AGCO CORP /DE
Form DEF 14A
March 21, 2011

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A
(Rule 14a-101)
INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.   )

Filed by the Registrant þ
Filed by a Party other than the Registrant o
Check the appropriate box:
o Preliminary Proxy Statement
o Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
þ Definitive Proxy Statement
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AGCO CORPORATION

(Name of Registrant as Specified In Its Charter)

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NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
April 21, 2011

The Annual Meeting of Stockholders of AGCO Corporation will be held at the headquarters of the Company, 4205 River Green Parkway, Duluth, Georgia 30096, on Thursday, April 21, 2011, at 9:00 a.m., local time, for the following purposes:

1. To elect seven directors to the Board of Directors for terms expiring at the Annual Meeting in 2012;

2. To approve the amendment and restatement of the AGCO Corporation 2006 Long-Term Incentive Plan;

3. To consider a non-binding advisory resolution relating to the compensation of the Company s named executive officers (NEOs);

4. To consider a non-binding advisory vote relating to the frequency (every one, two or three years) of the non-binding stockholder vote relating to the compensation of the Company s NEOs;

5. To ratify the appointment of KPMG LLP as the Company s independent registered public accounting firm for 2011; and

6. To transact any other business that may properly be brought before the meeting.

The Board of Directors has fixed the close of business on March 11, 2011, as the record date for the determination of stockholders entitled to notice of and to vote at the meeting. A list of stockholders as of the close of business on March 11, 2011, will be available for examination by any stockholder at the Annual Meeting itself as well as for a period of ten days prior to the Annual Meeting at our offices at the above address during normal business hours. Attendance and voting at the Annual Meeting is limited to stockholders of record at the close of business on March 11, 2011, and to any invitees of the Company.

We urge you to mark and execute your proxy card and return it promptly in the enclosed envelope. In the event you are able to attend the meeting, you may revoke your proxy and vote your shares in person.

By Order of the Board of Directors

DEBRA E. KUPER
Corporate Secretary

Atlanta, Georgia
March 21, 2011

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AGCO CORPORATION

PROXY STATEMENT FOR THE ANNUAL MEETING OF STOCKHOLDERS April 21, 2011

INFORMATION REGARDING THE ANNUAL MEETING

INFORMATION REGARDING PROXIES

This proxy solicitation is made by the Board of Directors (the Board) of AGCO Corporation, which has its principal executive offices at 4205 River Green Parkway, Duluth, Georgia 30096. By signing and returning the enclosed proxy card, you authorize the persons named as proxies on the proxy card to represent you at the meeting and vote your shares.

If you attend the meeting, you may vote by ballot. If you are not present at the meeting, your shares can be voted only when represented by a proxy either pursuant to the enclosed proxy card or otherwise. You may indicate a vote on the enclosed proxy card in connection with the election of directors or for or against the other proposals on the proxy card and your shares will be voted accordingly. If you indicate a preference to abstain from voting, no vote will be recorded. You may revoke your proxy card before balloting begins by notifying the Corporate Secretary in writing at 4205 River Green Parkway, Duluth, Georgia 30096. In addition, you may revoke your proxy card before it is voted by signing and duly delivering a proxy card bearing a later date or by attending the meeting and voting in person. If you return a signed proxy card that does not indicate your voting preferences, the persons named as proxies on the proxy card will vote your shares (i) in favor of all of the seven nominees described below; (ii) in favor of the amendment and restatement of the AGCO Corporation 2006 Long-Term Incentive Plan; (iii) in favor of the non-binding advisory resolution relating to the compensation of the Company s named executive officers (NEOs); (iv) in favor of a three-year frequency for the non-binding stockholder vote relating to the compensation of the Company s NEOs; (v) in favor of ratification of the appointment of KPMG LLP as the Company s independent registered public accounting firm for 2011; and (vi) in their best judgment with respect to any other business brought before the Annual Meeting.

The enclosed proxy card is solicited by the Board of Directors of the Company, and the cost of solicitation of proxy cards will be borne by the Company. The Company may retain an outside firm to aid in the solicitation of proxy cards, the cost of which the Company expects would not exceed $25,000. Proxy solicitation also may be made personally or by telephone by officers or employees of the Company, without added compensation. The Company will reimburse brokers, custodians and nominees for their expenses in forwarding proxy material to beneficial owners.

This proxy statement and the enclosed proxy card are first being sent to stockholders on or about March 21, 2011. The Company s 2010 Annual Report to its stockholders and its Annual Report on Form 10-K for 2010 also are enclosed and should be read in conjunction with the matters set forth herein.

INFORMATION REGARDING VOTING

Only stockholders of record as of the close of business on March 11, 2011, are entitled to notice of and to vote at the Annual Meeting. On March 11, 2011, the Company had outstanding 94,776,064 shares of Common Stock, each of which is entitled to one vote on each matter coming before the meeting. No cumulative voting rights exist, and dissenters rights for stockholders are not applicable to the matters being proposed. For directions to the offices of the Company where the Annual Meeting will be held, you may contact our corporate office at (770) 813-9200.

Quorum Requirement

A quorum of the Company s stockholders is necessary to hold a valid meeting. The Company s By-Laws provide that a quorum is present if a majority of the outstanding shares of Common Stock of the Company entitled to vote at the meeting are present in person or represented by proxy. Votes cast by proxy or in person at the Annual Meeting will be tabulated by the inspector of elections appointed for the meeting, who also will determine whether a

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quorum is present for the transaction of business. Abstentions and broker non-votes will be treated as shares that are present and entitled to vote for purposes of determining whether a quorum is present. A broker non-vote occurs on an item when a broker or other nominee is not permitted to vote on that item without instruction from the beneficial owner of the shares and no instruction is given.

Vote Necessary for the Election of Directors

Directors are elected by a plurality of the votes cast in person or by proxy at the Annual Meeting. However, in uncontested elections of directors, such as this election, in the event that a director does not receive the affirmative vote of a majority of the votes cast in person or by proxy, he or she is required to tender his or her resignation. See Proposal Number 1 Election of Directors in this proxy statement for a more detailed description of the majority voting procedures in our By-Laws. Under the New York Stock Exchange (NYSE) rules, if your broker holds your shares in its name, your broker is not permitted to vote your shares with respect to the election of directors if your broker does not receive voting instructions from you. Abstentions and broker non-votes will not affect the election outcome.

Vote Necessary to Approve the Amendment and Restatement of the AGCO Corporation 2006 Long-Term Incentive Plan

Approval of the Company s amendment and restatement of the AGCO Corporation 2006 Long-Term Incentive Plan requires the affirmative vote of a majority of the votes cast in person or by proxy at the Annual Meeting. Under the NYSE rules, if your broker holds your shares in its name, your broker is not permitted to vote your shares with respect to the amendment and restatement of the AGCO Corporation 2006 Long-Term Incentive Plan if your broker does not receive voting instructions from you. Abstentions and broker non-votes will not affect the vote on this proposal.

Vote Necessary to Approve the Non-Binding Advisory Resolution Relating to the Compensation of the Company s NEOs

Approval of the non-binding advisory resolution relating to the compensation of the Company s NEOs requires the affirmative vote of a majority of the votes cast in person or by proxy at the Annual Meeting. Because the stockholder vote on this proposal is advisory only, it will not be binding on the Company or the Board of Directors. However, the Compensation Committee will review the voting results and take them into consideration when making future decisions regarding executive compensation as the Compensation Committee deems appropriate. Under the NYSE rules, if your broker holds your shares in its name, your broker is not permitted to vote your shares with respect to the non-binding advisory resolution relating to the compensation of the Company s NEOs if your broker does not receive voting instructions from you. Abstentions and broker non-votes will not affect the vote on this proposal.

Vote Necessary Relating to the Non-Binding Advisory Vote Relating to the Frequency (Every One, Two or Three years) of the Non-Binding Stockholder Resolution Relating to the Compensation of the Company s NEOs

The non-binding advisory vote relating to the frequency of the non-binding stockholder vote to approve the compensation of the Company s NEOs will require stockholders to choose between a frequency of every one, two or three years or abstain from voting. Because the stockholder vote on this proposal is advisory only, it will not be binding on the Company or the Board of Directors. However, the Board of Directors will review the voting results and take them into consideration when making future decisions regarding the frequency of the advisory vote on executive compensation as it deems appropriate. Under the NYSE rules, if your broker holds your shares in its name, your broker is not permitted to vote your shares with respect to the frequency of the non-binding advisory proposal regarding the compensation of the Company s NEOs if your broker does not receive voting instructions from you. Abstentions and broker non-votes will not affect the vote on this proposal.

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Vote Necessary to Ratify the Appointment of Independent Registered Public Accounting Firm

Ratification of the appointment of KPMG LLP as the Company s independent registered public accounting firm for 2011 requires the affirmative vote of a majority of the votes cast in person or by proxy at the Annual Meeting. Under the NYSE rules, if your broker holds your shares in its name, your broker is permitted to vote your shares with respect to the ratification of the appointment of KPMG LLP as the Company s independent registered public accounting firm for 2011 even if your broker does not receive voting instructions from you. Abstentions and broker non-votes will not affect the vote on this proposal.

Other Matters

With respect to any other matter that may properly come before the Annual Meeting for stockholder consideration, a matter generally will be approved by the affirmative vote of a majority of the votes cast in person or by proxy at the Annual Meeting unless the question is one upon which a different vote is required by express provision of the laws of Delaware, federal law, the Company s Certificate of Incorporation or the Company s By-Laws, or, to the extent permitted by the laws of Delaware, the Board of Directors has expressly provided that some other vote shall be required, in which case such express provisions shall govern.

Important Notice Regarding the Availability of Proxy Materials

As required by rules adopted by the United Stated Securities and Exchange Commission (SEC), the Company is making this proxy statement and its annual report available to stockholders electronically via the Internet. The proxy statement and annual report to stockholders are available at www.agcocorp.com. The proxy statement is available under the heading SEC Filings in our website s Investors section located under Company, and the annual report to stockholders is available under the heading Annual Reports in the Investors section.

PROPOSAL NUMBER 1

ELECTION OF DIRECTORS

In March 2010, the Company amended its By-Laws to declassify the Board of Directors and provide for the annual election of all directors. The elimination of the classified structure will become effective for each director upon the expiration of the director s term. The directors who have been elected to three-year terms prior to the effectiveness of the amendment will complete those terms, such that the terms of the Class III directors will expire at the 2012 Annual Meeting and the terms of the remaining directors will expire at the 2011 Annual Meeting. Beginning with the 2012 Annual Meeting, the entire Board will be elected annually to serve for one-year terms or until their successors have been duly elected and qualified.

In addition, in February 2011, the Company amended and restated its By-Laws to provide for a majority voting standard for the election of directors in uncontested elections. In the event that a stockholder proposes a nominee to stand for election with nominees selected by the Company s Board of Directors, and the stockholder does not withdraw the nomination prior to the tenth day preceding our mailing the notice of the stockholders meeting, then directors will be elected by a plurality vote.

Under our By-Laws, in the event that a director does not receive the requisite majority vote he is required to tender his or her resignation. In that event, the Governance Committee will determine whether to accept the director s resignation and will submit its recommendation to the Board of Directors. In deciding whether to accept a director s resignation, the Board of Directors and our Governance Committee may consider any factors that they deem relevant. Our By-Laws also provide that the director whose resignation is under consideration will abstain from the deliberation

process.

For this year s Annual Meeting, the Governance Committee has recommended, and the Board of Directors has nominated, the seven individuals named below to serve as directors until the Annual Meeting in 2012 or until their successors have been duly elected and qualified.

The following is a brief description of the business experience, qualifications and skills of each of the seven nominees for directorship:

Wolfgang Deml, age 65, has been a director of the Company since February 1999. Until his retirement in 2008, Mr. Deml had been President and Chief Executive Officer of BayWa Corporation, a trading and services company located in Munich, Germany, since 1991. Mr. Deml is currently a member of the Supervisory Board of Mannheimer Versicherung AG. Mr. Deml adds extensive experience to the Board of Directors given his service as the Chief Executive Officer of an international corporation within our industry. His tenure on our Board provides consistent leadership, and he serves as an ongoing source for industry-specific knowledge, especially in Europe, which is our largest market.

Luiz F. Furlan, age 64, has been a director of the Company since July 2010. Mr. Furlan currently serves as Co-Chairman of the board of BRF Brasil Foods, S. A., a company that produces, sells and exports meats, soybeans, dairy, poultry, and processed products in South America. He has served in this role since July 2009. From 1976 to 2002, Mr. Furlan held numerous executive positions at Sadia, S.A., a leading producer of frozen foods in Brazil, including as Chairman of its Board of Directors in 2009. He also served two terms as Minister of Development, Industry and Foreign Trade of Brazil from 2003 to 2007. In addition, Mr. Furlan currently serves on the boards of Telefonica S.A and AMIL Assistencia Medica Internacional S.A. and served on the board of Redecard S.A. from 2007 to 2010. Mr. Furlan s extensive executive experience in the South American food and agriculture business, along with his background in the Brazilian government, provide an important perspective and contribution to the Board, especially given that we have a substantial presence in Brazil.

