

COMMERCE BANCORP INC /NJ/

Form DEFM14A

January 04, 2008

**Table of Contents**

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

**SCHEDULE 14A  
(RULE 14a-101)**

**SCHEDULE 14A INFORMATION**

**Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Under Rule 14a-12

**Commerce Bancorp, Inc.**  
**(Name of Registrant as Specified in Its Charter)**  
**N/A**

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

Payment of Filing Fee (Check the appropriate box):

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

- (1) Title of each class of securities to which transaction applies:
  
  
  
  
  
  
  
  
  
  
- (2) Aggregate number of securities to which transaction applies:
  
  
  
  
  
  
  
  
  
  
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- o Fee paid previously with preliminary materials.
- o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

(1) Amount previously paid:

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

(3) Filing Party:

(4) Date Filed:



**Table of Contents**

PROPOSED MERGER TRANSACTION YOUR VOTE IS VERY IMPORTANT

Commerce Bancorp, Inc., or Commerce, entered into a merger agreement with The Toronto-Dominion Bank, or TD, which provides for TD to acquire Commerce. If the merger is completed, you will receive \$10.50 in cash and 0.4142 TD common shares (plus cash in lieu of any fractional share interests) for each share of Commerce common stock you hold immediately prior to the completion of the merger. Based on the closing price of TD common shares as reported on the New York Stock Exchange on October 1, 2007, the last trading day before public announcement of the merger, the merger consideration represented \$42.37 in value for each share of Commerce common stock. Based on the closing price of TD common shares as reported on the New York Stock Exchange on January 3, 2008, the last practicable date before the date of this document, the merger consideration represented \$38.89 in value for each share of Commerce common stock. The exchange ratio of 0.4142 TD common shares is fixed and will only be adjusted in limited circumstances. The exchange ratio will not be adjusted to reflect changes in the stock price of Commerce or TD. The dollar value of the stock consideration Commerce shareholders receive will change depending on changes in the market price of TD common shares and will not be known at the time you vote on the merger. TD's common shares and Commerce's common stock are listed on the New York Stock Exchange under the symbols TD and CBH, respectively, and TD's common shares are also listed on the Toronto Stock Exchange under the symbol TD. You should obtain current market quotations for both securities. The merger will be a taxable transaction for Commerce shareholders for United States federal income tax purposes.

At Commerce's special meeting of its shareholders, you will have the opportunity to vote on the approval of the plan of merger contained in the Agreement and Plan of Merger, or merger agreement, dated as of October 2, 2007, among Commerce, TD and Cardinal Merger Co., a wholly-owned subsidiary of TD. The special meeting of Commerce shareholders will be held at Commerce University, 4140 Church Road, Mt. Laurel, New Jersey, on February 6, 2008, at 4:00 p.m., local time, to vote on the approval of the plan of merger. **Our board of directors unanimously recommends that you vote FOR the approval of the plan of merger.**

Based on the number of shares of Commerce common stock outstanding as of the record date, TD expects to issue approximately 81 million TD common shares to Commerce shareholders upon completion of the merger. In addition, TD expects that additional TD common shares will be issuable in respect of converted Commerce stock options. However, any increase or decrease in the number of shares of Commerce common stock outstanding that occurs for any reason prior to completion of the merger would cause the actual number of TD common shares issued in the merger to change.

**Your Vote Is Very Important.** Approval of the plan of merger contained in the merger agreement requires the affirmative vote of a majority of the votes cast at the Commerce special meeting. Whether or not you plan to attend the special meeting, please take the time to vote by completing and mailing the enclosed proxy card to us. If your shares are held in street name, you must instruct your broker in order to vote.

**This proxy statement/prospectus contains detailed information about the special meeting, the proposed merger, documents related to the merger and other related matters, and we urge you to read it carefully, including the section entitled Risk Factors beginning on page 21.**

We appreciate your continued support.

Sincerely,

Dennis M. DiFlorio

Chairman of Commerce Bank, N.A.

**NEITHER THE SECURITIES AND EXCHANGE COMMISSION, OR SEC, NOR ANY U.S. STATE OR CANADIAN PROVINCIAL OR TERRITORIAL SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE SECURITIES TO BE ISSUED IN CONNECTION WITH THE MERGER OR DETERMINED IF THIS PROXY STATEMENT/PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

**The securities to be issued in the merger are not savings or deposit accounts and are not insured by the Federal Deposit Insurance Corporation, the Canada Deposit Insurance Corporation or any other governmental agency.**

The date of this proxy statement/prospectus is January 4, 2008, and it is first being mailed or otherwise delivered to Commerce shareholders on or about January 7, 2008.

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**Table of Contents**

**REFERENCES TO ADDITIONAL INFORMATION**

This proxy statement/prospectus incorporates important business and financial information about Commerce and TD from documents that are 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 documents related to Commerce and TD that are incorporated by reference in this proxy statement/prospectus, other than certain exhibits to the documents, without charge, by requesting them in writing or by telephone from the appropriate company.

Commerce Bancorp, Inc.  
Commerce Atrium  
1701 Route 70 East  
Cherry Hill, NJ 08034-5400  
Attn: C. Edward Jordan, Jr.  
Executive Vice President  
(856) 751-9000

TD Bank Financial Group  
Investor Relations  
66 Wellington Street West  
Toronto, Ontario, Canada M5K 1A2  
(416) 308-9030  
tdir@td.com

In addition, if you have questions about the merger or the special meeting, need additional copies of this document or need to obtain proxy cards or other information related to the proxy solicitation, you may contact the appropriate contact listed below. You will not be charged for any of these documents that you request.

Morrow & Co., LLC  
470 West Avenue  
Stamford, CT 06902  
Toll free telephone: (800) 573-4370  
Brokers and banks, please call: (203) 658-9400  
commercebank.info@morrowco.com

**In order to receive timely delivery of requested documents in advance of the special meeting, you should make your request no later than January 30, 2008.**

**See Where You Can Find More Information beginning on page 108.**

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**Table of Contents**

**COMMERCE BANCORP, INC.**

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS  
TO BE HELD ON FEBRUARY 6, 2008**

**To the Shareholders of Commerce Bancorp, Inc.:**

We will hold a special meeting of shareholders at 4:00 p.m., local time, on February 6, 2008 at Commerce University, 4140 Church Road, Mt. Laurel, New Jersey to consider and vote upon the following matters:

a proposal to approve the plan of merger contained in the Agreement and Plan of Merger, dated as of October 2, 2007, among Commerce Bancorp, Inc., The Toronto-Dominion Bank and Cardinal Merger Co., pursuant to which Cardinal Merger Co. will merge with and into Commerce, whereupon the separate corporate existence of Cardinal Merger Co. will cease and Commerce will survive as a subsidiary of TD, as more fully described in the attached proxy statement/prospectus. A copy of the Agreement and Plan of Merger is included as **Appendix A** to the proxy statement/prospectus; and

a proposal to approve the adjournment or postponement of the special meeting, if necessary or appropriate, including to solicit additional proxies.

The close of business on December 14, 2007 has been fixed as the record date for determining those Commerce shareholders entitled to notice of, and to vote at, the special meeting and any adjournments or postponements of the special meeting. Only Commerce shareholders of record at the close of business on that date are entitled to notice of, and to vote at, the special meeting and any adjournments or postponements of the special meeting. Approval of the two proposals described above requires the affirmative vote of a majority of the votes cast at the special meeting by Commerce shareholders. If you wish to attend the special meeting and your shares are held in the name of a broker, trust, bank or other nominee, you must bring with you a proxy or letter from the broker, trustee, bank or other nominee to confirm your beneficial ownership.

**By order of the Board of Directors,**

C. Edward Jordan, Jr.  
Secretary

January 4, 2008

**YOUR VOTE IS IMPORTANT REGARDLESS OF THE NUMBER OF SHARES YOU OWN. WHETHER OR NOT YOU PLAN TO ATTEND THE SPECIAL MEETING IN PERSON, PLEASE VOTE YOUR PROXY BY TELEPHONE OR THROUGH THE INTERNET, AS DESCRIBED ON THE ENCLOSED PROXY CARD, OR COMPLETE, DATE, SIGN AND RETURN THE ENCLOSED PROXY CARD IN THE ENCLOSED ENVELOPE. IF YOU ATTEND THE SPECIAL MEETING, YOU MAY VOTE IN PERSON IF YOU WISH, EVEN IF YOU HAVE PREVIOUSLY RETURNED YOUR PROXY CARD OR VOTED BY TELEPHONE OR THROUGH THE INTERNET. PLEASE VOTE AT YOUR FIRST OPPORTUNITY.**

**COMMERCE S BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR APPROVAL OF THE PLAN OF MERGER AND FOR APPROVAL OF ANY ADJOURNMENT OR**

**POSTPONEMENT OF THE SPECIAL MEETING, IF NECESSARY OR APPROPRIATE, INCLUDING TO PERMIT FURTHER SOLICITATION OF PROXIES.**

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**Table of Contents**

**TABLE OF CONTENTS**

	<b>Page</b>
<u>SUMMARY</u>	1
<u>The Merger</u>	1
<u>Commerce Shareholders Will Receive Cash and TD Common Shares in the Merger</u>	1
<u>Treatment of Commerce Stock Options</u>	1
<u>Comparative Market Prices and Share Information</u>	2
<u>Commerce's Financial Advisor Has Delivered an Opinion that the Stock Consideration and Cash Consideration, Taken in the Aggregate, was Fair, from a Financial Point of View, to Commerce Shareholders</u>	2
<u>Material United States Federal Income Tax Consequences to Holders of Commerce Common Stock</u>	2
<u>Holders of Commerce Common Stock Do Not Have Dissenters' Rights of Appraisal</u>	2
<u>Commerce's Board of Directors Unanimously Recommends that You Vote FOR the Approval of the Plan of Merger</u>	3
<u>Your Rights as a Holder of TD Common Shares Will Be Different from Your Rights as a Holder of Commerce Common Stock</u>	3
<u>Commerce Executive Officers and Directors Have Financial and Other Interests in the Merger that are Different from or in Addition to Your Interests</u>	3
<u>The Companies</u>	3
<u>The Special Meeting of Commerce Shareholders</u>	4
<u>TD Shareholder Approval</u>	5
<u>The Merger Agreement</u>	5
<u>Completion of the Merger is Subject to Conditions</u>	5
<u>The Merger Agreement May Be Terminated Under Some Circumstances</u>	6
<u>Commerce May Be Required to Pay a Termination Fee Under Some Circumstances</u>	6
<u>Regulatory Approvals Required for the Merger</u>	6
<u>QUESTIONS AND ANSWERS ABOUT THE SPECIAL MEETING AND RELATED MATTERS</u>	8
<u>COMPARATIVE PER SHARE DATA</u>	12
<u>COMPARATIVE PER SHARE MARKET PRICE AND DIVIDEND INFORMATION</u>	14
<u>CURRENCY EXCHANGE RATE DATA</u>	16
<u>SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF TD</u>	17
<u>SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF COMMERCE</u>	19
<u>RISK FACTORS</u>	21
<u>CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS</u>	26
<u>THE SPECIAL MEETING</u>	27
<u>Date, Time and Place</u>	27
<u>Matters to be Considered</u>	27
<u>Proxies</u>	27
<u>Solicitation of Proxies</u>	28
<u>Record Date and Quorum</u>	28
<u>Vote Required</u>	28
<u>Participants in Commerce Employee Plans</u>	28
<u>Voting by Telephone or Through the Internet</u>	29
<u>Delivery of Proxy Materials</u>	29
<u>Recommendations of Commerce's Board of Directors</u>	29

<u>INFORMATION ABOUT THE COMPANIES</u>	30
<u>THE MERGER</u>	32
<u>Background of the Merger</u>	32
<u>Commerce's Reasons for the Merger</u>	36
<u>Opinion of Commerce's Financial Advisor</u>	40
<u>TD's Reasons for the Merger</u>	50
<u>Interests of Commerce's Executive Officers and Directors in the Merger</u>	50
<u>Material United States Federal Income Tax Consequences</u>	55
<u>Material Canadian Federal Income Tax Considerations</u>	60

**Table of Contents**

	<b>Page</b>
<u>Anticipated Accounting Treatment</u>	61
<u>Regulatory Matters Related to the Merger and Stock Exchange Listings</u>	61
<u>Merger Fees, Costs and Expenses</u>	63
<u>Exchange of Commerce Stock Certificates</u>	63
<u>Treatment of Commerce Stock Options</u>	64
<u>Treatment of Other Commerce Equity-Based Plans</u>	64
<u>No Dissenters Rights of Appraisal</u>	64
<u>Litigation Relating to the Merger</u>	64
<u>Resale of TD Common Shares</u>	65
<u>PROPOSAL NO. 1: THE MERGER AGREEMENT</u>	67
<u>Structure of the Merger</u>	67
<u>Merger Consideration</u>	67
<u>Surviving Corporation, Governing Documents and Directors</u>	68
<u>Closing</u>	68
<u>Effective Time of the Merger</u>	68
<u>Representations and Warranties</u>	68
<u>Covenants and Agreements</u>	71
<u>Conditions to the Merger</u>	77
<u>Termination</u>	78
<u>Effect of Termination</u>	79
<u>Termination Fees and Expenses</u>	79
<u>Amendments, Extension and Waivers</u>	80
<u>DIRECTORS AND MANAGEMENT OF TD</u>	81
<u>BENEFICIAL OWNERSHIP OF COMMERCE COMMON STOCK</u>	85
<u>DESCRIPTION OF TD SHARE CAPITAL</u>	88
<u>TD Capital Stock</u>	88
<u>TD Common Shares</u>	88
<u>TD Preferred Shares</u>	88
<u>Limitations Affecting Holders of TD Common Shares</u>	91
<u>Amendments to the Rights, Privileges, Restrictions and Conditions of TD s Share Capital</u>	91
<u>COMPARISON OF SHAREHOLDER RIGHTS</u>	92
<u>Authorized Capital Stock</u>	92
<u>Voting Rights</u>	92
<u>Number and Election of Directors</u>	93
<u>Quorum of the Board of Directors; Action by the Board of Directors</u>	93
<u>Filling Vacancies on the Board of Directors</u>	93
<u>Removal of Directors</u>	94
<u>Transactions with Directors and Officers</u>	94
<u>Exculpation of Liability</u>	95
<u>Director and Officer Indemnification</u>	95
<u>Annual Meeting of Shareholders</u>	96
<u>Special Meetings of Shareholders</u>	96
<u>Quorum of Shareholders</u>	97
<u>Shareholder Nominations</u>	97
<u>Shareholder Proposals</u>	98
<u>Shareholder Action Without a Meeting</u>	98

<u>Shareholder s Right to Examine Books and Records</u>	99
<u>Presentation of Financial Statements</u>	99
<u>Amendments of Governing Instruments</u>	99
<u>Vote on Mergers, Consolidations and Sales of Assets</u>	100
<u>Preemptive Rights</u>	101
<u>Dividends and Other Distributions</u>	101
<u>Appraisal and Dissent Rights</u>	102
<u>Stock Repurchases</u>	103

**Table of Contents**

	<b>Page</b>
<u>Derivative Actions</u>	103
<u>Anti-Takeover and Ownership Provisions</u>	104
<u>Shareholder Rights Plans</u>	105
<u>PROPOSAL NO. 2: ADJOURNMENT OF THE SPECIAL MEETING</u>	106
<u>TD MARKET ACTIVITIES INVOLVING TD COMMON SHARES</u>	107
<u>EXPERTS</u>	107
<u>LEGAL MATTERS</u>	108
<u>OTHER MATTERS</u>	108
<u>SHAREHOLDER PROPOSALS</u>	108
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	108
<u>Appendix A Agreement and Plan of Merger</u>	
<u>Appendix B Opinion of Goldman, Sachs &amp; Co.</u>	

**Table of Contents**

**SUMMARY**

*This summary highlights material information from this proxy statement/prospectus. It may not contain all of the information that may be important to you. You should carefully read this entire document, including the appendices and the other documents to which this document refers you, for a more complete understanding of the matters being considered at the special meeting. In addition, we incorporate by reference into this document important business and financial information about TD and Commerce. You may obtain the information incorporated by reference into this document without charge by following the instructions in the section entitled *Where You Can Find More Information* beginning on page 108. Where applicable, each item in this summary includes a page reference directing you to a more complete description of that item. All references in this proxy statement/prospectus to dollars, \$ or U.S.\$ are to U.S. dollars and all references to C\$ are to Canadian dollars.*

**The Merger (Page 32)**

The merger agreement provides for TD's indirect wholly-owned subsidiary, Cardinal Merger Co., to merge into Commerce, with Commerce surviving the merger as a wholly-owned subsidiary of TD.

