UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

For the quarter ended June 30, 2008

of

AGCO CORPORATION

A Delaware Corporation
IRS Employer Identification No. 58-1960019
SEC File Number 1-12930

4205 River Green Parkway
Duluth, GA 30096
(770) 813-9200

AGCO Corporation (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months and (2) has been subject to such filing requirements for the past 90 days.

As of July 31, 2008, AGCO Corporation had 91,735,652 shares of common stock outstanding. AGCO Corporation is a large accelerated filer.

AGCO Corporation is a well-known seasoned issuer and is not a shell company.

AGCO CORPORATION AND SUBSIDIARIES

INDEX

PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

AGCO CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited and in millions, except shares)

	June 30, 2008	December 31, 2007
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 558.5	$ 582.4
Accounts and notes receivable, net	834.3	766.4
Inventories, net	1,526.4	1,134.2
Deferred tax assets	44.5	52.7
Other current assets	244.8	186.0
Total current assets	3,208.5	2,721.7
Property, plant and equipment, net	841.9	753.0
Investment in affiliates	322.3	284.6
Deferred tax assets	78.5	89.1
Other assets	77.9	67.9
Intangible assets, net	206.5	205.7
Goodwill	722.9	665.6
Total assets	$ 5,458.5	$ 4,787.6
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Current portion of long-term debt	$ —	$ 0.2
Convertible senior subordinated notes	402.5	402.5
Accounts payable	973.4	827.1
Accrued expenses	888.3	773.2
Other current liabilities	81.8	80.3
Total current liabilities	2,346.0	2,083.3
Long-term debt, less current portion	315.3	294.1
Pensions and postretirement health care benefits	144.6	150.3
Deferred tax liabilities	170.7	163.6
Other noncurrent liabilities	59.4	53.3
Total liabilities	3,036.0	2,744.6
Stockholders' Equity:		
Preferred stock; $0.01 par value, 1,000,000 shares authorized, no shares issued or outstanding in 2008 and 2007	—	—
Common stock; $0.01 par value, 150,000,000 shares authorized, 91,735,652 and 91,609,895 shares issued and outstanding at June 30, 2008 and December 31, 2007, respectively	0.9	0.9
Additional paid-in capital	954.7	942.7
Retained earnings	1,214.7	1,020.4
Accumulated other comprehensive income	252.2	79.0
Total stockholders' equity	2,422.5	2,043.0
Total liabilities and stockholders' equity	$ 5,458.5	$ 4,787.6

See accompanying notes to condensed consolidated financial statements.

Table of Contents

AGCO CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited and in millions, except per share data)

	Three Months Ended June 30, 2008	2007
Net sales	$ 2,395.4	$ 1,711.4
Cost of goods sold	1,967.2	1,414.4
Gross profit	428.2	297.0
Selling, general and administrative expenses	181.0	144.4
Engineering expenses	53.0	37.3
Restructuring and other infrequent expenses	0.1	0.3
Amortization of intangibles	5.0	4.4
Income from operations	189.1	110.6
Interest expense, net	5.5	7.5
Other expense, net	9.6	9.5
Income before income taxes and equity in net earnings of affiliates	174.0	93.6
Income tax provision	55.5	36.1
Income before equity in net earnings of affiliates	118.5	57.5
Equity in net earnings of affiliates	14.6	6.3
Net income	$ 133.1	$ 63.8
Net income per common share:		
Basic	$ 1.45	$ 0.70
Diluted	$ 1.34	$ 0.67
Weighted average number of common and common equivalent shares outstanding:		
Basic	91.7	91.5
Diluted	99.1	95.9

See accompanying notes to condensed consolidated financial statements.

AGCO CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited and in millions, except per share data)

	Six Months Ended June 30,	
	2008	2007
Net sales	$ 4,182.0	$ 3,044.0
Cost of goods sold	3,438.6	2,527.6
Gross profit	743.4	516.4
Selling, general and administrative expenses	351.6	281.6
Engineering expenses	98.4	69.7
Restructuring and other infrequent expenses	0.2	0.3
Amortization of intangibles	9.9	8.6
Income from operations	283.3	156.2
Interest expense, net	10.6	14.2
Other expense, net	15.6	18.1
Income before income taxes and equity in net earnings of affiliates	257.1	123.9
Income tax provision	85.3	48.9
Income before equity in net earnings of affiliates	171.8	75.0
Equity in net earnings of affiliates	23.6	13.3
Net income	$ 195.4	$ 88.3
Net income per common share:		
Basic	$ 2.13	$ 0.97
Diluted	$ 1.97	$ 0.93
Weighted average number of common and common equivalent shares outstanding:		
Basic	91.7	91.4
Diluted	99.2	95.4

See accompanying notes to condensed consolidated financial statements.

AGCO CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited and in millions)

	Six Months Ended June 30, 2008	Six Months Ended June 30, 2007
Cash flows from operating activities:		
Net income	$ 195.4	$ 88.3
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation	63.5	53.7
Deferred debt issuance cost amortization	1.8	2.7
Amortization of intangibles	9.9	8.6
Stock compensation	15.0	3.3
Equity in net earnings of affiliates, net of cash received	(15.8)	0.2
Deferred income tax provision	17.2	9.3
Gain on sale of property, plant and equipment	(0.1)	—
Changes in operating assets and liabilities:		
Accounts and notes receivable, net	(9.2)	(34.3)
Inventories, net	(320.4)	(153.1)
Other current and noncurrent assets	(39.7)	(8.8)
Accounts payable	85.9	(4.1)
Accrued expenses	69.3	9.5
Other current and noncurrent liabilities	(11.5)	(2.4)
Total adjustments	(134.1)	(115.4)
Net cash provided by (used in) operating activities	61.3	(27.1)
Cash flows from investing activities:		
Purchases of property, plant and equipment	(99.7)	(48.9)
Proceeds from sales of property, plant and equipment	1.8	0.5
Investments in unconsolidated affiliates	(0.4)	—
Net cash used in investing activities	(98.3)	(48.4)
Cash flows from financing activities:		
Proceeds from (repayment of) debt obligations, net	1.6	(110.3)
Proceeds from issuance of common stock	0.2	7.4
Payment of minimum tax withholdings on stock compensation	(3.1)	—
Payment of debt issuance costs	(1.3)	(0.2)
Net cash used in financing activities	(2.6)	(103.1)
Effect of exchange rate changes on cash and cash equivalents	15.7	7.3
Decrease in cash and cash equivalents	(23.9)	(171.3)
Cash and cash equivalents, beginning of period	582.4	401.1
Cash and cash equivalents, end of period	$ 558.5	$ 229.8

See accompanying notes to condensed consolidated financial statements.

[Table of Contents](#)

AGCO CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

1. BASIS OF PRESENTATION

The condensed consolidated financial statements of AGCO Corporation and its subsidiaries (the “Company” or “AGCO”) included herein have been prepared in accordance with U.S. generally accepted accounting principles for interim financial information and the rules and regulations of the Securities and Exchange Commission (“SEC”). In the opinion of management, the accompanying unaudited condensed consolidated financial statements reflect all adjustments, which are of a normal recurring nature, necessary to present fairly the Company’s financial position, results of operations and cash flows at the dates and for the periods presented. These condensed consolidated financial statements should be read in conjunction with the Company’s audited financial statements and notes thereto included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2007. Results for interim periods are not necessarily indicative of the results for the year.

Stock Compensation Plans

During the three months and six months ended June 30, 2008, the Company recorded approximately $8.6 million and $15.2 million, respectively, of stock compensation expense in accordance with Statement of Financial Accounting Standards (“SFAS”) No. 123R (Revised 2004), “Share-Based Payment” (“SFAS No. 123R”). During the three months and six months ended June 30, 2007, the Company recorded approximately $1.7 million and $3.6 million, respectively, of stock compensation expense in accordance with SFAS No. 123R. The stock compensation expense was recorded as follows (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Cost of goods sold	$ 0.2	$ —	$ 0.4	$ 0.1
Selling, general and administrative expenses	8.4	1.7	14.8	3.5
Total stock compensation expense	$ 8.6	$ 1.7	$ 15.2	$ 3.6

In 2006, the Company obtained stockholder approval for the 2006 Long Term Incentive Plan (the “2006 Plan”) under which up to 5,000,000 shares of AGCO common stock may be issued. The 2006 Plan allows the Company, under the direction of the Board of Directors’ Compensation Committee, to make grants of performance shares, stock appreciation rights, stock options and restricted stock awards to employees, officers and non-employee directors of the Company. The Company’s Board of Directors approves grants of awards under the employee and director stock incentive plans described below.

Employee Plans

The 2006 Plan encompasses two stock incentive plans to Company executives and key managers. The primary long-term incentive plan is a performance share plan that provides for awards of shares of the Company’s common stock based on achieving financial targets, such as targets for earnings per share and return on invested capital, as determined by the Company’s Board of Directors. The stock awards are earned over a performance period, and the number of shares earned is determined based on the cumulative or average results for the period, depending on the measurement. Performance periods are consecutive and overlapping three-year cycles and performance targets are set at the beginning of each cycle. The plan provides for participants to earn from 33% to 200% of the target awards depending on the actual performance achieved, with no shares earned if performance is below the established minimum target. Awards earned under the performance share plan are paid in shares of common stock at the end of each performance period. The compensation expense associated with these awards is being amortized ratably over the vesting or performance period based on the Company’s projected assessment of the level of performance that will be achieved and earned. During the six months ended June 30, 2008, the Company granted 267,700 awards under the 2006 Plan for the three-year performance period commencing in 2008 and ending in 2010. Compensation expense recorded with respect to these awards was based upon the stock price as of the grant date. The weighted average grant-date fair value of performance awards granted under the 2006 Plan during the six months ended June 30, 2008 was $57.22. Performance award transactions during the six months ended June 30, 2008 were as follows and are presented as if the Company were to achieve its target levels of performance under the plan:

Shares awarded but not earned at January 1	942,000
Shares awarded	267,700
Shares forfeited or unearned	(34,238)
Shares earned	—
Shares awarded but not earned at June 30	1,175,462

As of June 30, 2008, the total compensation cost related to unearned performance awards not yet recognized, assuming the Company's current projected assessment of the level of performance that will be achieved and earned, was approximately $35.2 million, and the weighted average period over which it is expected to be recognized is approximately two years.

In addition to the performance share plan, certain executives and key managers are eligible to receive grants of stock settled stock appreciation rights ("SSARs") or incentive stock options depending on the participant's country of employment. The SSARs provide a participant with the right to receive the aggregate appreciation in stock price over the market price of the Company's common stock at the date of grant, payable in shares of the Company's common stock. The participant may exercise his or her SSAR at any time after the grant is vested but no later than seven years after the date of grant. The SSARs vest ratably over a four-year period from the date of grant. SSAR award grants made to certain executives and key managers under the 2006 Plan are made with the base price equal to the price of the Company's common stock on the date of grant. During the six months ended June 30, 2008, the Company granted 104,400 SSAR awards. During the three and six months ended June 30, 2008, the Company recorded stock compensation expense of approximately $0.4 million and $0.8 million, respectively. During the three and six months ended June 30, 2007, the Company recorded stock compensation expense of approximately $0.3 million and $0.5 million, respectively. The compensation expense associated with these awards is being amortized ratably over the vesting period. The Company estimated the fair value of the grants using the Black-Scholes option pricing model. The Company has utilized the "simplified" method for estimating the expected term of granted SSARs during the six months ended June 30, 2008 as afforded by SEC Staff Accounting Bulletin ("SAB") No. 107, "Share-Based Payment (SAB Topic 14)," and SAB No. 110, "Share-Based Payment (SAB Topic 14.D.2)." The expected term used to value a grant under the simplified method is the mid-point between the vesting date and the contractual term of the option or SSAR. As the Company has only been granting SSARs under the 2006 Plan since April 2006, it does not believe it has sufficient relevant experience regarding employee exercise behavior. The weighted average grant-date fair value of SSARs granted under the 2006 Plan and the weighted average assumptions under the Black-Scholes option model were as follows for the three and six months ended June 30, 2008:

	Three Months Ended June 30, 2008	Six Months Ended June 30, 2008
Weighted average grant date fair value	$21.55	$17.93
Weighted average assumptions under Black-Scholes option model:		
Expected life of awards (years)	5.5	5.5
Risk-free interest rate	3.2%	2.6%
Expected volatility	38.7%	38.0%
Expected dividend yield	—	—

SSAR transactions during the six months ended June 30, 2008 were as follows:

SSARs outstanding at January 1	383,500
SSARs granted	104,400
SSARs exercised	(40,250)
SSARs canceled or forfeited	(10,000)
SSARs outstanding at June 30	437,650
SSAR price ranges per share:	
Granted	$ 56.98-66.20
Exercised	23.80-37.38
Canceled or forfeited	23.80-37.38
Weighted average SSAR exercise prices per share:	
Granted	$ 57.07
Exercised	30.61
Canceled or forfeited	30.59
Outstanding at June 30	37.52

At June 30, 2008, the weighted average remaining contractual life of SSARs outstanding was approximately six years and there were 78,875 SSARs currently exercisable with exercise prices ranging from $23.80 to $37.38, with a weighted average exercise price of $29.21 and an aggregate intrinsic value of $1.8 million. As of June 30, 2008, the total compensation cost related to unvested SSARs not yet recognized was approximately $4.6 million and the weighted-average period over which it is expected to be recognized is approximately three years.

The following table sets forth the exercise price range, number of shares, weighted average exercise price, and remaining contractual lives by groups of similar price:

	SSARs Outstanding			SSARs Exercisable	
Range of Exercise Prices	Number of Shares	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price	Exercisable as of June 30, 2008	Weighted Average Exercise Price
$23.80 – $24.51	142,500	4.8	$23.82	47,500	$23.81
$26.00 – $37.38	190,750	5.6	$37.04	31,375	$37.38
$56.98 – $66.20	104,400	6.6	$57.07	—	
	437,650			78,875	

The total intrinsic value of SSARs exercised during the six months ended June 30, 2008 was $1.2 million and the total fair value of SSARs vested during the same period was $1.1 million. The Company did not realize a tax benefit from the exercise of these SSARs. There were 358,775 SSARs that were not vested as of June 30, 2008. The total intrinsic value of outstanding SSARs as of June 30, 2008 was approximately $7.0 million.

Director Restricted Stock Grants

The 2006 Plan provided for $25,000 in annual restricted stock grants of the Company's common stock to all non-employee directors effective on the first day of each calendar year. The shares are restricted as to transferability for a period of three years, but are not subject to forfeiture. In the event a director departs from the Board of Directors, the non-transferability period would expire immediately. The plan allows for the director to have the option of forfeiting a portion of the shares awarded in lieu of a cash payment contributed to the participant's tax withholding to satisfy the statutory minimum federal, state and employment taxes which would be payable at the time of grant. The January 1, 2007 grant equated to 8,080 shares of common stock, of which 6,346 shares of common stock were issued, after shares were withheld for withholding taxes. The Company recorded stock compensation expense of approximately $0.3 million during the first quarter of 2007 associated with these grants.

On December 6, 2007, the Board of Directors approved an increase in the annual restricted stock grant to non-employee directors of the Company under the 2006 Plan from $25,000 to $75,000. The 2008 grant was made on April 24, 2008 and equated to 11,320 shares of common stock, of which 8,608 shares of common stock were issued, after shares were withheld for withholding taxes. The Company recorded stock compensation expense of approximately $0.8 million during the second quarter of 2008 associated with these grants.

As of June 30, 2008, of the 5,000,000 shares reserved for issuance under the 2006 Plan, 2,109,301 shares were available for grant, assuming the maximum number of shares are earned related to the performance award grants discussed above.

Stock Option Plan

The Company's Option Plan provides for the granting of nonqualified and incentive stock options to officers, employees, directors and others. The stock option exercise price is determined by the Company's Board of Directors except in the case of an incentive stock option, for which the purchase price shall not be less than 100% of the fair market value at the date of grant. Each recipient of stock options is entitled to immediately exercise up to 20% of the options issued to such person, and the remaining 80% of such options vest ratably over a four-year period and expire no later than ten years from the date of grant.

There have been no grants under the Company's Option Plan since 2002, and the Company does not intend to make any grants under the Option Plan in the future. Stock option transactions during the six months ended June 30, 2008 were as follows:

Options outstanding at January 1		75,500
Options granted		—
Options exercised		(12,300)
Options canceled or forfeited		(5,000)
Options outstanding at June 30		58,200
Options available for grant at June 30		1,935,437
Option price ranges per share:		
Granted	$	—
Exercised		10.06–22.31
Canceled or forfeited		15.12
Weighted average option exercise prices per share:		
Granted	$	—
Exercised		14.09
Canceled or forfeited		15.12
Outstanding at June 30		15.00

At June 30, 2008, the outstanding options had a weighted average remaining contractual life of approximately three years and there were 58,200 options currently exercisable with option prices ranging from $10.06 to $20.85 with a weighted average exercise price of $15.00 and an aggregate intrinsic value of $2.2 million.

The following table sets forth the exercise price range, number of shares, weighted average exercise price, and remaining contractual lives by groups of similar price:

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number of Shares	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price	Exercisable as of June 30, 2008	Weighted Average Exercise Price
$10.06 - $11.63	16,100	2.2	$11.49	16,100	$11.49
$15.12 - $20.85	42,100	3.5	$16.34	42,100	$16.34
	58,200			58,200	

The total intrinsic value of options exercised during the six months ended June 30, 2008 was $0.6 million and the total fair value of shares vested during the same period was less than $0.1 million. Cash received from stock option exercises was approximately $0.2 million for the six months ended June 30, 2008. The Company did not realize a tax benefit from the exercise of these options.

Recent Accounting Pronouncements

In May 2008, the Financial Accounting Standards Board ("FASB") issued FASB Staff Position ("FSP") APB 14-1, "Accounting for Convertible Debt Instruments That May be Settled in Cash Upon Conversion (including Partial Cash Settlement)." The FSP requires that the liability and equity components of convertible debt instruments that may be settled in cash upon conversion (including partial cash settlement), commonly referred to as an Instrument C under EITF Issue No. 90-19, "Convertible Bonds with Issuer Options to Settle for Cash Upon Conversion," be separated to account for the fair value of the debt and equity components as of the date of issuance to reflect the issuer's nonconvertible debt borrowing rate. The FSP is effective for financial statements issued for fiscal years beginning after December 15, 2008, and is to be applied retrospectively to all periods presented (retroactive restatement) pursuant to the guidance in SFAS No. 154, "Accounting Changes and Error Corrections." The FSP will impact the accounting treatment of the Company's 1 3/4% convertible senior subordinated notes due 2033 and its 1 1/4% convertible senior subordinated notes due 2036 by reclassifying a portion of the convertible notes balances to additional paid-in capital representing the estimated fair value of the conversion feature as of the date of issuance and creating a discount on the convertible notes that will be amortized through interest expense over the life of the convertible notes. The FSP will result in a significant increase in interest expense and, therefore, reduce net income and basic and diluted earnings per share within the Company's consolidated statements of operations. The Company will adopt the requirements of the FSP on January 1, 2009, and estimates that upon adoption, its "retained earnings" balance will be reduced by approximately $37 million, its "convertible senior subordinated notes" balance will be reduced by approximately $57 million and its "additional paid-in capital" balance will increase by approximately $57 million, including a deferred tax impact of approximately $37 million. "Interest expense, net" attributable to the convertible senior subordinated notes during the fiscal year ended December 31, 2009 is expected to increase by approximately $15 million, compared to 2008, as a result of the adoption.

In March 2008, the FASB issued SFAS No. 161, "Disclosures about Derivative Instruments and Hedging Activities-an amendment of FASB Statement No. 133" ("SFAS No. 161"). SFAS No. 161 is intended to improve financial reporting about derivative instruments and hedging activities by requiring enhanced disclosures to enable investors to better understand their effects on an entity's financial position, financial performance and cash flows. SFAS No. 161 is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008, with early adoption encouraged. The Company will adopt SFAS No. 161 on January 1, 2009.

In December 2007, the FASB issued SFAS No. 141 (revised 2007), “Business Combinations” (“SFAS No. 141R”), and SFAS No. 160, “Noncontrolling Interests in Consolidated Financial Statements” (“SFAS No. 160”). SFAS No. 141R requires an acquirer to measure the identifiable assets acquired, the liabilities assumed and any noncontrolling interest in the acquiree at their fair values on the acquisition date, with goodwill being the excess value over the net identifiable assets acquired. SFAS No. 141R also requires the fair value measurement of certain other assets and liabilities related to the acquisition, such as contingencies and research and development. SFAS No. 160 clarifies that a noncontrolling interest in a subsidiary should be reported as equity in a company’s consolidated financial statements. Consolidated net income should include the net income for both the parent and the noncontrolling interest, with disclosure of both amounts on a company’s consolidated statement of operations. The calculation of earnings per share will continue to be based on income amounts attributable to the parent. The Company is required to adopt SFAS No. 141R and SFAS No. 160 on January 1, 2009.

In March 2007, the Emerging Issues Task Force (“EITF”) reached a consensus on EITF Issue No. 06-10, “Accounting for Collateral Assignment Split-Dollar Life Insurance Arrangements” (“EITF 06-10”), which requires that an employer recognize a liability for the postretirement benefit related to a collateral assignment split-dollar life insurance arrangement in accordance with either SFAS No. 106, “Employers’ Accounting for Postretirement Benefits Other Than Pensions” (“SFAS No. 106”) (if, in substance, a postretirement benefit plan exists), or Accounting Principles Board Opinion No. 12 (if the arrangement is, in substance, an individual deferred compensation contract) if the employer has agreed to maintain a life insurance policy during the employee’s retirement or provide the employee with a death benefit based on the substantive agreement with the employee. In addition, the EITF reached a consensus that an employer should recognize and measure an asset based on the nature and substance of the collateral assignment split-dollar life insurance arrangement. The EITF observed that in determining the nature and substance of the arrangement, the employer should assess what future cash flows the employer is entitled to, if any, as well as the employee’s obligation and ability to repay the employer. EITF 06-10 is effective for fiscal years beginning after December 15, 2007. The adoption of EITF 06-10 on January 1, 2008 did not have a material effect on the Company’s consolidated results of operations or financial position.

In February 2007, the FASB issued SFAS No. 159, “The Fair Value Option for Financial Assets and Financial Liabilities” (“SFAS No. 159”). SFAS No. 159 provides companies with an option to report selected financial assets and liabilities at fair value and to provide additional information that will help investors and other users of financial statements to understand more easily the effect on earnings of a company’s choice to use fair value. It also requires companies to display the fair value of those assets and liabilities for which they have chosen to use fair value on the face of their balance sheets. The adoption of SFAS No. 159 on January 1, 2008 did not have a material effect on the Company’s consolidated results of operations or financial position.

In September 2006, the FASB issued SFAS No. 157, “Fair Value Measurements” (“SFAS No. 157”). SFAS No. 157 establishes a common definition for fair value to be applied to guidance regarding U.S. generally accepted accounting principles requiring use of fair value, establishes a framework for measuring fair value and expands disclosure about such fair value measurements. SFAS No. 157 is effective for fair value measures already required or permitted by other standards for fiscal years beginning after November 15, 2007. In November 2007, the FASB proposed a one-year deferral of SFAS No. 157’s fair value measurement requirements for nonfinancial assets and liabilities that are not required or permitted to be measured at fair value on a recurring basis. The adoption of SFAS No. 157 on January 1, 2008 did not have a material effect on the Company’s consolidated results of operations or financial position.

In June 2006, the EITF reached a consensus on EITF Issue No. 06-4, “Accounting for Deferred Compensation and Postretirement Benefit Aspects of Endorsement Split-Dollar Life Insurance Arrangements” (“EITF 06-4”), which requires the application of the provisions of SFAS No. 106 to endorsement split-dollar life insurance arrangements. SFAS No. 106 would require the Company to recognize a liability for the discounted future benefit obligation that the Company would have to pay upon the death of the underlying insured employee. An endorsement-type arrangement generally exists when the Company owns and controls all incidents of ownership of the underlying policies. EITF 06-4 is effective for fiscal years beginning after December 15, 2007. The adoption of EITF 06-4 on January 1, 2008 did not have a material effect on the Company's consolidated results of operations or financial position.

2. RESTRUCTURING AND OTHER INFREQUENT EXPENSES

During the second quarter of 2007, the Company announced the closure of its Valtra sales office located in France. The closure will result in the termination of approximately 15 employees. The Company recorded severance and other facility closure costs of approximately $0.8 million associated with the closure during 2007 and approximately $0.1 million of severance and other facility closure costs during the first quarter of 2008. Approximately $0.8 million of severance and other facility closure costs had been paid as of June 30, 2008, and 13 of the employees had been terminated. The $0.1 million of severance costs accrued at June 30, 2008 are expected to be paid during 2008. In addition, during the second quarter of 2008, the Company recorded and incurred employee relocation costs of approximately $0.1 million associated with the closure of one of its German sales offices initiated in 2006.

During the fourth quarter of 2004, the Company initiated the restructuring of certain administrative functions within its Finnish operations, resulting in the termination of 58 employees. As of March 31, 2006, all of the 58 employees had been terminated. As of December 31, 2007, $0.4 million of severance payments were accrued related to possible government-required payments payable to aged terminated employees who would be eligible for such benefits if they did not secure alternative employment prior to the age of 62. During the first quarter of 2008, the Company was notified that it could offset such payments against future pension-related refunds from the Finnish government and thus reversed the accrual.

3. GOODWILL AND OTHER INTANGIBLE ASSETS

Changes in the carrying amount of acquired intangible assets during the six months ended June 30, 2008 are summarized as follows (in millions):

Gross carrying amounts:	Trademarks and Tradenames	Customer Relationships	Patents and Technology	Total
Balance as of December 31, 2007	$ 33.4	$ 103.0	$ 55.2	$ 191.6
Foreign currency translation	0.2	9.6	4.4	14.2
Balance as of June 30, 2008	$ 33.6	$ 112.6	$ 59.6	$ 205.8

Accumulated amortization:	Trademarks and Tradenames	Customer Relationships	Patents and Technology	Total
Balance as of December 31, 2007	$ 7.2	$ 42.6	$ 32.3	$ 82.1
Amortization expense	0.6	5.4	3.9	9.9
Foreign currency translation	0.2	4.0	2.7	6.9
Balance as of June 30, 2008	$ 8.0	$ 52.0	$ 38.9	$ 98.9

Unamortized intangible assets:	Trademarks and Tradenames
Balance as of December 31, 2007	$ 96.2
Foreign currency translation	3.4
Balance as of June 30, 2008	$ 99.6

Changes in the carrying amount of goodwill during the six months ended June 30, 2008 are summarized as follows (in millions):

	North America	South America	Europe/Africa/ Middle East	Consolidated
Balance as of December 31, 2007	$ 3.1	$ 183.7	$ 478.8	$ 665.6
Foreign currency translation	—	19.8	37.5	57.3
Balance as of June 30, 2008	$ 3.1	$ 203.5	$ 516.3	$ 722.9

SFAS No. 142, “Goodwill and Other Intangible Assets,” establishes a method of testing goodwill and other indefinite-lived intangible assets for impairment on an annual basis or on an interim basis if an event occurs or circumstances change that would reduce the fair value of a reporting unit below its carrying value. The Company’s annual assessments involve determining an estimate of the fair value of the Company’s reporting units in order to evaluate whether an impairment of the current carrying amount of goodwill and other indefinite-lived intangible assets exists. The first step of the goodwill impairment test, used to identify potential impairment, compares the fair value of a reporting unit with its carrying amount, including goodwill. If the fair value of a reporting unit exceeds its carrying amount, goodwill of the reporting unit is not considered impaired, and, thus, the second step of the impairment test is unnecessary. If the carrying amount of a reporting unit exceeds its fair value, the second step of the goodwill impairment test is performed to measure the amount of impairment loss, if any. Fair values are derived based on an evaluation of past and expected future performance of the Company’s reporting units. A reporting unit is an operating segment or one level below an operating segment, for example, a component. A component of an operating segment is a reporting unit if the component constitutes a business for which discrete financial information is available and the Company’s executive management team regularly reviews the operating results of that component. In addition, the Company combines and aggregates two or more components of an operating segment as a single reporting unit if the components have similar economic characteristics. The Company’s reportable segments reported under the guidance of SFAS No. 131, “Disclosures about Segments of an Enterprise and Related Information,” are not its reporting units, with the exception of its Asia/Pacific geographical segment.

The second step of the goodwill impairment test, used to measure the amount of impairment loss, compares the implied fair value of the reporting unit goodwill with the carrying amount of that goodwill. If the carrying amount of the reporting unit goodwill exceeds the implied fair value of that goodwill, an impairment loss is recognized in an amount equal to that excess. The loss recognized cannot exceed the carrying amount of goodwill. The implied fair value of goodwill is determined in the same manner as the amount of goodwill recognized in a business combination is determined. That is, the Company allocates the fair value of a reporting unit to all of the assets and liabilities of that unit (including any unrecognized intangible assets) as if the reporting unit had been acquired in a business combination and the fair value of the reporting unit was the price paid to acquire the reporting unit. The excess of the fair value of a reporting unit over the amounts assigned to its assets and liabilities is the implied fair value of goodwill.

The Company utilizes a combination of valuation techniques, including a discounted cash flow approach and a market multiple approach, when making its annual and interim assessments. As stated above, goodwill is tested for impairment on an annual basis and more often if indications of impairment exist. The Company conducts its annual impairment analyses as of October 1 each fiscal year.

The Company amortizes certain acquired intangible assets primarily on a straight-line basis over their estimated useful lives, which range from three to 30 years.

4. INDEBTEDNESS

Indebtedness consisted of the following at June 30, 2008 and December 31, 2007 (in millions):

	June 30, 2008	December 31, 2007
6 7/8% Senior subordinated notes due 2014	$ 315.1	$ 291.8
1 3/4% Convertible senior subordinated notes due 2033	201.3	201.3
1 1/4% Convertible senior subordinated notes due 2036	201.3	201.3
Other long-term debt	0.2	2.5
	717.9	696.9
Less: Current portion of long-term debt	—	(0.2)
1 3/4% Convertible senior subordinated notes due 2033	(201.3)	(201.3)
1 1/4% Convertible senior subordinated notes due 2036	(201.3)	(201.3)
Total long-term debt, less current portion	$ 315.3	$ 294.1

On May 16, 2008, the Company entered into a new $300.0 million unsecured multi-currency revolving credit facility. The new credit facility replaced the Company's former $300.0 million secured multi-currency revolving credit facility. The maturity date of the new facility is May 16, 2013. Interest accrues on amounts outstanding under the new facility, at the Company's option, at either (1) LIBOR plus a margin ranging between 1.00% and 1.75% based upon the Company's total debt ratio or (2) the higher of the administrative agent's base lending rate or one-half of one percent over the federal funds rate plus a margin ranging between 0.0% and 0.50% based upon the Company's total debt ratio. The new facility contains covenants restricting, among other things, the incurrence of indebtedness and the making of certain payments, including dividends, and is subject to acceleration in the event of a default, as defined in the new facility. The Company also must fulfill financial covenants in respect of a total debt to EBITDA ratio and an interest coverage ratio, as defined in the facility. As of June 30, 2008, the Company had no outstanding borrowings under the new facility. As of June 30, 2008, the Company had availability to borrow $291.3 million under the new facility.

Holders of the Company's 1 3/4% convertible senior subordinated notes due 2033 and 1 1/4% convertible senior subordinated notes due 2036 may convert the notes, if, during any fiscal quarter, the closing sales price of the Company's common stock exceeds, respectively, 120% of the conversion price of $22.36 per share for the 1 3/4% convertible senior subordinated notes and $40.73 per share for the 1 1/4% convertible senior subordinated notes, for at least 20 trading days in the 30 consecutive trading days ending on the last trading day of the preceding fiscal quarter. As of June 30, 2008 and December 31, 2007, the closing sales price of the Company's common stock had exceeded 120% of the conversion price of both notes for at least 20 trading days in the 30 consecutive trading days ending June 30, 2008 and December 31, 2007, and, therefore, the Company classified both notes as current liabilities. Future classification of the notes between current and long-term debt is dependent on the closing sales price of the Company's common stock during future quarters. The Company believes it is unlikely the holders of the notes would convert the notes under the provisions of the indenture agreement, thereby requiring the Company to repay the principal portion in cash. In the event the notes were converted, the Company believes it could repay the notes with available cash on hand, funds from the Company's $300.0 million multi-currency revolving credit facility or a combination of these sources.

5. INVENTORIES

Inventories are valued at the lower of cost or market using the first-in, first-out method. Market is current replacement cost (by purchase or by reproduction dependent on the type of inventory). In cases where market exceeds net realizable value (i.e., estimated selling price less reasonably predictable costs of completion and disposal), inventories are stated at net realizable value. Market is not considered to be less than net realizable value reduced by an allowance for an approximately normal profit margin. Cash flows related to the sale of inventories are reported within "Cash flows from operating activities" within the Company's Condensed Consolidated Statements of Cash Flows.

Inventories at June 30, 2008 and December 31, 2007 were as follows (in millions):

	June 30, 2008	December 31, 2007
Finished goods	$ 570.7	$ 391.7
Repair and replacement parts	398.9	361.1
Work in process	189.6	88.3
Raw materials	367.2	293.1
Inventories, net	$1,526.4	$ 1,134.2

6. PRODUCT WARRANTY

The warranty reserve activity for the three months ended June 30, 2008 and 2007 consisted of the following (in millions):

	Three Months Ended June 30,	
	2008	2007
Balance at beginning of period	$ 188.7	$ 141.2
Accruals for warranties issued during the period	46.3	34.1
Settlements made (in cash or in kind) during the period	(29.5)	(30.3)
Foreign currency translation	1.3	2.3
Balance at June 30	$ 206.8	$ 147.3

The warranty reserve activity for the six months ended June 30, 2008 and 2007 consisted of the following (in millions):

	Six Months Ended June 30,	
	2008	2007
Balance at beginning of period	$ 167.1	$ 136.9
Accruals for warranties issued during the period	89.0	65.0
Settlements made (in cash or in kind) during the period	(59.8)	(58.2)
Foreign currency translation	10.5	3.6
Balance at June 30	$ 206.8	$ 147.3

The Company's agricultural equipment products are generally warranted against defects in material and workmanship for a period of one to four years. The Company accrues for future warranty costs at the time of sale based on historical warranty experience.

7. NET INCOME PER COMMON SHARE

The computation, presentation and disclosure requirements for earnings per share are presented in accordance with SFAS No. 128, "Earnings Per Share." Basic earnings per common share is computed by dividing net income by the weighted average number of common shares outstanding during each period. Diluted earnings per common share assumes exercise of outstanding stock options, vesting of performance share awards, vesting of restricted stock and the appreciation of the excess conversion value of the contingently convertible senior subordinated notes using the treasury stock method when the effects of such assumptions are dilutive.

The Company's $201.3 million aggregate principal amount of 1¾% convertible senior subordinated notes and its $201.3 million aggregate principal amount of 1¼% convertible senior subordinated notes provide for (i) the settlement upon conversion in cash up to the principal amount of the converted notes with any excess conversion value settled in shares of the Company's common stock, and (ii) the conversion rate to be increased under certain circumstances if the notes are converted in connection with certain change of control transactions. Dilution of weighted shares outstanding will depend on the Company's stock price for the excess conversion value using the treasury stock method. A reconciliation of net income and weighted average common shares outstanding for purposes of calculating basic and diluted earnings per share for the three and six months ended June 30, 2008 and 2007 is as follows (in millions, except per share data):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Basic net income per share:				
Net income	$ 133.1	$ 63.8	$ 195.4	$ 88.3
Weighted average number of common shares outstanding	91.7	91.5	91.7	91.4
Basic net income per share	$ 1.45	$ 0.70	$ 2.13	$ 0.97
Diluted net income per share:				
Net income for purposes of computing diluted net income per share	$ 133.1	$ 63.8	$ 195.4	$ 88.3
Weighted average number of common shares outstanding	91.7	91.5	91.7	91.4
Dilutive stock options, performance share awards and restricted stock awards	0.2	0.1	0.2	0.2
Weighted average assumed conversion of contingently convertible senior subordinated notes	7.2	4.3	7.3	3.8
Weighted average number of common and common equivalent shares outstanding for purposes of computing diluted earnings per share	99.1	95.9	99.2	95.4
Diluted net income per share	$ 1.34	$ 0.67	$ 1.97	$ 0.93

There were SSARs to purchase 0.1 million shares of the Company's common stock for both the three and six months ended June 30, 2008 and 0.2 million shares of the Company's common stock for both the three and six months ended June 30, 2007 that were excluded from the calculation of diluted earnings per share because they had an antidilutive impact.

8. INCOME TAXES

The Company adopted the provisions of FASB Interpretation No. ("FIN") 48, "Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement No. 109" ("FIN 48"), on January 1, 2007. As a result of the implementation of FIN 48, the Company did not recognize a material adjustment with respect to liabilities for unrecognized tax benefits. At June 30, 2008 and December 31, 2007, the Company had approximately $26.3 million and $22.7 million, respectively, of unrecognized tax benefits, all of which would impact the Company's effective tax rate if recognized. As of June 30, 2008 and December 31, 2007, the Company had approximately $12.5 million and $14.0 million, respectively, of current accrued taxes related to uncertain income tax positions connected with ongoing tax audits in various jurisdictions. The Company accrues interest and penalties related to unrecognized tax benefits in its provision for income taxes. As of June 30, 2008 and December 31, 2007, the Company had accrued interest and penalties related to unrecognized tax benefits of $1.5 million and $1.1 million, respectively.

