

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED DECEMBER 31, 1999

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

FOR THE TRANSITION PERIOD FROM
----- TO

COMMISSION FILE NUMBER: 1-12930

AGCO CORPORATION
(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of
incorporation or organization)
4205 RIVER GREEN PARKWAY, DULUTH, GEORGIA
(Address of principal executive offices)

58-1960019
(I.R.S. Employer
Identification No.)
30096
(Zip Code)

Registrant's telephone number, including area code: (770) 813-9200

SECURITIES REGISTERED PURSUANT TO SECTION 12(B) OF THE ACT:

TITLE OF EACH CLASS -----	NAME OF EACH EXCHANGE ON WHICH REGISTERED -----
Common Stock, (\$0.01 par value)	New York Stock Exchange

SECURITIES REGISTERED PURSUANT TO SECTION 12(G) OF THE ACT:

NONE

Indicate by check mark whether the registrant (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 (or for such shorter period that the
registrant was required to file such reports), and (2) has been subject to such
filing requirements for the past 90 days. Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item
405 of Regulation S-K is not contained herein, and will not be contained, to the
best of registrant's knowledge, in definitive proxy or information statements
incorporated by reference in Part III of this Form 10-K or any amendment to this
Form 10-K.

The aggregate market value of common stock held by non-affiliates of the
Registrant as of the close of business on March 6, 2000 was \$617,257,236. As of
such date, there were 59,587,761 shares of the registrant's common stock
outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the AGCO Corporation Annual Report to Stockholders for the year
ended December 31, 1999 are incorporated by reference in Part II.

Portions of the definitive Proxy Statement for the Annual Meeting of
Stockholders to be held on April 26, 2000 are incorporated by reference in Part
III.

PART I

ITEM 1. BUSINESS

AGCO Corporation ("AGCO" or the "Company") was incorporated in Delaware in April 1991. The Company's executive offices are located at 4205 River Green Parkway, Duluth, Georgia 30096, and its telephone number is 770-813-9200. Unless otherwise indicated, all references in this Form 10-K to the Company include the Company's subsidiaries.

THE COMPANY

AGCO is a leading manufacturer and distributor of agricultural equipment and related replacement parts throughout the world. The Company sells a full range of agricultural equipment, including tractors, combines, hay tools, sprayers, forage equipment and implements. The Company's products are widely recognized in the agricultural equipment industry and are marketed under the following brand names: AGCO(R) Allis, Massey Ferguson(R), Hesston(R), White, GLEANER(R), New Idea(R), AGCOSTAR(R), Landini (North America), Tye(R), Farmhand(R), Glencoe(R), Deutz (South America), Fendt, Spra-Coupe(R) and Willmar(R). The Company distributes its products through a combination of approximately 8,200 independent dealers and distributors, associates and licensees. In addition, the Company provides retail financing in North America, the United Kingdom, France, Germany, Spain and Brazil through its finance joint ventures with Cooperateive Centrale Raiffeisen-Boerenleenbank B.A., "Rabobank Nederland" ("Rabobank").

AGCO was organized in June 1990 by an investment group formed by management to acquire the successor to the agricultural equipment business of Allis-Chalmers, a company which began manufacturing and distributing agricultural equipment in the early 1900s. Since its formation in June 1990, AGCO has grown substantially through a series of 17 acquisitions for consideration aggregating approximately \$1.4 billion. These acquisitions have allowed the Company to broaden its product line, expand its dealer network and establish strong market positions in several new markets throughout North America, South America, Western Europe and the rest of the world. The Company has achieved significant cost savings and efficiencies from its acquisitions by eliminating duplicate administrative, sales and marketing functions, rationalizing its dealer network, increasing manufacturing capacity utilization and engineering common product platforms for certain products. In addition, the Company is focusing its efforts on long-term growth and profit improvement initiatives including developing new and innovative products, expanding and strengthening its distribution network, reducing product costs, maintaining a flexible horizontal production strategy, and utilizing efficient asset management.

TRANSACTION HISTORY

Hesston Acquisition. In March 1991, the Company acquired Hesston Corporation ("Hesston"), a leading manufacturer and distributor of hay tools, forage equipment and related replacement parts (the "Hesston Acquisition"). The assets acquired also included Hesston's 50% interest in a joint venture, Hay and Forage Industries ("HFI"), between Hesston and CNH Global N.V. which manufactures hay and forage equipment for both parties. Hesston's net sales in its full fiscal year preceding the acquisition were approximately \$91.0 million. The Hesston Acquisition enabled the Company to provide its dealers with a more complete line of farm equipment and to expand its dealer network.

White Tractor Acquisition. In May 1991, the Company acquired the White Tractor Division ("White") of Allied Products Corporation (the "White Acquisition"). White's net sales in its full fiscal year preceding the acquisition were approximately \$58.3 million. As a result of the White Acquisition, the Company added a new line of tractors to its product offerings and expanded its North America dealer network.

Massey Ferguson North American Acquisition. In January 1993, the Company entered into an agreement with Varsity Corporation ("Varsity") to be the exclusive distributor in the United States and Canada of the Massey Ferguson line of farm equipment. Concurrently, the Company acquired the North American distribution operation of Massey Ferguson Group Limited ("Massey") from Varsity (the "Massey North American Acquisition"). Net sales attributable to Massey's North American distribution operation in the full

fiscal year preceding the acquisition were approximately \$215.0 million. The Massey North American Acquisition provided AGCO access to another leading brand name in the agricultural equipment industry and enabled the Company to expand its dealer network.

White-New Idea Acquisition. In December 1993, the Company acquired the White-New Idea Farm Equipment Division ("White-New Idea") of Allied Products Corporation (the "White-New Idea Acquisition"). White-New Idea's net sales in 1993 were approximately \$83.1 million. The White-New Idea Acquisition enabled the Company to offer a more complete line of planters and spreaders and a broader line of hay and tillage equipment.

Agricredit-North America Acquisition. The Company acquired Agricredit Acceptance Company ("Agricredit-North America"), a retail finance company, from Varsity in two separate transactions (together, the "Agricredit-North America Acquisition"). The Company acquired a 50% joint venture interest in Agricredit-North America in January 1993 and acquired the remaining 50% interest in February 1994. The Agricredit-North America Acquisition enabled the Company to provide more competitive and flexible financing alternatives to end users.

Massey Ferguson Acquisition. In June 1994, the Company acquired Massey from Varsity, including Massey's network of independent dealers and distributors and associate and licensee companies outside the United States and Canada (the "Massey Acquisition"). Massey, with fiscal 1993 net sales of approximately \$898.4 million (including net sales to AGCO of approximately \$124.6 million), was one of the largest manufacturers and distributors of tractors in the world. The Massey Acquisition significantly expanded AGCO's sales and distribution outside North America.

AgEquipment Acquisition. In March 1995, the Company further expanded its product offerings through its acquisition of AgEquipment Group, a manufacturer and distributor of farm implements and tillage equipment (the "AgEquipment Acquisition"). The AgEquipment Acquisition added three brands of agricultural implements to the Company's product line, including no-till and minimum tillage products, distributed under the Tye, Farmhand and Glencoe brand names.

Maxion Acquisition. In June 1996, the Company acquired the agricultural and industrial equipment business of Iochpe-Maxion S.A. (the "Maxion Agricultural Equipment Business") (the "Maxion Acquisition"). The Maxion Agricultural Equipment Business, with 1995 sales of approximately \$265.0 million, was AGCO's Massey Ferguson licensee in Brazil, manufacturing and distributing agricultural tractors and combines under the Massey Ferguson brand name, and industrial loader-backhoes under the Massey Ferguson and Maxion brand names. The Maxion Acquisition expanded the Company's product offerings and distribution network in South America, particularly in the significant Brazilian agricultural equipment market.

Western Combine Acquisition. In July 1996, the Company acquired certain assets of Western Combine Corporation and Portage Manufacturing, Inc., the Company's suppliers of Massey Ferguson combines and other harvesting equipment sold in North America (the "Western Combine Acquisition"). The Western Combine Acquisition provided the Company with access to advanced technology and increased the Company's profit margin on certain combines and harvesting equipment sold in North America.

Agricredit-North America Joint Venture. In November 1996, the Company sold a 51% interest in Agricredit-North America to a wholly-owned subsidiary of Rabobank. The Company retained a 49% interest in Agricredit-North America and now operates Agricredit-North America with Rabobank as a joint venture (the "Agricredit-North America Joint Venture"). The Company has similar joint venture arrangements with Rabobank with respect to its retail finance companies located in the United Kingdom, France, Germany, Spain and Brazil.

Deutz Argentina Acquisition. In December 1996, the Company acquired the operations of Deutz Argentina S.A. ("Deutz Argentina") (the "Deutz Argentina Acquisition"). Deutz Argentina, with 1995 sales of approximately \$109.0 million, was a manufacturer and distributor of agricultural equipment, engines and light duty trucks in Argentina and other markets in South America. The Deutz Argentina Acquisition established AGCO as a leading supplier of agricultural equipment in Argentina. In February 1999, the

Company sold its manufacturing operations in Haedo, Argentina which will allow the Company to consolidate the assembly of tractors into an existing facility in Brazil.

Fendt Acquisition. In January 1997, the Company acquired the operations of Xaver Fendt GmbH & Co. KG ("Fendt") (the "Fendt Acquisition"). Fendt, which had 1996 sales of approximately \$650.0 million, manufactures and distributes tractors through a network of independent agricultural cooperatives, dealers and distributors in Germany and throughout Europe and Australia. With this acquisition, AGCO has a leading market share in Germany and France, two of Europe's largest agricultural equipment markets, with one of the most technologically advanced line of tractors in the world. In December 1997, the Company sold Fendt's caravan and motor home business in order to focus on its core agricultural equipment business.

Dronningborg Acquisition. In December 1997, the Company acquired the remaining 68% of Dronningborg Industries a/s (the "Dronningborg Acquisition"), which was the Company's supplier of combine harvesters sold under the Massey Ferguson brand name in Europe. The Company previously owned 32% of this combine manufacturer which developed and manufactured combine harvesters exclusively for AGCO. The Dronningborg Acquisition enabled the Company to achieve certain synergies within its worldwide combine manufacturing.

Argentina Engine Joint Venture. In December 1997, the Company sold 50% of Deutz Argentina's engine production and distribution business to Deutz AG, a global supplier of diesel engines in Cologne, Germany. The Company retained a 50% interest in the engine business and now operates it with Deutz AG as a joint venture (the "Argentina Engine Joint Venture"). The Argentina Engine Joint Venture will allow the Company to share in research and development costs and gain access to advanced technology.

MF Argentina Acquisition. In May 1998, the Company acquired the distribution rights for the Massey Ferguson brand in Argentina (the "MF Argentina Acquisition"). The MF Argentina Acquisition expanded the Company's distribution network in the second largest market in South America.

Spra-Coupe and Willmar Acquisitions. In July 1998, the Company acquired the Spra-Coupe product line, a brand of agricultural self-propelled sprayers sold primarily in North America (the "Spra-Coupe Acquisition"). In October 1998, the Company acquired the Willmar product line, a brand of agricultural self-propelled sprayers, spreaders and loaders sold primarily in North America (the "Willmar Acquisition"). Spra-Coupe and Willmar had combined net sales of approximately \$81.8 million in their respective full fiscal years preceding these acquisitions. The Spra-Coupe and Willmar Acquisitions expanded the Company's product offerings to include a full line of self-propelled sprayers.

PRODUCTS

Tractors

Tractors are vehicles used to pull farm implements, hay tools, forage equipment, ground engaging equipment and other farm equipment. The Company participates in three segments of the tractor market: the compact tractor segment, which includes tractors in the less than 40 horsepower range; the utility tractor segment, which includes tractors in the 40 to 100 horsepower range; and the high horsepower tractor segment, which includes tractors in excess of 100 horsepower.

All compact tractors are sold under the Massey Ferguson brand name and are typically used on small farms and in specialty agricultural industries such as dairies and used in landscaping and residential areas. The Company offers a full range of tractors in the utility tractor category, including both two-wheel and all-wheel drive versions. The Company sells utility tractors under the Massey Ferguson, Fendt, AGCO Allis, White, Landini and Deutz brand names. The utility tractors are typically used on small and medium-sized farms and in specialty agricultural industries, such as orchards and vineyards. The Company also offers a full range of tractors in the high horsepower segment ranging primarily from 100 to 425 horsepower. High horsepower tractors are typically used on larger farms and on cattle ranches for hay production. The Company sells high horsepower tractors under the Massey Ferguson, Fendt, AGCO Allis, White, Landini, AGCOSTAR and Deutz brand names. Tractors accounted for approximately 64% of the Company's net sales in 1999 and 62% in both 1998 and 1997.

Combines

Combines are large, self-propelled machines used for the harvesting of crops, such as corn, wheat, soybeans and barley. The Company sells combines under the GLEANER, Massey Ferguson, Deutz, Fendt and AGCO Allis brand names. Depending on the market, GLEANER and Massey Ferguson combines are sold with conventional or rotary technology while the Deutz, Fendt and AGCO Allis combines utilize conventional technology. All combines are complemented by a variety of crop-harvesting heads, available in different sizes, which are designed to maximize harvesting speed and efficiency while minimizing crop loss. Combines accounted for 7% of the Company's net sales in 1999 and 10% in both 1998 and 1997.

Hay Tools and Forage Equipment, Sprayers, Implements and Other Products

Hay tools are used to harvest and process hay crops for livestock feed. Hay tools perform a variety of functions, including mowing and conditioning, raking, tedding, baling and harvesting. Hay tools include self-propelled windrowers and tractor-powered mowers, which cut and condition hay crops for faster drying before baling; hay tedders and rakes, which are designed to reduce drying time and place hay crops in windrows; round balers, which harvest and roll windrowed hay into circular bales; square balers, which harvest and compress the windrowed hay into solid bales; and forage harvesters, which are used to cut standing corn crops or windrowed hay crops into silage. The Company sells hay and forage equipment primarily under the Hesston brand name and, to a lesser extent, the White-New Idea, Massey Ferguson and AGCO Allis brand names.

Sprayers are used to apply materials such as fertilizers and crop protection chemicals to fields before or after crops have emerged. The Company offers under 500-gallon self-propelled agricultural sprayers under the Spra-Coupe brand name and 500 to 1,000 gallon self-propelled agricultural sprayers under the Willmar brand name.

The Company also distributes a wide range of implements, planters and other equipment for its product lines. Tractor-pulled implements are used in field preparation and crop management. Implements include disk harrows, which improve field performance by cutting through crop residue, leveling seed beds and mixing chemicals with the soil; heavy tillage, which breaks up soil and mixes crop residue into topsoil, with or without prior disking; and field cultivators, which prepare a smooth seed bed and destroy weeds. Tractor-pulled planters apply fertilizer and place seeds in the field. Other equipment primarily includes tractor-pulled manure spreaders, which fertilize fields with controlled application of sludge or solid manure, and loaders, which are used for a variety of tasks including lifting and transporting hay crops. The Company sells implements, planters and other products under the Hesston, White-New Idea, Massey Ferguson, AGCO Allis, Tye, Farmhand, Glencoe, Deutz, Fendt and Willmar brand names. Hay tools and forage equipment, sprayers, implements and other products accounted for 10%, 11% and 12% of the Company's net sales in 1999, 1998 and 1997, respectively.

Replacement Parts

In addition to sales of new equipment, the replacement parts business is an important source of revenue and profitability for both the Company and its dealers. The Company sells replacement parts for products sold under all of its brand names, many of which are proprietary. These parts help keep farm equipment in use, including products no longer in production. Since most of the Company's products can be economically maintained with parts and service for a period of 10 to 20 years, each product which enters the marketplace provides the Company with a potential long-term revenue stream. In addition, sales of replacement parts typically generate higher gross margins and historically have been less cyclical than new product sales. Replacement parts accounted for approximately 19%, 17% and 16% of the Company's net sales in 1999, 1998 and 1997, respectively.

MARKETING AND DISTRIBUTION

The Company distributes products primarily through a network of independent dealers and distributors. The Company's dealers are responsible for retail sales to the equipment's end user in addition to after-sales service and support of the equipment. The Company's distributors may sell the Company's products through a

network of dealers supported by the distributor. Through the Company's acquisitions and dealer development activities, the Company has broadened its product line, expanded its dealer network and strengthened its geographic presence in Western Europe, North America, South America and the rest of the world. The Company's sales are not dependent on any specific dealer, distributor or group of dealers.

Western Europe

Fully assembled tractors and other equipment are marketed in most major Western European markets directly through a network of approximately 2,400 independent Massey Ferguson and Fendt dealer outlets and agricultural cooperatives in Western Europe. In addition, the Company sells through independent distributors and associates in certain markets in Western Europe, which distribute through approximately 800 Massey Ferguson and Fendt dealer outlets. In most cases, dealers carry competing or complementary products from other manufacturers. Sales in Western Europe accounted for 56% of the Company's net sales in 1999 and 47% in both 1998 and 1997.

North America

The Company markets and distributes farm machinery equipment and replacement parts to farmers in North America through a network of dealers supporting approximately 6,200 dealer contracts. Each of the Company's approximately 2,600 independent dealers represents one or more of the Company's distribution lines or brand names. Dealers may also handle competitive and dissimilar lines of products. The Company intends to maintain the separate strengths and identities of its brand names and product lines. Sales in North America accounted for 25%, 32% and 30% of the Company's net sales in 1999, 1998 and 1997, respectively.

South America

The Company markets and distributes farm machinery, equipment and replacement parts to farmers in South America through several different networks. In Brazil and Argentina, the Company distributes products directly to approximately 350 independent dealers, primarily supporting either the Massey Ferguson, Deutz or AGCO Allis brand names. Outside of Brazil and Argentina, the Company sells its products in South America through independent distributors. In Brazil, federal laws are extremely protective of dealers and prohibit a manufacturer from selling any of its products in Brazil except through its dealer network. Additionally, each dealer has the exclusive right to sell its manufacturer's product in its designated territory and as a result, no dealer may represent more than one manufacturer. Sales in South America accounted for 8%, 11% and 10% of the Company's net sales 1999, 1998 and 1997, respectively.

Rest of the World

Outside Western Europe, North America and South America, the Company operates primarily through a network of approximately 2,100 independent Massey Ferguson and Fendt distributors and dealer outlets, as well as associates and licensees, marketing the Company's products and providing customer service support in approximately 100 countries in Africa, the Middle East, Eastern and Central Europe, Australia and Asia. With the exception of Australia, where the Company directly supports its dealer network, the Company utilizes independent distributors, associates and licensees to sell its products. These arrangements allow AGCO to benefit from local market expertise to establish strong market positions with limited investment. In some cases, AGCO also sells agricultural equipment directly to governmental agencies. The Company will continue to actively support the local production and distribution of Massey-licensed products by third party distributors, associates and licensees. Sales outside Western Europe, North America and South America accounted for 11%, 10% and 13% of the Company's net sales in 1999, 1998 and 1997, respectively.

In Western Europe and the rest of the world, associates and licensees provide a significant distribution channel for the Company's products and a source of low cost production for certain Massey Ferguson products. Associates are entities in which the Company has an ownership interest, most notably in India. Licensees are entities in which the Company has no direct ownership interest, most notably in Pakistan and Turkey. The associate or licensee generally has the exclusive right to produce and sell Massey Ferguson

equipment in its home country, but may not sell these products in other countries. The Company generally licenses to these associate companies certain technology, as well as the right to use Massey Ferguson's trade names. The Company sells products to associates and licensees in the form of components used in local manufacturing operations, tractor sets supplied in completely knocked down ("CKD") kits for local assembly and distribution and fully assembled tractors for local distribution only. In certain countries, the arrangements with licensees and associates have evolved to where the Company is principally providing technology, technical assistance and quality control. In these situations, licensee manufacturers sell certain tractor models under the Massey Ferguson brand name in the licensed territory and may also become a source of low cost production to the Company.

Parts Distribution

In Western Europe, the parts operation is supported by master distribution facilities in Desford, England; Ennery, France; and Marktobendorf, Germany and regional parts facilities in Spain, Denmark, Germany and Italy. The Company supports its sales of replacement parts in North America through its master parts warehouse in Batavia, Illinois and regional warehouses throughout North America. In the Asia/Pacific region, the Company's parts operation is supported by a master distribution facility in Melbourne, Australia. In South America, replacement parts are maintained and distributed primarily from its facilities in Brazil and Argentina.

Dealer Support and Supervision

The Company believes that one of the most important criteria affecting a farmer's decision to purchase a particular brand of equipment is the quality of the dealer who sells and services the equipment. The Company provides significant support to its dealers in order to improve the quality of its dealer network. The Company monitors each dealer's performance and profitability as well as establishes programs which focus on the continual improvement of the dealer. In North America, the Company also identifies open markets with the greatest potential for each brand and selects an existing AGCO dealer, or a new dealer, who would best represent the brand in that territory. AGCO protects each existing dealer's territory and will not place the same brand within that protected area. Internationally, the Company also focuses on the development of its dealers. The Company analyzes, on an ongoing basis, the regions of each country where market share is not acceptable. Based on this analysis, a dealer may be added in that territory, or a nonperforming dealer may be replaced or refocused on performance standards.

The Company believes that its ability to offer its dealers a full product line of agricultural equipment and related replacement parts as well as its ongoing dealer training and support programs, which focus on business and inventory management, sales, marketing, warranty and servicing matters and products, help ensure the vitality and increase the competitiveness of its dealer network. In addition, the Company maintains dealer advisory groups to obtain dealer feedback on its operations. The Company believes all of these programs contribute to the good relations the Company generally enjoys with its dealers.

The Company agrees to provide dealers with competitive products, terms and pricing. Dealers are also given volume sales incentives, demonstration programs and other advertising to assist sales. The Company's competitive sales programs, including retail financing incentives, and its policy for maintaining parts and service availability with extensive product warranties are designed to enhance its dealers' competitive position. Finally, a limited amount of financial assistance is provided as part of developing new dealers in key market locations. In general, dealer contracts are cancelable by either party within certain notice periods.

WHOLESALE FINANCING

Primarily in the United States and Canada, the Company engages in the standard industry practice of providing dealers with inventories of farm equipment for extended periods. The terms of the Company's wholesale finance agreements with its dealers vary by region and product line. In the United States and Canada, dealers are typically not required to make a down payment, and the Company effectively provides the dealer with the equipment interest-free for a period of one to twelve months, depending on the product.

Thereafter, dealers are charged interest at varying spreads over the prime rate. The Company also provides financing to dealers on used equipment accepted in trade. The Company retains a security interest in all new and used equipment it finances.

Typically, the sales terms outside the United States and Canada are of a shorter duration. The sales terms range from 30 day terms to floorplan financing similar to the arrangements provided to dealers in the United States and Canada. In many cases, the Company retains a security interest in the equipment sold on extended terms. In certain international markets, the Company's sales are backed by letters of credit or credit insurance.

RETAIL FINANCING

Through its retail financing joint ventures located in North America, the United Kingdom, France, Germany, Spain and Brazil, the Company provides a competitive and dedicated financing source to the end users of the Company's products as well as equipment produced by other manufacturers. These retail finance companies are owned 49% by the Company and 51% by a wholly-owned subsidiary of Rabobank. Retail finance programs can be tailored to prevailing market conditions and can enhance the Company's sales efforts.

MANUFACTURING AND SUPPLIERS

Manufacturing and Assembly

The Company has consolidated the manufacture of its products in locations where capacity, technology or local costs are optimized. Furthermore, the Company continues to balance its manufacturing resources with externally sourced machinery, components and replacement parts to enable the Company to better control inventory and supply of components. The Company believes that its manufacturing facilities are sufficient to meet its needs for the foreseeable future.

Western Europe

The Company's manufacturing operations in Western Europe are performed in tractor manufacturing facilities located in Coventry, England; Beauvais, France and Marktoberdorf, Germany and a combine manufacturing facility in Randers, Denmark. The Coventry facility produces tractors marketed under the Massey Ferguson, AGCO Allis and White brand names ranging from 38 to 110 horsepower that are sold worldwide in fully-assembled form or as CKD kits for final assembly by licensees and associates. The Beauvais facility produces 70 to 225 horsepower tractors marketed under the Massey Ferguson, AGCO Allis and White brand names. The Marktoberdorf facility produces 50 to 260 horsepower tractors marketed under the Fendt brand name. The Randers facility produces conventional combines under the Massey Ferguson and Fendt brand names. The Company also assembles forklifts for sale to third parties and manufactures hydraulics for its Fendt tractors and for sale to third parties in its Kempten, Germany facility, and assembles cabs for its Fendt tractors in Baumenheim, Germany. The Company also has a joint venture with Renault Agriculture S.A. ("Renault"), for the manufacture of driveline assemblies for high horsepower AGCO and Renault tractors at the Company's facility in Beauvais (the "GIMA Joint Venture"). By sharing overhead and engineering costs, the GIMA Joint Venture has resulted in a decrease in the cost of these components.