Gerald B. Johanneson, age 70, has been a director of the Company since April 1995. Until his retirement in 2003, Mr. Johanneson had been President and Chief Executive Officer of Haworth, Inc. since 1997. He served as President and Chief Operating Officer of Haworth, Inc. from 1994 to 1997 and as Executive Vice President and Chief Operating Officer from 1988 to 1994. Mr. Johanneson currently serves on the Board of Haworth, Inc. Mr. Johanneson brings to the Board of Directors a wealth of knowledge of sales and marketing strategy in the manufacturing industry. His background as both a Chief Executive Officer and Chief Operating Officer of a global company lends a unique perspective to the Board. Further, Mr. Johanneson s tenure provides consistent leadership to the Board and a familiarity with the Company s operations.

Thomas W. LaSorda, age 56, has been a director of the Company since December 2009. Until his retirement in 2009, Mr. LaSorda served as Vice Chairman, President and a member of the Board of Managers of Chrysler LLC since 2007. He was President and Chief Executive Officer of Chrysler Group from 2005 to 2007 and Chief Operating Officer and a member of the Board of Management of DaimlerChrysler AG from 2004 to 2005. Prior to that, Mr. LaSorda served for 23 years in various positions with General Motors, including as Vice President, Quality, Reliability & Competitive Operations Implementation for GM North America, from 1998 to 2000, and as President of Opel Eisenach GmbH, Germany, from 1991 to 1993. Mr. LaSorda is currently serving on the Boards of Husky Injection Molding Systems Ltd., Electrovaya Inc. and ALTe LLC. Mr. LaSorda brings substantial manufacturing and quality control experience to the Board of Directors, especially regarding the challenges faced by large, multi-national public companies. His proven leadership as a Chief Executive Officer and as a Chief Operating Officer provides the Board with a focused perspective on manufacturing and operational issues.

George E. Minnich, age 61, has been a director of the Company since January 2008. Mr. Minnich served as Senior Vice President and Chief Financial Officer of ITT Corporation from 2005 to 2007. Prior to that, he served in several senior finance positions at United Technologies Corporation, including Vice President and Chief Financial Officer of Otis Elevator from 2001 to 2005 and Vice President and Chief Financial Officer of Carrier Corporation from 1996 to 2001. He also held various positions within Price Waterhouse from 1971 to 1993, serving as an Audit Partner from 1984 to 1993. Mr. Minnich currently serves on the Board of Directors of Belden Corp. and Kaman Corporation and is

a member of their Audit Committees. Mr. Minnich also serves on the Board of Trustees of Albright College.
Mr. Minnich, through his background as a former Audit Partner of Price Waterhouse and Chief Financial Officer of a publicly-traded company, provides the Board of Directors with substantial financial expertise. He also brings to the Board a familiarity with the challenges facing large, international manufacturing companies.

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Martin H. Richenhagen, age 58, has been Chairman of the Board of Directors since August 2006 and has served as President and Chief Executive Officer of the Company since July 2004. Mr. Richenhagen is currently a member of the Board, Audit and Technology & Environment Committees for PPG Industries, Inc., a leading coatings and specialty products and services company. From 2003 to 2004, Mr. Richenhagen was Executive Vice President of Forbo International SA, a flooring material business based in Switzerland. From 1998 to 2002, Mr. Richenhagen was Group President of Claas KGaA mbH, a global farm equipment manufacturer and distributor. From 1995 to 1998, Mr. Richenhagen was Senior Executive Vice President for Schindler Deutschland Holdings GmbH, a worldwide manufacturer and distributor of elevators and escalators. In addition to his seven years of experience as the Company s Chief Executive Officer, Mr. Richenhagen brings to the Board of Directors substantial experience in the agricultural equipment industry. His business and leadership acumen as both a former Executive Vice President and current Chief Executive Officer provides the Board with an informed resource for a wide range of disciplines, from sales and marketing to broad business strategies.

Daniel C. Ustian, age 60, has been a director of the Company since March 2011. Mr. Ustian has served as President and Chief Executive Officer of Navistar International Corporation since 2003, Chairman of the Board since 2004, and a director since 2002. Prior to these positions, he was President and Chief Operating Officer of Navistar, Inc., from 2002 to 2003, and President of the Engine Group. from 1999 to 2002, and he served as Group Vice President and General Manager of Engine & Foundry from 1993 to 1999. He is a member of the Business Roundtable and the Society of Automotive Engineers. As a result of his professional and other experiences, Mr. Ustian possesses experience in a variety of areas, particularly his industry knowledge surrounding the manufacturing and global distribution of large capital equipment.

The seven nominees who receive the greatest number of votes cast for the election of directors at the Annual Meeting shall become directors at the conclusion of the tabulation of votes.

The Board of Directors recommends a vote FOR the nominees set forth above.

DIRECTORS CONTINUING IN OFFICE

The three individuals named below are now serving as directors of the Company with terms expiring at the Annual Meeting in 2012.

The following is a brief description of the business experience, qualifications and skills of each of the Directors who are continuing in office as directors whose terms expire at the Annual Meeting in 2012:

P. George Benson, Ph.D, age 64, has been a director of the Company since December 2004. Mr. Benson is currently President of the College of Charleston in Charleston, South Carolina, serving in that position since 2007, and, until December 2010, was a member of the Board of Directors and Audit Committee Chair for Nutrition 21, Inc., since 1998 and 2002, respectively. He also has been a member of the Board of Directors of Crawford & Company (Atlanta, Georgia) since 2005 and Primerica, Inc. since 2010. Mr. Benson was a judge for the Malcom Baldrige National Quality Award from 1997 to 2000 and was Chairman of the Board of Overseers for the Baldrige Award from 2004 to 2007. He is currently chair-elect of the Board of Directors for the Foundation for the Baldrige Award. From 1998 to 2007, Mr. Benson was the Dean of the Terry College of Business at the University of Georgia. From 1993 to 1998, he served as Dean of the Rutgers Business School at Rutgers University. Prior to that, Mr. Benson was on the faculty of the Carlson School of Management at the University of Minnesota from 1977 to 1993 where he served as Director of the Operations Management Center from 1992 to 1993 and head of the Decision Sciences Area from 1983 to 1988. Mr. Benson has significant academic expertise in business, in particular with organizational management systems, and adds a valuable perspective to the Board of Directors, especially in the area of improving the delivery of products and services. His ties to the community provide the Board with regional representation and a critical link to the academic

and research sectors.

Gerald L. Shaheen, age 66, has been a director of the Company since October 2005. Until his retirement from Caterpillar Inc. in January 2008, Mr. Shaheen held numerous marketing and general management positions, both in the United States and Europe. Most recently from 1998 to 2008, Mr. Shaheen served as a Group President. Mr. Shaheen is the Chairman of the Board of Trustees of Bradley University and a Board member and past Chairman of the U.S. Chamber of Commerce. He is also a Board member of the National Chamber Foundation, the

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Ford Motor Company, Peoria Next and the National Multiple Sclerosis Society, Greater Illinois Chapter. Mr. Shaheen s background in management of a global heavy equipment manufacturer brings to the Board of Directors particular knowledge of the Company s industry, as well as a necessary perspective of the challenges facing large, publicly-traded companies. His work with the U.S. Chamber of Commerce also provides the Board with a wealth of knowledge related to international commerce and trade issues.

Hendrikus Visser, age 66, has been a director of the Company since April 2000. Mr. Visser is Chairman of Royal Huisman Shipyards N.V. and serves on the Boards of Vion N.V., Mediq N.V., Sterling Strategic Value, Ltd., and Teleplan International N.V. He was the Chief Financial Officer of NUON N.V. and has served on the Boards of major international corporations and institutions including Rabobank Nederland, the Amsterdam Stock Exchange, Amsterdam Institute of Finance and De Lage Landen. Mr. Visser s substantial experience with and knowledge of financial capital markets, particularly in our Europe/Africa/Middle East (EAME) region, provides the Board of Directors with significant international financial expertise. His tenure with the Board also provides stability in leadership, and he serves as a continued source of regional diversity.

Directors Retiring at or Prior to the Annual Meeting

Curtis E. Moll, age 71, has been a director of the Company since April 2000 but will be retiring at the Annual Meeting. Mr. Moll has been Chairman of the Board and Chief Executive Officer of MTD Holdings, Inc., a global manufacturing corporation, since 1980. In addition, Mr. Moll is also Chairman of the Board of Shiloh Industries and serves on the Board of the Sherwin-Williams Company.

Herman Cain, age 65, was a director of the Company from December 2004 until he retired on March 17, 2011. Mr. Cain has also served as the Chairman of T.H.E. New Voice, a leadership and consulting firm that he founded, since 2004. Mr. Cain hosts a nationally syndicated radio show focusing on current political and economic events. Mr. Cain serves on the board of Whirlpool Corporation.

BOARD OF DIRECTORS AND CERTAIN COMMITTEES OF THE BOARD

During 2010, the Board of Directors held six meetings. The Company holds executive sessions of its non-management directors at each regular meeting of its Board of Directors. Mr. Richenhagen, who is also the Chief Executive Officer of the Company, serves as Chairman of the Board, and Mr. Johanneson serves as Lead Director of the Board.

As Lead Director, Mr. Johanneson, who was elected unanimously to that position by the independent directors, presides over executive sessions and at all meetings of the Board of Directors in the absence of the Chairman, provides input to the Chairman on setting Board agendas, generally approves information sent to the Board (including meeting schedules to assure sufficient discussion time for all agenda items), ensures that he is available for consultation and direct communication at the request of major stockholders, and has the authority to call meetings of the independent directors. The Company believes that having the Chief Executive Officer serve as Chairman is important because it best reflects the Board s intent that the Chief Executive Officer function as the Company s overall leader, while the Lead Director provides independent leadership to the directors and serves as an intermediary between the independent directors and the Chairman. The resulting structure sends a message to our employees, customers and stockholders that we believe in having strong, unifying leadership at the highest levels of management, but that we also value the perspective of our independent directors and their many contributions to the Company.

The Company encourages stockholders and other interested persons to communicate with Mr. Johanneson and the other members of the Board of Directors. Any person who wishes to communicate with a particular director or the Board of Directors as a whole, including the Lead Director or any other independent director, may write to those directors in care of Debra E. Kuper, Corporate Secretary, AGCO Corporation, 4205 River Green Parkway, Duluth,

Georgia 30096. The correspondence should indicate the writer s interest in the Company and clearly specify whether it is intended to be forwarded to the entire Board of Directors or to one or more particular directors. Ms. Kuper will forward all correspondence satisfying these criteria.

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In accordance with the rules of the NYSE, the Company s Board of Directors has adopted categorical standards to assist it in making determinations of its directors independence. The Board of Directors has determined that in order to be considered independent, a director must not:

be an employee of the Company or have an immediate family member, as that term is defined in the General Commentary to Section 303A.02(b) of the NYSE rules, who is an executive officer of the Company at any time during the preceding three years;

receive or have an immediate family member who receives or solely own any business that receives during any twelve-month period within the preceding three years direct compensation from the Company or any subsidiary or other affiliate in excess of $120,000, other than for director and committee fees and pension or other forms of deferred compensation for prior service to the Company or, solely in the case of an immediate family member, compensation for services to the Company as a non-executive employee;

be a current partner or current employee of a firm that is the internal or external auditor of the Company or any subsidiary or other affiliate, or have an immediate family member that is a current partner or current employee of such a firm who personally works on an audit of the Company or any subsidiary or other affiliate;

have been or have an immediate family member who was at any time during the preceding three years a partner or employee of such an auditing firm who personally worked on an audit of the Company or any subsidiary or other affiliate within that time;

be employed or have an immediate family member that is employed either currently or at any time within the preceding three years as an executive officer of another company in which any present executive officers of the Company or any subsidiary or other affiliate serve or served at the same time on the other company s Compensation Committee; or

be a current employee or have an immediate family member that is a current executive officer of a company that has made payments to or received payments from the Company or any subsidiary or other affiliate for property or services in an amount which, in any of the preceding three fiscal years of such other company, exceeds (or in the current fiscal year of such other company is likely to exceed) the greater of $1.0 million or two percent of the other company s consolidated gross revenues for that respective year.

In addition, in order to be independent for purposes of serving on the Audit Committee, a director may not:

accept any consulting, advisory or other compensatory fee from the Company or any subsidiary; or

be an affiliated person, as that term is used in Section 10A(m)(3)(B)(ii) of the Securities Exchange Act of 1934 (the Exchange Act), of the Company or any of its subsidiaries.