The tax years 2001 through 2007 remain open to examination by taxing authorities in the United States and certain other foreign taxing jurisdictions.

9. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

The Company applies the provisions of SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended by SFAS No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities – An Amendment of FASB Statement No. 133." All derivatives are recognized on the Company's Condensed Consolidated Balance Sheets at fair value. On the date the derivative contract is entered into, the Company designates the derivative as either (1) a fair value hedge of a recognized liability, (2) a cash flow hedge of a forecasted transaction, (3) a hedge of a net investment in a foreign operation, or (4) a non-designated derivative instrument.

The Company formally documents all relationships between hedging instruments and hedged items, as well as the risk management objectives and strategy for undertaking various hedge transactions. The Company formally assesses, both at the hedge's inception and on an ongoing basis, whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flow of hedged items. When it is determined that a derivative is no longer highly effective as a hedge, hedge accounting is discontinued on a prospective basis.

Foreign Currency Risk

The Company has significant manufacturing operations in the United States, France, Germany, Finland and Brazil, and it purchases a portion of its tractors, combines and components from third-party foreign suppliers, primarily in various European countries and in Japan. The Company also sells products in over 140 countries throughout the world. The Company's most significant transactional foreign currency exposures are the Euro, Brazilian Real and the Canadian dollar in relation to the United States dollar.

The Company attempts to manage its transactional foreign exchange exposure by hedging foreign currency cash flow forecasts and commitments arising from the settlement of receivables and payables and from future purchases and sales. Where naturally offsetting currency positions do not occur, the Company hedges certain, but not all, of its exposures through the use of foreign currency forward contracts. The Company's hedging policy prohibits foreign currency forward contracts for speculative trading purposes.

The Company uses foreign currency forward contracts to economically hedge receivables and payables on the Company and its subsidiaries' balance sheets that are denominated in foreign currencies other than the functional currency. These forward contracts are classified as non-designated derivatives instruments. Gains and losses on such contracts are historically substantially offset by losses and gains on the remeasurement of the underlying asset or liability being hedged. Changes in the fair value of non-designated derivative contracts are reported in current earnings. The foreign currency forward contracts' fair value measurements fall within the Level 2 fair value hierarchy under SFAS No. 157. Level 2 fair value measurements are generally based upon quoted market prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-derived valuations in which all significant inputs or significant value-drivers are observable in active markets. The fair value of foreign currency forward contracts is based on a valuation model that discounts cash flows resulting from the differential between the contract price and the market-based forward rate.

During 2008 and 2007, the Company designated certain foreign currency option contracts as cash flow hedges of expected sales. The effective portion of the fair value gains or losses on these cash flow hedges are recorded in other comprehensive income and subsequently reclassified into cost of goods sold during the same period as the sales were recognized. These amounts offset the effect of the changes in foreign exchange rates on the related sale transactions. The amount of the gain recorded in other comprehensive income that was reclassified to cost of goods sold during the six months ended June 30, 2008 and 2007 was approximately $11.1 million and $0.1 million, respectively, on an after-tax basis. The outstanding contracts as of June 30, 2008 range in maturity through December 2008.

The following table summarizes activity in accumulated other comprehensive income related to derivatives held by the Company during the six months ended June 30, 2008 (in millions):

	Before-Tax Amount	Income Tax	After-Tax Amount
Accumulated derivative net gains as of December 31, 2007	$ 11.4	$ 3.7	$ 7.7
Net changes in fair value of derivatives	25.0	5.8	19.2
Net gains reclassified from accumulated other comprehensive income into income	(13.8)	(2.7)	(11.1)
Accumulated derivative net gains as of June 30, 2008	$ 22.6	$ 6.8	$ 15.8

The foreign currency option contracts' fair value measurements fall within the Level 2 fair value hierarchy under SFAS No. 157. The fair value of foreign currency option contracts is based on a valuation model that utilizes spot and forward exchange rates, interest rates and currency pair volatility.

The Company's senior management establishes the Company's foreign currency and interest rate risk management policies. These policies are reviewed periodically by the Audit Committee of the Company's Board of Directors. The policy allows for the use of derivative instruments to hedge exposures to movements in foreign currency and interest rates. The Company's policy prohibits the use of derivative instruments for speculative purposes.

10. COMPREHENSIVE INCOME

Total comprehensive income for the three and six months ended June 30, 2008 and 2007 was as follows (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Net income	$ 133.1	$ 63.8	$ 195.4	$ 88.3
Other comprehensive income, net of tax:				
Foreign currency translation adjustments	81.6	59.3	162.2	86.3
Defined benefit pension plans	1.3	—	2.6	—
Unrealized gain on derivatives	5.1	0.1	8.1	0.1
Unrealized gain (loss) on derivatives held by affiliates	0.9	1.1	(0.6)	(1.5)
Total comprehensive income	$ 222.0	$ 124.3	$ 367.7	$ 173.2

11. ACCOUNTS RECEIVABLE SECURITIZATION

At June 30, 2008, the Company had accounts receivable securitization facilities in the United States, Canada and Europe totaling approximately $507.6 million. Under the securitization facilities, wholesale accounts receivable are sold on a revolving basis to commercial paper conduits either through a wholly-owned special purpose U.S. subsidiary or a qualifying special purpose entity ("QSPE") in the United Kingdom. The Company accounts for its securitization facilities and its wholly-owned special purpose U.S. subsidiary in accordance with SFAS No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities – a Replacement of FASB Statement No. 125" ("SFAS No. 140"), and FIN No. 46R, "Consolidation of Variable Interest Entities – An Interpretation of ARB No. 51" ("FIN 46R"). Due to the fact that the receivables sold to the commercial paper conduits are an insignificant portion of the conduits' total asset portfolios and such receivables are not siloed, consolidation is not appropriate under FIN 46R, as the Company does not absorb a majority of losses under such transactions. In Europe, the commercial paper conduit that purchases a majority of the receivables is deemed to be the majority beneficial interest holder of the QSPE, and, thus, consolidation by the Company is not appropriate under FIN 46R, as the Company does not absorb a majority of losses under such transactions. In addition, these facilities are accounted for as off-balance sheet transactions in accordance with SFAS No. 140.

Outstanding funding under these facilities totaled approximately $497.0 million at June 30, 2008 and $446.3 million at December 31, 2007. The funded balance has the effect of reducing accounts receivable and short-term liabilities by the same amount. Losses on sales of receivables primarily from securitization facilities included in other expense, net were $8.3 million and $10.2 million for the three months ended June 30, 2008 and 2007, respectively, and $14.5 million and $16.8 million for the six months ended June 30, 2008 and 2007, respectively. The losses are determined by calculating the estimated present value of receivables sold compared to their carrying amount. The present value is based on historical collection experience and a discount rate representing the spread over LIBOR as prescribed under the terms of the agreements.

The Company continues to service the sold receivables and maintains a retained interest in the receivables. No servicing asset or liability has been recorded as the estimated fair value of the servicing of the receivables approximates the servicing income. The retained interest in the receivables sold is included in the caption “Accounts and notes receivable, net” within the Company’s Condensed Consolidated Balance Sheets. The Company’s risk of loss under the securitization facilities is limited to a portion of the unfunded balance of receivables sold, which is approximately 15% of the funded amount. The Company maintains reserves for the portion of the residual interest it estimates is uncollectible. At June 30, 2008 and December 31, 2007, the fair value of the retained interest was approximately $41.0 million and $108.8 million, respectively. The retained interest fair value measurement falls within the Level 3 fair value hierarchy under SFAS No. 157. Level 3 measurements are model-derived valuations in which one or more significant inputs or significant value-drivers are unobservable. The fair value was based upon calculating the estimated present value of the retained interest using a discount rate representing a spread over LIBOR and other key assumptions, such as historical collection experience. The following table summarizes the activity with respect to the fair value of the Company’s retained interest in receivables sold during the six months ended June 30, 2008 (in millions):

Balance at beginning of period	$108.8
Realized gains	1.3
Purchases, issuances and settlements	(69.1)
Balance at June 30, 2008	$ 41.0

The Company has an agreement to permit transferring, on an ongoing basis, the majority of its wholesale interest-bearing receivables in North America to AGCO Finance LLC and AGCO Finance Canada, Ltd., its U.S. and Canadian retail finance joint ventures. The Company has a 49% ownership interest in these joint ventures. The transfer of the receivables is without recourse to the Company, and the Company continues to service the receivables. As of June 30, 2008, the balance of interest-bearing receivables transferred to AGCO Finance LLC and AGCO Finance Canada, Ltd. under this agreement was approximately $71.7 million compared to approximately $73.3 million as of December 31, 2007.

12. EMPLOYEE BENEFIT PLANS

The Company has defined benefit pension plans covering certain employees, principally in the United States, the United Kingdom, Germany, Finland, Norway, France, Australia and Argentina. The Company also provides certain postretirement health care and life insurance benefits for certain employees, principally in the United States, as well as a supplemental executive retirement plan, which is an unfunded plan that provides Company executives with retirement income for a period of ten years after retirement.

Notes to Condensed Consolidated Financial Statements – Continued
(unaudited)

Net pension and postretirement cost for the plans for the three months ended June 30, 2008 and 2007 are set forth below (in millions):

Pension benefits	Three Months Ended June 30, 2008	Three Months Ended June 30, 2007
Service cost	$ 3.0	$ 2.3
Interest cost	11.3	10.8
Expected return on plan assets	(11.3)	(10.7)
Amortization of net actuarial loss and prior service cost	1.4	3.8
Net pension cost	$ 4.4	$ 6.2

Postretirement benefits	2008	2007
Interest cost	$ 0.4	$ 0.4
Amortization of prior service cost	(0.1)	—
Amortization of unrecognized net loss	0.1	—
Net postretirement cost	$ 0.4	$ 0.4

Net pension and postretirement cost for the plans for the six months ended June 30, 2008 and 2007 are set forth below (in millions):

Pension benefits	Six Months Ended June 30, 2008	Six Months Ended June 30, 2007
Service cost	$ 6.0	$ 4.7
Interest cost	22.6	21.7
Expected return on plan assets	(22.6)	(21.4)
Amortization of net actuarial loss and prior service cost	2.8	7.6
Net pension cost	$ 8.8	$ 12.6

Postretirement benefits	2008	2007
Service cost	$ —	$ 0.1
Interest cost	0.7	0.7
Amortization of prior service cost	(0.2)	(0.1)
Amortization of unrecognized net loss	0.2	0.1
Net postretirement cost	$ 0.7	$ 0.8

During the six months ended June 30, 2008, approximately $16.9 million of contributions had been made to the Company’s defined benefit pension plans. The Company currently estimates its minimum contributions for 2008 to its defined benefit pension plans will aggregate approximately $35.4 million. During the six months ended June 30, 2008, the Company made approximately $1.0 million of contributions to its U.S.-based postretirement health care and life insurance benefit plans. The Company currently estimates that it will make approximately $2.1 million of contributions to its U.S.-based postretirement health care and life insurance benefit plans during 2008.

SFAS No. 158, “Employers’ Accounting for Defined Benefit Pension and Other Postretirement Plans-an amendment of FASB Statements No. 87, 88, 106 and 132(R)” (“SFAS No. 158”), requires companies to measure all defined benefit assets and obligations as of the date of their fiscal year end effective for years ending after December 15, 2008. The Company adopted the measurement date provisions of SFAS No. 158 during the first quarter of 2008 to transition the Company’s U.K. pension plan to a December 31 measurement date using the second approach as afforded by paragraph 19 of SFAS No. 158. The impact of the adoption resulted in a reduction to the Company’s opening retained earnings balance as of January 1, 2008 of approximately $1.1 million, net of taxes.

13. SEGMENT REPORTING

The Company has four reportable segments: North America; South America; Europe/Africa/Middle East; and Asia/Pacific. Each regional segment distributes a full range of agricultural equipment and related replacement parts. The Company evaluates segment performance primarily based on income from operations. Sales for each regional segment are based on the location of the third-party customer. The Company's selling, general and administrative expenses and engineering expenses are charged to each segment based on the region and division where the expenses are incurred. As a result, the components of income from operations for one segment may not be comparable to another segment. Segment results for the three and six months ended June 30, 2008 and 2007 and assets as of June 30, 2008 and December 31, 2007 are as follows (in millions):

Three Months Ended June 30,	North America	South America	Europe/Africa/ Middle East	Asia/ Pacific	Consolidated
2008					
Net sales	$465.7	$381.1	$1,484.8	$63.8	$2,395.4
(Loss) income from operations	(1.3)	36.5	175.4	7.9	218.5
Depreciation	6.5	5.5	19.7	0.8	32.5
Capital expenditures	5.7	3.3	44.8	—	53.8
2007					
Net sales	$342.1	$257.8	$1,073.1	$38.4	$1,711.4
(Loss) Income from operations	(14.8)	30.4	112.2	1.8	129.6
Depreciation	5.6	4.7	16.6	0.6	27.5
Capital expenditures	5.3	1.3	18.5	0.1	25.2

Six Months Ended June 30,	North America	South America	Europe/Africa/ Middle East	Asia/ Pacific	Consolidated
2008					
Net sales	$833.4	$702.5	$2,530.3	$115.8	$4,182.0
(Loss) income from operations	(14.3)	70.9	272.8	13.7	343.1
Depreciation	13.3	10.7	37.9	1.6	63.5
Capital expenditures	11.0	4.8	83.9	—	99.7
2007					
Net sales	$668.9	$447.1	$1,853.2	$ 74.8	$3,044.0
(Loss) income from operations	(22.1)	50.1	159.3	4.9	192.2
Depreciation	12.0	9.1	31.3	1.3	53.7
Capital expenditures	7.2	3.3	38.3	0.1	48.9
Assets					
As of June 30, 2008	$649.3	$588.8	$1,870.2	$ 90.9	$3,199.2
As of December 31, 2007	662.6	443.1	1,470.4	75.8	2,651.9

A reconciliation from the segment information to the consolidated balances for income from operations and total assets is set forth below (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Segment income from operations	$ 218.5	$ 129.6	$ 343.1	$ 192.2
Corporate expenses	(15.9)	(12.6)	(34.9)	(23.6)
Stock compensation expense	(8.4)	(1.7)	(14.8)	(3.5)
Restructuring and other infrequent expenses	(0.1)	(0.3)	(0.2)	(0.3)
Amortization of intangibles	(5.0)	(4.4)	(9.9)	(8.6)
Consolidated income from operations	$ 189.1	$ 110.6	$ 283.3	$ 156.2

	As of June 30, 2008	As of December 31, 2007
Segment assets	$3,199.2	$ 2,651.9
Cash and cash equivalents	558.5	582.4
Receivables from affiliates	3.4	1.7
Investments in affiliates	322.3	284.6
Deferred tax assets	123.0	141.8
Other current and noncurrent assets	322.7	253.9
Intangible assets, net	206.5	205.7
Goodwill	722.9	665.6
Consolidated total assets	$5,458.5	$ 4,787.6

14. COMMITMENTS AND CONTINGENCIES

As a result of Brazilian tax legislation impacting value added taxes ("VAT"), the Company has recorded a reserve of approximately $22.4 million and $21.9 million against its outstanding balance of Brazilian VAT taxes receivable as of June 30, 2008 and December 31, 2007, respectively, due to the uncertainty of the Company's ability to collect the amounts outstanding.

The Company is a party to various legal claims and actions incidental to its business. The Company believes that none of these claims or actions, either individually or in the aggregate, is material to its business or financial condition.

As disclosed in Item 3 of the Company's Form 10-K for the year ended December 31, 2007, in February 2006, the Company received a subpoena from the SEC in connection with a non-public, fact-finding inquiry entitled "In the Matter of Certain Participants in the Oil for Food Program." This subpoena requested documents concerning transactions in Iraq under the United Nations Oil for Food Program by the Company and certain of its subsidiaries. Subsequently the Company was contacted by the Department of Justice (the "DOJ") regarding the same transactions, although no subpoena or other formal process has been initiated by the DOJ. Similar inquiries have been initiated by the Danish, French and U.K. governments regarding two of the Company's subsidiaries. The inquiries arose from sales of approximately $58.0 million in farm equipment to the Iraq ministry of agriculture between 2000 and 2002. The SEC's staff has asserted that certain aspects of those transactions were not properly recorded in the Company's books and records. The Company is cooperating fully in these inquiries, including discussions regarding settlement. It is not possible at this time to predict the outcome of these inquiries or their impact, if any, on the Company; although if the outcomes were adverse, the Company could be required to pay fines and make other payments as well as take appropriate remedial actions.

On June 27, 2008, the Republic of Iraq filed a civil action in a federal court in New York, Case No. 08 CIV 59617, naming as defendants three of the Company's foreign subsidiaries that participated in the United Nations Oil for Food Program. Ninety-one other entities or companies were also named as defendants in the civil action due to their participation in the United Nations Oil for Food Program. The complaint purports to assert claims against each of the defendants seeking damages in an unspecified amount. Although the Company's subsidiaries intend to vigorously defend against this action, it is not possible at this time to predict the outcome of this action or its impact, if any, on the Company; although if the outcome was adverse, the Company could be required to pay damages.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

GENERAL

Our operations are subject to the cyclical nature of the agricultural industry. Sales of our equipment have been and are expected to continue to be affected by changes in net cash farm income, farm land values, weather conditions, demand for agricultural commodities, commodity prices and general economic conditions. We record sales when we sell equipment and replacement parts to our independent dealers, distributors or other customers. To the extent possible, we attempt to sell products to our dealers and distributors on a level basis throughout the year to reduce the effect of seasonal demands on manufacturing operations and to minimize our investment in inventory. Retail sales by dealers to farmers are highly seasonal and are a function of the timing of the planting and harvesting seasons. As a result, our net sales have historically been the lowest in the first quarter and have increased in subsequent quarters.

RESULTS OF OPERATIONS

For the three months ended June 30, 2008, we generated net income of $133.1 million, or $1.34 per share, compared to net income of $63.8 million, or $0.67 per share, for the same period in 2007. For the first six months of 2008, we generated net income of $195.4 million, or $1.97 per share, compared to net income of $88.3 million, or $0.93 per share, for the same period in 2007.

Net sales during the second quarter and first six months of 2008 were $2,395.4 million and $4,182.0 million, respectively, which were approximately 40.0% and 37.4% higher than the second quarter and first six months of 2007, respectively, primarily due to sales growth in all four of our geographical segments as well as the positive impact of currency translation.

Income from operations during the second quarter of 2008 was $189.1 million compared to $110.6 million in the second quarter of 2007. Income from operations was $283.3 million for the first six months of 2008 compared to $156.2 million for the same period in 2007. The increase in income from operations was primarily due to the increase in net sales, an improved product mix and cost control initiatives.

Income from operations increased in our Europe/Africa/Middle East region in the second quarter and first six months of 2008 primarily due to improved sales, currency translation and better sales mix. In the South America region, income from operations increased in the second quarter and first six months of 2008 due to increased sales volumes resulting from stronger market conditions, primarily in the major market of Brazil. Income from operations in North America was higher in the second quarter and first six months of 2008 compared to the same periods in 2007, primarily due to the improved farm economy in the region and a strengthening distribution network, partially offset by negative currency impacts on products sourced from Brazil and Europe. Income from operations in our Asia/Pacific region was higher in the second quarter and first six months of 2008 compared to the same periods in 2007, primarily due to improved market conditions in Australia and New Zealand.

Retail Sales

In North America, industry unit retail sales of tractors for the first six months of 2008 decreased approximately 6% compared to the first six months of 2007 resulting primarily from decreases in the utility and compact tractor segments, partially offset by increases in industry unit retail sales of high horsepower tractors. Industry unit retail sales of combines for the first six months of 2008 were approximately 18% higher than the prior year period. Weaker general economic conditions have reduced demand for compact and utility tractors that are also used in non-farming applications. Higher commodity prices and improving farmer sentiment in North America contributed to significant increases in sales of high horsepower tractors and combines in the first six months of 2008. Our unit retail sales of tractors were relatively flat in the first six months of 2008 compared to the first six months of 2007. Our unit retail sales of combines increased in the first six months of

2008 compared to the same period in 2007.

In Europe, industry unit retail sales of tractors for the first six months of 2008 increased approximately 8% compared to the first six months of 2007. Retail demand improved in Central and Eastern Europe, the United Kingdom, Germany and France, but declined in Italy, Finland and Scandinavia. Our unit retail sales were also higher in the first six months of 2008 compared to the same period in 2007.

South American industry unit retail sales of tractors in the first six months of 2008 increased approximately 42% over the prior year period. Industry unit retail sales of combines for the first six months of 2008 were approximately 82% higher than the prior year period. Retail sales of tractors and combines in the major market of Brazil increased approximately 48% and 121%, respectively, during the first six months of 2008 compared to the same period in 2007. The row crop and sugar cane sectors remain strong in Brazil and improved commodity prices have resulted in increased industry demand. Our South American unit retail sales of tractors and combines were also higher in the first six months of 2008 compared to the same period in 2007.

Outside of North America, Europe and South America, net sales for the first six months of 2008 increased approximately 17.6% compared to the prior year period due to higher sales in Australia and New Zealand.

STATEMENTS OF OPERATIONS

Net sales for the second quarter of 2008 were $2,395.4 million compared to $1,711.4 million for the same period in 2007. Net sales for the first six months of 2008 were $4,182.0 million compared to $3,044.0 million for the prior year period. Net sales increased in all four of AGCO's geographical segments for the second quarter and first six months of 2008. Foreign currency translation positively impacted net sales by approximately $228.9 million, or 13.4%, in the second quarter of 2008 and by $402.8 million, or 13.2%, in the first six months of 2008. The following table sets forth, for the three and six months ended June 30, 2008 and 2007, the impact to net sales of currency translation by geographical segment (in millions, except percentages):

	Three Months Ended June 30,		Change		Change due to currency translation	
	2008	2007	$	%	$	%
North America	$ 465.7	$ 342.1	$ 123.6	36.1%	$ 8.8	2.6%
South America	381.1	257.8	123.3	47.8%	53.6	20.8%
Europe/Africa/Middle East	1,484.8	1,073.1	411.7	38.4%	160.8	15.0%
Asia/Pacific	63.8	38.4	25.4	66.1%	5.7	14.8%
	$2,395.4	$1,711.4	$ 684.0	40.0%	$ 228.9	13.4%

	Six Months Ended June 30,		Change		Change due to currency translation	
	2008	2007	$	%	$	%
North America	$ 833.4	$ 668.9	$ 164.5	24.6%	$ 16.1	2.4%
South America	702.5	447.1	255.4	57.1%	102.6	23.0%
Europe/Africa/Middle East	2,530.3	1,853.2	677.1	36.5%	273.0	14.7%
Asia/Pacific	115.8	74.8	41.0	54.7%	11.1	14.8%
	$4,182.0	$3,044.0	$1,138.0	37.4%	$ 402.8	13.2%

Regionally, net sales in North America increased during the second quarter and first six months of 2008, primarily due to strong industry conditions supporting increased sales of high horsepower tractors and combines. In the Europe/Africa/Middle East region, net sales increased in the second quarter and first six months of 2008 primarily due to sales growth in the United Kingdom, Germany, Scandinavia, France and Central and Eastern Europe. Net sales in South America increased during the second quarter and first six months of 2008 primarily as a result of stronger market conditions in the region, predominantly in Brazil. In the Asia/Pacific region, net sales increased in the second quarter and first six months of 2008 compared to the same periods in 2007 primarily due to sales growth as a result of improved harvests in Australia. We estimate that consolidated price increases during the second quarter and the first six months of 2008 contributed approximately 2.7% and 2.4% to the increase in sales in the second quarter and the first six months of 2008, respectively. We have or plan to introduce additional price increases to compensate for significant material cost inflation expected to impact our costs in the second half of the year. Consolidated net sales of tractors and combines, which comprised approximately 73% and 72% of our net sales in the second quarter and first six months of 2008, respectively, increased approximately 42% during both the second quarter and first six months of 2008, compared to the same periods in 2007. Unit sales of tractors and combines increased approximately 20% and 19% during the second quarter and first six months of 2008, respectively, compared to the same periods in 2007. The difference between the unit sales increase and the increase in net sales was primarily the result of foreign currency translation, pricing and sales mix changes.

The following table sets forth, for the periods indicated, the percentage relationship to net sales of certain items in our Condensed Consolidated Statements of Operations (in millions, except percentages):

	Three Months Ended June 30,			
	2008		2007	
	$	% of Net sales	$	% of Net sales
Gross profit	$ 428.2	17.9%	$ 297.0	17.4%
Selling, general and administrative expenses	181.0	7.6%	144.4	8.4%
Engineering expenses	53.0	2.2%	37.3	2.2%
Restructuring and other infrequent expenses	0.1	—	0.3	—
Amortization of intangibles	5.0	0.2%	4.4	0.3%
Income from operations	$ 189.1	7.9%	$ 110.6	6.5%

	Six Months Ended June 30,			
	2008		2007	
	$	% of Net sales	$	% of Net sales
Gross profit	$ 743.4	17.8%	$ 516.4	17.0%
Selling, general and administrative expenses	351.6	8.4%	281.6	9.3%
Engineering expenses	98.4	2.4%	69.7	2.3%
Restructuring and other infrequent expenses	0.2	—	0.3	—
Amortization of intangibles	9.9	0.2%	8.6	0.3%
Income from operations	$ 283.3	6.8%	$ 156.2	5.1%

Gross profit as a percentage of net sales increased during the second quarter and the first six months of 2008 compared to the prior year, primarily due to increased net sales, higher production, improved sales mix, partially offset by negative currency impacts. Our pricing actions in each region during the second quarter of 2008 helped to offset the impact of rising manufacturing input costs. The impact of raw material inflation is expected to increase during the remainder of 2008, particularly on steel and steel-based components. As previously discussed, the benefit of additional pricing is planned for the second half of 2008 in order to offset the rising costs of materials, with a more significant benefit expected in the fourth quarter of 2008. Depending on the timing and acceptance of our pricing in relation to the amount and timing of the cost increases, our gross margins may be negatively impacted. In addition, in the first six months of 2008, sales and gross margins benefited from increased sales and production of our high margin Fendt high horsepower tractors as compared to the first six months of 2007, which was negatively impacted by supplier constraints at our German manufacturing facility and the timing of new Fendt product introductions. Gross margins in North America continued to be adversely affected by the weaker United States dollar on products imported from our European and Brazilian manufacturing facilities. Unit production of tractors and combines for the second quarter and first six months of 2008 was approximately 19% and 22% higher, respectively, than the comparable periods in 2007. The strong global market conditions have put us near or at capacity in some of our production operations. Therefore, we are making investments in some of our facilities to expand capacity. We are also working with our existing suppliers to prepare them for expected demand levels as well as working to qualify new suppliers to mitigate future supply constraints. If supplier constraints occur, they could negatively impact future results. We recorded approximately $0.2 million and $0.4 million of stock compensation expense, within cost of goods sold, during the second quarter and first six months of 2008, respectively, compared to $0.0 million and $0.1 million, respectively, of stock compensation expense for comparable periods in 2007, as is more fully explained in Note 1 to our Condensed Consolidated Financial Statements.

Selling, general and administrative ("SG&A") expenses as a percentage of net sales decreased during the second quarter and first six months of 2008 compared to the prior year primarily due to higher sales volumes and cost control initiatives. We recorded approximately $8.4 million and $14.8 million of stock compensation expense, within SG&A, during the second quarter and first six months of 2008, respectively, compared to $1.7 million and $3.5 million, respectively, of stock compensation expense for comparable periods in 2007, as is more fully explained in Note 1 to our Condensed Consolidated Financial Statements. Engineering expenses increased during the second quarter and first six months of 2008 compared to the same prior year periods as a result of continued spending to fund new products, product improvements and cost reduction projects.

We recorded restructuring and other infrequent expenses of approximately $0.2 million and $0.3 million, respectively, during the first six months of 2008 and 2007, primarily related to severance and employee relocation costs associated with our rationalization of our Valtra sales office located in France, as well as our rationalization of certain parts, sales and marketing and administration functions in Germany. See Note 2 to our Condensed Consolidated Financial Statements for further discussion of restructuring activities.

Interest expense, net was $5.5 million and $10.6 million for the second quarter and first six months of 2008, respectively, compared to $7.5 million and $14.2 million, respectively, for the comparable periods in 2007, primarily due to a reduction in debt levels and increased interest income earned during the second quarter and the first six months of 2008 compared to the same periods in 2007.

Other expense, net was $9.6 million and $15.6 million during the second quarter and first six months of 2008, respectively, compared to $9.5 million and $18.1 million, respectively, for the same periods in 2007. Losses on sales of receivables, primarily under our securitization facilities, were $8.3 million and $14.5 million in the second quarter and first six months of 2008, respectively, compared to $10.2 million and $16.8 million for the same periods in 2007. The decrease was due to lower interest rates in 2008 compared to 2007, partially offset by higher outstanding funding under the securitizations in the second quarter and the first six months of 2008 as compared to the same periods in 2007.

We recorded an income tax provision of $55.5 million and $85.3 million for the second quarter and first six months of 2008, respectively, compared to $36.1 million and $48.9 million for the comparable periods in 2007. The effective tax rate was 31.9% and 33.2% for the second quarter and first six months of 2008, respectively, compared to 38.6% and 39.5% in the comparable prior year periods. Our effective tax rate was positively impacted during the first six months of 2008 primarily due to reductions in statutory tax rates in the United Kingdom and Germany, as well as a decrease in losses incurred in the United States during the first six months of 2008.

Equity in net earnings from affiliates for the second quarter of 2008 was approximately $14.6 million compared to $6.3 million during the second quarter of 2007. For the first six months of 2008, equity in net earnings from affiliates was approximately $23.6 million compared to $13.3 million in the same period of 2007. The increase in earnings in both the second quarter and first six months of 2008 was primarily due to income associated with our investment in the Laverda S.p.A. operating joint venture that occurred in September 2007, as is more fully described in our annual report on Form 10-K for the year ended December 31, 2007.

RETAIL FINANCE JOINT VENTURES

Our AGCO Finance retail finance joint ventures provide retail financing and wholesale financing to our dealers in the United States, Canada, Brazil, Germany, France, the United Kingdom, Australia, Ireland, Austria and Argentina. The joint ventures are owned 49% by AGCO and 51% by a wholly owned subsidiary of Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. ("Rabobank"), a AAA rated financial institution based in the Netherlands. The majority of the assets of the retail finance joint ventures represent finance receivables. The majority of the liabilities represent notes payable and accrued interest. Under the various joint venture agreements, Rabobank or its affiliates are obligated to provide financing to the joint venture companies, primarily through lines of credit. We do not guarantee the debt obligations of the retail finance joint ventures other than a portion of the retail portfolio in Brazil that is held outside the joint venture by Rabobank Brazil, which was approximately $7.5 million as of December 31, 2007, and will gradually be eliminated over time. As of June 30, 2008, our capital investment in the retail finance joint ventures, which is included in "investments in affiliates" on our Condensed Consolidated Balance Sheets, was approximately $220.9 million compared to $184.5 million as of June 30, 2007. The total finance portfolio in our retail finance joint ventures was approximately $5.4 billion as of June 30, 2008 compared to $4.3 billion as of June 30, 2007. The increase in the portfolio between periods was primarily the result of increased sales volumes in both Europe and Brazil, as well as the favorable impact of currency translation. For the first six months of 2008, our share in the earnings of the retail finance joint ventures, included in "Equity in net earnings of affiliates" on our Condensed Consolidated Statements of Operations, was $15.8 million compared to $12.9 million in the same period of 2007. The increase during the first six months of 2008 is due primarily to higher finance revenues generated as a result of our increased equipment sales volumes, particularly in Europe and Brazil, and the favorable impact of currency translation.

The retail finance portfolio in our AGCO Finance joint venture in Brazil was $1.6 billion as of June 30, 2008 compared to $1.1 billion as of December 31, 2007 and June 30, 2007. As a result of weak market conditions in Brazil in 2005 and 2006, a substantial portion of this portfolio has been included in a payment deferral program directed by the Brazilian government. While the joint venture currently considers its reserves for loan losses adequate, the joint venture continually monitors its reserves considering borrower payment history, the value of the underlying equipment financed and further payment deferral programs implemented by the Brazilian government.

LIQUIDITY AND CAPITAL RESOURCES

Our financing requirements are subject to variations due to seasonal changes in inventory and receivable levels. Internally generated funds are supplemented when necessary from external sources, primarily our revolving credit facility and accounts receivable securitization facilities.

Our current financing and funding sources, with balances outstanding as of June 30, 2008, are our €200.0 million (or approximately $315.1 million) principal amount $6^{7}/_{8}$% senior subordinated notes due 2014, $201.3 million principal amount $1^{3}/_{4}$% convertible senior subordinated notes due 2033, $201.3 million principal amount $1^{1}/_{4}$% convertible senior subordinated notes due 2036, approximately $507.6 million of accounts receivable securitization facilities (with approximately $497.0 million in outstanding funding as of June 30, 2008), and a $300.0 million multi-currency revolving credit facility (with no amounts outstanding as of June 30, 2008).

Our $201.3 million of 1¼% convertible senior subordinated notes due December 15, 2036 are unsecured obligations and are convertible into cash and shares of our common stock upon satisfaction of certain conditions, as discussed below. The notes provide for (i) the settlement upon conversion in cash up to the principal amount of the notes with any excess conversion value settled in shares of our common stock, and (ii) the conversion rate to be increased under certain circumstances if the notes are converted in connection with certain change of control transactions occurring prior to December 15, 2013. Interest is payable on the notes at 1¼% per annum, payable semi-annually in arrears in cash on June 15 and December 15 of each year. The notes are convertible into shares of our common stock at an effective price of $40.73 per share, subject to adjustment. This reflects an initial conversion rate for the notes of 24.5525 shares of common stock per $1,000 principal amount of notes. In the event of a stock dividend, split of our common stock or certain other dilutive events, the conversion rate will be adjusted so that upon conversion of the notes, holders of the notes would be entitled to receive the same number of shares of common stock that they would have been entitled to receive if they had converted the notes into our common stock immediately prior to such events. If a change of control transaction that qualifies as a "fundamental change" occurs on or prior to December 15, 2013, under certain circumstances we will increase the conversion rate for the notes converted in connection with the transaction by a number of additional shares (as used in this paragraph, the "make whole shares"). A fundamental change is any transaction or event in connection with which 50% or more of our common stock is exchanged for, converted into, acquired for or constitutes solely the right to receive consideration that is not at least 90% common stock listed on a U.S. national securities exchange or approved for quotation on an automated quotation system. The amount of the increase in the conversion rate, if any, will depend on the effective date of the transaction and an average price per share of our common stock as of the effective date. No adjustment to the conversion rate will be made if the price per share of common stock is less than $31.33 per share or more than $180.00 per share. The number of additional make whole shares range from 7.3658 shares per $1,000 principal amount at $31.33 per share to 0.1063 shares per $1,000 principal amount at $180.00 per share for the year ended December 15, 2008, with the number of make whole shares generally declining over time. If the acquirer or certain of its affiliates in the fundamental change transaction has publicly traded common stock, we may, instead of increasing the conversion rate as described above, cause the notes to become convertible into publicly traded common stock of the acquirer, with principal of the notes to be repaid in cash, and the balance, if any, payable in shares of such acquirer common stock. At no time will we issue an aggregate number of shares of our common stock upon conversion of the notes in excess of 31.9183 shares per $1,000 principal amount thereof. If the holders of our common stock receive only cash in a fundamental change transaction, then holders of notes will receive cash as well. Holders may convert the notes only under the following circumstances: (1) during any fiscal quarter, if the closing sales price of our common stock exceeds 120% of the conversion price for at least 20 trading days in the 30 consecutive trading days ending on the last trading day of the preceding fiscal quarter; (2) during the five business day period after a five consecutive trading day period in which the trading price per note for each day of that period was less than 98% of the product of the closing sale price of our common stock and the conversion rate; (3) if the notes have been called for redemption; or (4) upon the occurrence of certain corporate transactions. Beginning December 15, 2013, we may redeem any of the notes at a redemption price of 100% of their principal amount, plus accrued interest. Holders of the notes may require us to repurchase the notes at a repurchase price of 100% of their principal amount, plus accrued interest, on December 15, 2013, 2016, 2021, 2026 and 2031. Holders may also require us to repurchase all or a portion of the notes upon a fundamental change, as defined in the indenture, at a repurchase price equal to 100% of the principal amount of the notes to be repurchased, plus any accrued and unpaid interest. The notes are senior subordinated obligations and are subordinated to all of our existing and future senior indebtedness and effectively subordinated to all debt and other liabilities of our subsidiaries. The notes are equal in right of payment with our 6⅞% senior subordinated notes due 2014 and our 1¾% convertible senior subordinated notes due 2033.