North America

The Company manufactures and assembles GLEANER and Massey Ferguson rotary and conventional combines and combine heads at its Independence, Missouri facility. In Willmar, Minnesota, the Company manufactures self-propelled sprayers marketed under the Spra-Coupe and Willmar brand names, wheeled loaders marketed under the Massey Ferguson and Willmar brand names and dry fertilizer spreaders marketed under the Willmar brand name. As part of the HFI joint venture, the Company produces Hesston, White-New Idea and Massey Ferguson hay tools and forage equipment in Hesston, Kansas. The Company also maintains a facility in Queretaro, Mexico where tractors are assembled for distribution in the Mexican market.

In the fourth quarter of 1999, the Company announced the permanent closure of its Coldwater, Ohio and Lockney, Texas manufacturing facilities. The majority of the production in these facilities will be relocated to

existing AGCO facilities or outsourced to third parties. Specifically, the Company will move production of its White-New Idea line of planters, hay tools and forage equipment and implements to the HFI facility. The Farmhand loader production and the Glencoe tillage equipment production will be outsourced to third party manufacturers. In addition the Company will integrate its AGCO Allis, White and Massey Ferguson brands of high horsepower tractors, previously produced in Coldwater, Ohio, into the common platform tractor production currently in place at its Beauvais, France facility. The Company also will move production of its drill planters and tillage equipment marketed under the Tye brand name, previously manufactured in Lockney, Texas, to the HFI facility.

South America

The Company's manufacturing operations in South America are located in Brazil and Argentina. In Brazil, the Company manufactures and assembles Massey Ferguson tractors, ranging from 50 to 173 horsepower, and industrial loader-backhoes at its facility in Canoas, Rio Grande do Sul. The Company also manufactures conventional combines marketed under the Massey Ferguson, Deutz and AGCO Allis brand names in Santa Rosa, Rio Grande do Sul. In February 1999, the Company sold its Haedo, Argentina plant which manufactured Deutz branded tractors, ranging from 60 to 190 horsepower, engine components and light duty trucks. The Company plans to relocate its Deutz tractor production, currently in Haedo under an outsourcing agreement, to its Canoas, Brazil facility in the future. The Argentina Engine Joint Venture manufactures diesel engines, for the Company's equipment and for sale to third parties, at a facility in San Luis, Argentina, which is owned by the joint venture.

Third-Party Suppliers

The Company believes that managing the level of its company and dealer inventory is critical to maintaining favorable pricing for its products. Unlike many of its competitors, the Company externally sources many of its products, components and replacement parts. This horizontal production strategy minimizes the Company's capital investment requirements and allows greater flexibility to respond to changes in market conditions.

The Company purchases certain products it distributes from third party suppliers. The Company purchases standard and specialty tractors from Landini S.p.A. ("Landini") and distributes these tractors under the Landini brand name in the United States and Canada and purchases specialty tractors under the Massey Ferguson brand name for distribution in Western Europe and North America. In addition, certain Massey Ferguson tractor models are purchased from a licensee in Turkey and from Iseki & Company, Limited, a Japanese manufacturer. The Company also purchases certain other tractors, implements and hay and forage equipment from various third-party suppliers.

In addition to the purchase of machinery, significant components used in the Company's manufacturing operations, such as engines, are supplied by third-party companies. The Company selects third-party suppliers, which it believes have the lowest cost, highest quality and most appropriate technology. The Company also assists in the development of these products or component parts based upon its own design requirements. The Company's past experience with outside suppliers has been favorable. Although the Company is currently dependent upon outside suppliers for several of its products, the Company believes that, if necessary, alternative sources of supply could be identified.

SEASONALITY

Retail sales by dealers to farmers are highly seasonal and are a function of the timing of the planting and harvesting seasons. To the extent practicable, the Company attempts to ship products to its dealers and distributors on a level basis throughout the year to reduce the effect of seasonal retail demands on its manufacturing operations and to minimize its investment in inventory. The Company's financing requirements are subject to variations due to seasonal changes in working capital levels, which typically build in the first half of the year and then reduce in the second half of the year.

COMPETITION

The agricultural industry is highly competitive. During the 1980s, the industry experienced significant consolidation and retrenchment. The Company competes with several large national and international full-line suppliers, as well as numerous short-line and specialty manufacturers with differing manufacturing and marketing methods. The Company's principal competitors on a worldwide basis are CNH Global N.V. and Deere & Company. In certain Western European and South American countries, regional competitors exist, which have significant market share in a single country or a group of countries.

The Company believes several key factors influence a buyer's choice of farm equipment, including the strength and quality of a company's dealers, the quality and pricing of products, dealer or brand loyalty, product availability, the terms of financing and customer service. The Company has improved and continually seeks to improve in each of these areas but focuses primarily on increasing the farmers' loyalty to the Company's dealers and overall dealer organizational quality in order to distinguish itself in the marketplace. See "Marketing and Distribution."

ENGINEERING AND RESEARCH

The Company makes significant expenditures for engineering and applied research to improve the quality and performance of its products and to develop new products. The Company expended approximately \$44.6 million (1.8% of net sales), \$56.1 million (1.9% of net sales) and \$54.1 million (1.7% of net sales) in 1999, 1998 and 1997, respectively, on engineering and research.

PATENTS AND TRADEMARKS, TRADE NAMES AND BRAND NAMES

The Company owns and has licenses to the rights under a number of domestic and foreign patents, trademarks, trade names and brand names relating to its products and businesses. The Company defends its patent, trademark and trade and brand name rights primarily by monitoring competitors' machines, industry publications and conducting other investigative work. The Company considers its intellectual property rights, including its rights to use the AGCO, AGCO Allis, Massey Ferguson, Fendt, GLEANER, White, Hesston, New Idea, Landini (North America), AGCOSTAR, Tye, Farmhand, Glencoe, Willmar, Spra-Coupe and Deutz (South America) trade and brand names, important in the operation of its businesses; however, the Company does not believe it is dependent on any single patent, trademark or trade name or group of patents or trademarks, trade names or brand names. AGCO, GLEANER, Hesston, Massey Ferguson, AGCOSTAR, New Idea, Tye, Farmhand, Glencoe, Spra-Coupe and Willmar are registered trademarks of the Company. In addition, Fendt is a registered trademark in Germany, and the Company has a pending trademark registration for the Fendt brand name in the U.S. and Canada.

EMPLOYEES

As of December 31, 1999, the Company employed approximately 9,300 employees, including approximately 1,900 employees in the United States and Canada. A majority of the Company's employees at its manufacturing facilities, both domestic and international, are represented by collective bargaining agreements with expiration dates ranging from 2000 to 2002. The contract with the labor union at the Company's Independence production facility was extended through May 12, 2001. The contract with the labor union at the Company's Willmar production facility expires May 31, 2000 at which time it will be renegotiated. The Company is currently in negotiations with labor unions in the UK relating to the renewal of their collective bargaining agreements which are renegotiable from April 1, 2000. German national negotiations are due for renewal from March 1, 2000. In addition, agreements effective for twelve months from January 1, 2000 have been signed in France, and the national agreement in Denmark is effective until March 1, 2004.

ENVIRONMENTAL MATTERS AND OTHER GOVERNMENT REGULATION

The Company is subject to environmental laws and regulations concerning emissions to the air, discharges of processed or other types of waste water and the generation, handling, storage, transportation, treatment and disposal of waste materials. These laws and regulations are constantly changing, and the effects

that they may have on the Company in the future are impossible to predict with accuracy. The Company has been made aware of possible solvent contamination at the HFI facility in Hesston, Kansas. The extent of any possible contamination is being investigated in conjunction with the appropriate state authorities. It is the Company's policy to comply with all applicable environmental, health and safety laws and regulations, and the Company believes that any expense or liability it may incur in connection with any noncompliance with any such law or regulation or the cleanup of any of its properties will not have a material adverse effect on the Company. The Company believes it is in compliance, in all material respects, with all applicable laws and regulations.

The Environmental Protection Agency (the "EPA") has issued regulations concerning permissible emissions from off-road engines. The Company does not anticipate that the cost of compliance with the regulations will have a material impact on the Company.

The Company is subject to various national, federal, state and local laws affecting its business, as well as a variety of regulations relating to such matters as working conditions and product safety. A variety of state laws regulate the Company's contractual relationships with its dealers. These laws impose substantive standards on the relationship between the Company and its dealers, including events of default, grounds for termination, non-renewal of dealer contracts and equipment repurchase requirements. Such state laws could adversely affect the ability of the Company to rationalize its dealer network.

The Company's international operations are also subject to environmental laws, as well as various other national and local laws, in the countries in which it manufactures and sells its products. The Company believes that it is in compliance with such laws in all material respects, and the cost of compliance with such laws in the future will not have a material adverse effect on the Company.

REGULATION AND GOVERNMENT POLICY

Domestic and foreign political developments and government regulations and policies directly affect the agricultural industry in the United States and abroad and indirectly affect the agricultural equipment business. The application or modification of existing laws, regulations or policies or the adoption of new laws, regulations or policies could have an adverse effect on the Company's business.

FINANCIAL INFORMATION ON GEOGRAPHICAL AREAS

For financial information on geographic areas, see pages 43 and 44 of the Annual Report to Stockholders for the year ended December 31, 1999, which information is incorporated herein by reference.

FORWARD LOOKING STATEMENTS

Certain statements included in Management's Discussion and Analysis of Financial Condition and Results of Operations and elsewhere in this report are forward looking, including certain statements set forth under the "Outlook," "Liquidity and Capital Resources," "Nonrecurring Expenses," "Year 2000," and "Euro Currency" headings. Forward looking statements include the Company's expectations with respect to future commodity prices, export demand for commodities, farm income, demand for agricultural equipment, production levels, the impact of cost reduction initiatives, operating margins, overall profitability and the availability of capital. Although the Company believes that the statements it has made are based on reasonable assumptions, they are based on current information and beliefs and, accordingly, the Company can give no assurance that its statements will be achieved. In addition, these statements are subject to factors that could cause actual results to differ materially from those suggested by the forward looking statements. These factors include, but are not limited to, general economic and capital market conditions, the demand for agricultural products, world grain stocks, crop production, commodity prices, farm income, farm land values, government farm programs and legislation, the levels of new and used field inventories, weather conditions, interest and foreign currency exchange rates, the conversion to the Euro, pricing and product actions taken by competitors, customer access to credit, production disruptions, supply and capacity constraints, Company cost reduction and control initiatives, Company research and development efforts, labor relations, dealer and distributor actions, technological difficulties including the Year 2000 readiness, changes in environmental,

international trade and other laws and political and economic uncertainty in various areas of the world. Further information concerning factors that could significantly affect the Company's results is included in the Company's filings with the Securities and Exchange Commission. The Company disclaims any responsibility to update any forward looking statements.

ITEM 2. PROPERTIES

The principal properties of the Company as of December 31, 1999 are as follows:

LOCATION -----	DESCRIPTION PROPERTY -----	LEASED (SQ. FT.) -----	OWNED (SQ. FT.) -----
North America:			
Duluth, Georgia.....	Corporate Headquarters	125,000	
Coldwater, Ohio (A).....	Manufacturing		1,490,000
Hesston, Kansas (B).....	Manufacturing		1,115,000
Independence, Missouri.....	Manufacturing		450,000
Lockney, Texas (A).....	Manufacturing	190,000	
Queretaro, Mexico.....	Manufacturing		13,500
Willmar, Minnesota.....	Manufacturing		223,400
Kansas City, Missouri.....	Warehouse	425,000	
Batavia, Illinois.....	Parts Distribution	310,200	
International:			
Coventry, United Kingdom.....	Regional Headquarters/Manufacturing		4,135,150
Beauvais, France (C).....	Manufacturing		3,740,000
Marktobendorf, Germany.....	Manufacturing		2,411,000
Baumenheim, Germany.....	Manufacturing		1,890,000
Kempton, Germany.....	Manufacturing		582,000
Randers, Denmark.....	Manufacturing		683,000
Haedo, Argentina.....	Parts Distribution/Sales Office	32,366	
Noetinger, Argentina (A).....	Manufacturing		152,820
San Luis, Argentina (D).....	Manufacturing		57,860
Canoas, Rio Grande do Sul, Brazil.....	Regional Headquarters/Manufacturing		452,400
Santa Rosa, Rio Grande do Sul, Brazil.....	Manufacturing		297,100
Ennery, France.....	Parts Distribution		269,100
Sunshine, Victoria, Australia....	Regional Headquarters		37,200
Tottenham, Victoria, Australia....	Parts Distribution		179,960
Stoneleigh, United Kingdom.....	Training Facility/Office	44,000	

-
- (A) In December 1999, the Company announced that it would close its production facilities in Coldwater, Ohio, Lockney, Texas and Noetinger, Argentina.
 (B) Owned by HFI, a joint venture in which the Company has a 50% interest.
 (C) Includes the GIMA Joint Venture, in which the Company has a 50% interest.
 (D) Owned by the Argentina Engine Joint Venture, in which the Company has a 50% interest.

The Company considers each of its facilities to be in good condition and adequate for its present use. The Company believes that it has sufficient capacity to meet its current and anticipated manufacturing requirements.

ITEM 3. LEGAL PROCEEDINGS

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 the business or financial condition of the Company.

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

Not Applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The dividend and market price information under the heading "Trading and Dividend Information" on page 18 of the Annual Report to Stockholders for the year ended December 31, 1999 is incorporated herein by reference.

ITEM 6. SELECTED FINANCIAL DATA

The information under the heading "Selected Financial Data" for the years ended December 31, 1995 through 1999 on page 18 of the Annual Report to Stockholders for the year ended December 31, 1999 is incorporated herein by reference.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The information under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 19 through 26 of the Annual Report to Stockholders for the year ended December 31, 1999 is incorporated herein by reference.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The information under the heading "Foreign Currency Risk Management" and "Interest Rates" in "Management's Discussion and Analysis and Results of Operations" on pages 25 and 26 of the Annual Report to Stockholders and in Footnote 1 -- "Financial Instruments" of the Notes to Consolidated Financial Statements on page 35 of the Annual Report to Stockholders for the year ended December 31, 1999 is incorporated herein by reference.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The following financial statements of the Registrant and its subsidiaries included on pages 27 through 31 of the Annual Report to Stockholders for the year ended December 31, 1999 are incorporated herein by reference:

Report of Independent Public Accountants.

Consolidated Statements of Income for the years ended December 31, 1999, 1998 and 1997.

Consolidated Balance Sheets as of December 31, 1999 and 1998.

Consolidated Statements of Cash Flows for the years ended December 31, 1999, 1998 and 1997.

Consolidated Statements of Stockholders' Equity for the years ended December 31, 1999, 1998 and 1997.

Notes to Consolidated Financial Statements.

The information under the heading "Quarterly Results" on page 23 of the Annual Report to Stockholders for the year ended December 31, 1999 is incorporated herein by reference.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not Applicable.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF REGISTRANT

The information under the heading "Election of Directors" and the information under the heading "Directors Continuing in Office" on pages 2 and 3 and page 3, respectively, of the Proxy Statement for the Annual Meeting of Stockholders to be held April 26, 2000 is incorporated herein by reference for information on the directors of the Registrant. The information under the heading "Executive Officers" on pages 20 and 21 of the Proxy Statement for the Annual Meeting of Stockholders to be held April 26, 2000 is incorporated herein by reference for information on the executive officers of the Registrant. The information under the heading "Section 16(a) Beneficial Ownership Reporting Compliance" on page 21 of the Proxy Statement for the Annual Meeting of Stockholders to be held April 26, 2000 is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

The information under the heading "Board of Directors and Certain Committees of the Board," the information under the heading "Compensation Committee Interlocks and Insider Participation" and the information under the heading "Executive Compensation" on pages 4 and 5, page 5, and pages 12 through 14, respectively, of the Proxy Statement for the Annual Meeting of Stockholders to be held April 26, 2000 are incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information under the heading "Principal Holders of Common Stock" on pages 10 and 11 of the Proxy Statement for the Annual Meeting of Stockholders to be held April 26, 2000 is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information under the heading "Certain Relationships and Related Transactions" on page 21 of the Proxy Statement for the Annual Meeting of Stockholders to be held April 26, 2000 is incorporated herein by reference.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

(a) 1. The following consolidated financial statements of AGCO Corporation and its subsidiaries, included in the Annual Report of the registrant to its stockholders for the year ended December 31, 1999, are incorporated by reference in Part II, Item 8:

Report of Independent Public Accountants.

Consolidated Statements of Income for the years ended December 31, 1999, 1998 and 1997.

Consolidated Balance Sheets at December 31, 1999 and 1998.

Consolidated Statements of Cash Flows for the years ended December 31, 1999, 1998 and 1997.

Consolidated Statements of Stockholders' Equity for the years ended December 31, 1999, 1998 and 1997.

Notes to Consolidated Financial Statements.

(a) 2. The following Report of Independent Public Accountants and the Consolidated Financial Statement Schedule of AGCO Corporation and its subsidiaries are included herein on pages F-1 through F-2.

Schedule	Description
	Report of Independent Public Accountants on Financial Statement Schedule
Schedule II	Valuation and Qualifying Accounts
	Schedules other than that listed above have been omitted because the required information is contained in the Notes to the Consolidated Financial Statements or because such schedules are not required or are not applicable.

(a) 3. The following exhibits are filed or incorporated by reference as part of this report.

EXHIBIT NUMBER -----	DESCRIPTION OF EXHIBIT -----
3.1	-- Certificate of Incorporation of the Registrant incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 1996.
3.2	-- By-Laws of the Registrant incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 1997.
4.1	-- Rights Agreement, as amended, between and among AGCO Corporation and SunTrust Bank, as rights agent, dated as of April 27, 1994 incorporated by reference to the Company's quarterly report on Form 10-Q for the quarter ended March 31, 1994 and the Company's Form 8-A/A dated August 8, 1999.
4.2	-- Indenture between AGCO Corporation and SunTrust Bank, as Trustee, dated as of March 20, 1996, incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 1995.
10.1	-- 1991 Stock Option Plan, as amended, incorporated by reference to the Company's annual report on Form 10-K for the year ended December 31, 1998.
10.2	-- Form of Stock Option Agreements (Statutory and Nonstatutory) Incorporated by reference to the Company's Registration Statement on Form S-1 (No. 33-43437) dated April 16, 1992.*
10.3	-- Amended and Restated Long-Term Incentive Plan incorporated by Reference to the Company's Annual Report on Form 10-K for the Year ended December 31, 1997.*
10.4	-- Nonemployee Director Stock Incentive Plan, as amended Incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 1997.*
10.5	-- Management Incentive Compensation Plan incorporated by Reference to the Company's Annual Report on Form 10-K for the Year ended December 31, 1995.*
10.6	-- Second Amended and Restated Credit Agreement dated as of March 12, 1999 among AGCO Corporation and certain of its affiliates and various lenders, incorporated by reference to the Company's annual report for the year ended December 31, 1998.
10.7	-- Employment and Severance Agreement by and between AGCO Corporation and Robert J. Ratliff incorporated by reference to The Company's Annual Report on Form 10-K for the year ended December 31, 1995.*
10.8	-- Employment and Severance Agreement by and between AGCO Corporation and John M. Shumejda incorporated by reference to The Company's Annual Report on Form 10-K for the year ended December 31, 1995.*
10.9	-- Employment and Severance Agreement by and between AGCO Corporation and James M. Seaver.*
10.10	-- Employment and Severance Agreement by and between AGCO Corporation and Edward R. Swingle.*
10.11	-- Employment and Severance Agreement by and between AGCO Corporation and Chris E. Perkins.*

EXHIBIT NUMBER -----	DESCRIPTION OF EXHIBIT -----
10.12	-- Receivables Purchase Agreement dated as of January 27, 2000 among AGCO Corporation, AGCO Funding Corporation and Cooperative Centrale Raiffeisen-Boerenleenbank B.A., as administrative agent.
12.0	-- Statement re: Computation of Earnings to Combined Fixed Charges.
13.0	-- Portions of the AGCO Corporation Annual Report to Stockholders for the year ended December 31, 1999 expressly incorporated herein by reference.
21.0	-- Subsidiaries of the Registrant.
23.0	-- Consent of Arthur Andersen LLP, independent public accountants.
24.0	-- Power of Attorney
27.1	-- Financial Data Schedule -- December 31, 1999 (filed for SEC reporting purposes only).

* Management contract or compensatory plan or arrangement.

(b) Reports on Form 8-K

None

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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

By: /s/ JOHN M. SHUMEJDA

 John M. Shumejda
 President and Chief Executive
 Officer

Dated: March 28, 2000

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant in the capacities and on the date indicated.

SIGNATURE -----	TITLE -----	DATE ----
ROBERT J. RATLIFF* ----- Robert J. Ratliff	Chairman of the Board	March 28, 2000
/s/ JOHN M. SHUMEJDA ----- John M. Shumejda	President and Chief Executive Officer, Director	March 28, 2000
/s/ PATRICK S. SHANNON ----- Patrick S. Shannon	Vice President and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	March 28, 2000
HENRY J. CLAYCAMP* ----- Henry J. Claycamp	Director	March 28, 2000
WOLFGANG DEML* ----- Wolfgang Deml	Director	March 28, 2000
WILLIAM H. FIKE* ----- William H. Fike	Director	March 28, 2000
GERALD B. JOHANNESON* ----- Gerald B. Johanneson	Director	March 28, 2000
ANTHONY D. LOEHNIS* ----- Anthony D. Loehnis	Director	March 28, 2000
HAMILTON ROBINSON, JR.* ----- Hamilton Robinson, Jr.	Director	March 28, 2000
WOLFGANG SAUER* ----- Wolfgang Sauer	Director	March 28, 2000
*By: /s/ PATRICK S. SHANNON ----- Patrick S. Shannon Attorney-in-Fact		

ANNUAL REPORT ON FORM 10-K

ITEM 14(A)(2)

FINANCIAL STATEMENT SCHEDULE
YEAR ENDED DECEMBER 31, 1999

F-1

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS
ON FINANCIAL STATEMENT SCHEDULE

To AGCO Corporation:

We have audited in accordance with generally accepted auditing standards, the consolidated balance sheets of AGCO CORPORATION AND SUBSIDIARIES as of December 31, 1999 and 1998 and the related consolidated statements of income, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 1999, and have issued our report thereon dated February 1, 2000. Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Schedule II -- Valuation and Qualifying Accounts is the responsibility of the company's management and is presented for purposes of complying with the Securities and Exchange Commission's rules and is not part of the basic financial statements. This schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly states in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

/s/ ARTHUR ANDERSEN LLP

Atlanta, Georgia
February 1, 2000

SCHEDULE II

AGCO CORPORATION AND SUBSIDIARIES

SCHEDULE II -- VALUATION AND QUALIFYING ACCOUNTS
(IN MILLIONS)

DESCRIPTION	BALANCE AT BEGINNING OF PERIOD	ACQUIRED BUSINESSES	ADDITIONS		DEDUCTIONS	BALANCE AT END OF PERIOD
			CHARGED TO COSTS AND EXPENSES	CHARGED (CREDITED) TO OTHER ACCOUNTS		
Year ended December 31, 1999						
Allowances for sales incentive discounts and doubtful receivables.....	\$107.8 =====	\$ -- =====	\$ 84.1 =====	\$-- ==	\$ (95.3) =====	\$ 96.6 =====
Year ended December 31, 1998						
Allowances for sales incentive discounts and doubtful receivables.....	\$ 97.2 =====	\$2.0 =====	\$118.7 =====	\$-- ==	\$ (110.1) =====	\$107.8 =====
Year ended December 31, 1997						
Allowances for sales incentive discounts and doubtful receivables.....	\$ 75.8 =====	\$4.1 =====	\$116.1 =====	\$-- ==	\$ (98.8) =====	\$ 97.2 =====

DESCRIPTION	BALANCE AT BEGINNING OF PERIOD	ACQUIRED BUSINESSES	ADDITIONS		DEDUCTIONS	BALANCE AT END OF PERIOD
			CHARGED TO COSTS AND EXPENSES	CHARGED (CREDITED) TO OTHER ACCOUNTS		
Year ended December 31, 1999						
Accruals of severance, relocation and other integration costs....	\$ 35.0 =====	\$ -- =====	\$ 9.6(a) =====	\$-- ==	\$ (22.4) =====	\$ 22.2 =====
Year ended December 31, 1998						
Accruals of severance, relocation and other integration costs....	\$ 12.4 =====	\$6.5 =====	\$ 32.8(b) =====	\$-- ==	\$ (16.7) =====	\$ 35.0 =====
Year ended December 31, 1997						
Accruals of severance, relocation and other integration costs....	\$ 4.7 =====	\$6.5 =====	\$ 18.2 =====	\$-- ==	\$ (17.0) =====	\$ 12.4 =====

(a) Excludes nonrecurring expenses related to the writedown of property, plant and equipment of \$14.9 million.

