Internal Revenue Code to \$220,000 for calendar 2006 and \$225,000 for calendar 2007.

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Valuation Assumptions

The amounts listed in the Present Value of Accumulated Benefit column of the Fiscal 2007 Pension Benefits Table and the amounts listed in the Change in Pension Value and Non-Qualified Deferred Compensation Earnings column in the Fiscal 2007 Summary Compensation Table are based on the following assumptions:

a discount rate of 5.70% and post-retirement mortality using the RP-2000 mortality table with a fixed 5-year projection, combined mortality for active employees and retirees, and no collar adjustments. These are the same assumptions used by Cargill in determining the accumulated benefits under the Cargill salaried employees pension plan that it uses in determining its charges to us for the plan;

retirement age of 60, which is the earliest age that any Named Executive Officer may retire with unreduced retirement benefits under the plan; and

expected terminations, disability and pre-retirement mortality: none assumed.

The present values of the accrued benefits were calculated as of March 1, 2007, the date used by Cargill in determining its charges to us for the plan.

(3) The benefits under Mr. Beug's supplemental retirement agreement are determined by the following formula:

2% of Mr. Beug's final average salary times his first 25 years of credited service; plus

1% of his final average salary times his years of credited service above 25 years, up to a maximum of ten years; minus

2% of the benefit payable to him for the first 25 years of credited service under the Canadian government's old-age pension program; minus

the amount of the annual retirement benefit that he could purchase from the balance of his account under our Canadian tax-qualified defined contribution retirement plans in which he participates; minus

the amount of the normal benefit payable to him pursuant to a defined benefit pension plan of the company from which IMC acquired our Belle Plaine, Saskatchewan potash mine. Mr. Beug does not accrue additional pension benefits under this plan for his service with us, and we are not responsible for payments to Mr. Beug under this plan.

Mr. Beug's credited years of service under the supplemental retirement agreement include his years of service with the company from which IMC acquired the Belle Plaine mine. Mr. Beug's benefits under the supplemental retirement agreement are fully vested.

The earliest Mr. Beug is entitled to unreduced benefits under the agreement is age 62. Mr. Beug, who is age 55 at the date of this proxy statement, is entitled to elect to receive reduced benefits under the agreement upon retirement at age 55 or older. If Mr. Beug elects to receive benefits before age 62, the amount of his benefits determined in accordance with the first three bullet points in this footnote are reduced by 1/3 of 1% for each month between the date on which his benefits commence and age 62.

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The normal form of payment of the annual benefit under the supplemental retirement agreement is equal monthly installments payable for life. If Mr. Beug is married at the time his benefits under the supplemental retirement agreement commence, his monthly retirement benefits are reduced to provide actuarially equivalent reduced monthly payments to him for life and 60% of the reduced monthly payment to his surviving spouse after his death, unless his spouse waives the right to these payments. In the event of Mr. Beug's death prior to retirement, his spouse, beneficiary or estate would be entitled to payment equal to the actuarial equivalent of his vested benefits, either in the form of a lump sum or a lifetime pension.

The amount in the Present Value of Accumulated Benefit column and the amount listed in the Change in Pension Value and Non-Qualified Deferred Compensation Earnings column in the Fiscal 2007 Summary

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Compensation Table for Mr. Beug under his supplemental requirement agreement were calculated using the following assumptions:

a discount rate of 5.00% and post-retirement mortality using the UP94 mortality table projected to 2015 with scale AA;

a salary scale of 3.5%; and

retirement at age 62, which is the earliest age that he may retire with unreduced benefits under the agreement.

These are the same assumptions we used for financial reporting purposes in our audited financial statements for fiscal 2007.

The present values of the accrued benefits were calculated as of February 28, 2007, the same measurement date used for our audited financial statements for fiscal 2007 with respect to Mr. Beug's supplemental retirement agreement.

Non-Qualified Deferred Compensation

The table below sets forth the contributions, earnings and distributions for fiscal 2007 and balances at May 31, 2007 for each of the Named Executive Officers under our deferred compensation plan.

The **Executive Contributions in Last FY** column shows the deferral by each Named Executive Officer of a portion of salary or award under our Management Incentive Plan and/or Synergy Incentive Plan for fiscal 2007 that is reported in the Fiscal 2007 Summary Compensation Table in the **Salary or Non-Equity Incentive Plan** column.

The **Registrant Contributions in Last FY** column reflects our contributions under the restoration provisions of our deferred compensation plan. The amount we credit under these restoration provisions is equal to the amount that would have been contributed to our tax-qualified defined contribution plan for the Named Executive Officer that exceeds limitations for tax-qualified plans under the Internal Revenue Code. The limit on contributions under the Internal Revenue Code was \$44,000 for contributions for calendar 2006 and is \$45,000 for contributions in calendar 2007. The formula for determining the aggregate amount of our contributions to the account of a Named Executive Officer to the tax-qualified and non-qualified plans is discussed in note (6)(b) to the Fiscal 2007 Summary Compensation Table.

Each participant in our deferred compensation plan may choose how and when to receive payments of the portion of the participant's account balance that results from the participant's own contributions. A participant may choose to receive payments of this portion of the participant's account balance on a specified date in a lump sum or in annual installments for up to ten years beginning on a date specified by the participant. If no election is made, payment is made in a lump sum after termination of employment. The portion of the participant's account balance that results from our contributions is payable after termination of employment.

The **Aggregate Earnings in Last FY** column shows the earnings on each Named Executive Officer's account balance for fiscal 2007, and the **Aggregate Balance at Last FYE** column shows the balance of each Named Executive Officer's account as of the end of fiscal 2007. The **Aggregate Withdrawals/Distributions** column shows payments made to each Named Executive Officer from his account in fiscal 2007.

Our deferred compensation plan is available only for U.S. employees. Mr. Beug, who is an employee of our Canadian Potash business, is not eligible to participate in it and our Canadian Potash business does not have a deferred compensation plan.

Table of Contents*Fiscal 2007 Non-Qualified Deferred Compensation Table*

Name	Executive Contributions in Last FY	Registrant Contributions in Last FY	Aggregate Earnings in Last FY	Aggregate Withdrawals/ Distributions	Aggregate Balance at Last FYE
	(\$) (1)	(\$) (2)	(\$) (3)	(\$)	(\$) (4)
James T. Prokopanko	31,165	74	260		31,499
Lawrence W. Stranghoener		44,250	3,056		47,306
Steven L. Pinney	8,900	28,417	1,590		38,907
Richard L. Mack	269,417	20,658	878	31,519	35,533
Fredric W. Corrigan		99,600	6,105		105,705
James T. Thompson	7,500	43,417	4,294		55,211
David W. Wessling	14,688	16,438	4,244		41,260

- (1) These amounts are included as part of the compensation shown for the Named Executive Officer in the Salary or Non-Equity Incentive Plan Compensation column in the Fiscal 2007 Summary Compensation Table.
- (2) These amounts are included as part of the compensation shown for the Named Executive Officer in the All Other Compensation column in the Fiscal 2007 Summary Compensation Table and in the Company Contributions to Defined Contribution Plans column in the table in note (6) to the Fiscal 2007 Summary Compensation Table.
- (3) Gains and losses accrue at rates equal to those on various investment alternatives selected by the participant. The available investment alternatives are the same as are available for selection by participants as investments under the Mosaic Investment Plan. Because the rate of return is based on actual investment measures, no above-market earnings are paid. Accordingly, the amounts in this column were not included in the Fiscal 2007 Summary Compensation Table on page 35.
- (4) No portion of these balances was reported as compensation to any Named Executive Officer in the Summary Compensation Table in our proxy statement for any prior year.

Potential Payments Upon Termination or Change in Control

As discussed under Compensation Components and Process New Severance and Change in Control Arrangements in our Compensation Discussion and Analysis on page 30, in fiscal 2007 we entered into new senior management severance and change in control agreements with our executive officers, including the Named Executive Officers.

The severance and change in control agreements set forth the terms and conditions upon which our executive officers would be entitled to receive certain benefits upon termination of their employment:

by us with cause (as the term cause is described below);

by us without cause;

by the covered executive for good reason (as the term good reason is described below);

due to the covered executive's death or disability; or

by the covered executive without good reason.

General Benefits

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In general, upon any termination of employment an executive officer is entitled to amounts earned but that we have not paid. These amounts include:

base salary for services through the date of termination;

bonus amounts earned through the date of termination;

vested stock options;

compensation deferred by the executive officer and earnings on that deferred compensation;

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benefits under defined benefit retirement plans as described above under Pension Benefits on page 49 ; and

vested benefits under defined contribution retirement plans as described in note (6)(b) to the Fiscal 2007 Summary Compensation Table and in the Fiscal 2007 Non-Qualified Deferred Compensation Table and accompanying narrative and notes.