Finally, in order to be independent for purposes of serving on the Compensation Committee, a director may not:

be a current or former employee or former officer of the Company or an affiliate or receive any compensation from the Company other than for services as a director;

receive remuneration from the Company or an affiliate, either directly or indirectly, in any capacity other than as a director, as that term is defined in Section 162(m) of the Internal Revenue Code of 1986 (IRC); or

have an interest in a transaction required under SEC rules to be described in the Company s proxy statement.

These standards are consistent with the standards set forth in the NYSE rules, the IRC and the Exchange Act. In applying these standards, the Company takes into account the interpretations of, and the other guidance available from, the NYSE.

Based upon the foregoing standards, the Board of Directors has determined that all of its directors are independent in accordance with these standards except for Mr. Richenhagen, and that none of the independent directors has any material relationship with the Company, other than as a director or stockholder of the Company.

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The Board of Directors has adopted a policy that all directors on the Board of Directors are expected to attend Annual Meetings of the Company s stockholders. All of the directors on the Board of Directors attended the Company s previous Annual Meeting held in April 2010.

Director Compensation

The following table provides information concerning the compensation of the members of the Company s Board of Directors for the most recently completed fiscal year. As reflected in the table, each non-employee director received an annual base retainer of $90,000 plus $90,000 in restricted shares of the Company s Common Stock for Board service. Committee chairmen received an additional annual retainer of $10,000 (or $20,000 for the chairman of the Audit Committee and $15,000 for the chairman of the Compensation Committee). Mr. Johanneson, who is the Lead Director, also received an additional annual $25,000 Lead Director s fee. The Company does not have any consulting arrangements with any of its directors.

2010 DIRECTOR COMPENSATION

Name	Fees Earned or Paid in Cash ($)	Stock Awards[1] ($)	All Other Compensation ($)	Total ($)
Gerald B. Johanneson (Lead Director)	125,000	90,000		215,000
P. George Benson	100,000	90,000		190,000
Herman Cain[2]	90,000	90,000		180,000
Wolfgang Deml	90,000	90,000		180,000
Luiz F. Furlan[3]	39,864			39,864
Francisco R. Gros[4]	45,000	90,000		135,000
Thomas W. LaSorda	90,000	90,000		180,000
George E. Minnich	110,000	90,000		200,000
Curtis E. Moll[5]	90,000	90,000		180,000
Gerald L. Shaheen	105,000	90,000		195,000
Hendrikus Visser	90,000	90,000		180,000
	974,864	900,000		1,874,864

(1) The LTI Plan provided for annual restricted stock grants of the Company s Common Stock to all non-employee directors. For 2010, each non-employee director was granted $90,000 in restricted stock. The shares are restricted as to transferability for a period of three years following the award. In the event a director departs from the Board, the non-transferability period expires immediately. The 2010 annual grant occurred on April 22, 2010. The total grant on April 22, 2010 equated to 23,380 shares, or 2,338 shares per director. The amounts above reflect the aggregate grant date fair value computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation-Stock Compensation (FASB ASC Topic 718).

After shares were withheld for income tax purposes, each director held the following shares as of December 31, 2010 related to this grant: Mr. Johanneson 1,403 shares; Mr. Benson 1,403 shares; Mr. Cain 2,338 shares;

Mr. Deml 1,403 shares; Mr. Gros 1,637 shares; Mr. Minnich 2,338 shares; Mr. Moll 1,403 shares; Mr. LaSorda 2,338 shares; Mr. Shaheen 1,403 shares; and Mr. Visser 1,637 shares.

(2) Mr. Cain retired as a director effective March 17, 2011.

(3) Mr. Furlan was appointed as a director effective July 22, 2010.

(4) Mr. Gros passed away during 2010.

(5) Mr. Moll will be retiring as a director at the Annual Meeting.

Effective January 1, 2011, each non-employee director will receive an annual base retainer of $90,000 plus $100,000 in restricted shares of the Company s Common Stock for Board service. Committee chairpersons will receive an additional annual retainer of $15,000 (or $25,000 for the chairperson of the Audit Committee and $20,000 for the chairperson of the Compensation Committee). Mr. Johanneson, who is the Lead Director, also will receive an additional $30,000 annual Lead Director s fee.

Committees of the Board of Directors

The Board of Directors has delegated certain functions to the following standing committees of the Board:

The *Executive Committee* is authorized, between meetings of the Board, to perform all of the functions of the Board of Directors except as limited by the General Corporation Law of the State of Delaware or by the Company s Certificate of Incorporation or By-Laws. The Executive Committee held no meetings in 2010 and currently is comprised of Messrs. Benson, Johanneson, Minnich, Richenhagen (Chairman) and Shaheen.

The *Audit Committee* assists the Board of Directors in its oversight of the integrity of the Company s financial statements, the Company s compliance with legal and regulatory requirements, the independent registered public accounting firm s qualifications and independence, and the performance of the Company s internal audit function and independent registered public accounting firm. The Committee s functions also include reviewing the Company s internal accounting and financial controls, considering other matters relating to the financial reporting process and safeguarding the Company s assets, and producing an annual report of the Audit Committee for inclusion in the Company s proxy statement. The Audit Committee has a written charter to govern its operations. The Audit Committee held eight meetings in 2010 and currently is comprised of Messrs. Benson, Furlan, LaSorda, Minnich (Chairman), Moll and Visser. The Board of Directors has determined that Mr. Minnich is an audit committee financial expert, as that term is defined under regulations of the SEC. All of the members of the Audit Committee are independent in accordance with the NYSE and SEC rules governing audit committee member independence. The report of the Audit Committee for 2010 is set forth under the caption Audit Committee Report. The Company s management also maintains a risk assessment process that identifies the risks that face the Company that management considers the most significant. The risk assessment process also considers appropriate strategies to mitigate those risks. Management periodically meets with the Company s Audit Committee and reviews such risks and relevant strategies.

The *Compensation Committee* is charged with executing the Board of Directors overall responsibility for matters related to Chief Executive Officer and other executive compensation, including assisting the Board of Directors in administering the Company s compensation programs and producing an annual report of the Compensation Committee on executive compensation for inclusion in the Company s proxy statement. The Compensation Committee has a written charter to govern its operations. The Compensation Committee held eight meetings in 2010 and currently is comprised of Messrs. LaSorda, Minnich, Moll and Shaheen (Chairman). All of the members of the Compensation Committee are independent in accordance with the NYSE, SEC and IRC rules governing compensation committee member independence. The Compensation Committee has retained Towers Watson to advise it on current trends and best practices in compensation. The report of the Compensation Committee for 2010 is set forth under the caption Compensation Committee Report.

The *Governance Committee* assists the Board of Directors in fulfilling its responsibilities to stockholders by identifying and screening individuals qualified to become directors of the Company, consistent with independence, diversity and other criteria approved by the Board of Directors, recommending candidates to the Board of Directors for all directorships and for service on the committees of the Board, developing and recommending to the Board of Directors a set of corporate governance principles and guidelines applicable to the Company, and overseeing the

evaluation of the Board of Directors and the Company s management. The Governance Committee has a written charter to govern its operations. The Governance Committee held eight meetings in 2010 and currently is comprised of Messrs. Benson (Chairman), Deml, Furlan, Johanneson and Visser. All of the members of the Governance Committee are independent in accordance with the NYSE rules governing nominating/corporate governance committee member independence.

With respect to the committee s evaluation of nominee candidates, including those recommended by stockholders, the committee has no formal requirements or minimum standards for the individuals that are nominated.

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Rather, the committee considers each candidate on his or her own merits. However, in evaluating candidates, there are a number of factors that the committee generally views as relevant and is likely to consider to ensure the entire Board collectively embraces a wide variety of characteristics, including:

- career experience, particularly experience that is germane to the Company s business, such as agricultural products and services, legal, human resources, finance and marketing experience;
- experience in serving on other boards of directors or in the senior management of companies that have faced issues generally of the level of sophistication that the Company faces;
- contribution to diversity of the Board of Directors;
- integrity and reputation;
- whether the candidate has the characteristics of an independent director;
- academic credentials;
- other obligations and time commitments and the ability to attend meetings in person; and
- current membership on the Company s board our board values continuity (but not entrenchment).

The committee does not assign a particular weight to these individual factors. Similarly, the committee does not expect to see all (or even more than a few) of these factors in any individual candidate. Rather, the committee looks for a mix of factors that, when considered along with the experience and credentials of the other candidates and existing directors, will provide stockholders with a diverse and experienced Board of Directors. The committee strives to recommend candidates who each bring a unique perspective to the Board in order to contribute to the collective diversity of the Board. Although the Company has not adopted a specific diversity policy, the Board believes that a diversity of experience, gender, race, ethnicity and age contributes to effective governance over the affairs of the Company for the benefit of its stockholders. With respect to the identification of nominee candidates, the committee has not developed a single, formalized process. Instead, its members and the Company s senior management generally recommend candidates whom they are aware of personally or by reputation or may utilize outside consultants to assist in the process.

The Governance Committee welcomes recommendations for nominations from the Company s stockholders and evaluates stockholder nominees in the same manner that it evaluates a candidate recommended by other means. In order to make a recommendation, the committee requires that a stockholder send the committee:

- a resume for the candidate detailing the candidate s work experience and academic credentials;
- written confirmation from the candidate that he or she (1) would like to be considered as a candidate and would serve if nominated and elected, (2) consents to the disclosure of his or her name, (3) has read the Company s Code of Conduct and that during the prior three years has not engaged in any conduct that, had he or she been a director, would have violated the Code or required a waiver, (4) is, or is not, independent as that term is defined in the committee s charter, and (5) has no plans to change or influence the control of the Company;
- the name of the recommending stockholder as it appears in the Company s books, the number of shares of Common Stock that are owned by the stockholder and written confirmation that the stockholder consents to the disclosure of his or her name. (If the recommending person is not a stockholder of record, he or she should

provide proof of share ownership);

personal and professional references for the candidate, including contact information; and

any other information relating to the candidate required to be disclosed in solicitations of proxies for election of directors or as otherwise required, in each case, pursuant to Regulation 14A of the Exchange Act.

The foregoing information should be sent to the Governance Committee, c/o Debra E. Kuper, Corporate Secretary, AGCO Corporation, 4205 River Green Parkway, Duluth, Georgia 30096, who will forward it to the chairperson of the committee. The advance notice provisions of the Company s By-Laws provide that for a proposal to be properly brought before a meeting by a stockholder, such stockholder must disclose certain information and

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have given the Company timely notice of such proposal in written form meeting the requirements of the Company s By-Laws no later than 60 days and no earlier than 90 days prior to the anniversary date of the immediately preceding annual meeting of stockholders. The committee does not necessarily respond directly to a submitting stockholder regarding recommendations. New SEC rules that currently are subject to court review may alter this procedure in future years.

The *Succession Planning Committee s* function is to ensure a continued source of capable, experienced managers available to support the Company s future success. The Succession Planning Committee meets regularly with senior members of management in an effort to assist executive management in their plans for senior management succession, to review the backgrounds and experience of senior management, and to assist in the creation of tailored individual personal and professional development plans. The Succession Planning Committee has a written charter to govern its operations. The Succession Planning Committee held five meetings in 2010 and currently is comprised of Messrs. Deml, Johanneson (Chairman), Richenhagen and Shaheen.

During fiscal 2010, each director attended at least 75% of the aggregate number of meetings of the Board and respective committees on which he served while a member thereof.

We provide various corporate governance and other information on the Company s website at www.agcocorp.com. This information, which is also available in printed form to any stockholder of the Company upon request to the Corporate Secretary, includes the following:

- our corporate governance principles and charters for the Audit, Compensation, Governance and Succession Planning Committees of the Board of Directors, which are available under the headings Committee Guidelines and Committee Charters, respectively, in the Corporate Governance section of our website s About AGCO section located under Company ; and

- the Company s Code of Conduct, which is available under the heading Code of Conduct in the Corporate Governance section of our website s About AGCO section located under Company .

In addition, should there be any waivers of the Company s Code of Conduct, those waivers will be available under the heading Office of Ethics and Compliance in the Corporate Governance section of our website s About AGCO section

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

During fiscal 2010, Messrs. Cain, LaSorda, Minnich, Moll and Shaheen (Chairman) served as members of the Compensation Committee. No member of the Compensation Committee was an officer or employee of the Company or any of its subsidiaries during fiscal 2010. Mr. Moll had a business relationship with the Company during the fiscal year 2010 as described under the caption Certain Relationships and Related Party Transactions. Mr. Cain retired from the Company s Board of Directors on March 17, 2011, and Mr. Moll will be retiring from the Company s Board of Directors at the Annual Meeting.

PROPOSAL NUMBER 2

APPROVAL OF THE AMENDMENT AND RESTATEMENT OF THE AGCO CORPORATION 2006 LONG-TERM INCENTIVE PLAN

The Company s Board of Directors is submitting a proposal for consideration by the stockholders to approve the amendment and restatement of the AGCO Corporation 2006 Long-Term Incentive Plan (the LTI Plan).