Our $201.3 million of 1¾% convertible senior subordinated notes due 2033 provide for (i) the settlement upon conversion in cash up to the principal amount of the converted new notes with any excess conversion value settled in shares of our common stock, and (ii) the conversion rate to be increased under certain circumstances if the notes are converted in connection with certain change of control transactions occurring prior to December 10, 2010, but otherwise are substantially the same as the old notes. The notes are unsecured obligations and are convertible into cash and shares of our common stock upon satisfaction of certain conditions, as discussed below. Interest is payable on the notes at 1¾% per annum, payable semi-annually in arrears in cash on June 30 and December 31 of each year. The notes are convertible into shares of our common stock at an effective price of $22.36 per share, subject to adjustment. This reflects an initial conversion rate for the notes of 44.7193 shares of common stock per $1,000 principal amount of notes. In the event of a stock dividend, split of our common stock or certain other dilutive events, the conversion rate will be adjusted so that upon conversion of the notes, holders of the notes would be entitled to receive the same number of shares of common stock that they would have been entitled to receive if they had converted the notes into our common stock immediately prior to such events. If a change of control transaction that qualifies as a "fundamental change" occurs on or prior to December 31, 2010, under certain circumstances we will increase the conversion rate for the notes converted in connection with the transaction by a number of additional shares (also as used in this paragraph, the "make whole shares"). A fundamental change is any transaction or event in connection with which 50% or more of our common stock is exchanged for, converted into, acquired for or constitutes solely the right to receive consideration that is not at least 90% common stock listed on a U.S. national securities exchange or approved for quotation on an automated quotation system. The amount of the increase in the conversion rate, if any, will depend on the effective date of the transaction and an average price per share of our common stock as of the effective date. No adjustment to the conversion rate will be made if the price per share of common stock is less than $17.07 per share or more than $110.00 per share. The number of additional make whole shares range from 13.2 shares per $1,000 principal amount at $17.07 per share to 0.1 shares per $1,000 principal amount at $110.00 per share for the year ended December 31, 2008, with the number of make whole shares generally declining over time. If the acquirer or certain of its affiliates in the fundamental change transaction has publicly traded common stock, we may, instead of increasing the conversion rate as described above, cause the notes to become convertible into publicly traded common stock of the acquirer, with principal of the notes to be repaid in cash, and the balance, if any, payable in shares of such acquirer common stock. At no time will we issue an aggregate number of shares of our common stock upon conversion of the notes in excess of 58.5823 shares per $1,000 principal amount thereof. If the holders of our common stock receive only cash in a fundamental change transaction, then holders of notes will receive cash as well. Holders may convert the notes only under the following circumstances: (1) during any fiscal quarter, if the closing sales price of our common stock exceeds 120% of the conversion price for at least 20 trading days in the 30 consecutive trading days ending on the last trading day of the preceding fiscal quarter; (2) during the five business day period after a five consecutive trading day period in which the trading price per note for each day of that period was less than 98% of the product of the closing sale price of our common stock and the conversion rate; (3) if the notes have been called for redemption; or (4) upon the occurrence of certain corporate transactions. Beginning January 1, 2011, we may redeem any of the notes at a redemption price of 100% of their principal amount, plus accrued interest. Holders of the notes may require us to repurchase the notes at a repurchase price of 100% of their principal amount, plus accrued interest, on December 31, 2010, 2013, 2018, 2023 and 2028.

As of June 30, 2008 and December 31, 2007, the closing sales price of our common stock had exceeded 120% of the conversion price of $22.36 and $40.73 per share for our 1¾% convertible senior subordinated notes and our 1¼% convertible senior subordinated notes, respectively, for at least 20 trading days in the 30 consecutive trading days ending June 30, 2008 and December 31, 2007, and, therefore, we classified both notes as current liabilities. Future classification of the notes between current and long-term debt is dependent on the closing sales price of our common stock during future quarters. We believe it is unlikely the holders of the notes would convert the notes under the provisions of the indenture agreement, as typically convertible securities are not converted prior to expiration unless called for redemption, thereby requiring us to repay the principal portion in cash. In the event the notes were converted, we believe we could repay the notes with available cash on hand, funds from our $300.0 million multi-currency revolving credit facility or a combination of these sources.

The 1¾% convertible senior subordinated notes and the 1¼% convertible senior subordinated notes will impact the diluted weighted average shares outstanding in future periods depending on our stock price for the excess conversion value using the treasury stock method. In May 2008, the Financial Accounting Standards Board ("FASB") issued FASB Staff Position ("FSP") APB 14-1, "Accounting for Convertible Debt Instruments

That May be Settled in Cash Upon Conversion (including Partial Cash Settlement)." The FSP requires that the liability and equity components of convertible debt instruments that may be settled in cash upon conversion (including partial cash settlement), commonly referred to as an Instrument C under EITF Issue No. 90-19, "Convertible Bonds with Issuer Options to Settle for Cash Upon Conversion," be separated to account for the fair value of the debt and equity components as of the date of issuance to reflect the issuer's nonconvertible debt borrowing rate. The FSP is effective for financial statements issued for fiscal years beginning after December 15, 2008, and is to be applied retrospectively to all periods presented (retroactive restatement) pursuant to the guidance in Statement of Financial Accounting Standards ("SFAS") No. 154, "Accounting Changes and Error Corrections." The FSP will impact the accounting treatment of our 1 3/4% convertible senior subordinated notes due 2033 and our 1 1/4% convertible senior subordinated notes due 2036 by reclassifying a portion of the convertible notes balances to additional paid-in capital representing the estimated fair value of the conversion feature as of the date of issuance and creating a discount on the convertible notes that will be amortized through interest expense over the life of the convertible notes. The FSP will result in a significant increase in interest expense and, therefore, reduce net income and basic and diluted earnings per share within our consolidated statements of operations. We will adopt the requirements of the FSP on January 1, 2009, and estimate that, upon adoption, our "retained earnings" balance will be reduced by approximately $37 million, our "convertible senior subordinated notes" balance will be reduced by approximately $57 million and our "additional paid-in capital" balance will increase by approximately $57 million, including a deferred tax impact of approximately $37 million. "Interest expense, net" attributable to the convertible senior subordinated notes during the fiscal year ended December 31, 2009 is expected to increase by approximately $15 million, compared to 2008, as a result of the adoption.

On May 16, 2008, we entered into a new $300.0 million unsecured multi-currency revolving credit facility. The new credit facility replaced our former existing $300.0 million secured multi-currency revolving credit facility. The maturity date of our new facility is May 16, 2013. Interest accrues on amounts outstanding under the new facility, at our option, at either (1) LIBOR plus a margin ranging between 1.00% and 1.75% based upon our total debt ratio or (2) the higher of the administrative agent's base lending rate or one-half of one percent over the federal funds rate plus a margin ranging between 0.0% and 0.50% based upon our total debt ratio. The new facility contains covenants restricting, among other things, the incurrence of indebtedness and the making of certain payments, including dividends, and is subject to acceleration in the event of a default, as defined in the facility. We also must fulfill financial covenants in respect of a total debt to EBITDA ratio and an interest coverage ratio, as defined in the facility. As of June 30, 2008, we had no outstanding borrowings under the new facility. As of June 30, 2008, we had availability to borrow $291.3 million under the new facility.

Our former credit facility provided for a $300.0 million multi-currency revolving credit facility, a $300.0 million United States dollar denominated term loan and a €120.0 million Euro denominated term loan. The maturity date of the former revolving credit facility was December 2008 and the maturity date for the former term loan facility was June 2009. We were required to make quarterly payments towards the United States dollar denominated term loan and Euro denominated term loan of $0.75 million and €0.3 million, respectively (or an amortization of one percent per annum until the maturity date of each term loan). On June 29, 2007, we repaid the remaining balances of our outstanding United States dollar and Euro denominated term loans, totaling $72.5 million and €28.6 million, respectively, with available cash on hand. The former revolving credit facility was secured by a majority of our U.S., Canadian, Finnish and U.K. — based assets and a pledge of a portion of the stock of our domestic and material foreign subsidiaries. Interest accrued on amounts outstanding under the former revolving credit facility, at our option, at either (1) LIBOR plus a margin ranging between 1.25% and 2.0% based upon our senior debt ratio or (2) the higher of the administrative agent's base lending rate or one-half of one percent over the federal funds rate plus a margin ranging between 0.0% and 0.75% based on our senior debt ratio. Interest accrued on amounts outstanding under the term loans at LIBOR plus 1.75%. The former credit facility contained covenants restricting, among other things, the incurrence of indebtedness and the making of certain payments, including dividends. We also had to fulfill financial covenants including, among others, a total debt to EBITDA ratio, a senior debt to EBITDA ratio and a fixed charge coverage ratio, as defined in the facility. As of June 30, 2007, we had no outstanding borrowings under the former credit facility. As of June 30, 2007, we had availability to borrow $291.1 million under the former revolving credit facility.

Our €200.0 million of $6^7/_8$% senior subordinated notes due 2014 are unsecured obligations and are subordinated in right of payment to any existing or future senior indebtedness. Interest is payable on the notes semi-annually on April 15 and October 15 of each year. Beginning April 15, 2009, we may redeem the notes, in whole or in part, initially at 103.438% of their principal amount, plus accrued interest, declining to 100% of their principal amount, plus accrued interest, at any time on or after April 15, 2012. In addition, before April 15, 2009, we may redeem the notes, in whole or in part, at a redemption price equal to 100% of the principal amount, plus accrued interest and a make-whole premium. The notes include covenants restricting the incurrence of indebtedness and the making of certain restricted payments, including dividends.

Under our securitization facilities, we sell accounts receivable in the United States, Canada and Europe on a revolving basis to commercial paper conduits through a wholly-owned special purpose U.S. subsidiary and a qualifying special purpose entity ("QSPE") in the United Kingdom. The United States and Canadian securitization facilities expire in April 2009 and the European facility expires in October 2011, but each is subject to annual renewal. As of June 30, 2008, the aggregate amount of these facilities was $507.6 million. The outstanding funded balance of $497.0 million as of June 30, 2008 has the effect of reducing accounts receivable and short-term liabilities by the same amount. Our risk of loss under the securitization facilities is limited to a portion of the unfunded balance of receivables sold, which is approximately 15% of the funded amount. We maintain reserves for doubtful accounts associated with this risk. If the facilities were terminated, we would not be required to repurchase previously sold receivables but would be prevented from selling additional receivables to the commercial paper conduit.

The securitization facilities allow us to sell accounts receivables through financing conduits which obtain funding from commercial paper markets. Future funding under our securitization facilities depends upon the adequacy of receivables, a sufficient demand for the underlying commercial paper and the maintenance of certain covenants concerning the quality of the receivables and our financial condition. In the event commercial paper demand is not adequate, our securitization facilities provide for liquidity backing from various financial institutions, including Rabobank. These liquidity commitments would provide us with interim funding to allow us to find alternative sources of working capital financing, if necessary.

We have an agreement to permit transferring, on an ongoing basis, the majority of our wholesale interest-bearing receivables in North America to our United States and Canadian retail finance joint ventures, AGCO Finance LLC and AGCO Finance Canada, Ltd. We have a 49% ownership interest in these joint ventures. The transfer of the wholesale interest-bearing receivables is without recourse to AGCO, and we will continue to service the receivables. As of June 30, 2008, the balance of interest-bearing receivables transferred to AGCO Finance LLC and AGCO Finance Canada, Ltd. under this agreement was approximately $71.7 million compared to approximately $73.3 million as of December 31, 2007.

Our business is subject to substantial cyclical variations, which generally are difficult to forecast. Our results of operations may also vary from time to time resulting from costs associated with rationalization plans and acquisitions. As a result, we have had to request relief from our lenders on occasion with respect to financial covenant compliance. While we do not currently anticipate asking for any relief, it is possible that we would require relief in the future. Based upon our historical working relationship with our lenders, we currently do not anticipate any difficulty in obtaining that relief.

Cash flow provided by operating activities was $61.3 million for the first six months of 2008 compared to cash used in operating activities of $27.1 million for the first six months of 2007. The increase in cash flow provided by operating activities during the first six months of 2008 was primarily due to higher net income.

Our working capital requirements are seasonal, with investments in working capital typically building in the first half of the year and then reducing in the second half of the year. We had $862.5 million in working capital at June 30, 2008, as compared with $638.4 million at December 31, 2007 and $732.1 million at June 30, 2007. Accounts receivable and inventories, combined, at June 30, 2008 were $460.1 million higher than at December 31, 2007 and $384.5 million higher than at June 30, 2007.

Capital expenditures for the first six months of 2008 were $99.7 million compared to $48.9 million for the first six months of 2007. We anticipate that capital expenditures for the full year of 2008 will range from approximately $220 million to $230 million and will primarily be used to support our manufacturing operations, systems initiatives, and to support the development and enhancement of new and existing products.

Our debt to capitalization ratio, which is total long-term debt divided by the sum of total long-term debt and stockholders' equity, was 22.9% at June 30, 2008 compared to 25.4% at December 31, 2007.

From time to time we review and will continue to review acquisition and joint venture opportunities, as well as changes in the capital markets. If we were to consummate a significant acquisition or elect to take advantage of favorable opportunities in the capital markets, we may supplement availability or revise the terms under our credit facilities or complete public or private offerings of equity or debt securities.

We believe that available borrowings under the revolving credit facility, funding under the accounts receivable securitization facilities, available cash and internally generated funds will be sufficient to support our working capital, capital expenditures and debt service requirements for the foreseeable future.

COMMITMENTS AND OFF-BALANCE SHEET ARRANGEMENTS

Guarantees

At June 30, 2008, we were obligated under certain circumstances to purchase, through the year 2010, up to $4.0 million of equipment upon expiration of certain operating leases between AGCO Finance LLC and AGCO Finance Canada, Ltd., our retail finance joint ventures in North America, and end users. We also maintain a remarketing agreement with these joint ventures whereby we are obligated to repurchase repossessed inventory at market values, limited to $6.0 million in the aggregate per calendar year. We believe that any losses, which might be incurred on the resale of this equipment, will not materially impact our consolidated financial position or results of operations.

From time to time, we sell certain trade receivables under factoring arrangements to financial institutions throughout the world. We evaluate the sale of such receivables pursuant to the guidelines of SFAS No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities – a Replacement of FASB Statement No. 125," and have determined that these facilities should be accounted for as off-balance sheet transactions in accordance with SFAS No. 140.

At June 30, 2008, we guaranteed indebtedness owed to third parties of approximately $150.8 million, primarily related to dealer and end-user financing of equipment. We believe the credit risk associated with these guarantees is not material to our financial position.

Other

At June 30, 2008, we had foreign currency forward contracts to buy an aggregate of approximately $356.6 million United States dollar equivalents and foreign currency forward contracts to sell an aggregate of approximately $384.2 million United States dollar equivalents. All contracts have a maturity of less than one year. See "Item 3. Quantitative and Qualitative Disclosures About Market Risk – Foreign Currency Risk Management" for further information.

Contingencies

As a result of Brazilian tax legislation impacting value added taxes ("VAT"), we have recorded a reserve of approximately $22.4 million and $21.9 million against our outstanding balance of Brazilian VAT taxes receivable as of June 30, 2008 and December 31, 2007, respectively, due to the uncertainty as to our ability to collect the amounts outstanding.

As disclosed in Item 3 of our Form 10-K for the year ended December 31, 2007, in February 2006, we received a subpoena from the Securities and Exchange Commission (the "SEC") in connection with a non-public, fact-finding inquiry entitled "In the Matter of Certain Participants in the Oil for Food Program." In June 2008, the Republic of Iraq filed a civil action against three of our foreign subsidiaries that participated in the United Nations Oil for Food Program. See Part II, Item 1, "Legal Proceedings" for further discussion of these matters.

OUTLOOK

Worldwide farm equipment demand in 2008 is expected to increase from 2007 levels. In Europe, growth in industry retail sales in Western Europe and continued market expansion in Central and Eastern Europe is expected to result in sales above 2007 levels. Weakness in the general economic conditions in North America is expected to produce lower industry retail sales of utility and compact tractors, but strong demand from the professional farming segment is projected to result in increased industry retail sales of high horsepower tractors and combines compared to 2007. In South America, favorable farm fundamentals in Brazil and expanding acreage are expected to produce increased industry retail sales.

For the full year of 2008, we are targeting earnings improvement resulting primarily from higher sales volumes and cost reductions efforts partially offset by increased spending on strategic initiatives and the negative impact of currency translation.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The discussion and analysis of our financial condition and results of operations are based upon our Condensed Consolidated Financial Statements, which have been prepared in accordance with U.S. generally accepted accounting principles. The preparation of these financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an ongoing basis, management evaluates estimates, including those related to reserves, intangible assets, income taxes, pension and other postretirement benefit obligations, derivative financial instruments and contingencies. Management bases these estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions. A description of critical accounting policies and related judgment and estimates that affect the preparation of our Condensed Consolidated Financial Statements is set forth in our Annual Report on Form 10-K for the year ended December 31, 2007.

FORWARD-LOOKING STATEMENTS

Certain statements in "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in this Quarterly Report on Form 10-Q are forward looking, including certain statements set forth under the headings "General," "Statements of Operations," "Retail Finance Joint Ventures," "Liquidity and Capital Resources," "Commitments and Off-Balance Sheet Arrangements" and "Outlook." Forward-looking statements reflect assumptions, expectations, projections, intentions or beliefs about future events. These statements, which may relate to such matters as industry demand conditions, earnings per share, net sales and income, income from operations, planned price increases, conversion of outstanding notes, future capital expenditures and indebtedness requirements, working capital needs and currency translation, are "forward-looking statements" within the meaning of the federal securities laws. These statements do not relate strictly to historical or current facts, and you can identify certain of these statements, but not necessarily all, by the use of the words "anticipate," "assumed," "indicate," "estimate," "believe," "predict," "forecast," "rely," "expect," "continue," "grow" and other words of similar meaning. Although we believe that the expectations and assumptions reflected in these statements are reasonable in view of the information currently available to us, there can be no assurance that these expectations will prove to be correct.

These forward-looking statements involve a number of risks and uncertainties, and actual results may differ materially from the results discussed in or implied by the forward-looking statements. The following are among the important factors that could cause actual results to differ materially from the forward-looking statements:

- general economic and capital market conditions;
- the worldwide demand for agricultural products;
- grain stock levels and the levels of new and used field inventories;
- cost of steel and other raw materials;
- government policies and subsidies;
- weather conditions;
- interest and foreign currency exchange rates;
- pricing and product actions taken by competitors;
- commodity prices, acreage planted and crop yields;
- farm income, land values, debt levels and access to credit;
- pervasive livestock diseases;
- production disruptions;
- supply and capacity constraints;
- our cost reduction and control initiatives;
- our research and development efforts;
- dealer and distributor actions;
- technological difficulties; and
- political and economic uncertainty in various areas of the world.

Any forward-looking statement should be considered in light of such important factors. For additional factors and additional information regarding these factors, please see "Risk Factors" in our Form 10-K for the year ended December 31, 2007.

New factors that could cause actual results to differ materially from those described above emerge from time to time, and it is not possible for us to predict all of such factors or the extent to which any such factor or combination of factors may cause actual results to differ from those contained in any forward-looking statement. Any forward-looking statement speaks only as of the date on which such statement is made, and we disclaim any obligation to update the information contained in such statement to reflect subsequent developments or information except as required by law.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

FOREIGN CURRENCY RISK MANAGEMENT

We have significant manufacturing operations in France, Germany, Finland and Brazil, and we purchase a portion of our tractors, combines and components from third-party foreign suppliers, primarily in various European countries and in Japan. We also sell products in over 140 countries throughout the world. The majority of our net sales outside the United States are denominated in the currency of the customer location with the exception of sales in the Middle East, Africa and Asia, where net sales are primarily denominated in British pounds, Euros or United States dollars (See “Segment Reporting” in Note 14 to our Consolidated Financial Statements for the year ended December 31, 2007 for sales by customer location). Our most significant transactional foreign currency exposures are the Euro, the Brazilian Real and the Canadian dollar in relation to the United States dollar. Fluctuations in the value of foreign currencies create exposures, which can adversely affect our results of operations.

We attempt to manage our transactional foreign exchange exposure by hedging foreign currency cash flow forecasts and commitments arising from the settlement of receivables and payables and from future purchases and sales. Where naturally offsetting currency positions do not occur, we hedge certain, but not all, of our exposures through the use of foreign currency forward and option contracts. Our hedging policy prohibits foreign currency forward contracts for speculative trading purposes. Our translation exposure resulting from translating the financial statements of foreign subsidiaries into United States dollars is not hedged. Our most significant translation exposures are the Euro, the British pound and the Brazilian Real in relation to the United States dollar. When practical, this translation impact is reduced by financing local operations with local borrowings.

All derivatives are recognized on our Condensed Consolidated Balance Sheets at fair value. On the date a derivative contract is entered into, we designate the derivative as either (1) a fair value hedge of a recognized liability, (2) a cash flow hedge of a forecasted transaction, (3) a hedge of a net investment in a foreign operation, or (4) a non-designated derivative instrument. We currently engage in derivatives that are cash flow hedges of forecasted transactions as well as non-designated derivative instruments. Changes in the fair value of non-designated derivative contracts are reported in current earnings. During 2008 and 2007, we designated certain foreign currency option contracts as cash flow hedges of expected future sales. The effective portion of the fair value gains or losses on these cash flow hedges are recorded in other comprehensive income, with the cumulative gain or loss subsequently reclassified into cost of goods sold during the same period as the sales are recognized. These amounts offset the effect of the changes in foreign exchange rates on the related sale transactions. The amount of the gain recorded in other comprehensive income that was reclassified to cost of goods sold during the six months ended June 30, 2008 and 2007 was approximately $11.1 million and $0.1 million, respectively, on an after-tax basis. The outstanding contracts as of June 30, 2008 range in maturity through December 2008.

The following is a summary of foreign currency derivative contracts used to hedge currency exposures. All contracts have a maturity of less than one year. The net notional amounts and fair value gains or losses as of June 30, 2008 stated in United States dollars are as follows (in millions, except average contract rate):

	Net Notional Amount (Sell)/Buy	Average Contract Rate*	Fair Value Gain/(Loss)
Australian dollar	$ (12.4)	1.05	$ (0.1)
Brazilian real	294.7	1.73	21.8
British pound	27.8	0.50	—
Canadian dollar	(35.2)	1.01	0.4
Euro	(281.8)	0.62	4.5
Japanese yen	16.5	105.81	(0.1)
Mexican peso	(33.2)	10.48	(0.5)
New Zealand dollar	(2.4)	1.31	—
Norwegian krone	(13.9)	5.08	—
Polish zloty	(4.3)	2.16	(0.1)
Swedish krona	17.6	5.97	(0.1)
South African rand	(0.1)	7.82	—
Swiss franc	(0.9)	1.05	—
			$ 25.8

* per United States dollar

Because these contracts were entered into for hedging purposes, the gains and losses on the contracts would largely be offset by gains and losses on the underlying firm commitment.

Interest Rates

We manage interest rate risk through the use of fixed rate debt and may in the future utilize interest rate swap contracts. We have fixed rate debt from our senior subordinated notes and our convertible senior subordinated notes. Our floating rate exposure is related to our credit facility and our securitization facilities, which are tied to changes in United States and European LIBOR rates. Assuming a 10% increase in interest rates, interest expense, net and the cost of our securitization facilities for the six months ended June 30, 2008 would have increased by approximately $1.0 million.

We had no interest rate swap contracts outstanding in the six months ended June 30, 2008.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our Chief Executive Officer and Chief Financial Officer, after evaluating the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended) as of June 30, 2008, have concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Exchange Act is accumulated and communicated to the issuer’s management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

The Company’s management, including the Chief Executive Officer and the Chief Financial Officer, does not expect that the Company’s disclosure controls or the Company’s internal controls will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. Because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected. We will conduct periodic evaluations of our internal controls to enhance, where necessary, our procedures and controls.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting identified in connection with the evaluation described above that occurred during the six months ended June 30, 2008 that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are a party to various legal claims and actions incidental to our business. We believe that none of these claims or actions, either individually or in the aggregate, is material to our business or financial condition.

As disclosed in Item 3 of our Form 10-K for the year ended December 31, 2007, in February 2006, we received a subpoena from the SEC in connection with a non-public, fact-finding inquiry entitled “In the Matter of Certain Participants in the Oil for Food Program.” This subpoena requested documents concerning transactions in Iraq under the United Nations Oil for Food Program by AGCO and certain of our subsidiaries. Subsequently we were contacted by the Department of Justice (“DOJ”) regarding the same transactions, although no subpoena or other formal process has been initiated by the DOJ. Similar inquiries have been initiated by the Danish, French and U.K. governments regarding two of our subsidiaries. The inquiries arose from sales of approximately $58.0 million in farm equipment to the Iraq ministry of agriculture between 2000 and 2002. The SEC’s staff has asserted that certain aspects of those transactions were not properly recorded in our books and records. We are cooperating fully in these inquiries, including discussions regarding settlement. It is not possible at this time to predict the outcome of these inquiries or their impact, if any, on us; although if the outcomes were adverse, we could be required to pay fines and make other payments as well as take appropriate remedial actions.

On June 27, 2008, the Republic of Iraq filed a civil action in a federal court in New York, Case No. 08 CIV 59617, naming as defendants three of our foreign subsidiaries that participated in the United Nations Oil for Food Program. Ninety-one other entities or companies were also named as defendants in the civil action due to their participation in the United Nations Oil For Food Program. The complaint purports to assert claims against each of the defendants seeking damages in an unspecified amount. Although our subsidiaries intend to vigorously defend against this action, it is not possible at this time to predict the outcome of this action or its impact, if any, on us; although if the outcome was adverse, we could be required to pay damages.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

The Company's annual meeting of stockholders was held on April 24, 2008. The following matters were voted upon and the results of the voting were as follows:

(1) To elect four directors to serve as Class I directors until the annual meeting in 2011 or until their successors have been duly elected and qualified. The nominees, Messrs. Cain, Deml, Momot and Richenhagen, were elected to the Company's board of directors. The results follow:

Nominee	Affirmative Votes	Withheld Votes
Herman Cain	80,320,950	2,408,453
Wolfgang Deml	54,178,747	28,550,656
David E. Momot	80,320,046	2,409,357
Martin Richenhagen	78,978,664	3,750,739

(2) To approve the AGCO Corporation Management Incentive Plan. The results follow:

For	Against	Abstain
75,807,554	2,404,542	29,935

(3) To ratify the appointment of the Company's independent registered public accounting firm for 2008. The results follow:

For	Against	Abstain
82,595,999	123,784	9,620

ITEM 5 (a). OTHER INFORMATION

On August 4, 2008, AGCO Corporation (the "Company") amended and restated its Executive Nonqualified Pension Plan ("ENPP"), its 2006 Long-Term Incentive Plan ("LTIP"), its Management Incentive Plan ("MIP"), and the employment and severance agreements (each, an "Employment Agreement" and, collectively, the "Employment Agreements") with Martin Richenhagen, Andrew H. Beck, Gary L. Collar, and Hubertus M. Muehlhaeuser (each of the individuals a "Named Executive Officer" and, collectively, the "Named Executive Officers"). The plans and agreements were amended and restated to comply with recent changes by the U.S. Internal Revenue Code Section 409A, and to incorporate change in control provisions as approved by the Board of Directors. A summary of the key provisions of the plans and agreements, including amended and restated portions, are described below.

Executive Nonqualified Pension Plan

The ENPP provides the Company's executives with retirement income for a period of 15 years based on a percentage of their final average compensation including base salary and annual incentive bonus, reduced by the executive's social security benefits and savings plan benefits attributable to employer matching contributions. The key provisions of the ENPP, including amended and restated portions, are as follows:

Monthly Benefit. Senior executives with a vested benefit will be eligible to receive the following retirement benefits for 15 years beginning on their normal retirement date (age 65): 3% of final average monthly compensation times years of service up to 20 years, reduced by each of (i) the senior executive's U.S. social security benefit or similar government retirement program to which the senior executive is eligible, (ii) the benefits payable from the AGCO Corporation 401(k) Savings Plan (payable as a life annuity) attributable to the Company's matching contributions and earnings thereon or any other nonqualified deferred compensation plan maintained by the Company, and (iii) the benefits payable from any retirement plan sponsored by the Company in any foreign country attributable to the Company's contributions. Mr. Richenhagen is entitled to receive benefits based upon a minimum of five years of service even though he has not been employed by the Company at this time for that many years.

Final Average Monthly Compensation. The final average monthly compensation is the average of the three years of base salary and annual incentive payments under the Company's incentive compensation plan paid to the executive during the three years prior to his or her termination or retirement.

Vesting. Participants become vested after meeting all three of the following requirements: (i) turn age 50; (ii) completing ten years of service with the Company; and (iii) achieve five years of participation in the ENPP. In addition, participants become vested upon a change in control, and, if the participant's employment is terminated within 24 months following a change in control, the participant is entitled to receive a lump-sum payment of the actuarial equivalent of the accrued benefit.

Early Retirement Benefits. Participants may not receive retirement benefits prior to normal retirement age unless the participant dies, in which case the participant's estate will receive a lump-sum payment of the actuarial equivalent of the accrued benefit.

Long-Term Incentive Plan

The LTIP allows the Company, under the direction of its Compensation Committee, to make grants of performance shares, stock appreciation rights, stock options and stock awards to employees, officers and non-employee directors of the Company. The key provisions of the LTIP, including amended and restated portions, are as follows:

Shares Reserved for Issuance under the LTIP. A total of 5,000,000 shares of the Company's Common Stock were reserved initially for issuance under the LTIP subject to adjustment for certain corporate events. The maximum number of shares of the Company's Common Stock with respect to stock options and stock appreciation rights granted in any fiscal year may not exceed 500,000 for any employee. Through June 30, 2008, the Company had made grants with respect to 267,700 shares.

***Terms and Conditions of Awards*.** Officers, employees and non-employee directors of the Company or its subsidiaries are eligible to receive awards under the LTIP. Awards made under the LTIP may be contingent upon the achievement of performance goals or upon other conditions, as determined by the Compensation Committee.

***Types of Awards*.** The Compensation Committee can award performance shares, stock appreciation rights, both incentive and non-qualified stock options and restricted stock. The Compensation Committee may establish the exercise price, vesting period and other terms of each award, subject to certain restrictions contained in the LTIP.

***Change of Control*.** Upon the occurrence of a change of control, as defined in the LTIP, all outstanding awards will become non-cancellable, fully vested and exercisable, and all performance goals applicable to an award will be deemed automatically satisfied with respect to the target level of compensation attainable pursuant to such award, so that all of such compensation shall be immediately vested and payable.

Management Incentive Plan

The MIP provides for annual incentive bonuses based on performance compared to pre-established corporate and, in some cases, individual performance goals. The key provisions of the MIP, including amended and restated portions, are as follows:

***Payouts*.** For executive officers with a personal goal component of their bonus award, the goals are established primarily for operational performance and other objectives based on the executive officer's specific responsibilities. Graduated award payments are made if a minimum of 80% of the goal is met, increasing to the maximum payout when 120% of the goal is met. If minimum targets are not reached, no payouts are provided. Incentive compensation opportunities are expressed as a percentage of the executive officer's gross base salary. Depending upon what percentage of the goals are met (beginning at 80%), the payout level will range between 40% (or less) and 150% of the target bonus for the individual. The corporate objectives are set at the beginning of each fiscal year and approved by the Compensation Committee.

***Administration*.** The MIP is administered by the Compensation Committee, which will determine the criteria used to evaluate performance and the amount of the awards and payments to be made under the MIP, as well as the status and rights of any participant to payments thereunder. The Compensation Committee approves annual written objective performance goals reflecting corporate performance no later than 90 days after the commencement of the fiscal year to which such goals relate (or such earlier or later date as is permitted or required by Section 162(m) of the Internal Revenue Code).

***Eligibility and Award Opportunity*.** Participation in the MIP is limited to key full-time personnel of the Company and its subsidiaries selected by management who have demonstrated the ability to materially impact the financial success of the Company and have an acceptable performance review or rating. Target incentive awards are set from time to time by the Compensation Committee as a percentage of a participant's gross base salary for the year for which the award is to be made. Initial target award levels range from 40% to 130%.

***Performance Criteria and Payment of Awards*.** Awards under the MIP may be based upon corporate, regional/functional or personal goals. Performance measures may vary and will depend upon the participant's position with the Company. The initial performance measures set for corporate objectives are earnings per share, free cash flow and customer satisfaction, although the MIP enumerates other measures for the Compensation Committee to select from in benchmarking future performance. The performance measures are then weighted depending upon the participant's position. The Compensation Committee has the authority to make adjustments to the performance measures under the MIP to exclude restructuring and certain other infrequent items. Additionally, the Compensation Committee may authorize special awards for participants in lieu of performance-based awards or in addition to other awards and to waive the achievement of targets for participants other than "covered employees."

Table of Contents

Employment Agreements

The key provisions of the Employment Agreements, including amended and restated portions, are as follows:

Term and Compensation. Mr. Richenhagen's Employment Agreement provides for an initial three-year term, which commenced on July 21, 2004, with subsequent, automatic one-year renewal terms unless not renewed by the Company or terminated. The Employment Agreements with each of the other Named Executive Officers continue in effect until terminated. The Employment Agreements provide for an initial annual base salary subject to annual reviews by the Company and for other customary benefits, including participation in various incentive compensation plans.

Severance Benefits. Under each of the Employment Agreements, the Named Executive Officer may be entitled to receive severance and certain benefits depending upon the basis for the termination of the Named Executive Officer's employment. In the event of the Named Executive Officer's death, the Named Executive Officer is entitled to payment of his base salary for 90 days following the month in which the death occurred and payment of his bonus and other incentive benefits accrued through the end of the month in which the death occurred. Upon the incapacity or termination for "cause" of the Named Executive Officer, the Named Executive Officer is entitled only to base salary then accrued and, only in the case of incapacity, payment of his bonus and other benefits then accrued. If the Named Executive Officer's employment is terminated by the Company without "cause," by the Named Executive Officer for "good reason" or (solely in the case of Mr. Richenhagen) as a result of the Company's not renewing the Agreement, then the Named Executive Officer is entitled to payment of his base salary, bonus and other benefits accrued through the date of termination, payment of his base salary for a period of (for Messrs. Richenhagen and Beck) two years or (for the other Named Executive Officers) one year from the date of termination, and to payment of a pro rata portion of his bonus and other incentive benefits for the year of his termination, as if he had remained employed for the entire year. If Mr. Richenhagen's employment is terminated in the event of a "change in control," then he is entitled to payment of his base salary, bonus and other benefits accrued through the date of termination, a pro rata portion of his bonus and a payment of three times his base salary and average bonus along with other incentive benefits as if he had remained employed for three years. If the other Named Executive Officers' employment is terminated in the event of a "change in control," then they are entitled to payment of their base salary, bonus and other benefits accrued through the date of termination, a pro rata portion of their bonus and a payment of two times their base salary and average bonus along with other incentive benefits as if they had remained employed for two years. In addition, following a "change in control," the Company cannot reduce the positions or compensation of the Named Executive Officers for specified periods.

Other Provisions. The Employment Agreements also contain confidentiality, non-competition and non-solicitation covenants in favor of the Company.

Conformed copies of the agreements and plans described above are filed as Exhibits 10.2 through 10.8 to this report and are incorporated herein by this reference.

[Table of Contents](#)

ITEM 6. EXHIBITS

Exhibit Number	Description of Exhibit	The filings referenced for incorporation by reference are AGCO Corporation
10.1	Credit Agreement, dated as of May 16, 2008, by and among AGCO Corporation, certain of its subsidiaries and Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A., “Rabobank Nederland,” New York Branch, and the other lenders named therein	May 22, 2008, Form 8-K, Exhibit 10.1
10.2	Executive Non-qualified Pension Plan*	Filed herewith
10.3	2006 Long Term Incentive Plan*	Filed herewith
10.4	Management Incentive Plan*	Filed herewith
10.5	Employment Agreement with Andrew H. Beck*	Filed herewith
10.6	Employment Agreement with Gary L. Collar*	Filed herewith
10.7	Employment Agreement with Hubertus Muehlhaeuser*	Filed herewith
10.8	Employment Agreement with Martin Richenhagen*	Filed herewith
31.1	Certification of Martin Richenhagen	Filed herewith
31.2	Certification of Andrew H. Beck	Filed herewith
32.0	Certification of Martin Richenhagen and Andrew H. Beck	Furnished herewith

The exhibits above are filed or incorporated by reference as part of this report. Each management contract or compensation plan required to be filed as an exhibit is identified by an asterisk (*).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

AGCO CORPORATION
Registrant

Date: August 8, 2008

/s/ Andrew H. Beck
Andrew H. Beck
Senior Vice President and Chief Financial Officer
(Principal Financial Officer)

AGCO CORPORATION

AMENDED AND RESTATED
EXECUTIVE NONQUALIFIED PENSION PLAN

(EFFECTIVE JANUARY 1, 2008)

TABLE OF CONTENTS

AGCO CORPORATION
AMENDED AND RESTATED
EXECUTIVE NONQUALIFIED PENSION PLAN

Effective as of January 1, 2008, AGCO Corporation, a corporation duly organized and existing under the laws of the State of Delaware (the "Company"), hereby adopts the AGCO Corporation Amended and Restated Executive Nonqualified Pension Plan (the "Plan"), which amends, restates and supersedes the Amended and Restated Supplemental Executive Retirement Plan, which was last amended and restated effective January 1, 2007.

BACKGROUND AND PURPOSE

A. **General Purpose**. The primary purpose of the Plan is to provide additional retirement income to a select group of management personnel of the Company and its affiliates that adopt the Plan as participating companies.