In addition, as discussed under Compensation Components and Process Long-Term Variable Pay in our Compensation Discussion and Analysis, stock options and restricted stock units granted beginning in fiscal 2007 that are held by employees whose employment terminates due to normal retirement at or after age 60, death or disability continue to vest in accordance with the normal vesting schedule even absent a change in control. None of our current executive officers is age 60 or older.

Benefits Upon Termination by Company Without Cause or by Executive for Good Reason

In addition, in the event of termination by us without cause or by an executive officer for good reason, the executive officer is entitled to:

an amount equal to the executive officer's annual base salary and target bonus under our Management Incentive Plan;

if the executive officer was employed by us for three months or more during the fiscal year in which the termination occurs, a pro rata portion of any annual bonus that would have been payable based on actual performance under our Management Incentive Plan;

if the executive officer elects to continue group health or dental coverage under the Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA), reimbursement for a portion of the premiums equal to the amount we would pay if the executive officer were an active employee, for up to twelve months as long as coverage under COBRA is available;

compensation for unused vacation; and

outplacement services for up to one year (to a maximum of \$25,000).

These amounts would be reduced by the amount of other compensation the executive officer receives from us as an employee, independent contractor or consultant during the twelve months following termination of employment, as well as by any compensation under any other severance plan of ours.

Benefits Following Change in Control

In the event of termination by us without cause or by an executive officer for good reason:

within two years following a change in control (as the term change in control is described below); or

following our entry into a definitive agreement or plan that results in any of the following types of changes in control if the change in control occurs within six months after the date of termination:

an acquisition of 50% or more of the voting power of our outstanding voting stock;

a merger, consolidation, sale of substantially all assets or similar business combination; or

liquidation or dissolution of The Mosaic Company,
then the executive officer is entitled to the same benefits as discussed under *Benefits Upon Termination by Company Without Cause or by Executive for Good Reason*, except that:

our CEO would be entitled to three times, and other executive officers would be entitled to two times, annual base salary and target bonus under our Management Incentive Plan; and

the period for which we would reimburse the executive officer for group health and dental premiums would be extended from twelve months to eighteen months.

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In addition, the severance and change in control agreements provide for us to gross-up the benefits payable to any executive officer following a change in control in the event of any excise tax imposed by Section 4999 of the Internal Revenue Code on parachute payments as defined in Section 280G of the Internal Revenue Code (subject to a *de minimis* threshold below which the benefits payable to the participant would be reduced to a level necessary to avoid the excise tax).

The severance and change in control agreements also provide that all stock options, restricted stock units and other equity awards granted under our Omnibus Incentive Plan to the executive officer will immediately vest upon a change in control.

Description of Key Terms

For purposes of the severance and change in control agreements, in general:

Cause means:

material breach of the severance agreement;

gross neglect or willful failure or refusal to perform the executive officer's duties;

personal dishonesty intended to result in substantial personal enrichment at our expense;

willful or intentional acts to injure The Mosaic Company;

knowing and intentional fraud against us, our customers, suppliers, clients, agents or employees, or

conviction of a felony or any crime involving fraud, dishonesty or moral turpitude.

Good reason means:

material demotion in status or duties; or

requiring the executive officer to move his or her regular office location by more than 50 miles.

A change in control occurs if:

Cargill does not retain beneficial ownership of at least 50% of the voting power of our outstanding voting stock and one of the following events also occurs:

a majority of our directors are not individuals:

for whose election proxies were solicited by our Board; or

who were appointed by our Board to fill vacancies caused by death, resignations or newly-created directorships;

50% or more of the voting power of our outstanding voting stock is acquired or beneficially owned by any person, entity or group that is unaffiliated with Cargill; or

consummation of a merger or consolidation of The Mosaic Company with or into another entity, a sale of substantially all assets or similar business combination, unless both:

the beneficial owners of our voting stock before the business combination own more than 50% of the voting stock of the surviving or acquiring entity in substantially the same proportions as before the business combination; and

no person, entity or group that is unaffiliated with Cargill owns more than 50% of the voting stock of the surviving or acquiring entity;

Cargill acquires additional shares of our voting stock such that it owns 90% or more of the voting power of our outstanding voting stock; or

our stockholders approve a definitive agreement or plan to liquidate or dissolve The Mosaic Company.

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Obligations of our Executive Officers

The severance and change in control agreements require our executive officers to:

furnish notice of good reason for termination by the executive officer and an opportunity for us to cure the good reason within 30 days, and continue to perform the executive officer's duties during the cure period;

furnish at least 30 days advance notice of a termination of employment without good reason and continue to perform the executive officer's duties during the notice period;

furnish us with a general release of claims the executive officer may have against us in order to obtain benefits as a result of termination by us without cause or by the executive officer with good reason; and

cooperate with the transition of the executive officer's duties and responsibilities.

The severance and change in control agreements prohibit the executive officers from:

disclosing confidential information; and

for a period of 12 months following termination of employment;

soliciting our customers, dealers, employees, vendors and suppliers, or interfering with our business relationships; or

competing with us.

Duration of Severance and Change in Control Agreements

A severance and change in control agreement has a three-year term unless renewed by us and the executive officer, except that following a Change in Control the term will extend to at least the second anniversary of the Change in Control.

Stockholders who are interested in additional detail may refer to the complete text of the severance and change in control agreements, copies of which we included as exhibits to our Annual Report on Form 10-K for the fiscal year ended May 31, 2007.

Acceleration of Stock Options and Restricted Stock Units Upon Change in Control

In addition to the provisions of the severance and change in control agreements described above, outstanding stock options and restricted stock units granted beginning in fiscal 2006 include contractual provisions for acceleration of vesting upon a change in control, as defined in the contractual provisions. A change in control under these contractual provisions would generally be a change in control under the provisions of the severance and change in control agreements. The contractual provisions in our stock options and restricted stock units remain in place until expiration or vesting of the stock options or restricted stock units.

Stockholders who are interested in additional detail may refer to the complete text of the forms used for grants of stock options and restricted stock units, copies of which we included as exhibits to our Annual Report on Form 10-K for the fiscal year ended May 31, 2007.

Potential Acceleration of Payment of Non-Qualified Deferred Compensation

Our non-qualified deferred compensation plan in the U.S. provides that our Board, as constituted immediately before a change in control (as defined in the plan), may elect to terminate the plan. A termination would result in lump-sum payments to participants of their account balances under the plan.

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Stockholders who are interested in additional detail may refer to the complete text of the plan, a copy of which we included as an exhibit to our Annual Report on Form 10-K for the fiscal year ended May 31, 2007.

Quantification of Compensation Payable as a Result of Severance or Change in Control

The table below sets forth estimated potential incremental amounts payable to each Named Executive Officer pursuant to our severance and change in control agreements. Messrs. Corrigan, Thompson and Wessling are not current executive officers and are therefore not entitled to any payments under our severance and change in control agreements. We relied on the following key assumptions in determining the amounts in the table, as well as the other assumptions discussed in the accompanying notes:

the severance or change in control was effective as of May 31, 2007;

base salary and target bonus under our Management Incentive Plan were those in effect at May 31, 2007;

the pro rata portion of the annual bonus that would have been payable as of the date of severance was equal to the actual bonus under our Management Incentive Plan for fiscal 2007;

reimbursement for health and dental premiums would be at the COBRA rates in effect at May 31, 2007 (or, in the case of Mr. Beug, the level of his Canadian benefits in effect at May 31, 2007);

unused vacation was the amount at May 31, 2007;

the maximum \$25,000 amount of outplacement services is used;

we did not pay the executive officer any other compensation as an employee, independent contractor or consultant during the twelve months following termination of employment;

the executive officer's W-2 compensation for the five calendar years before the severance or change in control was the same as for calendar 2002 through 2006; and

there are no relevant changes in tax laws from those in effect as of May 31, 2007.

Any change in these assumptions would change the amounts shown in the table, and the change could be material. The actual amounts that would be paid to a Named Executive Officer can only be determined at the time of the severance or change in control and/or termination of employment and can be expected to be different from the amounts shown in the table below. The table below does not include compensation that is accrued or vested prior to severance or a change in control, and also excludes compensation under Mr. Corrigan's transition agreement, Mr. Thompson's retirement agreement and Mr. Wessling's resignation agreement, which is included in the Fiscal 2007 Summary Compensation Table and other tables above.