The LTI Plan allows the Company, under the direction of our Compensation Committee, to make grants of performance shares, stock appreciation rights, stock options and stock awards to employees, officers and directors of the Company and its subsidiaries. The primary purpose of the LTI Plan is to attract and retain talented employees, officers and directors, further align plan participant and stockholder interests, continue to closely link plan participant compensation with the Company s performance, and maintain a culture based on incentive stock ownership. If approved, the LTI Plan, as amended and restated, will continue an essential component of our total compensation program, reflecting the importance that we place on motivating and rewarding superior results with long-term, performance-based incentives.

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The LTI Plan is designed to allow for the grant of certain types of awards that conform to the requirements for tax-deductible, performance-based compensation under Section 162(m) of the IRC, which allows for compensation of executive officers that meets certain conditions to be excluded from the $1,000,000 limit on deductible compensation. The LTI Plan is being submitted to stockholders for approval in order to comply with the applicable requirements of the NYSE and to qualify certain awards to certain executive officers as deductible for federal income tax purposes under Section 162(m). Stockholder approval is also necessary under the federal income tax rules with respect to the qualification of incentive stock options.

Proposed Amendments

The Compensation Committee approved the amendments to the LTI Plan at its meeting on December 1, 2010. The principal changes to the LTI Plan are set forth below. If approved by the stockholders, the amended and restated LTI Plan would become effective as of April 21, 2011 and would apply prospectively to grants made under the plan thereafter.

Extension of LTI Plan. Because awards may not be made under the LTI Plan after January 1, 2016, it is proposed that the LTI Plan be amended to extend the expiration date to ten years after the effective date of the amended and restated LTI Plan, if approved by the stockholders.

Shares Available. As of December 31, 2010, of the 5.0 million shares reserved for issuance under the LTI Plan, approximately 759,127 shares were available for grant, assuming the maximum number of shares are earned related to previous unearned performance share grants made under the LTI Plan. On January 26, 2011, the Company granted 610,200 performance shares (subject to the Company achieving future maximum levels of performance) and 146,700 SSARs (as defined below) under the LTI Plan. These awards are not dependent on stockholder approval of the proposed amendment and restatement of the LTI Plan, as set forth in this Proposal 2. Taking these awards into account, 2,227 shares remain available for future issuance under the LTI Plan assuming the maximum number of shares are earned related to outstanding performance share grants.

It is proposed that the number of shares reserved for issuance be increased by an additional 5.0 million shares so that the maximum number of shares that may be issued under the amended and restated LTI Plan is 10.0 million. Any further increase in shares available for issuance under the LTI Plan would require further stockholder approval. The maximum number of shares of the Company s Common Stock with respect to stock options, SSARs, performance shares and stock awards granted in any fiscal year may not exceed 500,000 for any employee.

Expansion of the Performance Criteria. It is proposed that the provisions of the LTI Plan related to performance criteria be expanded to help ensure that certain types of awards conform to the requirements for tax-deductible, performance based compensation under Section 162(m) of the IRC. Under the proposed amendments, vesting or settlement of any award may be conditioned upon the achievement of such performance goals as the Compensation Committee may determine, which may include any of the following:

- earnings per share and/or growth in earnings per share in relation to target objectives;
- operating cash flow and/or growth in operating cash flow in relation to target objectives;
- cash available in relation to target objectives;
- operating income and/or growth in operating income in relation to target objectives
- margins and/or growth in margins (gross, operating or otherwise) in relation to target objectives;

net income and/or growth in net income in relation to target objectives;

revenue and/or growth in revenue in relation to target objectives;

total stockholder return (measured as the total of the appreciation of and dividends declared on Common Stock) in relation to target objectives;

return on invested capital in relation to target objectives;

productivity and/or improvement in productivity;

achievement of milestones on special projects;

return on stockholder equity in relation to target objectives;

return on assets in relation to target objectives; and

return on common book equity in relation to target objectives.

Repricing Prohibited. It is proposed that the Compensation Committee shall not reprice any outstanding stock option or SSAR, directly or indirectly, without the approval of the stockholders of the Company.

Clawback. It is proposed that each award granted under the amended and restated LTI Plan be subject to the clawback policy of the Company in effect on the date that the award is granted, as well as any other clawback policy that the Company thereafter is required by law to adopt.

Administration. It is proposed that the LTI Plan provides for administration by a committee, to be comprised of either the Compensation Committee of the Board or another committee designated by the Board. The LTI Plan has been amended to clarify that in the event that another committee is designated by the Board besides the Compensation Committee to administer the LTI Plan, then such committee shall consist of two or more members of the Board who satisfy the outside director requirements of Section 162(m) of the IRC as well as any independence requirements of any applicable stock exchange and the Exchange Act. The Compensation Committee currently administers the LTI Plan. Among the Compensation Committee s powers are the authority to determine the eligibility of the plan participants and the types and amounts of awards (to the extent consistent with the LTI Plan). The particular terms and provisions applicable to each award granted under the plan will be set forth in a separate award agreement. The LTI Plan will have a term of ten years after the effective date of the amended and restated LTI Plan, subject to earlier termination by the Board as provided below.

Summary of Remaining Terms of the LTI Plan

A general description of the remaining principal terms of the LTI Plan as proposed is set forth below. This description is qualified in its entirety by the terms of the LTI Plan as proposed to be amended and restated, a copy of which is attached to this Proxy Statement as Appendix A and is incorporated herein by reference.

Purpose. The primary purpose of the LTI Plan is to attract and retain talented employees, officers and directors, continue to closely link compensation with the Company s performance, and maintain a culture based on stock ownership.

Eligibility for Participation. Officers, employees and other persons providing services to, the Company or any of its subsidiaries are eligible to participate in the LTI Plan. The selection of participants is within the discretion of the Compensation Committee. Although the number of persons eligible to participate in the LTI Plan and the number of grantees may vary from year to year, the Compensation Committee currently expects approximately 150 officers and other employees to participate in the LTI Plan. In addition, the ten members of the Board of Directors participate in the plan and receive an annual share grant as outlined under Director Compensation in this Proxy Statement.

Terms and Conditions of Awards. Awards made under the LTI Plan may be contingent upon the achievement of performance goals or upon other conditions, as determined by the Compensation Committee. The type and size of the award grants will be considered in light of the Company s total compensation program. The types of awards that can be made pursuant to the LTI Plan are described below.

Performance Shares. Performance shares are stock awards that are earned by the participants upon meeting certain performance goals as determined by the Compensation Committee and are payable either in cash or in shares of the Company s Common Stock.

Stock Appreciation Rights. A stock appreciation right is the right to receive the excess of the fair market price of a share of Common Stock at the time of exercise over the exercise price of the right (which may not be less than the fair market value of the Common Stock at the time of the grant), either in cash or in shares of Common Stock (stock-settled stock appreciation rights (SSARs)), in the future, all as determined by the Compensation Committee. The Compensation Committee may provide that a SSAR is exercisable at the discretion of the holder

or that it will be paid at a specific time or times or upon the occurrence or non-occurrence of events specified in the applicable award agreement. The LTI Plan prohibits the reduction of the exercise price of an outstanding SSAR, except in connection with a recapitalization of the Company, without the consent of our stockholders.

Stock Options. A stock option is the right to purchase a certain number of shares of Common Stock, at a certain exercise price, in the future. The Compensation Committee is authorized to grant incentive stock options or nonqualified stock options. The Compensation Committee will determine whether an option is intended to be an incentive stock option or a nonqualified stock option at the time the option is granted and will establish the terms pursuant to which the option will be exercisable, so long as such terms are not otherwise inconsistent with the terms of the LTI Plan. The exercise price of an incentive stock option granted to a participant who owns more than 10% of the voting stock of AGCO may not be less than 110% of the fair market value of the Common Stock on the date of the grant. The exercise price of nonqualified stock options and incentive stock options issued to other participants may not be less than the fair market value of the Common Stock on the date of the grant.

The Compensation Committee may permit an option exercise price to be paid in cash or through a cashless exercise executed through a broker, subject to applicable law, or by having a number of shares of Common Stock otherwise issuable at the time of exercise withheld.

Restricted Stock Awards. The Compensation Committee may make awards of restricted stock to participants subject to such restrictions on transferability and other restrictions as the Compensation Committee may deem appropriate.

Limitations on Awards under the LTI Plan. The LTI Plan contains a number of limitations on awards that the Company s Board of Directors believes are consistent with the interests of our stockholders and sound corporate governance practices. These include:

> *No Repricing.* Other than in connection with a change in the Company s capitalization, the exercise price of a stock option and the exercise price of a SSAR may not be reduced without stockholder approval;
>
> *No Reload Grants.* The LTI Plan prohibits reload grants or the granting of options in consideration for, or conditioned upon, delivery of shares to the Company in payment of the exercise price and/or tax withholding obligation under another stock option; and
>
> *No Discount Stock Options.* The LTI Plan prohibits the granting of stock options or SSARs with an exercise price of less than the fair market value of the Company s Common Stock on the date of grant.

Eligibility under Section 162(m). In general, Section 162(m) of the IRC limits the ability of a company to deduct annual compensation in excess of $1,000,000 paid to its most highly-compensated executives unless the excess is performance-based. Awards under the LTI Plan may, but need not, include performance goals that are performance-based for purposes of Section 162(m) of the IRC. To the extent that awards are intended to qualify as performance-based compensation under Section 162(m) of the IRC, the Compensation Committee must establish a performance goal with respect to such award in writing not later than 90 days after the commencement of (and before the lapse of 25 percent of) the period of service to which the award relates and while the achievement of the performance goal is still substantially uncertain. Performance goals must be stated in terms of an objective formula or standard. Performance goals may be described in terms of (i) Company or subsidiary wide objectives, (ii) objectives that are related to the performance of the division, department or function within the Company or a subsidiary of the Company in which the recipient of the award is employed or on which the recipient s efforts have the most influence, or (iii) the performance of the Company relative to the performance by a company or group of companies selected by the Compensation Committee with respect to one or more of the performance goals established by the Compensation Committee. The LTI Plan as amended and restated would include the performance criteria described above under

Proposed Amendments   for consideration by the Compensation Committee when granting performance-based awards.

Awards of stock options and SSARs generally are considered to be performance-based compensation because of their value being directly tied to stock appreciation and do not need to be conditioned upon separate performance goals.

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Change of Control. Upon the occurrence of a change of control, as defined in the LTI Plan, all outstanding awards will become fully vested and exercisable, and all performance goals applicable to an award will be deemed automatically satisfied with respect to the greater of the target level of compensation expected to be attained pursuant to such award or the level of performance dictated by the trend of the Company s actual performance, so that all of such compensation shall be immediately vested and payable.

Adjustments. The number of shares of the Company s Common Stock reserved for the grant of stock incentives and certain other limitations on the number of shares subject to one or more types of stock incentives may be proportionately adjusted for any increase or decrease in the number of issued shares of Common Stock resulting from a subdivision or combination of shares or the payment of a stock dividend in shares of Common Stock to holders of outstanding shares of Common Stock or any other increase or decrease in the number of shares of Common Stock outstanding affected without receipt of consideration by the Company. In the event of certain corporate reorganizations and recapitalizations, stock incentives may be substituted, cancelled, accelerated or otherwise adjusted by the Compensation Committee, provided that any such action is not inconsistent with the terms of the LTI Plan or any agreement reflecting the terms of the stock incentive.

Amendments to or Termination of LTI Plan. The LTI Plan may be amended or terminated by the Company s Board of Directors at any time without stockholder approval, except that stockholder approval will be required for any amendment that increases the number of shares of the Company s Common Stock available under the plan, materially expands the classes of individuals eligible to receive stock incentives, materially expands the types of awards available for issuance under the plan, or would otherwise require stockholder approval under the rules of the NYSE or market system on which the Company s Common Stock is then traded. No amendment or termination by the Board may adversely affect the rights of a holder of a stock incentive without such holder s consent.

New Awards

The following table provides the incentive plan awards that will be granted at the target performance level to the persons and groups provided below under the amended and restated LTI Plan, subject to approval of Proposal Number 2 by stockholders. The number of shares ultimately issued as a result of the performance awards is dependent on the achievement of pre-established performance targets for operating margin improvement.

Awards Under Amended and Restated LTI Plan (At Target Level of Performance)

Name and Position	Dollar Value ($)[1]	Number of Units[2]
Martin H. Richenhagen, Chairman, President and Chief Executive Officer	768,900	15,000
Andrew H. Beck, Senior Vice President Chief Financial Officer	384,450	7,500
André M. Carioba, Senior Vice President and General Manger, South America	384,450	7,500
Gary L. Collar, Senior Vice President and General Manager, EAME and Australia/New Zealand	384,450	7,500
Hubertus M. Muehlhaeuser, Senior Vice President Strategy & Integration and General Manager, Eastern Europe & Asia	384,450	7,500
Executive Group[3]	3,972,650	77,500
Non-Executive Officer Employee Group[4]	9,175,540	179,000

(1) Calculated based on an assumed stock price of $51.26, the closing price of the Company s Common Stock as of March 11, 2011. Actual value will depend upon the stock price at the time of vesting.