B. **Type of Plan**. The Plan is intended to constitute a non-qualified deferred compensation plan that complies with the provisions of Code Section 409A and an unfunded, nonqualified deferred compensation plan that benefits certain designated employees who are within a select group of key management or highly compensated employees within the meaning of Title I of ERISA.

STATEMENT OF AGREEMENT

To establish the Plan with the purposes and goals as hereinabove described, the Company hereby sets forth the terms and provisions as follows:

ARTICLE I
DEFINITIONS

For purposes of the Plan, the following terms, when used with an initial capital letter, shall have the meaning set forth below unless a different meaning plainly is required by the context.

1.1 **Accrual Factor** shall mean, with respect to a Participant, the annual factor used to determine the Participant's Accrued Benefit, which is equal to:

(i) three percent (3%) for each Participant who is employed as a Senior Vice President or greater position with the Company in such year, and

(ii) two and twenty-five one-hundredths of a percent (2.25%) for each Participant who is employed as a Vice President or equivalent position with the Company in such year.

1.2 Accrued Benefit shall mean, with respect to a Participant and as of any date it is determined, an annual amount, payable in twelve (12) equal monthly payments for fifteen (15) years certain, which is equal to (i) the Participant's Final Earnings, multiplied by (ii) the Participant's Years of Credited Service, multiplied by (iii) the Participant's Accrual Factor, and reduced by (iv) the Participant's Social Security Benefit and Savings Plan Benefit; provided, however, that the maximum Accrued Benefit attainable hereunder shall not be greater than:

(i) In the case of a Participant who is employed as a Senior Vice President or greater position with the Company or any Affiliate immediately prior to his termination of employment with the Company or any Affiliate, sixty percent (60%) of the Participant's Final Earnings, subject to reduction by the Participant's Social Security Benefit and Savings Plan Benefit, and

(ii) In the case of a Participant who is employed as a Vice President of the Company or any Affiliate or equivalent position immediately prior to his termination of employment with the Company or any Affiliate, forty-five percent (45%) of the Participant's Final Earnings, subject to reduction by the Participant's Social Security Benefit and Savings Plan Benefit.

1.3 Actuarial Equivalent shall mean an amount of equivalent value based on the applicable mortality rate in effect under the 1994 Group Annuity Reserving table (94 GAR) and an effective annual interest rate of seven percent (7%) compounded annually.

1.4 Administrative Committee shall mean a committee appointed by the Board, which shall act on behalf of the Company to administer the Plan. From time to time, the Board may appoint other members of such committee in addition to, or in lieu of, the individuals holding said titles.

1.5 Affiliate shall mean any corporation or other entity that is required to be aggregated with the Company under Code Sections 414(b) or (c).

1.6 Base Salary shall mean, with respect to a Participant for a calendar year, the Participant's regular base salary amount paid to him during such calendar year, plus any amounts of base salary that the Participant may have elected to defer under the terms of any Code Section 401(k) or 125 plan or any nonqualified deferred compensation plan maintained by the Company or an Affiliate, but excluding bonuses, incentive compensation, equity-based compensation, expense reimbursements and the value of any fringe benefits.

1.7 Benefit Commencement Date shall mean, with respect to a Participant's Accrued Benefit, the first day of the month coinciding with or immediately following the earliest of (a) the Participant's death while employed by the Company or any of its Affiliates and (b) the later of the Participant's Separation from Service or attainment of Normal Retirement Age.

1.8 Board shall mean the Board of Directors of the Company.

1.9 Change in Control shall mean any one of the following (determined in accordance with Code Section 409A):

(a) The date that any one person, or more than one person acting as a group, acquires ownership of stock of the Company that, together with stock held by such person or group, constitutes more than fifty percent (50%) of the total fair market value or total voting power of the stock of the Company (not including where any one person, or more than one person acting as a group, who is considered to own more than fifty percent (50%) of the total fair market value or total voting power of the stock of the Company, acquires additional stock).

(b) The date that any one person, or more than one person acting as a group, acquires (or has acquired during the twelve (12)-month period ending on the date of the most recent acquisition by such person or persons) ownership of stock of the Company possessing thirty percent (30%) or more of the total voting power of the stock of the Company, or a majority of the members of the Board is replaced during any twelve (12)-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election of such new directors.

(c) The date that any one person, or more than one person acting as a group, acquires (or has acquired during the twelve (12)-month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total fair market value equal to or more than forty-percent (40%) of the total fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions unless the assets are transferred to (i) a stockholder of the Company (immediately before the asset transfer) in exchange for or with respect to its stock, (ii) an entity, fifty percent (50%) or more of the total value or voting power of which is owned, directly or indirectly by the Company, (iii) a person, or more than one person acting as a group, that owns, directly or indirectly, fifty percent (50%) or more of the total value or voting power of all of the outstanding stock of the Company, or (iv) an entity, at least fifty percent (50%) of the total value or voting power of which is owned, directly or indirectly, by a person, or more than one person acting as a group, that owns directly or indirectly, fifty percent (50%) or more of the total value or voting power of all of the outstanding stock of the Company.

1.10 Code shall mean the Internal Revenue Code of 1986, as amended.

1.11 Company shall mean AGCO Corporation, a Delaware corporation, with its principal place of business in Duluth, Georgia.

1.12 Death Benefit shall mean the amount payable to a deceased Participant's Designated Beneficiary, as determined pursuant to the terms of Section 3.4.

1.13 Designated Beneficiary shall mean the person or persons identified by the Participant as eligible to receive benefits under the Plan on a form acceptable to the Administrative Committee. In the event no such written designation is made by a Participant or if such beneficiary shall not be living or in existence at the time for commencement of payment under the Plan, the Participant shall be deemed to have designated his estate as such beneficiary.

1.14 **Effective Date** shall mean January 1, 2008, the date as of which this amended and restated Plan shall be effective.

1.15 **Eligible Employee** shall mean any individual who, as determined by the Board in its sole discretion, is a member of a select group of highly compensated or key management employees of the Company or an Affiliate.

1.16 **Employment Commencement Date** shall mean, with respect to a Participant, the date on which such Participant first performs services for the Company or an Affiliate.

1.17 **ERISA** shall mean the Employee Retirement Income Security Act of 1974, as amended.

1.18 **Final Earnings** shall mean, for a Participant, the average of his Base Salary plus annual incentive payments under the Management Incentive Plan for such calendar year actually received for the three most recent, full calendar years ending on or immediately before the date of the Participant's Separation from Service with the Company and all Affiliates, or on or before the date of Participant's death while employed with the Company or an Affiliate or on or before the date he is removed from active participation in the Plan pursuant to Section 2.2 hereof, as applicable.

1.19 **Interest** shall mean the prime rate of interest published in the Wall Street Journal as of the last business day of the month compounded monthly.

1.20 **Normal Retirement Age** shall mean age sixty-five (65).

1.21 **Participant** shall mean any individual who has been admitted to participation in the Plan pursuant to the provisions of Article II.

1.22 **Plan** shall mean the AGCO Corporation Amended and Restated Executive Nonqualified Pension Plan, as contained herein and all amendments hereto.

1.23 **Plan Year** shall mean the twelve (12) consecutive-month period ending on December 31 of each year.

1.24 **Savings Plan Benefit** shall mean the Actuarial Equivalent of a Participant's accrued benefit attributable to employer matching contributions and earnings thereon under the AGCO Corporation 401(k) Savings Plan, calculated as if such benefit was payable in the form of a single life annuity for the Participant's lifetime. The Participant's Savings Plan Benefit shall also include the Actuarial Equivalent of (i) all amounts attributable to employer contributions and earnings thereon credited to the Participant's account under any nonqualified deferred compensation plan maintained by the Company or an Affiliate, other than this Plan, and (ii) any benefits attributable to contributions made by the Company or any Affiliate under any retirement plan established under the laws of any foreign country (excluding any foreign retirement plan described in Section 1.26).

1.25 **Separation from Service** shall mean the date as of which a Participant dies, retires, or otherwise terminates employment with the Company and its Affiliates. A Separation from Service occurs where the facts and circumstances indicate that the Company or Affiliate and the Participant reasonably anticipate that no further services will be performed after a certain date or that the level of bona fide services the Participant would perform after such date (whether as an employee or as an independent contractor) would permanently decrease to less than fifty percent (50%) of the average level of bona fide services performed (whether as an employee or an independent contractor) over the immediately preceding thirty-six (36)-month period (or the full period of service to the Company and its Affiliates if the Participant has been providing services to the Company or its Affiliates less than thirty-six (36) months). Whether a Separation from Service has occurred will be determined based on the facts and circumstances and in accordance with the guidance under Code Section 409A. The Participant will not be deemed to have incurred a Separation from Service while the Participant is on military leave, sick leave, or other bona fide leave of absence if the period of such leave does not exceed six months, or if longer, so long as the Participant retains a right to reemployment with the Company and its Affiliates under an applicable statute or by contract. For purposes hereof, a leave of absence constitutes a bona fide leave of absence only if there is a reasonable expectation that the Participant will return to perform services for the Company or an Affiliate. If the period of leave exceeds six months and the Participant does not retain a right to reemployment under an applicable statute or by contract, a Separation from Service is deemed to occur on the first date immediately following such six-month period.

1.26 **Social Security Benefit** shall mean, for a Participant, the maximum annual primary Social Security retirement benefit amount that, under the law as in effect as of the Participant's Benefit Commencement Date, could be payable to him (regardless of his actual Social Security compensation amounts) at such date. A Participant's Social Security benefit shall also include any retirement benefits payable to the Participant under any similar retirement program of any foreign country.

1.27 **Trust or Trust Agreement** shall mean the separate agreement or agreements between the Company and the Trustee governing the creation of the Trust Fund, and all amendments thereto.

1.28 **Trustee** shall mean the party or parties so designated from time to time pursuant to the terms of the Trust Agreement.

1.29 **Trust Fund** shall mean the total amount of cash and other property held by the Trustee (or any nominee thereof) at any time under the Trust Agreement.

1.30 Years of Credited Service shall mean, with respect to a Participant, the number of twelve (12) month periods during which such Participant is continuously employed by the Company or an Affiliate, commencing on the later of (A) June 20, 1990 or (B) the Participant's Employment Commencement Date. Years of Credited Service shall be counted in whole and partial years with any partial year being equal to a fraction, the numerator of which is the number of full months of employment completed in the partial year, and the denominator of which is twelve (12). Notwithstanding the foregoing, Martin Richenhagen shall be credited with no less than five (5) Years of Credited Service for purposes of the Plan.

ARTICLE II
ELIGIBILITY

2.1 Selection of Participants.

The Board, in its sole discretion, shall designate which Eligible Employees shall become Participants in the Plan. The Administrative Committee shall set forth the name of each Participant on Schedule A hereto. Notwithstanding anything herein to the contrary, all aspects of the selection of Participants shall be in the sole discretion of the Board and regardless of title, duties or any other factors, there shall be no requirement whatsoever that any individual or group of individuals be allowed to participate herein.

2.2 Removal from Active Participation.

The Board may at any time remove a Participant from active participation in the Plan, such that he shall not be credited with additional years of Credited Service and his Accrued Benefit shall not continue to increase.

ARTICLE III
BENEFITS

3.1 Benefit Amount.

(a) **Vesting.** A Participant will be fully vested in his or her Accrued Benefit when the Participant has attained age fifty (50) with at least ten (10) years of Credited Service, five (5) years of which the Participant has been a Participant in the Plan. Except as provided in Section 3.3 or Section 3.5 below, upon a Participant's Separation from Service for any reason before Participant has attained age fifty (50) with at least ten (10) years of Credited Service, five (5) years of which the Participant has been a Participant in the Plan, neither the Participant nor his Designated Beneficiary shall be entitled to any benefit or payment under the Plan.

(b) **Normal Retirement Benefit**. If a Participant experiences a Separation from Service before the Participant's death and is otherwise vested in his Accrued Benefit as set forth in Section 3.1(a), the Participant shall be entitled to receive his Accrued Benefit. Such benefit shall be paid in accordance with Section 3.2 below.

(c) **Death Benefit**. If a Participant dies while employed by the Company or any Affiliate and is otherwise vested in his Accrued Benefit as set forth in Section 3.1(a), the Participant's Designated Beneficiary, as applicable, shall be entitled to receive his Accrued Benefit in an amount equal to the Actuarial Equivalent of his Accrued Benefit determined as of the date of his death, adjusted to reflect commencement of the Accrued Benefit prior to his Normal Retirement Age, if applicable. Such benefit shall be paid in accordance with Section 3.2.

(d) **Reemployment.** If a Participant who separates from service and commences receipt of his Accrued Benefit is subsequently reemployed by the Company, such Participant may be treated as newly eligible to participate in the Plan but shall receive no credit for prior service under the Plan and the Participant's Accrued Benefit shall continue to be paid pursuant to the terms of the Plan.

3.2 Payment of Benefit.

(a) **Commencement and Timing**. Except as otherwise provided in Section 3.3 below, a Participant's Accrued Benefit determined under Section 3.1(b) shall commence as of the later of the beginning of the seventh (7th) month following the Participant's Separation from Service or the Benefit Commencement Date. Notwithstanding anything in the Plan to the contrary, during the period between the Participant's Benefit Commencement Date and the date on which payments begin under this Section 3.2, the payments to which the Participant would have been entitled during such period if payments had begun on the Benefit Commencement Date shall be accumulated and paid to the Participant with Interest in a lump sum as of the beginning of the seventh (7th) month after the Participant's Separation from Service. Remaining monthly payments, if any, due under the terms of the Plan shall be paid in the normal course after the beginning of the seventh (7th) month after the Participant's Separation from Service. A Participant's Accrued Benefit determined under Section 3.1(c) shall commence on the Participant's Benefit Commencement Date if such Benefit Commencement Date occurs by reason of the Participant's death while employed by the Company or an Affiliate.

(b) **Form of Payment of Benefit**.

Except as otherwise provided herein or in Section 3.3 below, a Participant's Accrued Benefit determined under Section 3.1(b) or (c) shall be an annual amount, payable in twelve (12) equal monthly payments, for fifteen (15) years certain. Notwithstanding the foregoing, a Participant whose Accrued Benefit was in pay status as of immediately before January 1, 2008 shall continue to be paid in accordance with the form of payment as determined under the terms of the Plan at the time payments began.

3.3 Change in Control.

In the event of a Change in Control of the Company, every Participant shall become fully vested in the total amount of his Accrued Benefit determined as of the date the Change in Control occurs so long as the Participant is employed by the Company or any Affiliate at the time of the Change in Control. If within twenty-four (24) months after a Change in Control a Participant has a Separation from Service or dies while employed by the Company or any

Affiliate, he shall be entitled to a lump-sum payment on the first day of the seventh (7^{th}) month following the date the Participant has a Separation from Service or, in case of death, on the Benefit Commencement Date, equal to (i) the Actuarial Equivalent of the Participant's Accrued Benefit, determined as of the date of his Separation from Service or death, adjusted to reflect the lump sum form of payment and commencement of the Participant's benefit prior to his Normal Retirement Age, if applicable, plus (ii) Interest on such amount accrued from the date of the Benefit Commencement Date until the date payment is to be made, if later than the Benefit Commencement Date. If the Participant has a Separation from Service or dies while employed by the Company or any Affiliate more than twenty-four (24) months after the Change in Control, the Participant shall be entitled to receive his Accrued Benefit in accordance with Section 3.2 above. Notwithstanding anything in the Plan to the contrary, if a Participant is receiving his Accrued Benefit as of the date a Change in Control occurs, the remaining portion of his Accrued Benefit shall be distributed immediately in a lump sum payment adjusted to reflect the conversion of a stream of payments for the remainder of the fifteen (15) years certain to the Actuarial Equivalent of a lump sum form of payment.

3.4 Death Benefit.

In the event a Participant is entitled to an Accrued Benefit under this Plan and dies before he has received the entirety of his Accrued Benefit under Section 3.2 or 3.3, then the undistributed payments of the Participant's Accrued Benefit as of the date of the Participant's death shall be paid to the Participant's Designated Beneficiary in the form the Participant would have received.

3.5 Special CEO Provisions.

In the event (a) Martin Richenhagen has a Separation from Service due to termination by the Company without "Cause" (as defined in the employment agreement between Mr. Richenhagen and the Company, as amended and restated effective as of January 1, 2008 (the "Richenhagen Employment Agreement") or (b) Mr. Richenhagen has a Separation from Service for "Good Reason" (as defined in the Richenhagen Employment Agreement) or due to nonrenewal of the Richenhagen Employment Agreement, Mr. Richenhagen shall become fully vested in the total amount of his Accrued Benefit determined as of the date the Separation from Service occurs.

ARTICLE IV
CLAIMS

4.1 Claims Procedure. Claims for benefits under the Plan may be filed with the Administrative Committee. Written or electronic notice of the disposition of a claim shall be furnished to the claimant within ninety (90) days after the claim is filed. If additional time (up to ninety (90) days) is required by the Administrative Committee to process the claim, written notice shall be provided to the claimant within the initial ninety (90) day period. In such event, written notice of the extension shall be furnished to the claimant within the initial thirty (30) day extension period. Any extension notice shall indicate the special circumstances requiring an extension of time and the date by which the Administrative Committee expects to render a determination.

In the event the claim is denied in whole or in part, the notice shall set forth in language calculated to be understood by the claimant:

(i) the specific reason or reasons for the denial,

(ii) specific reference to pertinent Plan provisions on which the denial is based,

(iii) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary, and

(iv) a description of the Plan's review procedures and the time limits applicable to such procedures, including a statement of the claimant's right, if any, to bring a civil action under section 502(a) of the ERISA, following an adverse benefit determination on review.

4.2 Claims Review Procedure. Any Participant or beneficiary or beneficiaries who has been denied a benefit by a decision of the Administrative Committee pursuant to Section 4.1 shall be entitled to request the Administrative Committee, to give further consideration to his or her claim by filing a written application for review with the Administrative Committee no later than sixty (60) days after receipt of the written notification provided for in Section 4.1. The claimant may submit written comments, documents, records, and other information relating to the claim for benefits which will all be taken into account during the review of the claim, whether or not such information was submitted or considered in the initial benefit determination. The claimant shall be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claimant's claim for benefits.

Upon receiving such written application for review, the Administrative Committee may schedule a hearing for purposes of reviewing the claimant's claim, which hearing shall take place not more than thirty (30) days from the date on which the Administrative Committee received such written application for review. All claimants requesting a review of the decision denying their claim for benefits may employ counsel for purposes of the hearing.

Written or electronic notice of the disposition of a claim shall be furnished to the claimant within sixty (60) days after the application for review is filed. If additional time (up to sixty (60) days) is required by the Administrative Committee to process the claim, written notice shall be provided to the claimant within the initial sixty (60) day period. The extension notice shall indicate the special circumstances requiring an extension of time and the date by which the Administrative Committee expects to render a determination.

In the case of an adverse determination, the decision on review shall include specific reasons for the decision, in a manner calculated to be understood by the claimant, and specific references to the pertinent Plan provisions on which the decision is based. The decision on review shall also include:

(i) a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claimant's claim for benefits, and

(ii) a statement describing any voluntary appeal procedures offered by the Plan, and a statement of the claimant's right, if any, to bring an action under Section 502(a) of ERISA.

Any suit or other cause of action relating to a claim for benefits under the Plan must be brought within ninety (90) days of the adverse determination on review or such suit or cause of action shall be forever barred.

ARTICLE V
SOURCE OF FUNDS TRUST

5.1 Source of Funds.

Except as provided in this Section and Section 5.2, the Company shall provide the benefits described in the Plan from the general assets of the Company. In any event, the Company ultimately shall have the obligation to pay all benefits due to Participants and Designated Beneficiaries under the Plan. The Company's obligation to pay benefits under the Plan constitutes a mere promise of the Company to pay such benefits, and a Participant or Designated Beneficiary shall be and remain no more than an unsecured, general creditor of the Company. As described in this Article, the Company may establish a Trust and pay over funds from time to time to such Trust. To the extent that funds in such Trust allocable to the benefits payable under the Plan are sufficient, the Trust assets shall be used to pay benefits under the Plan. If such Trust assets are not sufficient to pay all benefits due under the Plan, then the Company shall have the obligation, and the Participant or Designated Beneficiary, who is due such benefits, shall look to the Company to provide such benefits. The Administrative Committee shall allocate the total liability to pay benefits under the Plan among the Participating Companies in such manner and amount as the Administrative Committee in its sole discretion deems appropriate to reflect the benefits accrued by each Participating Company's employees.

5.2 Trust.

The Company may transfer all or any portion of the funds necessary to fund benefits accrued hereunder to the Trustee to be held and administered by the Trustee pursuant to the terms of the Trust Agreement, except during any "restricted period" as defined in Code Section 409A(b)(3)(B) with respect to a single-employer defined benefit plan of the Company or any Affiliate. To the extent provided in the Trust Agreement, each transfer into the Trust Fund shall be irrevocable as long as the Company has any liability or obligations under the Plan to pay benefits, such that the Trust property is in no way subject to use by the Company; provided, it is the intent of the Company that the assets held by the Trust are and shall remain at all times subject to the claims of the general creditors of the Company. No Participant or Designated Beneficiary shall have any interest in the assets held by the Trust or in the general assets of the Company other than as a general, unsecured creditor. Accordingly, the Company shall not grant a security interest in the assets held by the Trust in favor of the Participants, Designated Beneficiaries or any creditor. The Trust Fund and all assets thereunder, if any, shall at all times be held in the United States. Additionally, in no event shall any such assets become restricted to the provision of benefits under the Plan in connection with (a) a change in the financial health of the Company, regardless of whether such assets are available to satisfy the claims of general creditors of the Company or (b) during any "restricted period" as defined in Code Section 409A(b)(3)(B) with respect to a single-employer defined benefit plan of the Company or any Affiliate.

ARTICLE VI
ADMINISTRATIVE COMMITTEE

6.1 Action.

Action of the Administrative Committee may be taken with or without a meeting of committee members; provided, action shall be taken only upon the vote or other affirmative expression of a majority of the committee members qualified to vote with respect to such action. If a member of the Administrative Committee is a Participant, he shall not participate in any decision which solely affects his own benefit under the Plan. For purposes of administering the Plan, the Administrative Committee shall choose a secretary who shall keep minutes of the Administrative Committee's proceedings and all records and documents pertaining to the administration of the Plan. The secretary may execute any certificate or any other written direction on behalf of the Administrative Committee.

6.2 Rights and Duties.

The Administrative Committee shall administer the Plan and shall have all powers necessary to accomplish that purpose, including (but not limited to) the following:

(a) To construe, interpret and administer the Plan;

(b) To make determinations required by the Plan, and to maintain records regarding Participants and Designated Beneficiaries' benefits hereunder;

(c) To compute and certify to the Company the amount and kinds of benefits payable to Participants and Designated Beneficiaries and to determine the time and manner in which such benefits are to be paid;

(d) To authorize all disbursements by the Company pursuant to the Plan;

(e) To maintain all the necessary records of the administration of the Plan;

(f) To make and publish such rules for the regulation of the Plan as are not inconsistent with the terms hereof;

(g) To delegate to other individuals or entities from time to time the performance of any of its duties or responsibilities hereunder;

(h) To hire agents, accountants, actuaries, consultants and legal counsel to assist in operating and administering the Plan.

The Administrative Committee shall have the exclusive right to construe and to interpret the Plan, to decide all questions of eligibility for benefits and to determine the amount of such benefits, and its decisions on such matters are final and conclusive on all parties.

6.3 Compensation, Indemnity and Liability.

The Administrative Committee and its members shall serve as such without bond and without compensation for services hereunder. All expenses of the Administrative Committee shall be paid by the Company. No member of the Administrative Committee shall be liable for any act or omission of any other member of the Administrative Committee, nor for any act or omission on his own part, excepting his own willful misconduct. The Company shall indemnify and hold harmless the Administrative Committee and each member thereof against any and all expenses and liabilities, including reasonable legal fees and expenses, arising out of his membership on the Administrative Committee, excepting only expenses and liabilities arising out of his own willful misconduct.

6.4 Taxes.

A Participant's or Designated Beneficiary's Accrued Benefit hereunder shall be reduced by (1) the amount necessary to pay the tax due under the Federal Insurance Contributions Act with respect to the Accrued Benefit determined upon the Benefit Commencement Date (or such other date as is applicable under Treasury Regulation Section 31.3121(v)(2)-1) and (2) the amount estimated to pay the Federal and State income tax withholding liability due.

ARTICLE VII
AMENDMENT AND TERMINATION

7.1 Amendments.

The Board shall have the right to amend the Plan in whole or in part at any time and from time to time. An amendment to the Plan may modify its terms in any respect whatsoever (including freezing future benefit accruals); provided, no amendment may decrease the level of a Participant's benefit or adversely affect a Participant's or Designated Beneficiary's rights to benefits that already have accrued. The terms of the Plan as amended as of the Effective Date are intended to comply with this Section 7.1.

7.2 Termination of Plan.

The Board shall have the right to terminate the Plan at any time for any reason. If the Plan is terminated, each Participant's benefit under the Plan will be frozen and will be paid under the conditions, at the time and in the form, specified under the terms of the Plan unless earlier payment of such benefits is permitted by Code Section 409A, in which case the Board in its discretion may provide for such earlier payment of Participant's Accrued Benefits, adjusted to reflect commencement of the Accrued Benefit prior to Normal Retirement Age and, if applicable, any lump sum form of payment. Termination of the Plan shall be binding on all Participants and Designated Beneficiaries.

ARTICLE VIII
MISCELLANEOUS

8.1 Taxation.

It is the intention of the Company that the benefits payable hereunder shall not be deductible by the Company nor taxable for federal income tax purposes to Participants and Designated Beneficiaries until such benefits are paid by the Company, or by the Trust, as the case may be, to such Participants and Designated Beneficiaries. When such benefits are so paid, it is the intention of the Company that they shall be deductible by the Company under Code Section 162.

8.2 No Employment Contract.

Nothing herein contained is intended to be nor shall be construed as constituting a contract arrangement between the Company and any Participant to the effect that the Participant will be employed by the Company for any specific period of time.

8.3 Headings.

The headings of the various articles and sections in the Plan are solely for convenience and shall not be relied upon in construing any provisions hereof. Any reference to a section shall refer to a section of the Plan unless specified otherwise.

8.4 Gender and Number.

Use of any gender in the Plan will be deemed to include all genders when appropriate, and use of the singular number will be deemed to include the plural when appropriate, and vice versa in each instance.

8.5 Assignment of Benefits.

The right of a Participant or any other person to receive payments under the Plan shall not be assigned, transferred, pledged or encumbered, except by will or by the laws of descent and distribution and then only to the extent permitted under the terms of the Plan.

8.6 Legally Incompetent.

The Administrative Committee, in its sole discretion, may direct that payment be made to an incompetent or disabled person, whether because of minority or mental or physical disability, to the guardian of such person or to the person having custody of such person, without further liability on the part of the Administrative Committee, the Company or any Affiliate for the amount of such payment to the person on whose account such payment is made.

8.7 Governing Law.

The Plan shall be construed, administered and governed in all respects in accordance with applicable federal law and, to the extent not preempted by federal law, in accordance with the laws of the State of Georgia. If any provisions of this instrument shall be held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions hereof shall continue to be fully effective.

8.8 Omnibus 409A Provision.

Notwithstanding any other provision of this Plan, it is intended that any payment provided pursuant to or in connection with this Plan shall be provided and paid in a manner, and at such time, and in such form, as complies with the applicable requirements of Code Section 409A to avoid the unfavorable tax consequences provided therein for non-compliance. Notwithstanding any other provision of this Plan, the Board is authorized to amend this Plan and/or to delay the payment of any monies as may be determined by it to be necessary or appropriate to comply, or to evidence or further evidence required compliance, with Code Section 409A.

IN WITNESS WHEREOF, the Company has caused the Plan to be executed by its duly authorized officer as of the day and year first above written.

AGCO CORPORATION

By: ______________________________

Title: ______________________________

SCHEDULE A

PARTICIPANTS

Exhibit 10.3

AGCO CORPORATION
2006 LONG-TERM INCENTIVE PLAN

(AS AMENDED AND RESTATED EFFECTIVE JANUARY 1, 2008)

AGCO CORPORATION
2006 LONG-TERM INCENTIVE PLAN
(AS AMENDED AND RESTATED EFFECTIVE JANUARY 1, 2008)

The AGCO Corporation 2006 Long-Term Incentive Plan has been established by AGCO Corporation to (a) attract and retain persons eligible to participate in the Plan; (b) motivate Participants, by means of appropriate incentives, to achieve long-range goals; (c) provide incentive compensation opportunities that are competitive with those of other similar companies; and (d) further identify Participants' interests with those of the Company's other shareholders through compensation that is based on the Company's common stock; and thereby promote the long-term financial interest of the Company and the Subsidiaries, including the growth in value of the Company's equity and enhancement of long-term shareholder return.

ARTICLE I
GENERAL

1.1 Participation. Subject to the terms and conditions of the Plan, the Committee shall determine and designate, from time to time, from among the Eligible Individuals (including transferees of Eligible Individuals to the extent the transfer is permitted by the Plan and the applicable Award Agreement), those persons who will be granted one or more Awards under the Plan, and thereby become Participants in the Plan. In the discretion of the Committee, a Participant may be granted any Award permitted under the provisions of the Plan, and more than one Award may be granted to a Participant.

1.2 Operation, Administration, and Definitions. The operation and administration of the Plan, including the Awards made under the Plan, shall be subject to the provisions of Section 6 (relating to operation and administration). Capitalized terms in the Plan shall be defined as set forth in the Plan (including the definition provisions of Article II of the Plan).

ARTICLE II
DEFINED TERMS

In addition to the other definitions contained herein, the following definitions shall apply:

2.1 Award. The term "Award" means any award or benefit granted under the Plan, including, without limitation, the grant of Options, SARs, Restricted Stock Awards and Performance Share Awards.

2.2 Award Agreement. The term "Award Agreement" is defined in Section 5.2.

2.3 Board. The term "Board" means the Board of Directors of the Company.

2.4 Change in Control. The term "Change in Control" shall mean a change in the ownership of the Company, change in the effective control of the Company or change in ownership of a substantial portion of the Company's assets, as described in Section 409A of the Code, including each of the following:

(a) A change in the ownership of the Company occurs on the date that any one person, or more than one person acting as a group, acquires ownership of stock of the Company that, together with stock held by such person or group, possess more than fifty percent (50%) of the total fair market value or total voting power of the stock of the Company (not including where any one person, or more than one person acting as a group, who is considered to own more than fifty percent (50%) of the total fair market value or total voting power of the stock of the Company, acquires additional stock).

(b) A change in the effective control of the Company is presumed (which presumption may be rebutted by the Committee) to occur on the date that: any one person, or more than one person acting as a group, acquires (or has acquired during the twelve (12)-month period ending on the date of the most recent acquisition by such person or persons) ownership of stock of the Company possessing thirty percent (30%) or more of the total voting power of the stock of the Company, or a majority of the members of the Board is replaced during any twelve (12)-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election of such new directors.

(c) A change in the ownership of a substantial portion of the Company's assets occurs on the date that any one person, or more than one person acting as a group, acquires (or has acquired during the twelve (12)-month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total fair market value equal to or more than forty percent (40%) of the total fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions unless the assets are transferred to (i) a stockholder of the Company (immediately before the asset transfer) in exchange for or with respect to its stock, (ii) an entity, fifty percent (50%) or more of the total value or voting power of which is owned, directly or indirectly by the Company, (iii) a person, or more than one person acting as a group, that owns, directly or indirectly, fifty percent (50%) or more of the total value or voting power of all of the outstanding stock of the Company, or (iv) an entity, at least fifty percent (50%) of the total value or voting power of which is owned, directly or indirectly, by a person, or more than one person acting as a group, that owns directly or indirectly, fifty percent (50%) or more of the total value or voting power of all of the outstanding stock of the Company.

2.5 Code. The term "Code" means the Internal Revenue Code of 1986, as amended. A reference to any provision of the Code shall include reference to any successor provision of the Code.

2.6 Committee. The term "Committee" is defined in Section 8.1.

2.7 Company. The term "Company" means AGCO Corporation, a Delaware corporation.

2.8 Effective Date. The term "Effective Date" means January 1, 2006.

2.9 Eligible Individual. The term “Eligible Individual” means any employee of the Company or a Subsidiary and any Board member, consultant or other person providing services to the Company or a Subsidiary. An Award may be granted to an individual, in connection with hiring, retention or otherwise, prior to the date the employee first performs services for the Company or the Subsidiaries, provided that such Awards shall not become effective prior to the date the individual first performs such services. However, only employees of the Company or any Subsidiary shall be considered Eligible Individuals with respect to Incentive Stock Options.

2.10 Exchange Act. The term “Exchange Act” means the Securities Exchange Act of 1934, as amended.

2.11 Exercise Price. The term “Exercise Price” is defined in Section 3.1.

2.12 Fair Market Value. The term “Fair Market Value” means, for any particular date:

(a) for any period during which the Stock shall be listed for trading on a national securities exchange, the closing price per share of stock on such exchange, or

(b) for any period during which the Stock shall not be listed for trading on a national securities exchange, but when prices for the Stock shall be reported by the National Market System of the National Association of Securities Dealers Automated Quotation System (“NASDAQ”), the last transaction price per share as quoted by National Market System of NASDAQ, or

(c) for any period during which the Stock shall not be listed for trading on a national securities exchange or its price reported by the National Market System of NASDAQ, but when prices for the Stock shall be reported by NASDAQ, the closing bid price as reported by the NASDAQ, or

(d) in the event neither Section 2.12 (a), (b) or (c) above shall be applicable, the market price per share of Stock as determined in good faith by the Committee using a reasonable valuation method based on the facts and circumstances on the valuation date; provided, however, that the use of a value per share of stock previously calculated shall not be reasonable if, as of the date of grant, such valuation fails to reflect information available after the date of valuation that may materially affect the value of the Company or if the valuation per share of stock was calculated on a date more than twelve (12) months prior to the date of grant.

If Fair Market Value is to be determined as of a day when the securities markets are not open, the Fair Market Value on that day shall be the Fair Market Value on the preceding day when the markets were open. The provisions of this Section 2.12 shall be interpreted in accordance with Section 409A of the Code and the regulations issued thereunder and applicable accounting principles.

2.13 Incentive Stock Option. The term “Incentive Stock Option” means an Option that is intended to satisfy the requirements applicable to an “incentive stock option” described in section 422(b) of the Code.

2.14 Non-Qualified Option. The term “Non-Qualified Option” means an Option that is not intended to be an “incentive stock option” as that term is described in section 422(b) of the Code.

2.15 Option. The term “Option” means either an Incentive Stock Option or a Non-Qualified Option and the grant of an Option entitles the Participant to purchase shares of Stock at an Exercise Price established by the Committee.

2.16 Participant. The term “Participant” means those Eligible Individuals who are granted one or more Awards under the Plan.

2.17 Performance Measures. The term “Performance Measures” means the measurable performance objectives, if any, established by the Committee for a Performance Period that are to be achieved with respect to an Award granted to a Participant under the Plan. Performance Measures may be described in terms of Company-wide objectives or in terms of objectives that are related to performance of the division, Subsidiary, department or function within the Company or a Subsidiary in which the Participant receiving the Award is employed or on which the Participant’s efforts have the most influence. The achievement of the Performance Measures established by the Committee for any Performance Period will be determined without regard to the effect on such Performance Measures of any acquisition or disposition by the Company of a trade or business, or of substantially all of the assets of a trade or business, during the Performance Period and without regard to any change in accounting standards by the Financial Accounting Standards Board or any successor entity. The Performance Measures established by the Committee for any Performance Period under the Plan will consist of one or more of the following:

(1) earnings per share and/or growth in earnings per share in relation to target objectives, excluding the effect of extraordinary or nonrecurring items;

(2) operating cash flow and/or growth in operating cash flow in relation to target objectives;

(3) cash available in relation to target objectives;

(4) net income and/or growth in net income in relation to target objectives, excluding the effect of extraordinary or nonrecurring items;

(5) revenue and/or growth in revenue in relation to target objectives;

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

(7) return on invested capital in relation to target objectives;

(8) return on shareholder equity in relation to target objectives;

(9) return on assets in relation to target objectives; and

(10) return on common book equity in relation to target objectives.

If the Committee determines that, as a result of a change in the business, operations, corporate structure or capital structure of the Company, or the manner in which the Company conducts its business, or any other events or circumstances, the Performance Measures are no longer suitable, the Committee may in its discretion modify such Performance Measures or the related minimum acceptable level of achievement, in whole or in part, with respect to a period as the Committee deems appropriate and equitable, except where such action would result in the loss of the otherwise available exemption of the Award under Section 162(m) of the Code, if applicable. In such case, the Committee will not make any modification of the Performance Measures or minimum acceptable level of achievement.

2.18 Performance Period. The term "Performance Period" means with respect to an Award, a period of not less than one (1) year within which the Performance Measures relating to such Award are to be measured. Notwithstanding the foregoing, up to 250,000 Performance Shares may have Performance Periods that are less than one (1) year. The Performance Period will be established by the Committee at the time the Award is granted.

2.19 Performance Share. The term "Performance Share" means an Award that is a grant of a right to receive shares of Stock that is contingent on the achievement of performance or other objectives during a specified period.