**Commerce Shareholders Will Receive Cash and TD Common Shares in the Merger (Page 67)**

If the merger is completed, you will be entitled to receive, in exchange for each share of Commerce common stock you own immediately prior to the merger, the following:

0.4142 TD common shares; and

\$10.50 in cash.

You will not receive any fractional TD common shares. Instead, TD will pay you cash for any fractional TD common shares you would have otherwise received.

For example, if you own 1,000 shares of Commerce common stock, when the merger has been completed you will receive:

414 TD common shares;

\$10,500 in cash; and

for the fractional TD common share, cash in U.S. dollars equal to 0.2 (the remaining fractional interest in a TD common share) multiplied by the average of the daily volume weighted averages of a TD common share on the Toronto Stock Exchange for the five trading days immediately preceding the date of completion of the merger, as such price is converted from Canadian dollars into U.S. dollars.

The exchange ratio relating to the TD common shares you will receive is a fixed ratio, which means it will not be adjusted based on any changes in the trading price of TD common shares or Commerce common stock between now and the time the merger is completed. Therefore, the market value of the TD common shares you will receive in the merger will depend on the price of the TD common shares at the time the merger is completed and will not be known at the time Commerce shareholders vote on the merger. For information on recent market prices of the TD common shares and Commerce common stock, see *Comparative Per Share Market Price and Dividend Information* beginning on page 14. See also *Risk Factors* beginning on page 21.

You will need to surrender your Commerce common stock certificates to receive the merger consideration in exchange for your Commerce common stock. Please do not surrender your certificates until you receive written instructions from TD after we have completed the merger.

**Treatment of Commerce Stock Options (Page 64)**

Upon completion of the merger, each option to purchase shares of Commerce common stock outstanding under any of Commerce's stock incentive plans will be fully vested and will automatically convert into an option to purchase TD common shares, and each stock option plan thereof will be assumed and honored by TD in accordance with its terms.

**Table of Contents****Comparative Market Prices and Share Information (Page 14)**

The table below sets forth the closing sale prices of Commerce common stock and TD common shares as reported on the New York Stock Exchange Composite Tape on October 1, 2007, the last trading day before the public announcement of the merger, and January 3, 2008, the last practicable trading day before the distribution of this proxy statement/prospectus. The table also sets forth the equivalent pro forma sale price of Commerce common stock on each of these dates, as determined by multiplying the applicable closing sale price of TD common shares on the New York Stock Exchange by the exchange ratio of 0.4142 and adding the \$10.50 cash portion of the merger consideration. We urge you to obtain current market quotations for both TD common shares and Commerce common stock.

	<b>TD Common Shares</b>	<b>Commerce Common Stock</b>	<b>Commerce Common Stock Pro Forma Equivalent (including the \$10.50 cash portion)</b>
October 1, 2007	U.S.\$76.94	U.S.\$39.74	U.S.\$42.37
January 3, 2008	68.54	37.86	38.89

**Commerce's Financial Advisor Has Delivered an Opinion that the Stock Consideration and Cash Consideration, Taken in the Aggregate, was Fair, from a Financial Point of View, to Commerce Shareholders (Page 40 and Appendix B)**

Goldman, Sachs & Co., or Goldman Sachs, rendered its oral opinion to the board of directors of Commerce, which was subsequently confirmed in writing, that as of the date of the opinion, and based upon and subject to the factors and assumptions set forth in the opinion, the stock consideration and cash consideration to be received by the holders of Commerce common stock, taken in the aggregate, pursuant to the merger agreement was fair from a financial point of view to such holders. The full text of the written opinion of Goldman Sachs, which sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is included as **Appendix B** to this proxy statement/prospectus. Goldman Sachs provided its opinion for the information and assistance of the Commerce board of directors in connection with its consideration of the merger. Goldman Sachs' opinion is not a recommendation as to how any holder of Commerce common stock should vote with respect to the merger. Pursuant to an engagement letter dated August 21, 2007 between Commerce and Goldman Sachs, Goldman Sachs is entitled to receive a transaction fee of 0.30% of the aggregate consideration payable in the merger, based upon the average closing price of the TD common shares on the five trading days ending five trading days prior to the date of the consummation of the transaction, all of which is contingent on the consummation of the transaction.

**Material United States Federal Income Tax Consequences to Holders of Commerce Common Stock (Page 55)**

For a U.S. holder (as defined in *The Merger - Material United States Federal Income Tax Consequences*), the merger will be a taxable transaction. For United States federal income tax purposes, a U.S. holder will recognize gain or loss equal to the difference between (1) the sum of the cash consideration (including any cash received in lieu of fractional shares) and the fair market value of the TD common shares received in the merger and (2) such holder's adjusted tax basis in the shares of Commerce common stock surrendered in the merger for TD common shares and cash. The merger will generally not be a taxable transaction to a non-U.S. holder for United States federal income tax purposes unless such non-U.S. holder has certain connections to the United States.



**Holders of Commerce Common Stock Do Not Have Dissenters' Rights of Appraisal (Page 64)**

Under applicable New Jersey law, the holders of Commerce common stock are not entitled to any dissenters' rights of appraisal in connection with the merger.

**Table of Contents**

**Commerce's Board of Directors Unanimously Recommends that You Vote FOR the Approval of the Plan of Merger (Page 29)**

Commerce's board of directors determined that the merger, the merger agreement and the transactions contemplated by the merger agreement are advisable and in the best interests of Commerce and its shareholders and has unanimously approved the plan of merger contained in the merger agreement. For the factors considered by the Commerce board of directors in reaching its decision to approve the plan of merger, see the section entitled "The Merger - Commerce's Reasons for the Merger" beginning on page 36. **Commerce's board of directors unanimously recommends that Commerce shareholders vote FOR the approval of the plan of merger.**

**Your Rights as a Holder of TD Common Shares Will Be Different from Your Rights as a Holder of Commerce Common Stock (Page 92)**

The conversion of your shares of Commerce common stock into TD common shares and cash in the merger will result in changes from your current rights as a Commerce shareholder, which generally are governed by the New Jersey Business Corporation Act, or the NJBCA, and Commerce's organizational documents, to your rights as a TD shareholder, which generally will be governed by the Bank Act of Canada and TD's organizational documents.

**Commerce Executive Officers and Directors Have Financial and Other Interests in the Merger that are Different from or in Addition to Your Interests (Page 50)**

Some of the members of Commerce's board of directors and Commerce's executive officers have financial interests in the merger that are in addition to, and/or different from, your interests. The independent members of the Commerce board of directors were aware of these additional and/or differing interests and potential conflicts and considered them, among other matters, in evaluating, negotiating and approving the merger agreement. These interests include employment agreements between Commerce and its executive officers, which were amended and restated in contemplation of the merger, that provide, among other things, cash payments in the case of a change of control, such as the completion of the merger, and the vesting of outstanding stock options and certain retirement plan account balances upon the completion of the merger.

On December 31, 2007, Commerce completed the sale of Commerce Banc Insurance Services, Inc., or CBIS, the insurance agency subsidiary of Commerce, to a group headed by George Norcross, a member of the Commerce board of directors and Chairman and Chief Executive Officer of CBIS. In connection with the sale, Mr. Norcross entered into a non-competition agreement with Commerce Bank/North, in exchange for which Commerce Bank/North agreed to pay Mr. Norcross a lump sum cash payment of \$4 million, in addition to Commerce's obligation to pay Mr. Norcross a change in control payment pursuant to the terms of his amended employment agreement. Both payments became payable on January 2, 2008. Please see "The Merger - Interests of Commerce's Executive Officers and Directors in the Merger - Sale of CBIS" beginning on page 52.

**The Companies**

*The Toronto-Dominion Bank*

Toronto Dominion Centre

P.O. Box 1

Toronto, Ontario, Canada M5K 1A2

(416) 982-8222

TD is a Canadian chartered bank formed through the amalgamation of The Bank of Toronto (established 1855) and The Dominion Bank (established 1869). TD and its subsidiaries are collectively known as TD Bank Financial Group. In Canada and around the world, TD serves more than 14 million customers in four key businesses operating in a number of locations in key financial centers around the globe: Canadian Personal and Commercial Banking, including TD Canada Trust as well as TD's global insurance operations (excluding the U.S.); Wealth Management, including TD Waterhouse Canada, TD Waterhouse U.K. and TD's investment in TD Ameritrade; U.S. Personal and Commercial Banking through TD Banknorth Inc., or TD Banknorth; and Wholesale Banking, including TD Securities. TD also ranks among the world's leading online financial services firms, with more than 4.5 million online customers. TD had C\$422.1 billion (U.S.\$444.5 billion based on the noon buying rate as reported

**Table of Contents**

by the Federal Reserve Bank in the City of New York at October 31, 2007) in assets as at October 31, 2007 and is headquartered in Toronto, Canada.

Additional information about TD can be found on its website at <http://www.td.com>. The information provided on TD's website is not part of this proxy statement/prospectus and is not incorporated herein by reference.

*Cardinal Merger Co.*  
c/o The Toronto-Dominion Bank  
New York Branch  
31 West 52nd Street  
New York, NY 10019-6101  
(212) 827-7000

Cardinal Merger Co. is a New Jersey corporation and an indirect wholly-owned subsidiary of TD. Cardinal Merger Co. was organized solely for the purpose of effecting the merger with Commerce described in this proxy statement/prospectus. It has not carried on any activities other than in connection with the merger agreement.

*Commerce Bancorp, Inc.*  
1701 Route 70 East  
Cherry Hill, New Jersey 08034-5400  
(856) 751-9000

Commerce, a New Jersey business corporation, is a regional financial services leader, anchored by the financial strength of its banking subsidiaries, Commerce Bank, N.A. and Commerce Bank/North, and augmented by CBIS and Commerce Capital Markets, Inc. With assets of more than \$49 billion as of September 30, 2007, Commerce is the largest bank headquartered in New Jersey, serving Metropolitan Philadelphia, New Jersey, New York, Connecticut, Delaware, Washington, D.C., Virginia, Maryland and Southeast Florida. Commerce is a growth retailer selling convenience, and has successfully developed and implemented a unique retail strategy. This retail approach to banking uses a chain concept and features standardized facilities, standardized hours, standardized service and aggressive marketing. Commerce is America's Most Convenient Bank, with over 450 convenient branch locations which are open seven days a week.

Additional information about Commerce can be found on its website at <http://www.commerceonline.com>. The information provided on Commerce's website is not part of this proxy statement/prospectus and is not incorporated herein by reference.

**The Special Meeting of Commerce Shareholders (Page 27)**

The Commerce special meeting will be held at 4:00 p.m. local time, on February 6, 2008, at Commerce University, 4140 Church Road in Mt. Laurel, New Jersey. At the Commerce special meeting, Commerce shareholders will be asked:

to approve the plan of merger contained in the merger agreement; and

to approve the adjournment or postponement of the special meeting, if necessary or appropriate, including to solicit additional proxies.

*Record Date.* Commerce shareholders may cast one vote at the special meeting for each share of Commerce common stock that was owned at the close of business on December 14, 2007. At that date, there were 195,548,790 shares of

Commerce common stock entitled to be voted at the special meeting.

As of the record date, directors and executive officers of Commerce and their affiliates owned (directly or indirectly) and had the right to vote approximately 16.4 million shares of Commerce common stock, representing approximately 8.4% of the shares of Commerce common stock entitled to be voted at the special meeting, and directors and executive officers of TD and their affiliates owned (directly or indirectly) and had the right to vote less than 1% of the shares of Commerce common stock entitled to be voted at the special meeting.

## **Table of Contents**

*Required Vote.* In order for the plan of merger to be approved by Commerce shareholders, a majority of the votes cast by Commerce shareholders entitled to vote must be voted in favor of the approval of the plan of merger. We urge you to vote.

### **TD Shareholder Approval**

TD shareholders are not required to approve the plan of merger or the use of TD common shares as part of the merger consideration.

### **The Merger Agreement (Page 67)**

The merger agreement is described beginning on page 67 and is included as **Appendix A** to this proxy statement/prospectus. We urge you to read the merger agreement in its entirety because it is the legal document governing the merger.

### **Completion of the Merger is Subject to Conditions (Page 77)**

The respective obligations of each of TD and Commerce to complete the merger are conditioned upon the satisfaction or waiver of the following conditions:

receipt of the required approval by the Commerce shareholders of the plan of merger;

approval for the listing on the New York Stock Exchange and the Toronto Stock Exchange of the TD common shares to be issued in the merger;

receipt of required regulatory approvals and the absence of any injunction or other legal prohibition or restraint against the merger; and

the registration statement on Form F-4, which includes this proxy statement/prospectus, filed by TD with the SEC must have been declared effective by the SEC and no stop order suspending the effectiveness of the Form F-4 shall have been issued and no proceedings for that purpose shall have been initiated by the SEC and not withdrawn.

TD's obligation to complete the merger is subject to the satisfaction or waiver of a number of conditions, including the following:

the accuracy of the representations and warranties of Commerce as of the closing date of the merger, other than, in most cases, those failures to be true and correct that would not reasonably be expected to result in a material adverse effect on Commerce;

performance in all material respects by Commerce of the obligations required to be performed by it at or prior to the effective time of the merger; and

there being no action taken, or applicable legal or regulatory restriction or condition that would be reasonably likely to have a material adverse effect on Commerce or TD or which would result in an adverse impact on TD's status as a financial holding company under the Bank Holding Company Act of 1956, as amended, or BHC Act (in the case of the condition related to TD's financial holding company status, if such action is due to any fact or condition relating to Commerce).

Commerce's obligation to complete the merger is subject to the satisfaction or waiver of the following conditions:

the accuracy of the representations and warranties of TD as of the closing date of the merger, other than, in most cases, those failures to be true and correct that would not reasonably be expected to result in a material adverse effect on TD; and

performance in all material respects by TD of the obligations required to be performed by it at or prior to the effective time of the merger.

**Table of Contents**

**The Merger Agreement May Be Terminated Under Some Circumstances (Page 78)**

The merger agreement may be terminated at any time before the completion of the merger, whether before or after approval of the plan of merger by Commerce shareholders, in any of the following circumstances:

by mutual written consent of TD and Commerce; or

by either TD or Commerce if:

any governmental entity which must grant a required regulatory approval has denied approval of the merger and this denial has become final and nonappealable or a governmental entity has issued a final nonappealable order prohibiting the consummation of the merger;

the merger has not been completed by July 31, 2008, but neither TD nor Commerce may terminate the merger agreement for this reason if its breach of any obligation under the merger agreement has resulted in the failure of the merger to occur by that date;

there is a breach by the other party of the merger agreement which would prevent satisfaction of a closing condition and the breach is not cured prior to 30 days after receipt of written notice of the breach or the breach cannot, by its nature, be cured prior to closing, but neither TD nor Commerce may terminate the merger agreement for this reason if it itself is then in material breach of the merger agreement; or

the shareholders of Commerce fail to approve the plan of merger at the Commerce special meeting; or

by TD if:

the board of directors of Commerce has failed to recommend the merger and the approval of the plan of merger by the shareholders of Commerce or has withdrawn, amended or modified in any manner adverse to TD its recommendation, or if Commerce has materially breached its obligations under the no solicitation covenant of the merger agreement, or failed to call, give notice of, convene or hold a special meeting of shareholders to vote on approval of the plan of merger; or

a tender offer or exchange offer for 20% or more of the outstanding shares of Commerce common stock has commenced (other than by TD), and the board of directors of Commerce recommends that the shareholders of Commerce tender their shares in such tender offer or exchange offer or otherwise fails to recommend that its shareholders reject such tender offer or exchange offer within ten business days.

**Commerce May Be Required to Pay a Termination Fee Under Some Circumstances (Page 79)**

If the merger agreement is terminated under certain circumstances, including circumstances involving a change in recommendation by Commerce's board of directors, Commerce will be required to pay TD a termination fee of up to \$332 million, except that if a final stipulation of settlement is entered into with respect to the litigation settlement described under *The Merger - Litigation Relating to the Merger*, TD has agreed to reduce this termination fee amount to \$255 million. The termination fee could discourage other companies from seeking to acquire or merge with Commerce.

**Regulatory Approvals Required for the Merger (Page 61)**



*BHC Act.* TD is required to obtain the approval of the Board of Governors of the U.S. Federal Reserve System, which we refer to as the Federal Reserve Board, under the BHC Act for the acquisition of control of Commerce, as a result of the merger. The U.S. Department of Justice will have an opportunity to comment during this approval process and will have at least 15 days (but no more than 30 days) following the approval of the Federal Reserve Board to challenge the approval on antitrust grounds.