(2) Amounts shown above assume the target performance level is achieved. If the maximum performance level is achieved, the awards will be three times the target level awards.

(3) Consists of 11 participants.

(4) Consists of 130 participants.

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Equity Compensation Plan Information.

The Company maintains its LTI Plan and its 2001 Option Plan pursuant to which it may grant equity awards to eligible persons. There have been no grants under the Company s 2001 Option Plan since 2002, and the Company does not intend to make any grants under the 2001 Option Plan prior to its expiration in 2011. The following table summarizes the ability of the Company to issue Common Stock pursuant to its LTI Plan and its 2001 Option Plan as of December 31, 2010:

Plan Category	(a) Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	(b) Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	(c) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
Equity compensation plans approved by security holders	2,733,727	$ 29.26	2,694,564(1)
Equity compensation plans not approved by security holders			
Total	2,733,727	$ 29.26	2,694,564(1)

(1) Includes 1.9 million of shares available for issuance under the Company s 2001 Option Plan.

Federal Income Tax Consequences

The following discussion outlines generally the federal income tax consequences of participation in the LTI Plan. Individual circumstances may vary and each participant in the LTI Plan should rely on his or her own tax counsel for advice regarding such federal income tax treatment.

Incentive Stock Options (ISOs). A participant will not recognize taxable income on the grant or exercise of an ISO. A participant will recognize taxable income when he or she disposes of the shares of Common Stock acquired under the ISO. If the disposition occurs more than two years after the grant of the ISO and more than one year after its exercise, the participant will recognize long-term capital gain (or loss) to the extent the amount realized from the disposition exceeds (or is less than) the participant s tax basis in the shares of Common Stock. A participant s tax basis in the Common Stock generally will be the amount the participant paid for the stock. If Common Stock acquired under an ISO is disposed of before the expiration of the ISO holding period described above, the participant will recognize as ordinary income in the year of the disposition the excess of the fair market value of the Common Stock on the date of exercise of the ISO over the exercise price. Any additional gain will be treated as long-term or short-term capital gain, depending on the length of time the participant held the shares. Special rules apply if a participant pays the exercise price by delivery of Common Stock.

The Company will not be entitled to a federal income tax deduction with respect to the grant or exercise of an ISO. However, in the event a participant disposes of Common Stock acquired under an ISO before the expiration of the ISO holding period described above, the Company generally will be entitled to a federal income tax deduction equal to the amount of ordinary income the participant recognizes.

Nonqualified Stock Options (NQSOs). A participant will not recognize any taxable income on the grant of a NQSO. On the exercise of a NQSO, the participant will recognize as ordinary income the excess of the fair market value of the Common Stock acquired over the exercise price. A participant s tax basis in the Common Stock is the amount paid plus any amounts included in income on exercise. Special rules apply if a participant pays the exercise price by delivery of Common Stock. The exercise of a NQSO generally will entitle the Company to claim a federal income tax deduction equal to the amount of ordinary income the participant recognizes.

Stock Appreciation Rights. A participant will not recognize any taxable income at the time stock appreciation rights are granted. The participant at the time of receipt will recognize as ordinary income the amount of

cash and the fair market value of the Common Stock that he or she receives. The Company generally will be entitled to a federal income tax deduction equal to the amount of ordinary income the participant recognizes.

Restricted Stock. A participant will recognize ordinary income on account of restricted stock on the first day that the shares are either transferable or not subject to a substantial risk of forfeiture. The ordinary income recognized will equal the fair market value of the Common Stock on such date. However, even if the shares under the restricted stock are both nontransferable and subject to a substantial risk of forfeiture, the participant may make a special 83(b) election to recognize income, and have his or her tax consequences determined, as of the date the restricted stock is granted. The participant s tax basis in the shares received will equal the income recognized. The Company generally will be entitled to a federal income tax deduction equal to the ordinary income the participant recognizes.

Performance Shares. A participant will not recognize any taxable income at the time performance shares are granted. When the terms and conditions to which performance shares are subject have been satisfied and the award is paid, the participant will recognize as ordinary income the amount of cash and the fair market value of the Common Stock he or she receives. The Company generally will be entitled to a federal income tax deduction equal to the amount of ordinary income the participant recognizes.

Limitation on Deductions. The deduction by a publicly-held corporation for otherwise deductible compensation to a covered employee generally is limited to $1,000,000 per year. An individual is a covered employee if he or she is the Chief Executive Officer or one of the three highest compensated officers for the year (other than the Chief Executive Officer or the Chief Financial Officer). The $1,000,000 limit does not apply to compensation payable solely because of the attainment of performance conditions that meet the requirements set forth in Section 162(m) of the IRC and the regulations thereunder. Compensation is considered qualified performance-based compensation only if (a) it is paid solely on the achievement of one or more performance conditions; (b) a committee consisting solely of two or more outside directors, such as the Company s Compensation Committee, sets the performance conditions; (c) before payment, the material terms under which the compensation is to be paid, including the performance conditions, are disclosed to, and approved by, the stockholders and (d) before payment, the Compensation Committee certifies in writing that the performance conditions have been met. The LTI Plan has been designed to enable our Compensation Committee to structure awards that meet the requirements for qualified performance-based compensation that would not be subject to the $1,000,000 per year deduction limit.

Other Tax Rules. The LTI Plan is designed to enable our Compensation Committee to structure awards that will not be subject to Section 409A of the IRC, which imposes certain restrictions and requirements on deferred compensation.

The Board of Directors recommends a vote FOR the approval of the amendment and restatement of the AGCO Corporation 2006 Long-Term Incentive Plan.

PROPOSAL NUMBER 3

APPROVAL OF THE NON-BINDING ADVISORY RESOLUTION RELATING TO THE COMPENSATION OF THE COMPANY S NEOS

As required under the newly enacted Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, the Board of Directors is submitting a say on pay proposal for stockholder consideration. While the vote on executive compensation is non-binding and solely advisory in nature, the Board of Directors and the Compensation Committee will review the voting results and seek to determine the causes of any significant negative voting result to better understand issues and concerns not previously presented. Stockholders who want to communicate with the Board of Directors or management regarding compensation-related matters should refer to Board of Directors and Certain Committees of the Board in this proxy statement for additional information.

The Company s compensation philosophy is intended to pay for performance, support the Company s business strategy and align executives interests with those of stockholders and employees. A significant portion of the Company s executive compensation opportunity is related to factors that directly and indirectly influence stockholder value, including stock performance, earnings per share, operational performance, free cash flow

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performance and return on capital. The Company believes that as an executive s responsibilities increase, so should the portion of his or her total pay comprised of annual incentive cash bonuses and long-term incentive compensation, which philosophy supports and reinforces the Company s pay for performance orientation.

The following table illustrates the Company s strong financial performance in 2010 in terms of net income, operating margin and stock price growth relative to performance in 2009.

	2009	2010	% Change
Net Income as Reported (figures in millions $)	$ 135.7	$ 221.5	63%
Operating Margins	3.5%	4.8%	37%
Stock Price Per Share at Fiscal Year End	$ 32.34	$ 50.66	57%

AGCO s strong financial performance aligns with compensation actions taken for NEOs in 2010, including:

- Base salary increases ranging from 3% to 10%;
- The Company s Incentive Plan (IC Plan) payouts at the maximum performance level, or 150% of target; and
- LTI Plan payouts for the 2008-2010 performance cycle at 32% of target.

The Compensation Committee regularly reviews best practices related to executive compensation to ensure alignment with the Company s compensation philosophy, business strategy and stockholder focus, which are supported by the following attributes of the Company s executive compensation program:

- Total compensation levels for NEOs are targeted at the median (or 50th percentile) of the market, providing opportunity for upside compensation levels for excellent performance;
- The Company uses a well defined peer group of industrial and manufacturing comparators to benchmark NEO compensation;
- The Company s IC Plan includes a minimum earnings per share threshold that must be met before a payout is earned, a maximum payout level of 150% of target and multiple performance measures that drive stockholder value (e.g., earnings per share, free cash flow, operating margins and quality improvement), which mitigate too heavy a focus on any one performance measure in particular;
- The Company s LTI Plan consists of a performance share plan, which comprises appropriately 75% of an NEO s target LTI award, and a grant of SSARs, which comprises approximately 25% of an NEO s target LTI award. Both LTI vehicles contain a strong performance orientation and align closely with stockholder interests;
- The Company has implemented a recoupment policy, which allows it to take remedial action against an executive if the Board of Directors determines that an executive s misconduct has contributed to the Company having to restate its financial statements;
- The Company has implemented stock ownership guidelines that require executives to own a specified level of stock, which emphasizes the alignment of their interests with that of stockholders;
- The Company only provides modest perquisites to NEOs;

The Company has in place a so called double trigger change in control provisions, under which both a change in control and a change in employment status have to occur; and

The Company s historical share usage levels (e.g., burn rate and overhang) have minimized stockholder dilution.

The Compensation Committee has and will continue to take action to structure the Company s executive compensation practices in a fashion that is consistent with its compensation philosophy, business strategy and stockholder focus.

The Compensation Discussion and Analysis section of this proxy statement and the accompanying tables and narrative provide a comprehensive review of the Company s NEO compensation objectives, program and rationale. We urge you to read this disclosure before voting on this proposal.

We are asking our stockholders to indicate their support for the Company s NEO compensation as described in this proxy statement. This proposal, gives our stockholders the opportunity to express their views on the Company s NEOs compensation. This vote is not intended to address any specific item of compensation, but rather the overall compensation of the Company s NEOs and the philosophy, policies and practices thereof described in this proxy statement. Accordingly, we ask our stockholders to vote FOR the following resolution at the Annual Meeting:

RESOLVED, that the Company s stockholders approve, on an advisory basis, the compensation of the Company s named executive officers, as disclosed in the Proxy Statement for the 2011 Annual Meeting of Stockholders pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, the 2010 Summary Compensation Table and the other related tables and accompanying narrative set forth in the Proxy Statement.

The board of directors recommends a vote FOR the approval of the non-binding advisory resolution relating to the compensation of the Company s NEOs.

PROPOSAL NUMBER 4

PROPOSAL REGARDING THE FREQUENCY (ONE, TWO OR THREE YEARS) OF THE NON-BINDING STOCKHOLDER VOTE RELATING TO THE COMPENSATION OF THE COMPANY S NEOS

Consistent with SEC rules, we will include not less frequently than once every three years in our proxy statement (and other proxy) materials for a meeting of stockholders where executive compensation disclosure is required, an advisory resolution such as Proposal 3 subject to a non-binding stockholder vote relating to the compensation of the Company s NEOs.

We are requesting your vote to advise us of whether you believe this non-binding stockholder vote relating to the compensation of the Company s NEOs should occur every one, two or three years. The Board of Directors recommends that you support a frequency period of every three years (a triennial vote) for future non-binding say on pay votes.

The Board of Directors has determined that an advisory vote on executive compensation that occurs once every three years is the most appropriate alternative for the Company. In making this determination, the Board considered whether an advisory vote at this frequency provides our stockholders with sufficient time to evaluate the effectiveness of our overall compensation philosophy, policies and practices in the context of our long-term business results, while avoiding more emphasis on short term variations in compensation and business results. In addition, the grants made under the LTI Plan are made on a three-year cycle. An advisory vote occurring once every three years also will permit our stockholders to observe and evaluate the impact of any changes to our executive compensation policies and practices which have occurred since the last advisory vote on executive compensation, including changes made in response to the outcome of a prior advisory vote.

For the reasons stated above, the Board of Directors is recommending a vote for a three-year frequency for the non-binding stockholder vote relating to the compensation of the Company s NEOs. When considering the following resolution, note that stockholders are not voting to approve or disapprove the recommendation of the Board of Directors with respect to this proposal. Instead, each proxy card provides for four choices with respect to this

proposal: a one, two or three-year frequency or an opportunity to abstain from voting on the proposal.

RESOLVED, that an advisory vote of the Company s stockholders relating to the compensation of the Company s named executive officers be held at an annual meeting of stockholders every year, every two years, or every three years, whichever frequency receives the highest number of stockholder votes in connection with the adoption of this resolution.

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Your vote on this proposal will be non-binding on us and the Board of Directors. However, the Board of Directors values the opinions that our stockholders express in their votes and will consider the outcome of the vote when making future decisions on the inclusion of such proposals in the proxy materials as it deems appropriate.

The Board of Directors recommends a vote for a THREE-YEAR frequency for the non-binding stockholder vote relating to the compensation of the Company s NEOs.

PROPOSAL NUMBER 5

RATIFICATION OF COMPANY S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR 2011

The Company s independent registered public accounting firm is appointed annually by the Audit Committee. The Audit Committee examines a number of factors when selecting a firm, including the qualifications, staffing considerations, and the independence and quality controls of the firms considered. The Audit Committee has appointed KPMG LLP as the Company s independent registered public accounting firm for 2011. KPMG LLP served as the Company s independent registered public accounting firm for 2010 and is considered by management to be well-qualified.