2.20 Plan. The Term "Plan" means the 2006 AGCO Corporation Long-Term Incentive Plan as amended and/or restated from time to time.

2.21 Restricted Stock. The term "Restricted Stock" means an Award that is a grant of shares of Stock with such shares of Stock subject to a risk of forfeiture or other restrictions or conditions that will lapse over a specified period or upon the achievement of one or more goals relating to completion of service by the Participant, or achievement of performance or other objectives, as determined by the Committee.

2.22 SAR. The term "SAR" means a stock appreciation right and the grant of a SAR entitles the Participant to receive, in cash or Stock (as determined in accordance with subsection 3.4), value equal to (or otherwise based on) the excess of: (a) the Fair Market Value of a specified number of shares of Stock at the time of exercise; over (b) an Exercise Price established by the Committee.

2.23 Subsidiaries. The term "Subsidiary" means any corporation during any period in which it is a "subsidiary corporation" (as that term is defined in Code Section 424(f)) with respect to the Company.

2.24 Stock. The term “Stock” means shares of common stock of the Company, par value $.01 per share.

2.25 Ten Percent Shareholder. The term “Ten Percent Shareholder” means an individual shareholder of the Company owning stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or any parent or Subsidiary. For purposes of the preceding sentence, the rules of Section 424 of the Code shall apply in determining stock ownership.

ARTICLE III
OPTIONS AND SARS

3.1 Exercise Price. The “Exercise Price” of each Option and SAR granted under this Article 3 shall be established by the Committee or shall be determined by a method established by the Committee at the time the Option or SAR is granted; except that the Exercise Price shall not be less than one-hundred percent (100%) of the Fair Market Value of a share of Stock on the date of grant (one-hundred and ten percent (110%) of the Fair Market Value on such date in the event of an Incentive Stock Option granted to a Participant who is a Ten Percent Shareholder).

3.2 Exercise. An Option and a SAR shall be exercisable in accordance with such terms and conditions and during such periods as may be established by the Committee. Notwithstanding the foregoing, no Incentive Stock Options may be exercisable more than ten (10) years after the date of grant (five (5) years after the date of grant in the event of Incentive Stock Options granted to a Participant who is a Ten Percent Shareholder).

3.3 Payment of Option Exercise Price. The payment of the Exercise Price of an Option granted under this Article 3 shall be subject to the following:

(a) Subject to the following provisions of this Section 3.3, the full Exercise Price for shares of Stock purchased upon the exercise of any Option shall be paid at the time of such exercise (except that, in the case of an exercise arrangement approved by the Committee and described in Section 3.3(c), payment may be made as soon as practicable after the exercise).

(b) The Exercise Price shall be payable in cash or by tendering, by either actual delivery of shares or by attestation, shares of Stock acceptable to the Committee, and valued at Fair Market Value as of the day of exercise, or in any combination thereof, as determined by the Committee.

(c) The Committee may permit a Participant to elect to pay the Exercise Price upon the exercise of an Option by irrevocably authorizing a third party to sell shares of Stock (or a sufficient portion of the shares) acquired upon exercise of the Option and remit to the Company a sufficient portion of the sale proceeds to pay the entire Exercise Price and any minimum tax withholding resulting from such exercise.

3.4 Settlement of Award. Shares of Stock delivered pursuant to the exercise of an Option or SAR shall be subject to such conditions, restrictions and contingencies as the

Committee may establish in the applicable Award Agreement. Settlement of SARs may be made in shares of Stock (valued at their Fair Market Value at the time of exercise), in cash, or in a combination thereof, as determined in the discretion of the Committee. The Committee, in its discretion, may impose such conditions, restrictions and contingencies with respect to shares of Stock acquired pursuant to the exercise of an Option or a SAR as the Committee determines to be desirable.

3.5 Incentive Stock Option Limits. To the extent the aggregate Fair Market Value of Stock with respect to which Incentive Stock Options (whether granted under this Plan or any other plan of the Company or any parent or Subsidiary of the Company) are first exercisable by any Participant during any calendar year exceeds $100,000, such Options, to the extent of the excess, shall be treated as Non-Qualified Options.

ARTICLE IV
PERFORMANCE SHARE AWARDS

At the time a Performance Share Award is granted, the Committee may designate whether such Performance Share Award being granted to the Participant is intended to be "performance-based compensation" as that term is used in section 162(m) of the Code. Any such Performance Share Awards designated as intended to be "performance-based compensation" shall be conditioned on the achievement of one or more Performance Measures, over a specified Performance Period. Prior to payment of such Performance Shares, the Committee must certify in writing that the Performance Measures and other material terms of the Award were in fact satisfied.

For Performance Share Awards intended to be "performance-based compensation," the grant of the Awards and the establishment of the Performance Measures shall be made during the period required under Section 162(m) of the Code.

ARTICLE V
TERMS AND CONDITIONS OF ALL AWARDS

5.1 The number of shares of Stock as to which a Award may be granted will be determined by the Committee in its sole discretion, subject to the provisions of Section 6.2(a) as to the total number of shares available for grants under the Plan and subject to the limits on Options and SARs in the following sentence. On such date as required by Section 162(m) of the Code and the regulations thereunder for compensation to be treated as qualified performance-based compensation, the maximum number of shares of Stock with respect to which Options, SARs, Restricted Stock Awards or Performance Shares may be granted during any calendar year period to any Participant may not exceed five-hundred thousand (500,000). If, after grant, an Award is cancelled, the cancelled Award shall continue to be counted against the maximum number of shares for which options may be granted to Participant as described in this Section 5.1.

5.2 Each Award will either be evidenced by an "Award Agreement" in such form and containing such terms, conditions and restrictions as the Committee may determine to be appropriate, including without limitation, Performance Goals that must be achieved as a condition to vesting or payment of the Award, or be made subject to the terms of an Award program, containing such terms, conditions and restrictions as the Committee may determine to be appropriate, including without limitation, Performance Goals that must be achieved as a condition to vesting or payment of the Award. Each Award Agreement or Award program is subject to the terms of the Plan and any provisions contained in the Award Agreement or Award program that is inconsistent with the Plan are null and void.

5.3 The date an Award is granted will be the date on which the Committee has approved the terms and conditions of the Award and has determined the recipient of the Award and the number of shares covered by the Award, and has taken all such other actions necessary to complete the grant of the Award.

5.4 The terms of an Award may provide that the Award will be forfeited and that the Participant will be obligated to turn over to the Company the proceeds of an Award in the event that the Participant violates any post-termination obligations that the Participant has to the Company or any Subsidiary including, without limitation, any obligation not to compete with the Company or any Subsidiary (regardless of whether such obligation is enforceable under applicable law), not to solicit employees, customers or clients of the Company or any Subsidiary, to maintain the confidentiality of information belonging to the Company or any Subsidiary, or not to disparage the Company or any Subsidiary or any of their affiliates.

ARTICLE VI
OPERATION AND ADMINISTRATION

6.1 Effective Date. The Plan became effective as of the Effective Date and was previously approved by the shareholders of the Company. Awards granted under the Plan prior to approval by the shareholders that were contingent on such approval are effective. The Plan, as amended and restated, is effective as of January 1, 2008 and does not require further shareholder approval. The Plan shall be unlimited in duration and, in the event of Plan termination, shall remain in effect as long as any Awards under it are outstanding; provided, however, that, to the extent required by the Code, no Incentive Stock Option may be granted under the Plan on or after January 1, 2016.

6.2 Shares Subject to Plan. The shares of Stock for which Awards may be granted under the Plan shall be subject to the following:

(a) Subject to the following provisions of this subsection 6.2, the maximum number of shares of Stock that may be delivered to Participants and their beneficiaries under the Plan shall be five million (5,000,000).

(b) For purposes of calculating the total number of shares of Stock available under this Plan for grants of Awards, (i) the grant of an Award of Options, Restricted Stock Awards, SARs or a Performance Share Award shall be deemed to be equal to the maximum number of shares of Stock which may be issued under the Award, (ii) subject to the provisions of this Section 6.2 there shall again be available for Awards under this Plan all of the following: (A) shares of Stock represented by Awards which have been cancelled, forfeited, surrendered or terminated or which expire unexercised and (B) the excess portion of variable Awards, such as SARs and Performance Share Awards, which become fixed at less than their maximum limitations.

(c) If the Exercise Price of any stock option granted under the Plan or any prior equity incentive plan of the Company is satisfied by tendering shares of Stock to the Company (by either actual delivery or by attestation), only the number of shares of Stock issued net of the shares of Stock tendered shall be deemed delivered for purposes of determining the maximum number of shares of Stock for delivery under the Plan.

(d) Subject to Article VII, in the event of a corporate transaction involving the Company (including, without limitation, any stock dividend, stock split, extraordinary cash dividend, recapitalization, reorganization, merger, consolidation, split-up, spin-off, combination or exchange of shares), the Committee shall adjust Awards to preserve the benefits or potential benefits of the Awards. Action by the Committee may include: (i) adjustment of the number and kind of shares which may be delivered under the Plan and the applicable limits under the Plan; (ii) adjustment of the number and kind of shares subject to outstanding Awards; (iii) adjustment of the Exercise Price of outstanding Options and SARs; and (iv) any other adjustments that the Committee determines to be equitable; provided, however that any adjustments to the number of shares subject to an Award and the Exercise Price to be paid therefor, shall be proportionately adjusted to reflect such transaction and only such transaction on a pro rata basis such that the aggregate Exercise Price of such Awards, if any, is not less than the aggregate Exercise Price before such transaction. The foregoing adjustment and the manner of application of the foregoing provisions shall be determined by the Committee in its sole discretion and to the extent not prohibited under Section 409A of the Code and the regulations thereunder. Any such adjustment may provide for the elimination of any fractional share which might otherwise become subject to an Award.

6.3 General Restrictions. Delivery of shares of Stock or other amounts under the Plan shall be subject to the following:

(a) Notwithstanding any other provisions of the Plan, the Company shall have no liability to deliver any shares of Stock under the Plan or make any other distribution of benefits under the Plan unless such delivery or distribution would comply with all applicable laws (including, without limitation, the requirements of the Securities Act of 1933), and the applicable requirements of any securities exchange or similar entity.

(b) To the extent that the Plan provides for issuance of stock certificates to reflect the issuance of shares of Stock, the issuance may be effected on a non-certificated basis, to the extent not prohibited by applicable law or the applicable rules of any stock exchange.

6.4 Tax Withholding. All Awards under the Plan are subject to withholding or payment of all applicable taxes, and the Committee may condition the delivery of any shares or other benefits under the Plan on satisfaction of the applicable withholding obligations. The Committee, in its discretion, and subject to such requirements as the Committee may impose prior to the occurrence of such withholding, may permit such withholding obligations to be satisfied through cash payment by the Participant or through the surrender of shares of Stock to which the Participant is otherwise entitled under the Plan.

6.5 Section 409A of the Code. Notwithstanding anything to the contrary contained herein, Awards granted under this Plan are not intended to be treated as deferred compensation within the meaning of Section 409A of the Code. Towards that end, the Plan will be administered and construed by the Committee in a manner to fulfill such intent. Notwithstanding the foregoing, none of the Company, its Subsidiaries or the Committee shall be liable to any Participant if any Award fails to be exempt from, or to be in compliance with, Section 409A of the Code.

6.6 Use of Shares. Subject to the overall limitation on the number of shares of Stock that may be delivered under the Plan, the Committee may use available shares of Stock as the form of payment for compensation, grants or rights earned or due under any other compensation plans or arrangements of the Company or a Subsidiary, including the plans and arrangements of the Company or a Subsidiary assumed in business combinations.

6.7 Dividends and Dividend Equivalents. An Award other than an Option or SAR Award may provide the Participant with the right to receive dividend payments or dividend equivalent payments with respect to Stock subject to the Award (both before and after the Stock subject to the Award is earned, vested, or acquired), which payments may be either made currently or credited to an account for the Participant, and may be settled in cash or Stock as determined by the Committee. Any such settlements, and any such crediting of dividends or dividend equivalents or reinvestment in shares of Stock, may be subject to such conditions, restrictions and contingencies as the Committee shall establish, including the reinvestment of such credited amounts in Stock equivalents.

6.8 Payments. Awards may be settled through cash payments, the delivery of shares of Stock, or combination thereof, as the Committee shall determine provided that, in the case of Restricted Stock Awards and Performance Share Awards, such settlement shall be made within two and a half (2-1/2) months after the later of (i) the last day of the Participant’s taxable year during which the Award is no longer subject to a substantial risk of forfeiture or (ii) the last day of the Company’s taxable year during which the Award is no longer subject to a substantial risk of forfeiture. Any Award settlement, including payments thereof or delivery of Stock, may be subject to such conditions, restrictions and contingencies as the Committee shall determine. Each Subsidiary shall be liable for payment of cash due under the Plan with respect to any Participant to the extent that such benefits are attributable to the services rendered for that Subsidiary by the Participant. Any disputes relating to liability of a Subsidiary for cash payments shall be resolved by the Committee.

6.9 Transferability. Except as otherwise provided by the Committee, Awards under the Plan are not transferable except as designated by the Participant by will or by the laws of descent and distribution.

6.10 Form and Time of Elections. Unless otherwise specified herein, each election required or permitted to be made by any Participant or other person entitled to benefits under the Plan, and any permitted modification, or revocation thereof, shall be in writing filed with the Committee at such times, in such form, and subject to such restrictions and limitations, not inconsistent with the terms of the Plan, as the Committee shall require.

6.11 Action by Company or Subsidiary. Any action required or permitted to be taken by the Company or any Subsidiary shall be by resolution of its Board, or by action of one or more members of the Board (including a committee of the Board) who are duly authorized to act for the Board, or (except to the extent prohibited by applicable law or applicable rules of any stock exchange) by a duly authorized officer of such company.

6.12 Gender and Number. Where the context admits, words in any gender shall include any other gender, words in the singular shall include the plural and the plural shall include the singular.

6.13 Limitation of Implied Rights.

(a) Neither a Participant nor any other person shall, by reason of participation in the Plan, acquire any right in or title to any assets, funds or property of the Company or any Subsidiary whatsoever, including, without limitation, any specific funds, assets, or other property which the Company or any Subsidiary, in their sole discretion, may set aside in anticipation of a liability under the Plan. A Participant shall have only a contractual right to the Stock or amounts, if any, payable under the Plan, unsecured by any assets of the Company or any Subsidiary, and nothing contained in the Plan shall constitute a guarantee that the assets of the Company or any Subsidiary shall be sufficient to pay any benefits to any person.

(b) The Plan does not constitute a contract of employment or service, and selection as a Participant will not give any participating employee or service provider the right to be retained in the employ or service of the Company or any Subsidiary, nor any right to claim to any benefit under the Plan, unless such right or claim has specifically accrued under the terms of the Plan. Except as otherwise provided in the Plan, no Award under the Plan shall confer upon the holder thereof any rights as a shareholder of the Company prior to the date on which the individual fulfills all conditions for receipt of such rights and issuance of Stock to such individual.

6.14 Evidence. Evidence required of anyone under the Plan may be by certificate, affidavit, document or other information which the person acting on it considers pertinent and reliable, and signed, made or presented by the proper party or parties.

6.15 Governing Law. This Plan and all Awards granted hereunder shall be governed by the laws of the State of Delaware, except to the extent federal law applies.

ARTICLE VII
CHANGE IN CONTROL

Subject to the provisions of Section 6.2(d) (relating to the adjustment of shares), and except as otherwise provided in the Plan or the Award Agreement reflecting the applicable Award, upon the occurrence of a Change in Control: (a) all outstanding Options shall become fully exercisable; (b) all outstanding SARs shall become fully exercisable; and (c) all Restricted Stock and Performance Shares shall become fully vested.

Notwithstanding any provision of any Award Agreement, in the event of or in anticipation of a Change in Control, the Committee in its discretion may (a) declare that some or all outstanding Options, SARs and/or Restricted Stock Awards previously granted under the Plan, whether or not then exercisable or vested, shall terminate as of a date before or on the Change in Control without any payment to the holder thereof (other than repayment of the purchase price, if any, paid for Restricted Stock Awards), provided that, in the case of Options and SARs, the Committee gives prior written notice to the Participants of such termination and gives such Participants the right to exercise the outstanding Options or SARs for at least seven (7) days before such date to the extent then exercisable (or to the extent such Options or SARs would have been exercisable as of the Change in Control); (b) terminate before or on the Change in Control some or all outstanding Awards previously granted under the Plan, whether or not then exercisable, vested or earned and payable, in consideration of payment to the holder thereof, (i) with respect to each share of Stock for which the Option or SAR is then exercisable (or for which the Option or SAR would have been exercisable as of the Change in Control), of the excess, if any, of the Fair Market Value on such date of the Stock subject to such portion of the Option or SAR over the exercise or base price (provided that outstanding Options or SARs that are not then exercisable and that would not become exercisable on the Change in Control, and Options or SARs with respect to which the Fair Market Value of the Stock subject to the Options or SARs does not exceed the exercise or base price, shall be cancelled without any payment therefor), (ii) with respect to Restricted Stock Awards that are not then nonforfeitable and transferable (but that would have become nonforfeitable and transferable as of the Change in Control) in exchange for the payment equal to the difference between the then Fair Market Value of the shares of Stock subject to the Restricted Stock Award less the unpaid purchase price, if any, for such shares or (iii) with respect to Performance Shares that are not then earned and payable (but that would have become earned and payable as of the Change in Control) in exchange for a payment equal to the amount which would have been payable under such Performance Share Awards; (c) terminate before or on the Change in Control some or all outstanding Performance Share Awards previously granted under the Plan that are not then earned and payable (and that would not have become earned and payable as of the Change in Control) without any payment to the holder thereof or (d) take such other action as the Committee determines to be reasonable under the circumstances to permit the Participant to realize the value of the Award (which value for purposes of Awards that are not then exercisable, vested or payable and that would not become exercisable, vested or payable as of the Change in Control, and Options or SARs with respect to which the Fair Market Value of the Stock subject to the Options or SARs does not exceed the exercise or base price, shall be deemed to be zero). The payments described in (b) above may be made in any manner the Committee determines, including in cash, stock or other property (whether or not part of the consideration of the Change in Control). The Committee may take the actions described in (a) or (b) above with respect to Awards that are not then exercisable whether or not the Participant will receive any payment therefor. The Committee in its discretion may take any of the actions described in this Article VII contingent on consummation of the Change in Control and with respect to some or all outstanding Awards, whether or not then exercisable, vested or payable or on an Award-by-Award basis, which actions need not be uniform with respect to all outstanding Awards. However, the Awards shall not be terminated to the extent that written provision is made for their continuance, assumption or substitution by the Company or a successor employer or its parent or subsidiary in connection with the Change in Control.

ARTICLE VIII
COMMITTEE

8.1 Administration. The authority to control and manage the operation and administration of the Plan shall be vested in a committee (the "Committee") in accordance with this Article 8. So long as the Board has a Compensation Committee, the Compensation Committee shall constitute the committee unless expressly determined otherwise by the Board. In the event that the Board does not have a Compensation Committee or the Board expressly determines that the Compensation Committee shall not be the Committee, the members of the Committee shall be selected by the Board and the Committee shall be comprised of two or more members of the Board who are not employees, former employees or officers of the Company or receive remuneration from the Company in any capacity other than as a director. If the Committee does not exist, or for any other reason determined by the Board, the members of the Board deemed to meet such independence standards by the Board may take any action under the Plan that would otherwise be the responsibility of the Committee.

8.2 Powers of Committee. The Committee's administration of the Plan shall be subject to the following:

(a) Subject to the provisions of the Plan, the Committee will have the authority and discretion to select from among the Eligible Individuals those persons who shall receive Awards, to determine the time or times of receipt, to determine the types of Awards and the number of shares covered by the Awards, to establish the terms, conditions, performance criteria, restrictions, and other provisions of such Awards, and (subject to the restrictions imposed by Article IX) to cancel or suspend Awards.

(b) The Committee may, without amending the Plan, provide for different terms and conditions for the Awards granted to Participants who are foreign nationals or employed outside the United States in order to accommodate differences in laws, rules, regulations or customs of such foreign jurisdictions with respect to tax, securities, currency, employee benefit or other matters, and may make such awards pursuant to sub-plans and other appropriate means.

(c) The Committee will have the authority and discretion to interpret the Plan, to establish, amend, and rescind any rules and regulations relating to the Plan, to determine the terms and provisions of any Award Agreement made pursuant to the Plan, and to make all other determinations that may be necessary or advisable for the administration of the Plan.

(d) Any interpretations of the Plan by the Committee and any decisions made by it under the Plan are final and binding on all persons.

(e) In controlling and managing the operation and administration of the Plan, the Committee shall take action in a manner that conforms to the articles and by-laws of the Company and applicable state corporate law.

8.3 Delegation by Committee. Except to the extent prohibited by applicable law or the applicable rules of a stock exchange, the Committee may allocate all or any portion of its responsibilities and powers to any one or more of its members and may delegate all or any part of its responsibilities and powers to any person or persons selected by it. Any such allocation or delegation may be revoked by the Committee at any time.

8.4 Information to be Furnished to Committee. The Company and Subsidiaries shall furnish the Committee with such data and information as it determines may be required for it to discharge its duties. The records of the Company and Subsidiaries as to an employee's or Participant's employment, service, termination of employment or service, leave of absence, reemployment and compensation shall be conclusive on all persons unless determined by the Committee to be incorrect. Participants and other persons entitled to benefits under the Plan must furnish the Committee such evidence, data or information as the Committee considers desirable to carry out the terms of the Plan.

ARTICLE IX
AMENDMENT AND TERMINATION

The Board may, at any time, amend or terminate the Plan, provided that no amendment or termination may, in the absence of written consent to the change by the affected Participant (or, if the Participant is not then living, the affected beneficiary), materially adversely affect the rights of any Participant or beneficiary under any Award granted under the Plan prior to the date such amendment is adopted by the Board; provided that adjustments pursuant to Section 6.2(d) and amendments to allow the Plan and the Awards issued thereunder to comply with the provisions of Section 409A of the Code and the regulations and other applicable law thereunder or to be exempt from Section 409A of the Code shall not be subject to the foregoing limitations of this Article IX.

Notwithstanding the foregoing, no amendment that (i) materially increases the benefits accruing to Participants under the Plan, (ii) materially expands the definition of Eligible Individuals or (iii) otherwise requires shareholder approval under applicable laws or exchange rules shall be effective until such amendment has been approved by stockholders of the Company.

Exhibit 10.4

AGCO CORPORATION

AMENDED AND RESTATED
MANAGEMENT INCENTIVE PLAN

(EFFECTIVE JANUARY 1, 2008)

I. PURPOSE; EFFECTIVE DATE; PLAN YEAR

1.1 Purpose. Consistent with AGCO's compensation philosophy, the purpose of this Management Incentive Plan ("Plan") is to facilitate alignment of management with corporate objectives and shareholder interests, in order to achieve outstanding performance and to meet specific AGCO Corporation ("Corporation") financial goals. It is the intention of the Corporation to establish an incentive compensation plan where payments are competitive, tied to performance and offer shareholder protection, and assist with the attraction and retention of key management staff.

1.2 Effective Date. The Plan, as amended, will become effective as of January 1, 2008.

1.3 Plan Year. The "Plan Year" shall be the twelve (12)-month period ending December 31 of each year.

II. ADMINISTRATION OF THE PLAN

Subject to the provisions of the Plan, unless determined otherwise by the Corporation's Board of Directors, the Compensation Committee of the Board of Directors ("Committee") shall have the sole authority and discretion:

- To construe and interpret the Plan;
- To establish, amend, change, add to, alter and/or and rescind rules, regulations and guidelines for administration of the Plan;
- To make all designations and determinations specified in the Plan;
- Except as noted herein, to determine the amount of awards and payments to be made under the Plan and the status and rights of any Participant to payments under the Plan; and
- To decide all questions concerning the Plan and to make all other determinations and to take all other steps necessary or advisable for the administration of the Plan.

III. PLAN FUNDING

The Plan will be funded annually as a part of the Corporation's annual budgeting process.

IV. ELIGIBILITY

Participation is limited to key full-time personnel of the Corporation and its subsidiaries who have the ability to materially impact the financial success of the Corporation and have an acceptable performance review or rating. Management will select the participants each year with the approval of the Senior Vice President, Human Resources. Notwithstanding the foregoing, the Committee must approve all awards to elected officers of the Corporation. As a guideline, eligible jobs should fall in grades fourteen (14) and above. The Plan replaces any other type of bonus or non-qualified profit sharing program that a participant may have participated in previously.

V. AWARD OPPORTUNITY

Target incentive awards will be a percentage of a participant's salary for the Plan Year. The Committee may change the target award levels from time-to-time as it deems advisable. Initial target award levels are:

- CEO: 130%
- CFO: 100%
- GMs: 70%
- Other SVPs: 50%
- Other Participants: Not more than 40%

VI. PERFORMANCE CRITERIA AND GOALS

6.1 Performance Criteria. Awards under the Plan may be based upon corporate, regional/functional or personal goals. The Corporate portion must be a minimum of 50% of the total target award. Generally, three (3) to seven (7) performance measures will be used to measure performance, and will differ depending on participant's position with the Corporation. The initial performance measures are:

CEO and CFO	SVP/Regional General Managers	Other Participants
• Corporate: - EPS	• Corporate: - EPS	• Corporate: - EPS
- Free Cash Flow	- Free Cash Flow	- Free Cash Flow
- Customer Satisfaction	- Customer Satisfaction	- Customer Satisfaction
	• Functional/ Regional: - Varies	• Functional/ Regional: - Varies

6.2 Performance Measures.

Performance measures for executive officers ("Section 162(m) Officers"), who are, or reasonably could be expected during the Plan Year to be, among those subject to the deductibility limitations of Section 162(m) of the Internal Revenue Code ("Section 162(m)") shall consist of one (1) or more of the following, which may be applied on a company-wide, geographic or operating unit basis:

- Earnings per share and/or growth in earnings per share in relation to target objectives;
- Operating or free cash flow and/or growth in operating or free cash flow in relation to target objectives;
- Return on invested capital 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 the Common Stock) in relation to target objectives;
- Net income and/or growth in net income in relation to target objectives;
- Return on stockholders' equity in relation to target objectives;
- Return on assets in relation to target objectives;
- Return on common book equity in relation to target objectives; and
- Customer satisfaction and/or improvement in customer satisfaction.

Specific definitions initially shall be:

- EPS: Diluted and adjusted to exclude restructuring and certain other infrequent items.
- Free Cash Flow: Cash flow from operations less capital expenditures. Excludes cash flow from financing such as increases in accounts receivables securitizations.
- Customer Satisfaction: Overall customer satisfaction index that measures after-sales service, sales experience and product quality.
- Functional/Regional: Must be approved by the appropriate Senior Vice President, CEO or CFO.

6.3 Weighting of Measures. The weighting will differ depending on a participant's position with the Corporation. The initial weighting will be:

CEO and CFO	Senior Vice Presidents	Regional General Managers	Other Participants
• *Corporate Performance is weighted 100%* - EPS: 50% - Free Cash Flow: 40% - Customer Satisfaction: 10%	• *Corporate Performance is 70% of total weight* - EPS: 43% - Free Cash Flow: 43% - Customer Satisfaction: 14% • *Functional Performance is 30% of total weight* - Varies	• *Corporate Performance is 50% of total weight* - EPS: 40% - Free Cash Flow: 40% - Customer Satisfaction: 20% • *Regional Performance is 50% of total weight* - Varies	• *Corporate Performance is not less than 50% of total weight* • *Weighting of Functional/ Regional Performance — Varies* (Equal to balance of weight not applied to Corporate measures)

6.4 Performance Goals. The Committee shall approve annual written objective performance goals reflecting corporate performance not later than ninety (90) days after the commencement of the Plan Year to which the goals relate (or such earlier or later date as is permitted or required by Section 162(m)). Such performance goals must be uncertain of achievement at the time that they are established and determinable by a third party with knowledge of the relevant facts. The Committee may not exercise any discretion to increase the amount of compensation that otherwise would be due upon attainment of any performance goal.

VII. PLAN TRIGGER; PAYMENT OF AWARDS; ADJUSTMENTS; DISCRETIONARY AWARDS

7.1 Plan Trigger. Incentive awards will not be paid for any category of performance measurement unless the Corporation achieves the minimally acceptable specified plan trigger, which may be specified as a percentage of budget. Notwithstanding the foregoing, the Committee may waive one or more triggers to the extent applicable to participants other than Section 162(m) Officers.

7.2 Payment of Awards. If a plan trigger is achieved, achievement of performance measures, based on year-end results and other measurements, are determined for each incentive category or measure with a total earned performance award being the sum of these measures (i.e., corporate and functional/regional). Payments shall be made not later than March 15th of the year following the Plan Year. The achievement of the Plan triggers and payouts to Section 162(m) Officers must be approved in advance in writing by the Committee. The target incentive award is determined by a percentage of the actual gross base salary earned by the employee during the relevant Plan year (exclusive of bonus or other W-2 adjustments for moving expense, perquisites or other fringe benefits). The range of awards will vary based on performance from 0% to 150% of target bonus levels. The initial range shall be:

Performance Level as a % of Goal	Payout Level as a % of Target Bonus
Minimum: 80%	40%
Target: 100%	100%
Maximum: 120%	150%

Notwithstanding the foregoing, in no event may a participant receive more than $3,000,000 in a Plan year.

Other payment considerations include:

- If a participant is transferred into another position that is also eligible for the Plan, the participant's award will be pro-rated based on the number of months during a Plan Year in each position.
- If a participant is promoted to a higher level position during a Plan Year, the participant's award will be based on the number of months worked in each position and the base pay and target award for each position.
- If a participant is hired during a Plan Year, the participant's award will be based on the number of months the participant was employed during the year.
- If a participant terminates employment prior to the end of a Plan Year due to death, approved retirement or disability, the participant (or the participant's designated beneficiary) will receive a pro-rata share, based on gross base salary to the date of termination and actual performance, when awards are paid to all other participants.
- If a participant quits before the completion of the last day of the Plan Year, for reasons other than death, approved retirement or disability, then the participant will forfeit any award.
- If a participant is terminated without cause before the completion of the last day of the Plan Year, for reasons other than death, approved retirement or disability, then the participant will receive a pro-rata share based on gross base salary to the date of termination and actual performance, when awards are paid to other participants.
- If a participant is terminated without cause or quits after the end of the Plan Year for reasons other than death, approved retirement or disability, but before the award is paid, the participant will receive a complete award when paid to all other recipients.

- If a participant terminates employment after the end of the performance period for reasons of death, retirement or disability, but before the award is paid, the participant will receive a complete award when paid to all other recipients.
- If a participant is terminated for cause at any time before the award is paid, the participant will forfeit any award.

7.3 Adjustments. The Committee has the authority to make adjustments to the Plan's performance measures in the event of certain circumstances or uncontrollable events, which include, but are not limited to:

- Significant one-time unexpected restructuring expenses
- Significant unplanned costs associated with a merger or acquisition
- Significant unplanned net income adjustments for debt refinancing
- Significant unplanned or unexpected taxes and/or legal charges associated with changes in legislation
- Changes in generally accepted accounting principles (GAAP) or the impact of any extraordinary items as determined under GAAP

7.4 Discretionary Awards. As appropriate, the Committee may make special awards for participants (at the time of grant in lieu of performance-based awards or at any time in addition to any other awards). Notwithstanding the foregoing, discretionary awards are separate and distinct awards and shall not be contingent upon the failure to pay any other performance-based award.

7.5 Change in Control. In the event of a change in control, the following payments shall be made. Promptly following the date of a change in control (but in all events within thirty (30) days thereafter), each participant will be paid a pro rata portion of his or her bonus, based on actual performance as of such date extrapolated for a full Plan Year. Such extrapolation shall be based upon results through the month most recently complete prior to the change in control. The pro rata portion shall be determined using a fraction where the numerator is the number of days from the beginning of the Plan Year until and including the date of the change in control and the denominator is 365.

If within two years following a change in control a participant who is identified in writing by the Committee as being expressly subject to this paragraph is terminated without cause, the participant will receive (i) a pro-rata share of his or her bonus, based on gross base salary to the date of termination and actual performance as of the date of termination extrapolated for a full Plan Year and (ii) an amount equal to the average of the awards actually earned by the participant during the prior two completed Plan Years and the current year's bonus extrapolated actual performance. Any such extrapolation shall be based upon results through the month most recently complete prior to the termination. Such payments shall be made promptly after the termination (but in all events within thirty (30) days thereafter). The pro rata calculation shall be made in the same manner as described in the immediately preceding paragraph, except that the numerator shall be determined until and including the date of termination.

To the extent that a payment is due to a participant under any other section of this Plan with respect to a year that includes the portion of the year covered by this section, the Company shall be entitled to receive a credit against such subsequent payment for payments made pursuant to this section.

For the purposes of this plan, the term “change in control” shall mean change in the ownership of the Company, change in the effective control of the Company or change in ownership of a substantial portion of the Company’s assets, as described in Section 280G of the Code, including each of the following: (i) a change in the ownership of the Company occurs on the date that any one person, or more than one person acting as a group, acquires ownership of stock of the Company that, together with stock held by such person or group, possess more than fifty percent (50%) of the total fair market value or total voting power of the stock of the Company (unless any one person, or more than one person acting as a group, who is considered to own more than fifty percent (50%) of the total fair market value or total voting power of the stock of the Company, acquires additional stock); (ii) change in the effective control of the Company is presumed (which presumption may be rebutted by the Committee) to occur on the date that either: any one person, or more than one person acting as a group, acquires (or has acquired during the twelve (12)-month period ending on the date of the most recent acquisition by such person or persons) ownership of stock of the Company possessing thirty percent (30%) or more of the total voting power of the stock of such Company; (iii) a majority of members of the Company’s Board is replaced during any twelve (12)-month period by directors whose appointment or election is not endorsed by a majority of the members of the Company’s Board prior to the date of the appointment or election of such new directors; or (iv) a change in the ownership of a substantial portion of the Company’s assets occurs on the date that any one person, or more than one person acting as a group, acquires (or has acquired during the twelve (12)-month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total fair market value equal to forty percent (40%) or more of the total fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions unless the assets are transferred to: a stockholder of the Company (immediately before the asset transfer) in exchange for or with respect to its stock; an entity, fifty percent (50%) or more of the total value or voting power of which is owned, directly or indirectly by the Company; a person, or more than one person acting as a group, that owns, directly or indirectly, fifty percent (50%) or more of the total value or voting power of all of the outstanding stock of the Company; or an entity, at least fifty percent (50%) of the total value or voting power is owned, directly or indirectly, by a person, or more than one person acting as a group, that owns directly or indirectly, fifty percent (50%) or more of the total value of voting power of all of the outstanding stock of the Company.

VIII. MISCELLANEOUS PROVISIONS

8.1 Successors. All obligations of the Corporation under the Plan with respect to awards granted hereunder shall be binding on any successor to the Corporation, whether the existence of such successor is the result of a direct or indirect purchase of all or substantially all of the business and/or assets of the Corporation, or a merger, consolidation, or otherwise.

8.2 No Lien. This Plan does not give a Participant any interest, lien, or claim against any specific asset of the Corporation. Participants and beneficiaries shall have only the rights of a general unsecured creditor of the Corporation.

8.3 Termination and Amendment. The Plan may be terminated or amended by the Committee at any time, provided, however, that a termination or amendment shall not materially negatively impact awards that are outstanding as of the time of termination or amendment except as required by law.

8.4 Status of Awards under Section 162(m). If any provision of the Plan does not comply or is inconsistent with the requirements of Section 162(m), such provision or agreement shall be construed or deemed amended to the extent necessary to conform to such requirements. Notwithstanding the above, the Committee in its sole discretion may, with respect to any award to be granted under the Plan, determine that compliance with Section 162(m) is not desired after consideration of the goals of the Corporation’s executive compensation philosophy and whether it is in the best interests of the Corporation to have such awards not qualify.

8.5 No Employment Rights. No participant has any right to be retained in the employ of the Corporation or any subsidiary by virtue of participation in the Plan.

8.6 Governing Law. The Plan and awards hereunder shall be governed by and construed according to the laws of the State of Georgia.

Exhibit 10.5

EMPLOYMENT AND SEVERANCE AGREEMENT
AS AMENDED AND RESTATED

This Employment and Severance Agreement (the "Agreement"), originally effective as of the 1st day of June, 2002, is amended and restated effective this 4th day of August, 2008, by and between AGCO CORPORATION, a Delaware corporation (the "Company"), and Andrew H. Beck (the "Executive"). This Agreement amends, restates and supersedes the Employment and Severance Agreement between the Company and the Executive effective as of the 1st day of June 2002 and any subsequent amendments or restatements thereto.

WITNESSETH:

In consideration of the mutual covenants and agreements hereinafter set forth, the Company and the Executive do hereby agree as follows:

1. EMPLOYMENT.

(a) The Company hereby employs the Executive, and the Executive hereby agrees to serve the Company, upon the terms and conditions set forth in this Agreement.

(b) The employment term previously commenced and shall continue in effect until terminated in accordance with Section 5 or any other provision of the Agreement.