*Bank Act of Canada.* Under the Bank Act of Canada, TD is required to obtain the approval of the Superintendent of Financial Institutions of Canada for the indirect acquisition of control, as a result of the merger, of Commerce Bank, N.A. and Commerce Bank/North, Commerce's banking subsidiaries, for the issuance of the TD

**Table of Contents**

common shares included in the merger consideration for non-cash consideration and in respect of Commerce's existing ownership interest in Pennsylvania Commerce Bancorp, Inc.

*Other Regulatory Approvals.* TD and Commerce are also required to file and have filed applications with, and obtain the approval of, bank regulatory authorities in the State of New Jersey and the Commonwealth of Pennsylvania with respect to the merger. Applications and notifications may be filed with various other state regulatory authorities, including self-regulatory organizations, including the Financial Industry Regulatory Authority, in connection with changes in control of the broker-dealer subsidiaries of Commerce.

There can be no assurance that regulatory approvals will be obtained, that such approvals will be received on a timely basis or that such approvals will not impose conditions or requirements that would be reasonably likely to have a material adverse effect on Commerce or TD or which would result in an adverse impact on TD's status as a financial holding company. If any such condition or requirement is imposed, TD may, in certain circumstances, elect not to consummate the merger.

**Table of Contents**

**QUESTIONS AND ANSWERS ABOUT THE SPECIAL MEETING AND RELATED MATTERS**

**Q: What am I being asked to vote on?**

A: TD and Commerce have entered into a merger agreement pursuant to which TD has agreed to acquire Commerce. You are being asked to vote to approve the plan of merger contained in the merger agreement. Under the terms of the merger agreement, Cardinal Merger Co. will merge with and into Commerce, with Commerce continuing as the surviving corporation and a wholly-owned subsidiary of TD. In addition, you are also being asked to vote to approve a proposal to adjourn the special meeting if necessary or appropriate, including to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting to approve the plan of merger.

**Q: What will I receive if the merger is completed?**

A: Each Commerce shareholder of record will receive, in exchange for each share of Commerce common stock owned by such shareholder immediately prior to the merger, the following:

0.4142 TD common shares (with cash being paid in lieu of the issuance of fractional shares); and  
\$10.50 in cash.

**Q: Can the number of TD common shares to be issued in the merger for each share of Commerce common stock change between now and the time the merger is completed based on changes in the trading price of TD common shares?**

A: No. The exchange ratio is a fixed ratio, which means that it will not be adjusted if the trading price of TD common shares or Commerce common stock changes between now and the time the merger is completed. Therefore, the market value of TD common shares you will receive in the merger will depend on the price of TD common shares at the time the shares are issued. See **Risk Factors** beginning on page 21.

**Q: When and where is the Commerce special meeting?**

A: The Commerce special meeting will take place on February 6, 2008. The time and location of the meeting are specified on the cover page of this proxy statement/prospectus.

**Q: Who can vote at the special meeting?**

A: Holders of Commerce common stock as of the close of business on the record date of December 14, 2007 are entitled to vote at the special meeting. Beneficial owners as of the record date should receive instructions from their bank, broker or other nominee describing how to vote their shares.

**Q: What vote of Commerce shareholders is required in connection with the merger?**

A: The affirmative vote of a majority of the votes cast by the shareholders of Commerce common stock at the special meeting is required to approve the plan of merger.

**Q: What happens if I do not indicate my preference for or against approval of the merger agreement?**

A: If you submit a proxy without specifying the manner in which you would like your shares to be voted, your shares will be voted FOR approval of the plan of merger.

**Q: What happens if I do not vote at all?**

A: If you do not vote your shares with respect to the proposal to approve the plan of merger, it will have no effect on the outcome of the proposal. However, if the proposal to approve the plan of merger receives the required approval of Commerce's shareholders and the merger is completed, your Commerce shares will be converted into the right to receive the merger consideration even though you did not vote. Additionally, if you do not vote

**Table of Contents**

your shares with respect to the proposal to approve the plan of merger, then your vote will not be counted toward the quorum requirement at the Commerce special meeting called for such purpose.

**Q: What do I need to do now?**

A: After carefully reading and considering the information contained in this document, please submit your proxy by telephone or via the Internet in accordance with the instructions set forth in the enclosed proxy card, or fill out, sign and date the proxy card and then mail your signed proxy card in the enclosed prepaid envelope, as soon as possible so that your shares may be voted at the special meeting. See *The Special Meeting* beginning on page 27.

**Q: If my shares are held in street name by my bank, broker or other nominee, will my bank, broker or other nominee vote my shares for me?**

A: You should instruct your bank, broker or other nominee to vote your shares. If you do not instruct your bank, broker or other nominee, your bank, broker or other nominee will not be able to vote your shares. Please check with your bank, broker or other nominee and follow the voting procedures your bank, broker or other nominee provides. Your bank, broker or other nominee will advise you whether you may submit voting instructions by telephone or via the Internet. See *The Special Meeting Proxies* beginning on page 27.

**Q: If my shares are held in the Commerce 401(k) Plan, what should I do?**

A: If you are a participant in the Commerce Bancorp, Inc. 401(k) Retirement Plan, you may give voting instructions for any Commerce shares held in your account to Registrar and Transfer Company, Commerce's transfer agent, by completing and returning a voting instruction ballot distributed to plan participants along with this proxy statement/prospectus, or by telephone or via the Internet as described on your ballot. Commerce's transfer agent will certify the total votes cast by plan participants for and against approval of the plan of merger to the trustee for the plan, for the purpose of having those shares voted in accordance with your instructions.

**Q: When do you expect the merger to be completed?**

A: We currently expect to complete the merger in February or March 2008. However, we cannot assure you when or if the merger will be completed. Among other things, we must first obtain the approval of the plan of merger by Commerce shareholders at the special meeting and the necessary regulatory approvals. See *The Merger Regulatory Matters Related to the Merger and Stock Exchange Listings* beginning on page 61.

**Q: What are the material federal income tax consequences of the merger to Commerce shareholders?**

A: For a U.S. holder (as defined in *The Merger Material United States Federal Income Tax Consequences* beginning on page 55), the merger will be treated for United States federal income tax purposes as a taxable sale by such holder of the shares of Commerce common stock that such holder surrenders in the merger. The material United States federal income tax consequences of the merger to U.S. holders are as follows:

A U.S. holder will recognize gain or loss equal to the difference between (1) the sum of the cash consideration (including any cash received in lieu of fractional shares) and the fair market value of the TD common shares received in the merger and (2) such holder's adjusted tax basis in the shares of Commerce common stock surrendered in the merger for TD common shares and cash;

A U.S. holder's aggregate tax basis in the TD common shares that such holder receives in the merger will equal the fair market value of such common shares at the time the merger is completed; and

A U.S. holder's holding period for the TD common shares that such holder receives in the merger should generally begin on the day after the completion of the merger.

The merger will generally not be a taxable transaction to a non-U.S. holder for United States federal income tax purposes unless such non-U.S. holder has certain connections to the United States.

**Table of Contents**

See The Merger Material United States Federal Income Tax Consequences beginning on page 55.

The merger should not give rise to Canadian income tax liability for Commerce shareholders who are not residents of Canada for Canadian income tax purposes. See The Merger Material Canadian Federal Income Tax Considerations beginning on page 60.

**Q: May I change my vote after I have submitted a proxy?**

A: Yes. If you have not voted through your bank, broker or other nominee, there are three ways you can change your vote after you have submitted your proxy (whether by mail, telephone or the Internet):

First, you may send a written notice to the corporate secretary of Commerce at the address below, stating that you would like to revoke your proxy.

Commerce Bancorp, Inc.  
Commerce Atrium  
1701 Route 70 East  
Cherry Hill, NJ 08034-5400  
Attn: C. Edward Jordan, Jr.

Second, you may complete and submit a new proxy card or vote again by telephone or the Internet. Your latest vote actually received by Commerce before the special meeting will be counted, and any earlier votes will be revoked.

Third, you may attend the special meeting and vote in person. Any earlier proxy will thereby be revoked. However, simply attending the meeting without voting will not revoke an earlier proxy you may have given.

If you have instructed a bank, broker or other nominee to vote your shares, you must follow the directions you receive from your bank, broker or other nominee in order to change or revoke your vote.

**Q: If I want to attend the special meeting, what do I do?**

A: You should come to Commerce University, 4140 Church Road, Mt. Laurel, New Jersey, at 4:00 p.m., local time, on February 6, 2008. If you hold your shares in street name, you will need to bring proof of ownership (by means of a recent brokerage statement, letter from your bank or broker or similar means) to be admitted to the meeting. Shareholders of record as of the record date for the special meeting can vote in person at the special meeting. If your shares are held in street name, then you are not the shareholder of record and you must ask your bank, broker or other nominee how you can vote at the special meeting.

**Q: Should I send in my stock certificates now?**

A: No. After we complete the merger, you will receive written instructions for exchanging your Commerce stock certificates for TD common shares and the cash merger consideration. **Please do not send in your Commerce stock certificates with your proxy card.**

**Q: What if I cannot find my stock certificates?**

A:

There will be a procedure for you to receive the merger consideration in the merger, even if you have lost one or more of your Commerce stock certificates. This procedure, however, may take time to complete. In order to ensure that you will be able to receive the merger consideration promptly after the merger is completed, if you cannot locate your Commerce stock certificates after looking for them carefully, we urge you to contact Commerce's transfer agent, Registrar and Transfer Company, as soon as possible and follow the procedure they explain to you for replacing your Commerce stock certificates. Registrar and Transfer Company can be



**Table of Contents**

reached at (866) 465-2630 or on their website at <http://www.rtc.com>, or you can write to them at the following address:

Registrar and Transfer Company  
10 Commerce Drive  
Cranford, NJ 07016-3572

**Q: Are there risks I should consider in deciding whether to vote for the plan of merger?**

A: Yes. We have set forth a non-exhaustive list of risk factors that you should consider carefully in connection with the merger in the section entitled "Risk Factors" beginning on page 21.

**Q: Can I dissent and require appraisal of my shares?**

A: No. Under the NJBCA, Commerce's shareholders are not entitled to appraisal rights in connection with the merger. See "The Merger - No Dissenters' Rights of Appraisal" beginning on page 64.

**Q: Who can help answer my additional questions about the merger or voting procedures?**

A: If you have questions about the merger, you should contact:

Morrow & Co., LLC  
470 West Avenue  
Stamford, CT 06902  
Toll free telephone: (800) 573-4370  
Brokers and banks, please call: (203) 658-9400  
[commercebank.info@morrowco.com](mailto:commercebank.info@morrowco.com)

**Table of Contents****COMPARATIVE PER SHARE DATA**

The following tables present, as at the dates and for the periods indicated, selected historical and pro forma consolidated per share financial information of TD and Commerce.

You should read this information in conjunction with, and the information is qualified in its entirety by, the consolidated financial statements and accompanying notes of TD and Commerce incorporated into this proxy statement/prospectus by reference. See *Where You Can Find More Information* beginning on page 108.

The pro forma amounts in the tables below are presented for informational purposes only. You should not rely on the pro forma combined or pro forma equivalent amounts as being necessarily indicative of the financial position or results of operations of TD or Commerce that would have actually occurred had the transaction been effective during the periods presented or of the future financial position or results of operations of TD or Commerce. The combined financial information as at or for the periods presented may have been different had the transaction actually been effective as at or during those periods. The pro forma information, although helpful in illustrating the financial characteristics of the combined company under one set of assumptions, does not reflect the benefits of expected cost savings, opportunities to earn additional revenue, the impact of restructuring and merger-related costs, or other factors that may result as a consequence of the merger and, accordingly, does not attempt to predict or suggest future results.

**TD Historical and Pro Forma Common Share Data**

The following table presents, in Canadian dollars and in U.S. dollars, the earnings per share, dividends per share and book value per share with respect to TD on a historical basis and pro forma combined basis giving effect to the transaction. The TD pro forma combined amounts are presented as if the transaction had been effective for the period presented based on the purchase method of accounting. The TD pro forma combined amounts do not include any cost savings or revenue enhancements which may arise from the transaction, and do not include restructuring or integration costs.

	<b>As at and for the Year Ended October 31, 2007</b>	
	(C\$)	(U.S.\$)(1)
Basic Earnings Per Share:		
TD historical (Canadian GAAP)	C\$ 5.53	U.S.\$ 5.06
TD historical (U.S. GAAP)	5.64	5.16
TD pro forma combined (Canadian GAAP)(2)	5.00	4.57
TD pro forma combined (U.S. GAAP)(2)	5.09	4.66
Diluted Earnings Per Share:		
TD historical (Canadian GAAP)	5.48	5.01
TD historical (U.S. GAAP)	5.59	5.11
TD pro forma combined (Canadian GAAP)(2)	4.92	4.50
TD pro forma combined (U.S. GAAP)(2)	5.02	4.59
Dividends Per Share:		
TD historical and pro forma(3)	2.11	1.98
Book Value Per Share at Period End:		
TD historical (Canadian GAAP)	29.23	30.78

TD historical (U.S. GAAP)	28.59	30.11
TD pro forma combined (Canadian GAAP)(2)	34.20	36.02
TD pro forma combined (U.S. GAAP)(2)	33.62	35.40

(1) TD historical and pro forma combined amounts (except with respect to book value per share at period end) have been converted into U.S. dollars based on the average U.S. dollar/Canadian dollar exchange rate during the year ended October 31, 2007 of 1.0930. The average exchange rate is calculated as the average of the noon buying rate on the last day of each month during the period. The TD historical and pro forma combined book value per share at period end has been converted into U.S. dollars using the U.S. dollar/Canadian dollar exchange rate

**Table of Contents**

as at October 31, 2007 of 0.9496. TD historical and pro forma dividend amounts have been converted into U.S. dollars based on the exchange rate used on each dividend payment date as reported by the Federal Reserve Bank in the City of New York.

- (2) Pro forma combined amounts are calculated by adding together the historical amounts reported by TD and Commerce based on each entity's most recent financial information as filed with the SEC, as adjusted for (i) estimated purchase accounting adjustments to be recorded in connection with the merger (consisting of fair value adjustments for assets acquired and liabilities assumed and adjustments for intangible assets established, and the resulting amortization/accretion of these adjustments over appropriate future periods) and (ii) the estimated number of TD common shares to be issued as of September 30, 2007, in connection with the merger based on the terms of the merger agreement. The pro forma adjustments assume completion of the transaction as at the beginning of the period indicated.

TD pro forma combined results for the year ended October 31, 2007 were calculated using the latest annual financial information filed with the SEC. Commerce's results for the twelve months ended September 30, 2007 have been used to calculate the TD pro forma combined results for the year ended October 31, 2007.

- (3) It is anticipated that the initial dividend rate will be equal to the current dividend rate of TD. Accordingly, pro forma combined dividends per TD common share represent the historical dividends per common share paid by TD.

**Commerce Historical Share Data and Unaudited Pro Forma Equivalent Share Data**

The following table presents, in U.S. dollars, the earnings per share, dividends per share and book value per share with respect to Commerce on a historical basis and pro forma equivalent basis. The pro forma equivalent amounts with respect to the Commerce common stock are calculated by multiplying the corresponding TD pro forma combined amount (which is described and presented under TD Historical and Pro Forma Common Share Data beginning on page 12) by the exchange ratio of 0.4142 TD common shares included in the merger consideration, and do not include the cash portion of the merger consideration. Since Commerce and TD have different fiscal years, the pro forma equivalent for the twelve months ended September 30, 2007 has been compared with TD's fiscal year ended October 31, 2007.

	<b>As at and for the Twelve Months Ended September 30, 2007 (U.S.\$)</b>	
Basic Earnings Per Share:		
Commerce historical	\$	0.89
Commerce pro forma equivalent (Canadian GAAP)		1.89
Commerce pro forma equivalent (U.S. GAAP)		1.93
Diluted Earnings Per Share:		
Commerce historical		0.86
Commerce pro forma equivalent (Canadian GAAP)		1.86
Commerce pro forma equivalent (U.S. GAAP)		1.90
Dividends Per Share:		
Commerce historical		0.52
Commerce pro forma equivalent		0.82

Book Value Per Share at Period End:

Commerce historical	15.17
Commerce pro forma equivalent (Canadian GAAP)	14.92
Commerce pro forma equivalent (U.S. GAAP)	14.66

**Table of Contents****COMPARATIVE PER SHARE MARKET PRICE AND DIVIDEND INFORMATION**

TD's common shares are listed on the Toronto Stock Exchange and the New York Stock Exchange under the trading symbol TD and also trade on the Tokyo Stock Exchange. Commerce's common stock is listed on the New York Stock Exchange under the trading symbol CBH. The following table sets forth, for the respective calendar years and quarters indicated, the high and low sale prices per share of Commerce common stock as reported on the New York Stock Exchange Composite Tape, and the high and low sale prices per TD common share as reported on the New York Stock Exchange Composite Tape and the Toronto Stock Exchange. The Toronto Stock Exchange sale prices of TD common shares are presented in Canadian dollars, and the New York Stock Exchange sale prices of Commerce common stock and TD common shares are presented in U.S. dollars. For comparison purposes, the following table uses calendar quarters, but it should be noted that TD's fiscal year end is October 31 and Commerce's fiscal year end is December 31.