(b) Excludes nonrecurring expenses related to pension and postretirement benefit expenses of \$7.2 million.

EXHIBIT INDEX

EXHIBIT NO.	DESCRIPTION	PAGE
3.1	-- Certificate of Incorporation of Registrant.	*
3.2	-- By-Laws of the Registrant.	*
4.1	-- Rights Agreement between and among AGCO Corporation and Chemical Bank.	*
4.2	-- Indenture between AGCO Corporation and SunTrust Bank, as Trustee.	*
10.1	-- 1991 Stock Option Plan, as amended.	*
10.2	-- Form of Stock Option Agreements (Statutory and Nonstatutory).	*
10.3	-- Amended and Restated Long-Term Incentive Plan.	*
10.4	-- Nonemployee Director Stock Incentive Plan, as amended.	*
10.5	-- Management Incentive Compensation Plan.	*
10.6	-- Second Amended and Restated Credit Agreement dated as of January 14, 1997, among AGCO Corporation and certain of its affiliates and various lenders, incorporated by reference to the Company's annual report for the year ended December 31, 1998.	*
10.7	-- Employment and Severance Agreement by and between AGCO Corporation and Robert J. Ratliff.	*
10.8	-- Employment and Severance Agreement by and between AGCO Corporation and John M. Shumejda.	*
10.9	-- Employment and Severance Agreement by and between AGCO Corporation and James M. Seaver.	--
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10.11	-- Employment and Severance Agreement by and between AGCO Corporation and Chris E. Perkins.	--
10.12	-- Receivables Purchase Agreement dated as of January 27, 2000 among AGCO Corporation, AGCO Funding Corporation and Cooperative Centrale Raiffeisen-Boerenleenbank B.A., as administrative agent.	--
12.0	-- Statement re: Computation of Earnings to Combined Fixed Charges.	--
13.0	-- Portions of the AGCO Corporation Annual Report to Stockholders for the year ended December 31, 1999.	--
21.0	-- Subsidiaries of the Registrant.	--
23.0	-- Consent of Arthur Andersen LLP, independent public accountants.	--
27.1	-- Financial Data Schedule -- December 31, 1999 (filed for SEC reporting purposes only)	--

* Incorporated herein by reference

EMPLOYMENT AND SEVERANCE AGREEMENT

This Employment and Severance Agreement (the "Agreement") entered into this 1st day of July 1999, by and between AGCO CORPORATION, a Delaware corporation (the "Company"), and James M. Seaver (the "Executive"),

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 on the terms and conditions set forth herein.

(b) The employment term shall commence on July 1, 1999 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 an Officer 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/her ability such duties and responsibilities and shall devote all of his/her working time and efforts to the business and affairs of the Company and its affiliates.

3. COMPENSATION.

(a) BASE SALARY. The Company shall pay to the Executive an annual base salary ("Base Salary") of Three Hundred Three Thousand Six Hundred Dollars (\$303,600), payable in equal semi-monthly installments throughout the term of such employment 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.

(b) INCENTIVE COMPENSATION. Provided Executive has duly performed his/her obligations pursuant to this Agreement, the Executive shall be entitled to participate in or receive benefits under the Management Incentive Compensation Plan implemented by the Company.

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

(d) FRINGE BENEFITS. The Company shall pay or reimburse Executive for all reasonable and necessary expenses incurred by him/her in connection with his/her duties hereunder, upon submission by Executive to the Company of such written evidence of such expense as the Company may require. Throughout the term of this Agreement, the Company will provide Executive with the use of a vehicle for purposes within the scope of his/her employment and shall pay all expenses for fuel, maintenance and insurance in connection with such use of the automobile. The Company further agrees that Executive shall be entitled to four (4) weeks of vacation in any year of the term of employment hereunder. Nothing paid to the Executive under any such Company plans or arrangements shall be deemed to be in lieu of compensation to the Executive hereunder.

4. NON-DISCLOSURE, NON-COMPETITION AND NON-SOLICITATION COVENANTS.

(a) ACKNOWLEDGEMENTS. The Executive acknowledges that as an Executive Officer of the Company (i) he/she 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/her 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/her part during the term of his employment and for a reasonable period thereafter would necessarily involve his/her 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/her employment with the Company, he/she would have sufficient skills to find alternative, commensurate work in his/her 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/her 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. For purposes of this Section 4, the following terms shall have the following meanings:

(i) "COMPETITIVE POSITION" shall mean (i) the Executive's

direct or indirect equity ownership (excluding equity ownership of less than one percent (1%) or control of all or any portion of a Competitor, or (ii) any employment, consulting partnership, advisory, directorship, agency, promotional or independent contractor arrangement between the Executive and any Competitor whereby the Executive is required to perform executive level services substantially similar to those that he will perform for the Company as an Executive Officer.

(ii) "COMPETITOR" of the Company shall refer to any person or entity engaged, wholly or partly, in the business of manufacturing and distributing farm equipment machinery and replacement parts.

(iii) "CONFIDENTIAL INFORMATION" shall mean the proprietary and confidential data or information of the Company, other than "Trade Secrets" (as defined below), which is of tangible or intangible value to the Company and is not public information or is not generally known or available to the Company's competitors.

(iv) "TRADE SECRETS" shall mean information of the Company, including, but not limited to, technical or non-technical data, formulas, patterns, compilations, programs, devices, methods, techniques, drawings, processes, financial data, financial plans, products plans, or lists of actual or potential customers or suppliers, which: (a) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and (b) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

(v) "WORK PRODUCT" shall mean all work product, property, data, documentation, "know-how", concepts or plans, inventions, improvements, techniques, processes or information of any kind, relating to the Company and its business prepared, conceived, discovered, developed or created by the Executive for the Company or any of the Company's customers.

(c) NONDISCLOSURE; OWNERSHIP OR PROPRIETARY PROPERTY.

(i) The Executive hereby covenants and agrees that: (i) with regard to information constituting a Trade Secret, at all times during the Executive's employment with the Company and all times thereafter during which such information continues to constitute a Trade Secret; and (ii) with regard to any Confidential Information, at all times during the Executive's employment with the Company and for three (3) years after the termination of the Executive's employment with the Company, the Executive shall regard and treat all information constituting a Trade Secret or Confidential Information as strictly confidential and wholly owned by the Company and will not, for any reason in any fashion, either directly or indirectly, use, sell, lend, lease, distribute, license, give, transfer, assign, show, disclose, disseminate, reproduce, copy, appropriate or otherwise communicate any such information to any party for any purpose other than strictly in accordance with the express terms of this Agreement and other than as may be required by law.

(ii) To the greatest extent possible, any Work Product shall be deemed to be "work made for hire" (as defined in the Copyright Act, 17 U.S.C.A, ss. 101 et seq., as amended) and owned exclusively by the Company. The Executive hereby unconditionally and irrevocably transfers and assigns to the Company all rights, title and interest the Executive may currently have or in the future may have by operation of law or otherwise in or to any Work Product, including, without limitation, all patents, copyrights, trademarks, service marks and other intellectual property rights. The Executive agrees to execute and deliver to the Company any transfers, assignments, documents or other instruments which the Company may deem necessary or appropriate to vest complete title and ownership of any Work Product, and all rights therein, exclusively in the Company.

(iii) The Executive shall immediately notify the Company of any intended or unintended, unauthorized disclosure or use of any Trade Secrets or Confidential Information by the Executive or any other person of which the Executive becomes aware. In addition to complying with the provisions of section 4(c) (i) and 4 (c) (ii), the Executive shall exercise his best efforts to assist the Company, to the extent the Company deems reasonably necessary, in the procurement of any protection of the Company's rights to or in any of the Trade Secrets or Confidential Information.

(iv) Immediately upon termination of the Executive's employment with the Company, or at any point prior to or after that time upon the specific request of the Company, the Executive shall return to the Company all written or descriptive materials of any kind in the Executive's possession or to which the Executive has access that constitute or contain any Confidential Information or Trade Secrets, and the confidentiality obligations of this Agreement shall continue until their expiration under the terms of this Agreement.

(d) NON-COMPETITION. The Executive agrees that during his/her employment, he/she will not, either directly or indirectly, alone or in conjunction with any other party, (i) accept or enter into a Competitive Position with a Competitor of the company, or (ii) take any action in furtherance of or in conjunction with a Competitive Position with a Competitor of the Company. The Executive agrees that for two (2) years after any termination of his employment with the Company, he/she will not, in the "Restricted Territory" (as defined in the next sentence), either directly or indirectly, alone or in conjunction with any other party, (A) accept or enter into a Competitive Position with a Competitor of the Company, or (B) take any action in furtherance of or in conjunction with a Competitive Position with a Competitor of the Company. For purposes of this Section 4, "Restricted Territory" shall refer to all geographical areas comprised within the fifty United States of America, Western Europe, Brazil and Canada. The Executive and the Company each acknowledge that the scope of the Restricted Territory is reasonable because (1) the Company is conducting substantial business in all fifty states (as well as several foreign countries), (2) the Executive occupies one of the top executive positions with the Company, and (3) the Executive will be carrying out his employment responsibilities in all locations where the Company is doing business.

(e) NON-SOLICITATION OF CUSTOMERS. The Executive agrees that during the term of his/her employment, he/she will not, either directly or indirectly, along or in

conjunction with any other party, solicit, divert or appropriate or attempt to solicit, divert or appropriate any customer or actively sought prospective customer of the Company for or on behalf of any Competitor of the Company. The Executive agrees that for two (2) years after any termination of his employment with the Company, he/she will not, in the Restricted Territory, either directly or indirectly, alone or in conjunction with any other party, for or on behalf of a Competitor of the Company, solicit, divert or appropriate or attempt to solicit, divert or appropriate any customer or actively sought prospective customer of the Company with whom he had substantial contact during a period of time up to, but no longer than, eighteen (18) months prior to any termination of his/her employment with the Company.

(f) NON-SOLICITATION OF COMPANY PERSONNEL. The Executive agrees that, except to the extent that he/she is required to do so in connection with his/her express employment responsibilities on behalf of the Company, during the term of his/her employment he/she will not, either directly or indirectly, alone or in conjunction with any other party, solicit or attempt to solicit any employee, consultant, contractor or other personnel of the Company to terminate, alter or lessen that party's affiliation with the Company or to violate the terms of any agreement or understanding between such employee, consultant, contractor or other person and the Company. The Executive agrees that for two (2) years after any termination of his/her employment with the Company, and in the Restricted Territory, he/she will not, either directly or indirectly, alone or in conjunction with any other party, solicit or attempt to solicit any "material" or "key" (as those terms are defined in the next sentence) employee, consultant, contractor or other personnel of the Company to terminate, alter or lessen that party's affiliation with the Company or to violate the terms of any agreement or understanding between such employee, consultant, contractor or other person and the company. For purposes of the preceding sentence, "material" or "key" employees, consultants, contractors or other personnel of the Company are those who have access to the Company's Trade Secrets and Confidential Information and whose position or affiliation with the Company is significant.

(g) REMEDIES. Executive agrees that damages at law for the Executive's violation of any of the covenants in this Section 4 would not be an adequate or proper remedy and that should the Executive violate or threaten to violate any of the provisions of such covenants, the Company or its successors or assigns shall be entitled to obtain a temporary or permanent injunction against Executive in any court having jurisdiction prohibiting any further violation of any such covenants, in addition to any award or damages, compensatory, exemplary or otherwise, for such violation, if any.

(h) PARTIAL ENFORCEMENT. The Company has attempted to limit the rights of the Executive to compete only to the extent necessary to protect the Company from unfair competition. The Company, however, agrees that, if the scope of enforceability of these restrictive covenants is in any way disputed at any time, a court or other trier of fact may modify and enforce the covenant to the extent that it believes to be reasonable under the circumstances existing at the time.

5. TERMINATION.

(a) DEATH. The Executive's employment hereunder shall terminate upon the death of the Executive, provided, however, that for purposes of the payment of compensation and benefits to the Executive under this Agreement 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) INCAPACITY. The Company may terminate the Executive's employment hereunder at the end of any calendar month by giving written Notice of Termination to the Executive in the event of the Executive's incapacity due to physical or mental illness which prevents the proper performance of the duties of the Executive set forth herein or established pursuant hereto for a substantial portion of any six (6) month period of the Executive's term of employment hereunder. Any question as to the existence, extent or potentiality of illness or incapacity of Executive upon which Company and Executive cannot agree shall be determined by a qualified independent physician selected by the Company and approved by Executive (or, if Executive is unable to give such approval, by any adult member of the immediate family or the duly appointed guardian of the Executive). The determination of such physician shall be certified in writing to the Company and to the Executive and shall be final and conclusive for all purposes of this Agreement.

(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 Executive's habitual drunkenness or chronic substance abuse; (ii) a willful failure by the Executive to materially perform and discharge the duties and responsibilities of the Executive hereunder; (iii) any breach by the Executive of the provisions of Section 4 hereof; (iv) any misconduct by the Executive that is materially injurious to the Company; or (v) a conviction of a felony involving the personal dishonesty or moral turpitude of the Executive.

(d) WITHOUT CAUSE; GOOD REASON.

(i) The Company may terminate the Executive's employment hereunder without Cause, by giving written Notice of termination 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 (and without the written consent of the Executive) (a) a reduction in the Executive's base salary or benefits received from the Company, other than in connection with an across-the-board reduction in salaries and/or benefits for similarly situated employees of the Company or pursuant to the Company's standard retirement policy; or (b) the relocation of the Executive's full-time office to a location greater than fifty (50) miles from the Company's current corporate office; or (c) a material breach by the Company of this Agreement.

(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.

(f) OBLIGATION TO PAY. Except upon voluntary termination by the Executive without Good Reason and subject to Section 6 below, the Company shall pay the compensation specified in this Subsection 5(f) to the Executive for the period specified in this Subsection 5(f). The company also will continue insurance benefits during the remainder of the applicable period, including the Severance Period set forth in this Subsection 5(f). 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 and 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 and the Company shall have no further obligations to the Executive under this Agreement. If the Executive's employment is terminated by reason of incapacity, 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, through the date of termination specified in the Notice of Termination, 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 the Company shall have no further obligations to the Executive under this Agreement. 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 beginning as of 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. 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 the employee benefit plans or programs of the Company or under applicable law.

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, 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 30036
Attention: R. J. Ratliff

in the case of the Executive to:

James M. Seaver
503 Butler National Drive
Duluth, GA 30097

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, distributee, devisees and legatees and the provisions of Sections 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.

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

AGCO CORPORATION

By: /s/ Robert J. Ratliff

Name: Robert J. Ratliff

Title: Chairman

EXECUTIVE OFFICER

/s/ James M. Seaver

EMPLOYMENT AND SEVERANCE AGREEMENT

This Employment and Severance Agreement (the "Agreement") entered into this 1st day of September 1999 by and between AGCO CORPORATION, a Delaware corporation (the "Company"), and Edward R. Swingle (the "Executive"),

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 on the terms and conditions set forth herein.

(b) The employment term shall commence on September 1, 1999 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 an Executive Officer 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/her ability such duties and responsibilities and shall devote all of his/her working time and efforts to the business and affairs of the Company and its affiliates.

3. COMPENSATION.

(a) BASE SALARY. The Company shall pay to the Executive an annual base salary ("Base Salary") of Two Hundred Seventy-Two Thousand, Six Hundred Seven Dollars and Fifty Cents (\$272,607.50), payable in equal semi-monthly installments throughout the term of such employment 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.

(b) INCENTIVE COMPENSATION. Provided Executive has duly performed his/her obligations pursuant to this Agreement, the Executive shall be entitled to participate in or receive benefits under the Management Incentive Compensation Plan implemented by the Company.

(c) OTHER BENEFITS. During the term of this Agreement, the Executive shall be entitled to participate in the long term incentive plan implemented by the Company and any 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.

(d) FRINGE BENEFITS. The Company shall pay or reimburse Executive for all reasonable and necessary expenses incurred by him/her in connection with his/her duties hereunder, upon submission by Executive to the Company of such written evidence of such expense as the Company may require. Throughout the term of this Agreement, the Company will provide Executive with the use of a vehicle for purposes within the scope of his/her employment and shall pay all expenses for fuel, maintenance and insurance in connection with such use of the automobile. The Company further agrees that Executive shall be entitled to four (4) weeks of vacation in any year of the term of employment hereunder. Nothing paid to the Executive under any such Company plans or arrangements shall be deemed to be in lieu of compensation to the Executive hereunder.

4. NON-DISCLOSURE, NON-COMPETITION AND NON-SOLICITATION COVENANTS.

(a) ACKNOWLEDGEMENTS. The Executive acknowledges that as an Executive Officer of the Company (i) he/she 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/her 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/her part during the term of his employment and for a reasonable period thereafter would necessarily involve his/her 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/her employment with the Company, he/she would have sufficient skills to find alternative, commensurate work in his/her 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/her 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. For purposes of this Section 4, the following terms shall have the following meanings:

(i) "COMPETITIVE POSITION" shall mean (i) the Executive's direct or indirect equity ownership (excluding equity ownership of less than one percent (1%) or control of all or any portion of a Competitor, or (ii) any employment, consulting, partnership,

advisory, directorship, agency, promotional or independent contractor arrangement between the Executive and any Competitor whereby the Executive is required to perform executive level services substantially similar to those that he will perform for the Company as an Executive Officer.

(ii) "COMPETITOR" of the Company shall refer to any person or entity engaged, wholly or partly, in the business of manufacturing and distributing farm equipment machinery and replacement parts.

(iii) "CONFIDENTIAL INFORMATION" shall mean the proprietary and confidential data or information of the Company, other than "Trade Secrets" (as defined below), which is of tangible or intangible value to the Company and is not public information or is not generally known or available to the Company's competitors.

(iv) "TRADE SECRETS" shall mean information of the Company, including, but not limited to, technical or non-technical data, formulas, patterns, compilations, programs, devices, methods, techniques, drawings, processes, financial data, financial plans, products plans, or lists of actual or potential customers or suppliers, which: (a) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and (b) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

(v) "WORK PRODUCT" shall mean all work product, property, data, documentation, "know-how", concepts or plans, inventions, improvements, techniques, processes or information of any kind, relating to the Company and its business prepared, conceived, discovered, developed or created by the Executive for the Company or any of the Company's customers.

(c) NONDISCLOSURE; OWNERSHIP OF PROPRIETARY PROPERTY.

(i) The Executive hereby covenants and agrees that: (i) with regard to information constituting a Trade Secret, at all times during the Executive's employment with the Company and all times thereafter during which such information continues to constitute a Trade Secret; and (ii) with regard to any Confidential Information, at all times during the Executive's employment with the Company and for three (3) years after the termination of the Executive's employment with the Company, the Executive shall regard and treat all information constituting a Trade Secret or Confidential Information as strictly confidential and wholly owned by the Company and will not, for any reason in any fashion, either directly or indirectly, use, sell, lend, lease, distribute, license, give, transfer, assign, show, disclose, disseminate, reproduce, copy, appropriate or otherwise communicate any such information to any party for any purpose other than strictly in accordance with the express terms of this Agreement and other than as may be required by law.

(ii) To the greatest extent possible, any Work Product shall be deemed to be "work made for hire" (as defined in the Copyright Act, 17 U.S.C.A. ss. 101 et seq., as amended) and owned exclusively by the Company. The Executive hereby unconditionally and

irrevocably transfers and assigns to the Company all rights, title and interest the Executive may currently have or in the future may have by operation of law or otherwise in or to any Work Product, including, without limitation, all patents, copyrights, trademarks, service marks and other intellectual property rights. The Executive agrees to execute and deliver to the Company any transfers, assignments, documents or other instruments which the Company may deem necessary or appropriate to vest complete title and ownership of any Work Product, and all rights therein, exclusively in the Company.

(iii) The Executive shall immediately notify the Company of any intended or unintended, unauthorized disclosure or use of any Trade Secrets or Confidential Information by the Executive or any other person of which the Executive becomes aware. In addition to complying with the provisions of Section 4(c)(i) and 4(c)(ii), the Executive shall exercise his best efforts to assist the Company, to the extent the Company deems reasonably necessary, in the procurement of any protection of the Company's rights to or in any of the Trade Secrets or Confidential Information.

(iv) Immediately upon termination of the Executive's employment with the Company, or at any point prior to or after that time upon the specific request of the Company, the Executive shall return to the Company all written or descriptive materials of any kind in the Executive's possession or to which the Executive has access that constitute or contain any Confidential Information or Trade Secrets, and the confidentiality obligations of this Agreement shall continue until their expiration under the terms of this Agreement.

(d) NON-COMPETITION. The Executive agrees that during his/her employment, he/she will not, either directly or indirectly, alone or in conjunction with any other party, (i) accept or enter into a Competitive Position with a Competitor of the Company, or (ii) take any action in furtherance of or in conjunction with a Competitive Position with a Competitor of the Company. The Executive agrees that for two (2) years after any termination of his employment with the Company, he/she will not, in the "Restricted Territory" (as defined in the next sentence), either directly or indirectly, alone or in conjunction with any other party, (A) accept or enter into a Competitive Position with a Competitor of the Company, or (B) take any action in furtherance of or in conjunction with a Competitive Position with a Competitor of the Company. For purposes of this Section 4, "Restricted Territory" shall refer to all geographical areas comprised within the fifty United States of America, Western Europe, Brazil and Canada. The Executive and the Company each acknowledge that the scope of the Restricted Territory is reasonable because (1) the Company is conducting substantial business in all fifty states (as well as several foreign countries), (2) the Executive occupies one of the top executive positions with the Company, and (3) the Executive will be carrying out his employment responsibilities in all locations where the Company is doing business.

(e) NON-SOLICITATION OF CUSTOMERS. The Executive agrees that during the term of his/her employment, he/she will not, either directly or indirectly, along or in conjunction with any other party, solicit, divert or appropriate or attempt to solicit, divert or appropriate any customer or actively sought prospective customer of the Company for or on behalf of any Competitor of the Company. The Executive agrees that for two (2) years after any termination of his employment with the Company, he/she will not, in the Restricted Territory,

either directly or indirectly, alone or in conjunction with any other party, for or on behalf of a Competitor of the Company, solicit, divert or appropriate or attempt to solicit, divert or appropriate any customer or actively sought prospective customer of the Company with whom he had substantial contact during a period of time of up to, but no longer than, eighteen (18) months prior to any termination of his/her employment with the Company.

(f) NON-SOLICITATION OF COMPANY PERSONNEL. The Executive agrees that, except to the extent that he/she is required to do so in connection with his/her express employment responsibilities on behalf of the Company, during the term of his/her employment he/she will not, either directly or indirectly, alone or in conjunction with any other party, solicit or attempt to solicit any employee, consultant, contractor or other personnel of the Company to terminate, alter or lessen that party's affiliation with the Company or to violate the terms of any agreement or understanding between such employee, consultant, contractor or other person and the Company. The Executive agrees that for two (2) years after any termination of his/her employment with the Company, and in the Restricted Territory, he/she will not, either directly or indirectly, alone or in conjunction with any other party, solicit or attempt to solicit any "material" or "key" (as those terms are defined in the next sentence) employee, consultant, contractor or other personnel of the Company to terminate, alter or lessen that party's affiliation with the Company or to violate the terms of any agreement or understanding between such employee, consultant, contractor or other person and the Company. For purposes of the preceding sentence, "material" or "key" employees, consultants, contractors or other personnel of the Company are those who have access to the Company's Trade Secrets and Confidential Information and whose position or affiliation with the Company is significant.

(g) REMEDIES. Executive agrees that damages at law for the Executive's violation of any of the covenants in this Section 4 would not be an adequate or proper remedy and that should the Executive violate or threaten to violate any of the provisions of such covenants, the Company or its successors or assigns shall be entitled to obtain a temporary or permanent injunction against Executive in any court having jurisdiction prohibiting any further violation of any such covenants, in addition to any award or damages, compensatory, exemplary or otherwise, for such violation, if any.

(h) PARTIAL ENFORCEMENT. The Company has attempted to limit the rights of the Executive to compete only to the extent necessary to protect the Company from unfair competition. The Company, however, agrees that, if the scope of enforceability of these restrictive covenants is in any way disputed at any time, a court or other trier of fact may modify and enforce the covenant to the extent that it believes to be reasonable under the circumstances existing at the time.

5. TERMINATION.

(a) DEATH. The Executive's employment hereunder shall terminate upon the death of the Executive, provided, however, that for purposes of the payment of compensation and benefits to the Executive under this Agreement 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) INCAPACITY. The Company may terminate the Executive's employment hereunder at the end of any calendar month by giving written Notice of Termination to the Executive in the event of the Executive's incapacity due to physical or mental illness which prevents the proper performance of the duties of the Executive set forth herein or established pursuant hereto for a substantial portion of any six (6) month period of the Executive's term of employment hereunder. Any question as to the existence, extent or potentiality of illness or incapacity of Executive upon which Company and Executive cannot agree shall be determined by a qualified independent physician selected by the Company and approved by Executive (or, if Executive is unable to give such approval, by any adult member of the immediate family or the duly appointed guardian of the Executive). The determination of such physician shall be certified in writing to the Company and to the Executive and shall be final and conclusive for all purposes of this Agreement.