Table of Contents*Severance and Change in Control Compensation Table*

Name and Benefits	Termination Before Change in Control without Cause or for Good Reason (\$)	Compensation due to Change in Control without Termination (\$) (1)	Change in Control Compensation	
			Change in Control Additional Compensation due to Termination After Change in Control without Cause or for Good Reason (\$) (2)	Total Compensation due to Termination After Change in Control without Cause or for Good Reason (\$) (3)
James T. Prokopanko				
Cash Severance(4)	2,475,000		5,475,000	5,475,000
Stock Options		4,348,315		4,348,315
Restricted Stock Units		3,603,881		3,603,881
Group Health and Dental Reimbursement(5)	15,300		22,950	22,950
Compensation for Unused Vacation	31,731		31,731	31,731
Outplacement Services	25,000		25,000	25,000
Tax Gross-Up(6)			3,197,470	3,197,470
Total Estimated Incremental Value	2,547,031	7,952,197	8,752,151	16,704,348
Lawrence W. Stranghoener				
Cash Severance(4)	1,362,500		2,237,500	2,237,500
Stock Options		2,323,938		2,323,938
Restricted Stock Units		4,720,242		4,720,242
Group Health and Dental Reimbursement(5)	15,300		22,950	22,950
Compensation for Unused Vacation	15,385		15,385	15,385
Outplacement Services	25,000		25,000	25,000
Tax Gross-Up(6)			1,474,209	1,474,209
Total Estimated Incremental Value	1,418,185	7,044,180	3,775,044	10,819,224
Steven L. Pinney				
Cash Severance(4)	889,630		1,467,130	1,467,130
Stock Options		2,336,050		2,336,050
Restricted Stock Units		1,693,266		1,693,266
Group Health and Dental Reimbursement(5)	15,300		22,950	22,950
Compensation for Unused Vacation	14,615		14,615	14,615
Outplacement Services	25,000		25,000	25,000
Tax Gross-Up(6)			833,137	833,137
Total Estimated Incremental Value	944,545	4,029,316	2,362,832	6,392,148
Richard L. Mack				
Cash Severance(4)	833,000		1,393,000	1,393,000
Stock Options		1,691,501		1,691,501
Restricted Stock Units		1,799,534		1,799,534
Group Health and Dental Reimbursement(5)	15,300		22,950	22,950
Compensation for Unused Vacation	13,462		13,462	13,462
Outplacement Services	25,000		25,000	25,000
Tax Gross-Up(6)			919,474	919,474

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Total Estimated Incremental Value	886,762	3,491,035	2,373,885	5,864,921
Norman B. Beug				
Cash Severance(4)	817,152		1,351,336	1,351,336
Stock Options		1,184,606		1,184,606
Restricted Stock Units		1,292,643		1,292,643
Group Health and Dental Reimbursement(5)	2,043		3,064	3,064
Compensation for Unused Vacation	55,706		55,706	55,706
Outplacement Services	25,000		25,000	25,000
Total Estimated Incremental Value	899,900	2,477,249	1,435,106	3,912,355

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- (1) Shows the pre-tax amounts that the Named Executive Officers would realize if they had sold on May 31, 2007 at a price of \$35.13, the closing price of our common stock on May 31, 2007, shares of our common stock that:

they could acquire pursuant to stock options for which we would accelerate vesting upon a change in control pursuant to the terms of the severance and change in control agreements; and

we would issue to the executive officers upon a change in control pursuant to the vesting of restricted stock units.

These amounts reflect an estimate of the compensation to the executive officers upon a change in control without termination of the executive officer's employment.

- (2) Excludes the amounts in the Compensation due to Change in Control without Termination column and reflects the estimated amounts, in addition to those shown in the Compensation due to Change in Control without Termination column, of compensation to the executive officers upon termination of employment following a change in control.
- (3) Shows the sum of the amounts in the Compensation due to Change in Control Column without Termination and the Additional Compensation due to Termination After Change in Control without Cause or for Good Reason column, and reflects the estimated aggregate amounts of compensation to the executive officers upon termination of employment following the occurrence of an event that is a change in control.
- (4) Reflects base salary and target bonus under our Management Incentive Plan, or following a Change in Control, three times (for Mr. Prokopanko) and two times (for other executive officers) base salary and target bonus, plus, for an executive officer employed by us for three months or more during the fiscal year in which termination occurs, a pro rata portion of the annual bonus that would have been payable under the Management Incentive Plan.
- (5) Reflects the estimated amount that we would reimburse the executive officer if the executive officer elected to continue group health or dental coverage under COBRA (or, in the case of Mr. Beug, the level of his Canadian benefits in effect at May 31, 2007) for the maximum of eighteen months following a change in control and twelve months in all other cases provided under the severance and change in control agreements.
- (6) The excise tax imposed by the Internal Revenue Code on excess parachute payments is 20%. This excise tax, together with any corresponding tax gross-up, applies only if the total value of change in control payments calculated under Section 280G of the Internal Revenue Code equals or exceeds three times the average annual compensation attributable to the executive officer's employment with us and Cargill over the prior five-year period. As a result, the gross-up amounts shown reflect each executive officer's unique earnings history and can vary significantly from year to year.

Director Compensation

Non-Employee Directors

The policy adopted by our Board of Directors, as recommended by our Corporate Governance and Nominating Committee, provides for compensation to non-employee directors as follows:

an annual cash retainer of \$150,000 to our Chairman of the Board and \$75,000 to each other director;

an annual cash retainer of \$20,000 to the Chairman of our Audit Committee and \$5,000 to other members of this Committee;

an annual cash retainer of \$15,000 to the Chairman of our Compensation Committee;

an annual cash retainer of \$10,000 to each director who serves as chair of other Board committees (other than the Executive Committee); and

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an annual grant of restricted stock units providing grants of our common stock, valued at \$130,000 to the Chairman of our Board and \$65,000 to each other director. Additional information about our annual grants of restricted stock units to directors is included in note (4) to the Fiscal 2007 Non-Employee Director Compensation Table below.

We do not pay meeting fees or provide any perquisites to our directors. We do reimburse our directors for travel and business expenses incurred in connection with meeting attendance.

Employee Directors

Directors who are employees receive no director fees or other separate compensation for service on the Board or any committee of the Board for the period during which they are employees. During fiscal 2007, two directors, Fredric W. Corrigan, our former Chief Executive Officer and President, and James T. Prokopanko, our current Chief Executive Officer and President, were employees for part of our fiscal year. All of our compensation to them for fiscal 2007, including their compensation for the period in fiscal 2007 during which they were directors but not employees, is set forth under Executive Compensation Tables beginning on page 35.

The following table and accompanying narrative and notes provide information about our compensation for service by directors who were not employees at any time during the fiscal year.

Fiscal 2007 Non-Employee Director Compensation Table

Name	Fees Earned or	Stock	Option	Total
	Paid in Cash	Awards	Awards	
	(\$)(1)(2)	(\$)(3)(4)(5)	(\$)(6)	(\$)
Guillaume Bastiaens	82,000	58,052		140,052
Raymond F. Bentele	90,000	58,052		148,052
Phyllis E. Cochran	52,527	14,446		66,973
William R. Graber	80,000	58,052		138,052
Robert L. Lumpkins	150,000	116,105		266,105
Harold H. MacKay	89,000	58,052		147,052
David B. Mathis	80,000	58,052		138,052
Bernard M. Michel (7)	75,000	38,054		113,054
William T. Monahan	87,000	58,052		145,052
Steven M. Seibert	75,000	58,052		133,052

(1) Reflects the aggregate amount of the cash retainers paid for fiscal 2007.

(2) Our unfunded non-qualified deferred compensation plan permits a director to elect to contribute up to 100% of the director's fees on a tax-deferred basis until distribution of the participant's plan balance. Directors' fees deferred for fiscal 2007 are included in the amounts shown in this column. A participant's balance accrues gains or losses at rates equal to those on various investment alternatives selected by the participant. The available investment alternatives are the same as are available for selection by participants as investments under the Mosaic Investment Plan, except that our common stock is excluded. Because the rate of return is based on actual investment measures, no above-market earnings are paid.

Our non-qualified deferred compensation plan provides that our Board, as constituted immediately before a change in control (as defined in the plan), may elect to terminate the non-qualified deferred compensation plan. A termination would result in lump-sum payments to participants of their account balances under the plan.

Stockholders who are interested in additional detail may refer to the complete text of the plan, a copy of which we included as an exhibit to our Annual Report on Form 10-K for the fiscal year ended May 31, 2007.

