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
o Definitive Additional Materials
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AGCO CORPORATION

(Name of Registrant as Specified In Its Charter)

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

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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 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.

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.

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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

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 Compa