(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 Executive's habitual drunkenness or chronic substance abuse; (ii) a willful failure by the Executive to materially perform and discharge the duties and responsibilities of the Executive hereunder; (iii) any breach by the Executive of the provisions of Section 4 hereof; (iv) any misconduct by the Executive that is materially injurious to the Company; or (v) a conviction of a felony involving the personal dishonesty or moral turpitude of the Executive.

(d) WITHOUT CAUSE; GOOD REASON.

(i) The Company may terminate the Executive's employment hereunder without Cause, by giving written Notice of termination 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 (and without the written consent of the Executive) (a) a reduction in the Executive's base salary or benefits received from the Company, other than in connection with an across-the-board reduction in salaries and/or benefits for similarly situated employees of the Company or pursuant to the Company's standard retirement policy; or (b) the relocation of the Executive's full-time office to a location greater than fifty (50) miles from the Company's current corporate office; or (c) a material breach by the Company of this Agreement.

(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.

(f) OBLIGATION TO PAY. Except upon voluntary termination by the Executive without Good Reason and subject to Section 6 below, the Company shall pay the compensation specified in this Subsection 5(f) to the Executive for the period specified in this Subsection 5(f). The Company also will continue insurance benefits during the remainder of the applicable period, including the Severance Period set forth in this Subsection 5(f). 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 and 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 and the Company shall have no further obligations to the Executive under this Agreement. If the Executive's employment is terminated by reason of incapacity, 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, through the date of termination specified in the Notice of Termination, 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 the Company shall have no further obligations to the Executive under this Agreement. 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 beginning as of 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. 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 the employee benefit plans or programs of the Company or under applicable law.

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, 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: R. J. Ratliff

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, distributee, 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.

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

AGCO CORPORATION

By: /s/ Robert J. Ratliff

Name: Robert J. Ratliff

Title: Chairman

EXECUTIVE OFFICER

/s/ Edward R. Swingle

EMPLOYMENT AND SEVERANCE AGREEMENT

This Employment and Severance Agreement (the "Agreement") entered into this 1st day of September 1999 by and between AGCO CORPORATION, a Delaware corporation (the "Company"), and Chris E. Perkins (the "Executive"),

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 on the terms and conditions set forth herein.

(b) The employment term shall commence on September 1, 1999 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 an Executive Officer 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/her ability such duties and responsibilities and shall devote all of his/her working time and efforts to the business and affairs of the Company and its affiliates.

3. COMPENSATION.

(a) BASE SALARY. The Company shall pay to the Executive an annual base salary ("Base Salary") of Two Hundred Twenty-Four Thousand Dollars (\$224,000), payable in equal semi-monthly installments throughout the term of such employment 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.

(b) INCENTIVE COMPENSATION. Provided Executive has duly performed his/her obligations pursuant to this Agreement, the Executive shall be entitled to participate in or receive benefits under the Management Incentive Compensation Plan implemented by the Company.

(c) OTHER BENEFITS. During the term of this Agreement, the Executive shall be entitled to participate in the long term incentive plan implemented by the Company and any 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.

(d) FRINGE BENEFITS. The Company shall pay or reimburse Executive for all reasonable and necessary expenses incurred by him/her in connection with his/her duties hereunder, upon submission by Executive to the Company of such written evidence of such expense as the Company may require. Throughout the term of this Agreement, the Company will provide Executive with the use of a vehicle for purposes within the scope of his/her employment and shall pay all expenses for fuel, maintenance and insurance in connection with such use of the automobile. The Company further agrees that Executive shall be entitled to four (4) weeks of vacation in any year of the term of employment hereunder. Nothing paid to the Executive under any such Company plans or arrangements shall be deemed to be in lieu of compensation to the Executive hereunder.

4. NON-DISCLOSURE, NON-COMPETITION AND NON-SOLICITATION COVENANTS.

(a) ACKNOWLEDGEMENTS. The Executive acknowledges that as an Executive Officer of the Company (i) he/she 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/her 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/her part during the term of his employment and for a reasonable period thereafter would necessarily involve his/her 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/her employment with the Company, he/she would have sufficient skills to find alternative, commensurate work in his/her 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/her 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. For purposes of this Section 4, the following terms shall have the following meanings:

(i) "COMPETITIVE POSITION" shall mean (i) the Executive's direct or indirect equity ownership (excluding equity ownership of less than one percent (1%) or control of all or any portion of a Competitor, or (ii) any employment, consulting, partnership,

advisory, directorship, agency, promotional or independent contractor arrangement between the Executive and any Competitor whereby the Executive is required to perform executive level services substantially similar to those that he will perform for the Company as an Executive Officer.

(ii) "COMPETITOR" of the Company shall refer to any person or entity engaged, wholly or partly, in the business of manufacturing and distributing farm equipment machinery and replacement parts.

(iii) "CONFIDENTIAL INFORMATION" shall mean the proprietary and confidential data or information of the Company, other than "Trade Secrets" (as defined below), which is of tangible or intangible value to the Company and is not public information or is not generally known or available to the Company's competitors.

(iv) "TRADE SECRETS" shall mean information of the Company, including, but not limited to, technical or non-technical data, formulas, patterns, compilations, programs, devices, methods, techniques, drawings, processes, financial data, financial plans, products plans, or lists of actual or potential customers or suppliers, which: (a) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and (b) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

(v) "WORK PRODUCT" shall mean all work product, property, data, documentation, "know-how", concepts or plans, inventions, improvements, techniques, processes or information of any kind, relating to the Company and its business prepared, conceived, discovered, developed or created by the Executive for the Company or any of the Company's customers.

(c) NONDISCLOSURE; OWNERSHIP OF PROPRIETARY PROPERTY.

(i) The Executive hereby covenants and agrees that: (i) with regard to information constituting a Trade Secret, at all times during the Executive's employment with the Company and all times thereafter during which such information continues to constitute a Trade Secret; and (ii) with regard to any Confidential Information, at all times during the Executive's employment with the Company and for three (3) years after the termination of the Executive's employment with the Company, the Executive shall regard and treat all information constituting a Trade Secret or Confidential Information as strictly confidential and wholly owned by the Company and will not, for any reason in any fashion, either directly or indirectly, use, sell, lend, lease, distribute, license, give, transfer, assign, show, disclose, disseminate, reproduce, copy, appropriate or otherwise communicate any such information to any party for any purpose other than strictly in accordance with the express terms of this Agreement and other than as may be required by law.

(ii) To the greatest extent possible, any Work Product shall be deemed to be "work made for hire" (as defined in the Copyright Act, 17 U.S.C.A. ss. 101 et seq., as amended) and owned exclusively by the Company. The Executive hereby unconditionally and

irrevocably transfers and assigns to the Company all rights, title and interest the Executive may currently have or in the future may have by operation of law or otherwise in or to any Work Product, including, without limitation, all patents, copyrights, trademarks, service marks and other intellectual property rights. The Executive agrees to execute and deliver to the Company any transfers, assignments, documents or other instruments which the Company may deem necessary or appropriate to vest complete title and ownership of any Work Product, and all rights therein, exclusively in the Company.

(iii) The Executive shall immediately notify the Company of any intended or unintended, unauthorized disclosure or use of any Trade Secrets or Confidential Information by the Executive or any other person of which the Executive becomes aware. In addition to complying with the provisions of Section 4(c) (i) and 4 (c) (ii), the Executive shall exercise his best efforts to assist the Company, to the extent the Company deems reasonably necessary, in the procurement of any protection of the Company's rights to or in any of the Trade Secrets or Confidential Information.

(iv) Immediately upon termination of the Executive's employment with the Company, or at any point prior to or after that time upon the specific request of the Company, the Executive shall return to the Company all written or descriptive materials of any kind in the Executive's possession or to which the Executive has access that constitute or contain any Confidential Information or Trade Secrets, and the confidentiality obligations of this Agreement shall continue until their expiration under the terms of this Agreement.

(d) NON-COMPETITION. The Executive agrees that during his/her employment, he/she will not, either directly or indirectly, alone or in conjunction with any other party, (i) accept or enter into a Competitive Position with a Competitor of the Company, or (ii) take any action in furtherance of or in conjunction with a Competitive Position with a Competitor of the Company. The Executive agrees that for two (2) years after any termination of his employment with the Company, he/she will not, in the "Restricted Territory" (as defined in the next sentence), either directly or indirectly, alone or in conjunction with any other party, (A) accept or enter into a Competitive Position with a Competitor of the Company, or (B) take any action in furtherance of or in conjunction with a Competitive Position with a Competitor of the Company. For purposes of this Section 4, "Restricted Territory" shall refer to all geographical areas comprised within the fifty United States of America, Western Europe, Brazil and Canada. The Executive and the Company each acknowledge that the scope of the Restricted Territory is reasonable because (1) the Company is conducting substantial business in all fifty states (as well as several foreign countries), (2) the Executive occupies one of the top executive positions with the Company, and (3) the Executive will be carrying out his employment responsibilities in all locations where the Company is doing business.

(e) NON-SOLICITATION OF CUSTOMERS. The Executive agrees that during the term of his/her employment, he/she will not, either directly or indirectly, along or in conjunction with any other party, solicit, divert or appropriate or attempt to solicit, divert or appropriate any customer or actively sought prospective customer of the Company for or on behalf of any Competitor of the Company. The Executive agrees that for two (2) years after any termination of his employment with the Company, he/she will not, in the Restricted Territory,

either directly or indirectly, alone or in conjunction with any other party, for or on behalf of a Competitor of the Company, solicit, divert or appropriate or attempt to solicit, divert or appropriate any customer or actively sought prospective customer of the Company with whom he had substantial contact during a period of time of up to, but no longer than, eighteen (18) months prior to any termination of his/her employment with the Company.

(f) NON-SOLICITATION OF COMPANY PERSONNEL. The Executive agrees that, except to the extent that he/she is required to do so in connection with his/her express employment responsibilities on behalf of the Company, during the term of his/her employment he/she will not, either directly or indirectly, alone or in conjunction with any other party, solicit or attempt to solicit any employee, consultant, contractor or other personnel of the Company to terminate, alter or lessen that party's affiliation with the Company or to violate the terms of any agreement or understanding between such employee, consultant, contractor or other person and the Company. The Executive agrees that for two (2) years after any termination of his/her employment with the Company, and in the Restricted Territory, he/she will not, either directly or indirectly, alone or in conjunction with any other party, solicit or attempt to solicit any "material" or "key" (as those terms are defined in the next sentence) employee, consultant, contractor or other personnel of the Company to terminate, alter or lessen that party's affiliation with the Company or to violate the terms of any agreement or understanding between such employee, consultant, contractor or other person and the Company. For purposes of the preceding sentence, "material" or "key" employees, consultants, contractors or other personnel of the Company are those who have access to the Company's Trade Secrets and Confidential Information and whose position or affiliation with the Company is significant.

(g) REMEDIES. Executive agrees that damages at law for the Executive's violation of any of the covenants in this Section 4 would not be an adequate or proper remedy and that should the Executive violate or threaten to violate any of the provisions of such covenants, the Company or its successors or assigns shall be entitled to obtain a temporary or permanent injunction against Executive in any court having jurisdiction prohibiting any further violation of any such covenants, in addition to any award or damages, compensatory, exemplary or otherwise, for such violation, if any.

(h) PARTIAL ENFORCEMENT. The Company has attempted to limit the rights of the Executive to compete only to the extent necessary to protect the Company from unfair competition. The Company, however, agrees that, if the scope of enforceability of these restrictive covenants is in any way disputed at any time, a court or other trier of fact may modify and enforce the covenant to the extent that it believes to be reasonable under the circumstances existing at the time.

5. TERMINATION.

(a) DEATH. The Executive's employment hereunder shall terminate upon the death of the Executive, provided, however, that for purposes of the payment of compensation and benefits to the Executive under this Agreement 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) INCAPACITY. The Company may terminate the Executive's employment hereunder at the end of any calendar month by giving written Notice of Termination to the Executive in the event of the Executive's incapacity due to physical or mental illness which prevents the proper performance of the duties of the Executive set forth herein or established pursuant hereto for a substantial portion of any six (6) month period of the Executive's term of employment hereunder. Any question as to the existence, extent or potentiality of illness or incapacity of Executive upon which Company and Executive cannot agree shall be determined by a qualified independent physician selected by the Company and approved by Executive (or, if Executive is unable to give such approval, by any adult member of the immediate family or the duly appointed guardian of the Executive). The determination of such physician shall be certified in writing to the Company and to the Executive and shall be final and conclusive for all purposes of this Agreement.

(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 Executive's habitual drunkenness or chronic substance abuse; (ii) a willful failure by the Executive to materially perform and discharge the duties and responsibilities of the Executive hereunder; (iii) any breach by the Executive of the provisions of Section 4 hereof; (iv) any misconduct by the Executive that is materially injurious to the Company; or (v) a conviction of a felony involving the personal dishonesty or moral turpitude of the Executive.

(d) WITHOUT CAUSE; GOOD REASON.

(i) The Company may terminate the Executive's employment hereunder without Cause, by giving written Notice of termination 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 (and without the written consent of the Executive) (a) a reduction in the Executive's base salary or benefits received from the Company, other than in connection with an across-the-board reduction in salaries and/or benefits for similarly situated employees of the Company or pursuant to the Company's standard retirement policy; or (b) the relocation of the Executive's full-time office to a location greater than fifty (50) miles from the Company's current corporate office; or (c) a material breach by the Company of this Agreement.

(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.

(f) OBLIGATION TO PAY. Except upon voluntary termination by the Executive without Good Reason and subject to Section 6 below, the Company shall pay the compensation specified in this Subsection 5(f) to the Executive for the period specified in this Subsection 5(f). The Company also will continue insurance benefits during the remainder of the applicable period, including the Severance Period set forth in this Subsection 5(f). 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 and 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 and the Company shall have no further obligations to the Executive under this Agreement. If the Executive's employment is terminated by reason of incapacity, 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, through the date of termination specified in the Notice of Termination, 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 the Company shall have no further obligations to the Executive under this Agreement. 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 beginning as of 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. 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 the employee benefit plans or programs of the Company or under applicable law.

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, 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.

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in the case of the Company to:

AGCO Corporation
4205 River Green Parkway
Duluth, Georgia 30096
Attention: R. J. Ratliff

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, distributee, 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.

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

AGCO CORPORATION

By: /s/ Robert J. Ratliff

Name: Robert J. Ratliff

Title: Chairman

EXECUTIVE OFFICER

/s/ Chris E. Perkins

RECEIVABLES PURCHASE AGREEMENT

dated as of January 27, 2000

among

AGCO FUNDING CORPORATION,
as Seller,

AGCO CORPORATION,
as Servicer,

THE CONDUIT PURCHASERS PARTY HERETO

THE COMMITTED PURCHASERS PARTY HERETO

THE ADMINISTRATORS PARTY HERETO

and

COOPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A.,
"RABOBANK INTERNATIONAL", NEW YORK BRANCH,
as Agent

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This RECEIVABLES PURCHASE AGREEMENT is entered into as of January 27, 2000 among:

- (1) AGCO FUNDING CORPORATION, a Delaware corporation, as the Seller,
- (2) AGCO CORPORATION, a Delaware corporation, as initial Servicer,
- (3) THE CONDUIT PURCHASERS party hereto,
- (4) THE COMMITTED PURCHASERS party hereto,
- (5) THE ADMINISTRATORS party hereto, and
- (6) COOPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A., "RABOBANK INTERNATIONAL" NEW YORK BRANCH, as Agent.

PRELIMINARY STATEMENTS

WHEREAS, the Seller has entered into the Originator Sale Agreement, pursuant to which the Originator has agreed to sell, transfer and assign to the Seller from time to time the Dealer Receivables and Related Security with respect thereto on the terms and subject to the conditions set forth therein;

WHEREAS, the Seller desires to transfer and assign Ownership Interests in the Dealer Receivables and Related Security with respect thereto to the Purchasers from time to time;

WHEREAS, each Conduit Purchaser may, in its absolute and sole discretion, purchase Ownership Interests from the Seller from time to time, and in the event that a Conduit Purchaser declines to make any purchase, the Committed Purchasers in the relevant Related Group shall, at the request of the Seller, purchase Ownership Interests from time to time;

WHEREAS, each Administrator has been requested and is willing to act on behalf of the Purchasers in its Related Group in accordance with the terms hereof; and

WHEREAS, Rabobank has been requested and is willing to act as the Agent on behalf of the Purchasers in accordance with the terms hereof;

NOW, THEREFORE, in consideration of the premises set forth above, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed as follows:

ARTICLE I
DEFINITIONS

Section 1.01 Certain Defined Terms. As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"Adjusted Eurodollar Rate" means for any period, a rate per annum equal to the sum of (a) 1.50%, and (b) the quotient of (i) LIBOR for such period, divided by (ii) a number equal to 1.00 minus the Eurodollar Reserve Percentage, if applicable. The Adjusted Eurodollar Rate shall be determined by the Agent and shall be rounded upward, if necessary, to the nearest 1/100th of 1%.

"Administrator" means (i) with respect to the Related Group that includes NARCO, Rabobank in its capacity as administrator for such Related Group hereunder, and any successor thereto in such capacity and (ii) with respect to any other Related Group that may become party hereto pursuant to Section 12.02, the Person designated as such in the relevant Joinder Agreement, and any successor thereto in such capacity.

"Administrator Agreement" means an agreement between an Administrator and the members of its Related Group relating to the performance of such Administrator's duties hereunder.

"Adverse Claim" means a lien, security interest, charge, encumbrance, or other right or claim in, of or on any Person's assets or properties in favor of any other Person.

"Affected Party" means a Purchaser, a Conduit Funding Source or any of their respective Affiliates.

"Affiliate" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under direct or indirect common control with, such Person or any Subsidiary of such Person. A Person shall be deemed to control another Person if the controlling Person owns 10% or more of any class of voting securities of the controlled Person or possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of the controlled Person, whether through ownership of stock, by contract or otherwise.

"AGCO" means AGCO Corporation, a Delaware corporation, and any successor thereto.

"Agent" means Rabobank in its capacity as agent for the Purchasers hereunder, and any successor thereto in such capacity.

"Agreement" means this Receivables Purchase Agreement, as it may be amended, restated, supplemented or modified and in effect from time to time.

"Alternative Rate" means the Adjusted Eurodollar Rate, provided, however, that the "Alternative Rate" shall be equal to the Base Rate (i) for any Settlement Period not equal to a month, (ii) with respect to any portion of Investment which is not outstanding during an entire Settlement Period or which does not accrue Yield at the Alternative Rate for an entire Settlement Period, (iii) at any time when the Adjusted Eurodollar Rate has been suspended as provided in Section 4.02 and (iv) for any Settlement Period for which the Seller so elects by delivery of a written notice to such effect to the Agent and each Administrator not later than the third Business Day prior to the commencement of such Settlement Period.

"Asset Report" means a Monthly Report or a Weekly Report.

"Assignment Agreement" has the meaning set forth in Section 12.01(c).

"Authorized Officer" shall mean, with respect to the Seller or the Servicer, its respective corporate controller, treasurer or chief financial officer.

"Base Rate" means, on any date, a fluctuating rate of interest per annum equal to the higher of (a) the Prime Rate and (b) the Federal Funds Rate + 0.50%.

"Business Day" means any day on which banks are not authorized or required to close in New York, New York and, if the applicable Business Day relates to any computation or payment to be made with respect to the Adjusted Eurodollar Rate, any day on which dealings in dollar deposits are carried on in the London interbank market.

"Carrying Cost Reserve Percentage" means, at any time, a percentage equal to:

$$1.5 * (3 \text{ Month LIBOR} - \text{Average Interest Yield} + 3.0\%) * \text{DSO}/365$$

where

3 Month LIBOR	=	LIBOR for an assumed Settlement Period of three months commencing on the immediately preceding Payment Date.
Average Interest Yield	=	The lesser of (a) 2.5% and (b) the average Interest Yield for the three calendar month period then most recently ended. As used herein, "Interest Yield" means, with respect to any calendar month, the annualized percentage equivalent of a fraction, the numerator of which is the aggregate amount of Collections of interest received by the Servicer in respect of the Dealer Receivables during such calendar month, and the denominator of which is equal to the aggregate Outstanding Balance of all Dealer Receivables as of the last day of the immediately preceding calendar month.

DSO = The product of (i) 182, times (ii) a fraction, the numerator of which is equal to the aggregate Outstanding Balance of all Dealer Receivables as of the last day of the calendar month most recently ended on or prior to the date of determination, and the denominator of which is equal to the aggregate Outstanding Balance of all Dealer Receivables arising during the six calendar month period then most recently ended on or prior to such date.

"Cash Control Event" means the occurrence of either of the following events: (i) the Servicer's long-term senior unsecured debt shall be rated Ba3 or lower by Moody's or BB- or lower by S&P or (ii) any Early Amortization Event.

"Charged-Off Receivable" means a Receivable, (i) as to which the Obligor has taken any action, or suffered any event to occur, of the type described in Section 9.01(e) or (ii) which, consistent with the Credit and Collection Policy, would be written off the Seller's or the Originator's books as uncollectible.

"Collection Account" means the account maintained in the name of Servicer at the Collection Account Bank having the account no. 81886-0067, or any new collection account established by the Servicer pursuant to Section 3.07.

"Collection Account Bank" means Bank of America, N.A. or, if the Servicer establishes any new Collection Account pursuant to Section 3.07, the Eligible Bank at which such account is established.

"Collection Notice" means a notice, in substantially the form of Annex A to Exhibit B, from the Agent to a Deposit Account Bank.

"Collections" means, with respect to any Dealer Receivable, all cash collections and other cash proceeds in respect of such Dealer Receivable, including, without limitation, all yield, finance charges or other related amounts accruing in respect thereof, all cash proceeds of Related Security with respect to such Dealer Receivable and all Deemed Collections with respect to such Dealer Receivable. Without limiting the generality of the foregoing, it is understood and agreed that Collections shall include all amounts received (including insurance proceeds, if any) with respect to Dealer Receivables which have previously become Defaulted Receivables or Charged-Off Receivables.

"Commercial Paper Notes" means the short-term promissory notes issued by a Conduit Purchaser having an original maturity of 270 days or less (including the date of issuance thereof).

"Commitment" means, for each Committed Purchaser, the amount set forth opposite the name of such Committed Purchaser under the heading "Commitment" on the

signature page to this Agreement or the Assignment Agreement or Joinder Agreement pursuant to which it became a party hereto, as such amount may be modified with the written consent of such Committed Purchaser in accordance with the terms hereof.

"Committed Purchasers" means each Person identified on the signature pages hereof as a "Committed Purchaser" and each other Person that may become a party hereto as a "Committed Purchaser" pursuant to Section 12.02, together in each case with their respective successors and assigns.

"Commitment Termination Date" means January 25, 2001 or such later date as may be agreed in writing from time to time by the Seller, each Committed Purchaser, each Administrator and the Agent.

"Conduit Funding Agreement" means any agreement or instrument executed by any Conduit Funding Source with or for the benefit of a Conduit Purchaser pursuant to which such Conduit Funding Source provides liquidity, credit enhancement or back-up purchase support or facilities to such Conduit Purchaser.

"Conduit Funding Source" means any bank, insurance company or other funding entity providing liquidity, credit enhancement or back-up purchase support or facilities to a Conduit Purchaser.

"Conduit Purchaser" means NARCO or any other Person that may become a party hereto as a "Conduit Purchaser" pursuant to a Joinder Agreement as described in Section 12.02, together in each case with their respective successors and assigns.

"Contract" means, with respect to any Dealer Receivable, any and all instruments, agreements, invoices or other writings pursuant to which such Dealer Receivable arises or which evidences such Dealer Receivable, including, without limitation, any related Dealer Agreement.