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- (3) Reflects the compensation cost recognized in our financial statements for fiscal 2007 for restricted stock units granted to directors, determined in accordance with FAS 123R except that, in accordance with SEC rules, the amounts shown disregard the estimate of forfeitures related to service-based vesting conditions prescribed by FAS 123R. The aggregate grant date fair value of fiscal 2007 awards, determined in accordance with FAS 123R, was \$129,996 for Mr. Lumpkins, \$65,007 for Ms. Cochran, and \$64,998 for each other director included in the table. The assumptions used in the valuation are discussed in note 22 to our audited financial statements for fiscal 2007.
- (4) The date of our annual grant of restricted stock units to directors in fiscal 2007 was August 4, 2006. Under current practices followed by our Board, the date of the annual grant to directors is the same as the date of the annual grant of restricted stock units to employees, which is the third trading day after issuance of our press release announcing earnings for our fourth fiscal quarter. Ms. Cochran was elected at the annual meeting of stockholders on October 4, 2006. Accordingly, the date of grant to her of restricted stock units for her service as a director during fiscal 2007 was October 6, 2006, the third trading day after issuance of our press release announcing earnings for the first quarter of fiscal 2007.

We establish the number of shares subject to the grant of restricted stock units by dividing the target value of the grant by the closing price of a share of our common stock on the date of grant. The restricted stock units will vest completely on the earlier of (a) October 6, 2009 in the case of the grant to Ms. Cochran and August 4, 2009 in the case of the grants to other directors, or (b) subject to the approval of the Board in its sole discretion, a director's departure from the Board for reasons other than removal for cause or before the annual meeting of stockholders following the date of grant.

- (5) The following table shows the number of restricted stock units held at May 31, 2007 by each director who was not an employee at any time during the fiscal year:

Director	Restricted Stock Units Held at	
	May 31, 2007 (#)	Vesting Date (a)
Robert L. Lumpkins	6,904	11/30/07
	6,940	8/1/08
	8,414	8/4/09
Each of Guillaume Bastiaens, Raymond F. Bentele,	3,452	11/30/07
William R. Graber, Harold H. MacKay,	3,470	8/1/08
David B. Mathis, William T. Monahan	4,207	8/4/09
and Steven M. Seibert		
Bernard M. Michel	4,418	12/6/08
	4,207	8/4/09
Phyllis E. Cochran	3,888	10/6/09
-		

- (a) The restricted stock units vest on the earlier of (a) the date indicated in this column or (b) subject to the approval of the Board in its sole discretion, a director's departure from the Board for reasons other than removal for cause or before the annual meeting of stockholders following the date of grant.

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- (6) The following table shows the number of shares subject to stock options held at May 31, 2007 by each director who was not an employee at any time during the fiscal year. These options were granted by IMC to its directors prior to the business combination between IMC and the fertilizer businesses of Cargill and were assumed by us in the combination. All of these options are fully vested.

Director	Nonqualified Stock Options Vested and Exercisable at May 31, 2007 (#)	Grant Price (\$)	Expiration Date
Raymond F. Bentele	2,000	35.0313	8/21/07
	2,500	34.875	5/12/08
	2,500	22.6562	4/27/09
	2,500	14.6563	4/25/10
	2,500	10.815	5/11/11
	9,800	12.15	5/10/12
	9,150	9.75	5/16/13
Harold H. MacKay	7,800	11.59	5/14/14
	2,000	35.0313	8/21/07
	2,500	34.875	5/12/08
	4,800	12.15	5/10/12
	9,150	9.75	5/16/13
David B. Mathis	7,800	11.59	5/14/14
	2,000	35.0313	8/21/07
	2,500	34.875	5/12/08
	2,500	22.6562	4/27/09
	2,500	14.6563	4/25/10
	9,800	12.15	5/10/12
	7,800	11.59	5/14/14

- (7) Mr. Michel resigned as a director effective August 14, 2007.

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CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

We were formed on October 22, 2004 through the business combination of IMC Global Inc., or IMC, and the fertilizer businesses of Cargill. As a result of the combination, Cargill owned approximately 64.7% of our outstanding common stock as of August 8, 2007. In addition, Mr. Bastiaens is a Vice Chairman of Cargill, and in certain cases may participate in or supervise the transactions discussed below on behalf of Cargill. Mr. Lumpkins is a former Vice Chairman and Chief Financial Officer of Cargill. Prior to joining us as Executive Vice President and Chief Operating Officer in July 2006, Mr. Prokopanko was a Corporate Vice President of Cargill. In their prior roles on behalf of Cargill, Mr. Lumpkins or Mr. Prokopanko may have participated in or supervised the transactions discussed below on behalf of Cargill.

We discuss our material relationships with Cargill in the following paragraphs.

Investor Rights Agreement

We have an Investor Rights Agreement with Cargill. The Investor Rights Agreement includes certain agreements regarding the composition of our Board and its committees. We have included a discussion of those portions of the Investor Rights Agreement under **Nomination and Selection of Directors**. In addition, under the Investor Rights Agreement, Cargill has agreed not to:

sell, transfer or dispose of any of our voting securities to any person that is not an affiliate of Cargill through October 22, 2007, unless the sale, transfer or other disposition is approved in advance by the members of our Board who were designated by IMC or their duly elected replacements as described under **Nomination and Selection of Directors**, who we refer to as the IMC Directors; or

through October 22, 2008:

acquire any shares of our common stock;

support or participate in a proxy contest or otherwise solicit proxies in opposition to proposals or matters proposed, recommended or supported by our Board;

participate in any election contest with respect to us;

solicit our other stockholders for the approval of one or more stockholder proposals with respect to us;

form or participate in a group (within the meaning of the Securities Exchange Act of 1934) of persons acquiring, holding, voting or disposing of our voting securities which would be required to file a statement on Schedule 13D with the SEC under Section 13(d) of the Securities Exchange Act of 1934;

make any statement or proposal to our Board or any of our directors, officers or stockholders, or make any proposal or public announcement regarding, among other things, any form of business combination, merger, restructuring, recapitalization or acquisition or sale of material assets involving us (other than discussion with our Board and any of our directors or officers which do not require us to make any public announcement or filing under the Securities Exchange Act of 1934);

seek removal of our IMC Directors;

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seek to increase the number of our directors above twelve, absent the consent of a majority of the IMC Directors;

seek to increase the number of our directors designated by Cargill above seven, absent the consent of a majority of the IMC Directors; or

call or seek to call any meeting of our stockholders.

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In addition, through October 22, 2008, Cargill has agreed to vote all of our voting securities held by it in accordance with the recommendation of our Board with respect to all matters submitted to the vote of our stockholders which have been proposed by any stockholder and which:

affect or regard the compensation or benefits of our directors, officers or employees; or

relate to matters concerning our continued publicly traded nature or any potential change in control of us, except that Cargill may vote its voting securities in us as it determines in its discretion with respect to the following if presented at a meeting of stockholders:

any disposition by us of a substantial part of our assets;

any recapitalization of us other than to form a holding company or to effect a change in our state of incorporation;

any liquidation of, or consolidation involving, us;

subject to Cargill's other obligations under the Investor Rights Agreement, any increase in our authorized shares or other amendment to our certificate of incorporation or bylaws; or

any other transaction that could reasonably be expected to have a material effect on Cargill's investment in us.

Stockholders who are interested in additional detail may refer to the complete text of the Investor Rights Agreement, a copy of which we included as an exhibit to our Annual Report on Form 10-K for the fiscal year ended May 31, 2007.

Registration Rights Agreement

In connection with the combination between IMC and the fertilizer businesses of Cargill, we and Cargill entered into a registration rights agreement.

Pursuant to the registration rights agreement, after October 22, 2007, Cargill has the right to request that we file a registration statement with the SEC for an offering of Cargill's shares of our common stock. We are required to use commercially reasonable efforts to cause any such demand registration statement to become effective under the Securities Act of 1933. We have agreed to effect up to five demand registrations, any of which may be a shelf registration. The market value of the shares of our common stock to be included in any demand registration must be at least \$10 million. We will not be obligated to effect a demand registration within 270 calendar days of the effective date of the immediately preceding demand registration.

If, at any time following October 22, 2007, we propose to register any of our securities under the Securities Act of 1933, Cargill may request that we include all of its shares of our common stock in the registration.

We are required to pay all expenses of registration under the registration rights agreement, including the legal fees of one counsel for Cargill, but excluding underwriting discounts and commissions and any other legal fees of Cargill.

Stockholders who are interested in additional detail may refer to the complete text of the registration rights agreement, a copy of which we included as an exhibit to our Annual Report on Form 10-K for the fiscal year ended May 31, 2007.