In view of the difficulty and expense involved in changing auditors on short notice, should the stockholders not ratify the selection of KPMG LLP as the Company s independent registered public accounting firm for 2011 under this proposal, it is contemplated that the appointment of KPMG LLP for the 2011 fiscal year will be permitted to stand unless the Board of Directors finds other compelling reasons for making a change. Disapproval by the stockholders will be considered a recommendation that the Board of Directors select other auditors for the following year.

Representatives of KPMG LLP are expected to be present at the Annual Meeting and will be given the opportunity to make a statement, if they desire, and to respond to appropriate questions.

The Board of Directors recommends a vote FOR the ratification of the Company s independent registered public accounting firm for 2011.

OTHER BUSINESS

The Board of Directors does not know of any matters to be presented for action at the Annual Meeting other than the election of directors, the approval of the amendment and restatement of the LTI Plan, the approval of the non-binding advisory resolution relating to the compensation of the Company s NEOs, the approval of the frequency for the non-binding stockholder vote relating to the compensation of the Company s NEOs, and the ratification of the Company s independent registered public accounting firm for 2011. If any other business should properly come before the Annual Meeting, the persons named in the accompanying proxy card intend to vote thereon in accordance with their best judgment.

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PRINCIPAL HOLDERS OF COMMON STOCK

The following table sets forth certain information as of March 11, 2011 regarding persons or groups known to the Company who are, or may be deemed to be, the beneficial owner of more than five percent of the Company s Common Stock. This information is based upon SEC filings by the entities listed below, and the percentage given is based on 94,776,064 shares outstanding.

Name and Address of Beneficial Owner	Shares of Common Stock	Percent of Class
Blackrock, Inc. 40 East 52nd Street New York, New York 10022	10,539,058	11.12%
Ameriprise Financial, Inc. 145 Ameriprise Financial Center Minneapolis, Minnesota 55474	5,308,292	5.60%
FMR LLC 82 Devonshire Street Boston, Massachusetts 02109	4,885,168	5.15%

The following table sets forth information regarding beneficial ownership of the Company s Common Stock by the Company s directors, the director nominees, the Chief Executive Officer of the Company, the Chief Financial Officer of the Company, the other NEOs and all executive officers and directors as a group, all as of March 11, 2011. Each such individual has sole voting and investment power with respect to the shares set forth in the table.

Name of Beneficial Owner	Shares of Common Stock(1)(2)	Shares That May be Acquired Within 60 Days	Percent of Class
P. George Benson	6,066		*
Wolfgang Deml	12,256		*
Luiz F. Furlan			*
Gerald B. Johanneson	15,960		*
Thomas W. LaSorda	2,838		*
George E. Minnich	6,330		*
Curtis E. Moll	10,842		*
Gerald L. Shaheen	5,947		*
Daniel C. Ustian			*
Hendrikus Visser	9,694		*
Andrew H. Beck	75,986	8,213	*
Gary L. Collar	47,484	4,969	*

Andre M. Carioba	50,038	5,892	*
Hubertus M. Muehlhaeuser	80,568		*
Martin H. Richenhagen	429,406	45,491	*
All executive officers and directors as a group (21 persons)	904,169	85,740	1.0%

* Less than one percent.

(1) This includes grants to Mr. Richenhagen of 31,962 restricted shares that vest on December 6, 2011; and 63,925 restricted shares that vest on December 6, 2012. Mr. Richenhagen previously was issued these retention-based awards, but he will forfeit the shares if he does not remain employed at the end of each respective vesting period.

(2) Includes the following numbers of restricted shares of the Company s Common Stock earned under the Company s Non-Employee Director Stock Incentive Plan, which was terminated in December 2005, and/or as a result of restricted stock grants under the Company s current long-term incentive plan by the following individuals: Mr. Benson 5,866; Mr. Deml 7,390; Mr. LaSorda 2,338; Mr. Johanneson 5,960; Mr. Minnich 6,330; Mr. Moll 6,342; Mr. Shaheen 5,947; Mr. Visser 8,499; All directors as a group 55,836.

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EXECUTIVE COMPENSATION

Executive Officers

The following table sets forth information as of March 11, 2011, with respect to each person who is an executive officer of the Company.

Name	Age	Positions
Martin H. Richenhagen	58	Chairman of the Board, President and Chief Executive Officer
Garry L. Ball	63	Senior Vice President Engineering
Andrew H. Beck	47	Senior Vice President Chief Financial Officer
David L. Caplan	63	Senior Vice President Materials Management, Worldwide
André M. Carioba	60	Senior Vice President and General Manager, South America
Gary L. Collar	54	Senior Vice President and General Manager, EAME and Australia/New Zealand
Robert B. Crain	51	Senior Vice President and General Manager, North America
Randall G. Hoffman	59	Senior Vice President Global Sales & Marketing and Product Management
Hubertus M. Muehlhaeuser	41	Senior Vice President Strategy & Integration and General Manager, Eastern Europe & Asia
Lucinda B. Smith	44	Senior Vice President Human Resources
Hans-Bernd Veltmaat	56	Senior Vice President Manufacturing & Quality

Martin H. Richenhagen has been Chairman of the Board of Directors since August 2006 and has served as President and Chief Executive Officer since July 2004. Mr. Richenhagen is currently a member of the Board, Audit and Technology & Environment Committees for PPG Industries, Inc., a leading coatings and specialty products and services company. From 2003 to 2004, Mr. Richenhagen was Executive Vice President of Forbo International SA, a flooring material business based in Switzerland. From 1998 to 2002, Mr. Richenhagen was Group President of Claas KGaA mbH, a global farm equipment manufacturer and distributor. From 1995 to 1998, Mr. Richenhagen was Senior Executive Vice President for Schindler Deutschland Holdings GmbH, a worldwide manufacturer and distributor of elevators and escalators.

Garry L. Ball has been Senior Vice President Engineering since June 2002. Mr. Ball was Senior Vice President Engineering and Product Development from 2001 to 2002. From 2000 to 2001, Mr. Ball was Vice President of Engineering at CapacityWeb.com. From 1999 to 2000, Mr. Ball was Vice President of Construction Equipment New Product Development at Case New Holland (CNH) Global N.V. Prior to that, he held several key positions including Vice President of Engineering Agricultural Tractor for New Holland N.V., Europe, and Chief Engineer for Tractors at Ford New Holland.

Andrew H. Beck has been Senior Vice President Chief Financial Officer since June 2002. Mr. Beck was Vice President, Chief Accounting Officer from January 2002 to June 2002, Vice President and Controller from 2000 to 2002, Corporate Controller from 1996 to 2000, Assistant Treasurer from 1995 to 1996 and Controller, International Operations from 1994 to 1995.

David L. Caplan has been Senior Vice President Material Management, Worldwide since October 2003. Mr. Caplan was Senior Director of Purchasing of PACCAR Inc from 2002 to 2003 and was Director of Operation Support with Kenworth Truck Company from 1997 to 2002.

André M. Carioba has been Senior Vice President and General Manager, South America since July 2006. Mr. Carioba held several positions with BMW Group and its subsidiaries worldwide, including President and Chief Executive Officer of BMW Brazil Ltda., from 2000 to 2005, Director of Purchasing and Logistics of BMW Brazil Ltda., from 1998 to 2000, and Senior Manager for International Purchasing Projects of BMW AG in Germany, from 1995 to 1998.

Gary L. Collar has been Senior Vice President and General Manager, EAME and Australia/New Zealand since January 2009. From 2004 to December 2008, Mr. Collar was Senior Vice President and General Manager EAME and EAPAC. Mr. Collar was Vice President, Worldwide Market Development for the Challenger Division from 2002 until 2004. Between 1994 and 2002, Mr. Collar held various senior executive positions with ZF Friedrichshaven A.G., including Vice President Business Development, North America, from 2001 until 2002, and President and Chief Executive Officer of ZF-Unisia Autoparts, Inc., from 1994 until 2001.

Robert B. Crain has been Senior Vice President and General Manager, North America since January 2006. Mr. Crain held several positions within CNH Global N.V. and its predecessors, including Vice President of New Holland s North America Agricultural Business, from 2004 to 2005, Vice President of CNH Marketing North America Agricultural business, from 2003 to 2004 and Vice President and General Manager of Worldwide Operations for the Crop Harvesting Division of CNH Global N.V. from 1999 to 2002.

Randall G. Hoffman has been Senior Vice President, Global Sales & Marketing and Product Management since November 2005. Mr. Hoffman was the Senior Vice President and General Manager, Challenger Division Worldwide, from 2004 to 2005, Vice President and General Manager, Worldwide Challenger Division, from 2002 to 2004, Vice President of Sales and Marketing, North America, from November 2001 to 2002, Vice President, Marketing North America, from April 2001 to November 2001, Vice President of Dealer Operations, from June 2000 to April 2001, Director, Distribution Development, North America, from April 2000 to June 2000, Manager, Distribution Development, North America, from 1998 to April 2000, and General Marketing Manager, from 1995 to 1998.

Hubertus M. Muehlhaeuser has been Senior Vice President Strategy & Integration and General Manager, Eastern Europe & Asia since January 2009. Since 2005, Mr. Muehlhaeuser has served as Senior Vice President Strategy & Integration, and since 2007 he also has responsibility for AGCO Sisu Power Engines. Previously, Mr. Muehlhaeuser spent over ten years with Arthur D. Little, Ltd., an international management-consulting firm, where he was made a partner in 1999. From 2000 to 2005, he led the firm s Global Strategy and Organization Practice as a member of the firm s global management team, and was the firm s managing director of Switzerland from 2001 to 2005.

Lucinda B. Smith has been Senior Vice President Human Resources since January 2009. Ms. Smith was Vice President, Global Talent Management & Rewards from May 2008 to December 2008 and was Director of Organizational Development and Compensation from 2006 to 2008. From 2005 to 2006, Ms. Smith was Global Director of Human Resources for AJC International, Inc. Ms. Smith also held various domestic and global human resource management positions at Lend Lease Corporation, Cendian Corporation and Georgia-Pacific Corporation.

Hans-Bernd Veltmaat has been Senior Vice President Manufacturing & Quality since July 2008. Mr. Veltmaat was Group Executive Vice President of Recycling Plants at Alba AG from 2007 to June 2008. From 1996 to 2007, Mr. Veltmaat held various positions with Claas KGaA mbH in Germany, including Group Executive Vice President, a member of the Claas Group Executive Board and Chief Executive Officer of Claas Fertigungstechnik GmbH.

COMPENSATION DISCUSSION AND ANALYSIS

Introduction

This Compensation Discussion and Analysis describes our compensation philosophies, the compensation programs provided to our NEOs and the decision-making process followed in setting pay levels for our NEOs during our 2010 fiscal year. This discussion should be read in conjunction with the tables and related narratives that follow. Our NEOs for 2010 are:

Andrew H. Beck, Senior Vice President Chief Financial Officer

André M. Carioba Senior Vice President and General Manager, South America

Gary L. Collar, Senior Vice President and General Manager, EAME and Australia/New Zealand

Hubertus M. Muehlhaeuser, Senior Vice President Strategy & Integration and General Manager, Eastern Europe & Asia

Martin H. Richenhagen, Chairman of the Board, President and Chief Executive Officer

Compensation Philosophy and Governance

AGCO s compensation philosophy was updated and approved by the Compensation Committee (the Committee) of the Board of Directors in October 2010. The philosophy is intended to articulate the Company s principles and strategy for total compensation and specific pay program elements. It is closely aligned with business strategy and reflects performance attributes and, as such, ties executives interests to those of stockholders and employees.

It is AGCO s practice to compensate executive officers through a combination of cash and equity compensation, retirement programs and other benefits. Our primary objectives are to provide compensation programs that:

Align with stockholder interests;

Reward performance;

Attract and retain quality management;

Encourage executive stock ownership;

Are competitive with companies of similar revenue size, industry and complexity;

Mitigate excessive risk taking; and

Are substantially consistent among our locations worldwide

We believe that as an executive s responsibilities increase, so should the portion of his or her total pay comprised of annual incentive cash bonuses and long-term incentive compensation.

A significant portion of our executive compensation opportunity is related to factors that directly and indirectly influence stockholder value, including stock performance, earnings per share, operational performance, free cash flow performance and return on invested capital. Another significant factor in the Committee s decisions to make equity-based awards to our executives is stockholder dilution, and the Committee strives to minimize the dilutive effect of those awards on stockholders.

Executive pay at AGCO is intended to be market competitive, but also performance-based, and structured so that it addresses retention, recruitment, market demands and other business concerns. Awards under compensation programs are set to generally approximate the median level of market competitiveness as compared to other companies of similar revenue size, industry and complexity. We also consider geographic market differences when setting the value and mix of the Company s compensation for executives based outside of the U.S. Payouts earned under incentive awards are designed to vary with the Company s performance, with increased payouts awarded for above-target performance and lower or no payouts awarded for below-target performance.