"CP Rate" means, with respect to any Conduit Purchaser for any period, the per annum rate equivalent to the weighted average of the per annum rates paid or payable by such Conduit Purchaser from time to time as interest on Commercial Paper Notes (by means of interest rate hedges or otherwise and taking into consideration any incremental carrying costs associated with Commercial Paper Notes issued by such Conduit Purchaser maturing on dates other than those certain dates on which such Conduit Purchaser is to receive funds) in respect of Commercial Paper Notes issued by such Conduit Purchaser that are allocated, in whole or in part, by the related Administrator (on behalf of such Conduit Purchaser) to fund or maintain the Investment of such Conduit Purchaser during such period, as determined by the related Administrator (on behalf of such Conduit Purchaser) and reported to the Seller and the Servicer, which rates shall reflect and give effect to (i) the commissions of placement agents and dealers in respect of such Commercial Paper Notes, to the extent such commissions are reasonably allocated, in whole or in part, to such Commercial Paper Notes by the related Administrator (on behalf of such Conduit Purchaser) and (ii) other borrowings by such Conduit Purchaser,

including, without limitation, borrowings to fund small or odd dollar amounts that are not easily accommodated in the commercial paper market; provided that if any component of such rate is a discount rate, in calculating the CP Rate the related Administrator shall for such component use the rate resulting from converting such discount rate to an interest bearing equivalent rate per annum; and provided further that any Conduit Purchaser which becomes a party hereto pursuant to Section 12.02 may specify a different "CP Rate" in the relevant Joinder Agreement, in which case the term "CP Rate", when used in reference to such Conduit Purchaser, shall have the meaning assigned to such term in such Joinder Agreement.

"Credit and Collection Policy" means the Servicer's credit and collection policies and practices relating to Contracts, Dealer Receivables and Related Security existing on the date hereof, as modified from time to time in accordance with Section 7.04(b).

"Credit Enhancement" means the product of (a) the Net Eligible Receivables Balance, times (b) the greater of (i) the Dynamic Reserve Percentage and (ii) 15%.

"Dealer" means a Person that has entered into a Dealer Agreement with the Originator.

"Dealer Agreement" means an agreement between the Originator and another Person that has agreed to act as a dealer for equipment manufactured or distributed by the Originator including, without limitation, any "Dealer Sales and Service Agreement" in substantially the form attached hereto as Exhibit D or any substantially similar agreement, howsoever denominated.

"Dealer Concentration Limit" means, at any time with respect to any Dealer and its Affiliates, 1.5% of the Eligible Receivables Balance (or, if a Special Concentration Limit is in effect with respect to such Dealer and its Affiliates, such Special Concentration Limit).

"Dealer Receivable" means the indebtedness and other obligations owed to the Seller (without giving effect to any transfer or conveyance hereunder) or in which the Seller has a security interest or other interest, whether constituting an account, chattel paper, instrument or general intangible, arising in connection with the sale of farm machinery (other than a sale of individual parts) to a United States Dealer pursuant to a Dealer Agreement and includes, without limitation, the obligation to pay any finance, interest, late payment charges or similar charges with respect thereto; provided, however, that Dealer Receivables shall not include any indebtedness or obligations arising in connection with the sale of whole goods inventory comprised of the Spra-Coupe or Willmar products line. Indebtedness and other rights and obligations arising from any one transaction, including, without limitation, indebtedness and other rights and obligations represented by an individual invoice, shall constitute a Dealer Receivable separate from a Dealer Receivable consisting of the indebtedness and other rights and obligations arising from any other transaction.

"Deemed Collections" means, the aggregate of all amounts the Seller shall have been deemed to have received as a Collection of a Dealer Receivable pursuant to Section 3.02.

"Default Ratio" means, at any time, the percentage equivalent of a fraction, the numerator of which is equal to the sum of (i) the aggregate Outstanding Balance of Dealer Receivables that were Defaulted Receivables as of the last day of the immediately preceding month, plus (ii) the aggregate Outstanding Balance of all Dealer Receivables which became Charged Off Receivables during the immediately preceding 12 months (such Outstanding Balance to be computed as of the respective dates such Dealer Receivables became Charged Off Receivables), minus (iii) the aggregate amount of Collections received in respect of such Charged Off Receivables during the immediately preceding 12 months (excluding any Collections received prior to the respective dates on which such Dealer Receivables became Charged Off Receivables), and the denominator of which is equal to the Eligible Receivables Balance as of the last day of the immediately preceding month.

"Defaulted Receivable" means a Dealer Receivable as to which any payment, or part thereof, remains unpaid for 61 days or more from the original due date for such payment (or, if such due date has been amended in accordance with the Credit and Collection Policy, from such amended due date).

"Deferred Reinvestment Purchase" has the meaning specified in Section 2.03.

"Delinquent Receivable" means a Dealer Receivable that is not a Defaulted Receivable and as to which any payment, or part thereof, remains unpaid for 30 days or more from the original due date for such payment.

"Deposit Account" means the Collection Account or any other concentration account, depository account, lock-box account or similar account in which any Collections are collected or deposited.

"Deposit Account Bank" means, at any time, any of the banks holding one or more Deposit Accounts.

"Deposit Account Agreement" means an agreement substantially in the form of Exhibit B among the Originator, the Seller, the Agent and a Deposit Account Bank.

"Dilution" means, at any time, the amount of any reduction in the outstanding balance of a Dealer Receivable as a result of any setoff, dispute, discount, rebate, return, netting, adjustment or any other reason other than (i) payment in cash of such outstanding balance by the Obligor, (ii) credit for a trade-in of used equipment, to the extent such credit simultaneously gave rise to a new Dealer Receivable in respect of such equipment having an original Outstanding Balance equal to or greater than the amount of such reduction or (iii) such Dealer Receivable having become a Charged-Off Receivable.

"Dilution Ratio" means, at any time, the percentage equivalent of a fraction, the numerator of which is equal to the aggregate amount of Dilutions which occurred during the calendar month then most recently ended, and the denominator of which is equal to the original Outstanding Balance of all Dealer Receivables which arose from the sale of new equipment and for which the final payment of principal owing by the Obligor was made in the immediately preceding calendar month.

"Dynamic Reserve Percentage" means, at any time, the sum of (i) the Loss Reserve Percentage, plus (ii) the Variable Dilution Reserve Percentage, plus (iii) the Carrying Cost Reserve Percentage.

"Early Amortization Event" has the meaning specified in Section 9.01.

"Eligible Bank" means a depository institution or trust company, organized under the laws of the United States or any State thereof, that (i) is a member of the Federal Deposit Insurance Corporation, (ii) has a combined capital and surplus of not less than \$50,000,000, (iii) has (or is a subsidiary of a Person that has) a long-term unsecured debt rating of at least A or better by S&P and A2 or better by Moody's and (iv) has been approved in writing by each Administrator, such approval not to be unreasonably withheld.

"Eligible Receivable" means, at any time, a Dealer Receivable that satisfies each of the following criteria:

(a) the representations and warranties set forth in Sections 5.01(i) and 5.01(j) are true and correct with respect to such Dealer Receivable,

(b) the Obligor of such Dealer Receivable is a Dealer and is not an Affiliate of the Seller or the Originator,

(c) such Dealer Receivable arises under a Dealer Agreement substantially in the form attached hereto as Exhibit D (or in such other form as shall have been approved in writing by the Agent, such approval not to be unreasonably withheld), which, together with such Dealer Receivable, is in full force and effect and has not been terminated and constitutes the legal, valid and binding obligation of the related Obligor enforceable against such Obligor in accordance with its terms subject to no offset, counterclaim or other defense or contingency;

(d) such Dealer Receivable is denominated and payable only in United States dollars in the United States,

(e) the Obligor of such Dealer Receivable (i) if a natural person, is a resident of the United States or, if a corporation or other business organization, is organized under the laws of the United States or any political subdivision thereof and has an office in the United States; and (ii) is not a government or a governmental subdivision or agency,

(f) such Dealer Receivable is evidenced by an invoice issued pursuant to a Dealer Agreement and constitutes an "account" or "chattel paper" within the meaning of Section 9-105 and Section 9-106, respectively, of the UCC of all applicable jurisdictions,

(g) such Dealer Receivable is not a Defaulted Receivable or a Charged-Off Receivable,

(h) the Obligor of such Dealer Receivable has not been served with a notice by or on behalf of the Servicer, notifying such Obligor of breaches committed and unremedied by it of any Contract related to such Dealer Receivable (including, without limitation, any refusal or failure of such Dealer to account to the Servicer for the proceeds of the sale of Equipment) during the immediately preceding twelve (12) calendar months,

(i) such Dealer Receivable was generated in the ordinary course of the Originator's business from the sale of equipment to the Obligor by the Originator, and not by any other Person (in whole or in part),

(j) such Dealer Receivable complies in all material respects with all applicable requirements of the Credit and Collection Policy and has not had its payment terms extended,

(k) such Dealer Receivable is required to be paid in full within twenty-four (24) months of the date of determination,

(l) either (i) the Dealer Agreement under which such Dealer Receivable arises provides for interest to accrue on the Outstanding Balance of such Dealer Receivable prior to its final due date at a rate per annum equal to or greater than the rate of interest published in the New York edition of the Wall Street Journal as the prime rate (or, if such rate is not so published, the rate of interest publicly announced by the Agent as its prime or reference rate) plus 2% or (ii) such Dealer Receivable is required to be paid in full within twelve (12) months of the date such Dealer Receivable arises; provided that Dealer Receivables which satisfy all criteria in this definition other than this clause (l) may be treated as Eligible Receivables hereunder so long as the aggregate Outstanding Balance of such Dealer Receivables does not exceed 20% of the aggregate Outstanding Balance of all Dealer Receivables,

(m) such Dealer Receivable arises from the sale of new equipment; provided that Dealer Receivables arising from the sale of used equipment may be treated as Eligible Receivables hereunder so long as the aggregate Outstanding Balance of such Dealer Receivables does not exceed 25% of the aggregate Outstanding Balance of all Dealer Receivables,

(n) the Outstanding Balance of such Dealer Receivable (i) when combined with the aggregate Outstanding Balance of all other Eligible Receivables owing by the same Dealer or any Affiliate of such Dealer, would not exceed the applicable Dealer Concentration Limit and (ii) when combined with the aggregate Outstanding Balance of all other Eligible Receivables owing from Dealers located in the same State, would not exceed 10% of the Eligible Receivables Balance,

(o) the outstanding balance of such Dealer Receivable is due and payable in full upon the Dealer's sale of the related Equipment,

(p) the outstanding principal balance of such Dealer Receivable does not exceed the purchase price for the related Equipment payable by the Dealer,

(q) such Dealer Receivable arises under a Dealer Agreement which (i) does not require the Obligor under such Dealer Agreement to consent to the transfer, sale or assignment of the rights and duties of the Seller under such Dealer Agreement, (ii) does not contain a confidentiality provision that purports to restrict the ability of any Purchaser to exercise its rights under this Agreement, including, without limitation, its right to review such Dealer Agreement, and (iii) contains an obligation to pay a specified sum of money, contingent only upon the sale of goods or the provision of services by the Originator,

(r) such Dealer Receivable, together with the Dealer Agreement and each other Contract related thereto, does not contravene any law, rule or regulation applicable thereto to an extent which would in any way impair the ability of the Servicer to ultimately collect any and all amounts payable in respect of such Dealer Receivable, and

(s) which the Agent has not designated, in its reasonable business judgment and in good faith applying the credit criteria customarily applied by the Agent in transactions of this type, upon (30) days' notice to the Seller, as no longer eligible for transfer hereunder.

"Eligible Receivables Balance" means, at any time, the aggregate Outstanding Balance of all Eligible Receivables at such time.

"Equipment" means, with respect to any Dealer Receivable, the equipment the sale or financing of which gave rise to such Dealer Receivable and all financing statements or other filings relating thereto.

"ERISA" means the Employee Retirement Income Security Act of 1974 and the rules and regulations thereunder, as amended from time to time.

"Eurodollar Reserve Percentage" means for any day, the maximum rate (expressed as a decimal) at which any lender subject thereto would be required to maintain reserves under Regulation D of the Board of Governors of the Federal Reserve System (or any successor or similar regulations relating to such reserve requirements) against

Eurocurrency Liabilities (as defined therein), if such liabilities were outstanding. The Eurodollar Reserve Percentage shall be adjusted automatically on and as of the effective date of any change in the Eurodollar Reserve Percentage.

"Federal Funds Rate" means, for any period, a fluctuating interest rate per annum equal for each day during such period to (a) the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, (b) if such rate is not so published for any day which is a Business Day, the average of the quotations for such day on such transactions received by the Agent from three Federal funds brokers of recognized standing selected by it in good faith.

"Fee Letter" means (i) with respect to the Related Group that includes NARCO, that certain fee letter dated as of the date hereof, among the Seller, NARCO and Rabobank, as Administrator for such Related Group, as the same may be amended or modified and in effect from time to time and (ii) with respect to any other Related Group, the fee letter entered into among the Seller, the related Conduit Purchaser for such Related Group and the related Administrator on or prior to the date on which the members of such Related Group become parties hereto, as the same may be amended or modified and in effect from time to time.

"Incremental Purchase" means a purchase of Ownership Interests which increases the total outstanding Investment hereunder.

"Indebtedness" of a Person means such Person's (i) obligations for borrowed money, (ii) obligations representing the deferred purchase price of property or services (other than accounts payable arising in the ordinary course of such Person's business payable on terms customary in the trade), (iii) obligations, whether or not assumed, secured by liens, (iv) obligations which are evidenced by notes, acceptances, or other instruments, (v) capitalized lease obligations, (vi) net liabilities under interest rate swap, exchange or cap agreements, (vii) obligations under any agreement, undertaking or arrangement by which such Person assumes, guarantees, endorses, contingently agrees to purchase or provide funds for the payment of, or otherwise becomes or is contingently liable upon, the obligation or liability of any other Person, or agrees to maintain the net worth or working capital or other financial condition of any other Person, or otherwise assures any creditor of such other Person against loss, including, without limitation, any comfort letter, operating agreement, take-or-pay contract or application for a letter of credit and (viii) liabilities in respect of unfunded vested benefits under plans covered by Title IV of ERISA.

"Independent Director" shall mean a member of the Board of Directors of the Seller (i) who is not at such time, and has not been at any time during the preceding five (5) years, (A) a director, officer, employee or affiliate of the Seller, the Originator, or any of their respective Subsidiaries or Affiliates, (B) the direct, indirect or beneficial owner (at the time of such individual's appointment as an Independent Director or at any time

thereafter while serving as an Independent Director) of any of the outstanding common shares of the Seller, the Originator, or any of their respective Subsidiaries or Affiliates, having general voting rights or (C) a Person related to any Person referred to in clauses (A) or (B) and (ii) who (A) has prior experience as an independent director for a corporation whose charter documents required the unanimous consent of all independent directors thereof before such corporation could consent to the institution of bankruptcy or insolvency proceedings against it or could file a petition seeking relief under any applicable federal or state law relating to bankruptcy and (B) has at least three years of employment experience with one or more entities that provide, in the ordinary course of their respective businesses, advisory, management or placement services to issuers of securitization or structured finance instruments, agreements or securities.

"Intended Tax Characterization" has the meaning specified in Section 10.03(h).

"Investment" means, with respect to any Ownership Interest at any time, (A) the original amount paid for such Ownership Interest, minus (B) the sum of the aggregate amount of Collections and other payments received by the Agent which in each case are applied to reduce such Investment in accordance with the terms and conditions of this Agreement, provided, however, that such Investment of such Ownership Interest shall not be reduced by any distribution of any portion of Collections if at any time such distribution is rescinded or must be returned for any reason.

"Joinder Agreement" means an agreement, in form and substance reasonably satisfactory to each of the parties hereto, entered into among each of the parties hereto and the members of a new Related Group pursuant to Section 12.02.

"LIBOR" means, for any Settlement Period, an interest rate per annum (rounded upward, if necessary, to the nearest 1/100th of 1%) as determined on the basis of the offered rates for deposits in U.S. dollars, for a period of time comparable to such Settlement Period which appears at Telerate Page 3750 as of 11:00 a.m. (London time) two Business Days before the first day of such Settlement Period. If the Agent is unable to determine LIBOR by reference to Telerate Page 3750 on any applicable interest determination date, LIBOR shall be the rate (rounded upward as described above, if necessary) for deposits in dollars for a period substantially equal to such Settlement Period on the Reuters Screen LIBO Page, as of 11:00 a.m. (London time) two Business Days before the first day of such Settlement Period. If the Agent is unable to determine LIBOR for any period by reference to either the Telerate Page 3750 or the Reuters Screen LIBO Page, then LIBOR for that Settlement Period will be determined on the basis of the offered rates for deposits in U.S. dollars for a period of time comparable to such Settlement Period which are offered by the Reference Bank in the London interbank market at approximately 11:00 a.m. (London time) two Business Days before the first day of such Settlement Period.

"Lock-Box" means a locked postal box to which Obligors remit Collections and with respect to which a Deposit Account Bank has been granted exclusive access for the purpose of retrieving and processing such Collections.

"Loss Reserve Percentage" means, at any time, 2.0 times the highest Default Ratio during the twelve (12) complete calendar month period then most recently ended.

"Majority Purchasers" means, at any time, Committed Purchasers having in the aggregate Commitments in excess of 66-2/3% of the aggregate Commitments hereunder; provided that from and after the Termination Date, "Majority Purchasers" shall mean the Purchasers owning in excess of 66-2/3% of the Investment at such time.

"Material Adverse Effect" means a material adverse effect on (i) the financial condition or operations of the Seller, the Originator and its Subsidiaries or the Servicer, (ii) the ability of the Seller, the Originator or the Servicer to perform its obligations under this Agreement or the Originator Sale Agreement, (iii) the legality, validity or enforceability of this Agreement or the Originator Sale Agreement, (iv) the Seller's or any Purchasers' interest in the Dealer Receivables generally or in any significant portion of the Dealer Receivables, the Related Security or the Collections with respect thereto, or (v) the collectibility of the Dealer Receivables generally or of any material portion of the Dealer Receivables.

"Maximum Program Amount" means \$250,000,000.

"Monthly Report" means a report, in substantially the form of Exhibit A-1 hereto, furnished by the Servicer to the Agent pursuant to Section 8.05.

"Moody's" means Moody's Investors Service, Inc., and any successor thereto.

"NARCO" means Nieuw Amsterdam Receivables Corporation, a Delaware corporation, together with its successors and permitted assigns.

"Net Eligible Receivables Balance" means, at any time, an amount equal to (a) the Eligible Receivables Balance minus (b) the product of (i) the Planned Dilution Ratio, times (ii) the New Equipment Receivables Percentage, times (iii) the Eligible Receivables Balance.

"New Equipment Receivables Percentage" means, at any time, the aggregate Outstanding Balance of the Dealer Receivables which arose from the sale of new equipment, expressed as a percentage of the aggregate Outstanding Balance of all Dealer Receivables.

"Obligor" means a Dealer or any other Person obligated to make payments pursuant to a Contract, including any guarantor.

"Originator" means AGCO, in its capacity as seller under the Originator Sale Agreement.

"Originator Sale Agreement" means that certain Receivables Sale Agreement, dated as of the date hereof, between the Originator and the Seller, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Other Taxes" has the meaning specified in Section 10.03(b).

"Outstanding Balance" means, with respect to any Dealer Receivable, the outstanding principal balance of such Dealer Receivable.

"Ownership Interest" means, at any time, an undivided percentage ownership interest (computed as set forth below) associated with a designated amount of Investment in (i) each Dealer Receivable existing at such time, (ii) all Related Security with respect to each such Dealer Receivable, and (iii) all Collections with respect to, and other proceeds of, each such Dealer Receivable. Each such undivided percentage interest shall equal:

$$\frac{I}{\text{NERB} - \text{CE}}$$

where:

I = the Investment of such Ownership Interest.
 CE = the Credit Enhancement.
 NERB = the Net Eligible Receivables Balance.

Each Ownership Interest shall be computed on its date of purchase and recomputed (or deemed recomputed) on each day prior to the Termination Date on which the Investment associated with such Ownership Interest, the Credit Enhancement or the Net Eligible Receivables Balance changes. The variable percentage represented by any Ownership Interest as computed (or deemed recomputed) as of the close of the Business Day immediately preceding the Termination Date shall remain constant at all times after the Termination Date.

"Payment Date" means (i) the first day of each calendar month (or, if such day is not a Business Day, the next succeeding Business Day) and (ii) from and after the occurrence of an Early Amortization Event, each additional Business Day designated as a "Payment Date" by the Agent.

"Payment Rate" means, at any time, the percentage equivalent of a fraction, the numerator of which is equal to the original Outstanding Balance of all Dealer Receivables for which the final payment of principal owing by the Obligor was made in the immediately preceding calendar month, and the denominator of which is equal to the aggregate Outstanding Balance of all Dealer Receivables as of the last day of the immediately preceding calendar month.

"Person" means an individual, partnership, corporation (including a business trust), limited liability company, joint stock company, trust, unincorporated association, joint venture or other entity, or a government or any political subdivision or agency thereof.

"Plan" means each employee benefit plan (as defined in Section 3(3) of ERISA currently sponsored, maintained or contributed to by Seller or any trade or business (whether or not incorporated) that is treated as a single employer with the Seller under

Section 414 of the Code (an "ERISA Affiliate") or with respect to which Seller or any ERISA Affiliate has any liability.

"Planned Dilution" means, with respect to any calendar month, the aggregate amount of reserves accrued on the accounting books of the Originator and the Seller with respect to program discounts expected to be taken by the Dealers at the time of settlement, as calculated by the Servicer on the last day of the immediately preceding calendar month in accordance with the accounting practices of the Originator as in effect on the date hereof.

"Planned Dilution Amount" means an amount, determined as of the Business Day immediately preceding the Termination Date, equal to the sum of (a) the Planned Dilution for the calendar month then most recently ended plus (b) the product of (i) the Variable Dilution Reserve Percentage and (ii) the Net Eligible Receivables Balance.

"Planned Dilution Ratio" means, with respect to any calendar month, the percentage equivalent of a fraction, the numerator of which is equal to the aggregate Planned Dilution for such calendar month, and the denominator of which is equal to the aggregate Outstanding Balance of the Dealer Receivables which arose from the sale of new equipment as of the last day of the immediately preceding calendar month.

"Potential Early Amortization Event" means an event which, with the passage of time or the giving of notice, or both, would constitute an Early Amortization Event.

"Prime Rate" means the rate announced by Rabobank from time to time as its prime rate in the United States, such rate to change as and when such designated rate changes. The Prime Rate is not intended to be the lowest rate of interest charged by Rabobank in connection with extension of credit to debtors.

"Pro Rata Share" means, for each Committed Purchaser, a percentage equal to the Commitment of such Committed Purchaser divided by the aggregate of the Commitments of all other Committed Purchasers in the same Related Group.

"Purchase" means an Incremental Purchase or a Reinvestment Purchase.

"Purchase Notice" has the meaning set forth in Section 2.02.

"Purchaser" means a Conduit Purchaser or a Committed Purchaser.

"Rabobank" means Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A., "Rabobank International", New York Branch, and any successor thereto.

"Records" means, with respect to any Dealer Receivable, all Contracts and other documents, books, records and other information (including, without limitation, computer programs, tapes, disks, punch cards, data processing software and related property and rights) relating to such Dealer Receivable, any Related Security therefor and the related Obligor.

"Reference Bank" means, with respect to any Settlement Period to which any portion of the Investment of a Related Group has been allocated, the Administrator for such Related Group or such other bank as the Administrator for such Related Group shall reasonably and in good faith designate with the consent of each Purchaser in such Related Group.

"Reinvestment Purchase" has the meaning set forth in Section 2.03.

"Related Group" means (i) NARCO, as a Conduit Purchaser, and Rabobank, as a Committed Purchaser and as Administrator, together with their respective successors and assigns or (ii) any other group of Purchasers and their related Administrator that shall become a party hereto as a "Related Group" pursuant to Section 12.02, together with their respective successors and assigns.

"Related Group Limit" means, with respect to any Related Group, the aggregate Commitments of the Committed Purchasers in such Related Group. As of the date hereof, the Related Group Limit for the Related Group that includes NARCO is \$250,000,000.

"Related Security" means, with respect to any Dealer Receivable:

(i) all of the Seller's interest in the Equipment or other inventory and goods (including returned, foreclosed or repossessed inventory or goods) the financing or sale of which by the Originator gave rise to such Dealer Receivable, and all insurance contracts with respect thereto,

(ii) all other security interests or liens and property subject thereto from time to time, if any, purporting to secure payment of such Dealer Receivable, whether pursuant to the Dealer Agreement related to such Dealer Receivable or otherwise, together with all financing statements and security agreements describing any collateral securing such Dealer Receivable,

(iii) all guarantees, insurance and other agreements or arrangements of whatever character from time to time supporting or securing payment of such Dealer Receivable whether pursuant to the Dealer Agreement related to such Dealer Receivable or otherwise,

(iv) the related Dealer Agreement and all service contracts and other agreements associated with such Dealer Receivable,

(v) all Records related to such Dealer Receivable,

(vi) to the extent relating to such Dealer Receivable, all of the Seller's right, title and interest in, to and under the Originator Sale Agreement in respect of such Dealer Receivable, and

(vii) all proceeds of any of the foregoing.

"Reporting Date" means the 15th Business Day following the end of each calendar month.

"Reuters Screen LIBO Page" means the display on the Reuter Monitor Money Rates Service (or any successor service) on the applicable page on such service for the purpose of displaying the London interbank rates of major banks for deposits in U.S. dollars.