	The New York Stock Exchange (U.S.\$)				The Toronto Stock Exchange (C\$)	
	Commerce Common Stock		TD Common Shares		TD Common Shares	
	High	Low	High	Low	High	Low
<b>2002</b>						
Annual	\$ 25.25	\$ 18.05	\$ 28.60	\$ 15.77	\$ 45.03	\$ 25.17
<b>2003</b>						
Annual	26.74	18.12	33.76	20.50	44.78	31.20
<b>2004</b>						
Annual	33.83	23.35	41.69	31.16	50.10	42.54
<b>2005</b>						
Annual	35.98	26.87	53.16	38.73	62.79	48.08
<b>2006</b>						
Annual	41.20	31.20	60.57	49.52	70.21	55.62
First Quarter	37.16	31.86	58.07	51.49	66.85	60.20
Second Quarter	41.20	33.85	57.42	49.84	65.35	55.62
Third Quarter	37.59	31.20	60.26	49.52	66.93	56.00
Fourth Quarter	37.10	34.25	60.57	55.31	70.21	62.80
<b>2007</b>						
First Quarter	36.15	30.45	61.45	57.13	71.61	67.21
Second Quarter	37.68	31.32	70.26	59.43	74.89	66.55
Third Quarter	39.62	32.17	77.63	59.43	77.10	64.02
Fourth Quarter	41.00	34.36	77.08	64.87	76.50	64.18
<b>2008</b>						
First Quarter (through January 3, 2008)	38.11	37.53	69.94	67.69	69.37	67.05

**Table of Contents**

The table below sets forth the high and low sale prices for each of the six most recent full calendar months for Commerce common stock as reported on the New York Stock Exchange Composite Tape and TD common shares as reported on the New York Stock Exchange Composite Tape and the Toronto Stock Exchange. The New York Stock Exchange sale prices of Commerce common stock and TD common shares are presented in U.S. dollars and the Toronto Stock Exchange sale prices of TD common shares are presented in Canadian dollars.

	The New York Stock Exchange (U.S.\$)				The Toronto Stock Exchange (C\$)	
	Commerce Common Stock		TD Common Shares		TD Common Shares	
	High	Low	High	Low	High	Low
July 2007	\$ 39.13	\$ 33.41	\$ 70.65	\$ 63.70	\$ 73.75	\$ 67.82
August 2007	38.10	32.17	68.90	59.43	72.50	64.02
September 2007	39.62	36.26	77.63	67.16	77.10	70.66
October 2007	41.00	38.29	77.08	69.65	76.50	67.75
November 2007	40.55	34.36	75.41	64.87	75.00	64.18
December 2007	39.96	37.43	74.64	68.33	74.69	68.00

The table below sets forth the closing sale prices of Commerce common stock and TD common shares as reported on the New York Stock Exchange Composite Tape on October 1, 2007, the last trading day before the public announcement of the merger, and January 3, 2008, the last practicable trading day before the distribution of this proxy statement/prospectus. The table also sets forth the equivalent pro forma sale price of Commerce common stock on each of these dates, as determined by multiplying the applicable closing sale price of TD common shares on the New York Stock Exchange by the exchange ratio of 0.4142 and adding the \$10.50 cash portion of the merger consideration. We urge you to obtain current market quotations for both TD common shares and Commerce common stock.

	TD Common Shares (U.S.\$)	Commerce Common Stock (U.S.\$)	Commerce Common Stock Pro Forma Equivalent (including the \$10.50 cash portion) (U.S.\$)	
October 1, 2007	\$ 76.94	\$ 39.74	\$	42.37
January 3, 2008	68.54	37.86		38.89

The table below sets forth the dividends declared per TD common share and per share of Commerce common stock for the fiscal years ended 2002, 2003, 2004, 2005, 2006 and 2007. TD's fiscal year end is October 31 and Commerce's fiscal year end is December 31.

	Declared Dividends		
	TD	TD	Commerce

	(C\$)(1)	(U.S.\$)(1)(2)	(U.S.\$)
<b>Fiscal Year Ended</b>			
2002	\$ 1.12	\$ 0.71	\$ 0.3075
2003	1.16	0.82	0.3425
2004	1.36	1.04	0.395
2005	1.58	1.29	0.45
2006	1.78	1.58	0.49
2007	2.11	1.98	0.52

(1) Dividends declared during fiscal quarters ended January 31, April 30, July 31 and October 31.

(2) TD dividends have been converted into U.S. dollars based on the exchange rate as reported by the Federal Reserve Bank in the City of New York on each dividend payment date.



**Table of Contents****CURRENCY EXCHANGE RATE DATA**

The following tables show, for the date or periods indicated, certain information regarding the U.S. dollar/Canadian dollar exchange rate and the Canadian dollar/U.S. dollar exchange rate. The information is based on the noon buying rate as reported by the Federal Reserve Bank in the City of New York.

	<b>C\$ per U.S.\$1.00</b>		<b>U.S.\$ per C\$1.00</b>	
October 1, 2007 (the last trading day before public announcement of the merger)	C\$	0.9929	U.S. \$	1.0072
January 3, 2008		0.9905		1.0096

	<b>Average Rate(1)</b>			
	<b>C\$ per U.S.\$1.00</b>		<b>U.S.\$ per C\$1.00</b>	
<b>Year Ended October 31,</b>				
2002	C \$	1.5718	U.S. \$	0.6362
2003		1.4379		0.6955
2004		1.3147		0.7606
2005		1.2134		0.8241
2006		1.1329		0.8827
2007		1.0930		0.9149

(1) The average rate is calculated as the average of the noon buying rate as reported by the Federal Reserve Bank on the last day of each month during the period.

The following table shows the high and low U.S. dollar/Canadian dollar exchange rates for each of the months indicated. The information is based on the noon buying rate as reported by the Federal Reserve Bank in the City of New York.

	<b>High</b>		<b>Low</b>	
	<b>(C\$ per U.S.\$1.00)</b>			
July 2007	C\$	1.0689	C\$	1.0372
August 2007		1.0754		1.0497
September 2007		1.0546		0.9959
October 2007		1.0002		0.9496
November 2007		1.0007		0.9168
December 2007		1.0216		0.9784

**Table of Contents****SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF TD**

The following table sets forth certain selected consolidated financial information of TD prepared in accordance with Canadian GAAP, except as otherwise indicated. The information as at and for each of the years in the five-year period ended October 31, 2007 has been derived from the consolidated financial statements of TD as filed with the SEC. The information presented below is only a summary and should be read in conjunction with the respective audited financial statements of TD, including the notes thereto, incorporated by reference in this proxy statement/prospectus. See *Where You Can Find More Information* beginning on page 108.

Amounts determined under generally accepted accounting principles in the U.S. (which we refer to in this document as U.S. GAAP) are different from those determined under Canadian GAAP. For a discussion of the principal differences between Canadian GAAP and U.S. GAAP and a reconciliation to U.S. GAAP of TD's consolidated financial statements for the year ended October 31, 2007, see Exhibit 99.4 to TD's Form 40-F for the year ended October 31, 2007, filed with the SEC on November 29, 2007, which Exhibit 99.4 is incorporated by reference in this proxy statement/prospectus. A reconciliation to U.S. GAAP for other periods presented is included in the notes to the applicable historical consolidated financial statements of TD filed by TD with the SEC. See *Where You Can Find More Information* beginning on page 108.

	<b>Fiscal</b>				
	<b>Year Ended October 31,</b>				
	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>
	<b>(C\$ in millions, except per share data and ratios)</b>				
<b>Operations Data:</b>					
Interest income	17,852	15,569	12,776	11,132	11,202
Interest expense	10,928	9,198	6,768	5,359*	5,765*
Net interest income	6,924	6,371	6,008	5,773*	5,437*
Provision for (recovery of) credit losses	645	409	55	(386)	186
Net interest income after credit loss provision	6,279	5,962	5,953	6,159*	5,251*
Other income	7,357	6,821	5,951	4,928	4,455
Non-interest expenses	8,975	8,815	8,844	8,052	8,395
Dilution gain (net)	0	1,559	0	0	0
Net income (loss)	3,997	4,603	2,229	2,232*	989*
Net income (loss) (U.S. GAAP basis)	4,108	4,618	2,144	1,881	1,162
Preferred dividends	20	22	0	0*	0*
Net income (loss) applicable to common shares	3,977	4,581	2,229	2,232	989
Net income (loss) applicable to common shares (U.S. GAAP basis)	4,053	4,559	2,089	1,828	1,098
<b>Per Common Share:</b>					
Net income (basic)	5.53	6.39	3.22	3.41	1.52
Net income (basic) (U.S. GAAP basis)	5.64	6.36	3.02	2.79	1.69
Net income (fully diluted)	5.48	6.34	3.20	3.39	1.51
Net income (fully diluted) (U.S. GAAP basis)	5.59	6.31	3.00	2.77	1.68
Cash dividends declared(1)	2.11	1.78	1.58	1.36	1.16
Book value (period end)	29.23	26.77	22.29	19.31	17.64
<b>Consolidated Balance Sheet (period end):</b>					
Total assets	422,124	392,914	365,210	311,027	273,532

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Total assets (U.S. GAAP basis)	428,602	400,616	371,746	317,494	283,439
Loans (net)	175,915	160,608	152,243	123,924	118,058
Deposits	276,393	260,907	246,981	206,893	182,880
Subordinated notes	9,449	6,900	5,138	5,644	5,887
Total shareholders' equity	21,404	19,632	15,866	12,668	11,576
Common shares outstanding (in millions)	717.8	717.4	711.8	655.9	656.3
<b>Selected Ratios:</b>					
Return on total common equity	19.3	25.5	15.3	18.5	8.7
Net impaired loans net of specific allowance as a % of net loans	0.2	0.2	0.1	0.2	0.7
Efficiency ratio(2)	62.8	59.8	74.0	75.2 *	84.9 *
Provision for credit losses as a % of net average loans	0.37	0.25	0.04	(0.30)	0.15
Tangible common equity as a % of risk-weighted assets(3)	7.4	9.1	7.4	9.0	6.9
Tier 1 capital to risk weighted assets(3)	10.3	12.0	10.1	12.6	10.5

17

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**Table of Contents**

**Fiscal**  
**Year Ended October 31,**  
**2007      2006      2005      2004      2003**  
**(C\$ in millions, except per share data and ratios)**

Total capital to risk-weighted assets(3)	13.0	13.1	13.2	16.9	15.6
Common dividend payout ratio	38.1	27.9	49.3	39.9	76.2

\* In accordance with Canadian GAAP, TD adopted amendments to the accounting standard on financial instruments disclosure and presentation on a retroactive basis with restatement of prior period comparatives. The amounts disclosed above reflect these amendments.

These comparative amounts/ratios have been reclassified/recalculated to conform to the current period's presentation.

- (1) Equivalent to U.S.\$1.98 in fiscal 2007, U.S.\$1.58 in fiscal 2006, U.S.\$1.29 in fiscal 2005, U.S.\$1.04 in fiscal 2004 and U.S.\$0.82 in fiscal 2003, based on the noon exchange rates on each dividend payment date as reported by the Federal Reserve Bank in the City of New York.
- (2) Non-interest expenses, as a percentage of total revenue.
- (3) Risk-weighted assets are determined in accordance with applicable Canadian bank regulations.

**Table of Contents****SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF COMMERCE**

The following table sets forth certain selected consolidated financial information of Commerce prepared in accordance with U.S. GAAP. This information as at and for each of the years in the five year period ended December 31, 2006 has been derived from the consolidated financial statements of Commerce and notes to the consolidated financial statements as filed with the SEC. The information as at and for the nine-month periods ended September 30, 2007 and September 30, 2006 has been derived from the unaudited consolidated financial statements of Commerce and the notes thereto filed by Commerce with the SEC, which reflect, in the opinion of Commerce's management, all adjustments (consisting only of normal recurring adjustments) necessary for a fair presentation of such information. Results for interim periods are not necessarily indicative of results which may be expected for any other interim period or for the fiscal year as a whole. The information presented below is only a summary and should be read in conjunction with the respective audited and unaudited financial statements of Commerce, including the notes thereto, incorporated by reference in this proxy statement/prospectus. See **Where You Can Find More Information** beginning on page 108.

	<b>2007</b>	<b>Nine Months Ended September 30, 2006</b>	<b>2006</b>	<b>Year Ended December 31, 2005</b>	<b>2004</b>	<b>2003</b>
	(U.S.\$ in millions, except per share data and ratios)					
	\$ 49,994	\$ 43,304	\$ 45,272	\$ 38,466	\$ 30,502	\$ 22,711
	16,881	14,551	15,455	12,525	9,319	7,322
able	7,365	10,800	11,098	9,519	8,044	10,651
to	14,441	14,246	14,885	13,005	10,464	2,491
ies	7,310	93	106	143	169	171
t	46,534	40,142	41,288	34,727	27,659	20,701
equity	2,938	2,715	2,801	2,309	1,666	1,271
ment						
ome	\$ 1,023	\$ 949	\$ 1,275	\$ 1,154	\$ 1,018	\$ 751
redit	49	24	34	19	39	31
ome	340	425	591	443	375	331
ense	1,155	993	1,356	1,146	939	761
ense	159	357	476	431	415	291
	107	236	299	283	273	191
a:						
	\$ 0.56	\$ 1.29	\$ 1.62	\$ 1.70	\$ 1.74	\$ 1.31
	0.54	1" VALIGN="BOTTOM">				
	Equity					

**Incentive  
Plan(3):**

Performance Based Restricted Stock Units					
2006 2008	652,683	652,683	1,057,230	652,683	
2007 2009	204,194	204,194	728,314	204,194	
Stock Options Unvested and Accelerated	2,268,488	1,240,935	2,268,488	2,268,488	
Time-Vested RSUs Unvested and Accelerated	2,701,810	535,534	2,701,810	535,534	

**quisites:**

Accrued Vacation(4)	47,692	47,692	47,692	47,692	
	<u>\$ 47,692</u>	<u>\$ 6,494,867</u>	<u>\$ 2,681,038</u>	<u>\$ 6,755,842</u>	<u>\$ 4,328,591</u>

- (1) For purposes of this table, Mr. Gwathmey's compensation for 2007 is as follows: base salary for 2007 equal to \$620,000 and a target annual bonus equal to \$620,000.
- (2) Pursuant to Mr. Gwathmey's employment offer letter dated February 4, 1999, if his employment is terminated under circumstances that would call for severance pay under the company's severance program, he will receive 12 months of salary continuation as severance pay benefits in lieu of notice and any payments due under any such severance plan. Such benefits would be contingent upon delivery of a release of any employment-related claims against the company and he will be subject to such restrictive covenants as determined by the company.
- (3) For disclosure purposes only, we have assumed that target performance measures were achieved for performance-based awards as of December 31, 2007.
- (4) For disclosure purposes only, we have assumed that Mr. Gwathmey was terminated on December 31, 2007 with four weeks of accrued but unused vacation.

**Mr. Andrew J. Burke**

The following table describes the potential payments upon termination of employment or a change of control of the company for Mr. Burke as of December 31, 2007.