Reimbursement of Pre-Combination Incentive Compensation

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In connection with the combination between IMC and the fertilizer businesses of Cargill, certain former Cargill employees who became our employees retained their stock options and cash performance options granted by Cargill prior to the combination pursuant to Cargill's compensation plans. Liabilities associated with these

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stock options and cash performance options were primarily related to the Cargill fertilizer businesses and we assumed them. Our maximum aggregate reimbursement obligation to Cargill for costs associated with pre-combination stock options and cash performance options under no circumstances can exceed \$9.8 million. We have no reimbursement obligation for any pre-combination stock option or cash performance option award to any former Cargill employees who are our executive officers. During our 2007 fiscal year, we reimbursed Cargill \$1.7 million for costs associated with the pre-combination stock options and cash performance options.

Pension Plans and Other Benefits

Pension and other postretirement benefit liabilities for certain former employees of Cargill's fertilizer businesses were not transferred to us in the combination between IMC and the fertilizer businesses of Cargill. These former Cargill employees remain eligible for pension and other postretirement benefits under Cargill's plans. Cargill incurs the associated costs and charges them to us. The amount that Cargill may charge us for these pension costs may not exceed \$2.0 million per year and is capped at \$19.2 million in the aggregate. This cap does not apply to the costs associated with certain active union participants who continue to earn service credit under Cargill's pension plan.

Special Transactions Committee and Transactions with Cargill

The Investor Rights Agreement includes special approval requirements for commercial and other transactions, arrangements or agreements between Cargill and us. These provisions require the approval of the transactions, arrangements or agreements by a majority of the IMC Directors who are deemed non-associated, or independent, unless the transactions, arrangements or agreements are exempt as described below. These independent former IMC directors comprise the Special Transactions Committee of our Board. Our Board has adopted a charter for the Special Transactions Committee which provides that the Special Transactions Committee will oversee transactions involving Cargill with the objective that they be fair and reasonable to us. Pursuant to its charter, the Special Transactions Committee may delegate all or a portion of its duties relating to the review and approval of proposed transactions to a committee of senior management, a subcommittee of the Special Transactions Committee or the Chairman of the Special Transactions Committee. The Special Transactions Committee has approved a policy which we have implemented and refer to as the Guidelines for Related Party Transactions with Cargill, Incorporated. Under these guidelines, the Special Transactions Committee has delegated approval authority for certain transactions with Cargill to an internal committee comprised of our senior managers. The internal management committee is required to report its activities to the Special Transactions Committee on a periodic basis.

Pursuant to the guidelines, both the Special Transactions Committee and our internal management committee must approve the following transactions, arrangements or agreements with Cargill:

agreements or relationships which require payment by us or Cargill of \$2.0 million or more to the other party during any fiscal year;

multi-year commitments (*i.e.*, contracts with terms of greater than one year);

evergreen contracts (*i.e.*, contracts with annual renewal clauses or no stated contract term);

renewals of commercial agreements previously requiring Special Transactions Committee approval; and

licenses or other arrangements involving any of our material intellectual property.

The review and approval of proposed transactions, arrangements or agreements which do not meet any of the criteria set forth above have been delegated by the Special Transactions Committee to our internal management committee.

During our 2007 fiscal year, we engaged in various transactions, arrangements or agreements with Cargill which are described below. The Special Transactions Committee or our internal management committee have either approved or ratified these transactions, arrangements or agreements.

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We negotiated each of the following transactions, arrangements and agreements with Cargill on the basis of what we believe to be competitive market practices.

Master Transition Services Agreement and Amendment; Master Services Agreement

In connection with the combination between IMC and the fertilizer businesses of Cargill, we and Cargill entered into a master transition services agreement. Pursuant to the master transition services agreement, Cargill agreed to provide us with various transition-related services pursuant to individual work orders negotiated with us. We have entered into individual work orders for services in various countries, including Argentina, Australia, Brazil, Canada, Chile, China, France, Hong Kong, India, Mexico, Russia, Thailand, Ukraine, the United States and Vietnam. Each of these work orders has been approved by the Special Transactions Committee or our internal management committee. Generally speaking, each work order is related to services provided by Cargill for its fertilizer businesses prior to the combination which were continued for our benefit post-combination. Services provided by Cargill include, but are not limited to, accounting, accounts payable and receivable processing, certain financial reporting, financial service center, graphics, human resources, information technology, insurance, legal, license and tonnage reporting, mail services, maintenance, marketing, office services, procurement, public relations, records, strategy and business development, tax, travel services and expense reporting, treasury, and other administrative and functional related services. The services performed may be modified by our mutual agreement with Cargill. The initial master transition services agreement with Cargill expired in October 2005 and was renewed through October 2006. In October 2006 Cargill agreed to continue to provide certain services to us and the parties entered into a master services agreement on terms similar to the master transition services agreement. We have renewed several work orders under which Cargill had been performing services on a transitional basis. Each of these work orders has been approved by the Special Transactions Committee or by our internal management committee. We believe that the fees we pay for these services are comparable to those that we would pay if we performed them or had them performed by unaffiliated third parties. We paid Cargill approximately \$10.9 million for the global services provided by Cargill under the master transition services agreement and the master services agreement in fiscal 2007.

Fertilizer Supply Agreement (U.S.)

We sell fertilizer products to Cargill's AgHorizons business unit which it resells through its retail fertilizer stores in the U.S. Under a fertilizer supply agreement, we sell nitrogen, phosphate and potash products at prices set forth in price lists that we issue from time to time to our customers. In addition, we may sell to Cargill certain products produced by third parties. We have also agreed to make available to Cargill AgHorizons on regular commercial terms, new fertilizer products and agronomic services that are developed. Cargill AgHorizons is not obligated to purchase any minimum volume of fertilizer products and we are under no obligation to supply such products unless the parties agree to specific volumes and prices on a transaction-by-transaction basis. Our supply agreement is in effect until September 30, 2007. At that time it may be renewed by the mutual written agreement of the parties. We sold approximately \$10.7 million of fertilizer products to Cargill AgHorizons in fiscal 2007.

Fertilizer Supply Agreement (Canada)

We sell fertilizer products produced to a Canadian subsidiary of Cargill. Cargill purchases the substantial majority of its Canadian fertilizer requirements from us for its retail fertilizer stores in Western Canada. The agreement provides that we will sell nitrogen, phosphate and potash products at prices set forth in price lists we issue from time to time to our customers. In addition, we may sell Cargill certain products produced by third parties for a per tonne sourcing fee. In exchange for Cargill's commitment to purchase the substantial majority of its fertilizer needs from us and because it is one of our largest customers in Canada, we have also agreed to make new fertilizer products and agronomic services, to the extent marketed by us, available to Cargill on regular commercial terms. We have also granted Cargill price protection against sales made to other retailers for equivalent products or services at lesser prices or rates. In addition, because of the volume of purchases by Cargill, we have agreed to pay a per tonne rebate at the end of each contract year if annual purchase volumes exceed certain thresholds. We sold approximately \$170 million of fertilizer products to Cargill under this supply agreement in fiscal 2007.

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Phosphate Supply Agreement

We have a supply agreement with Cargill's subsidiary in Argentina for phosphate-based fertilizers. Cargill has no obligation to purchase any minimum quantities of fertilizer products from us and we have no obligation to supply any minimum quantities of products to Cargill. This agreement has been renewed through May 31, 2008. We sold approximately \$20.2 million of fertilizer products to Cargill under this supply agreement in fiscal 2007.

Spot Fertilizer Sales

From time to time, we make spot fertilizer sales to Cargill's subsidiary in Paraguay. Pricing for fertilizer sales under this relationship is by mutual agreement of the parties at the time of sale. We are under no obligation to sell fertilizer to Cargill under this relationship. Cargill purchased approximately \$18.6 million of fertilizer products from us in fiscal 2007.

Agreement for Supply of Untreated Granular White Potassium Chloride

We have an agreement to sell untreated white muriate of potash to Cargill's salt business in the United States. Under this arrangement, which expires in December 2007, white muriate of potash is sold at fixed prices and delivered to various Cargill facilities, with freight adjustments to occur after July 1, 2007 for the remaining term of the agreement. We sold approximately \$2.2 million of potash to Cargill under this agreement in fiscal 2007.

Feed Supply Agreements and Renewals

We have various agreements relating to the supply of feed grade phosphate, potash and urea products to Cargill's animal nutrition, grain and oilseeds, and poultry businesses. The sales are generally on a spot basis in Brazil, Canada, Indonesia, Mexico, Philippines, Taiwan, the United States, Vietnam, Uruguay and Venezuela. Cargill has no obligation to purchase any minimum of feed grade products from us and we have no obligation to supply any minimum amount of feed grade products to Cargill. Sales are negotiated by the parties at the time of purchase. These supply agreements are in effect until May 31, 2008. We sold approximately \$27.2 million of feed grade products to Cargill under these agreements in fiscal 2007.