"S&P" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., and any successor thereto.

"Seller" means AGCO Funding Corporation, a Delaware corporation, and any successor thereto.

"Servicer" means at any time the Person (which may be the Agent) then authorized pursuant to Article VIII to service, administer and collect Dealer Receivables.

"Servicer Default" has the meaning set forth in Section 8.07.

"Servicer Fee" has the meaning set forth in Section 8.06.

"Settlement Period" means each period from and including the immediately preceding Payment Date (or, in the case of the initial Settlement Period, the date of the initial Purchase hereunder) to but excluding the next succeeding Payment Date.

"Special Concentration Limit" means, at any time, with respect to all of the Dealer Receivables owing from a single Obligor, together with Dealer Receivables owing from its Affiliates, the amount set forth on Schedule II next to such Obligor's name; provided that the Agent may, with the consent of the Majority Purchasers, at any time, in its sole discretion, reduce or increase the Special Concentration Limit for any Obligor upon not less than three (3) Business Days' notice to the Seller; provided further that in no event shall the Special Concentration Limit of any single Obligor be reduced so that the Dealer Receivables owing from such single Obligor together with the Dealer Receivables owing from its Affiliates are required to be less than 1.50% of the aggregate of all Dealer Receivables.

"Subordinated Note" has the meaning specified in the Originator Sale Agreement.

"Subsidiary" of a Person means (i) any corporation more than 50% of the outstanding securities having ordinary voting power of which shall at the time be owned or controlled, directly or indirectly, by such Person or by one or more of its Subsidiaries or by such Person and one or more of its Subsidiaries, or (ii) any partnership, association, joint venture or similar business organization more than 50% of the ownership interests having ordinary voting power of which shall at the time be so owned or controlled.

"Taxes" has the meaning specified in Section 10.03(a).

"Telerate Page 3750" means the display on Bridge Telerate, Inc. (or any successor service) on page 3750 (or any other page as may replace such page on such service) for the purpose of displaying the London interbank rates of major banks for deposits in U.S. dollars.

"Termination Date" means the earliest to occur of (i) the Commitment Termination Date, (ii) the Business Day immediately prior to the occurrence of an Early Amortization Event set forth in Section 9.01(e), (iii) the Business Day specified in a written notice from the Agent following the occurrence of any other Early Amortization Event, (iv) the date which is 30 days after the Agent's receipt of written notice from the Seller that it wishes to terminate the facility evidenced by this Agreement and (v) January 27, 2005.

"Transaction Documents" means, collectively, this Agreement, each Purchase Notice, the Originator Sale Agreement, each Joinder Agreement, each Deposit Account Agreement, the Fee Letters, the Subordinated Note and all other instruments, documents and agreements executed and delivered in connection herewith.

"UCC" means the Uniform Commercial Code as from time to time in effect in the specified jurisdiction.

"United States Dealer" means a Dealer that is located in the United States or that remits payments to a Lock-Box or Deposit Account located in the United States.

"Unpaid Obligations" means, at any time, the aggregate outstanding Investment hereunder together with all other indebtedness and other liabilities and obligations (howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, or due or to become due) of the Seller to the Agent, any Administrator, any Purchaser or any other Affected Party, arising under or in connection with this Agreement or any of the other Transaction Documents or the transactions contemplated thereby and shall include, without limitation, all Yield, fees, expense reimbursements, indemnifications, and other amounts due or to become due from the Seller under the Transaction Documents, including, without limitation, Yield, fees and other obligations that accrue after the commencement of any bankruptcy, reorganization, arrangement, insolvency, liquidation or similar proceeding with respect to the Seller.

"Variable Dilution" means, with respect to any calendar month, the aggregate amount of Dilution occurring with respect to the Dealer Receivables during such calendar month in excess of the Planned Dilution for such calendar month.

"Variable Dilution Ratio" means, with respect to any calendar month, a percentage equal to the Dilution Ratio minus the Planned Dilution Ratio.

"Variable Dilution Reserve Percentage" means, at any time, a percentage equal to the product of (i) 2.0 times, (ii) 1 minus the Loss Reserve Percentage, times (iii) the New Equipment Receivables Percentage, times (iii) the highest three month rolling average

Variable Dilution Ratio during the twelve complete calendar month period then most recently ended.

"Weekly Report" means a report, in substantially the form of Exhibit A-2 hereto, furnished by the Servicer to the Agent pursuant to Section 8.05.

"Year 2000 Problem" means any significant risk that computer hardware, software or equipment containing embedded microchips essential to the business or operations of the Seller, the Servicer or the Originator or any of their respective Subsidiaries will not, in the case of dates or time periods occurring after December 31, 1999, function at least as effectively and reliably as in the case of times or time periods occurring before January 1, 2000, including the making of accurate leap year calculations.

"Yield" means, for each respective Settlement Period related to each Ownership Interest, an amount equal to:

$$\text{YRT} \times \text{C} \times \frac{\text{ED}}{360}$$

where:

YRT	=	the Yield Rate applicable to such Ownership Interest for such Settlement Period;
C	=	the amount of Investment of such Ownership Interest; and
ED	=	the actual number of days elapsed during such Settlement Period.

"Yield Rate" means, for any Settlement Period and any Ownership Interest:

(a) if the holder of such Ownership Interest is a Conduit Purchaser, (i) to the extent such Conduit Purchaser funds or maintains its Investment for such Settlement Period through the issuance of Commercial Paper Notes, the CP Rate and (ii) to the extent such Conduit Purchaser does not fund or maintain its Investment for such Settlement Period through the issuance of Commercial Paper Notes, the Alternative Rate; and

(b) if the holder of such Ownership Interest is a Committed Purchaser, the Alternative Rate;

provided that from and after the occurrence and during the continuation of an Early Amortization Event, the Yield Rate for all Ownership Interests shall, if so declared by the Agent pursuant to Section 9.02, be equal to the Base Rate plus 2%.

Section 1.02. Other Terms. All accounting terms not specifically defined herein shall be construed in accordance with generally accepted accounting principles. All terms

used in Article 9 of the UCC in the State of New York, and not specifically defined herein, are used herein as defined in such Article 9.

ARTICLE II
PURCHASE FACILITY

Section 2.01. Purchase Facility. Upon the terms and subject to the conditions hereof, the Seller may, at its option from time to time, sell and assign and, upon payment of the purchase price therefor, hereby sells and assigns Ownership Interests to the Purchasers. In accordance with the terms and conditions set forth herein, each Conduit Purchaser may, at its option, purchase, or if such Conduit Purchaser shall decline to purchase, the Committed Purchasers in its Related Group shall purchase, Ownership Interests from time to time during the period from the date hereof to but not including the Termination Date; provided that in no event shall any Incremental Purchase be made hereunder to the extent that, after giving effect thereto, either (i) the aggregate Investment held by the Purchasers in any Related Group would exceed the Related Group Limit for such Related Group or (ii) the aggregate Investment held by all Purchasers hereunder would exceed the Maximum Program Amount. Each Incremental Purchase to be made hereunder shall be made ratably among the Related Groups in accordance with their respective Related Group Limits.

Section 2.02. Incremental Purchases. The Seller shall provide each Administrator with at least three Business Days' prior notice in a form set forth as Exhibit D hereto of each Incremental Purchase (a "Purchase Notice"). Except as set forth below, each Purchase Notice shall be irrevocable and shall specify the requested increase in the aggregate Investment outstanding hereunder (which shall not be less than \$10,000,000) and date of purchase (which, in the case of any Incremental Purchase (after the initial purchase hereunder), may be on any Business Day) and, in the case of an Incremental Purchase which is to be funded by the Committed Purchasers (which Incremental Purchase shall be so funded in the event of a Conduit Refusal (as defined hereinbelow), provided the Seller does not cancel the Purchase Notice) the requested Alternative Rate. Following receipt of a Purchase Notice, each Administrator will determine whether the Conduit Purchaser in its Related Group agrees to make the portion of the Incremental Purchase to be made by its Related Group. Each Administrator shall, on or prior to the proposed date of purchase, notify the Seller if its Conduit Purchaser declines to make the portion of the Incremental Purchase to be made by its Related Group (a "Conduit Refusal"), and, in such event, the Seller may cancel the Purchase Notice or, in the absence of such a cancellation, such portion of the Purchase shall be made by the Committed Purchasers in such Related Group. Unless it is notified of a Conduit Refusal on or prior to the date of Purchase, the Seller shall be entitled to assume that the portion of the Purchase contemplated in such Purchase Notice shall be made by the Conduit Purchasers in such Administrator's Related Group. On the date of each Incremental Purchase, upon satisfaction of the applicable conditions precedent set forth in Article VI, the Conduit Purchasers (or if a Conduit Refusal has occurred and the Purchase Notice has not been canceled, the Committed Purchasers) participating in such Incremental Purchase shall deposit to the Seller's account at SunTrust Bank, Atlanta, Account Number 8800428503, ABA Number 061000104, in

immediately available funds, no later than 4:30 p.m. (New York time), an amount equal to (i) in the case of a Conduit Purchaser, the portion of the increase in the aggregate Investment which is to be funded by its Related Group (which portion shall be determined based on the ratio which the Related Group Limit for such Related Group bears to the aggregate of the Related Group Limits for all Related Groups hereunder) or (ii) in the case of a Committed Purchaser, such Committed Purchaser's Pro Rata Share of the portion of the increase in the aggregate Investment which is to be funded by its Related Group.

Section 2.03. Reinvestment Purchases. On each date on which Collections are received by the Servicer prior to the Termination Date, the Seller hereby requests and the Purchasers hereby agree to make, simultaneously with such receipt and out of Collections available for such purpose pursuant to Article III, a reinvestment (each a "Reinvestment Purchase", with that portion of each and every Collection received by the Servicer that is part of any Ownership Interest, such that after giving effect to such Reinvestment Purchase, the amount of Investment of such Ownership Interest immediately after such receipt and corresponding Reinvestment Purchase shall be equal to the amount of Investment immediately prior to such receipt, provided that if on any such date the Seller does not have sufficient Dealer Receivables for the Purchasers to make Reinvestment Purchases as contemplated hereinabove, the Servicer shall set aside and be deemed to hold in trust for the benefit of the Purchasers all or such portion of such Collections which cannot on such date be used to make Reinvestment Purchases, until the next date on which Reinvestment Purchases may be made as contemplated hereinabove, on which date such Reinvestment Purchases shall be made (each a "Deferred Reinvestment Purchase").

Section 2.04. Investment Reductions and Reductions in Maximum Program Amount. The Seller shall provide the Agent with at least five Business Days' prior written notice of any reduction in Investment from Collections requested by the Seller. Such notice shall designate (i) the date upon which any such reduction of Investment shall occur, and (ii) the aggregate amount of Investment to be reduced. Any such reduction to the Investment shall be applied ratably to the Ownership Interests of the Purchasers in accordance with the amount of Investment (if any) held by each. Further, the Seller shall have the right, upon at least ten Business Days' prior written notice to the Administrators, to terminate in whole or reduce ratably in part the unused portions of each Related Group's pro rata share of the Maximum Program Amount, provided, however, that each such partial reduction shall be in the aggregate amount of 10,000,000 or an integral multiple of \$1,000,000 in excess of that amount.

Section 2.05. Maximum Ownership Interests. The Seller shall ensure that the aggregate Ownership Interests of the Purchasers shall at no time exceed in the aggregate 100%. If the aggregate of the Ownership Interests of the Purchasers exceeds 100%, the Seller shall immediately pay to the Agent an amount to be applied to reduce the Investment of the Ownership Interests, such that after giving effect to such payment, the aggregate of the Ownership Interests equals or is less than 100%. Each such payment shall be allocated among the Purchasers ratably in accordance with the amount of Investment (if any) held by each.

ARTICLE III
PAYMENTS AND COLLECTIONS

Section 3.01. Unpaid Obligations. The Seller shall pay to each Administrator when due, for the account of the Purchasers in its Related Group, (i) such fees as are set forth in the Fee Letter to which such Administrator is a party, (ii) all accrued and unpaid Yield with respect to the Ownership Interests of such Purchasers, (iii) all amounts payable to reduce the Ownership Interests, if required, pursuant to Section 2.05, (iv) all amounts payable pursuant to Article X, if any, and (v) if the Servicer is not AGCO or an Affiliate thereof, the Servicer Fee. If any Person fails to pay any of the Unpaid Obligations owing by such Person when due, such Person agrees to pay, on demand, interest on such amount at a per annum rate equal to the Base Rate plus 2% until paid. Notwithstanding the foregoing, no provision of this Agreement or the Fee Letters shall require the payment or permit the collection of any amounts of interest in excess of the maximum permitted by applicable law.

Section 3.02. Collections Received by Seller; Deemed Collections. If at any time the Seller or any of its Affiliates receives any Collections, the Seller shall immediately pay (or cause such Affiliate to pay) such Collections to the Servicer and, at all times prior to such payment, such Collections shall be held in trust by the Seller or such Affiliate for the exclusive benefit of the Purchasers and the Agent to the extent of their interests therein. In the event any Dilution occurs with respect to a Dealer Receivable, the Seller shall be deemed to have received a Collection of such Dealer Receivable in the amount of such Dilution; provided that no such Collection shall be deemed to have been received by the Seller unless (i) if such Dilution occurs on or prior to the Termination Date, the aggregate Ownership Interests exceed 100% after giving effect to such Dilution or (ii) if such Dilution occurs after the Termination Date, the aggregate amount of Dilution that has occurred with respect to the Dealer Receivables since the Termination Date exceeds the Planned Dilution Amount. In addition, the Seller shall be deemed to have received a Collection in full of a Dealer Receivable if either (A) any of the representations or warranties in Section 5.01(i), (j) or (s) are no longer true with respect to such Dealer Receivable or (B) such Dealer Receivable shall cease to be an Eligible Receivable by reason of the Dealer's failure or refusal to account to the Servicer for the proceeds of the sale of Equipment; provided that no such Collection shall be deemed to have been received by the Seller unless either (i) the Ownership Interests exceed 100% or (ii) the Termination Date has occurred. On each Payment Date, the Seller shall pay to the Servicer an amount equal to the aggregate amount of Collections deemed to have been received by it pursuant to this Section 3.02 since the immediately preceding Payment Date; provided that, with respect to any Collections deemed to have been received by the Seller pursuant to clause (B) of the immediately preceding sentence, the Seller shall have no obligation to pay the amount of such deemed Collections to the Servicer (and the Seller's failure to do so shall not constitute an Early Amortization Event) unless the Seller has funds available to make such payment, after giving effect to the payment of all other Unpaid Obligations of the Seller then due and payable, which funds are not so applied.

Section 3.03. Collections Prior to Termination Date. On each day prior to the Termination Date, the Servicer shall, out of Collections received by it on such day, set aside and hold in trust for the benefit of the Purchasers an amount equal to the Unpaid Obligations (exclusive of Investment) accrued through such day and not so previously set aside. Subject to Section 3.07, any Collections received by the Servicer in excess of the amounts required to be set aside for the payment of such Unpaid Obligations shall be (i) allocated to the Seller as a Reinvestment Purchase or a Deferred Reinvestment Purchase or (ii) if no Reinvestment Purchases or Deferred Reinvestment Purchases are to occur on such date or on any date prior to the next succeeding Payment Date, set aside and be deemed to be held in trust for the benefit of the Purchasers for application on the next succeeding Payment Date in accordance with Section 3.05.

Section 3.04. Collections Following Termination Date. On the Termination Date and on each day thereafter, the Servicer shall set aside and hold in trust, for the benefit of the Purchasers to the extent of their interest therein, all Collections received on such day for application on the next succeeding Payment Date in accordance with Section 3.05.

Section 3.05. Application of Collections. On each Payment Date, the Servicer shall, out of Collections set aside for the benefit of the Purchasers during the most recently ended Settlement Period, pursuant to Section 3.03 or 3.04, pay the following amounts to the following Persons in the following order of priority:

first, if AGCO or one of its Affiliates is not then acting as the Servicer, pay to the Servicer the accrued and unpaid Servicer Fee;

second, pay to the Purchasers, ratably in accordance with the amounts owing to each, the accrued and unpaid Yield for their respective Ownership Interests,

third, pay to the Purchasers and the Administrators, ratably in accordance with the amounts owing to each, the accrued and unpaid fees then due and payable under the Fee Letters,

fourth, if the Termination Date has occurred or no Reinvestment Purchases or Deferred Reinvestment Purchases are to occur (and, if any such Reinvestment Purchases or Deferred Reinvestment Purchases are to occur, following such Purchases), pay to the Purchasers, ratably in accordance with the Investment held by each, an amount equal to the lesser of (i) the aggregate Investment then outstanding with respect to all Ownership Interests and (ii) the product of (x) the total Collections received in respect of the Dealer Receivables since the immediately preceding Payment Date, net of the portion of such Collections distributed pursuant to clauses first through third above and (y) the aggregate percentage interest represented by the Ownership Interests,

fifth, pay to the Agent, the Purchasers and the Administrators, ratably in accordance with the amounts owing to each, the amount of all other Unpaid Obligations (other than the Servicer Fee) then outstanding,

sixth, if AGCO or one of its Affiliates is then acting as the Servicer, pay to the Servicer the accrued and unpaid Servicer Fee, and

seventh, allocate to the Seller any remaining amounts.

Collections applied to the payment of Unpaid Obligations shall be distributed in accordance with the aforementioned provisions, and, giving effect to each of the priorities set forth in this Section 3.05, shall be shared ratably (within each priority) among the Agent or the Administrators, as the case may be, and the Purchasers in accordance with the amount of such Unpaid Obligations owing to each of them in respect of each such priority.

Any Collections allocated to the Seller under this Article III prior to the Termination Date shall be applied by the Servicer, on behalf of the Seller, as follows: first, pay to the Originator the purchase price for the Dealer Receivables to be purchased on such day by the Seller from the Originator in accordance with the terms of the Originator Sale Agreement; second, pay to the Originator an amount equal to all indebtedness of the Seller then outstanding under the Subordinated Note in accordance with the terms of the Originator Sale Agreement; and third, in such other manner as the Seller may direct.

Section 3.06. Payment Requirements. All amounts to be paid or deposited by the Seller or the Servicer pursuant to any provision of this Agreement shall be paid or deposited in accordance with the terms hereof no later than 12:00 p.m. (New York time) on the day when due in immediately available funds, and if not received before 12:00 p.m. (New York time) shall be deemed to be received on the next succeeding Business Day. If such amounts are payable to a Purchaser in a Related Group, they shall be paid to the Administrator for such Related Group, for the account of such Purchaser, to such account as may be specified from time to time by such Administrator in a written notice delivered to the Seller and the Servicer. All computations of Yield and per annum fees hereunder and under the Fee Letters shall be made on the basis of a year of 360 days for the actual number of days elapsed. If any amount hereunder shall be payable on a day which is not a Business Day, such amount shall be payable on the next succeeding Business Day.

Section 3.07. Collection Account.

(a) The Servicer has established, and during the term of this Agreement shall maintain, the Collection Account. If, at any time, the bank at which the Collection Account is maintained ceases to be an Eligible Bank, the Servicer shall within 30 days of acquiring knowledge that such bank is no longer an Eligible Bank establish a new Collection Account with an Eligible Bank reasonably satisfactory to the Agent and shall transfer any cash and any investments held in the old Collection Account to such new Collection Account. Prior to establishing any new Collection Account with an Eligible

Bank, the Servicer shall obtain from such Eligible Bank a fully executed Deposit Account Agreement covering such new Collection Account.

(b) If at any time the Originator's long-term senior unsecured debt shall not be rated at least Ba2 by Moody's and at least BB by S&P, then, on the last Business Day of each calendar week, the Servicer shall cause all Collections received during such week to be deposited into the Collection Account until the amount on deposit therein is equal to the greater of (i) the product of the Carrying Cost Reserve Percentage in effect as of such day and the Eligible Receivables Balance as of such day and (ii) the amount of Collections required to be set aside and held in trust for the benefit of the Purchasers pursuant to Section 3.03 or 3.04, as applicable.

Section 3.08. Payment Rescission. No payment of any of the Unpaid Obligations shall be considered paid or applied hereunder to the extent that, at any time, all or any portion of such payment or application is rescinded by application of law or judicial authority, or must otherwise be returned or refunded for any reason. The Seller shall remain obligated for the amount of any payment or application so rescinded, returned or refunded, and shall promptly pay to the Agent (for application to the Person or Persons who suffered such rescission, return or refund) the full amount thereof, plus interest on such amount at a per annum rate equal to the Base Rate plus 2.0% from the date of any such rescission, return or refunding.

ARTICLE IV YIELD AND FEES

Section 4.01. Yield Payments. On each Payment Date, the Seller shall pay to each Administrator (for the benefit of the Purchasers in its Related Group) an aggregate amount equal to the accrued and unpaid Yield for all Ownership Interests held by the members of such Related Group, such payment to be made out of Collections available for such purpose pursuant to Section 3.05.

Section 4.02. Suspension of the Adjusted Eurodollar Rate. If any Purchaser notifies the Agent that it has determined in good faith that funding its portion of the Investment at an Adjusted Eurodollar Rate would violate any applicable law, rule, regulation, or directive of any governmental or regulatory authority, whether or not having the force of law, or that (i) deposits of a type and maturity appropriate to match fund its Ownership Interests at such Adjusted Eurodollar Rate are not available or (ii) such Adjusted Eurodollar Rate does not accurately reflect the cost of acquiring or maintaining an Ownership Interest at such Adjusted Eurodollar Rate, then the Agent shall suspend the availability of such Adjusted Eurodollar Rate and require the Seller to select the Base Rate for any Ownership Interest accruing Yield at such Adjusted Eurodollar Rate.

Section 4.03. Fees. The Seller shall pay all fees set forth in each Fee Letter on the dates and in the amounts set forth therein, such payment to be made out of Collections available for such purpose pursuant to Section 3.05.

Section 4.04. Break Costs. In the event that any Purchaser shall incur any loss or expense (including any loss or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by such Purchaser to make or maintain any funding with respect to its Investment) as a result of (i) any reduction to the Investment on any day other than the scheduled last day of a Settlement Period, or (ii) any Purchase not being made in accordance with a request therefor under Section 2.02 (whether because of the failure of the conditions precedent with respect to such Purchase to be satisfied or for any other reason, other than default by the relevant Purchaser), then the Seller shall, upon written demand, pay to such Purchaser the amount of such loss or expense. Such written demand (which shall include calculations in reasonable detail) shall, in the absence of demonstrable error, be conclusive and binding upon the Seller.

ARTICLE V
REPRESENTATIONS AND WARRANTIES

Section 5.01. Representations and Warranties of the Seller. The Seller hereby represents and warrants to the Agent, the Administrators and the Purchasers that:

(a) Corporate Existence and Power. The Seller is a corporation duly organized, validly existing and in good standing under the laws of its state of incorporation, is duly qualified to do business and is in good standing as a foreign corporation, and has and holds all corporate power and all governmental licenses, authorizations, consents and approvals required to carry on its business in each jurisdiction in which its business is conducted, except where the absence of any such governmental license, authorization, consent or approval would not have a Material Adverse Effect.

(b) Power and Authority; Due Authorization Execution and Delivery. The execution and delivery by the Seller of this Agreement and each other Transaction Document to which it is a party, and the performance of its obligations hereunder and thereunder and the Seller's use of the proceeds of purchases made hereunder, are within its corporate powers and authority and have been duly authorized by all necessary corporate action on its part. This Agreement and each other Transaction Document to which the Seller is a party has been duly executed and delivered by the Seller.

(c) No Conflict. The execution and delivery by the Seller of this Agreement and each other Transaction Document to which it is a party, and the performance of its obligations hereunder and thereunder do not contravene or violate (i) its certificate or articles of incorporation or by-laws, (ii) any law, rule or regulation applicable to it the violation or contravention of which would have a Material Adverse Effect, (iii) any restrictions under any agreement, contract or instrument to which it is a party or by which it or any of its property is bound the violation or contravention of which would have a Material Adverse Effect or (iv) any order, writ, judgment, award, injunction or decree binding on or affecting it or its property, and do not result in the creation or imposition of any Adverse Claim on the assets of the Seller (except as created hereunder) and no transaction contemplated hereby requires compliance with any bulk sales act or similar law.

(d) Governmental Authorization. Other than the filing of the financing statements required hereunder, no authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution and delivery by the Seller of this Agreement and each other Transaction Document to which it is a party and the performance of its obligations hereunder and thereunder other than those which, if not obtained, would not have a Material Adverse Effect.

(e) Actions, Suits. There are no actions, suits or proceedings pending, or to the best of the Seller's knowledge, threatened, against or affecting the Seller, or any of its properties, in or before any court, arbitrator or other body, that could reasonably be expected to have a Material Adverse Effect. The Seller is not in default with respect to any order of any court, arbitrator or governmental body.