Executive Benefits and Payments Upon Termination(1)	Termination for Cause; Resignation(\$)	Death or Disability; Normal Retirement(\$)	Termination without Cause(2)(\$)	Change of Control(\$)	Early Retirement(\$)
<b>Compensation:</b>					
Severance	\$	\$	\$ 437,500	\$	\$
Pro Rata AIP Award		375,000	375,000		375,000
<b>Equity Incentive Plan(3):</b>					
Performance Based Restricted Stock Units					
2006 2008		362,601	362,601	587,350	362,601
2007 2009		123,907	123,907	440,513	123,907
Stock Options Unvested and Accelerated					
		1,270,135	680,281	1,270,135	1,270,135
Time-Vested RSUs Unvested and Accelerated					
		1,057,230	267,767	1,057,230	267,767
<b>Benefits and Perquisites:</b>					
Accrued Vacation(4)	38,462	38,462	38,462		38,462
<b>Total:</b>	<b>\$ 38,462</b>	<b>\$ 3,227,335</b>	<b>\$ 2,285,518</b>	<b>\$ 3,355,228</b>	<b>\$ 2,437,872</b>

- (1) For purposes of this table, Mr. Burke's compensation for 2007 is as follows: base salary for 2007 equal to \$500,000 and a target annual bonus equal to \$375,000.
- (2) Pursuant to Mr. Burke's employment offer letter dated December 4, 2001, if his employment is terminated under circumstances that would call for severance pay under the company's severance program, he is entitled to the greater of (i) the standard severance benefits of the company at the time of termination or (ii) a payment equivalent to 6 months of his then base salary, plus 6 months of his target AIP award. In addition, if the termination is not performance related, Mr. Burke will receive his pro-rated AIP award for the year in which his employment is terminated. For disclosure purposes only, we have assumed that the termination was not performance related. Such benefits would be contingent upon delivery of a release of any employment-related claims against the company in a form mutually agreeable to Mr. Burke and the company.
- (3) For disclosure purposes only, we have assumed that target performance measures were achieved for performance-based awards as of December 31, 2007.
- (4) For disclosure purposes only, we have assumed that Mr. Burke was terminated on December 31, 2007 with four weeks of accrued but unused vacation.

**Flávio Sá Carvalho**

Mr. Sá Carvalho's employment with Bunge terminated on February 29, 2008 due to his retirement. Pursuant to the Equity Incentive Plan and the applicable award agreements thereunder, upon retirement, Mr. Sá Carvalho vested in all outstanding unvested stock options, and in all restricted stock unit awards *pro rata* through the date of his retirement (with vesting of performance-based awards based on the satisfaction of applicable performance goals through December 31, 2007). In addition, in February 2008, the compensation committee waived any forfeiture conditions under the Equity Incentive Plan that would have otherwise applied to Mr. Sá Carvalho's outstanding time-vested restricted stock units and performance-based restricted stock units as a result of his retirement. The terms and conditions of Mr. Sá Carvalho's equity awards (other than the forfeiture conditions) remained unchanged.

The following table summarizes the estimated amounts to be received by Mr. Sá Carvalho in connection with his retirement. The estimated value of the stock options shown in the table below has been determined by multiplying (i) the applicable number of stock options by (ii) the difference between (x) the exercise price of the stock option and (y) the average of the high and low sale prices of Bunge's common shares on February 29, 2008. Likewise, the estimated value of the time-vested restricted stock unit awards shown in the table below has been determined by multiplying (i) the applicable number of restricted stock units by (ii) the average of the high and low sale prices of Bunge's common shares on February 29, 2008. In addition, the estimated value of the performance-based restricted stock units shown in the table below is based on actual results achieved through December 31, 2007 and target vesting for the balance of the performance period. As these amounts are estimated, they may not represent the amounts Mr. Sá Carvalho will actually realize from these awards.

Stock Options	\$	502,944
Time-vested Restricted Stock Units		443,000
2006 2008 Performance-Based Restricted Stock Units		524,180
2007 2009 Performance-Based Restricted Stock Units		459,613
Accrued Vacation		30,757
		<hr/>
Total(1)	\$	1,960,493
		<hr/>

(1)

In addition, Mr. Sá Carvalho will receive annual payments under the Excess Benefit Plan and the SERP beginning in 2008 in accordance with the terms of these plans, which are described beginning on page 34 of this proxy statement. The estimated annual amounts that Mr. Sá Carvalho will receive are \$84,544.20 under the Excess Benefit Plan and \$41,878.80 under the SERP.

In addition, Mr. Sá Carvalho has entered into a consulting agreement with Bunge whereby he will provide certain human resources consulting and transition services to us over a 12-month period. Pursuant to the consulting agreement, Mr. Sá Carvalho will receive \$16,666.67 in monthly fees.



**Mr. William Wells**

On March 1, 2007, Mr. Wells entered into a Separation Agreement with Bunge, pursuant to which his employment with Bunge terminated effective as of April 1, 2007. Mr. Wells did not receive any payments under the Separation Agreement other than accrued and unused vacation pay. Pursuant to the Separation Agreement, and as set forth in the table below, upon termination Mr. Wells vested in all stock options in which he would have vested had he remained employed through the 12-month period following termination, and in all restricted stock unit awards *pro rata* through the date of termination (with vesting of performance-based awards based on the satisfaction of applicable performance goals through March 31, 2007).

The Separation Agreement also provided that Mr. Wells will be bound by certain confidentiality, cooperation and non-solicitation restrictive covenants, and included a general release of all claims against Bunge.

The following table describes the amounts received by Mr. Wells pursuant to his Separation Agreement. The value of the stock options shown in the table below has been determined by multiplying (i) the applicable number of stock options by (ii) the difference between (x) the exercise price of the stock option and (y) the average market value of shares acquired upon exercise (\$82.3994).

Stock Options	\$	429,649
Time-vested Restricted Stock Units(1)		283,256
2005 2007 Performance-Based Restricted Stock Units(2)		361,163
Accrued Vacation		9,996
		<hr/>
Total	\$	1,084,064
		<hr/>

- (1) Mr. Wells vested on a *pro rata* basis in his 2005 time-vested restricted stock unit award, resulting in settlement of 3,428 shares with a fair market value of \$82.63 per share.
- (2) Mr. Wells vested on a *pro rata* basis in his 2005 PBRSU award at the rate of 69.9% for the time factor and 52.1% for EPS performance for the first 9 quarters of the cycle, resulting in a settlement of 3,349 shares. In accordance with Section 409A of the Internal Revenue Code, the award was settled 6 months following the date of termination at a fair market value of \$107.842 per share.

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

**Weisser Employment Agreement.** Pursuant to the Employment Agreement between Bunge and Mr. Alberto Weisser, dated May 27, 2003 (the "Weisser Employment Agreement"), Mr. Weisser's base salary for 2007 was equal to \$1,200,000 and his target annual bonus was equal to 120% of his base salary with a maximum annual bonus equal to 250% of his base salary. Mr. Weisser's employment under the agreement shall continue until the earlier of his termination of employment or the last day of the month in which he attains age 65.

In the event of Mr. Weisser's termination without Cause or his resignation for Good Reason (before a Change of Control), Mr. Weisser's severance will be equal to: (i) three times the sum of the highest base salary paid to him over the three year period immediately prior to his termination and the average of the annual cash bonus paid over the three year period immediately preceding his termination, payable in substantially equal monthly installments over 36 months; (ii) a lump sum equal to the *pro rata* portion of the cash bonus to which he was entitled for that year had he remained employed, which the compensation committee may elect to pay (A) within 30 business days following his termination date (based on Bunge's financial results through the calendar quarter preceding such termination), or (B) at the same time bonuses are paid under the annual cash bonus plan generally

(based on Bunge's financial results for the calendar year); (iii) continuation at his own expense of health and medical insurance coverage until the earlier of (A) age 65 or (B) until eligible for such coverage under a subsequent employer's plan; (iv) immediate vesting of entitlement to receive retiree medical and life insurance coverage that the company offers to senior executives (if any); (v) immediate vesting or satisfaction of any service requirement or performance requirement in respect of any equity-based award; (vi) any benefits due to other senior executives upon termination; and (vii) vesting in his right to the Supplemental Benefit, payable as a single-life annuity to commence on the first month following the month in which he turns age 65 (also payable, at Mr. Weisser's election, as a single-life annuity with a 10 year term certain or a 100% joint and survivor annuity with a 10 year term certain).

If Mr. Weisser resigns for Good Reason or is terminated without Cause during the Change of Control Period, he is entitled to (a) the same severance benefit as set forth in the preceding paragraph (except that the determination of his annual bonus in clause (i) shall be based on his target annual bonus in effect at the time of his termination) and (b) if he resigns his employment for *any* reason during the Change of Control Period, he will be entitled to receive the Supplemental Benefit.

If Mr. Weisser terminates his employment due to Disability, he is entitled to a disability benefit equal to (i) his pro-rated cash bonus due for the year in which such disability occurs, and (ii) his Supplemental Benefit.

If Mr. Weisser's employment terminates due to his death, his estate is entitled to a death benefit equal to (i) his pro-rated cash bonus due for the year in which his death occurs and (ii) if he dies prior to commencement of his Supplemental Benefit, his surviving spouse will receive a survivor's benefit equal to the greater of the pension that would have been paid had Mr. Weisser retired on the later of: (a) the date of his death or (b) the date he would have turned age 55, payable in the form of a 100% joint and survivor annuity with a 10 year term certain payment; (or, if spouse elects, a 100% joint and survivor annuity).

As a condition to Mr. Weisser's receiving the severance benefits referenced in the table above, he is bound by the terms of the non-competition and non-solicitation provisions in his employment agreement for the period of 18 months from the date of his termination of employment for any reason and by the terms of a confidentiality provision indefinitely. He must also execute and deliver a general release of claims against the company and its subsidiaries.

Mr. Weisser is also eligible to receive the Supplemental Benefit, as described in greater detail following the Pension Benefits Table.

The Weisser Employment Agreement also contains a "gross-up" provision pursuant to Section 280G of the Internal Revenue Code. If any of the payments or benefits provided to Mr. Weisser in connection with a Change of Control subject him to the excise tax imposed under Section 4999 of the Code, the company must make a gross up payment to him which will result in Mr. Weisser receiving the net amount that he is entitled to receive, after the deduction of all applicable taxes.

The following definitions are provided in the Weisser Employment Agreement for certain of the terms used in this description:

"Cause" means a termination of Mr. Weisser's employment by the company for any of the following reasons: (a) any act or omission that constitutes a material breach by him of the agreement; (b) his willful and continued failure or refusal to substantially perform his duties; (c) his willful and material violation of any law or regulation applicable to the company and its subsidiaries, or his conviction of, or a plea of *nolo contendere* to, a felony, or any willful perpetration by him of a common law fraud; or (d) any other willful misconduct by Mr. Weisser that is materially injurious to the financial condition, business or reputation of, or is otherwise materially injurious to, any member of the company and its subsidiaries.

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

"Disability" means a physical or mental disability or infirmity, as determined by a physician of recognized standing selected by the company, that prevents (or, in the opinion of such physician, is reasonably expected to prevent) the normal performance of duties as an employee of the company for any continuous period of 180 days or for 180 days during any one 12 month period.

"Change of Control" means the occurrence of any of the following events: (a) any person (within the meaning of Section 13(d) of the Exchange Act of 1934) is or becomes the beneficial owner, directly or indirectly, of securities of the company representing 35% or more of the common shares of the company's then outstanding; (b) a failure for any reason of the individuals who were directors on the effective date of the agreement to constitute at least a majority the Board of Directors; or (c) consummation after approval by the shareholders of the company of either (i) a plan of complete liquidation or dissolution of the company or (ii) a merger, amalgamation or consolidation of the company with any other corporation, the issuance of voting securities of the company in connection with a merger, amalgamation or consolidation of the company, a sale or other disposition of all or substantially all of the assets of the company or the acquisition of assets of another corporation (each, a "Business Combination"), unless, in each case of a Business Combination, immediately following such Business Combination, all or substantially all of the individuals and entities who were the beneficial owners of the Common Stock outstanding immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of the then outstanding shares of common stock and more than 50% of the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the entity resulting from such Business Combination (including, without limitation, an entity which as a result of such transaction owns the company or all or substantially all of the company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination, of the Common Stock.

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

***Fouse Employment Offer Letter.*** Pursuant to the terms of the employment offer letter between Ms. Fouse and Bunge, dated as of June 20, 2007 (the "Offer Letter"), Ms. Fouse is entitled to an annual base salary of \$660,000, subject to annual review, and her target annual bonus equals 75% of her base salary with a maximum upward potential of 2.5 times the target amount. For the 2007 fiscal year, Bunge guaranteed payment of Ms. Fouse's target annual bonus (i.e. \$495,000). Ms. Fouse's offer letter also entitles her to severance and change of control protections.

In the event of Ms. Fouse's termination without Cause or her resignation for Good Reason, all unvested time-based restricted stock units granted in connection with Ms. Fouse's commencement of employment with Bunge will vest and Ms. Fouse will generally be entitled to the greater of: (i) the standard severance benefits of the Company as they may exist at that time, or (ii) the equivalent of 24 months of base salary plus target bonus reduced by one month per month of service to a minimum

of 12 months. In addition, if the termination is not due to performance, Ms. Fouse will receive a *pro rata* annual bonus calculated at target for the year in which the termination occurs.

In the event of a Change of Control followed by involuntarily termination without Cause or resignation for Good Reason within the 12-month period following the consummation of a Change of Control, Ms. Fouse will vest in all unvested time-based restricted stock units granted in connection with her joining Bunge. In addition Ms. Fouse will generally be entitled to the base salary that otherwise would have been payable had she remained employed with the Company for the period from the date of such termination or resignation through the second anniversary of the Change of Control plus prorated target bonus for such period. Additionally, if the termination is not due to performance, Ms. Fouse will also receive a *pro rata* annual bonus calculated at target for the year in which the termination occurs.

For purposes of the Offer Letter, "Cause" and "Change of Control" have the same meanings as the corresponding terms set forth in the Weisser Employment Agreement. "Good Reason" means: (a) a failure by the Company to pay material compensation due and payable in connection with employment; or (b) a material diminution of Ms. Fouse's authority, responsibilities or position.

***Equity Acceleration under the Equity Incentive Plan.*** Under the EIP, the following accelerations occur (except as otherwise provided under the individual award agreements): In the event of a termination due to death, disability or Retirement (defined as termination after an executive's 65<sup>th</sup> birthday), an executive's stock options become fully vested and immediately exercisable. In the event of a termination without Cause or early retirement (as defined under the Pension Plan), all stock options that would have vested in the 12 month period following termination of employment will immediately vest and become exercisable.

For all terminations other than for Cause or voluntary resignation, all performance-based and non-performance based restricted stock unit awards vest *pro rata* through the date of termination (though performance based units remain subject to satisfaction of the applicable performance goals). In the event of a Change of Control, all unvested equity awards vest immediately prior to such Change of Control unless the compensation committee determines otherwise. The definitions of Cause and Change of Control are substantially similar to the definition under the Weisser Employment Agreement. Under the EIP, disability has the same meaning as under the company long-term disability plan for all awards except incentive stock options, for which disability means permanent and totality disability within the meaning of Section 22(e)(3) of the Internal Revenue Code.

***Other Change of Control Arrangements.*** Named Executive Officers also participate in the Deferred Compensation Plans which contain change of control provisions. Under these plans, the events constituting a change of control are substantially similar to the change of control events set forth in the Weisser Employment Agreement. Bunge is evaluating the treatment of a participant's account under these plans in light of the final regulations issued under Section 409A of the Internal Revenue Code.

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

The following table sets forth information regarding the beneficial ownership of our common shares by each member of our Board, each executive officer and our directors and executive officers as a group as of March 1, 2008, based on 121,251,591 shares issued and outstanding.

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

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

Beneficial Owner	Amount and Nature of Beneficial Ownership			
	(Number of Shares)			
	Direct(1)	Voting or Investment Power(2)	Right to Acquire(3)	Percent of Class
Alberto Weisser	134,789	0	794,085	*
Ernest G. Bachrach	0	0	59,771(4)	*
Enrique H. Boilini	0	0	48,800	*
Jorge Born, Jr.	0	0	48,800	*
Michael H. Bulkin	0	0	48,800	*
Octavio Caraballo	67,497	4,464(5)	49,841(6)	*
Francis Coppinger	0	717,642(7)	50,353(8)	*
Bernard de La Tour d'Auvergne Lauraguais	303,269	3(9)	48,800	*
William Engels	0	0	18,200	*
Paul H. Hatfield	5,000	0	41,600	*
L. Patrick Lupo	0	0	13,000	*
Larry G. Pillard	0	0	13,000	*
Andrew J. Burke	3,755	0	59,255	*
Jacquelyn A. Fouse	0	0	0	*
Archibald Gwathmey	22,054	0	137,682	*
João Fernando Kfourri	8,214	0	41,627	*
Flávio Sá Carvalho	22,940	0	29,256	*
All directors and executive officers as a group (18 persons)	567,518	722,109	1,502,870	2.3%

\*  
Less than 1%.