Fruit Purchase Contracts

We own a significant amount of land in Florida, including several thousand acres of citrus groves. Because we are not in the fruit processing business, we have entered into several contracts to sell fruit to Cargill, which was previously in the fruit processing business. In exchange for the fruit, Cargill paid us a per box fee depending on the type of fruit purchased. We and Cargill terminated two of these agreements effective May 31, 2007, and the others expired on June 30, 2007. We sold approximately \$8.4 million of citrus to Cargill under these fruit purchase agreements in fiscal 2007.

Fertilizer Agency Agreement

We have retained Cargill's subsidiary in Canada to perform marketing services for us relating to the sale of our fertilizer products to independent dealers in Western Canada, including the provinces of Manitoba, Saskatchewan, Alberta and British Columbia. Cargill has also assumed the accounts receivable credit risk in the event of nonpayment by our customers. We are responsible for establishing the prices and other terms upon which Cargill will solicit orders for our fertilizer products. We pay Cargill a per tonne marketing fee based on the estimated cost of marketing fertilizer in Western Canada if we did so with an internal sales force. We paid Cargill approximately \$2.1 million for marketing services under this agreement in fiscal 2007.

Ocean Transportation Agreement

We have a non-exclusive agreement with Cargill's Ocean Transportation Division to perform various freight related services for us. Freight services include, but are not limited to: (i) vessel and owner screening, (ii) freight

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rate quotes in specified routes and at specified times, (iii) advice on market opportunities and freight strategies for the shipment of our fertilizer products to international locations, and (iv) the execution of various operational tasks associated with the international shipment of our products. We pay a fee (1) in the case of voyage charters, an address commission calculated as a percentage of the voyage freight value, (2) in the case of time charters, an address commission calculated as a percentage of the time-charter hire, and (3) in the case of forward freight agreements, a commission calculated as a percentage of the forward freight agreement notional value. Our agreement provides that the parties may renegotiate fees during its term, and the agreement is in effect until either party terminates it by providing 60 days prior written notice to the other party. We paid Cargill approximately \$59.2 million (inclusive of fees and freight paid to Cargill, which is responsible for payment to vessel owners and charterers) for freight and related services under this agreement in fiscal 2007.

Barge Freight Sales Agreement

We have an agreement with Cargill under which we purchase northbound and southbound barge freight for the transport of our nitrogen, phosphate and potash fertilizer products in the United States. We have agreed to purchase a specified number of barge loadings per contract year, which we estimate to be approximately 25% of our annual barge freight purchases. Cargill has agreed to provide suitable covered hopper barges with towing power as required. The agreement includes standard barge freight terms such as destination restrictions, surcharge adjustments, tonnage minimums, free time, demurrage, barge cleaning and other terms. We and Cargill have agreed on barge freight rates calculated on a per tonne basis which are dependent upon the origin and destination of our shipments. This agreement is in effect until the summer of 2007. We paid approximately \$5.0 million to Cargill for barge freight and related services under this agreement in fiscal 2007.

Services Agreements for Logistics and General Services

Our Argentine subsidiary has entered into services agreements with Cargill's Argentine subsidiary, which originates fertilizer and sells crop nutrients to farmers from its country stations in Argentina. Under the terms of the services agreement, we supply services related to fertilizer origination, administration, storage and dispatch. This agreement is in effect until May 31, 2009, unless terminated earlier by the parties and will automatically renew for an additional two-year term unless terminated by either party at least 90 days prior to the expiration of the original term. We have also agreed to make available to Cargill 40,000 metric tonnes of storage space per month as well as to a daily dispatch of 30 trucks for fertilizer shipments. Fees are paid by Cargill based upon a fee schedule for each service we perform. Cargill paid approximately \$2.0 million to us for these services in fiscal 2007.

In addition, we have entered into an agreement to provide services to Cargill's Argentine subsidiary relating to the purchase, import, storage, transportation, distribution, marketing and sale of fertilizers and/or petrochemicals. To leverage our fertilizer infrastructure and expertise, we have agreed to perform certain purchasing and forwarding management services, and have also agreed to provide counseling in the administration and handling of fertilizer stocks, equipment maintenance, general and special technical agronomic matters, research and development, commercial management and personnel training. This agreement was for a period of 12 months expiring on May 31, 2007. Fees are pursuant to a price list agreed to by the parties. Cargill paid approximately \$3.0 million to us for services pursuant to these agreements in fiscal 2007.

Shared Services and Access Agreements

We have an agreement with Cargill relating to miscellaneous operational matters at our Houston, Texas port facility and at our Savage, Minnesota river facility, both of which are adjacent to grain, oilseed and/or salt facilities owned and operated by Cargill. The agreements address various co-location matters, including the granting of easements from one party to the other, understandings relating to shared services and the allocation or sharing of costs relating to matters such as security, vessel berthing and logistics, channel dredging, utilities, truck scales, road and rail track maintenance, as well as other repair and maintenance activities. In addition, the Houston agreement calls for us to provide loading and unloading services to Cargill at specified per tonne rates.

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The Savage arrangement provides that we will perform unloading services for Cargill's salt business between March and November, weather conditions permitting, and further provides that we will scale trucks loaded with salt for a negotiated fee. The agreements will be in effect as long as we and Cargill own property at the Houston and Savage facilities. Cargill paid us approximately \$265,000 for services performed by us under these agreements in fiscal 2007.

Product Purchase, Storage and Handling Agreement

We retain Cargill, as owner and operator of a bulk materials handling terminal in Pipestone, Minnesota, to store various dry fertilizers and non-grain feed products, and to perform certain unloading, transfer and loading services for us. In addition, Cargill purchases a substantial amount of its phosphate requirements from us at this facility. In exchange for the storage and handling services provided by Cargill, we have agreed to pay a per short ton inbound handling fee for transfer of products into Pipestone as well as a per short ton handling fee for all wholesale short tons that pass through this facility. We estimate that 40,000 short tons of product will be put through the Pipestone facility on an annual basis. This agreement expires on May 31, 2008. We paid Cargill approximately \$70,000 for storage and handling services at Pipestone and Cargill paid us approximately \$2.9 million for fertilizer products purchased in fiscal 2007.

Storage and Handling Agreement

We have an agreement with Cargill's subsidiary in Canada for the exclusive storage of various Mosaic fertilizer products in Clavet, Saskatchewan. Under this arrangement Cargill also performs certain unloading, transfer and loading services for us. We guarantee a minimum 35,000 tonnes of combined throughput each year for a three year period ending in September, 2007. We paid approximately \$520,000 to Cargill for storage and handling services under this agreement in fiscal 2007.

Barter Agreements

We have a barter relationship with Cargill's grain and oilseed business in Brazil. Cargill's Brazilian subsidiary, Mosaic and Brazilian farmers may, from time to time, enter into commercial arrangements pursuant to which farmers agree to forward delivery grain contracts with Cargill, and in turn, use cash generated from the transactions to purchase fertilizer from us. Similarly, in Argentina, we enter into agreements with farmers who purchase fertilizer products from us and agree to sell their grain to us upon harvest. Upon receipt of the grain, we have agreements to sell it to Cargill's grain and oilseed business in Argentina. The number of barter transactions with Cargill's subsidiaries varies from year to year. The Brazil agreement remains in effect until either party terminates it by providing 90 days prior written notice to the other party. In Argentina, the agreement is in effect until October 22, 2007. Cargill paid us approximately \$82.0 million in Brazil and \$39.2 million in Argentina under these relationships in fiscal 2007.

Energy Services Consulting Agreement

We have an Energy Services Consulting Agreement with Cargill. Under the terms of this agreement, Cargill provides natural gas risk management consulting services to us in the United States. The current agreement replaced a temporary month-to-month risk management agreement between the parties. The agreement is for a one year term and automatically renews on each December 31 unless otherwise terminated by either party. We paid Cargill approximately \$210,000 for risk management consulting services under this agreement in fiscal 2007.

Vegetable Oil Loadout Agreement

We have regularly provided loadout services at our Quebracho, port facility in Argentina for Cargill's grain and oilseed business in Argentina which is located adjacent to our fertilizer operations. We have a 50-year agreement under which we have agreed to continue to loadout refined vegetable oil to vessels provided by Cargill. In exchange for these loadout services Cargill paid us approximately \$130,000 in fiscal 2007.

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Concentrates Industrialization Contract

In Brazil, we agreed to manufacture feed products for a third party using raw materials supplied to us by Cargill. This agreement was extended by the parties until July 2007. During fiscal 2007, we purchased \$401,000 of premix product from Cargill and sold the products produced to Cargill under our existing supply agreement.