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When establishing the compensation and performance criteria, we set goals that we believe reflect key areas of performance that support our long-term success. We consider factors such as the Company s current performance compared to industry peers, desired levels of performance improvement, and industry trends and conditions when determining performance expectations within the Company s compensation plans.

The Board of Directors periodically meets independently with the Committee chairman, who participates in executive sessions with the Board (without AGCO management present), to discuss compensation matters.

The Committee approves all compensation for executive officers, including the structure and design of the compensation programs. The Committee is responsible for retaining and terminating compensation consultants and determining the terms and conditions of their engagement, including fees. Since 2005, the Committee has engaged Towers Watson, an internationally recognized human resources consulting firm, to advise the Committee, and at times management, with respect to the Company s compensation programs and to perform various related studies and projects, including market analysis and compensation program design. A Towers Watson representative reports directly to the Committee as its compensation advisor.

The Committee annually reviews the role of its compensation advisor and believes that he is fully independent for purposes of providing on-going recommendations regarding executive compensation. In addition, the Committee believes that the compensation advisor provides candid, direct and objective advice to the Committee that is not influenced by any other services provided by Towers Watson. To ensure independence:

- The Committee directly hired and has the authority to terminate the compensation advisor;
- The compensation advisor reports directly to the Committee and the chairperson;
- The compensation advisor meets as needed with the Committee in executive sessions that are not attended by any of the Company s officers;
- The compensation advisor and his team at Towers Watson have direct access to all members of the Committee during and between meetings;
- The compensation advisor is not the Towers Watson client relationship manager for AGCO;
- Neither the compensation advisor nor any member of his team participates in any activities related to the administrative services provided to AGCO by other Towers Watson business units; and
- Interactions between the compensation advisor and AGCO s management generally are limited to discussions on behalf of the Committee and information presented to the Committee for approval.

Annual Review of Consultant Independence

Towers Watson provides the Committee an annual update on its services and related fees. The Committee determines whether Towers Watson s services are performed objectively and free from the influence of management. With the full knowledge of the Committee, AGCO has retained a distinct unit of Towers Watson for all other global services, including broad-based employee retirement and benefit services, and specific projects within multiple countries for various Company subsidiaries, excluding Committee services.

The Committee also closely examines the safeguards and steps Towers Watson takes to ensure that its executive compensation consulting services are objective, for example:

Towers Watson has separated its executive compensation consulting services into a single, segregated business unit within Towers Watson;

The Committee s compensation advisor receives no direct incentives based on other services Towers Watson provides to AGCO;

The total amount of fees for consulting services provided to the Committee in 2010 by its compensation advisor was approximately $339,000; and

The total amount of fees paid by AGCO to Towers Watson in 2010 for all other services, excluding Committee services, was approximately $2,317,000. These other services primarily related to actuarial

services in respect of the Company s defined benefit plans, general employee compensation consulting services, benefit plan design services and pension administration services. Approximately $869,000 of the $2,317,000 in other services was paid directly from the pension trusts of the Company s U.S. and U.K. pension plans.

For these reasons, the Committee does not believe that Towers Watson s services for AGCO s employee retirement and benefit plans, or its specific projects, compromise its compensation advisor s ability to provide the Committee with perspective and advice that is independent and objective.

Competitive Analyses

We perform competitive analyses with respect to cash compensation, long-term equity incentives and executive retirement programs. These analyses are conducted regularly and include a comparison to nationally recognized compensation surveys, as well as a comparison to a peer group of other industrial companies. These competitive analyses provide us with information regarding ranges and median compensation levels, as well as the types of compensation practices followed at other companies. The analyses are used to review, monitor and establish appropriate and competitive compensation guidelines, determine the appropriate mix of compensation between programs and establish the specific compensation levels for our executives.

The Committee last performed an external market review in 2009 that examined the competitiveness of the Company s NEOs total compensation. The analysis reviewed the dollar value of the compensation, as well as the mix of compensation between base salary, annual cash incentive bonus and long-term incentive (LTI) pay. The Committee s goal is to establish base salary, target total cash (base salary plus target bonus opportunity) and target total direct compensation (target total cash plus target LTI opportunity) for each NEO within plus/minus 20% of the market median, which reflects an average of published survey data and peer proxy statements. The competitive market comparison for each of the Company s NEOs is summarized below:

Name	Base Salary	Target Total Cash	Target Total Direct Compensation
Mr. Beck	Slightly Below Market Median	Near Market Median	Slightly Below Market Median
Mr. Carioba	Slightly Below Market Median	Slightly Below Market Median	Slightly Below Market Median
Mr. Collar	Slightly Below Market Median	Slightly Below Market Median	Slightly Below Market Median
Mr. Muehlhaeuser	Slightly Above Market Median	Slightly Above Market Median	Near Market Median
Mr. Richenhagen	Near Market Median	Near Market Median	Near Market Median

The Committee uses the external market review to help it make informed decisions regarding NEO compensation. For the Chief Executive Officer, the Committee recognizes the critical nature of this role, his higher level of responsibility within the Company and his more pervasive influence over the Company s performance and, therefore, provides

market competitive levels of compensation; as a result, compensation for this position differs from levels of compensation paid to other NEOs. Mr. Richenhagen, as Chief Executive Officer of the Company, is placed in his own level based purely on median market information.

The Company s Senior Vice Presidents (SVPs) are grouped into two tiers. All of the General Managers and the Chief Financial Officer are grouped together in the first tier, and the Company s functional SVPs are grouped together in the second tier. It is the Company s philosophy to compensate SVPs in each tier similarly, including each of the General Managers and the Chief Financial Officer, even though market data might suggest otherwise. The market data for each of the General Managers is adjusted to reflect the different sizes of the businesses they manage, with Mr. Collar managing the largest business and Mr. Muehlhaeuser the smallest. The Committee, in recognition of the collaborative efforts of the General Managers operating not only their respective businesses, but also the Company s worldwide business, sets the compensation of all General Managers at similar levels. In Mr. Beck s case, the Committee s view is that the Chief Financial Officer should not be paid significantly more than the General

Managers, which is consistent with the Company s compensation philosophy and reinforced by the internal grouping of the Company s executives. However, in recognition that Mr. Beck s total direct compensation was slightly below market median, he was given a slightly larger award of performance shares in 2010 and 2011.

As part of its regular review of the composition of the peer group, the Committee reviewed the Company s peer group in October 2010. The only change that was made to the composition of the peer group was the exclusion of The Black & Decker Corporation as a peer because of its merger with Stanley Works in 2010. As a result, the Company s current peer group includes the following 19 companies: Cooper Industries, Inc., Cummins Inc., Danaher Corporation, Dover Corporation, Eaton Corporation, Flowserve Corporation, Illinois Tool Works, Inc., Ingersoll-Rand Company Limited, The Manitowoc Company Inc., Navistar International Corporation, Oshkosh Truck Corporation, PACCAR Inc, Parker-Hannifin Corporation, Rockwell Automation, Inc., SPX Corporation, Stanley Black & Decker (combined company of Stanley Works and The Black & Decker Corporation), Terex Corporation, Textron, Inc., and The Timken Company. The Committee believes that the companies in the current peer group reflect AGCO s size and closely align with our business and the markets in which we serve and operate. The Committee will continue to review the composition of the peer group and make updates as needed.

Components of AGCO Total Compensation

AGCO s compensation philosophy defines total compensation to consist of:

- Base Salary
- Annual Cash Incentive Bonuses
- Long-term Incentives
- Benefits and Certain Perquisites

For a NEO, the variable or incentive pay (both annual and LTI) opportunity represents a large portion of the mix, or at least 60% of total expected compensation. Benefits represent a much smaller portion of the mix for each NEO when compared to base salary and incentive pay. The components of compensation are described below.

Base Salary

Base salary establishes the foundation of total compensation and supports the attraction and retention of qualified staff. The base salary for executives is reviewed and approved by the Committee annually for executive officers. In addition, base salaries may be changed as a result of a new appointment or a change in responsibility for an executive. Base salaries are designed to provide competitive levels of compensation to executives based on their scope of responsibilities, experience, and performance. Base salaries also serve as the basis for determining annual and long-term target incentive opportunities.

The Committee considers base salary merit increases in April of each year and, in light of the economic recession that adversely affected the Company s operating results beginning in 2008, did not award merit increases for NEOs in 2009. In April of 2010, the Committee provided base salary increases to NEOs based upon individual and Company performance and consistent with the benchmarking and base salary adjustment action plan that was developed in 2009. The salary adjustment action plan was developed to improve or maintain, depending on market positioning, base salaries for NEOs and other executive officers over a period of three years. In 2010, the Committee approved base salary increases for NEOs ranging from 3% to 10%. The base salary for Martin Richenhagen, our Chief Executive Officer, was set at $1,106,700 reflecting a 5% increase in 2010.

Annual Cash Incentive Bonuses

The Company s IC Plan is intended to facilitate alignment of management with corporate objectives and stockholder interests in order to achieve outstanding performance and to meet specific AGCO financial goals. We believe that the annual incentive should be a substantial component of total compensation. Further, incentive compensation must be based on AGCO s performance, as well as the contribution of executive officers through the leadership of their respective regional or functional areas.

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Incentive compensation opportunities are expressed as a percentage of the executive officer s gross base salary. The annual award opportunity for Mr. Richenhagen and the other NEOs in 2010 are shown in the chart below:

Name	Opportunity as a percentage of base salary			Portion attributable to	
	Minimum Award	Target Award	Maximum Award	Corporate Goals	Regional/Functional Goals
Mr. Beck	40%	100%	150%	100%	0%
Mr. Carioba	28%	70%	105%	50%	50%
Mr. Collar	28%	70%	105%	50%	50%
Mr. Muehlhaeuser	28%	70%	105%	50%	50%
Mr. Richenhagen	52%	130%	195%	100%	0%

Mr. Richenhagen s annual incentive compensation for 2010 is deductible under Section 162(m) of the IRC.

Under the IC Plan, graduated award payments of 40% of target are made if a minimum of 80% of the target goal is met, increasing to the maximum payout of 150% of target when 120% of the target goal is met. The corporate objectives are set at the beginning of each year and approved by the Committee. However, unless a threshold of 60% of the adjusted earnings per share (EPS) target goal is reached, no awards are paid regardless of performance relative to the other target goals. For the year ended December 31, 2010, the corporate objectives were based on targets for free cash flow (FCF), EPS, operating margin and customer satisfaction (CS). The calculation of these measures and corporate weightings are as follows:

EPS: Diluted and adjusted to exclude restructuring expenses and other infrequent items (40% weight). EPS equals adjusted net income (excluding restructuring expenses and other infrequent items) divided by diluted weighted average number of common and common equivalent shares outstanding.

FCF: Cash flow from operating activities less capital expenditures. This measure excludes cash flow from financing, such as increases in accounts receivables securitizations (30% weight). For 2011, the FCF target will instead be based upon cash flow from operating activities only.

Operating margin: The percentage calculated when income from operations is divided by net sales (20% weight). Operating margin equals income from operations divided by net sales. This measure also excludes restructuring expenses and other infrequent items.

Customer Satisfaction: Overall customer satisfaction index, which measures after-sales service, sales experience and product quality (10% weight).

An executive s annual cash incentive is determined based on performance compared to pre-established corporate, regional/functional and personal performance goals. For executive officers with a regional focus, their goals are established primarily for operational performance in their geographic area or other quantitative objectives based on their specific responsibilities. For the positions of Chief Financial Officer and Chief Executive Officer (Messrs. Beck and Richenhagen, respectively), 100% of their incentive is based on corporate measures and results.

In addition to corporate goals, the plan engages participants to focus on regional and functional goals to provide incentives for behaviors linked to business drivers, such as growth in market share. For participants with direct regional responsibility, the corporate portion is a minimum of 50% of the total target award. For these participants,

regional goals are also 50%, except for our Chief Executive Officer and Chief Financial Officer, who are solely measured on corporate goals. For participants with direct functional responsibility, the corporate portion is a minimum of 70% of the total target award. For these participants, functional goals are 30%. Goal setting is based on internal planning informed by external factors. The regional and functional goals help provide alignment with

corporate goals and the Company s overall performance. Although goals differ by region and function, examples of regional and functional goals for 2010 are as follows:

Regional Goals	Functional Goals
Income Contributed (operating income less capital charge for working capital employed)	Consolidated Operating Margin
Operating Margin	Quality and Repair Frequency
Market Share Improvement	Right First Time (Quality)
New Product Introduction Metric	New Product Introduction

For 2010, targets for each of the measures and AGCO s actual performance are summarized below:

Measure	Weight	Bonus Objective	Actual Performance	Percent Achieved	Earned Award
Earnings Per Share	40%	$ 1.55	$ 2.33	150%	60%
Free Cash Flow[(1)]	30%	$ 76	$ 271	355%	45%
Operating Margins	20%	3.8%	4.8%	160%	30%
Quality Improvement	10%	85.5%	86.1%	124%	15%

(1) Amounts stated in millions of dollars.