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

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

(3) This column includes shares which directors and executive officers have a right to acquire through the exercise of stock options granted under Bunge's Non Employee Directors Equity Incentive Plan and the Equity Incentive Plan, respectively, that have vested or will vest within 60 days of March 1, 2008, restricted stock units and dividend equivalent payments for which shares are issuable within 60 days of March 1, 2008 and shares underlying hypothetical share units held by non employee directors who have elected to receive, under the Non Employee Directors Deferred Compensation Plan, a distribution in the form of common shares.



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- (4) Includes 10,971 shares underlying hypothetical share units held under the Non Employee Directors Deferred Compensation Plan, which he has elected to receive in the form of common shares.
- (5) Includes 4,464 common shares held by his wife, as to which he disclaims beneficial ownership.
- (6) Includes 1,041 shares underlying hypothetical share units held under the Non Employee Directors Deferred Compensation Plan, which he has elected to receive in the form of common shares.
- (7) Includes 2,563 common shares held by his wife and 715,079 common shares held by a company owned by his wife.
- (8) Includes 1,553 shares underlying hypothetical share units held under the Non Employee Directors Deferred Compensation Plan, which he has elected to receive in the form of common shares.
- (9) Includes 3 common shares held by his wife.

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

Beneficial Owner	Number of Common Shares Beneficially Owned	Percentage of Common Shares Outstanding on December 31, 2007
Capital World Investors(1)	10,292,150	8.49%
Wellington Management Company, LLP(2)	7,136,575	5.89%
Janus Capital Management LLC(3)	11,774,634	9.71%

- (1) Based on information filed by Capital World Investors with the SEC on Schedule 13G on February 11, 2008. Based on the Schedule 13G, Capital World Investors may be deemed to beneficially own 10,292,150 common shares in its capacity as investment adviser to various investment companies registered under Section 8 of the Investment Company Act of 1940. Shares reported by Capital World Investors include 542,300 shares issuable upon conversion of Bunge's 4.875% cumulative convertible perpetual preference shares and 616,425 shares issuable upon conversion of Bunge's 5.125% cumulative mandatory convertible preference shares. Capital World Investors has sole voting power over 3,308,000 common shares and sole dispositive power over 10,292,150 common shares. The address of Capital World Investors is 333 South Hope Street, Los Angeles, California 90071.
- (2) Based on information filed by Wellington Management Company, LLP with the SEC on an amended Schedule 13G on February 14, 2008. Based on the Schedule 13G, Wellington Management Company, LLP, in its capacity as investment adviser, may be deemed to beneficially own 7,136,575 common shares that are held of record by its clients. Wellington Management Company, LLP has shared voting power over 4,960,814 common shares and shared dispositive power over 7,125,475 common shares. The address of Wellington Management Company, LLP is 75 State Street, Boston, Massachusetts 02109.
- (3) Based on information filed by Janus Capital Management LLC with the SEC on an amended Schedule 13G on February 14, 2008. Janus Capital Management LLC, or Janus Capital, has an indirect 86.5% ownership stake in Enhanced Investment Technologies LLC, or INTECH. Due to the above ownership structure, holdings for Janus Capital and INTECH are aggregated for beneficial ownership disclosure purposes. Janus Capital and INTECH are registered investment advisers, each furnishing investment advice to various investment companies registered under Section 8 of the Investment Company Act of 1940 and to individual and institutional clients (collectively, the "Managed Portfolios"). Neither Janus Capital nor INTECH has the right to receive any dividends from, or the proceeds from the sale of, the securities held in the Managed Portfolios and each disclaims any ownership associated with such rights. Janus Capital has sole voting and dispositive power over 11,667,480 common shares and shared voting and dispositive power over 107,154 common shares. The address for Janus Capital Management LLC is 151 Detroit Street, Denver, Colorado 80206.





## AUDIT COMMITTEE REPORT

Bunge's audit committee is composed of five independent directors, all of whom are financially literate. In addition, Bunge's Board has determined that each of Mr. de La Tour d'Auvergne Lauraguais, Mr. Bachrach, Mr. Boilini and Mr. Engels qualifies as an audit committee financial expert as defined by the SEC. The audit committee operates under a written charter, which reflects NYSE listing standards and Sarbanes-Oxley Act requirements regarding audit committees. A copy of the charter is available on Bunge's website at [www.bunge.com](http://www.bunge.com).

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

Bunge's management is responsible for the preparation of its financial statements, its financial reporting process and its system of internal controls. Bunge's independent auditors are responsible for performing an audit of the financial statements in accordance with auditing standards generally accepted in the United States, and issuing an opinion as to the conformity of those audited financial statements to U.S. generally accepted accounting principles. The audit committee monitors and oversees these processes.

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

The audit committee has reviewed and discussed with management and Deloitte & Touche LLP, Bunge's independent auditors, the audited financial statements as of and for the year ended December 31, 2007. In addition, the audit committee met regularly with management and Deloitte & Touche LLP to discuss the results of their evaluations of Bunge's internal controls and the overall quality of Bunge's financial reporting. The audit committee has also discussed with Deloitte & Touche LLP the matters required to be discussed by Statement on Auditing Standards No. 114 (Communication with Audit Committees). In addition, the audit committee has received from the independent auditors their written report required by Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees) and discussed with them their independence from Bunge and its management. The audit committee also considered whether the non audit services provided by Deloitte & Touche LLP to Bunge during 2007 were compatible with their independence as auditors.

Based on these reviews and discussions, the audit committee has recommended to the Board, and the Board has approved, the inclusion of the audited financial statements in Bunge's Annual Report on Form 10-K for the year ended December 31, 2007.

### Members of the Audit Committee

Bernard de La Tour d'Auvergne Lauraguais, Chairman  
Ernest G. Bachrach  
Enrique H. Boilini  
Francis Coppinger  
William Engels

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

**General**

Our Board has recommended and asks that you appoint Deloitte & Touche LLP as our independent auditors for the fiscal year ending December 31, 2008 and authorize the audit committee of the Board to determine the independent auditors' fees. You would be so acting based on the recommendation of our audit committee. According to Bermuda law, an auditor is appointed for a one year term beginning at the annual general meeting at which it is appointed and continuing until the close of the next annual general meeting.

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

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

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

**Fees**

The chart below sets forth the aggregate fees for professional services rendered by the Deloitte Entities for services performed in each of 2007 and 2006, and breaks down these amounts by category of service:

	<b>2007</b>	<b>2006</b>
Audit Fees	\$ 11,200,000	\$ 9,201,000
Audit-Related Fees	281,000	231,000
Tax Fees	336,000	382,000
All Other Fees	0	0
<b>Total</b>	<b>\$ 11,817,000</b>	<b>\$ 9,814,000</b>

**Audit Fees**

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

**Audit-Related Fees**

For 2007 and 2006, audit-related fees principally included fees for employee benefit plan audits in North America and Europe and statutory attestation services in Argentina.

**Tax Fees**

Tax fees in 2007 and 2006 primarily related to tax compliance services. Tax compliance services are services rendered based upon facts already in existence or transactions that have already occurred to document, compute and review amounts to be included in tax filings.

**All Other Fees**

No fees were paid to the Deloitte Entities in 2007 and 2006 for any other professional services.

**Pre-Approval Policies and Procedures**

The audit committee approves all audit services, audit related services, tax services and other services provided by Deloitte & Touche LLP. Any services provided by Deloitte & Touche LLP that are not specifically included within the scope of the audit must be pre-approved by the audit committee in advance of any engagement. Under the Sarbanes-Oxley Act of 2002, audit committees are permitted to approve certain fees for audit related services, tax services and other services pursuant to a *de minimis* exception prior to the completion of an audit engagement. In 2007, none of the fees paid to Deloitte & Touche LLP were approved pursuant to the *de minimis* exception.

In making its recommendation to appoint Deloitte & Touche LLP as our independent auditor for the fiscal year ending December 31, 2008, the audit committee has considered whether the services provided by Deloitte & Touche LLP are compatible with maintaining the independence of Deloitte & Touche LLP and has determined that such services do not interfere with Deloitte & Touche LLP's independence.

**RECOMMENDATION OF THE BOARD**

Our Board recommends that, based on the recommendation of the audit committee, you vote FOR the appointment of Deloitte & Touche LLP to serve as our independent auditors for the fiscal year ending December 31, 2008 and the authorization of the audit committee of the Board to determine the independent auditors' fees.

**PROPOSAL 3**  
**APPROVAL TO INCREASE THE NUMBER OF AUTHORIZED COMMON SHARES**

The Board recommends that our shareholders approve an increase in the authorized number of common shares of Bunge from 240,000,000 to 400,000,000 shares.

As of December 31, 2007, there were 121,225,963 common shares issued and outstanding. There were 4,685,082 common shares reserved for issuance in respect of outstanding awards under our equity incentive plans. In addition, 4,079,549 common shares are reserved for future awards under such plans. Moreover, an aggregate of 15,848,610 shares are reserved for issuance upon conversion of our two outstanding series of convertible preference shares, subject to specified adjustments. As such, Bunge has 94,160,796 unreserved authorized common shares available for future issuance. If this proposal is approved, 254,160,796 common shares will be unreserved and available for future issuance for general corporate purposes.

If this proposal is approved by our shareholders, the additional authorized common shares will become part of the existing class of our common shares, and the additional shares, when issued, will have the same rights and privileges as the common shares now issued and outstanding. There are no preemptive rights relating to the common shares.

The increase in the authorized common shares will not have any immediate effect on the rights of existing shareholders. The purpose of this proposal is to provide for additional common shares that could be issued in future transactions for corporate purposes that our Board may consider desirable without the delay and expense of seeking further shareholder approval, unless required by applicable law or regulation. The availability of an adequate supply of authorized and unissued common shares benefits us by providing us with greater flexibility to use our common shares for proper corporate purposes, including mergers, acquisitions, strategic transactions, equity financings, stock splits or dividends and grants under our equity plans, all as deemed necessary or advisable by our Board in the exercise of their fiduciary duties. Presently, the Board has no specific plans, commitments or arrangements to issue any of the additional common shares authorized by this proposal. However, in connection with Bunge's financing and growth initiatives, from time to time, the Board has considered and will continue to consider the issuance of common shares or securities convertible into common shares.

The Board will have the authority to issue common shares, including the additional common shares authorized by this proposal, in a manner that could make it more difficult or discourage an attempt to obtain control of Bunge by means of a merger, tender offer, proxy contest or other method. Such an occurrence, in the event of a hostile takeover, may have an adverse impact on shareholders who may wish to participate in such an offer. The Board is not aware of any effort by any person to obtain control of Bunge in a hostile manner and does not presently contemplate the issuance of common shares for this purpose. The issuance of additional common shares could also, among other things, have a dilutive effect on earnings per share and book value per share of existing common shares and reduce the percentage equity ownership and voting rights of existing holders of common shares.

We intend to list any additional common shares on the New York Stock Exchange if and when such shares are issued.

Under Bermuda law, our shareholders must approve this proposal by the affirmative vote of a majority of the votes cast. The share capital increase will be effective immediately upon the approval of our shareholders at the Annual General Meeting. Within 30 days thereafter, we are required to file a notice of the share capital increase with the Bermuda Registrar of Companies.

**RECOMMENDATION OF THE BOARD**

Our Board recommends that you vote **FOR** the proposal to increase our authorized common shares to 400,000,000 shares.

**PROPOSAL 4**  
**APPROVAL TO INCREASE THE NUMBER OF AUTHORIZED PREFERENCE SHARES**

The Board recommends that our shareholders approve an increase in the authorized number of preference shares of Bunge from 10,000,000 shares to 21,000,000 shares.

As of December 31, 2007, we had 6,900,000 cumulative convertible perpetual preference shares and 862,500 cumulative mandatory convertible preference shares issued and outstanding. As such, Bunge has 2,237,500 authorized and unreserved preference shares available for future issuance. If this proposal is approved, 13,237,500 preference shares will be unreserved and available for issuance for general corporate purposes.

Similar to the purpose for which we are proposing an increase in the number of authorized common shares, the purpose of this proposal is to provide for additional preference shares that could be issued in future transactions for corporate purposes that our Board may consider desirable without the delay and expense of seeking further shareholder approval unless required by applicable law or regulation. Currently, as 7,762,500 of the 10,000,000 authorized preference shares have been issued, Bunge's ability to offer and sell other series of preference shares in the future may be restricted. The Board believes Bunge's restricted ability to offer preference shares may hinder our ability to take advantage of favorable opportunities to raise capital in the future, to use preference shares as consideration in potential future mergers and acquisitions or to issue preference shares for other general corporate purposes. Increasing the number of authorized preference shares will provide the Board with additional flexibility to meet future corporate objectives. Presently, the Board has no specific plans, commitments or arrangements to issue any of the additional preference shares authorized by this proposal. However, in connection with Bunge's financing and growth initiatives, from time to time, the Board has considered and will continue to consider the issuance of preference shares.

The increase in the authorized preference shares will not have any immediate effect on the rights of existing shareholders and it is not possible to state the future effects of this proposal upon the rights of existing shareholders until our Board determines the respective rights of the holders of any future series of preference shares. Holders of our common shares and existing preference shares have no preemptive rights relating to the preference shares. The issuance of preference shares pursuant to our Board's authority described above could, depending on the nature of the rights and preferences granted to a newly issued series of preference shares, adversely affect the rights of the holders of our common shares. Specifically, the effects of such issuances of preference shares could include (i) reduction of the amount of cash otherwise available for payment of dividends on common shares, (ii) restrictions on payment of dividends on common shares, (iii) dilution of the voting power of common shares, (iv) restrictions on the rights of holders of common shares to share in our assets upon liquidation until satisfaction of any liquidation preference granted to the holders of such subsequently designated series of preference shares and (v) dilution of the earnings per share and book value per share of outstanding common shares. In addition, although the proposed increase in the number of authorized preference shares is not motivated by takeover concerns and is not considered or intended to be an anti-takeover measure, the availability of additional preference shares may discourage or deter bids for the common shares or may otherwise adversely affect the market price of the common shares.

Our Board does not intend to issue any preference shares to be authorized under this proposal except upon terms that our Board deems to be in the best interests of Bunge.

Under Bermuda law, our shareholders must approve this proposal by the affirmative vote of a majority of the votes cast. The share capital increase will be effective immediately upon the approval of our shareholders at the Annual General Meeting. Within 30 days thereafter, we are required to file a notice of the share capital increase with the Bermuda Registrar of Companies.

**RECOMMENDATION OF THE BOARD**

Our Board recommends that you vote FOR the proposal to increase our authorized preference shares to 21,000,000 shares.

**PROPOSAL 5**

**APPROVAL TO AMEND BUNGE'S BYE-LAWS TO PERMIT IT TO REPURCHASE OR OTHERWISE ACQUIRE ITS SHARES TO HOLD AS TREASURY SHARES**

Under the Bermuda Companies Act 1981, Bermuda's primary corporate statute, a company incorporated in Bermuda historically was not permitted to hold as "treasury shares" any of its shares that it had repurchased or otherwise acquired. In December 2006, Bermuda adopted amendments to the Companies Act 1981, which permitted, among other things, companies to acquire and hold their own shares as treasury shares if authorized to do so by their memorandum of association or bye-laws. Treasury shares generally represent shares that were once traded in the market but which have since been reacquired by the issuing company and are available for cancellation or later reissuance. The amendments to the Companies Act 1981 would allow companies to hold treasury shares, dispose of or transfer all or any of the treasury shares for cash or other consideration as determined by its board of directors or cancel all or any of the treasury shares. A company that holds treasury shares is not permitted to exercise any rights in respect of those common shares, including any right to attend and vote such shares at meetings, and such shares accrue no dividends while held by the company in treasury. Treasury shares would be considered issued but not outstanding common shares of Bunge and would not count for earnings per share calculation purposes.

Bunge's bye-laws currently permit it to purchase its shares, but do not expressly permit Bunge to hold the repurchased shares in treasury. The Board believes that amending the bye-laws to permit the ability to purchase or otherwise acquire shares to hold as treasury shares provides Bunge with valuable increased flexibility and is in our best interest.

The proposed bye-law amendments are set forth in Appendix B to this proxy statement and the proposed changes to the current bye-laws are marked therein.

Under our bye-laws, shareholders must approve the proposed amendment by the affirmative vote of a majority of the votes cast.

**RECOMMENDATION OF THE BOARD**

Our Board recommends that you vote FOR the amendments to our bye-laws to permit Bunge to repurchase or otherwise acquire its shares to hold as treasury shares.

## CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

### Loans to Directors and Executive Officers

Under Bermuda law, we cannot lend money to our directors without the approval of shareholders representing 90% of our common shares. We have no outstanding loans to any director. In addition, we are in compliance with the provisions of the Sarbanes-Oxley Act of 2002 prohibiting certain loans to directors and executive officers.