Real Property Matters

We constructed a new single superphosphate manufacturing facility adjacent to our Quebracho port terminal in Argentina, which commenced operations in July 2006. The real property on which the facility has been constructed is currently owned by Cargill's Argentine subsidiary which has agreed to sell us the property for approximately \$385,000. During fiscal 2007, we paid Cargill a down payment of \$100,000 to be applied against the purchase price of the land. We expect to finalize the purchase in the fall of 2007.

Miscellaneous Co-Location Agreements

We have various office sharing and sublease arrangements with Cargill in various geographic locations, including with respect to certain offices in Argentina, China, Hong Kong and the U.S.

Aircraft Time Sharing Agreement

We have a time sharing arrangement for the lease of certain aircraft operated by Cargill. Corporate aircraft are made available to us for use on an as-available basis. This agreement is in effect until terminated by either party on 90 days prior written notice. The aircraft is leased pursuant to Federal Aviation Administration regulations. We pay Cargill a fee not to exceed the actual expenses for each flight. We paid Cargill \$83,000 under this arrangement in fiscal 2007.

Salt Storage and Handling Agreement Barge Terminal

We have an agreement with Cargill to store deicing salt and to perform certain unloading, transfer and loading services at our Pekin, Illinois warehouse facility. In addition, we rent to Cargill two storage bins for the storage of salt. In exchange for these services, Cargill pays a bin rental fee to us as well as a per ton fee for unloading barges and loading trucks, to maintain certified scales for weights, and to provide personnel to prepare the applicable documentation. This agreement expired April 30, 2007. Cargill paid us \$5.0 million in fiscal 2007.

Miscellaneous

There are various other agreements between us and Cargill which we believe are not material to us.

Other Agreements

We have a Program Agreement with Incentive Services, Inc. under which it is a preferred supplier for our employee service recognition programs in the U.S. and Canada. In addition, we have purchased miscellaneous supplies from Incentive Services that we use for business purposes. We paid Incentive Services approximately \$153,000 for employee recognition awards and various supplies in fiscal 2007. A son-in-law of Fredric W. Corrigan, our former Chief Executive Officer, President and a current director, is employed by, and part owner of, Incentive Services. Incentive Services was selected by us after the review of various potential suppliers and Mr. Corrigan did not participate in our selection process.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

During fiscal 2007, the Compensation Committee of our Board of Directors was comprised of Messrs. Bastiaens, Mathis, Michel, Monahan and Seibert. No Compensation Committee interlocks nor insider participation occurred during fiscal 2007.

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AUDIT COMMITTEE REPORT AND

PAYMENT OF FEES TO INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Report of the Audit Committee

The Audit Committee oversees Mosaic's financial reporting process on behalf of the Board of Directors. Management has the primary responsibility for the financial statements and the reporting process. In fulfilling its oversight responsibilities, the Audit Committee reviewed and discussed the audited financial statements in the Annual Report on Form 10-K, including the footnotes and Management's Discussion and Analysis of Financial Condition and Results of Operations, with management. This included a discussion of the quality, not just the acceptability, of the accounting principles, the reasonableness of significant judgments and the clarity of disclosures in the financial statements.

As part of its oversight, the Audit Committee reviewed with management the following material included or summarized in Item 9A of the Annual Report on Form 10-K:

Management's report on its assessment of the effectiveness of Mosaic's internal control over financial reporting; and

Management's conclusions regarding the effectiveness of Mosaic's disclosure controls and procedures.

The Audit Committee also reviewed with Mosaic's independent registered public accounting firm, KPMG LLP, its report on management's assessment, and the effectiveness, of internal control over financial reporting included in the Annual Report on Form 10-K. Management has the primary responsibility for maintaining adequate internal control over financial reporting and disclosure controls and procedures. KPMG LLP has the responsibility for auditing management's assessment, and the effectiveness, of internal control over financial reporting as of year end and expressing an opinion thereon based on its audit.

The Audit Committee also reviewed with KPMG LLP, who is responsible for expressing an opinion on the conformity of those audited financial statements with generally accepted accounting principles, its judgments as to the quality, not just the acceptability, of Mosaic's accounting principles and such other matters as are required to be discussed with the Audit Committee under generally accepted auditing standards and Statement on Auditing Standards No. 61, as amended. The Audit Committee has also reviewed with KPMG LLP and management the application and impact of new accounting rules, regulations, disclosure requirements and reporting practices on Mosaic's financial statements and reports. In addition, the Audit Committee has discussed with KPMG LLP its independence from management and Mosaic, including the matters in the written disclosures required by the Independence Standards Board Standard No. 1. The Audit Committee has also reviewed and considered the compatibility of nonaudit services with regard to KPMG LLP's independence.

The Audit Committee discussed with our internal auditor and KPMG LLP the overall scope and plans for their respective audits. The Audit Committee meets with our internal auditor and our independent registered public accounting firm, with and without management present, to discuss the results of their audits, their evaluations of our internal controls and the overall quality of our financial reporting.

In reliance on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors that the audited financial statements and the reports of KPMG LLP be included in the Annual Report on Form 10-K for the year ended May 31, 2007 for filing with the SEC. The Audit Committee has also approved the reappointment of KPMG LLP as Mosaic's independent registered public accounting firm to audit the financial statements for our 2008 fiscal year.

Respectfully submitted,

Raymond F. Bentele, *Chair*

Phyllis E. Cochran

William R. Graber

David B. Mathis

William T. Monahan

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During our 2007 and 2006 fiscal years, KPMG LLP (KPMG) provided us with audit, audit-related, tax compliance and planning and other services. We incurred the following fees for services performed by KPMG for these periods:

	2006	2007
Audit Fees	\$ 6,635,000	\$ 6,539,000
Audit-Related Fees	166,000	188,000
Tax Fees	222,000	272,000
All Other Fees	41,000	

Audit fees include fees associated with the annual financial statement audit and the audit of internal controls over financial reporting as required by Section 404 of the Sarbanes-Oxley Act of 2002. Also included are fees related to the review of our quarterly reports on Form 10-Q, statutory reporting required internationally, other audits required, as well as assistance with review of documents filed with the SEC.

Audit-related fees principally include fees associated with employee benefit plan audits, certain attest services and accounting consultations. No internal audit assistance services were rendered during such periods.

Tax fees include tax compliance fees related to tax return preparation and review.

Other fees in fiscal 2006 include fees associated with training our employees regarding U.S. generally accepted accounting principles.

The Audit Committee of the Board of Directors has concluded that none of the services provided by KPMG has impaired KPMG's independence.

Pre-Approval of Independent Registered Public Accounting Firm Services

Pursuant to the Audit Committee's charter and independent registered public accounting firm services pre-approval policies adopted by the Audit Committee, the Audit Committee pre-approves the annual audit fees and terms of engagement of our independent registered public accounting firm. In addition, the Audit Committee's pre-approval policies identify specified categories of audit-related and tax services that may be provided by the independent registered public accounting firm.

The independent registered public accounting firm may be considered for other services not specifically approved as described above so long as the performance of such services by the independent registered public accounting firm are not prohibited by rules of the SEC.

Any engagement of the independent registered public accounting firm must be pre-approved by the Audit Committee or the Chair of the Audit Committee. All approvals granted by the Chair are reported to the Audit Committee at its next scheduled meeting.

In pre-approving a proposed engagement of the independent registered public accounting firm, the Audit Committee or its Chair considers the impact of the proposed engagement on the independence of the independent registered public accounting firm. If the services do not impair independence, the Audit Committee or its Chair considers such other factors as it deems relevant. Such factors may include, among other matters, (i) the relationship between fees for audit and non-audit services, (ii) whether the independent registered public accounting firm is best positioned to provide the most effective and efficient services, (iii) whether the services will improve the quality of the annual audit, (iv) cost, and (v) familiarity with our business, accounting and business systems, accounting principles and corporate structure.

In addition, the Audit Committee, pursuant to its charter, reviews on an annual basis a formal written statement from the independent registered public accounting firm delineating all relationships between the

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independent registered public accounting firm and Mosaic and its subsidiaries, consistent with Independence Standards Board Standard No. 1, and discusses with the independent registered public accounting firm its methods and procedures for assuring independence.

All of the services provided by KPMG for our 2007 and 2006 fiscal years were approved by the Audit Committee or its Chair under its policies. None of the services provided by KPMG for our 2007 or 2006 fiscal years were approved after the fact in reliance upon the *de minimis* exception of Regulation S-X promulgated by the SEC.

PROPOSAL NO. 2 RATIFICATION OF THE APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

On July 26, 2007, the Audit Committee of the Board of Directors appointed KPMG as the independent registered public accounting firm to audit our consolidated financial statements for the fiscal year ending May 31, 2008.