2. POSITION AND DUTIES.

The Executive shall serve as a Senior Vice President of the Company and shall perform such duties and responsibilities as may from time to time be prescribed by the Company's board of directors (the "Board"), provided that such duties and responsibilities are consistent with the Executive's position. The Executive shall perform and discharge faithfully, diligently and to the best of his ability such duties and responsibilities and shall devote all of his working time and efforts to the business and affairs of the Company and its affiliates. During the two (2) years following a Change in Control (as defined herein), the Executive's position (including offices, titles and reporting requirements), duties, and responsibilities shall not be reduced, and the Executive shall not be required to work at a location other than the location at which the Executive was based at the time of the Change in Control.

3. COMPENSATION.

(a) BASE SALARY. The Company shall pay to the Executive an annual base salary ("Base Salary") Four Hundred Eighteen Thousand Eight Hundred and Fifty U.S. Dollars ($418,850.00) payable in equal semi-monthly installments throughout the term of such employment subject to Section 5 hereof (except that the first and last semi-monthly installments may be prorated, if necessary) and subject to applicable tax and payroll deductions. The

Company shall consider increases in the Executive's Base Salary annually, and any such increase in salary implemented by the Company shall become the Executive's Base Salary for purposes of this Agreement.

(b) INCENTIVE COMPENSATION. Provided Executive has duly performed his obligations pursuant to this Agreement, the Executive shall be entitled to participate in the Management Incentive Plan and the Long-Term Incentive Plan that is implemented by the Company.

(c) SUPPLEMENTAL EMPLOYEE RETIREMENT PROGRAM. During the term of this Agreement, the Executive shall be entitled to participate in the AGCO Corporation Executive Nonqualified Pension Plan ("SERP").

(d) OTHER BENEFITS. During the term of this Agreement, the Executive shall be entitled to participate in the employee benefit plans and arrangements which are available to senior executive officers of the Company, including, without limitation, group health and life insurance, pension and savings, and the Senior Management Employment Policy.

(e) FRINGE BENEFITS. The Company shall pay or reimburse the Executive promptly for all reasonable and necessary expenses incurred by him in connection with his duties hereunder, upon submission by the Executive to the Company of such written evidence of such expenses as the Company may require. Throughout the term of this Agreement, the Company will provide the Executive with the use of a vehicle for purposes within the scope of his employment and shall pay, or reimburse Executive for, all expenses for fuel, maintenance and insurance in connection with such use of the automobile. The Company shall make any such reimbursement or payments under this Section 3(e) no later than the last day of the Executive's taxable year next following the Executive's taxable year in which the Executive incurs the expense. The Company further agrees that the Executive shall be entitled to four (4) weeks of vacation in any year of the term of employment hereunder, subject to the terms of the Company's vacation policy.

(f) MODIFICATION OF BENEFITS. Without by implication limiting the foregoing, during the two (2) years following a Change in Control, the Executive's compensation, including Base Salary, incentive compensation opportunity, SERP opportunity, other benefits and fringe benefits shall not be reduced. Notwithstanding the foregoing, the Company shall be entitled to modify the group health benefits provided such modifications are applicable to all similarly situated management employees. To the extent that the Company is not able to continue life, group health or similar benefits as a result of the terms of the applicable plans or insurance policies, the Company shall pay the Executive the cost, no less frequently than monthly, that the Executive must incur to obtain such benefits privately.

4. RESTRICTIVE COVENANTS

(a) ACKNOWLEDGMENTS. The Executive acknowledges that as an Executive Officer of the Company (i) he frequently will be exposed to certain "Trade Secrets" and "Confidential Information" of the Company (as those terms are defined in Subsection 4(b)), (ii) his responsibilities on behalf of the Company will extend to all geographical areas where the Company is doing business, and (iii) any competitive activity on his part during the term of his employment and for a reasonable period thereafter would necessarily involve his use of the Company's Trade Secrets and Confidential Information and, therefore, would unfairly threaten the Company's legitimate business interests, including its substantial investment in the proprietary aspects of its business and the goodwill associated with its customer base. Moreover, the Executive acknowledges that, in the event of the termination of his employment with the Company, he would have sufficient skills to find alternative, commensurate work in his field of expertise that would not involve a violation of any of the provisions of this Section 4. Therefore, the Executive acknowledges and agrees that it is reasonable for the Company to require him to abide by the covenants set forth in this Section 4. The parties acknowledge and agree that if the nature of the Executive's responsibilities for or on behalf of the Company and the geographical areas in which the Executive must fulfill them materially change, the parties will execute appropriate amendments to the scope of the covenants in this Section 4.

(b) DEFINTIONS.

(i) "Business of Company" means designing, manufacturing, marketing, and distributing agricultural equipment.

(ii) "Material Contact" as used in the non-solicitation provision below means personal contact or the supervision of the efforts of those who have personal contact with an existing or potential Customer or Vendor in an effort to further or create a business relationship between the Company and such existing or potential Customer or Vendor.

(iii) "Confidential Information" means information about the Company, its Executives, and Customers which is not generally known outside of the Company, which the Executive learns of in connection with the Executive's employment with the Company, and which would be useful to competitors of the Company or potentially harmful to the Company's reputation. Confidential Information includes, but is not limited to: (1) business and employment policies, marketing methods and the targets of those methods, finances, business plans, promotional materials and price lists; (2) the terms upon which the Company hires employees and provides services to its Customers; (3) the nature, origin, composition and development of the Company's products and services; and (4) the manner in which the Company provides products and services to its Customers.

(iv) “Trade Secrets” means Confidential Information which meets the additional requirements of the Georgia Trade Secrets Act.

(v) “Territory” means those countries and areas as more particularly set forth on Exhibit A attached hereto.

(c) COVENANT OF CONFIDENTIALITY. During the term of this Agreement, the Executive agrees only to use and disclose Confidential Information in connection with his duties hereunder and to otherwise maintain the secrecy of the same. The Executive agrees that for a period of five years following the cessation of his employment for any reason, he shall not directly or indirectly divulge or make use of any Confidential Information or Trade Secrets of the Company without prior written consent of the Company. The Executive further agrees that if he is questioned about information subject to this Agreement by anyone not authorized to receive such information, he will promptly notify the Chairman of the Board. This Agreement does not limit the remedies available under common or statutory law, which may impose longer duties of non-disclosure. The Executive will immediately notify the Chairman of the Board if he receives any subpoenas which could require the disclosure of Confidential Information, so that the Company may take whatever actions it deems necessary to protect its interests.

(d) COVENANT OF NON-COMPETITION. The Executive agrees that while employed by the Company and for a period of twenty-four (24) months following the cessation of his employment for any reason, he will not compete with the Business of Company by performing services of the same or similar type as those he performed for the Company as an employee, contractor, consultant, officer, director or agent for any person or entity engaged in the Business of Company. Likewise, the Executive will not perform activities of the type which in the ordinary course of business would involve the utilization of Confidential Information or Trade Secrets protected from disclosure by Section 4 (c) of this Agreement. This paragraph restricts competition only within the Territory.

(e) COVENANT OF NON-SOLICITATION. The Executive agrees that while employed by the Company and for a period of twenty-four (24) months following the cessation of his employment for any reason, he will not directly or indirectly solicit or attempt to solicit any business in competition with the Business of Company from any of the Customers with whom the Executive had Material Contact within the last 18 months of his employment with the Company. The Executive further agrees that for a period of twenty-four (24) months following the cessation of his employment, he will not directly or indirectly solicit or attempt to solicit any Vendors of the Company with whom he had Material Contact during the last 18 months of his employment with the Company to provide services to any person or entity which competes with the Business of Company.

(f) COVENANT OF NON-RECRUITMENT. The Executive agrees that while employed by the Company and for a period of twenty-four (24) months following the cessation of his employment for any reason, he will not directly or indirectly solicit or attempt to solicit any other employee of the Company for the purpose of encouraging, enticing, or causing said employee to voluntarily terminate employment with the Company.

(g) COVENANT TO RETURN PROPERTY AND INFORMATION. The Executive agrees to return all of the Company's property within seven (7) days following the cessation of his employment for any reason. Such property includes, but is not limited to, the original and any copy (regardless of the manner in which it is recorded) of all information provided by the Company to the Executive, or which the Executive has developed or collected in the scope of his employment with the Company, as well as all Company-issued equipment, supplies, accessories, vehicles, keys, instruments, tools, devices, computers, cell phones, pagers, materials, documents, plans, records, notebooks, drawings, or papers.

(h) ASSIGNMENT OF WORK PRODUCT AND INVENTIONS. The Executive hereby assigns and grants to the Company (and will upon request take any actions needed to formally assign and grant to the Company and/or obtain patents, trademark registrations or copyrights belonging to the Company) the sole and exclusive ownership of any and all inventions, information, reports, computer software or programs, writings, technical information or work product collected or developed by the Executive, alone or with others, during the term of the Executive's employment. This duty applies whether or not the forgoing inventions or information are made or prepared in the course of employment with the Company, so long as such inventions or information relate to the Business of Company and have been developed in whole or in part during the term of the Executive's employment. The Executive agrees to advise the Company in writing of each invention that Executive, alone or with others, makes or conceives during the term of Executive's employment. Inventions which the Executive developed before the Executive came to work for the Company, if any, are as follows:

.

(i) REMEDIES FOR VIOLATION OF RESTRICTIVE COVENANTS. The Executive acknowledges that the Company would suffer irreparable harm if the Executive fails to comply with the foregoing, and that the Company would be entitled to any appropriate relief, including money damages, injunctive and other equitable relief and attorneys' fees. The Executive agrees that the pendency of any claim whatsoever against the Company shall not constitute a defense to the enforcement of this Noncompetition Agreement by the Company.

(j) SEVERABILITY. In the event that any one or more of the provisions of these restrictive covenants shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. Moreover, if any one or more of the provisions contained in these restrictive covenants shall be held to be excessively broad as to duration, activity or subject, the parties authorize the Court in which such action is pending to modify said covenants and enforce them to the extent that the Court deems reasonable.

5. TERMINATION.

(a) DEATH. This Agreement shall terminate upon the death of the Executive, provided, however, that for purposes of the payment of Base Salary to the Executive, the death of the Executive shall be deemed to have occurred ninety (90) days from the last day of the month in which the death of the Executive shall have occurred.

(b) DISABILITY. Executive's employment and all obligations of the Company hereunder shall terminate upon a finding that the Executive is disabled under the Company's group long term disability plan.

(c) CAUSE. The Company may terminate the Executive's employment hereunder for Cause by giving written Notice of Termination to the Executive. For the purposes of this Agreement, the Company shall have "Cause" to terminate the Executive's employment hereunder upon: (i) the conviction of Executive of, or the entry of a plea of guilty, first offender probation before judgment, or *nolo contendere* by Executive to, any felony; (ii) fraud, misappropriation or embezzlement by Executive; (iii) Executive's willful failure or gross negligence in the performance of his assigned duties for the Company, which failure or negligence continues for more than or was not remedied within thirty (30) calendar days following Executive's receipt of written notice of such willful failure or gross negligence; (iv) Executive's failure to follow reasonable and lawful directives of the Board or his breach of his fiduciary duty to the Company, which failure is not remedied within thirty (30) calendar days following Executive's receipt of written notice of such failure; (v) any act or omission of Executive that has a demonstrated and material adverse impact on the Company's business or reputation for honesty and fair dealing, other than an act or failure to act by Executive in good faith and without reason to believe that such act or failure to act would adversely impact on the Company's business or reputation for honesty and fair dealing; or (vi) the breach by Executive of any material term of this Agreement, which breach continues for more than or was not remedied within thirty (30) calendar days following Executive's receipt of written notice of such breach.

(d) WITHOUT CAUSE; GOOD REASON.

(i) The Company may terminate the Executive's employment hereunder without Cause, by giving written Notice of Termination (as defined in Section 5(e)) to the Executive.

(ii) The Executive may terminate his employment hereunder, by giving written Notice of Termination to the Company. For the purposes of this Agreement, the Executive shall have "Good Reason" to terminate his employment hereunder upon (a) a substantial reduction in the Executive's aggregate Base Salary and annual incentive compensation taken as a whole, excluding any reductions caused by the performance of the Company or the Executive, including but not limited to, the failure by the Executive to achieve performance targets established from time to time by the Board and/or under the Management Incentive Plan or Long Term Incentive Plan or from below budget performance by the Company, or (b) the Company's failure to make payments of

Base Pay and incentive compensation, but only upon notice of such failure given by the Executive within ninety (90) days of the initial existence of the failure and the subsequent failure of the Company to cure the non-payment within thirty (30) days of such notice.

(e) NOTICE OF TERMINATION. Any termination by the Company pursuant to the Subsections (b), (c) or (d)(i) above or by the Executive pursuant to Subsection (d)(ii) above, shall be communicated by written Notice of Termination from the party issuing such notice to the other party hereto. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision of this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for such termination. A date of termination specified in the Notice of Termination shall not be dated earlier than ninety (90) days from the date such Notice is delivered or mailed to the applicable party and not later than two (2) years after the initial existence of the failure.

(f) OBLIGATION TO PAY. Except upon termination for Cause, voluntary termination by the Executive without Good Reason, or termination as a result of death or disability, and further subject to Sections 6 and 16 below, the Company shall (i) pay the compensation specified in this Subsection 5(f) to the Executive for the period specified in this Subsection 5(f), (ii) continue to provide, no less frequently than monthly, life insurance benefits during the remainder of the applicable period, including the Severance Period set forth in this Subsection 5(f), and (iii) if and to the extent the Executive timely elects COBRA continuation coverage, pay the Executive, no less frequently than monthly, the cost of COBRA premiums for a period of 18 months or such lesser period as the Executive continues to have COBRA continuation coverage.

If the Executive's employment shall be terminated by reason of death, the estate of the Executive shall be paid all sums otherwise payable to the Executive through the end of the third month after the month in which the death of the Executive occurred, including all bonus or other incentive benefits accrued or accruable to the Executive through the end of the month in which the death of the Executive occurred, on the same basis as if the Executive had continued employment through such times, and the Company shall have no further obligations to the Executive under this Agreement.

If the Executive's employment is terminated by reason of disability as determined under the Company's long term disability plan, the Executive or the person charged with legal responsibility for the Executive's estate shall be paid all sums otherwise payable to the Executive, including the bonus and other benefits accrued or accruable to the Executive, on the same basis as if the Executive had continued employment through the date of disability, and the Company shall have no further obligations to the Executive under this Agreement.

If the Executive's employment shall be terminated for Cause, the Company shall pay the Executive his Base Salary through the date of termination specified in the Notice of Termination and reimbursements otherwise payable to the Executive, and the Company shall have no further obligations to the Executive under this Agreement.

Unless such termination occurs within two (2) years following a Change in Control, if the Executive's employment shall be terminated by the Company without Cause or by the Executive for Good Reason, the Company shall (x) continue to pay the Executive the Base Salary (at the rate in effect on the date of such termination) for a period of two (2) years from the date of such termination (such two (2) year period being referred to hereinafter as the "Severance Period") at such intervals as the same would have been paid had the Executive remained in the active service of the Company, and (y) pay the Executive a pro rata portion of the bonus or other incentive benefits to which the Executive would have been entitled for the year of termination had the Executive remained employed for the entire year, which incentive compensation shall be payable at the time incentive compensation is payable generally under the applicable incentive plans; provided, however, that notwithstanding the foregoing, the Executive shall not be entitled to any severance payments under clauses (x) and (y) of this sentence upon and after reaching age 65 . The Executive shall have no further right to receive any other compensation, benefits or perquisites after the date of termination of employment except as determined under the terms of this Agreement or any applicable employee benefit plans or programs of the Company or under applicable law.

If within two (2) years following a Change in Control the Executive's employment shall be terminated by the Company without Cause or by the Executive for Good Reason (a "Change in Control Termination"), the Company shall immediately, and in all events within thirty (30) days after the date of termination, pay the Executive the sum of (x) two (2) times the Base Salary (at the rate in effect on the date of such termination), (y) a pro rata portion of the bonus or other incentive benefits to which the Executive would have been entitled for the year of termination had the Executive remained employed for the entire year, plus (z) a bonus in an amount equal to the three (3) year average of the awards received by the participant during the prior two (2) completed years and the current year's trend (based upon results through the month most recently complete prior to the termination, extrapolated for the complete year) multiplied by two (2) times. Any payment due to the Executive with respect to clause (y) and (z) that is calculated based upon the Company's Management Incentive Plan shall be reduced by any similar amounts received by the Executive under such plan. Also, notwithstanding the foregoing, in the event of a Change in Control Termination, the Company shall continue the Executive's life and group health coverage for a period of two (2) years, subject to the same payments by the Executive that the Executive was required to make prior to termination. Notwithstanding the foregoing, the Company shall be entitled to modify the group health benefits provided such modifications are applicable to all similarly situated management employees. To the extent that the Company is not able to continue life or group health benefits as a result of the terms of the applicable plans or insurance policies, the Company shall pay the Executive the cost, no less frequently than monthly, that the Executive must incur to obtain such benefits privately.

For the purposes of this Agreement, the term "Change in Control" shall mean change in the ownership of the Company, change in the effective control of the Company or change in ownership of a substantial portion of the Company's assets, as described in Section 280G of the

Code, including each of the following: (i) a change in the ownership of the Company occurs on the date that any one person, or more than one person acting as a group, acquires ownership of stock of the Company that, together with stock held by such person or group, possess more than fifty percent (50%) of the total fair market value or total voting power of the stock of the Company (unless any one person, or more than one person acting as a group, who is considered to own more than fifty percent (50%) of the total fair market value or total voting power of the stock of the Company, acquires additional stock); (ii) change in the effective control of the Company is presumed (which presumption may be rebutted by the Compensation Committee of the Board) to occur on the date that either: any one person, or more than one person acting as a group, acquires (or has acquired during the twelve (12)-month period ending on the date of the most recent acquisition by such person or persons) ownership of stock of the Company possessing thirty percent (30%) or more of the total voting power of the stock of such Company; (iii) a majority of members of the Company's Board is replaced during any twelve (12)-month period by directors whose appointment or election is not endorsed by a majority of the members of the Company's Board prior to the date of the appointment or election of such new directors; or (iv) a change in the ownership of a substantial portion of the Company's assets occurs on the date that any one person, or more than one person acting as a group, acquires (or has acquired during the twelve (12)-month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total fair market value equal to forty percent (40%) or more of the total fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions unless the assets are transferred to: a stockholder of the Company (immediately before the asset transfer) in exchange for or with respect to its stock; an entity, fifty percent (50%) or more of the total value or voting power of which is owned, directly or indirectly by the Company; a person, or more than one person acting as a group, that owns, directly or indirectly, fifty percent (50%) or more of the total value or voting power of all of the outstanding stock of the Company; or an entity, at least fifty percent (50%) of the total value or voting power is owned, directly or indirectly, by a person, or more than one person acting as a group, that owns directly or indirectly, fifty percent (50%) or more of the total value of voting power of all of the outstanding stock of the Company.

(g) TAXES. In the event it shall be determined that any payment or distribution by the Company to or for the benefit of the Executive in the event of a Change in Control, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, (a "Change in Control Payment") would be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code") or any interest or penalties are incurred by the Executive with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Executive shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by the Executive of all taxes (including any interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Change in Control Payments. The Company shall pay all such Gross-Up Payments before such excise taxes are required to be remitted.

6. CONDITIONS APPLICABLE TO SEVERANCE PERIOD; MITIGATION OF DAMAGES

(a) If during the Severance Period, the Executive breaches his obligations under Section 4 above, the Company may, upon written notice to the Executive, terminate the Severance Period and cease to make any further payments or provide any benefits described in Subsection 5(f).

(b) Although the Executive shall not be required to mitigate the amount of any payment provided for in Subsection 5(f) by seeking other employment, except in the case of a Change in Control Termination, any such payments shall be reduced by any amounts which the Executive receives or is entitled to receive from another employer with respect to the Severance Period. The Executive shall promptly notify the Company in writing in the event that other employment is obtained during the Severance Period.

7. NOTICES. For the purpose of this Agreement, notices and all other communications to either party hereunder provided for in the Agreement shall be in writing and shall be deemed to have been duly given when delivered in person or mailed by certified first-class mail, postage prepaid, addressed:

in the case of the Company to:

AGCO Corporation
4205 River Green Parkway
Duluth, Georgia 30096
Attention: Debra Kuper

in the case of the Executive to:

____
____
____
____

or to such other address as either party shall designate by giving written notice of such change to the other party.

8. ARBITRATION. Any claim, controversy, or dispute arising between the parties with respect to this Agreement, to the maximum extent allowed by applicable law, shall be submitted to and resolved by binding arbitration. The arbitration shall be conducted pursuant to the terms of the Federal Arbitration Act and (except as otherwise specified herein) the Commercial Arbitration Rules of the American Arbitration Association in effect at the time the arbitration is commenced. The venue for the arbitration shall be the Atlanta, Georgia offices of

the American Arbitration Association. Either party may notify the other party at any time of the existence of an arbitrable controversy by delivery in person or by certified mail of a Notice of Arbitrable Controversy. Upon receipt of such a Notice, the parties shall attempt in good faith to resolve their differences within fifteen (15) days after the receipt of such Notice. Notice to the Company and the Executive shall be sent to the addresses specified in Section 7 above. If the dispute cannot be resolved within the fifteen (15) day period, either party may file a written Demand for Arbitration with the American Arbitration Association's Atlanta, Georgia Regional Office, and shall send a copy of the Demand for Arbitration to the other party. The arbitration shall be conducted before a panel of three (3) arbitrators. The arbitrators shall be selected as follows: (a) The party filing the Demand for Arbitration shall simultaneously specify his or its arbitrator, giving the name, address and telephone number of said arbitrator; (b) The party receiving such notice shall notify the party demanding the arbitration of his or its arbitrator, giving the name, address and telephone number of the arbitrator within five (5) days of the receipt of such Demand for Arbitration; (c) A neutral person shall be selected through the American Arbitration Association's arbitrator selection procedures to serve as the third arbitrator. The arbitrator designated by any party need not be neutral. In the event that any person fails or refuses timely to name his arbitrator within the time specified in this Section 8, the American Arbitration Association shall (immediately upon notice from the other party) appoint an arbitrator. The arbitrators thus constituted shall promptly meet, select a chairperson, fix the time, date(s), and place of the hearing, and notify the parties. To the extent practical, the arbitrators shall schedule the hearing to commence within sixty (60) days after the arbitrators have been impaneled. A majority of the panel shall render an award within ten (10) days of the completion of the hearing, which award may include an award of interest, legal fees and costs of arbitration. The panel of arbitrators shall promptly transmit an executed copy of the award to the respective parties. The award of the arbitrators shall be final, binding and conclusive upon the parties hereto. Each party shall have the right to have the award enforced by any court of competent jurisdiction.

Executive initials:___ Company initials:___

9. NO WAIVER. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is approved by the Board and agreed to in a writing signed by the Executive and such officer as may be specifically authorized by the Board. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of any other provisions or conditions of this Agreement at the same or at any prior or subsequent time.

10. SUCCESSORS AND ASSIGNS. The rights and obligations of the Company under this Agreement shall inure to the benefit of and be binding upon the successors and assigns of the Company and the Executive's rights under this Agreement shall inure to the benefit of and be binding upon his heirs and executors. Neither this Agreement or any rights or obligations of the Executive herein shall be transferable or assignable by the Executive.

11. VALIDITY. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provisions of this Agreement, which shall remain in full force and effect. The parties intend for each of the covenants contained in Section 4 to be severable from one another.

12. SURVIVAL. The provisions of Section 4 hereof shall survive the termination of Executive's employment and shall be binding upon the Executive's personal or legal representative, executors, administrators, successors, heirs, distributees, devisees and legatees and the provisions of Section 5 hereof relating to payments and termination of the Executive's employment hereunder shall survive such termination and shall be binding upon the Company.

13. COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

14. ENTIRE AGREEMENT. This Agreement constitutes the full agreement and understanding of the parties hereto with respect to the subject matter hereof and all prior or contemporaneous agreements or understandings are merged herein. The parties to this Agreement each acknowledge that both of them and their respective agents and advisors were active in the negotiation and drafting of the terms of this Agreement.

15. GOVERNING LAW. The validity, construction and enforcement of this Agreement, and the determination of the rights and duties of the parties hereto, shall be governed by the laws of the State of Georgia.

16. DEFERRED COMPENSATION PLAN OMNIBUS PROVISIONS. Notwithstanding any other provision of this Agreement, it is intended that any payment or benefit which is provided pursuant to or in connection with this Agreement which is considered to be deferred compensation subject to Section 409A of the Code shall be provided and paid in a manner, and at such time, including without limitation payment and provision of benefits only in connection with a permissible payment event contained in Section 409A (e.g., death or separation from service from the Company and its affiliates as defined for purposes of Section 409A of the Code), and in such form, as complies with the applicable requirements of Section 409A of the Code, to avoid the unfavorable tax consequences provided therein for non-compliance. For purposes of this Agreement, all rights to payments and benefits hereunder shall be treated as rights to receive a series of separate payments and benefits to the fullest extent allowed by Section 409A of the Code. If Executive is a "specified employee" (as defined in Section 409A of the Code) and any of the Company's stock is publicly traded on an established securities market or otherwise, then payment of any amount or provision of any benefit under this Agreement which is considered to be deferred compensation subject to Section 409A of the Code shall be deferred for six (6) months as required by Section 409A(a)(2)(B)(i) of the Code (the "409A Deferral Period"). In the event such payments are otherwise due to be made in installments or periodically during the 409A Deferral Period, the payments which would otherwise have been made in the 409A Deferral Period shall be accumulated and paid in a lump sum as soon as the 409A Deferral Period ends, and the balance of the payments shall be made as

otherwise scheduled. In the event benefits are required to be deferred, any such benefit may be provided during the 409A Deferral Period at Executive's expense, with Executive having a right to reimbursement from the Company once the 409A Deferral Period ends, and the balance of the benefits shall be provided as otherwise scheduled. For purposes of this Agreement, any termination of employment will be read to mean a "separation from service" within the meaning of Section 409A of the Code where it is reasonably anticipated that no further services would be performed after such date or that the level of bona fide services Executive would perform after that date (whether as an employee or independent contractor) would permanently decrease to less than fifty percent (50%) of the average level of bona fide services performed over the immediately preceding thirty-six (36)-month period.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

AGCO CORPORATION

By: ______________________

Name: ______________________

Title: ______________________

EXECUTIVE

By: ______________________

Name: ______________________

Date: ______________________

EMPLOYMENT AND SEVERANCE AGREEMENT
AS AMENDED AND RESTATED

This Employment and Severance Agreement (the "Agreement"), originally effective as of the 1st day of May, 2002 is amended and restated effective this 4th day of August, 2008, by and between AGCO CORPORATION, a Delaware corporation (the "Company"), and Gary L. Collar (the "Executive"). This Agreement amends, restates and supersedes the Employment and Severance Agreement between the Company and the Executive effective as of the 1st day of May 2002 and any subsequent amendments or restatements thereto.

WITNESSETH:

In consideration of the mutual covenants and agreements hereinafter set forth, the Company and the Executive do hereby agree as follows:

1. EMPLOYMENT.

(a) The Company hereby employs the Executive, and the Executive hereby agrees to serve the Company, upon the terms and conditions set forth in this Agreement.

(b) The employment term previously commenced and shall continue in effect until terminated in accordance with Section 5 or any other provision of the Agreement.

2. POSITION AND DUTIES.

The Executive shall serve as a Senior Vice President of the Company and shall perform such duties and responsibilities as may from time to time be prescribed by the Company's board of directors (the "Board"), provided that such duties and responsibilities are consistent with the Executive's position. The Executive shall perform and discharge faithfully, diligently and to the best of his ability such duties and responsibilities and shall devote all of his working time and efforts to the business and affairs of the Company and its affiliates. During the two (2) years following a Change in Control (as defined herein), the Executive's position (including offices, titles and reporting requirements), duties, and responsibilities shall not be reduced, and the Executive shall not be required to work at a location other than the location at which the Executive was based at the time of the Change in Control.

3. COMPENSATION.

(a) BASE SALARY. The Company shall pay to the Executive an annual base salary ("Base Salary") Three Hundred and Twenty Thousand U.S. Dollars ($320,000.00) payable in equal semi-monthly installments throughout the term of such employment subject to Section 5 hereof (except that the first and last semi-monthly installments may be prorated, if necessary) and subject to applicable tax and payroll deductions. The Company shall consider increases in the Executive's Base Salary annually, and any such increase in salary implemented by the Company shall become the Executive's Base Salary for purposes of this Agreement.

(b) INCENTIVE COMPENSATION. Provided Executive has duly performed his obligations pursuant to this Agreement, the Executive shall be entitled to participate in the Management Incentive Plan and the Long-Term Incentive Plan that is implemented by the Company.

(c) SUPPLEMENTAL EMPLOYEE RETIREMENT PROGRAM. During the term of this Agreement, the Executive shall be entitled to participate in the AGCO Corporation Executive Nonqualified Pension Plan ("SERP").

(d) OTHER BENEFITS. During the term of this Agreement, the Executive shall be entitled to participate in the employee benefit plans and arrangements which are available to senior executive officers of the Company, including, without limitation, group health and life insurance, pension and savings, and the Senior Management Employment Policy.

(e) FRINGE BENEFITS. The Company shall pay or reimburse the Executive promptly for all reasonable and necessary expenses incurred by him in connection with his duties hereunder, upon submission by the Executive to the Company of such written evidence of such expenses as the Company may require. Throughout the term of this Agreement, the Company will provide the Executive with the use of a vehicle for purposes within the scope of his employment and shall pay, or reimburse Executive for, all expenses for fuel, maintenance and insurance in connection with such use of the automobile. The Company shall make any such reimbursement or payments under this Section 3(e) no later than the last day of the Executive's taxable year next following the Executive's taxable year in which the Executive incurs the expense. The Company further agrees that the Executive shall be entitled to four (4) weeks of vacation in any year of the term of employment hereunder, subject to the terms of the Company's vacation policy.

(f) MODIFICATION OF BENEFITS. Without by implication limiting the foregoing, during the two (2) years following a Change in Control, the Executive's compensation, including Base Salary, incentive compensation opportunity, SERP opportunity, other benefits and fringe benefits shall not be reduced. Notwithstanding the foregoing, the Company shall be entitled to modify the group health benefits provided such modifications are applicable to all similarly situated management employees. To the extent that the Company is not able to continue life, group health or similar benefits as a result of the terms of the applicable plans or insurance policies, the Company shall pay the Executive the cost, no less frequently than monthly, that the Executive must incur to obtain such benefits privately.

4. RESTRICTIVE COVENANTS

(a) ACKNOWLEDGMENTS. The Executive acknowledges that as an Executive Officer of the Company (i) he frequently will be exposed to certain "Trade Secrets" and "Confidential Information" of the Company (as those terms are defined in Subsection 4(b)),

(ii) his responsibilities on behalf of the Company will extend to all geographical areas where the Company is doing business, and (iii) any competitive activity on his part during the term of his employment and for a reasonable period thereafter would necessarily involve his use of the Company's Trade Secrets and Confidential Information and, therefore, would unfairly threaten the Company's legitimate business interests, including its substantial investment in the proprietary aspects of its business and the goodwill associated with its customer base. Moreover, the Executive acknowledges that, in the event of the termination of his employment with the Company, he would have sufficient skills to find alternative, commensurate work in his field of expertise that would not involve a violation of any of the provisions of this Section 4. Therefore, the Executive acknowledges and agrees that it is reasonable for the Company to require him to abide by the covenants set forth in this Section 4. The parties acknowledge and agree that if the nature of the Executive's responsibilities for or on behalf of the Company and the geographical areas in which the Executive must fulfill them materially change, the parties will execute appropriate amendments to the scope of the covenants in this Section 4.

(b) DEFINITIONS.

(i) "Business of Company" means designing, manufacturing, marketing, and distributing agricultural equipment.

(ii) "Material Contact" as used in the non-solicitation provision below means personal contact or the supervision of the efforts of those who have personal contact with an existing or potential Customer or Vendor in an effort to further or create a business relationship between the Company and such existing or potential Customer or Vendor.

(iii) "Confidential Information" means information about the Company, its Executives, and Customers which is not generally known outside of the Company, which the Executive learns of in connection with the Executive's employment with the Company, and which would be useful to competitors of the Company or potentially harmful to the Company's reputation. Confidential Information includes, but is not limited to: (1) business and employment policies, marketing methods and the targets of those methods, finances, business plans, promotional materials and price lists; (2) the terms upon which the Company hires employees and provides services to its Customers; (3) the nature, origin, composition and development of the Company's products and services; and (4) the manner in which the Company provides products and services to its Customers.

(iv) "Trade Secrets" means Confidential Information which meets the additional requirements of the Georgia Trade Secrets Act.

(v) "Territory" means those countries and areas as more particularly set forth on Exhibit A attached hereto.

(c) COVENANT OF CONFIDENTIALITY. During the term of this Agreement, the Executive agrees only to use and disclose Confidential Information in connection with his duties hereunder and to otherwise maintain the secrecy of the same. The Executive agrees that for a period of five years following the cessation of his employment for any reason, he shall not directly or indirectly divulge or make use of any Confidential Information or Trade Secrets of the Company without prior written consent of the Company. The Executive further agrees that if he is questioned about information subject to this Agreement by anyone not authorized to receive such information, he will promptly notify the Chairman of the Board. This Agreement does not limit the remedies available under common or statutory law, which may impose longer duties of non-disclosure. The Executive will immediately notify the Chairman of the Board if he receives any subpoenas which could require the disclosure of Confidential Information, so that the Company may take whatever actions it deems necessary to protect its interests.

(d) COVENANT OF NON-COMPETITION. The Executive agrees that while employed by the Company and for a period of twenty-four (24) months following the cessation of his employment for any reason, he will not compete with the Business of Company by performing services of the same or similar type as those he performed for the Company as an employee, contractor, consultant, officer, director or agent for any person or entity engaged in the Business of Company. Likewise, the Executive will not perform activities of the type which in the ordinary course of business would involve the utilization of Confidential Information or Trade Secrets protected from disclosure by Section 4 (c) of this Agreement. This paragraph restricts competition only within the Territory.

(e) COVENANT OF NON-SOLICITATION. The Executive agrees that while employed by the Company and for a period of twenty-four (24) months following the cessation of his employment for any reason, he will not directly or indirectly solicit or attempt to solicit any business in competition with the Business of Company from any of the Customers with whom the Executive had Material Contact within the last 18 months of his employment with the Company. The Executive further agrees that for a period of twenty-four (24) months following the cessation of his employment, he will not directly or indirectly solicit or attempt to solicit any Vendors of the Company with whom he had Material Contact during the last 18 months of his employment with the Company to provide services to any person or entity which competes with the Business of Company.

(f) COVENANT OF NON-RECRUITMENT. The Executive agrees that while employed by the Company and for a period of twenty-four (24) months following the cessation of his employment for any reason, he will not directly or indirectly solicit or attempt to solicit any other employee of the Company for the purpose of encouraging, enticing, or causing said employee to voluntarily terminate employment with the Company.

(g) COVENANT TO RETURN PROPERTY AND INFORMATION. The Executive agrees to return all of the Company’s property within seven (7) days following the cessation of his employment for any reason. Such property includes, but is not limited to, the original and any copy (regardless of the manner in which it is recorded) of all information provided by the Company to the Executive, or which the Executive has developed or collected in the scope of his employment with the Company, as well as all Company-issued equipment, supplies, accessories, vehicles, keys, instruments, tools, devices, computers, cell phones, pagers, materials, documents, plans, records, notebooks, drawings, or papers.

(h) ASSIGNMENT OF WORK PRODUCT AND INVENTIONS. The Executive hereby assigns and grants to the Company (and will upon request take any actions needed to formally assign and grant to the Company and/or obtain patents, trademark registrations or copyrights belonging to the Company) the sole and exclusive ownership of any and all inventions, information, reports, computer software or programs, writings, technical information or work product collected or developed by the Executive, alone or with others, during the term of the Executive's employment. This duty applies whether or not the forgoing inventions or information are made or prepared in the course of employment with the Company, so long as such inventions or information relate to the Business of Company and have been developed in whole or in part during the term of the Executive's employment. The Executive agrees to advise the Company in writing of each invention that Executive, alone or with others, makes or conceives during the term of Executive's employment. Inventions which the Executive developed before the Executive came to work for the Company, if any, are as follows: ____ ______________.

(i) REMEDIES FOR VIOLATION OF RESTRICTIVE COVENANTS. The Executive acknowledges that the Company would suffer irreparable harm if the Executive fails to comply with the foregoing, and that the Company would be entitled to any appropriate relief, including money damages, injunctive and other equitable relief and attorneys' fees. The Executive agrees that the pendency of any claim whatsoever against the Company shall not constitute a defense to the enforcement of this Noncompetition Agreement by the Company.

(j) SEVERABILITY. In the event that any one or more of the provisions of these restrictive covenants shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. Moreover, if any one or more of the provisions contained in these restrictive covenants shall be held to be excessively broad as to duration, activity or subject, the parties authorize the Court in which such action is pending to modify said covenants and enforce them to the extent that the Court deems reasonable.

5. TERMINATION.

(a) DEATH. This Agreement shall terminate upon the death of the Executive, provided, however, that for purposes of the payment of Base Salary to the Executive, the death of the Executive shall be deemed to have occurred ninety (90) days from the last day of the month in which the death of the Executive shall have occurred.

(b) DISABILITY. Executive's employment and all obligations of the Company hereunder shall terminate upon a finding that the Executive is disabled under the Company's group long term disability plan.