### Transactions with Mutual Investment Limited and its Subsidiaries

Prior to our initial public offering in 2001, we entered into an administrative services agreement with Mutual Investment Limited, our former parent company prior to our initial public offering, under which we provide corporate and administrative services to it, including financial, legal, tax, accounting, human resources administration, insurance, employee benefits plans administration, corporate communication and management information system services. The agreement has a quarterly term that is automatically renewable unless terminated by either party. Mutual Investment Limited pays us for the services rendered on a quarterly basis based on our direct and indirect costs of providing the services. In 2007, Mutual Investment Limited paid us approximately \$124,000 under this agreement.

### Other Relationships

We purchase agricultural commodities and other products used in our operations in the normal course of business from many suppliers and sell agricultural commodities and fertilizer products to many customers, including companies that are affiliated with some of our non management directors or their immediate family members. All of these transactions have been in the ordinary course of business and on arms'-length business terms based on market prices. In 2007, none of these transactions were significant, either individually or in the aggregate to Bunge or our directors personally. Further, except as described below, all such transactions fell below the thresholds set forth in the categorical standards for director independence set forth in this proxy statement. From time to time in the ordinary course of business, Bunge has purchased agricultural commodities from, and sold fertilizer products to, Estanar Estancias Argentinas S.A. ("Estanar"), a South American agricultural production company beneficially owned and controlled by the sister of Mr. Octavio Caraballo. Such purchases and sales have been made at market prices. Total amounts paid to Estanar for agricultural commodity purchases in 2007 were approximately \$2.2 million and total amounts paid by Estanar to Bunge for fertilizer purchases in 2007 were approximately \$1.2 million. Mr. Caraballo has no beneficial interest or involvement in the activities of this company.

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

Our corporate governance and nominations committee has adopted a written policy for the review and approval of related person transactions. The policy is designed to operate in conjunction with and as a supplement to the provisions of our Code of Ethics.

Under the policy, our Legal Department will review all actual and proposed related person transactions presented to or identified by it and then present any transaction in which a related person is reasonably likely to have a direct or indirect material interest to the corporate governance and nominations committee for review and approval or ratification. In determining whether to approve or ratify a related person transaction, the corporate governance and nominations committee will consider all the available and relevant facts and circumstances, including, but not limited to, (a) whether the transaction was the product of fair dealing, (b) the terms of the transaction and whether similar terms would have been obtained from an arms'-length transaction with a third party and (c) the availability of other sources for comparable products or services. The policy also identifies certain types of

transactions that our Board has identified as not involving a direct or indirect material interest and are, therefore, not considered related person transactions for purposes of the policy.

The policy requires that our Legal Department implement certain procedures for the purpose of obtaining information with respect to related person transactions. These procedures include, among other things, (a) informing, on a periodic basis, our directors, executive officers and nominees for director or executive officer of the requirement for directors and executive officers to present possible related party transactions to the Legal Department for review, (b) reviewing questionnaires completed by directors, executive officers and nominees for director and executive officer designed to elicit information about possible related person transactions, (c) developing a list of related persons to assist in identifying related person transactions and (d) reviewing information gathered from the books and records of Bunge Limited and its operating subsidiaries to identify possible related person transactions.

For purposes of the policy, the terms "related person" and "transaction" have the meaning contained in Item 404 of Regulation S-K.

#### **SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

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

Based solely upon a review of copies of reports filed pursuant to Section 16(a) of the Exchange Act, or written representations from persons required to file such reports, we believe that all filings required to be made were timely made in accordance with the requirements of the Exchange Act during 2007.

#### **SHAREHOLDER PROPOSALS FOR THE 2009 ANNUAL GENERAL MEETING OF SHAREHOLDERS**

To be considered for inclusion in Bunge's proxy statement for the 2009 Annual General Meeting of Shareholders, presently anticipated to be held on May 8, 2009, shareholder proposals must be received by Bunge no later than December 17, 2008. In order to be included in Bunge sponsored proxy materials, shareholder proposals will need to comply with the SEC's Rule 14a-8. If you do not comply with Rule 14a-8, we will not be required to include the proposal in the proxy statement and the proxy card we will mail to our shareholders. Shareholder proposals should be sent to Bunge's Secretary at Bunge Limited, Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda, Attention: Secretary, with a copy to us at 50 Main Street, White Plains, New York 10606, U.S.A., Attention: Investor Relations.

Shareholders may also make proposals that are not intended to be included in Bunge's proxy statement for the 2009 Annual General Meeting pursuant to our bye-laws. Nomination of candidates for election to the Board or other business may be proposed to be brought before the 2009 Annual General Meeting by any person who is a registered shareholder on the date of the giving of the notice of such proposals and on the record date for the determination of shareholders entitled to receive notice of and vote at the 2009 Annual General Meeting. Notice must be must be given in writing and in proper form to the Secretary of Bunge at Bunge's registered office listed above, with a copy to us at 50 Main Street, White Plains, New York 10606, U.S.A., Attention: Investor Relations, not later than December 17, 2008.

In addition, shareholders may submit proposals on matters appropriate for shareholder action at the 2009 Annual General Meeting of Shareholders in accordance with Sections 79 and 80 of the Companies Act 1981 of Bermuda. To properly submit such a proposal, either at least 100 shareholders



or any number of shareholders who represent at least 5% of the voting rights of our voting shares must notify us in writing of their intent to submit a proposal. In accordance with Bermuda law, any such shareholder proposal to be voted on at the 2009 Annual General Meeting and at future annual general meetings must be received by us no later than six weeks prior to the annual general meeting date in order to be circulated to shareholders by us. Please deliver any such proposal to Bunge Limited, Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda, Attention: Secretary, with a copy to us at 50 Main Street, White Plains, New York 10606, U.S.A., Attention: Investor Relations.

#### **DIRECTIONS TO ANNUAL GENERAL MEETING**

The Annual General Meeting will be held at 10:00 a.m., Eastern time, on May 23, 2008 at the Sofitel Hotel, 45 West 44th Street, New York City. The telephone number is (212) 354-8844 and the fax number is (212) 354-2480.

#### **UNITED STATES SECURITIES AND EXCHANGE COMMISSION REPORTS**

A copy of our 2007 Annual Report, which includes our Annual Report on Form 10-K for the fiscal year ended December 31, 2007, as filed with the SEC, is enclosed with these proxy materials. Our Annual Report on Form 10-K is also available to shareholders free of charge on our website at [www.bunge.com](http://www.bunge.com) under the captions "About Bunge Investor Information SEC Filings" or by writing to us at 50 Main Street, White Plains, New York 10606, U.S.A., Attention: Investor Relations.

#### **OTHER MATTERS**

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

#### **NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIALS**

*Important Notice Regarding the Availability of Proxy Materials for the Annual General Meeting to be held on May 23, 2008.*

**Bunge Limited's 2008 Proxy Statement is available at [www.bunge.com/2008proxy.pdf](http://www.bunge.com/2008proxy.pdf) and our 2007 Annual Report is available at [www.bunge.com/2007AR.pdf](http://www.bunge.com/2007AR.pdf).**

By order of the Board of Directors.

James Macdonald  
*Secretary*

Hamilton, Bermuda  
April 16, 2008

APPENDIX A

CORPORATE GOVERNANCE GUIDELINES

The Board has adopted these guidelines to reflect the Company's commitment to good corporate governance and to comply with New York Stock Exchange rules and other legal requirements. In furtherance of these goals, the Board has also adopted a Code of Ethics, policies and procedures on securities trading compliance and written charters for each of its Board committees. The Corporate Governance and Nominations Committee will periodically review these guidelines and propose modifications to the Board for consideration as appropriate.

**I. Director Responsibilities**

A.

Basic Responsibilities

The business affairs of the Company are managed under the direction of the Board, which represents and is accountable to the shareholders of the Company. The Board's responsibilities include regularly evaluating the strategic direction of the Company, management's policies and the effectiveness with which management implements its policies and overseeing compliance with legal and regulatory requirements.

The basic responsibility of the directors is to act honestly and in good faith with a view to the best interests of the Company and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In discharging that obligation, the directors should inform themselves of all relevant information reasonably available to them. In forming their judgment, directors are entitled to rely in good faith on the accuracy of the records of the corporation and the information, opinions, reports or statements presented to them by the Company's officers, employees, Board committees, outside advisors and auditors, but the final decision must be made by the directors themselves.

B.

Board and Committee Meetings: Attendance at Shareholder Meetings

Directors are expected to prepare for and use reasonable efforts to participate in all Board meetings and meetings of committees on which they serve. The Board and each committee will meet as frequently as necessary to properly discharge their responsibilities, provided that the Board shall meet at least five times per year.

Each director is free to suggest the inclusion of items on the agenda for the Board meeting and each committee meeting, but it is the Chairman of the Board and the Chair of each committee who will set the final agenda for any meeting. The final agenda of the Board and each committee meeting will be circulated to all Board members prior to the meetings. The Chairman of the Board shall receive copies of all committee notices, agendas and minutes at the same time, and in the same manner, as the members of each committee.

Information and data that are important to the Board's understanding of the business to be conducted at a Board or committee meeting should, to the extent practicable, be distributed in writing to the directors sufficiently in advance of the meeting to permit meaningful review, and directors are expected to review the provided materials in advance of each meeting.

In addition, it is the policy of the Board that the directors attend the Annual General Meeting of the Company's shareholders.

C.

Meetings of Non-Management Directors

The non-management directors shall meet without management directors at regularly scheduled executive sessions and at such other times as they deem appropriate.

The non-management directors shall, from time to time, designate a director from among their number to preside at executive sessions of the non-management directors.

D.

Communications with Directors

To facilitate the ability of interested persons to communicate with and make their concerns known to the non-management directors and of shareholders to communicate with the Board, the Board has established an electronic mailing address and a physical mailing address to which such communications may be sent. These addresses will be disclosed on the Company's website.

E.

Board Interaction with Institutional Investors, Research Analysts and Media

As a general rule, management will speak on behalf of the Company. Comments and other statements from the entire Board, if appropriate, will generally be made by the Chairman and Chief Executive Officer. It is suggested that, in normal circumstances, each director refer all inquiries from third parties to management.

## II. Composition and Selection of the Board

A.

Size and Composition of the Board

The current size of the Board is 12, which the Board believes is appropriate. The Board will assess its size from time to time to determine whether it continues to be appropriate.

B.

Board Membership Criteria

It is the policy of the Board that the Board at all times reflect the following criteria:

Each director will at all times exhibit high standards of ethics, integrity commitment and accountability and should be committed to promoting the long-term interests of the Company's shareholders.

The Board will encompass a range of talent, skill and relevant expertise sufficient to provide sound guidance with respect to the Company's operations and interests.

The Corporate Governance and Nominations Committee will recommend director nominees to the Board in accordance with the policies and principles in its Charter and in these Guidelines. The invitation to stand for election to the Board shall be extended by the Chairman of the Board on behalf of the Board.

C.

Independence of Directors

The Board will have a substantial majority of directors who meet the requirements for independence required by the New York Stock Exchange for listed U.S. companies.

Whether directors are independent will be reviewed annually in connection with the preparation of the Company's proxy statement. The Corporate Governance and Nominations Committee as well as the Board will review commercial and other relationships between directors and the Company to make a determination regarding the independence of each of the directors, but the final independence determination will be made by the Board after due deliberation. The Board has established categorical standards to assist it in making such determinations. Such standards are set forth in Annex A hereto. Each independent director is expected to notify the Chair of the Corporate Governance and Nominations Committee, as soon as reasonably practicable, if his or her personal circumstances change in a manner that may affect the Board's evaluation of such director's independence.

D.

Membership on Other Boards, Interests in Competitors

Directors must inform the Chairman of the Board and the Chair of the Corporate Governance and Nominations Committee in advance of accepting an invitation to serve on another public company board.

No director may sit on the board of, or beneficially own more than 1% of the outstanding equity securities of (other than through mutual funds or similar non-discretionary, undirected arrangements), any of the Company's competitors in its principal lines of business.

E.

Sale and Purchase of Company Securities

Directors must comply with the terms of the Company's *Policies Regarding Pre-Clearance of Securities Trades and use of Derivative Securities* and the Company's *Corporate Policy and Procedure on Insider Trading* in connection with any proposed transaction in Company securities.

F.

Changes in Current Job Responsibility

Directors, including employee directors, who retire from the job or the principal responsibility they held when they were selected for the Board or who accept employment with any of the Company's competitors in its principal lines of business shall submit their resignation from the Board to the Corporate Governance and Nominations Committee who may choose (1) to accept such resignation or (2) to submit such resignation for consideration by the Board, with any decision by the Board requiring a two-thirds super-majority vote.

G.

Term Limits and Mandatory Retirement

The Board has not established any term limits to an individual's membership on the Board. No director having attained the age of 70 shall be nominated for re-election or re-appointment to the Board.

### III. Board Committees

A.

Composition and Responsibilities

The Board will have at all times an Audit Committee, a Compensation Committee, a Corporate Governance and Nominations Committee, a Finance and Risk Management Policy Committee and any other committee the Board deems appropriate. All of the members of the committees will meet the criteria for independence set forth above and will be appointed by the Board. The Board will also appoint the Chair of each committee.

The Board will annually review committee assignments and will consider the rotation of committee chairs and members with a view toward balancing the benefits derived from continuity against the benefits derived from the diversity of experience and viewpoints of the various directors.

B.

Charters

The Board has adopted written charters setting forth the purposes, goals and responsibilities of each of the Audit Committee, the Compensation Committee, the Corporate Governance and Nominations Committee and the Finance and Risk Policy Committee, and will adopt such charters for any other committees that the Board deems appropriate. Each committee charter will also address qualifications for committee membership, procedures for committee member appointment and removal, committee structure and operations and committee reporting to the Board.

#### **IV. Director Access to Officers, Employees and Independent Advisors**

A.

##### Access to Management and Employees

Directors will have full and unrestricted access to officers and employees of the Company at reasonable times and with reasonable notice and in a manner that will not unreasonably affect the performance by these officers or employees of their duties and responsibilities and that will not undermine management's oversight responsibility.

B.

##### Access to Independent Advisors

The Board and each committee have the power to hire legal, financial or other advisors, as they may deem necessary, as set forth in each committee's charter. Each committee that hires a legal, financial or other advisor shall promptly notify the Board of such hiring. The Company will provide sufficient funding to the Board and to each committee, as determined by the Board and each of its committees, to exercise their functions and provide compensation for the services of their advisors and, in the case of the Audit Committee, independent auditors.

#### **V. Director Orientation and Continuing Education**

All new directors will receive these Corporate Governance Guidelines and will participate in the Company's orientation initiatives as soon as practicable after the annual meeting at which new directors are elected. The initiatives will include presentations by senior management and outside advisors as appropriate to familiarize new directors with the Company's business, its strategic plans, its significant financial, accounting and risk management issues and its compliance programs as well as their fiduciary duties and responsibilities as directors. All other directors are also invited to attend orientation initiatives.

The Corporate Governance and Nominations Committee and members of senior management of the Company as well as appropriate outside advisors will periodically report to the Board on any significant developments in the law and practice of corporate governance and other matters relating to the duties and responsibilities of directors in general.

#### **VI. Director Compensation**

The Compensation Committee will annually review and recommend, and the Board will approve, the form and amount of director compensation. It is the Company's policy that a significant portion of director compensation be in the form of Company shares or equity-based awards. The Board will consider that directors' independence may be jeopardized if director compensation and perquisites exceed customary levels, if the Company makes substantial charitable contributions to organizations with which a director is affiliated, or if the Company enters into consulting contracts with (or provides other indirect forms of compensation to) a director or an organization with which the director is affiliated.

The Board believes that director stock ownership helps to align the interests of directors with those of the Company's shareholders. Within five years of May 27, 2005 (or for new directors within five years of becoming a director), each non-employee director is expected to own common shares of the Company (including restricted stock units under the Company's deferred compensation plan for non-employee directors and 50% of the value of vested, in-the-money stock options) having a market value of at least three times the annual retainer fee paid by the Company to its non-employee directors.

**VII. Chief Executive Officer Evaluation and Management Succession**

The Compensation Committee shall review and approve corporate goals and objectives relevant to the compensation of the Chief Executive Officer, evaluate the Chief Executive Officer's performance in light of those goals and objectives and set the Chief Executive Officer's compensation level based on this evaluation, in each case after obtaining the views of the other Board members and after reviewing its evaluation with the Board. The Compensation Committee will inform the Board of its decisions with respect to the compensation of the Chief Executive Officer and the direct reports to the Chief Executive Officer.