While we are not required to do so, we are submitting the appointment of KPMG to serve as our independent registered public accounting firm for the fiscal year ending May 31, 2008 for ratification in order to ascertain the views of our stockholders on this appointment. If the appointment is not ratified, the Audit Committee will reconsider its selection. Representatives of KPMG are expected to be present at the Annual Meeting and will have the opportunity to make any statements they may desire. They also will be available to respond to appropriate questions of the stockholders.

The Board of Directors recommends a vote FOR ratification of the appointment of KPMG LLP as our independent registered public accounting firm.

STOCKHOLDER PROPOSALS AND NOMINATIONS FOR THE 2008 ANNUAL MEETING OF STOCKHOLDERS

Our bylaws establish an advance notice procedure for stockholder proposals at our 2008 Annual Meeting of Stockholders. For business to be properly brought before the annual meeting by a stockholder, and for stockholder recommendations of future director nominees to be considered by the Corporate Governance and Nominating Committee:

the stockholder must have given written notice thereof to the Corporate Secretary;

the notice must be delivered or mailed to and received at our principal executive offices not later than 90 days nor more than 120 days prior to the anniversary date of the immediately preceding annual meeting. A stockholder proposal or nomination intended to be brought before the 2008 Annual Meeting must be received by the Corporate Secretary no earlier than June 6, 2008 and no later than July 6, 2008;

delivery must be by hand or by certified or registered mail, return receipt requested;
the notice must include:

a brief description of the business desired to be brought before the Annual Meeting and the reasons for conducting such business at the Annual Meeting;

the name and address, as they appear on our books, of the stockholder proposing such business;

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a representation that the stockholder is a holder of record of shares of our stock entitled to vote with respect to such business and intends to appear in person or by proxy at the meeting to move the consideration of such business;

the class and number of shares the stockholder beneficially owns; and

any material interest of the stockholder in such business.

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Additional requirements relating to a notice of nomination are described in this proxy statement under the caption Policies Relating to the Board of Directors Nomination and Selection of Directors.

Proposals for inclusion in our proxy material for our 2008 Annual Meeting pursuant to Rule 14a-8 of the proxy rules of the SEC are not subject to the requirements described above. Such proposals must be received by April 25, 2008 and meet the other requirements of Rule 14a-8 to be eligible for inclusion in our proxy material for our 2008 Annual Meeting.

ANNUAL REPORT TO STOCKHOLDERS AND FORM 10-K

Our 2007 Annual Report to Stockholders, including financial statements for the fiscal year ended May 31, 2007, accompanies this proxy statement but is not incorporated in this proxy statement and is not a part of the proxy soliciting material. Stockholders who wish to obtain an additional copy of our Annual Report to Stockholders or a copy of our Annual Report on Form 10-K filed with the SEC for the fiscal year ended May 31, 2007 may do so without charge by viewing these documents on our website at www.mosaicco.com, or by directing a written request to The Mosaic Company, Atria Corporate Center, Suite E490, 3033 Campus Drive, Plymouth, Minnesota 55441, Attention: Vice President Investor Relations, or by telephone at (763) 577-2867.

OTHER MATTERS

We know of no matters which will be presented for consideration at the annual meeting other than those stated in the Notice of 2007 Annual Meeting of Stockholders and described in this proxy statement. If any matter properly comes before the annual meeting, the persons named in the accompanying proxy card will vote such proxy in accordance with their judgment regarding such matters, including the election of a director or directors other than those named herein if an emergency or unexpected occurrence makes the use of discretionary authority necessary, and also regarding matters incident to the conduct of the 2007 Annual Meeting of Stockholders.

By Order of the Board of Directors

Richard L. Mack

Senior Vice President, General Counsel and Corporate Secretary

August 23, 2007

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DIRECTIONS TO RADISSON HOTEL AND CONFERENCE CENTER

The meeting will be held at the Radisson Hotel and Conference Center, 3131 Campus Drive, Plymouth, Minnesota 55441. The general telephone number for the Radisson Hotel and Conference Center is (763) 559-6600.

General Directions

The Radisson Hotel and Conference Center is just east of I-494 between Hwy 55 and Rockford Road. From the County Rd. 9/Rockford Road exit proceed east on County Rd. 9/Rockford Road. Turn South on Vinewood. The Hotel is approximately 2 miles south, on the west side of the road.

From Minneapolis-St. Paul International Airport

Follow Interstate 494 West. It will become Interstate 494 North. Stay on I-494 North until Highway 55, Exit 22. Turn right onto Highway 55 East, then left (north) at the first set of signal lights, onto Northwest Boulevard. Turn left at Xenium Lane and follow Xenium Lane to the Hotel. The Hotel will be on the left.

From Downtown Minneapolis

Take Interstate 394 West to the Plymouth Road Exit. Turn right and follow Plymouth Road, which will become Northwest Boulevard. After crossing Highway 55, turn left at Xenium Lane. Follow Xenium Lane to the Hotel. The Hotel will be on the left.

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THE MOSAIC COMPANY

**Proxy Solicited on Behalf of the Board of Directors of
the Company for the Annual Meeting, October 4, 2007**

The undersigned hereby constitutes and appoints James T. Prokopanko, Lawrence W. Stranghoener, and

Richard L. Mack and each of them, with full power of substitution, Proxies to represent the undersigned at the Annual Meeting of Stockholders of The Mosaic Company to be held at the Radisson Hotel and Conference Center, 3131 Campus Drive, Plymouth, Minnesota 55441, on October 4, 2007, at 10:00 a.m., local time, and at any adjournments thereof, and to vote on all matters coming before said meeting, hereby revoking any

You are encouraged to specify your choices by marking the appropriate boxes (SEE REVERSE SIDE), but you need not mark any boxes if you wish to vote in accordance with the Board of Directors' recommendations as noted in the proxy statement and on the reverse side of this card. The Proxies cannot vote these shares unless you sign and return this card.

Address Changes/Comments: _____

(If you noted any Address Changes/Comments above, please mark corresponding box on the reverse side.)

(Continued and to be signed on the reverse side)

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THE MOSAIC COMPANY

C/O AMERICAN STOCK TRANSFER

6201 FIFTEENTH AVE.

BROOKLYN, NY 11219

VOTE BY INTERNET - www.proxyvote.com

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 12:00 noon Eastern Time on Wednesday, October 3, 2007. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

ELECTRONIC DELIVERY OF FUTURE SHAREHOLDER

COMMUNICATIONS

If you would like to reduce the costs incurred by The Mosaic Company in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access shareholder communications electronically in future years.

VOTE BY PHONE - 1-800-690-6903

Use any touch-tone telephone to transmit your voting instructions up until 12:00 noon Eastern Time on Wednesday, October 3, 2007. Have your proxy card in hand when you call and then follow the instructions.

VOTE BY MAIL

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to The Mosaic Company, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS: MOSAC1

KEEP THIS PORTION FOR YOUR RECORDS

DETACH AND RETURN THIS PORTION ONLY

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

THE MOSAIC COMPANY

**THE BOARD OF DIRECTORS
RECOMMENDS A VOTE FOR THE
ELECTION OF EACH DIRECTOR NOMINEE
LISTED IN PROPOSAL 1 AND FOR**

For Withhold For All To withhold authority to vote for any individual

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PROPOSAL 2.

All All Except nominee(s), mark For All Except and write the number(s) of the nominee(s) on the line below.

1. Election of four (4) members of the Board of Directors:

Nominees:

- 01) F.Guillaume Bastiaens
- 02) Raymond F.Bentele
- 03) Richard D.Frasch
- 04) William R.Grabber

For Against Abstain

2. Ratification of the appointment of KPMG LLP as independent registered public accounting firm.

3. In their discretion, the Proxies are authorized to transact other business that properly may come before the meeting or any adjournment of the meeting.

THIS PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED AS DIRECTED OR, IF NO DIRECTION IS GIVEN, WILL BE VOTED FOR THE ELECTION OF EACH OF THE DIRECTOR NOMINEES LISTED IN PROPOSAL 1 AND FOR PROPOSAL 2.

For address changes and/or comments, please check this box and write them on the back where indicated. ..

Note: Please sign exactly as your name or names appear(s) on this Proxy. When shares are held jointly, each holder should sign. When signing as executor, administrator, attorney, trustee or guardian, please give full title as such. If the signer is a corporation, please sign full corporate name by duly authorized officer, giving full title as such. If signer is a partnership, please sign in partnership name by authorized person.

Please indicate if you plan to attend this meeting.
Yes No

Signature [PLEASE SIGN WITHIN BOX] Date

Signature (Joint Owners) Date