(f) Binding Effect. This Agreement and each other Transaction Document to which the Seller is a party constitute the legal, valid and binding obligations of the Seller enforceable against the Seller in accordance with their respective terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws relating to or limiting creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

(g) Accuracy of Information. All information heretofore furnished in writing by the Seller or any of its Affiliates to the Agent or the Purchasers for purposes of or in connection with this Agreement, any of the other Transaction Documents or any transaction contemplated hereby or thereby is, and all such information hereafter furnished in writing by the Seller or any of its Affiliates to the Agent or the Purchasers will be, true and accurate in every material respect on the date such information is stated or certified and does not and will not contain any material misstatement of fact or omit to state a material fact or any fact necessary to make the statements contained therein not materially misleading.

(h) Use of Proceeds. No proceeds of any purchase hereunder will be used for a purpose that violates Regulations T, U or X promulgated by the Board of Governors of the Federal Reserve System from time to time.

(i) Good Title. Immediately prior to each purchase hereunder, the Seller shall be the legal and beneficial owner of the Dealer Receivables and Related Security with respect thereto, free and clear of any Adverse Claim, except as created by the Transaction Documents. There have been duly filed all financing statements or other similar instruments or documents necessary under the UCC (or any comparable law) of all appropriate jurisdictions to perfect the Seller's ownership interest in each Dealer Receivable, its Collections and the Related Security.

(j) Perfection. This Agreement, together with the filing of the financing statements contemplated hereby, is effective to, and shall, upon each purchase hereunder, transfer to the Agent for the benefit of the relevant Purchaser or Purchasers (and the

Agent for the benefit of such Purchaser or Purchasers shall acquire from the Seller) a valid and perfected first priority undivided percentage ownership interest in each Dealer Receivable existing or hereafter arising and in the Related Security and Collections with respect thereto, free and clear of any Adverse Claim, except as created by the Transaction Documents. There have been duly filed all financing statements or other similar instruments or documents necessary under the UCC (or any comparable law) of all appropriate jurisdictions to perfect the Agent's (on behalf of the Purchasers) ownership interest in the Dealer Receivables, the Related Security and the Collections.

(k) Places of Business. The principal place of business and chief executive office of the Seller and the offices where it keeps all of its Records are located at the address(es) listed on Schedule III or such other locations of which the Agent has been notified in accordance with Section 7.02(a) in jurisdictions where all action required by Section 13.04(a) has been taken and completed. The Seller's Federal Employer Identification Number is correctly set forth on Schedule III.

(l) Collections. The conditions and requirements set forth in Section 7.03(g) and Section 8.02 save where, in the context of Section 8.02 only, the failure to so duly perform would not have a Material Adverse Effect, have at all times been satisfied and duly performed. The names and addresses of all Deposit Account Banks, together with the account numbers of the Deposit Accounts of the Seller at each Deposit Account Bank and the post office box number of each Lock-Box, are listed on Schedule I, as such Schedule may be updated from time to time by the Servicer.

(m) Ownership of the Seller. The Originator owns, directly or indirectly, 100% of the issued and outstanding capital stock of the Seller, free and clear of any Adverse Claim. Such capital stock is validly issued, fully paid and nonassessable, and there are no options, warrants or other rights to acquire securities of the Seller.

(n) Not a Holding Company or an Investment Company. The Seller is not a "holding company" or a "subsidiary holding company" of a "holding company" within the meaning of the Public Utility Holding Company Act of 1935, as amended, or any successor statute. The Seller is not an "investment company" within the meaning of the Investment Company Act of 1940, as amended, or any successor statute.

(o) Compliance with Law. The Seller has complied in all respects with all applicable laws, rules, regulations, orders, writs, judgments, injunctions, decrees or awards to which it may be subject, except where the failure to comply would not have a Material Adverse Effect.

(p) ERISA. The Seller is not part of any Plan.

(q) Compliance with Credit and Collection Policy. The Seller has complied in all material respects with the Credit and Collection Policy with regard to each Dealer Receivable and the related Contract, and has not made any change to such Credit and

Collection Policy, other than as permitted under Section 7.02(c), and in compliance with the notification requirements in Section 7.01(a)(i).

(r) Payments to the Originator. With respect to each Dealer Receivable transferred to the Seller under the Originator Sale Agreement, the Seller has given reasonably equivalent value to the Originator in consideration therefor and such transfer was not made for or on account of an antecedent debt. No transfer by the Originator of any Dealer Receivable under the Originator Sale Agreement is or may be voidable under any section of the Bankruptcy Reform Act of 1978 (11 U.S.C. ss.ss. 101 et seq.), as amended.

(s) Eligible Receivables. Except as otherwise disclosed by the Originator to the Seller and the Agent in writing in accordance with the Originator Sale Agreement, each Dealer Receivable included in the Eligible Receivables Balance on the date of its purchase under the Originator Sale Agreement was an Eligible Receivable on such purchase date, provided that if any Dealer Receivable was not an Eligible Receivable as contemplated herein the representation and warranty of the Seller contained herein shall not be regarded as breached if the Originator repurchases such Dealer Receivable under the terms of the Originator Sale Agreement or a "Purchase Price Credit" is granted to the Seller by the Originator in accordance with Section 1.3 of the Originator Sale Agreement.

(t) Year 2000 Problem. The Seller has reviewed its operations with a view to assessing whether its businesses, will be vulnerable to a Year 2000 Problem or will be vulnerable to the effects of a Year 2000 Problem suffered by any of the Seller's major commercial counter-parties. The Seller has a reasonable basis to believe that no Year 2000 Problem will cause a Material Adverse Effect.

Section 5.02. Representations and Warranties of the Servicer. The Servicer hereby represents and warrants to the Agent and the Purchasers that:

(a) Corporate Existence and Power. The Servicer is a corporation duly organized, validly existing and in good standing under the laws of its state of incorporation, and is duly qualified to do business and is in good standing as a foreign corporation, and has and holds all corporate power and all governmental licenses, authorizations, consents and approvals required to carry on its business in each jurisdiction in which its business is conducted, except where the absence of any such governmental license, authorization, consent or approval would not have a Material Adverse Effect.

(b) Power and Authority; Due Authorization Execution and Delivery. (i) The execution and delivery by the Servicer of this Agreement and each other Transaction Document to which it is a party, and the performance of its obligations hereunder and thereunder, are within its corporate powers and authority and have been duly authorized by all necessary corporate action on its part, and (ii) this Agreement and each other Transaction Document to which the Servicer is a party has been duly executed and delivered by the Servicer, except in the case of both clauses (i) and (ii), where any such

deviation from the representations and warranties set out in both clauses (i) and (ii) would not have a Material Adverse Effect.

(c) No Conflict. The execution and delivery by the Servicer of this Agreement and each other Transaction Document to which it is a party, and the performance of its obligations hereunder and thereunder do not contravene or violate (i) its certificate or articles of incorporation or by-laws, (ii) any law, rule or regulation applicable to it, (iii) any restrictions under any material agreement, contract or instrument to which it is a party or by which it or any of its property is bound, or (iv) any order, writ, judgment, award, injunction or decree binding on or affecting it or its property, except, in the case of each of clauses (i), (ii) and (iv) where such contravention or violation would not have a Material Adverse Effect.

(d) Governmental Authorization. No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution and delivery by the Servicer of this Agreement and each other Transaction Document to which it is a party and the performance of its obligations hereunder and thereunder other than those which, if not obtained, would not have a Material Adverse Effect.

(e) Actions, Suits. There are no actions, suits or proceedings pending, or to the best of the Servicer's knowledge, threatened, against or affecting the Servicer, or any of its properties, in or before any court, arbitrator or other body, that could reasonably be expected to have a Material Adverse Effect. The Servicer is not in default in any material respect with respect to any order of any court, arbitrator or governmental body.

(f) Binding Effect. This Agreement and each other Transaction Document to which the Servicer is a party constitute the legal, valid and binding obligations of the Servicer enforceable against the Servicer in accordance with their respective terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws relating to or limiting creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

(g) Accuracy of Information. All information heretofore furnished in writing by the Servicer or any of its Affiliates to the Agent or the Purchasers for purposes of or in connection with this Agreement, any of the other Transaction Documents or any transaction contemplated hereby or thereby is, and all such information hereafter furnished, in writing, by the Servicer or any of its Affiliates to the Agent or the Purchasers will be, true and accurate in every material respect on the date such information is stated or certified and does not and will not contain any material misstatement of fact or omit to state a material fact or any fact necessary to make the statements contained therein not misleading in any material respect.

(h) Collections. The conditions and requirements set forth in Section 7.03(g) and Section 8.02 save where, in the context of Section 8.02 only, the failure to so duly

perform would not have a Material Adverse Effect, have at all times been satisfied and duly performed. The names and addresses of all Deposit Account Banks, together with the account numbers of the Deposit Accounts of the Seller at each Deposit Account Bank and the post office box number of each Lock-Box, are listed on Schedule I, as such Schedule may from time to time hereafter be updated by the Servicer.

(i) Material Adverse Effect. The consolidated balance sheets of the Servicer and its consolidated subsidiaries as at December 31, 1998, and the related statements of income and retained earnings of the Servicer and its consolidated subsidiaries for the fiscal year then ended, certified by Arthur Andersen LLP, independent public accountants, copies of which have been furnished to each Administrator, fairly present in all material respects the consolidated financial condition of the Servicer and its consolidated subsidiaries as at such date and the consolidated results of the operations of the Servicer and its consolidated subsidiaries for the period ended on such date, all in accordance with generally accepted accounting principals, consistently applied. Since September 30, 1999, no event has occurred that would have a material adverse effect on the financial condition or operations of the Servicer and its Subsidiaries or the ability of the Servicer to perform its obligations under this Agreement.

(j) Not a Holding Company or an Investment Company. The Servicer is not a "holding company" or a "subsidiary holding company" of a "holding company" within the meaning of the Public Utility Holding Company Act of 1935, as amended, or any successor statute. The Servicer is not an "investment company" within the meaning of the Investment Company Act of 1940, as amended, or any successor statute.

(k) Compliance with Law. The Servicer has complied in all respects with all applicable laws, rules, regulations, orders, writs, judgments, injunctions, decrees or awards to which it may be subject, except where failure to comply would not have a Material Adverse Effect.

(l) Compliance with Credit and Collection Policy. The Servicer has complied in all material respects with the Credit and Collection Policy with regard to each Dealer Receivable and the related Contract, and has not made any change to such Credit and Collection Policy, other than as permitted under Section 7.04(b), and in compliance with the notification requirements in Section 7.03(a)(vii).

(m) Year 2000 Problem. The Servicer has reviewed its operations and those of its Subsidiaries with a view to assessing whether its businesses, or the businesses of any of its Subsidiaries, will be vulnerable to a Year 2000 Problem or will be vulnerable to the effects of a Year 2000 Problem suffered by any of the Servicer's or any of its Subsidiaries' major commercial counter-parties. The Servicer has a reasonable basis to believe that no Year 2000 Problem will cause a Material Adverse Effect.

Section 5.03. Representations and Warranties of the Purchasers. Each of the Purchasers generally (each with respect to itself only) represents and warrants to, and agrees with, the Seller that:

(a) Such Purchaser is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, has the power and authority and is duly authorized to enter into and perform this Agreement and has duly executed and delivered this Agreement;

(b) This Agreement constitutes the valid and binding obligation of such Purchaser, enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization, receivership and other laws relating to, or affecting generally the enforcement of creditors' rights and remedies as the same may be applied in the event of the bankruptcy, insolvency, reorganization, receivership or liquidation or similar event of such Purchaser or a moratorium applicable to such Purchaser and to general principles of equity (regardless of whether such enforceability is in a proceeding of law or in equity);

(c) No registration with, consent or approval of or other action by any federal, state or governmental authority or regulatory body having jurisdiction over such Purchaser is required in connection with the execution, delivery or performance by such Purchaser of this Agreement; and

(d) Such Purchaser has executed and delivered to the Seller an Investment Letter substantially in the form of Exhibit C .

ARTICLE VI
CONDITIONS OF PURCHASES

Section 6.01. Conditions Precedent to Initial Purchase. The initial purchase of an Ownership Interest under this Agreement is subject to the conditions precedent that (a) the Agent shall have received on or before the date of such purchase those documents listed on Schedule IV and (b) the Agent shall have received all fees and expenses required to be paid on such date pursuant to the terms of this Agreement and the Fee Letter to which NARCO is a party.

Section 6.02. Conditions Precedent to All Purchases and Reinvestment Purchases. Each purchase of an Ownership Interest and each Reinvestment Purchase shall be subject to the further conditions precedent that (a) in the case of each such purchase or Reinvestment Purchase the Servicer shall have delivered to the Agent on or prior to the date of such purchase, in form and substance satisfactory to the Agent, all Asset Reports as and when due under Section 8.05 (b) on the date of each such purchase or Reinvestment Purchase, the following statements shall be true (and acceptance of the proceeds of such purchase or Reinvestment Purchase shall be deemed a representation and warranty by the Seller that such statements are then true):

- (i) the representations and warranties set forth in Sections 5.01 and 5.02 are true and correct in all material respects on and as of the date of such purchase or Reinvestment Purchase as though made on and as of such date (except to the extent any such representation and warranty specifically relates to a prior date, in which case such

representation and warranty shall be true and correct in all material respects on and as of such prior date);

- (ii) no event has occurred and is continuing, or would result from such purchase or Reinvestment Purchase, that will constitute an Early Amortization Event, and no event has occurred and is continuing, or would result from such purchase or Reinvestment Purchase, that would constitute a Potential Early Amortization Event;
- (iii) the Commitment Termination Date shall not have occurred; and
- (iv) immediately after giving effect to such Purchase or Reinvestment Purchase, the Net Eligible Receivables Balance shall be at least equal to the sum of (i) the aggregate Investment of all Ownership Interests, plus (ii) the Credit Enhancement;

and (c) the Agent shall have received such other approvals, opinions or documents as it may reasonably request to demonstrate compliance with the requirements of this Section 6.02. It is expressly understood that each Reinvestment Purchase shall, unless otherwise directed by the Agent or any Purchaser, occur automatically on each day that the Servicer shall receive any Collections without the requirement that any further action be taken on the part of any Person and notwithstanding the failure of the Seller to satisfy any of the foregoing conditions precedent in respect of such Reinvestment Purchase. The failure of the Seller to satisfy any of the foregoing conditions precedent in respect of any Reinvestment Purchase shall give rise to a right of the Agent and the Purchasers, which right may be exercised at any time on demand of the Agent, to rescind the related purchase and direct the Seller to pay to the Agent for the benefit of the Purchasers an amount equal to the Collections that shall have been applied to effect such Reinvestment Purchase.

ARTICLE VII COVENANTS

Section 7.01. Affirmative Covenants of the Seller. Until the date on which the Unpaid Obligations have been indefeasibly paid in full and this Agreement terminates in accordance with its terms, the Seller hereby covenants, as set forth below:

(a) Notices. The Seller will, unless otherwise stated, promptly upon learning of the occurrence thereof, provide to each Administrator notice of the following events, which notice, in the case of clause (iii) will include a description of the relevant events and the steps, if any, being taken with respect thereto:

- (i) Change in Credit and Collection Policy. At least ten (10) days prior to the effectiveness of any material change in or amendment to the Credit and Collection Policy, a notice describing in reasonable detail such change or amendment.

(ii) Other Information. Promptly, from time to time, such other information, documents, records or reports relating to the Dealer Receivables or the condition or operations, financial or otherwise, of the Seller or the Originator as the Agent or any Administrator may from time to time reasonably request.

(iii) Early Amortization Events or Potential Early Amortization Events. The occurrence of each Early Amortization Event and each Potential Early Amortization Event, by a statement of an Authorized Officer of the Seller.

(iv) Judgment and Proceedings. (A) The entry of any judgment or decree against the Seller; or (B) the institution of any litigation, arbitration proceeding or governmental proceeding against the Seller.

(v) Material Adverse Effect. The occurrence of any event or condition that, has, or could reasonably be expected to have, a Material Adverse Effect.

(vi) Termination Date. The occurrence of the "Termination Date" under the Originator Sale Agreement.

(vii) Downgrade of the Originator. Any downgrade in the rating of any Indebtedness of the Originator by S&P or by Moody's setting forth the Indebtedness affected and the nature of such change.

(b) Compliance with Laws and Preservation of Corporate Existence. The Seller will comply in all material respects with all applicable laws, rules, regulations, orders, writs, judgments, injunctions, decrees or awards to which it may be subject, except where the failure to comply would not be reasonably likely to have a Material Adverse Effect. The Seller will preserve and maintain its corporate existence, rights, franchises and privileges in the jurisdiction of its incorporation, and qualify and remain qualified in good standing as a foreign corporation in each jurisdiction where its business is conducted, except where its failure to be so qualified and in good standing could not reasonably be expected to have a Material Adverse Effect.

(c) Audits. The Seller will furnish to each Administrator from time to time such information with respect to it and the Dealer Receivables as such Administrator may reasonably request. The Seller will, from time to time during regular business hours as requested by any Administrator upon reasonable notice and at the sole cost of the Seller, permit such Administrator, or its agents or representatives, (i) to examine and make copies of and abstracts from all Records in the possession or under the control of the Seller relating to the Dealer Receivables and the Related Security, including, without limitation, the related Contracts, and (ii) to visit the offices and properties of the Seller for the purpose of examining such materials described in clause (i) above, and to discuss matters relating to the Seller's financial condition or the Dealer Receivables and the Related Security or the Seller's performance under any of the Transaction Documents or performance under the Contracts and, in each case, with any of the officers or employees of the Seller having knowledge of such matters, provided that (x) the Administrators of all

Related Groups shall coordinate with each other so as to jointly arrange and conduct the visits contemplated in clause (ii) and (y) in no single calendar year will the total number of such visits exceed two.

(d) Keeping and Marking of Records and Books. The Seller will (i) on or prior to the date hereof, mark its master data processing records and other books and records relating to the Ownership Interests with a legend describing the Ownership Interests and (ii) upon the request of any Administrator following the occurrence of an Early Amortization Event (A) mark each such Contract constituting chattel paper under the UCC with a legend describing the Ownership Interests and (B) deliver to the Agent all Contracts (including, without limitation, all multiple originals of any such Contract) relating to the Dealer Receivables.

(e) Compliance with Contracts and Credit and Collection Policy. The Seller will timely and fully (i) perform and comply with all provisions, covenants and other promises required to be observed by it under the Contracts related to the Dealer Receivables, and (ii) comply in all respects with the Credit and Collection Policy in regard to each Dealer Receivable and the related Contract, in the case of both (i) and (ii) except to any extent which would not in any way materially impair the ability of the Servicer to ultimately collect all amounts payable in respect of the Dealer Receivables. The Seller will pay when due any taxes payable in connection with the Dealer Receivables unless contested in good faith.

(f) Performance and Enforcement of Originator Sale Agreement. The Seller shall, and shall require the Originator to, perform their respective obligations and undertakings under and pursuant to the Originator Sale Agreement, shall purchase Dealer Receivables thereunder in compliance with the terms thereof and shall vigorously enforce the rights and remedies accorded to the Seller under the Originator Sale Agreement. The Seller shall take all actions reasonably required to perfect and enforce its rights and interests (and the rights and interests of the Agent and the Purchasers as assignees of the Seller) under the Originator Sale Agreement as the Agent may from time to time reasonably request, including, without limitation, making claims to which it may be entitled under any indemnity, reimbursement or similar provision contained in the Originator Sale Agreement.

(g) Ownership. The Seller shall take all necessary action to (i) vest legal and equitable title to the Dealer Receivables, the Related Security and the Collections purchased under the Originator Sale Agreement irrevocably in the Seller, free and clear of any Adverse Claims other than Adverse Claims in favor of the Agent and the Purchasers (including, without limitation, the filing of all financing statements or other similar instruments or documents necessary under the UCC (or any comparable law) of all appropriate jurisdictions to perfect the Seller's interest in such Dealer Receivables, Related Security and Collections and such other action to perfect, protect or more fully evidence the interest of the Seller therein as the Agent may reasonably request), and (ii) establish and maintain, in favor of the Agent, for the benefit of the Purchasers, a valid and perfected first

priority undivided percentage ownership interest (and/or a valid and perfected first priority security interest) in all Dealer Receivables, Related Security and Collections to the full extent contemplated herein, free and clear of any Adverse Claims other than Adverse Claims in favor of the Agent for the benefit of the Purchasers (including, without limitation, the filing of all financing statements or other similar instruments or documents necessary under the UCC (or any comparable law) of all appropriate jurisdictions to perfect the Agent's (for the benefit of the Purchasers) interest in such Dealer Receivables, Related Security and Collections and such other action as may be reasonably required to perfect, protect or more fully evidence the interest of the Agent for the benefit of the Purchasers as the Agent may reasonably request).

(h) Purchasers' Reliance. The Seller acknowledges that the Purchasers are entering into the transactions contemplated by this Agreement in reliance upon the Seller's identity as a legal entity that is separate from the Originator (and any Affiliates or Subsidiaries of the Originator (each, an "Originator Entity")). Therefore, from and after the date of execution and delivery of this Agreement, the Seller shall take reasonable steps, including, without limitation, all steps that the Agent or any Purchaser may from time to time reasonably request, to maintain the Seller's identity as a separate legal entity and to make it manifest to third parties that the Seller is an entity with assets and liabilities distinct from those of any Originator Entity and not just a division of any Originator Entity. Without limiting the generality of the foregoing and in addition to the other covenants set forth herein, the Seller shall:

(i) conduct its own business in its own name and require that all full-time employees of the Seller, if any, identify themselves as such and not as employees of any Originator Entity (including, without limitation, by means of providing appropriate employees with business or identification cards identifying such employees as the Seller's employees);

(ii) compensate all employees, consultants and agents directly, from the Seller's bank accounts, for services provided to the Seller by such employees, consultants and agents and, to the extent any employee, consultant or agent of the Seller is also an employee, consultant or agent of any Originator Entity, allocate the compensation of such employee, consultant or agent between the Seller and such Originator Entity on a basis that reflects the services rendered to the Seller and such Originator Entity;

(iii) clearly identify its offices (by signage or otherwise) as its offices and, if such office is located in the offices of any Originator Entity, the Seller shall lease such office at a fair market rent;

(iv) have a separate telephone number, which will be answered only in its name and separate stationery, invoices and checks in its own name;

(v) conduct all transactions with each Originator Entity and the Servicer (including, without limitation, any delegation of its obligations hereunder as Servicer) strictly on an arm's-length basis, allocate all overhead expenses

(including, without limitation, telephone and other utility charges) for items shared between the Seller and such Originator Entity on the basis of actual use to the extent practicable and, to the extent such allocation is not practicable, on a basis reasonably related to actual use;

(vi) at all times have a Board of Directors consisting of three members, at least one member of which is an Independent Director;

(vii) observe all corporate formalities as a distinct entity, and ensure that all corporate actions relating to (A) the selection, maintenance or replacement of the Independent Director, (B) the dissolution or liquidation of the Seller or (C) the initiation of, participation in, acquiescence in or consent to any bankruptcy, insolvency, reorganization or similar proceeding involving the Seller, are duly authorized by unanimous vote of its Board of Directors (including the Independent Director);

(viii) maintain the Seller's books and records separate from those of any Originator Entity and otherwise readily identifiable as its own assets rather than assets of any Originator Entity;

(ix) prepare its financial statements separately from those of any Originator Entity and insure that any consolidated financial statements of any Originator Entity thereof that include the Seller and that are filed with the Securities and Exchange Commission or any other governmental agency have notes clearly stating that the Seller is a separate corporate entity and that its assets will be available first and foremost to satisfy the claims of the creditors of the Seller;

(x) except as herein specifically otherwise provided, maintain the funds or other assets of the Seller separate from, and not commingled with, those of any Originator Entity and only maintain bank accounts or other depository accounts to which the Seller alone is the account party, into which the Seller alone makes deposits and from which the Seller alone (or the Servicer or the Agent hereunder) has the power to make withdrawals;

(xi) pay all of the Seller's operating expenses from the Seller's own assets (except for certain payments by an Originator Entity or other Persons pursuant to allocation arrangements that comply with the requirements of this Section 7.01(h));

(xii) operate its business and activities such that: it does not engage in any business or activity of any kind, or enter into any transaction or indenture, mortgage, instrument, agreement, contract, lease or other undertaking, other than the transactions contemplated and authorized by this Agreement, the Originator Sale Agreement and the other Transaction Documents;

(xiii) maintain its corporate charter in conformity with this Agreement;

(xiv) maintain the effectiveness of, and continue to perform under, the Originator Sale Agreement;

(xv) refrain from paying dividends or making distributions, loans or other advances to any of its Affiliates except as duly authorized by its board of directors and in accordance with applicable corporation law;

(xvi) refrain from holding itself out to be responsible for the Indebtedness of any Originator Entity, and not permit any Originator Entity to hold itself out as responsible for the Indebtedness of the Seller; and

(xvii) take such other actions as are necessary on its part to ensure that the facts and assumptions set forth in the opinion issued by Troutman Sanders LLP, as counsel for the Seller, in connection with the closing or initial purchase under this Agreement and relating to true sale and substantive consolidation issues, and in the certificates accompanying such opinion, remain true and correct in all material respects at all times.