(c) CAUSE. The Company may terminate the Executive's employment hereunder for Cause by giving written Notice of Termination to the Executive. For the purposes of this Agreement, the Company shall have "Cause" to terminate the Executive's employment hereunder upon: (i) the conviction of Executive of, or the entry of a plea of guilty, first offender probation before judgment, or *nolo contendere* by Executive to, any felony; (ii) fraud, misappropriation or embezzlement by Executive; (iii) Executive's willful failure or gross negligence in the performance of his assigned duties for the Company, which failure or negligence continues for more than or was not remedied within thirty (30) calendar days following Executive's receipt of written notice of such willful failure or gross negligence; (iv) Executive's failure to follow reasonable and lawful directives of the Board or his breach of his fiduciary duty to the Company, which failure is not remedied within thirty (30) calendar days following Executive's receipt of written notice of such failure; (v) any act or omission of Executive that has a demonstrated and material adverse impact on the Company's business or reputation for honesty and fair dealing, other than an act or failure to act by Executive in good faith and without reason to believe that such act or failure to act would adversely impact on the Company's business or reputation for honesty and fair dealing; or (vi) the breach by Executive of any material term of this Agreement, which breach continues for more than or was not remedied within thirty (30) calendar days following Executive's receipt of written notice of such breach.

(d) WITHOUT CAUSE; GOOD REASON.

(i) The Company may terminate the Executive's employment hereunder without Cause, by giving written Notice of Termination (as defined in Section 5(e)) to the Executive.

(ii) The Executive may terminate his employment hereunder, by giving written Notice of Termination to the Company. For the purposes of this Agreement, the Executive shall have "Good Reason" to terminate his employment hereunder upon (a) a substantial reduction in the Executive's aggregate Base Salary and annual incentive compensation taken as a whole, excluding any reductions caused by the performance of the Company or the Executive, including but not limited to, the failure by the Executive to achieve performance targets established from time to time by the Board and/or under the Management Incentive Plan or Long Term Incentive Plan or from below budget performance by the Company, or (b) the Company's failure to make payments of Base Pay and incentive compensation, but only upon notice of such failure given by the Executive within ninety (90) days of the initial existence of the failure and the subsequent failure of the Company to cure the non-payment within thirty (30) days of such notice.

(e) NOTICE OF TERMINATION. Any termination by the Company pursuant to the Subsections (b), (c) or (d)(i) above or by the Executive pursuant to Subsection (d)(ii) above, shall be communicated by written Notice of Termination from the party issuing such notice to the other party hereto. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision of this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for such termination. A date of termination specified in the Notice of Termination shall not be dated earlier than ninety (90) days from the date such Notice is delivered or mailed to the applicable party and not later than two (2) years after the initial existence of the failure.

(f) OBLIGATION TO PAY. Except upon termination for Cause, voluntary termination by the Executive without Good Reason, or termination as a result of death or disability, and further subject to Sections 6 and 16 below, the Company shall (i) pay the compensation specified in this Subsection 5(f) to the Executive for the period specified in this Subsection 5(f), (ii) continue to provide, no less frequently than monthly, life insurance benefits during the remainder of the applicable period, including the Severance Period set forth in this Subsection 5(f), and (iii) if and to the extent the Executive timely elects COBRA continuation coverage, pay the Executive, no less frequently than monthly, the cost of COBRA premiums for a period of 18 months or such lesser period as the Executive continues to have COBRA continuation coverage.

If the Executive's employment shall be terminated by reason of death, the estate of the Executive shall be paid all sums otherwise payable to the Executive through the end of the third month after the month in which the death of the Executive occurred, including all bonus or other incentive benefits accrued or accruable to the Executive through the end of the month in which the death of the Executive occurred, on the same basis as if the Executive had continued employment through such times, and the Company shall have no further obligations to the Executive under this Agreement.

If the Executive's employment is terminated by reason of disability as determined under the Company's long term disability plan, the Executive or the person charged with legal responsibility for the Executive's estate shall be paid all sums otherwise payable to the Executive, including the bonus and other benefits accrued or accruable to the Executive, on the same basis as if the Executive had continued employment through the date of disability, and the Company shall have no further obligations to the Executive under this Agreement.

If the Executive's employment shall be terminated for Cause, the Company shall pay the Executive his Base Salary through the date of termination specified in the Notice of Termination and reimbursements otherwise payable to the Executive, and the Company shall have no further obligations to the Executive under this Agreement.

Unless such termination occurs within two (2) years following a Change in Control, if the Executive's employment shall be terminated by the Company without Cause or by the Executive for Good Reason, the Company shall (x) continue to pay the Executive the Base Salary (at the rate in effect on the date of such termination) for a period of one (1) year from the date of such termination (such one (1) year period being referred to hereinafter as the "Severance Period") at such intervals as the same would have been paid had the Executive remained in the active service of the Company, and (y) pay the Executive a pro rata portion of the bonus or other incentive benefits to which the Executive would have been entitled for the year of termination had the Executive remained employed for the entire year, which incentive compensation shall be payable at the time incentive compensation is payable generally under the applicable incentive plans; provided, however, that notwithstanding the foregoing, the Executive shall not be entitled to any severance payments under clauses (x) and (y) of this sentence upon and after reaching age 65 . The Executive shall have no further right to receive any other compensation, benefits or perquisites after the date of termination of employment except as determined under the terms of this Agreement or any applicable employee benefit plans or programs of the Company or under applicable law.

If within two (2) years following a Change in Control the Executive's employment shall be terminated by the Company without Cause or by the Executive for Good Reason (a "Change in Control Termination"), the Company shall immediately, and in all events within thirty (30) days after the date of termination, pay the Executive the sum of (x) two (2) times the Base Salary (at the rate in effect on the date of such termination), (y) a pro rata portion of the bonus or other incentive benefits to which the Executive would have been entitled for the year of termination had the Executive remained employed for the entire year, plus (z) a bonus in an amount equal to the three (3) year average of the awards received by the participant during the prior two (2) completed years and the current year's trend (based upon results through the month most recently complete prior to the termination, extrapolated for the complete year) multiplied by two (2) times. Any payment due to the Executive with respect to clause (y) and (z) that is calculated based upon the Company's Management Incentive Plan shall be reduced by any similar amounts received by the Executive under such plan. Also, notwithstanding the foregoing, in the event of a Change in Control Termination, the Company shall continue the Executive's life and group health coverage for a period of two (2) years, subject to the same payments by the Executive that the Executive was required to make prior to termination. Notwithstanding the foregoing, the Company shall be entitled to modify the group health benefits provided such modifications are applicable to all similarly situated management employees. To the extent that the Company is not able to continue life or group health benefits as a result of the terms of the applicable plans or insurance policies, the Company shall pay the Executive the cost, no less frequently than monthly, that the Executive must incur to obtain such benefits privately.

For the purposes of this Agreement, the term "Change in Control" shall mean change in the ownership of the Company, change in the effective control of the Company or change in ownership of a substantial portion of the Company's assets, as described in Section 280G of the Code, including each of the following: (i) a change in the ownership of the Company occurs on the date that any one person, or more than one person acting as a group, acquires ownership of stock of the Company that, together with stock held by such person or group, possess more than fifty percent (50%) of the total fair market value or total voting power of the stock of the Company (unless any one person, or more than one person acting as a group, who is considered to own more than fifty percent (50%) of the total fair market value or total voting power of the stock of the Company, acquires additional stock); (ii) change in the effective control of the Company is presumed (which presumption may be rebutted by the Compensation Committee of the Board) to occur on the date that either: any one person, or more than one person acting as a group, acquires (or has acquired during the twelve (12)-month period ending on the date of the most recent acquisition by such person or persons) ownership of stock of the Company possessing thirty percent (30%) or more of the total voting power of the stock of such Company; (iii) a majority of members of the Company's Board is replaced during any twelve (12)-month period by directors whose appointment or election is not endorsed by a majority of the members of the Company's Board prior to the date of the appointment or election of such new directors; or (iv) a change in the ownership of a substantial portion of the Company's assets occurs on the date that any one person, or more than one person acting as a group, acquires (or has acquired during the twelve (12)-month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total fair market value equal to forty percent (40%) or more of the total fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions unless the assets are transferred to: a stockholder of the Company (immediately before the asset transfer) in exchange for or with respect to its stock; an entity, fifty percent (50%) or more of the total value or voting power of which is owned, directly or indirectly by the Company; a person, or more than one person acting as a group, that owns, directly or indirectly, fifty percent (50%) or more of the total value or voting power of all of the outstanding stock of the Company; or an entity, at least fifty percent (50%) of the total value or voting power is owned, directly or indirectly, by a person, or more than one person acting as a group, that owns directly or indirectly, fifty percent (50%) or more of the total value of voting power of all of the outstanding stock of the Company.

(g) TAXES. In the event it shall be determined that any payment or distribution by the Company to or for the benefit of the Executive in the event of a Change in Control, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, (a "Change in Control Payment") would be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code") or any interest or penalties are incurred by the Executive with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Executive shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by the Executive of all taxes (including any interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Change in Control Payments. The Company shall pay all such Gross-Up Payments before such excise taxes are required to be remitted.

6. CONDITIONS APPLICABLE TO SEVERANCE PERIOD; MITIGATION OF DAMAGES

(a) If during the Severance Period, the Executive breaches his obligations under Section 4 above, the Company may, upon written notice to the Executive, terminate the Severance Period and cease to make any further payments or provide any benefits described in Subsection 5(f).

(b) Although the Executive shall not be required to mitigate the amount of any payment provided for in Subsection 5(f) by seeking other employment, except in the case of a Change in Control Termination, any such payments shall be reduced by any amounts which the Executive receives or is entitled to receive from another employer with respect to the Severance Period. The Executive shall promptly notify the Company in writing in the event that other employment is obtained during the Severance Period.

7. NOTICES. For the purpose of this Agreement, notices and all other communications to either party hereunder provided for in the Agreement shall be in writing and shall be deemed to have been duly given when delivered in person or mailed by certified first-class mail, postage prepaid, addressed:

in the case of the Company to:

AGCO Corporation
4205 River Green Parkway
Duluth, Georgia 30096
Attention: Debra Kuper

in the case of the Executive to:

____

____

____

____

or to such other address as either party shall designate by giving written notice of such change to the other party.

8. ARBITRATION. Any claim, controversy, or dispute arising between the parties with respect to this Agreement, to the maximum extent allowed by applicable law, shall be submitted to and resolved by binding arbitration. The arbitration shall be conducted pursuant to the terms of the Federal Arbitration Act and (except as otherwise specified herein) the Commercial Arbitration Rules of the American Arbitration Association in effect at the time the arbitration is commenced. The venue for the arbitration shall be the Atlanta, Georgia offices of the American Arbitration Association. Either party may notify the other party at any time of the existence of an arbitrable controversy by delivery in person or by certified mail of a Notice of Arbitrable Controversy. Upon receipt of such a Notice, the parties shall attempt in good faith to resolve their differences within fifteen (15) days after the receipt of such Notice. Notice to the Company and the Executive shall be sent to the addresses specified in Section 7 above. If the dispute cannot be resolved within the fifteen (15) day period, either party may file a written Demand for Arbitration with the American Arbitration Association's Atlanta, Georgia Regional Office, and shall send a copy of the Demand for Arbitration to the other party. The arbitration shall be conducted before a panel of three (3) arbitrators. The arbitrators shall be selected as

follows: (a) The party filing the Demand for Arbitration shall simultaneously specify his or its arbitrator, giving the name, address and telephone number of said arbitrator; (b) The party receiving such notice shall notify the party demanding the arbitration of his or its arbitrator, giving the name, address and telephone number of the arbitrator within five (5) days of the receipt of such Demand for Arbitration; (c) A neutral person shall be selected through the American Arbitration Association's arbitrator selection procedures to serve as the third arbitrator. The arbitrator designated by any party need not be neutral. In the event that any person fails or refuses timely to name his arbitrator within the time specified in this Section 8, the American Arbitration Association shall (immediately upon notice from the other party) appoint an arbitrator. The arbitrators thus constituted shall promptly meet, select a chairperson, fix the time, date(s), and place of the hearing, and notify the parties. To the extent practical, the arbitrators shall schedule the hearing to commence within sixty (60) days after the arbitrators have been impaneled. A majority of the panel shall render an award within ten (10) days of the completion of the hearing, which award may include an award of interest, legal fees and costs of arbitration. The panel of arbitrators shall promptly transmit an executed copy of the award to the respective parties. The award of the arbitrators shall be final, binding and conclusive upon the parties hereto. Each party shall have the right to have the award enforced by any court of competent jurisdiction.

Executive initials: ______________________ Company initials: ______________________

9. NO WAIVER. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is approved by the Board and agreed to in a writing signed by the Executive and such officer as may be specifically authorized by the Board. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of any other provisions or conditions of this Agreement at the same or at any prior or subsequent time.

10. SUCCESSORS AND ASSIGNS. The rights and obligations of the Company under this Agreement shall inure to the benefit of and be binding upon the successors and assigns of the Company and the Executive's rights under this Agreement shall inure to the benefit of and be binding upon his heirs and executors. Neither this Agreement or any rights or obligations of the Executive herein shall be transferable or assignable by the Executive.

11. VALIDITY. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provisions of this Agreement, which shall remain in full force and effect. The parties intend for each of the covenants contained in Section 4 to be severable from one another.

12. SURVIVAL. The provisions of Section 4 hereof shall survive the termination of Executive's employment and shall be binding upon the Executive's personal or legal representative, executors, administrators, successors, heirs, distributees, devisees and legatees and the provisions of Section 5 hereof relating to payments and termination of the Executive's employment hereunder shall survive such termination and shall be binding upon the Company.

13. COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

14. ENTIRE AGREEMENT. This Agreement constitutes the full agreement and understanding of the parties hereto with respect to the subject matter hereof and all prior or contemporaneous agreements or understandings are merged herein. The parties to this Agreement each acknowledge that both of them and their respective agents and advisors were active in the negotiation and drafting of the terms of this Agreement.

15. GOVERNING LAW. The validity, construction and enforcement of this Agreement, and the determination of the rights and duties of the parties hereto, shall be governed by the laws of the State of Georgia.

16. DEFERRED COMPENSATION PLAN OMNIBUS PROVISIONS. Notwithstanding any other provision of this Agreement, it is intended that any payment or benefit which is provided pursuant to or in connection with this Agreement which is considered to be deferred compensation subject to Section 409A of the Code shall be provided and paid in a manner, and at such time, including without limitation payment and provision of benefits only in connection with a permissible payment event contained in Section 409A (e.g., death or separation from service from the Company and its affiliates as defined for purposes of Section 409A of the Code), and in such form, as complies with the applicable requirements of Section 409A of the Code, to avoid the unfavorable tax consequences provided therein for non-compliance. For purposes of this Agreement, all rights to payments and benefits hereunder shall be treated as rights to receive a series of separate payments and benefits to the fullest extent allowed by Section 409A of the Code. If Executive is a "specified employee" (as defined in Section 409A of the Code) and any of the Company's stock is publicly traded on an established securities market or otherwise, then payment of any amount or provision of any benefit under this Agreement which is considered to be deferred compensation subject to Section 409A of the Code shall be deferred for six (6) months as required by Section 409A(a)(2)(B)(i) of the Code (the "409A Deferral Period"). In the event such payments are otherwise due to be made in installments or periodically during the 409A Deferral Period, the payments which would otherwise have been made in the 409A Deferral Period shall be accumulated and paid in a lump sum as soon as the 409A Deferral Period ends, and the balance of the payments shall be made as otherwise scheduled. In the event benefits are required to be deferred, any such benefit may be provided during the 409A Deferral Period at Executive's expense, with Executive having a right to reimbursement from the Company once the 409A Deferral Period ends, and the balance of the benefits shall be provided as otherwise scheduled. For purposes of this Agreement, any termination of employment will be read to mean a "separation from service" within the meaning of Section 409A of the Code where it is reasonably anticipated that no further services would be performed after such date or that the level of bona fide services Executive would perform after that date (whether as an employee or independent contractor) would permanently decrease to less than fifty percent (50%) of the average level of bona fide services performed over the immediately preceding thirty-six (36)-month period.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

AGCO CORPORATION

By: ____________________________
Name: ____________________________
Title: ____________________________

EXECUTIVE

By: ____________________________
Name: ____________________________
Date: ____________________________

Exhibit 10.7

EMPLOYMENT AND SEVERANCE AGREEMENT
AS AMENDED AND RESTATED

This Employment and Severance Agreement (the "Agreement"), originally effective as of the 5th day of August, 2005, is amended and restated this by and between AGCO CORPORATION, a Delaware corporation (the "Company"), and Hubertus Mühlhäuser (the "Executive"). This Agreement amends, restates and supersedes the Employment and Severance Agreement between the Company and the Executive effective as of the 5th day of August, 2005 and any subsequent amendments or restatements thereto.

WITNESSETH:

In consideration of the mutual covenants and agreements hereinafter set forth, the Company and the Executive do hereby agree as follows:

1. EMPLOYMENT.

(a) The Company hereby employs the Executive, and the Executive hereby agrees to serve the Company, upon the terms and conditions set forth in this Agreement.

(b) The employment term commenced on September 1, 2005, and shall continue in effect until terminated in accordance with Section 5 or any other provision of the Agreement.

2. POSITION AND DUTIES.

The Executive shall serve as a Senior Vice President of the Company and shall perform such duties and responsibilities as may from time to time be prescribed by the Company's board of directors (the "Board"), provided that such duties and responsibilities are consistent with the Executive's position. The Executive shall perform and discharge faithfully, diligently and to the best of his ability such duties and responsibilities and shall devote all of his working time and efforts to the business and affairs of the Company and its affiliates. During the two (2) years following a Change in Control (as defined herein), the Executive's position (including offices, titles and reporting requirements), duties, and responsibilities shall not be reduced, and the Executive shall not be required to work at a location other than the location at which the Executive was based at the time of the Change in Control.

3. COMPENSATION.

(a) BASE SALARY. The Company shall pay to the Executive an annual base salary ("Base Salary") of Five Hundred and Eleven Thousand Four Hundred Swiss Francs (CHF 511,400) (no adjustments will be made in the future for any movement in exchange rates) subject to Section 5 hereof and subject to applicable tax and payroll deductions. The Company shall consider increases in the Executive's Base Salary annually, and any such increase in salary implemented by the Company shall become the Executive's Base Salary for purposes of this Agreement. The Base Salary and annual bonus will be paid through a Swiss payroll provider in Swiss francs.

(b) INCENTIVE COMPENSATION. Provided Executive has duly performed his obligations pursuant to this Agreement, the Executive shall be entitled to an annual bonus to be paid upon the Executive achieving pre-agreed targets that will be annually reviewed and participate in the Long-Term Incentive Plan that is implemented by the Company.

(c) PENSION. The Company will contribute 50 percent of the cost of providing retirement benefits in Switzerland. Pension contributions will be calculated on Base Salary only, not other remuneration, e.g., incentive compensation. The Company will make the required contributions, if any, to the Swiss social security system. The Executive is responsible for the employee portion of both pension contributions and the social securities system.

(d) HEALTH INSURANCE. The Company will provide a health insurance and related benefits consistent generally with current practices, subject to adjustment to the extent that similar benefits for similarly situated executives are adjusted. .

(e) OTHER BENEFITS. The Company will pay for sickness and accident insurance in Switzerland consistent generally with current practices, subject to adjustment to the extent that similar benefits for similarly situated executives are adjusted.

(f) FRINGE BENEFITS. The Company shall pay or reimburse the Executive promptly for all reasonable and necessary expenses incurred by him in connection with his duties hereunder, upon submission by the Executive to the Company of such written evidence of such expenses as the Company may reasonably require. Throughout the term of this Agreement, the Company will provide the Executive with the use of a vehicle for purposes within the scope of his employment and shall pay, or reimburse the Executive for, all expenses for fuel, maintenance and insurance in connection with such use of the automobile. Executive shall also be entitled to use the vehicle for private purposes. In no event will any such reimbursements or payments under this Subsection 3(f) be made, if at all, later than the last day of the Executive's taxable year next following the Executive's taxable year in which the Executive incurs the expense. The Company further agrees that the Executive shall be entitled to four (4) weeks of vacation in any year of the term of employment hereunder, subject to the terms of the Company's vacation policy.

(g) MODIFICATION OF BENEFITS. Without by implication limiting the foregoing, during the two (2) years following a Change in Control, the Executive's compensation, including Base Salary, incentive compensation opportunity, pension, benefits and fringe benefits shall not be reduced. Notwithstanding the foregoing, the Company shall be entitled to modify the group health benefits provided such modifications are applicable to all similarly situated management employees. To the extent that the Company is not able to continue life, group health or similar benefits as a result of the terms of the applicable plans or insurance policies, the Company shall pay the Executive the cost, no less frequently than monthly, that the Executive must incur to obtain such benefits privately.

4. RESTRICTIVE COVENANTS

(a) ACKNOWLEDGMENTS. The Executive acknowledges that as an Executive Officer of the Company (i) he frequently will be exposed to certain "Trade Secrets" and "Confidential Information" of the Company (as those terms are defined in Subsection 4(b)),

(ii) his responsibilities on behalf of the Company will extend to all geographical areas where the Company is doing business, and (iii) any competitive activity on his part during the term of his employment and for a reasonable period thereafter would necessarily involve his use of the Company's Trade Secrets and Confidential Information and, therefore, would unfairly threaten the Company's legitimate business interests, including its substantial investment in the proprietary aspects of its business and the goodwill associated with its customer base. Moreover, the Executive acknowledges that, in the event of the termination of his employment with the Company, he would have sufficient skills to find alternative, commensurate work in his field of expertise that would not involve a violation of any of the provisions of this Section 4. Therefore, the Executive acknowledges and agrees that it is reasonable for the Company to require him to abide by the covenants set forth in this Section 4. The parties acknowledge and agree that if the nature of the Executive's responsibilities for or on behalf of the Company and the geographical areas in which the Executive must fulfill them materially change, the parties will execute appropriate amendments to the scope of the covenants in this Section 4.

(b) DEFINITIONS.

(i) "Business of Company" means designing, manufacturing, marketing, and distributing agricultural equipment.

(ii) "Material Contact" as used in the non-solicitation provision below means personal contact or the supervision of the efforts of those who have personal contact with an existing or potential Customer or Vendor in an effort to further or create a business relationship between the Company and such existing or potential Customer or Vendor.

(iii) "Confidential Information" means information about the Company, its Executives, and Customers which is not generally known outside of the Company, which the Executive learns of in connection with the Executive's employment with the Company, and which would be useful to competitors of the Company or potentially harmful to the Company's reputation. Except where generally known outside the Company, Confidential Information includes, but is not limited to: (1) business and employment policies, marketing methods and the targets of those methods, finances, business plans, promotional materials and price lists used by the Company; (2) the terms upon which the Company hires employees and provides services to its Customers; (3) the nature, origin, composition and development of the Company's products and services; and (4) the manner in which the Company provides products and services to its Customers.

(iv) "Trade Secrets" means Confidential Information which meets the additional requirements of the Georgia Trade Secrets Act.

(v) "Territory" means those countries and areas as more particularly set forth on Exhibit A attached hereto.

(c) COVENANT OF CONFIDENTIALITY. During the term of this Agreement, the Executive agrees only to use and disclose Confidential Information in connection with his duties hereunder and to otherwise maintain the secrecy of the same. The Executive agrees that for a period of five years following the cessation of his employment for any reason, he shall not directly or indirectly divulge or make use of any Confidential Information or Trade

Secrets of the Company without prior written consent of the Company. The Executive further agrees that if he is questioned about information subject to this Agreement by anyone not authorized to receive such information, he will promptly notify the Chairman of the Board. This Agreement does not limit the remedies available under common or statutory law, which may impose longer duties of non-disclosure. The Executive will immediately notify the Chairman of the Board if he receives any subpoenas which could require the disclosure of Confidential Information, so that the Company may take whatever actions it deems necessary to protect its interests.

(d) COVENANT OF NON-COMPETITION. The Executive agrees that while employed by the Company and for a period of twelve (12) months following the cessation of his employment for any reason, he will not compete with the Business of Company by performing services of the same or similar type as those he performed for the Company as an employee, contractor, consultant, officer, director or agent for any person or entity engaged in the Business of Company. Likewise, the Executive will not perform activities of the type which in the ordinary course of business would involve the utilization of Confidential Information or Trade Secrets protected from disclosure by Section 4 (c) of this Agreement. This paragraph restricts competition only within the Territory.

(e) COVENANT OF NON-SOLICITATION. The Executive agrees that while employed by the Company and for a period of twelve (12) months following the cessation of his employment for any reason, he will not directly or indirectly solicit or attempt to solicit any business in competition with the Business of Company from any of the Customers with whom the Executive had Material Contact within the last 18 months of his employment with the Company. The Executive further agrees that for a period of twelve (12) months following the cessation of his employment, he will not directly or indirectly solicit or attempt to solicit any Vendors of the Company with whom he had Material Contact during the last 18 months of his employment with the Company to provide services to any person or entity which competes with the Business of Company.

(f) COVENANT OF NON-RECRUITMENT. The Executive agrees that while employed by the Company and for a period of twelve (12) months following the cessation of his employment for any reason, he will not directly or indirectly solicit or attempt to solicit any other employee of the Company for the purpose of encouraging, enticing, or causing said employee to voluntarily terminate employment with the Company.

(g) COVENANT TO RETURN PROPERTY AND INFORMATION. The Executive agrees to return all of the Company's property within seven (7) days following the cessation of his employment for any reason. Such property includes, but is not limited to, the original and any copy (regardless of the manner in which it is recorded) of all information provided by the Company to the Executive, or which the Executive has developed or collected in the scope of his employment with the Company, as well as all Company-issued equipment, supplies, accessories, vehicles, keys, instruments, tools, devices, computers, cell phones, pagers, materials, documents, plans, records, notebooks, drawings, or papers.

(h) ASSIGNMENT OF WORK PRODUCT AND INVENTIONS. The Executive hereby assigns and grants to the Company (and will upon request take any actions needed to formally assign and grant to the Company and/or obtain patents, trademark registrations or copyrights belonging to the Company) the sole and exclusive ownership of any and all inventions, information, reports, computer software or programs, writings, technical information or work product collected or developed by the Executive, alone or with others, during the term of the Executive’s employment. This duty applies whether or not the forgoing inventions or information are made or prepared in the course of employment with the Company, so long as such inventions or information relate to the Business of Company and have been developed in whole or in part during the term of the Executive’s employment. The Executive agrees to advise the Company in writing of each invention that Executive, alone or with others, makes or conceives during the term of Executive’s employment. Inventions which the Executive developed before the Executive came to work for the Company, if any, are as follows:

(i) REMEDIES FOR VIOLATION OF RESTRICTIVE COVENANTS. The Executive acknowledges that the Company would suffer irreparable harm if the Executive fails to comply with the foregoing, and that the Company would be entitled to any appropriate relief, including money damages, injunctive and other equitable relief and attorneys’ fees. The Executive agrees that the pendency of any claim whatsoever against the Company shall not constitute a defense to the enforcement of this Noncompetition Agreement by the Company.

(j) SEVERABILITY. In the event that any one or more of the provisions of these restrictive covenants shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. Moreover, if any one or more of the provisions contained in these restrictive covenants shall be held to be excessively broad as to duration, activity or subject, the parties authorize the Court in which such action is pending to modify said covenants and enforce them to the extent that the Court deems reasonable.

5. TERMINATION.

(a) DEATH. This Agreement shall terminate upon the death of the Executive, provided, however, that for purposes of the payment of Base Salary to the Executive, the death of the Executive shall be deemed to have occurred ninety (90) days from the last day of the month in which the death of the Executive shall have occurred.

(b) DISABILITY. Executive’s employment and all obligations of the Company hereunder shall terminate upon a finding that the Executive is disabled under the Company’s group long term disability plan.

(c) CAUSE. The Company may terminate the Executive’s employment hereunder for Cause by giving written Notice of Termination to the Executive. For the purposes of this Agreement, the Company shall have “Cause” to terminate the Executive’s employment hereunder upon: (i) the conviction of Executive of, or the entry of a plea of guilty, first offender probation before judgment, or nolo contendere by Executive to, any felony; (ii) fraud, misappropriation or embezzlement by Executive; (iii) Executive’s willful failure or gross negligence in the performance of his assigned duties for the Company, which failure or negligence continues for more than or was not remedied within thirty (30)calendar days following Executive’s receipt of written notice of such willful failure or gross negligence; (iv) Executive’s failure to follow reasonable and lawful directives of the Board or his breach of his fiduciary duty to the Company, which failure is not remedied within thirty (30)calendar days following Executive’s receipt of written notice of such failure; (v) any act or omission of Executive that has a demonstrated and material adverse impact on the Company’s business or reputation for honesty and fair dealing, other than an act or failure to act by Executive in good faith and without reason to believe that such act or failure to act would adversely impact on the Company's business or reputation for honesty and fair dealing; or (vi) the breach by Executive of any material term of this Agreement, which breach continues for more than or was not remedied within thirty (30) calendar days following Executive's receipt of written notice of such breach.

(d) WITHOUT CAUSE; GOOD REASON.

(i) The Company may terminate the Executive's employment hereunder without Cause, by giving written Notice of Termination (as defined in Section 5(e)) to the Executive.

(ii) The Executive may terminate his employment hereunder, by giving written Notice of Termination to the Company. For the purposes of this Agreement, the Executive shall have "Good Reason" to terminate his employment hereunder upon (a) a substantial reduction in the Executive's aggregate Base Salary and annual incentive compensation taken as a whole, excluding any reductions caused by the performance of the Company or the Executive, including but not limited to, the failure by the Executive to achieve performance targets established from time to time by the Board and/or under the Management Incentive Plan or Long Term Incentive Plan or from below budget performance by the Company, or (b) the Company's failure to make payments of Base Pay and incentive compensation, but only upon notice of such failure given by the Executive within ninety (90) days of the initial existence of the failure and the subsequent failure of the Company to cure the non-payment within thirty (30) days of such notice.

(e) NOTICE OF TERMINATION. Any termination by the Company or by the Executive shall be communicated by written Notice of Termination from the party issuing such notice to the other party hereto. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision of this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for such termination. A date of termination specified in the Notice of Termination shall not be dated earlier than ninety (90) days from the date such Notice is delivered or mailed to the applicable party and not later than two (2) years after the initial existence of the failure.

(f) OBLIGATION TO PAY. Except upon voluntary termination by the Executive without Good Reason, termination by the Company for Cause, or termination as a result of death or disability and subject to Sections 6 and 16 below, the Company shall (i) pay the compensation specified in this Subsection 5(f) to the Executive for the period specified in this Subsection 5(f), (ii) continue to provide, no less frequently than monthly, life insurance benefits during the remainder of the applicable period, including the Severance Period set forth in this Subsection 5(f), and (iii) if and to the extent the Executive timely elects COBRA continuation coverage, pay the Executive on a monthly basis the cost of COBRA premiums for a period of 18 months or such lesser period as the Executive continues to have COBRA continuation coverage.

If the Executive's employment shall be terminated by reason of death, the estate of the Executive shall be paid all Base Salary and reimbursements and payments otherwise payable to the Executive through the end of the third month after the month in which the death of the Executive occurred, including all bonus or other incentive benefits accrued or accruable to the Executive through the end of the month in which the death of the Executive occurred, on the same basis as if the Executive had continued employment through such times, and the Company shall have no further obligations to the Executive under this Agreement.

If the Executive's employment is terminated by reason of disability as determined under the Company's long term disability plan, the Executive or the person charged with legal responsibility for the Executive's estate shall be paid all Base Salary and reimbursements and payments otherwise payable to the Executive, including the bonus and other benefits accrued or accruable to the Executive, through the date of disability, and the Company shall have no further obligations to the Executive under this Agreement. If the Executive's employment shall be terminated for Cause, the Company shall pay the Executive his Base Salary through the date of termination specified in the Notice of Termination and reimbursements otherwise payable to the Executive, and the Company shall have no further obligations to the Executive under this Agreement.

Unless such termination occurs within two (2) years following a Change in Control, if the Executive's employment shall be terminated by the Company without Cause or by the Executive for Good Reason, the Executive shall be paid all Base Salary and reimbursements and payments otherwise payable to the Executive, including the bonus and other benefits accrued or accruable to the Executive through the date of termination specified in the Notice of Termination, and the Company shall (x) continue to pay the Executive the Base Salary (at the rate in effect on the date of such termination) for a period of one (1) year beginning from the date of such termination (such one (1) year period being referred to hereinafter as the "Severance Period") on the same basis as if Executive had continued employment during the Severance Period and (y) pay the Executive a pro rata portion of the bonus or other incentive benefits to which the Executive would have been entitled for the year of termination had the Executive remained employed for the entire year which incentive compensation shall be payable at the time incentive compensation is payable generally under the applicable incentive plans; provided, however, that notwithstanding the foregoing, the Executive shall not be entitled to any severance payments under clauses (x) or (y) of this sentence upon and after reaching age 65. The Executive shall have no further right to receive any other compensation, benefits or perquisites after the date of termination of employment except as determined under the terms of this Agreement or any applicable employee benefit plans or programs of the Company or under applicable law.

If within two (2) years following a Change in Control the Executive's employment shall be terminated by the Company without Cause or by the Executive for Good Reason (a "Change in Control Termination"), the Company shall immediately, and in all events within thirty (30) days after the date of termination, pay the Executive the sum of (x) two (2) times the Base Salary (at the rate in effect on the date of such termination), (y) a pro rata portion of the bonus or other incentive benefits to which the Executive would have been entitled for the year of termination had the Executive remained employed for the entire year, plus (z) a bonus in an amount equal to the three (3) year average of the awards received by the participant during the prior two (2) completed years and the current year's trend (based upon results through the month most recently complete prior to the termination, extrapolated for the complete year) multiplied by two (2) times. Any payment due to the Executive with respect to clause (y) and (z) that is calculated based upon the Company's Management Incentive Plan shall be reduced by any similar amounts received by the Executive under such plan. Also, notwithstanding the foregoing, in the event of a Change in Control Termination, the Company shall continue the Executive's life and group health coverage for a period of two (2) years, subject to the same payments by the Executive that the Executive was required to make prior to termination. Notwithstanding the foregoing, the Company shall be entitled to modify the group health benefits provided such modifications are applicable to all similarly situated management employees. To the extent that the Company is not able to continue life or group health benefits as a result of the terms of the applicable plans or insurance policies, the Company shall pay the Executive the cost, no less frequently than monthly, that the Executive must incur to obtain such benefits privately.

For the purposes of this Agreement, the term "Change in Control" shall mean change in the ownership of the Company, change in the effective control of the Company or change in ownership of a substantial portion of the Company's assets, as described in Section 280G of the Code, including each of the following: (i) a change in the ownership of the Company occurs on the date that any one person, or more than one person acting as a group, acquires ownership of stock of the Company that, together with stock held by such person or group, possess more than fifty percent (50%) of the total fair market value or total voting power of the stock of the Company (unless any one person, or more than one person acting as a group, who is considered to own more than fifty percent (50%) of the total fair market value or total voting power of the stock of the Company, acquires additional stock); (ii) change in the effective control of the Company is presumed (which presumption may be rebutted by the Compensation Committee of the Board) to occur on the date that either: any one person, or more than one person acting as a group, acquires (or has acquired during the twelve (12)-month period ending on the date of the most recent acquisition by such person or persons) ownership of stock of the Company possessing thirty percent (30%) or more of the total voting power of the stock of such Company; (iii) a majority of members of the Company's Board is replaced during any twelve (12)-month period by directors whose appointment or election is not endorsed by a majority of the members of the Company's Board prior to the date of the appointment or election of such new directors; or (iv) a change in the ownership of a substantial portion of the Company's assets occurs on the date that any one person, or more than one person acting as a group, acquires (or has acquired during the twelve (12)-month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total fair market value equal to forty percent (40%) or more of the total fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions unless the assets are transferred to: a stockholder of the Company (immediately before the asset transfer) in exchange for or with respect to its stock; an entity, fifty percent (50%) or more of the total value or voting power of which is owned, directly or indirectly by the Company; a person, or more than one person acting as a group, that owns, directly or indirectly, fifty percent (50%) or more of the total value or voting power of all of the outstanding stock of the Company; or an entity, at least fifty percent (50%) of the total value or voting power is owned, directly or indirectly, by a person, or more than one person acting as a group, that owns directly or indirectly, fifty percent (50%) or more of the total value of voting power of all of the outstanding stock of the Company.

(g) TAXES. In the event it shall be determined that any payment or distribution by the Company to or for the benefit of the Executive in the event of a Change in Control, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, (a "Change in Control Payment") would be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code") or any interest or penalties are incurred by the Executive with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the

"Excise Tax"), then the Executive shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by the Executive of all taxes (including any interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Change in Control Payments. The Company shall pay all such Gross-Up Payments before such excise taxes are required to be remitted.

6. CONDITIONS APPLICABLE TO SEVERANCE PERIOD; MITIGATION OF DAMAGES

(a) If during the Severance Period, the Executive breaches his obligations under Section 4 above, the Company may, upon written notice to the Executive, terminate the Severance Period and cease to make any further payments or provide any benefits described in Subsection 5(f).