For 2010, the Committee determined that the Company not only met the minimum performance level for EPS to warrant an incentive payout, but performed at the maximum level on each of the four performance measures. As a result, bonuses were paid to NEOs at the maximum performance level, which is 150% of target.

The Company considers the 2011 target goals under the IC Plan for the current year to be confidential. Historically, the Committee has established target goals for the Company s executive officers that the Committee believed at the time were reasonably achievable. If the Company is able to meet the objectives set out in its budget for 2011, and if each executive officer achieves what the Committee considers reasonable regional and functional goals, the Committee believes that the executive officers should be able to earn their target bonuses. However, given the recent volatility in the markets, the Committee is not able to predict with any certainty that the targets will be achieved.

The Committee believes that the annual incentive plan motivates our NEOs to drive financial results and make sound business decisions. Also, special incentive awards can be made based on extraordinary and unusual achievement as determined by the Committee. Such awards are subject to approval of the Board of Directors. No such awards were made by the Committee in 2010.

The IC Plan also provides for payment of a pro rata portion of the participant s bonus upon a change of control, as well as additional bonus payments to certain participants terminated without cause within two years of a change of control. This is further explained in Severance Benefits and Change of Control.

Long-term Incentives

The Company provides performance- and retention-based equity opportunities to the NEOs. LTI represents a significant component of total compensation and weighs heavily in the overall pay mix for executives. The overarching principles of the LTI Plan are:

- LTI is performance-based and is intended to engage executives in achieving longer-term goals and to make decisions in the best interests of stockholders
- Target award opportunities are generally competitive with median levels of other companies of similar size, industry and complexity
- Realizable gains are intended to vary with Company performance and stock price growth
- Performance goals are aligned with stockholder interests and support the long-term success of AGCO

The current LTI opportunity for executives is comprised of two vehicles: a performance share plan (PSP), which is projected to comprise approximately 75% of an executive s target LTI award, and a grant of SSARs, which is projected to comprise approximately 25% of the executive s LTI target award opportunity.

The PSP and the SSARs are summarized below:

PSP Award opportunities are denominated in shares of our Common Stock and are earned on the basis of our performance versus pre-established goals for a three-year cycle.

SSARs Similar to a stock option, SSARs are awards that provide the participant with the right to receive share appreciation over the grant price, payable in whole shares of our Common Stock, at any time after the grant is vested and within the specified term of the grant. The SSARs vest at a rate of 25% a year for four years, with a term of seven years.

For grants under the PSP, earned awards are based on achievement compared to two measures: cumulative EPS and average return on invested capital (ROIC) over a three-year performance period. These measures were chosen because we believe that they are meaningful measures of our performance and have a strong correlation to generating stockholder value over the long-term. We established three levels of performance for each measure: *threshold*, representing the minimum level of performance that warrants a payout; *target*, representing a level of performance where median target compensation levels are appropriate; and *outstanding*, representing a maximum realistic performance level where increased compensation levels are appropriate. The cumulative earnings per share and ROIC goals are linked within a performance award matrix which is used to determine the number of shares earned in various combinations of performance. The award opportunity levels are expressed as multiples of the executive s target award opportunity.

The matrix of award opportunities is illustrated below:

			Cumulative Earnings		
		Below Threshold	**Threshold**	**Target**	**Outstanding**
	Outstanding	100.0%	116.5%	150.0%	200.0%
Average	Target	50.0%	66.6%	100.0%	150.0%
ROIC	Threshold	16.5%	33.3%	66.6%	116.5%
	Below Threshold	0.0%	16.5%	50.0%	100.0%

As evident in the matrix above, the performance targets of cumulative earnings per share and average ROIC are given equal weighting in the determination of the number of shares earned. In addition, the matrix provides for an award of 33%, 100% or 200% of the target shares upon achieving the threshold, target or outstanding performance level for each goal, respectively. If the actual performance of the goal falls in between the established goals for threshold, target and outstanding performance, the associated payout factor will be calculated using a straight-line interpolation between the two goals. The Committee has the discretion to exclude restructuring and certain other infrequent items from the calculation of cumulative earnings per share or average ROIC in order to ensure the LTI Plan is equitable and executive decisions and actions are not inhibited by their projected impact on the Plan.

Our objective in sizing and setting the award opportunities for executives is to approximate the median level of market competitiveness within the Company s peer group at the target level of performance. PSP awards are structured at the threshold level of performance to approximate the market s 25th percentile and at the outstanding level of performance

to approximate the 75th percentile. For the SSAR awards, the number of shares granted is based on the expected value at the median level of market competitiveness.

For the awards granted in 2008 under the PSP, the Committee determined that, based on the Company s performance for the three-year PSP performance cycle (2008-2010), the Company achieved above threshold but below target on cumulative earnings per share and below threshold on average ROIC, producing a 32% payout as shown in the chart below. The global economic downturn presented challenges during the 2008-2010 PSP performance cycle, although reasonably strong financial results in 2008 and 2010 helped the Company achieve above threshold but below target on cumulative earnings per share. The information provided below includes

adjustments made by the Committee in accordance with the LTI Plan for non-recurring items and the impact of the adoption of new accounting standards which required retroactive and prospective application upon adoption.

Measure	Threshold	Target	Outstanding	Actual	Earned Award
Cumulative EPS	$ 8.01	$ 9.10	$ 10.42	$ 8.51	64%
Average ROIC	12.4%	13.1%	15.0%	11.2%	0%

For EPS, the target goal was $9.10 per share and the Company actually achieved between the threshold and target goal, and for average ROIC, the target goal was 13.1% and the Company actually achieved below the threshold goal, which produced a 32% average payout.

The target award and actual number of shares received by the NEOs for the three-year performance cycle covering 2008-2010 are shown below:

	Three-Year Performance Cycle (2008-2010)	
Name	**Target Award**	**Actual Award**
Mr. Beck	7,300 shares	2,336 shares
Mr. Carioba	7,300 shares	2,336 shares
Mr. Collar	7,300 shares	2,336 shares
Mr. Muehlhaeuser	5,000 shares	1,600 shares
Mr. Richenhagen	50,000 shares	16,000 shares

In 2010, the Committee established award opportunities for executives covering a new three-year PSP performance cycle (2010-2012), as well as a new grant of SSARs. The Committee s strategy is to regularly evaluate the size of award levels by taking into consideration market trends, the industry s cyclicality and other volatility factors. New targets covering the 2010 three-year PSP performance period also were established for cumulative EPS and average ROIC. In 2010, the Committee also established the Margin Improvement Plan (MIP), which is a supplemental, one-time PSP that focuses exclusively on the achievement of operating margin goals. The Committee believes that operating margin improvement is critical in sustaining and driving strong financial results and shareholder returns. The MIP covers a five-year period (2011-2015) and can pay out after 2013, 2014 and/or 2015 if certain operating margin goals are met.

The Company considers the target goals for PSP awards for uncompleted cycles to be confidential. Historically, the Committee has established target goals for the Company s executive officers that the Committee believed at the time were reasonably achievable. If the Company is able to meet the objectives set out in its strategic plans, and if each executive officer achieves what the Committee considers reasonable regional and functional goals, the Committee believes that each executive officer should be able to earn a target level award for achieving those goals in each of the Company s open performance share cycles. However, given the recent volatility in the markets, the Committee is not able to predict with any certainty that the open performance share cycles will pay out at target.

The Committee approves all grants of stock-based compensation to the Chief Executive Officer and all other executive officers. The Chief Executive Officer, with the assistance of the Senior Vice President Human Resources, assists the Committee with recommendations for award levels for all other executive officers. Our policy is that

SSARs are awarded with exercise prices at or above the fair market value of the Company s Common Stock on the date of the grant.

Clawback of Incentive Compensation

The Company has a Compensation Adjustment and Recovery Policy. Pursuant to the policy, if the Board of Directors learns of any misconduct by an officer of the Company or one of its subsidiaries that contributed to the Company s having to restate its published financial statements, it shall take, or direct the Company to take, such action as it deems reasonably necessary to remedy the misconduct, prevent its recurrence and, if appropriate, based on all relevant facts and circumstances, take remedial action against the individual in violation of the policy. In determining whether remedial action is appropriate, the Board shall take into account such factors as it deems

relevant, including whether the misconduct reflected negligence, recklessness or intentional wrongdoing. Remedial action may include dismissal and initiating legal action against the officer.

In addition, the Board will, to the full extent permitted by governing law, in all appropriate cases, direct the Company to seek reimbursement of any bonus or incentive compensation awarded to an officer, or effect the cancellation of unvested, restricted or deferred equity awards previously granted to an officer, if: (1) the amount of the bonus or incentive compensation was calculated based upon the achievement of financial results that were subsequently reduced as part of a restatement, (2) the officer engaged in intentional wrongdoing that contributed to the restatement, and (3) the amount of the award would have been lower had the financial results been properly reported.

In determining what action to take or to require the Company to take, the Board may consider, among other things, penalties or punishments imposed by third parties, such as law enforcement agencies, regulators or other authorities, the impact upon the Company in any related proceeding or investigation of taking remedial action against an officer, and the cost and likely outcome of taking remedial action. The Board s power to determine the appropriate remedial action is in addition to, and not in replacement of, remedies imposed by such authorities.

Without by implication limiting the foregoing, following a restatement of the Company s financial statements, the Company also shall be entitled to recover any compensation received by the Chief Executive Officer and Chief Financial Officer that is required to be recovered by Section 304 of the Sarbanes-Oxley Act of 2002.

The policy further specifies that the authority vested in the Board under the policy may be exercised by any committee thereof. In addition, the Company expects to reevaluate this policy after the SEC issues final rules implementing the clawback provisions set forth in the Dodd-Frank Wall Street Reform and Consumer Protection Act.

Share Ownership and Retention Guidelines

We believe that share ownership by directors and executives emphasizes the alignment of their interests with that of stockholders. The stock ownership guidelines for the Company s non-executive directors and executive officers call for non-employee directors to own Common Stock, or other equity equivalents, equal in value to four times the value of the annual retainer. The Chief Executive Officer is required to own Common Stock, or other equity equivalents, equal in value to five times annual salary, and all other executive officers are required to own Common Stock, or other equity equivalents, equal in value to three times respective annual salaries. Once the minimum ownership level is acquired, an individual will remain qualified if he or she continues to hold at least the same number of shares regardless of the change in market value of the underlying stock. Directors and executive officers as of October 23, 2008 have a period of four years from that date to accumulate enough shares to satisfy the stock ownership requirements. Any person becoming a director or executive officer after October 23, 2008 is allowed a four-year period from his or her date of election or appointment to comply with the stock ownership requirements.

Compensation Risk Assessment

Companies are expected to annually conduct a risk assessment, which consists of a review of compensation policies and practices and incentive plans and programs to evaluate if such compensation policies and practices and incentive plans and programs are appropriately structured for the company and its business objectives and discourage executives from taking excessive risk. In 2010, the Company performed a Compensation Risk Assessment to identify potential risks identified with its compensation program. Based upon the findings of the Assessment and the Committee s independent analysis, the Committee has concluded that there are no risks arising from compensation policies and practices and incentive plans and programs that are reasonably likely to have a material adverse effect on the Company.

The overall design of the executive compensation program attempts to mitigate the possibility that excessive risks are being taken that could harm the long-term value of AGCO. These features include: (1) the annual review and approval of the financial performance objectives by the Compensation Committee; (2) the use of multiple performance objectives, thus mitigating too heavy a focus on any one in particular; (3) the capping of short and

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long-term incentive payouts for NEOs and other participants at 150% and 200% of the target opportunity, respectively; (4) stock ownership requirements for senior executives, which we believe align their long-term interests with that of stockholders; and (5) a recoupment program that can require the return of any bonus or incentive compensation that was improperly earned.

Retirement Benefits

We believe that offering competitive retirement benefits is important to attract and retain top executives. Our U.S.-based executives participate in a non-qualified executive defined benefit plan in addition to a traditional defined contribution 401(k) plan. For the Company s 401(k) plan, AGCO generally contributed approximately $11,025 to each executive s 401(k) account during 2010, which was the maximum match contribution allowable under our plan.

In January 2007, we established the Company s executive nonqualified Pension Plan (2007 ENPP), which we believe is competitive with companies of similar type and size. The 2007 ENPP provides U.S.-based executive officers with retirement income for a period of 15 years based on a percentage of their average final salary and bonus, reduced by the executive officer s social security benefits and 401(k) employer-matching contributions. The benefit paid to the executive officers is 3% of the average of the last three years of their respective base salaries plus bonus prior to their termination of employment (final earnings) multiplied by credited years of service, with a maximum annual benefit of 60% of final earnings. To provide a stronger retention feature, benefits under the 2007 ENPP vest if the participant has attained age 50 with at le