The Board will review at least annually succession planning for the Chair and Chief Executive Officer. The Board will work with the Compensation Committee and the Corporate Governance and Nominations Committee to evaluate and, as necessary, nominate successors to the Chair and Chief Executive Officer. The Chair and Chief Executive Officer should at all times make available his or her recommendations and evaluations of potential successors to his or her own and other senior management positions, including in the event of an unexpected emergency, along with a review of any development plans recommended for such individuals.

**VIII. Annual Performance Evaluation**

The Corporate Governance and Nominations Committee, on behalf of the Board, will conduct an annual evaluation of the Board to determine whether it is functioning effectively. The Corporate Governance and Nominations Committee will also establish criteria for the annual self-evaluations of each committee. The Board and committee assessments will focus on the contribution to the Company by the Board and each committee, and will specifically focus on areas in which a better contribution could be made. The final Board and committee evaluations will be discussed with the Board following their completion.

**IX. Director Insurance, Indemnification and Exculpation**

The Company intends to, and the directors shall be entitled to have the Company, purchase reasonable directors' and officers' liability insurance on behalf of the directors to the extent reasonably available and in amounts to be approved by the Board. In addition, the directors will receive the benefits of indemnification provided by the Company's Memorandum of Association and Bye-laws.

**CATEGORICAL STANDARDS OF DIRECTOR INDEPENDENCE**

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

(1) A director will not be independent if:

the director was employed by Bunge or an immediate family member of the director was an executive officer of Bunge within the preceding three years,

(i) the director or the director's immediate family member is a current partner of a firm that is Bunge's external auditor; (ii) the director is a current employee of such firm; (iii) the director has an immediate family member who is a current employee of such firm and who participates in the firm's audit, assurance or tax compliance (but not tax planning) practice; or (iv) the director or the director's immediate family member was within the last three years (but is no longer) a partner or employee of such a firm and personally worked on Bunge's audit within that time,

a present executive officer of Bunge serves or served on the compensation committee of the board of directors of a company which employed the director or which employed an immediate family member of the director as an executive officer within the preceding three years,

the director or the director's immediate family member received, during any 12-month period within the preceding three years, more than \$100,000 per year in direct compensation from Bunge other than director and committee fees and pension or other forms of deferred compensation for prior service, *provided* that such compensation is not contingent on continued service or

the director is a current employee, or the director's immediate family member is a current executive officer, of another company and the other company made payments to, or received payments from, Bunge for property or services in an amount which, in any of the last three fiscal years, exceeded the greater of \$1,000,000 or 2% of such other company's consolidated gross revenues.

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

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

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

the director or the director's immediate family member serves as an officer, director or trustee of a charitable, educational or other not-for-profit organization, and Bunge's donations to the

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organization or commercial relationships with the organization, as the case may be, are less than the greater of \$1 million or 2% of that organization's annual gross revenues, and

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

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

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

A-7

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**APPENDIX B**

**PROPOSED AMENDMENTS TO  
BUNGE LIMITED'S  
AMENDED AND RESTATED BYE-LAWS**

1.

Interpretation

(1) In these Bye-laws the following words and expressions shall, where not inconsistent with the context, have the following meanings respectively:

- (a) "Act" means the Companies Act 1981 as amended or re-enacted from time to time;
- (b) "Auditor" includes any individual or partnership or any other person;
- (c) "Board" means the board of directors appointed or elected pursuant to these Bye-laws and acting by resolution in accordance with the Act and these Bye-laws or the Directors present at a meeting of Directors at which there is a quorum;
- (d) "Company" means Bunge Limited, being the company for which these Bye-laws are approved and confirmed;
- (e) "Director" means a director of the Company;
- (f) "Group" means the Company and every company and other entity which is for the time being controlled by the Company (for these purposes, "control" means the power to direct the management or policies of the person in question, whether by means of an ownership interest or otherwise);
- (g) "Member" means the person registered in the Register of Members as the holder of shares in the Company and, when two or more persons are so registered as joint holders of shares, means the person whose name stands first in the Register of Members as one of such joint holders or all of such persons as the context so requires;
- (h) "notice" means written notice as further defined in these Bye-laws unless otherwise specifically stated;
- (i) "Officer" means any person appointed by the Board to hold an office in the Company;
- (j) "Register of Directors and Officers" means the register of Directors and Officers referred to in these Bye-laws;
- (k) "Register of Members" means the principal register and, where applicable, any branch register of Members referred to in these Bye-laws;
- (l) "Registration Office" means such place as the Board may from time to time determine to keep a branch register of Members and where (except in cases where the Board otherwise directs) the transfers or other documents of title may be lodged for registration;
- (m) "Resident Representative" means any person appointed to act as resident representative and includes any deputy or assistant resident representative; ~~and~~
- (n) "Secretary" means the person appointed to perform any or all of the duties of secretary of the Company and includes any deputy or assistant secretary; and
- (o) "Treasury Share" means a share of the Company that was or is treated as having been acquired and held by the Company and has been held continuously by the Company since it was so acquired and has not been cancelled.

10.

Exercise of power to purchase shares of or discontinue the Company

(1) The Board may exercise all the powers of the Company to purchase or acquire all or any part of its own shares pursuant to section 42A of the Act.

50.

Rights of shares

*(Bye-laws 50(1) and (2) intentionally omitted as no amendments proposed)*

(3) All the rights attaching to a Treasury Share shall be suspended and shall not be exercised by the Company while it holds such Treasury Share and, except where required by the Act, all Treasury Shares shall be excluded from the calculation of any percentage or fraction of the share capital, or shares, of the Company.

(34) Subject to these Bye-laws and the requirements of any exchange on which the shares of the Company are listed, and without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, the Board shall have the full power to issue any unissued shares of the Company on such terms and conditions as it may, in its absolute discretion, determine.

(45) The Board is authorized to provide for the issuance of the Preference Shares in one or more series, and to establish from time to time the number of shares to be included in each such series, and to fix the designation, powers, preferences and rights of the shares of each such series and the qualifications, limitations or restrictions thereof (and, for the avoidance of doubt, such matters and the issuance of such Preference Shares shall not be deemed to vary the rights attached to the Common Shares). The authority of the Board with respect to each series shall include, but not be limited to, determination of the following:

- (a) the number of shares constituting that series and the distinctive designation of that series;
- (b) the dividend rate on the shares of that series, whether dividends shall be cumulative, and, if so, from which date or dates, and the relative rights of priority, if any, of payment of dividends on shares of that series;
- (c) whether that series shall have voting rights, in addition to the voting rights provided by law, and, if so, the terms of such voting rights, provided that no share shall carry the right to more than one vote;
- (d) whether that series shall have conversion or exchange privileges (including, without limitation, conversion into Common Shares), and, if so, the terms and conditions of such conversion or exchange, including provision for adjustment of the conversion or exchange rate in such events as the Board shall determine;
- (e) whether or not the shares of that series shall be redeemable, and, if so, the terms and conditions of such redemption, including the manner of selecting shares for redemption if less than all shares are to be redeemed, the date or dates upon or after which they shall be redeemable, and the amount per share payable in case of redemption, which amount may vary under different conditions and at different redemption dates;
- (f) whether that series shall have a sinking fund for the redemption or purchase of shares of that series, and, if so, the terms and amount of such sinking fund;
- (g) the right of the shares of that series to the benefit of conditions and restrictions upon the creation of indebtedness of the Company or any subsidiary, upon the issue of any additional shares (including additional shares of such series or any other series) and upon the payment of dividends or the making of other distributions on, and the purchase, redemption or other acquisition by the Company or any subsidiary of any outstanding shares of the Company;

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(h) the rights of the shares of that series in the event of voluntary or involuntary liquidation, dissolution or winding up of the Company, and the relative rights of priority, if any, of payment on shares of that series; and

(i) any other relative participating, optional or other special rights, qualifications, limitations or restrictions of that series.

52.

Variation of rights, alteration of share capital and purchase of shares of the Company

(4) The Company may from time to time purchase its own shares for cancellation or acquire them as Treasury Shares in accordance with the ~~provision of section 42A of the Act~~ on such terms as the Board shall think fit.

B-3

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The Board of Directors recommends a vote FOR proposals 1, 2, 3, 4 and 5

Please  
Mark Here  
for Address  
Change or  
Comments **0**

SEE REVERSE SIDE

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED

- |   |                                      |  |   |  |  |
|---|--------------------------------------|--|---|--|--|
| <p>1. To elect three nominees listed below as Class III Directors.</p>  | <p>FOR      AGAINST      ABSTAIN</p> | <p>1a<br/>Ernest G. Bachrach<br/>(Class III)</p> | <p><b>0</b>      <b>0</b>      <b>0</b></p>   | <p>3. To increase the number of authorized common shares of Bunge Limited from 240,000,000 to 400,000,000.</p>               | <p>FOR    AGAINST    ABSTAIN</p> <p><b>0</b>      <b>0</b>      <b>0</b></p> |
| <p>1b<br/>Enrique H. Boilini<br/>(Class III)</p>  | <p>FOR      AGAINST      ABSTAIN</p> | <p><b>0</b>      <b>0</b>      <b>0</b></p>      | <p>4. To increase the number of authorized preference shares of Bunge Limited from 10,000,000 to 21,000,000.</p>  | <p>FOR    AGAINST    ABSTAIN</p> <p><b>0</b>      <b>0</b>      <b>0</b></p>   |  |
| <p>1c<br/>Michael H. Bulkin<br/>(Class III)</p>   | <p>FOR      AGAINST      ABSTAIN</p> | <p><b>0</b>      <b>0</b>      <b>0</b></p>      | <p>5. To amend Bunge Limited's by-laws to permit Bunge Limited to repurchase or otherwise acquire its shares to hold as treasury shares.</p>                      | <p>FOR    AGAINST    ABSTAIN</p> <p><b>0</b>      <b>0</b>      <b>0</b></p>   |  |
| <p>2. To appoint Deloitte &amp; Touche LLP as Bunge Limited's independent auditors for the fiscal year ending December 31, 2008 and to authorize the audit committee of the Board of Directors to determine the independent auditors' fees.</p> | <p>FOR      AGAINST      ABSTAIN</p> | <p><b>0</b>      <b>0</b>      <b>0</b></p>      | <p>6. For any other matter properly coming before the Annual General Meeting of Shareholders, this proxy will be voted at the discretion of the proxy holder.</p> | <p>I/We designate _____(please print name) as my/our proxy in the place of the proxies designated on the reverse hereof.</p> |  |

Signature		Signature/Title		Date	, 2008
Signature of Shareholder(s) please sign YOUR name exactly as imprinted (do not print). THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED. NOTE: If acting as officer, attorney, executor, trustee, or in representative capacity, sign name and title. If shares are held jointly, EACH holder should sign. <b>PLEASE MARK, DATE, SIGN AND RETURN THIS PROXY.</b>					

**^ FOLD AND DETACH HERE ^**

**WE ENCOURAGE YOU TO TAKE ADVANTAGE OF INTERNET OR TELEPHONE PROXY APPOINTMENT, BOTH ARE AVAILABLE 24 HOURS A DAY, 7 DAYS A WEEK.**





**Internet and telephone proxy appointment is available through 11:59 PM Eastern Time on May 22, 2008.**



**Your Internet or telephone proxy appointment authorizes the designated proxies to vote your shares in the same manner as if you marked, signed and returned your proxy card.**



**To select a proxy other than the designated proxies, you must return your proxy card by mail. On the proxy card, cross off the designated proxies and write in your selection in the space under number 6 above.**

**INTERNET <http://www.proxyvoting.com/bg>**

Use the internet to appoint your proxy. Have your proxy card in hand when you access the web site.

**OR**

**TELEPHONE  
1-866-540-5760**

Use any touch-tone telephone to appoint your proxy. Have your proxy card in hand when you call.

If you appoint your proxy by Internet or by telephone, you do NOT need to mail back a proxy card. To vote by mail, mark, sign and date your proxy card and return it in the enclosed postage-paid envelope.

**Bunge Limited's proxy statement is available at [www.bunge.com/2008proxy.pdf](http://www.bunge.com/2008proxy.pdf).  
Bunge Limited's 2007 Annual Report is available at [www.bunge.com/2007AR.pdf](http://www.bunge.com/2007AR.pdf).**

**Please see the Admission Ticket on the Reverse Side**

**BUNGE LIMITED**

**ANNUAL GENERAL MEETING OF SHAREHOLDERS  
MAY 23, 2008**





**THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS OF BUNGE LIMITED**



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The undersigned holder(s) of common shares of Bunge Limited hereby appoint Alberto Weisser or, failing him, Jacquelyn A. Fouse or, failing her, Jorge Frias, or, instead of such persons (if you wish to select a proxy other than the designated proxies, please draw a line through the designated proxies' names), the person indicated on the reverse side hereof, as my/our proxy to vote on my/our behalf at the annual general meeting of shareholders of Bunge Limited to be held on the 23rd day of May 2008, at 10:00 A.M., Eastern time, and at any adjournment or postponement thereof. I/We revoke all previous proxies and acknowledge receipt of the notice of the annual general meeting of shareholders and the proxy statement. The common shares represented by this proxy are held as of March 27, 2008, and shall be voted in the manner set forth on the reverse side hereof.

Please vote via the Internet or telephone, or complete, sign and date the reverse side of this proxy and return it in the postage pre-paid (if mailed in the United States) envelope we have provided or return it to Bunge Limited c/o Mellon Investor Services LLC, Proxy Tabulation Department, 480 Washington Blvd., Jersey City, NJ 07310, so that it is received **BY NO LATER THAN 11:59 P.M. (EASTERN TIME) ON MAY 22, 2008**.

We encourage you to specify how you would like to vote by marking the appropriate boxes. If you wish to vote in accordance with the Board of Directors' recommendations, you do not need to mark any boxes; simply return the signed proxy card. The Board of Directors recommends a vote FOR Proposals (1) (5). Therefore, unless otherwise specified, the vote represented by your proxy will be cast FOR Proposals (1) (5).

**THIS PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED AS YOU DIRECT, UNLESS YOU PROPERLY REVOKE IT.**



(Continued and to be signed on the other side)

**Address Change/Comments (Mark the corresponding box on the reverse side)**

**^ FOLD AND DETACH HERE ^**

**ADMISSION TICKET**

**2008 Annual General Meeting  
of  
Shareholders  
of  
Bunge Limited  
May 23, 2008  
10:00 A.M., Eastern Time**





**Sofitel Hotel**  
**45 West 44th Street**  
**New York, NY**

QuickLinks

[INFORMATION ABOUT THIS PROXY STATEMENT AND THE ANNUAL GENERAL MEETING](#)

[CORPORATE GOVERNANCE](#)

[PROPOSAL 1 ELECTION OF DIRECTORS](#)

[RECOMMENDATION OF THE BOARD](#)

[DIRECTOR COMPENSATION](#)

[EXECUTIVE COMPENSATION](#)

[SHARE OWNERSHIP OF DIRECTORS, EXECUTIVE OFFICERS AND PRINCIPAL SHAREHOLDERS](#)

[AUDIT COMMITTEE REPORT](#)

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

[RECOMMENDATION OF THE BOARD](#)

[PROPOSAL 3 APPROVAL TO INCREASE THE NUMBER OF AUTHORIZED COMMON SHARES](#)

[PROPOSAL 4 APPROVAL TO INCREASE THE NUMBER OF AUTHORIZED PREFERENCE SHARES](#)

[RECOMMENDATION OF THE BOARD](#)

[PROPOSAL 5 APPROVAL TO AMEND BUNGE'S BYE-LAWS TO PERMIT IT TO REPURCHASE OR OTHERWISE ACQUIRE ITS SHARES TO HOLD AS TREASURY SHARES](#)

[RECOMMENDATION OF THE BOARD](#)

[CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS](#)

[SECTION 16\(a\) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE](#)

[SHAREHOLDER PROPOSALS FOR THE 2009 ANNUAL GENERAL MEETING OF SHAREHOLDERS](#)

[DIRECTIONS TO ANNUAL GENERAL MEETING](#)

[UNITED STATES SECURITIES AND EXCHANGE COMMISSION REPORTS](#)

[OTHER MATTERS](#)

[NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIALS](#)

[APPENDIX A CORPORATE GOVERNANCE GUIDELINES](#)

[Annex A](#)

[CATEGORICAL STANDARDS OF DIRECTOR INDEPENDENCE](#)

[APPENDIX B PROPOSED AMENDMENTS TO BUNGE LIMITED'S AMENDED AND RESTATED BYE-LAWS](#)