(b) Although the Executive shall not be required to mitigate the amount of any payment provided for in Subsection 5(f) by seeking other employment, except in the case of a Change in Control Termination, any such payments shall be reduced by any amounts which the Executive receives or is entitled to receive from another employer with respect to the Severance Period. The Executive shall promptly notify the Company in writing in the event that other employment is obtained during the Severance Period.

7. NOTICES. For the purpose of this Agreement, notices and all other communications to either party hereunder provided for in the Agreement shall be in writing and shall be deemed to have been duly given when delivered in person or mailed by certified first-class mail, postage prepaid, addressed:

in the case of the Company to:

AGCO Corporation
4205 River Green Parkway
Duluth, Georgia 30096
Attention: Debra Kuper

in the case of the Executive to:

____

____

____

____

or to such other address as either party shall designate by giving written notice of such change to the other party.

8. ARBITRATION. Any claim, controversy, or dispute arising between the parties with respect to this Agreement, to the maximum extent allowed by applicable law, shall be submitted to and resolved by binding arbitration. The arbitration shall be conducted pursuant to the terms of the Federal Arbitration Act and (except as otherwise specified herein) the Commercial Arbitration Rules of the American Arbitration Association in effect at the time the arbitration is commenced. The venue for the arbitration shall be the Atlanta, Georgia offices of the American Arbitration Association. Either party may notify the other party at any time of the existence of an arbitrable controversy by delivery in person or by certified mail of a Notice of Arbitrable Controversy. Upon receipt of such a Notice, the parties shall attempt in good faith to resolve their differences within fifteen (15) days after the receipt of such Notice. Notice to the Company and the Executive shall be sent to the addresses specified in Section 7 above. If the dispute cannot be resolved within the fifteen (15) day period, either party may file a written Demand for Arbitration with the American Arbitration Association's Atlanta, Georgia Regional Office, and shall send a copy of the Demand for Arbitration to the other party. The arbitration shall be conducted before a panel of three (3) arbitrators. The arbitrators shall be selected as follows: (a) The party filing the Demand for Arbitration shall simultaneously specify his or its arbitrator, giving the name, address and telephone number of said arbitrator; (b) The party receiving such notice shall notify the party demanding the arbitration of his or its arbitrator, giving the name, address and telephone number of the arbitrator within five (5) days of the receipt of such Demand for Arbitration; (c) A neutral person shall be selected through the American Arbitration Association's arbitrator selection procedures to serve as the third arbitrator. The arbitrator designated by any party need not be neutral. In the event that any person fails or refuses timely to name his arbitrator within the time specified in this Section 8, the American Arbitration Association shall (immediately upon notice from the other party) appoint an arbitrator. The arbitrators thus constituted shall promptly meet, select a chairperson, fix the time, date(s), and place of the hearing, and notify the parties. To the extent practical, the arbitrators shall schedule the hearing to commence within sixty (60) days after the arbitrators have been impaneled. A majority of the panel shall render an award within ten (10) days of the completion of the hearing, which award may include an award of interest, legal fees and costs of arbitration. The panel of arbitrators shall promptly transmit an executed copy of the award to the respective parties. The award of the arbitrators shall be final, binding and conclusive upon the parties hereto. Each party shall have the right to have the award enforced by any court of competent jurisdiction.

Executive initials: _____ Company initials: _____

9. NO WAIVER. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is approved by the Board and agreed to in a writing signed by the Executive and such officer as maybe specifically authorized by the Board. No waiver by either party hereto at anytime of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of any other provisions or conditions of this Agreement at the same or at any prior or subsequent time.

10. SUCCESSORS AND ASSIGNS. The rights and obligations of the Company under this Agreement shall inure to the benefit of and be binding upon the successors and assigns of the Company and the Executive's rights under this Agreement shall inure to the benefit of and be binding upon his heirs and executors. Neither this Agreement or any rights or obligations of the Executive herein shall be transferable or assignable by the Executive.

11. VALIDITY. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provisions of this Agreement, which shall remain in full force and effect. The parties intend for each of the covenants contained in Section 4 to be severable from one another.

12. SURVIVAL. The provisions of Section 4 hereof shall survive the termination of Executive's employment and shall be binding upon the Executive's personal or legal representative, executors, administrators, successors, heirs, distributees, devisees and legatees and the provisions of Section 5 hereof relating to payments and termination of the Executive's employment hereunder shall survive such termination and shall be binding upon the Company.

13. COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

14. ENTIRE AGREEMENT. This Agreement constitutes the full agreement and understanding of the parties hereto with respect to the subject matter hereof and all prior or contemporaneous agreements or understandings are merged herein. The parties to this Agreement each acknowledge that both of them and their respective agents and advisors were active in the negotiation and drafting of the terms of this Agreement.

15. GOVERNING LAW. The validity, construction and enforcement of this Agreement, and the determination of the rights and duties of the parties hereto, shall be governed by the laws of the State of Georgia.

16. DEFERRED COMPENSATION PLAN OMNIBUS PROVISIONS. Notwithstanding any other provision of this Agreement, it is intended that any payment or benefit which is provided pursuant to or in connection with this Agreement which is considered to be deferred compensation subject to Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") shall be provided and paid in a manner, and at such time, including without limitation payment and provision of benefits only in connection with a permissible payment event contained in Section 409A (e.g., death or separation from service from the Company and its affiliates as defined for purposes of Section 409A of the Code), and in such form, as complies with the applicable requirements of Section 409A of the Code, to avoid the unfavorable tax consequences provided therein for non-compliance. For purposes of this Agreement, all rights to payments and benefits hereunder shall be treated as rights to receive a series of separate payments and benefits to the fullest extent allowed by Section 409A of the Code. If Executive is a "specified employee" (as defined in Section 409A of the Code) and any of the Company's stock is publicly traded on an established securities market or otherwise, then payment of any amount or provision of any benefit under this Agreement which is considered to be deferred compensation subject to Section 409A of the Code shall be deferred for six (6) months as required by Section 409A(a)(2)(B)(i) of the Code (the "409A Deferral Period"). In the event such payments are otherwise due to be made in installments or periodically during the 409A Deferral Period, the payments which would otherwise have been made in the 409A

Deferral Period shall be accumulated and paid in a lump sum as soon as the 409A Deferral Period ends, and the balance of the payments shall be made as otherwise scheduled. In the event benefits are required to be deferred, any such benefit may be provided during the 409A Deferral Period at Executive's expense, with Executive having a right to reimbursement from the Company once the 409A Deferral Period ends, and the balance of the benefits shall be provided as otherwise scheduled. For purposes of this Agreement, any termination of employment will be read to mean a "separation from service" within the meaning of Section 409A of the Code where it is reasonably anticipated that no further services would be performed after such date or that the level of bona fide services Executive would perform after that date (whether as an employee or independent contractor) would permanently decrease to less than fifty percent (50%) of the average level of bona fide services performed over the immediately preceding thirty-six (36)-month period.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

AGCO CORPORATION

By: ______________________
Name: ______________________
Title: ______________________

EXECUTIVE

By: ______________________
Name: ______________________
Date: ______________________

EMPLOYMENT AND SEVERANCE AGREEMENT
AS AMENDED AND RESTATED

This Employment and Severance Agreement (the "Agreement"), originally effective as of the 21st day of July, 2004, is amended and restated effective this 4th day of August, 2008, by and between AGCO CORPORATION, a Delaware corporation (the "Company"), and Martin Richenhagen (the "Executive"). This Agreement amends, restates and supersedes the Employment and Severance Agreement between the Company and the Executive effective as of the 21st day of July, 2004 and any subsequent amendments or restatements thereto.

WITNESSETH:

In consideration of the mutual covenants and agreements hereinafter set forth, the Company and the Executive do hereby agree as follows:

1. EMPLOYMENT.

(a) The Company hereby employs the Executive, and the Executive hereby agrees to serve the Company, upon the terms and conditions set forth in this Agreement.

(b) The employment term commenced on July 21, 2004 and shall continue in effect for an initial three (3) year term. This Agreement shall automatically be extended for additional one (1) year terms unless: (i) the Company notifies the Executive at least sixty (60) days prior to the expiration of the current term that this Agreement shall not be renewed, or (ii) the Agreement is terminated pursuant to the provisions of Section 5 or any other provision of this Agreement.

2. POSITION AND DUTIES.

The Executive shall serve as President and Chief Executive of the Company and shall perform such duties and responsibilities as may from time to time be prescribed by the Company's board of directors (the "Board"), provided that such duties and responsibilities are consistent with the Executive's position. The Executive shall perform and discharge faithfully, diligently and to the best of his ability such duties and responsibilities and shall devote all of his working time and efforts to the business and affairs of the Company and its affiliates. During the three (3) years following a Change in Control (as defined herein), the Executive's position (including offices, titles and reporting requirements), duties, and responsibilities shall not be reduced, and the Executive shall not be required to work at a location other than the location at which the Executive was based at the time of the Change in Control.

3. COMPENSATION.

(a) BASE SALARY. The Company shall pay to the Executive an annual base salary ("Base Salary") One Million Fifty Thousand Dollars ($1,050,000 USD), payable in equal semi-monthly installments throughout the term of such employment subject to Section 5 hereof (except that the first and last semi-monthly installments may be prorated, if necessary) and subject to applicable tax and payroll deductions. The Company shall consider increases in the Executive's Base Salary annually, and any such increase in salary implemented by the Company shall become the Executive's Base Salary for purposes of this Agreement.

(b) INCENTIVE COMPENSATION. Provided Executive has duly performed his obligations pursuant to this Agreement, the Executive shall be entitled to participate in the Management Incentive Plan and the Long-Term Incentive Plan that is implemented by the Company.

(c) EXECUTIVE NONQUALIFIED PENSION PLAN. During the term of this Agreement, the Executive shall be entitled to participate in the AGCO Corporation Executive Nonqualified Pension Plan ("SERP"), and the SERP shall be amended to provide for the following:

(1) For the purpose of determining years of credited service, the Executive shall be guaranteed the first five (5) years of service. Benefits shall be vested and portable if the Executive's employment is terminated by the Company without Cause, by the Executive for Good Reason or by the Company by not renewing this Agreement, even if the Executive's actual employment is less than five (5) years.

(2) In the event the Executive elects to terminate employment with the Company for reasons other than Good Reason, the benefits of the SERP shall not be portable.

(d) OTHER BENEFITS. During the term of this Agreement, the Executive shall be entitled to participate in the employee benefit plans and arrangements which are available to senior executive officers of the Company, including, without limitation, group health and life insurance, pension and savings, and the Senior Management Employment Policy.

(e) FRINGE BENEFITS. The Company shall pay or reimburse the Executive promptly for all reasonable and necessary expenses incurred by him in connection with his duties hereunder, upon submission by the Executive to the Company of such written evidence of such expenses as the Company may require. Throughout the term of this Agreement, the Company will provide the Executive with the use of a vehicle for purposes within the scope of his employment and shall pay, or reimburse Executive for, all expenses for fuel, maintenance and insurance in connection with such use of the automobile. The Company shall make any such reimbursement or payments under this Section 3(e) no later than the last day of the Executive's taxable year next following the Executive's taxable year in which the Executive incurs the expense. The Company further agrees that the Executive shall be entitled to four (4) weeks of vacation in any year of the term of employment hereunder, subject to the terms of the Company's vacation policy.

(f) MODIFICATION OF BENEFITS. Without by implication limiting the foregoing, during the three (3) years following a Change in Control, the Executive's compensation, including Base Salary, incentive compensation opportunity, SERP opportunity, other benefits and fringe benefits shall not be reduced. Notwithstanding the foregoing, the Company shall be entitled to modify the group health benefits provided such modifications are applicable to all similarly situated management employees. To the extent that the Company is not able to continue life, group health or similar benefits as a result of the terms of the applicable plans or insurance policies, the Company shall pay the Executive the cost, no less frequently than monthly, that the Executive must incur to obtain such benefits privately.

4. RESTRICTIVE COVENANTS

(a) ACKNOWLEDGMENTS. The Executive acknowledges that as an Executive Officer of the Company (i) he frequently will be exposed to certain "Trade Secrets" and "Confidential Information" of the Company (as those terms are defined in Subsection 4(b)), (ii) his responsibilities on behalf of the Company will extend to all geographical areas where the Company is doing business, and (iii) any competitive activity on his part during the term of his employment and for a reasonable period thereafter would necessarily involve his use of the Company's Trade Secrets and Confidential Information and, therefore, would unfairly threaten the Company's legitimate business interests, including its substantial investment in the proprietary aspects of its business and the goodwill associated with its customer base. Moreover, the Executive acknowledges that, in the event of the termination of his employment with the Company, he would have sufficient skills to find alternative, commensurate work in his field of expertise that would not involve a violation of any of the provisions of this Section 4. Therefore, the Executive acknowledges and agrees that it is reasonable for the Company to require him to abide by the covenants set forth in this Section 4. The parties acknowledge and agree that if the nature of the Executive's responsibilities for or on behalf of the Company and the geographical areas in which the Executive must fulfill them materially change, the parties will execute appropriate amendments to the scope of the covenants in this Section 4.

(b) DEFINITIONS.

(i) "Business of Company" means designing, manufacturing, marketing, and distributing agricultural equipment.

(ii) "Material Contact" as used in the non-solicitation provision below means personal contact or the supervision of the efforts of those who have personal contact with an existing or potential Customer or Vendor in an effort to further or create a business relationship between the Company and such existing or potential Customer or Vendor.

(iii) “Confidential Information” means information about the Company, its Executives, and Customers which is not generally known outside of the Company, which the Executive learns of in connection with the Executive’s employment with the Company, and which would be useful to competitors of the Company or potentially harmful to the Company’s reputation. Confidential Information includes, but is not limited to: (1) business and employment policies, marketing methods and the targets of those methods, finances, business plans, promotional materials and price lists; (2) the terms upon which the Company hires employees and provides services to its Customers; (3) the nature, origin, composition and development of the Company’s products and services; and (4) the manner in which the Company provides products and services to its Customers.

(iv) “Trade Secrets” means Confidential Information which meets the additional requirements of the Georgia Trade Secrets Act.

(v) “Territory” means those countries and areas as more particularly set forth on Exhibit A attached hereto.

(c) COVENANT OF CONFIDENTIALITY. During the term of this Agreement, the Executive agrees only to use and disclose Confidential Information in connection with his duties hereunder and to otherwise maintain the secrecy of the same. The Executive agrees that for a period of five years following the cessation of his employment for any reason, he shall not directly or indirectly divulge or make use of any Confidential Information or Trade Secrets of the Company without prior written consent of the Company. The Executive further agrees that if he is questioned about information subject to this Agreement by anyone not authorized to receive such information, he will promptly notify the Chairman of the Board. This Agreement does not limit the remedies available under common or statutory law, which may impose longer duties of non-disclosure. The Executive will immediately notify the Chairman of the Board if he receives any subpoenas which could require the disclosure of Confidential Information, so that the Company may take whatever actions it deems necessary to protect its interests.

(d) COVENANT OF NON-COMPETITION. The Executive agrees that while employed by the Company and for a period of twenty-four (24) months following the cessation of his employment for any reason, he will not compete with the Business of Company by performing services of the same or similar type as those he performed for the Company as an employee, contractor, consultant, officer, director or agent for any person or entity engaged in the Business of Company. Likewise, the Executive will not perform activities of the type which in the ordinary course of business would involve the utilization of Confidential Information or Trade Secrets protected from disclosure by Section 4 (c) of this Agreement. This paragraph restricts competition only within the Territory.

(e) COVENANT OF NON-SOLICITATION. The Executive agrees that while employed by the Company and for a period of twenty-four (24) months following the cessation of his employment for any reason, he will not directly or indirectly solicit or attempt to solicit any business in competition with the Business of Company from any of the Customers with whom the Executive had Material Contact within the last 18 months of his employment with the Company. The Executive further agrees that for a period of twenty-four (24) months following the cessation of his employment, he will not directly or indirectly solicit or attempt to solicit any Vendors of the Company with whom he had Material Contact during the last 18 months of his employment with the Company to provide services to any person or entity which competes with the Business of Company.

(f) COVENANT OF NON-RECRUITMENT. The Executive agrees that while employed by the Company and for a period of twenty-four (24) months following the cessation of his employment for any reason, he will not directly or indirectly solicit or attempt to solicit any other employee of the Company for the purpose of encouraging, enticing, or causing said employee to voluntarily terminate employment with the Company.

(g) COVENANT TO RETURN PROPERTY AND INFORMATION. The Executive agrees to return all of the Company’s property within seven (7) days following the cessation of his employment for any reason. Such property includes, but is not limited to, the original and any copy (regardless of the manner in which it is recorded) of all information provided by the Company to the Executive, or which the Executive has developed or collected in the scope of his employment with the Company, as well as all Company-issued equipment, supplies, accessories, vehicles, keys, instruments, tools, devices, computers, cell phones, pagers, materials, documents, plans, records, notebooks, drawings, or papers.

(h) ASSIGNMENT OF WORK PRODUCT AND INVENTIONS. The Executive hereby assigns and grants to the Company (and will upon request take any actions needed to formally assign and grant to the Company and/or obtain patents, trademark registrations or copyrights belonging to the Company) the sole and exclusive ownership of any and all inventions, information, reports, computer software or programs, writings, technical information or work product collected or developed by the Executive, alone or with others, during the term of the Executive’s employment. This duty applies whether or not the forgoing inventions or information are made or prepared in the course of employment with the Company, so long as such inventions or information relate to the Business of Company and have been developed in whole or in part during the term of the Executive’s employment. The Executive agrees to advise the Company in writing of each invention that Executive, alone or with others, makes or conceives during the term of Executive’s employment. Inventions which the Executive developed before the Executive came to work for the Company, if any, are as follows: None .

(i) REMEDIES FOR VIOLATION OF RESTRICTIVE COVENANTS. The Executive acknowledges that the Company would suffer irreparable harm if the Executive fails to comply with the foregoing, and that the Company would be entitled to any appropriate relief, including money damages, injunctive and other equitable relief and attorneys’ fees. The

Executive agrees that the pendency of any claim whatsoever against the Company shall not constitute a defense to the enforcement of this Noncompetition Agreement by the Company.

(j) SEVERABILITY. In the event that any one or more of the provisions of these restrictive covenants shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. Moreover, if any one or more of the provisions contained in these restrictive covenants shall be held to be excessively broad as to duration, activity or subject, the parties authorize the Court in which such action is pending to modify said covenants and enforce them to the extent that the Court deems reasonable.

5. TERMINATION.

(a) DEATH. This Agreement shall terminate upon the death of the Executive, provided, however, that for purposes of the payment of Base Salary to the Executive, the death of the Executive shall be deemed to have occurred ninety (90) days from the last day of the month in which the death of the Executive shall have occurred.

(b) DISABILITY. Executive's employment and all obligations of the Company hereunder shall terminate upon a finding that the Executive is disabled under the Company's group long term disability plan.

(c) CAUSE. The Company may terminate the Executive's employment hereunder for Cause by giving written Notice of Termination to the Executive. For the purposes of this Agreement, the Company shall have "Cause" to terminate the Executive's employment hereunder upon: (i) the conviction of Executive of, or the entry of a plea of guilty, first offender probation before judgment, or *nolo contendere* by Executive to, any felony; (ii) fraud, misappropriation or embezzlement by Executive; (iii) Executive's willful failure or gross negligence in the performance of his assigned duties for the Company, which failure or negligence continues for more than or was not remedied within thirty (30) calendar days following Executive's receipt of written notice of such willful failure or gross negligence; (iv) Executive's failure to follow reasonable and lawful directives of the Board or his breach of his fiduciary duty to the Company, which failure is not remedied within thirty (30) calendar days following Executive's receipt of written notice of such failure; (v) any act or omission of Executive that has a demonstrated and material adverse impact on the Company's business or reputation for honesty and fair dealing, other than an act or failure to act by Executive in good faith and without reason to believe that such act or failure to act would adversely impact on the Company's business or reputation for honesty and fair dealing; or (vi) the breach by Executive of any material term of this Agreement, which breach continues for more than or was not remedied within thirty (30) calendar days following Executive's receipt of written notice of such breach.

(d) WITHOUT CAUSE; GOOD REASON.

(i) The Company may terminate the Executive's employment hereunder without Cause, by giving written Notice of Termination (as defined in Section 5(e)) to the Executive.

(ii) The Executive may terminate his employment hereunder, by giving written Notice of Termination to the Company. For the purposes of this Agreement, the Executive shall have "Good Reason" to terminate his employment hereunder upon (a) a substantial reduction in the Executive's aggregate Base Salary and annual incentive compensation taken as a whole, excluding any reductions caused by the performance of the Company or the Executive, including but not limited to, the failure by the Executive to achieve performance targets established from time to time by the Board and/or under the Management Incentive Plan or Long Term Incentive Plan or from below budget performance by the Company, or (b) the Company's failure to make payments of Base Pay and incentive compensation, but only upon notice of such failure given by the Executive within ninety (90) days of the initial existence of the failure and the subsequent failure of the Company to cure the non-payment within thirty (30) days of such notice.

(e) NOTICE OF TERMINATION. Any termination by the Company pursuant to the Subsections (b), (c) or (d)(i) above or by the Executive pursuant to Subsection (d)(ii) above, shall be communicated by written Notice of Termination from the party issuing such notice to the other party hereto. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision of this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for such termination. A date of termination specified in the Notice of Termination shall not be dated earlier than ninety (90) days from the date such Notice is delivered or mailed to the applicable party and not later than two (2) years after the initial existence of the failure.

(f) OBLIGATION TO PAY. Except upon termination for Cause, voluntary termination by the Executive without Good Reason, or termination as a result of death or disability, and further subject to Sections 6 and 16 below, the Company shall (i) pay the compensation specified in this Subsection 5(f) to the Executive for the period specified in this Subsection 5(f), (ii) continue to provide, no less frequently than monthly, life insurance benefits during the remainder of the applicable period, including the Severance Period set forth in this Subsection 5(f), and (iii) if and to the extent the Executive timely elects COBRA continuation coverage, pay the Executive on a monthly basis the cost of COBRA premiums for a period of 18 months or such lesser period as the Executive continues to have COBRA continuation coverage.

If the Executive's employment shall be terminated by reason of death, the estate of the Executive shall be paid all Base Salary and reimbursements otherwise payable to the Executive through the end of the third month after the month in which the death of the Executive occurred, plus all bonus or other incentive benefits accrued or accruable to the Executive through the end of the month in which the death of the Executive occurred, on the same basis as if the Executive had continued employment through such times, and the Company shall have no further obligations to the Executive under this Agreement.

If the Executive's employment is terminated by reason of disability as determined under the Company's long term disability plan, the Executive or the person charged with legal responsibility for the Executive's estate shall be paid all Base Salary and reimbursements and payments otherwise payable to the Executive, including the bonus and other benefits accrued or accruable to the Executive, on the same basis as if the Executive had continued employment through the date of disability, and the Company shall have no further obligations to the Executive under this Agreement.

If the Executive's employment shall be terminated for Cause, the Company shall pay the Executive his Base Salary through the date of termination specified in the Notice of Termination and reimbursements otherwise payable to the Executive and the Company shall have no further obligations to the Executive under this Agreement.

If the Executive's employment shall be terminated by the Company by not renewing the Agreement following the initial term or any subsequent term, the Executive shall be paid all Base Salary and reimbursements and payments otherwise payable to the Executive, including the bonus and other benefits accrued or accruable to the Executive, through the date of termination specified in the Notice of Termination, and the Company shall (x) continue to pay the Executive the Base Salary (at the rate in effect on the date of such termination) for a period of two (2) years from the date of such termination (such two (2) year period being referred to hereinafter as the "Severance Period") on the same basis as if Executive had continued employment during the Severance Period and (y) pay the Executive a pro rata portion of the bonus or other incentive benefits to which the Executive would have been entitled for the year of termination had the Executive remained employed for the entire year which incentive compensation shall be payable at the time incentive compensation is payable generally under the applicable incentive plans; provided, however, that notwithstanding the foregoing, the Executive shall not be entitled to any severance payments under clauses (x) or (y) of this sentence upon and after reaching age 65. The Executive shall have no further right to receive any other compensation, benefits or perquisites after the date of termination of employment except as determined under the terms of this Agreement or any applicable employee benefit plans or programs of the Company or under applicable law.

Unless such termination occurs within two (2) years following a Change in Control, if the Executive's employment shall be terminated by the Company without Cause or by the Executive for Good Reason, the Company shall (x) continue to pay the Executive the Base Salary (at the rate in effect on the date of such termination) for a period of two (2) years from the date of such termination (such two (2) year period being referred to hereinafter as the "Severance Period") at such intervals as the same would have been paid had the Executive remained in the active service of the Company, and (y) pay the Executive a pro rata portion of the bonus or other incentive benefits to which the Executive would have been entitled for the year of termination had the Executive remained employed for the entire year, which incentive compensation shall be payable at the time incentive compensation is payable generally under the applicable incentive plans; provided, however, that notwithstanding the foregoing, the Executive shall not be entitled to any severance payments under clauses (x) and (y) of this sentence upon and after reaching age 65. The Executive shall have no further right to receive any other compensation, benefits or perquisites after the date of termination of employment except as determined under the terms of this Agreement or any applicable employee benefit plans or programs of the Company or under applicable law.

If within two (2) years following a Change in Control the Executive's employment shall be terminated by the Company without Cause or by the Executive for Good Reason (a "Change in Control Termination"), the Company shall immediately pay, and in all events within thirty (30) days after the date of termination, the Executive the sum of (x) three (3) times the Base Salary (at the rate in effect on the date of such termination), (y) a pro rata portion of the bonus or other incentive benefits to which the Executive would have been entitled for the year of termination had the Executive remained employed for the entire year, plus (z) a bonus in an amount equal to the three (3) year average of the awards received by the participant during the prior two (2) completed years and the current year's trend (based upon results through the month most recently complete prior to the termination, extrapolated for the complete year) multiplied by three (3) times. Any payment due to the Executive with respect to clause (y) and (z) that is calculated based upon the Company's Management Incentive Plan shall be reduced by any similar amounts received by the Executive under such plan. Also, notwithstanding the foregoing, in the event of a Change in Control Termination, the Company shall continue the Executive's life and group health coverage for a period of three (3) years, subject to the same payments by the Executive that the Executive was required to make prior to termination. Notwithstanding the foregoing, the Company shall be entitled to modify the group health benefits provided such modifications are applicable to all similarly situated management employees. To the extent that the Company is not able to continue life or group health benefits as a result of the terms of the applicable plans or insurance policies, the Company shall pay the Executive the cost, no less frequently than monthly, that the Executive must incur to obtain such benefits privately.

For the purposes of this Agreement, the term "Change in Control" shall mean change in the ownership of the Company, change in the effective control of the Company or change in ownership of a substantial portion of the Company's assets, as described in Section 280G of the Code, including each of the following: (i) a change in the ownership of the Company occurs on the date that any one person, or more than one person acting as a group, acquires ownership of stock of the Company that, together with stock held by such person or group, possess more than fifty percent (50%) of the total fair market value or total voting power of the stock of the Company (unless any one person, or more than one person acting as a group, who is considered to own more than fifty percent (50%) of the total fair market value or total voting power of the stock of the Company, acquires additional stock); (ii) change in the effective control of the

Company is presumed (which presumption may be rebutted by the Compensation Committee of the Board) to occur on the date that either: any one person, or more than one person acting as a group, acquires (or has acquired during the twelve (12)-month period ending on the date of the most recent acquisition by such person or persons) ownership of stock of the Company possessing thirty percent (30%) or more of the total voting power of the stock of such Company; (iii) a majority of members of the Company's Board is replaced during any twelve (12)-month period by directors whose appointment or election is not endorsed by a majority of the members of the Company's Board prior to the date of the appointment or election of such new directors; or (iv) a change in the ownership of a substantial portion of the Company's assets occurs on the date that any one person, or more than one person acting as a group, acquires (or has acquired during the twelve (12)-month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total fair market value equal to forty percent (40%) or more of the total fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions unless the assets are transferred to: a stockholder of the Company (immediately before the asset transfer) in exchange for or with respect to its stock; an entity, fifty percent (50%) or more of the total value or voting power of which is owned, directly or indirectly by the Company; a person, or more than one person acting as a group, that owns, directly or indirectly, fifty percent (50%) or more of the total value or voting power of all of the outstanding stock of the Company; or an entity, at least fifty percent (50%) of the total value or voting power is owned, directly or indirectly, by a person, or more than one person acting as a group, that owns directly or indirectly, fifty percent (50%) or more of the total value of voting power of all of the outstanding stock of the Company.

(g) TAXES. In the event it shall be determined that any payment or distribution by the Company to or for the benefit of the Executive in the event of a Change in Control, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, (a "Change in Control Payment") would be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code") or any interest or penalties are incurred by the Executive with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Executive shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by the Executive of all taxes (including any interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Change in Control Payments. The Company shall pay all such Gross-Up Payments before such excise taxes are required to be remitted.

6. CONDITIONS APPLICABLE TO SEVERANCE PERIOD; MITIGATION OF DAMAGES

(a) If during the Severance Period, the Executive breaches his obligations under Section 4 above, the Company may, upon written notice to the Executive, terminate the

Severance Period and cease to make any further payments or provide any benefits described in Subsection 5(f).

(b) Although the Executive shall not be required to mitigate the amount of any payment provided for in Subsection 5(f) by seeking other employment, except in the case of a Change in Control Termination, any such payments shall be reduced by any amounts which the Executive receives or is entitled to receive from another employer with respect to the Severance Period. The Executive shall promptly notify the Company in writing in the event that other employment is obtained during the Severance Period.

7. NOTICES. For the purpose of this Agreement, notices and all other communications to either party hereunder provided for in the Agreement shall be in writing and shall be deemed to have been duly given when delivered in person or mailed by certified first-class mail, postage prepaid, addressed:

in the case of the Company to:

AGCO Corporation
4205 River Green Parkway
Duluth, Georgia 30096
Attention: Debra Kuper

in the case of the Executive to:

____
____
____
____

or to such other address as either party shall designate by giving written notice of such change to the other party.

8. ARBITRATION. Any claim, controversy, or dispute arising between the parties with respect to this Agreement, to the maximum extent allowed by applicable law, shall be submitted to and resolved by binding arbitration. The arbitration shall be conducted pursuant to the terms of the Federal Arbitration Act and (except as otherwise specified herein) the Commercial Arbitration Rules of the American Arbitration Association in effect at the time the arbitration is commenced. The venue for the arbitration shall be the Atlanta, Georgia offices of the American Arbitration Association. Either party may notify the other party at any time of the existence of an arbitrable controversy by delivery in person or by certified mail of a Notice of Arbitrable Controversy. Upon receipt of such a Notice, the parties shall attempt in good faith to resolve their differences within fifteen (15) days after the receipt of such Notice. Notice to the Company and the Executive shall be sent to the addresses specified in Section 7 above. If the dispute cannot be resolved within the fifteen (15) day period, either party may file a written Demand for Arbitration with the American Arbitration Association’s Atlanta, Georgia Regional

Office, and shall send a copy of the Demand for Arbitration to the other party. The arbitration shall be conducted before a panel of three (3) arbitrators. The arbitrators shall be selected as follows: (a) The party filing the Demand for Arbitration shall simultaneously specify his or its arbitrator, giving the name, address and telephone number of said arbitrator; (b) The party receiving such notice shall notify the party demanding the arbitration of his or its arbitrator, giving the name, address and telephone number of the arbitrator within five (5) days of the receipt of such Demand for Arbitration; (c) A neutral person shall be selected through the American Arbitration Association's arbitrator selection procedures to serve as the third arbitrator. The arbitrator designated by any party need not be neutral. In the event that any person fails or refuses timely to name his arbitrator within the time specified in this Section 8, the American Arbitration Association shall (immediately upon notice from the other party) appoint an arbitrator. The arbitrators thus constituted shall promptly meet, select a chairperson, fix the time, date(s), and place of the hearing, and notify the parties. To the extent practical, the arbitrators shall schedule the hearing to commence within sixty (60) days after the arbitrators have been impaneled. A majority of the panel shall render an award within ten (10) days of the completion of the hearing, which award may include an award of interest, legal fees and costs of arbitration. The panel of arbitrators shall promptly transmit an executed copy of the award to the respective parties. The award of the arbitrators shall be final, binding and conclusive upon the parties hereto. Each party shall have the right to have the award enforced by any court of competent jurisdiction.

Executive initials: ___ Company initials: ___

9. NO WAIVER. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is approved by the Board and agreed to in a writing signed by the Executive and such officer as may be specifically authorized by the Board. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of any other provisions or conditions of this Agreement at the same or at any prior or subsequent time.

10. SUCCESSORS AND ASSIGNS. The rights and obligations of the Company under this Agreement shall inure to the benefit of and be binding upon the successors and assigns of the Company and the Executive's rights under this Agreement shall inure to the benefit of and be binding upon his heirs and executors. Neither this Agreement or any rights or obligations of the Executive herein shall be transferable or assignable by the Executive.

11. VALIDITY. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provisions of this Agreement, which shall remain in full force and effect. The parties intend for each of the covenants contained in Section 4 to be severable from one another.

12. SURVIVAL. The provisions of Section 4 hereof shall survive the termination of Executive's employment and shall be binding upon the Executive's personal or legal representative, executors, administrators, successors, heirs, distributees, devisees and legatees

and the provisions of Section 5 hereof relating to payments and termination of the Executive's employment hereunder shall survive such termination and shall be binding upon the Company.

13. COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

14. ENTIRE AGREEMENT. This Agreement constitutes the full agreement and understanding of the parties hereto with respect to the subject matter hereof and all prior or contemporaneous agreements or understandings are merged herein. The parties to this Agreement each acknowledge that both of them and their respective agents and advisors were active in the negotiation and drafting of the terms of this Agreement.

15. GOVERNING LAW. The validity, construction and enforcement of this Agreement, and the determination of the rights and duties of the parties hereto, shall be governed by the laws of the State of Georgia.

16. DEFERRED COMPENSATION PLAN OMNIBUS PROVISIONS. Notwithstanding any other provision of this Agreement, it is intended that any payment or benefit which is provided pursuant to or in connection with this Agreement which is considered to be deferred compensation subject to Section 409A of the Code shall be provided and paid in a manner, and at such time, including without limitation payment and provision of benefits only in connection with a permissible payment event contained in Section 409A (e.g., death or separation from service from the Company and its affiliates as defined for purposes of Section 409A of the Code), and in such form, as complies with the applicable requirements of Section 409A of the Code, to avoid the unfavorable tax consequences provided therein for non-compliance. For purposes of this Agreement, all rights to payments and benefits hereunder shall be treated as rights to receive a series of separate payments and benefits to the fullest extent allowed by Section 409A of the Code. If Executive is a "specified employee" (as defined in Section 409A of the Code) and any of the Company's stock is publicly traded on an established securities market or otherwise, then payment of any amount or provision of any benefit under this Agreement which is considered to be deferred compensation subject to Section 409A of the Code shall be deferred for six (6) months as required by Section 409A(a)(2)(B)(i) of the Code (the "409A Deferral Period"). In the event such payments are otherwise due to be made in installments or periodically during the 409A Deferral Period, the payments which would otherwise have been made in the 409A Deferral Period shall be accumulated and paid in a lump sum as soon as the 409A Deferral Period ends, and the balance of the payments shall be made as otherwise scheduled. In the event benefits are required to be deferred, any such benefit may be provided during the 409A Deferral Period at Executive's expense, with Executive having a right to reimbursement from the Company once the 409A Deferral Period ends, and the balance of the benefits shall be provided as otherwise scheduled. For purposes of this Agreement, any termination of employment will be read to mean a "separation from service" within the meaning of Section 409A of the Code where it is reasonably anticipated that no further services would be performed after such date or that the level of bona fide services Executive would perform after that date (whether as an employee or independent contractor) would permanently decrease to

less than fifty percent (50%) of the average level of bona fide services performed over the immediately preceding thirty-six (36)-month period.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

AGCO CORPORATION

By: ______________________

Name: ______________________

Title: ______________________

EXECUTIVE

By: ______________________

Name: ______________________

Date: ______________________

Certification Pursuant to § 302 of the Sarbanes-Oxley Act of 2002

I, Martin Richenhagen, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of AGCO Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2008

/s/ Martin Richenhagen
Martin Richenhagen
Chairman, President and Chief Executive Officer

Exhibit 31.2

Certification Pursuant to § 302 of the Sarbanes-Oxley Act of 2002

I, Andrew H. Beck, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of AGCO Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluations; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2008

/s/ Andrew H. Beck
Andrew H. Beck
Senior Vice President and Chief Financial Officer

Exhibit 32.0

CERTIFICATION

The undersigned, as the Chairman, President and Chief Executive Officer, and as the Chief Financial Officer of AGCO Corporation, respectively, certify that, to the best of their knowledge and belief, the Quarterly Report on Form 10-Q for the period ended June 30, 2008, which accompanies this certification fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and the information contained in the periodic report fairly presents, in all material respects, the financial condition and results of operations of AGCO Corporation at the dates and for the periods indicated. The foregoing certifications are made pursuant to 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350) and shall not be relied upon for any other purpose.

This 8th day of August 2008.

/s/ Martin Richenhagen

Martin Richenhagen
Chairman, President and Chief Executive Officer

/s/ Andrew H. Beck

Andrew H. Beck
Senior Vice President and Chief Financial Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to AGCO Corporation and will be retained by AGCO Corporation and furnished to the Securities and Exchange Commission or its staff upon request.