(i) Collections. The Seller shall cause (1) all proceeds from all Lock-Boxes to be directly deposited by a Deposit Account Bank into a Deposit Account and (2) each Lock-Box and Deposit Account to be subject at all times to a Deposit Account Agreement that is in full force and effect. In the event any payments relating to Dealer Receivables are remitted directly to the Seller or any Affiliate of the Seller, the Seller shall remit (or shall cause all such payments to be remitted) directly to a Deposit Account Bank and deposited into a Deposit Account within two (2) Business Days following receipt thereof and, at all times prior to such remittance, the Seller shall itself hold or, if applicable, shall cause such payments to be held in trust for the exclusive benefit of the Agent and the Purchasers to the extent of their Investment therein. The Seller shall maintain exclusive ownership, dominion and control (subject to the terms of this Agreement) of each Lock-Box and Deposit Account and shall not grant the right to take dominion and control of any Lock-Box or Deposit Account at a future time or upon the occurrence of a future event to any Person, except to the Agent as contemplated by this Agreement.

(j) Year 2000 Problem. The Seller has taken all actions reasonably necessary and has committed adequate resources to assure that its computer-based and other systems are able to effectively process data, including dates before, on and after January 1, 2000, without experiencing any Year 2000 Problem that could cause a Material Adverse Effect. At the reasonable request of any Administrator, the Seller will provide such Administrator with assurances and substantiations (including, but not limited to, the results of internal or external audit reports prepared in the ordinary course of business) reasonably acceptable to such Administrator as to the capability of the Seller to conduct its business and operations without experiencing a Year 2000 Problem that could reasonably be expected to have a Material Adverse Effect.

(k) Taxes. The Seller shall file all tax returns and reports required by law to be filed by it and shall promptly pay all taxes and governmental charges at any time owing, except any such taxes which are not yet delinquent or are being diligently contested in good faith by appropriate proceedings and for which adequate reserves in accordance with generally accepted accounting principles shall have been set aside on its books.

Section 7.02. Negative Covenants of the Seller. Until the date on which the Unpaid Obligations have been indefeasibly paid in full and this Agreement terminates in accordance with its terms, the Seller hereby covenants that:

(a) Name Change, Offices and Records. The Seller will not change its name, identity or corporate structure (within the meaning of Section 9-402(7) of any applicable enactment of the UCC) or relocate its chief executive office or any office where Records are kept unless it shall have: (i) given each Administrator at least thirty (30) days' prior written notice thereof and (ii) delivered to the Agent all financing statements, instruments and other documents reasonably requested by the Agent in connection with such change or relocation.

(b) Change in Payment Instructions to Obligors. The Seller will not add or terminate any bank as a Deposit Account Bank, or make any change in the instructions to Obligors regarding payments to be made to any Lock-Box or Deposit Account in respect of Dealer Receivables, unless the Agent shall have received, at least ten (10) days before the proposed effective date therefor, (i) written notice of such addition, termination or change and (ii) with respect to the addition of a Deposit Account Bank or a Deposit Account or Lock-Box, an executed Deposit Account Agreement with respect to the new Deposit Account or Lock-Box; provided, however, that the Seller may make changes in instructions to Obligors regarding payments on Dealer Receivables if such new instructions require such Obligor to make payments to another existing Deposit Account or Lock-Box.

(c) Modifications to Contracts and Credit and Collection Policy. The Seller will not make, or consent to, any material change to the Credit and Collection Policy that could reasonably be expected to adversely affect the timely collectibility of the Dealer Receivables other than those which (i) have been approved in writing by each Administrator (such approval not to be unreasonably withheld) or (ii) are required by applicable law. Except as provided in Section 8.02(d), the Seller will not, and will not consent to, any extension, amendment or other modification to the terms of any Dealer Receivable or any Contract related thereto other than in accordance with the Credit and Collection Policy.

(d) Sales, Liens. The Seller shall not sell, assign (by operation of law or otherwise) or otherwise dispose of, or grant any option with respect to, or create or suffer to exist any Adverse Claim upon (including, without limitation, the filing of any financing statement) or with respect to, any Dealer Receivable, Related Security or Collections, or upon or with respect to any Contract under which any Dealer Receivable arises, or any Lock-Box or Deposit Account, or assign any right to receive income with respect thereto

(other than, in each case, the creation of the interests therein in favor of the Agent and the Purchasers provided for herein), and the Seller shall defend the right, title and interest of the Agent and the Purchasers in, to and under any of the foregoing property, against all claims of third parties claiming through or under the Seller or the Originator.

(e) Termination Date Determination. The Seller shall not designate a Termination Date (as defined in the Originator Sale Agreement), or send any written notice to the Originator in respect thereof, without the prior written consent of the Agent, except with respect to the occurrence of such Termination Date as a result of the occurrence of an Amortization Event (as defined in the Originator Sale Agreement) pursuant to Section 5.1(d) thereof.

(f) Nature of Business; Other Agreements; Other Indebtedness. The Seller shall not engage in any business or activity of any kind or enter into any transaction or indenture, mortgage, instrument, agreement, contract, lease or other undertaking other than the transactions contemplated and authorized by this Agreement, the Originator Sale Agreement and the other Transaction Documents. Without limiting the generality of the foregoing, the Seller shall not create, incur, guarantee, assume or suffer to exist any indebtedness or other liabilities, whether direct or contingent, other than (i) as a result of the endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business, (ii) the incurrence of obligations under this Agreement, (iii) the incurrence of obligations, as expressly contemplated in the Originator Sale Agreement or any other Transaction Document, and (iv) the incurrence of operating expenses in the ordinary course of business. In the event the Seller shall at any time borrow a loan under the Originator Sale Agreement, the obligations of the Seller in connection with any such borrowing shall be subordinated to the Unpaid Obligations, on such terms as shall be reasonably satisfactory to each Administrator.

(g) Amendments to the Originator Sale Agreement. The Seller shall not, without the prior written consent of the Agent (which consent will not be unreasonably withheld), (i) cancel or terminate the Originator Sale Agreement, (ii) amend, supplement or otherwise modify any of the terms of the Originator Sale Agreement, (iii) give any consent, waiver, directive or approval under the Originator Sale Agreement except as required by applicable law, (iv) waive any default, action, omission or breach under the Originator Sale Agreement, or otherwise grant any indulgence thereunder or (v) terminate or consent to the termination of any sub-servicer under the Originator Sale Agreement.

(h) Amendments to Organizational Documents. Without the prior written consent of the Agent (such consent not to be unreasonably withheld), the Seller shall not amend or otherwise modify any provision of its Certificate of Incorporation or By-Laws to the extent such amendment or modification would require the prior written consent of each "Independent Director" (as defined therein) pursuant to the provisions thereof as in effect on the date of this Agreement.

(i) Merger. The Seller shall not merge or consolidate with or into, or convey, transfer, lease or otherwise dispose of (whether in one transaction or in a series of

transactions, and except as otherwise contemplated herein) all or any material part of its assets (whether now owned or hereafter acquired) to, or acquire all or any material part of the assets of, any Person.

(j) ERISA. The Seller shall not establish or become a part of any Plan.

(k) Accounting. The Seller will not account for or treat (whether in financial statements or otherwise) the transactions contemplated hereby or by the Originator Sale Agreement in any manner other than the sale of Receivables by the Seller to the Purchasers or the sale of the Receivables by the Originator to the Seller, as applicable.

Section 7.03. Affirmative Covenants of the Servicer. Until the date on which the Unpaid Obligations have been indefeasibly paid in full and this Agreement terminates in accordance with its terms, the Servicer hereby covenants as set forth below:

(a) Financial Reporting. The Servicer will maintain, for itself and each of its Subsidiaries, a system of accounting established and administered in accordance with generally accepted accounting principles, and furnish to each Administrator:

(i) Annual Reporting. Within 100 days after the close of each of its fiscal years, audited, consolidated financial statements (which shall include balance sheets, statements of income and retained earnings and a statement of cash flows) for the Servicer and its consolidated subsidiaries for such fiscal year certified without qualification by Arthur Andersen or other independent public accountants acceptable to each Administrator.

(ii) Quarterly Reporting. Within 45 days after the close of the first three (3) quarterly periods of each of its fiscal years, consolidated balance sheets of the Servicer as at the close of each such period and statements of income and retained earnings and a statement of cash flows for the Servicer and its consolidated subsidiaries for the period from the beginning of such fiscal year to the end of such quarter, all certified by an Authorized Officer of the Servicer.

(iii) Compliance Certificate. Together with the financial statements required hereunder, a compliance certificate in substantially the form of Exhibit E signed by the Servicer's Authorized Officer and dated the date of such annual financial statement or such quarterly financial statement, as the case may be.

(iv) Shareholders Statements and Reports. Promptly upon the furnishing thereof to the shareholders of the Servicer copies of all financial statements, reports and proxy statements so furnished.

(v) S.E.C. Filings. Promptly upon the filing thereof, copies of all registration statements and annual, quarterly, monthly or other regular reports which the Servicer or any of its Subsidiaries files with the Securities and Exchange Commission.

(vi) Change in Credit and Collection Policy. At least ten (10) days prior to the effectiveness of any material change in or amendment to the Credit and Collection Policy, a notice indicating such change or amendment.

(vii) Other Information. Promptly, from time to time, such other information, documents, records or reports relating to the Dealer Receivables or the condition or operations, financial or otherwise, of the Servicer as any Administrator may from time to time reasonably request.

(b) Notices. The Servicer will notify each Administrator in writing of any of the following promptly upon learning of the occurrence thereof, describing the same and, if applicable, the steps being taken with respect thereto:

(i) Events of Termination or Potential Events of Termination. The occurrence of each Early Amortization Event and each Potential Early Amortization Event, by a statement of an Authorized Officer of the Servicer.

(ii) Servicer Default. The occurrence of any Servicer Default.

(iii) Material Adverse Effect. The occurrence of any event or condition that, has, or could reasonably be expected to have, a Material Adverse Effect.

(c) Compliance with Laws and Preservation of Corporate Existence. The Servicer will comply in all material respects with all applicable laws, rules, regulations, orders, writs, judgments, injunctions, decrees or awards to which it may be subject, other than where failure would not result in a Material Adverse Effect. The Servicer will preserve and maintain its corporate existence, rights, franchises and privileges in the jurisdiction of its incorporation, and qualify and remain qualified in good standing as a foreign corporation in each jurisdiction where its business is conducted other than where failure to so qualify would not have a Material Adverse Effect.

(d) Audits. The Servicer will, from time to time during regular business hours as requested by any Administrator upon reasonable notice and at the sole cost of the Servicer, permit any Administrator, or its agents or representatives, (i) to examine and make copies of and abstracts from all Records in the possession or under the control of the Servicer relating to the Dealer Receivables and the Related Security, including, without limitation, the related Contracts, and (ii) to visit the offices and properties of the Servicer for the purpose of examining such materials described in clause (i) above, and to discuss matters relating to the Servicer's financial condition or the Dealer Receivables and the Related Security or the Servicer's performance under any of the Transaction Documents or performance under the Contracts, in each case, with any of the officers or employees of the Servicer having knowledge of such matters; provided that they will not interfere with the conducting of Servicer's business and, provided further, (x) the Administrators of all Related Groups shall coordinate with each other so as to jointly arrange and conduct the visits contemplated in clause (ii) and (y) in no single calendar year will the total number of such visits exceed two.

(e) Keeping and Marking of Records and Books.

(i) The Servicer will maintain and implement administrative and operating procedures (including, without limitation, an ability to recreate records evidencing Dealer Receivables in the event of the destruction of the originals thereof), and keep and maintain all documents, books, records and other information reasonably necessary for the collection of all Dealer Receivables (including, without limitation, records adequate to permit the prompt identification of each new Dealer Receivable and all Collections of and adjustments to each existing Dealer Receivable). The Servicer will give each Administrator notice of any material change in the administrative and operating procedures referred to in the previous sentence.

(ii) The Servicer will (A) on or prior to the date hereof, mark its master data processing records and other books and records relating to the Ownership Interests with a legend describing the Ownership Interests and (B) upon the request of any Administrator following the occurrence of an Early Amortization Event (x) mark each Contract constituting chattel paper under the UCC with a legend describing the Ownership Interests and (y) deliver to the Agent all such Contracts (including, without limitation, all multiple originals of any such Contract) relating to the Dealer Receivables.

(f) Compliance with Contracts and Credit and Collection Policy. The Servicer will timely (i) perform and comply with all provisions, covenants and other promises required to be observed by it under the Contracts related to the Dealer Receivables, and (ii) comply in all respects with the Credit and Collection Policy in regard to each Dealer Receivable and the related Contract except where, in the case of each of both clauses (i) and (ii) such failure to perform or comply would not have a Material Adverse Effect.

(g) Collections. The Servicer shall cause (1) all proceeds from all Lock-Boxes to be directly deposited by a Deposit Account Bank into a Deposit Account and (2) each Lock-Box and Deposit Account to be subject at all times to a Deposit Account Agreement that is in full force and effect. In the event any payments relating to Dealer Receivables are remitted directly to the Servicer or any Affiliate of the Servicer, the Servicer shall remit (or shall cause all such payments to be remitted) directly to a Deposit Account Bank and deposited into a Deposit Account within two (2) Business Days following receipt thereof and, at all times prior to such remittance, the Servicer shall itself hold or, if applicable, shall cause such payments to be held in trust for the exclusive benefit of the Agent and the Purchasers to the extent of their interests therein.

(h) Year 2000 Problem. The Servicer has taken all actions reasonably necessary and committed adequate resources to assure that its and its Subsidiaries computer-based and other systems are able to effectively process data, including dates before, on and after January 1, 2000, without experiencing any Year 2000 Problem that could reasonably be expected to cause a Material Adverse Effect. At the request of any Administrator, the Servicer will provide such Administrator with assurances and

substantiations (including, but not limited to, the results of internal or external audit reports prepared in the ordinary course of business) reasonably acceptable to such Administrator as to the capability of the Servicer and its Subsidiaries to conduct its and their businesses and operations without experiencing a Year 2000 Problem causing a Material Adverse Effect.

(i) Taxes. The Servicer shall file all tax returns required by law to be filed by it and shall promptly pay all taxes and governmental charges at any time owing, except any such taxes which are not yet delinquent or are being diligently contested in good faith by appropriate proceedings and for which adequate reserves in accordance with generally accepted accounting principles shall have been set aside on its books.

Section 7.04. Negative Covenants of the Servicer. Until the date on which the Unpaid Obligations have been indefeasibly paid in full and this Agreement terminates in accordance with its terms, the Servicer hereby covenants that:

(a) Change in Payment Instructions to Obligors. The Servicer will not add or terminate any bank as a Deposit Account Bank, or make any change in the instructions to Obligors regarding payments to be made to any Lock-Box or Deposit Account in respect of Dealer Receivables, unless the Agent shall have received, at least ten (10) days before the proposed effective date therefor, (i) written notice of such addition, termination or change and (ii) with respect to the addition of a Deposit Account Bank or a Deposit Account or Lock-Box, an executed Deposit Account Agreement with respect to the new Deposit Account or Lock-Box; provided, however, that the Servicer may make changes in instructions to Obligors regarding payments on Dealer Receivables if such new instructions require such Obligor to make payments to another existing Deposit Account or Lock-Box.

(b) Modifications to Contracts and Credit and Collection Policy. The Servicer will not make any material change to the Credit and Collection Policy that could reasonably be expected to adversely affect the timely collectibility of the Dealer Receivables other than those which (i) have been approved in writing by each Administrator (such approval not to be unreasonably withheld) or (ii) are required by applicable law. Except as provided in Section 8.02(d), the Servicer will not extend, amend or otherwise modify the terms of any Dealer Receivable or any Contract related thereto other than in accordance with the Credit and Collection Policy.

ARTICLE VIII
ADMINISTRATION AND COLLECTION

Section 8.01. Designation of Servicer.

(a) The servicing, administration and collection of the Dealer Receivables shall be conducted by such Person (the "Servicer") so designated from time to time in accordance with this Section 8.01. AGCO is hereby designated as, and hereby agrees to perform the duties and obligations of, the Servicer pursuant to the terms of this

Agreement. The Agent may at any time following the occurrence of a Servicer Default designate as Servicer any Person to succeed AGCO or any successor Servicer.

(b) Without the prior written consent of each Administrator and the Majority Purchasers (which consent shall not be unreasonably withheld), AGCO shall not be permitted to delegate any of its duties or responsibilities as Servicer to any Person other than (i) the Seller and (ii) with respect to certain Defaulted Receivables, outside collection agencies in accordance with its customary practices. The Seller shall not be permitted to further delegate to any other Person any of the duties or responsibilities of the Servicer delegated to it by AGCO. If at any time the Agent shall, in accordance with the provisions hereof, designate as Servicer any Person other than AGCO, all duties and responsibilities theretofore delegated by AGCO to the Seller may, at the discretion of the Agent, be terminated forthwith on notice given by the Agent to AGCO and to the Seller.

(c) Notwithstanding the foregoing subsection (b), (i) so long as it is Servicer hereunder, AGCO shall be and remain primarily liable to the Agent and the Purchasers for the full and prompt performance of all duties and responsibilities of the Servicer hereunder and (ii) the Agent and the Purchasers shall be entitled to deal exclusively with AGCO in matters relating to the discharge by the Servicer of its duties and responsibilities hereunder. The Agent and the Purchasers shall not be required to give notice, demand or other communication to any Person other than AGCO in order for communication to the Servicer and its sub-Servicer or other delegate with respect thereto to be accomplished. AGCO, at all times that it is the Servicer, shall be responsible for providing any sub-Servicer or other delegate of the Servicer with any notice given to the Servicer under this Agreement.

Section 8.02. Duties of Servicer.

(a) The Servicer shall take or cause to be taken such actions as may be reasonably necessary to collect each Dealer Receivable from time to time, all in accordance with applicable laws, rules and regulations, with reasonable care and diligence, and in accordance with the Credit and Collection Policy.

(b) The Servicer will instruct all Obligors to pay all Collections directly to a Lock-Box or Deposit Account. The Servicer shall maintain in full force and effect a Deposit Account Agreement substantially in the form of Exhibit B with each bank party to a Deposit Account at any time. In the case of any remittances received in any Lock-Box or Deposit Account that shall have been identified, to the reasonable satisfaction of the Servicer, to not constitute Collections or other proceeds of the Dealer Receivables or the Related Security, the Servicer shall promptly remit such items to the Person identified to it as being the owner of such remittances. From and after the date the Agent delivers to any Deposit Account Bank a Collection Notice pursuant to Section 8.03, the Agent may request that the Servicer, and the Servicer thereupon promptly shall instruct all Obligors with respect to the Dealer Receivables, to remit all payments thereon to a new depository account specified by the Agent and, at all times thereafter, the Seller and the Servicer shall not deposit or otherwise credit, and shall not permit any other Person to deposit or

otherwise credit to such new depositary account any cash or payment item other than Collections.

(c) The Servicer shall administer the Collections in accordance with the procedures described herein and in Article III. The Servicer shall set aside and hold in trust for the account of the Seller and the Purchasers their respective shares of the Collections of Dealer Receivables in accordance with Article III. The Servicer shall, upon the request of any Administrator, segregate, in a manner reasonably acceptable to such Administrator, all cash, checks and other instruments received by it from time to time constituting Collections from the general funds of the Servicer or the Seller prior to the remittance thereof in accordance with Article III. If the Servicer shall be required to segregate Collections pursuant to the preceding sentence, the Servicer shall segregate and deposit with a bank designated by the Agent such allocable share of Collections of Dealer Receivables set aside for the Purchasers on the first Business Day following receipt by the Servicer of such Collections, duly endorsed or with duly executed instruments of transfer.

(d) The Servicer may, in accordance with the Credit and Collection Policy, extend the maturity of any Dealer Receivable or adjust the outstanding balance of any Dealer Receivable as the Servicer determines to be appropriate to maximize Collections thereof. Notwithstanding anything herein to the contrary, from and after the Termination Date until this Agreement is terminated, neither the Seller nor the Servicer shall, without the consent of the Agent, grant any discount or take any other action the effect of which would be to reduce the outstanding balance of any Dealer Receivable or modify the obligation of any Obligor to pay the full outstanding balance of any Dealer Receivable or extend the maturity thereof.

(e) The Servicer shall hold in trust for the Seller and the Purchasers to the extent of their interests therein all Records that (i) evidence or relate to the Dealer Receivables, the related Contracts and Related Security or (ii) are otherwise necessary or desirable to collect the Dealer Receivables and shall, as soon as reasonably practicable upon demand of the Agent, make available to the Agent all such Records, at the offices of the Servicer. The Servicer shall, as soon as practicable following receipt thereof turn over to the Seller or other owner thereof any cash collections or other cash proceeds received with respect to Indebtedness owing to the Seller not constituting Dealer Receivables. The Servicer shall, from time to time at the reasonable request of any Purchaser, furnish to such Purchaser (promptly after any such request) a calculation of the amount set aside for the Purchaser pursuant to Article III.

(f) Any payment by an Obligor in respect of any indebtedness owed by it to the Originator or the Seller shall, except as otherwise specified by such Obligor or otherwise required by contract or law and unless otherwise instructed by the Agent, be applied in accordance with the methodology set out in for the application of such payments in the Credit and Collection Policy.

Section 8.03. Collection Notices. The Agent is authorized at any time after the occurrence and during the continuation of a Cash Control Event to date and to deliver to

the Deposit Account Banks the Collection Notices. The Seller hereby transfers to the Agent for the benefit of the Purchasers, effective when the Agent delivers such notice, the exclusive ownership and control of each Lock-Box and the Deposit Accounts. In case any authorized signatory of the Seller whose signature appears on a Deposit Account Agreement shall cease to have such authority before the delivery of such notice, such Collection Notice shall nevertheless be valid as if such authority had remained in force. The Seller hereby authorizes the Agent, and agrees that the Agent shall be entitled at any time after the occurrence and during the continuation of a Cash Control Event to (i) endorse the Seller's name on checks and other instruments representing Collections, (ii) enforce the Dealer Receivables, the related Contracts and the Related Security and (iii) take such action as shall be necessary or desirable to cause all cash, checks and other instruments constituting Collections of Dealer Receivables to come into the possession of the Agent rather than the Seller.

Section 8.04. Responsibilities of the Seller. Anything herein to the contrary notwithstanding, the exercise by the Agent, the Administrators and the Purchasers of their rights hereunder shall not release the Servicer, the Originator or the Seller from any of their duties or obligations with respect to any Dealer Receivables or under the related Contracts. The Purchasers shall have no obligation or liability with respect to any Dealer Receivables or related Contracts, nor shall any of them be obligated to perform the obligations of the Seller.

Section 8.05. Reports and Other Information. The Servicer shall prepare and forward to each Administrator (i) on each Reporting Date and at such times as any Administrator shall reasonably request, a duly completed Monthly Report containing information accurate as of the last day of the calendar month then most recently ended and (ii) on Tuesday (or, if such day is not a Business Day, the next succeeding Business Day) of each calendar week a duly completed Weekly Report containing information accurate as of the last day of the calendar week then most recently ended. The Servicer shall determine the Net Eligible Receivables Balance, the aggregate Investment and the Credit Enhancement in connection with each Purchase hereunder.

Section 8.06. Servicer Fees. In consideration of AGCO's agreement to act as Servicer hereunder, the Purchasers hereby agree that, so long as AGCO shall continue to perform as Servicer hereunder, the Seller shall pay over to AGCO a fee (the "Servicer Fee") on each Payment Date equal to 1% per annum of the average daily Outstanding Balance of the Dealer Receivables during the calendar month then most recently ended as compensation for its servicing activities. The Servicer Fee shall be payable solely out of Collections available for such purpose pursuant to Article III. In the event such Collections are insufficient to pay the accrued and unpaid Servicer Fee in full, the Servicer shall have no claim against the Seller, the Agent or any Administrator for such deficiency. In the event the Agent shall, in accordance with the provisions hereof, designate as Servicer any Person other than AGCO, then the Servicer Fee payable to such successor Servicer shall be such fee as shall be agreed in writing between such successor Servicer and the Agent; provided that in no event shall such Servicer Fee exceed 2% per annum on the average daily Outstanding Balance of the Dealer Receivables.

Section 8.07. Servicer Defaults. The occurrence of any one or more of the following events shall constitute a "Servicer Default":

(a) The Servicer shall fail to make any payment or deposit to the Agent, any Purchaser or any Administrator required under the provisions of Section 3.05 of this Agreement when due and such failure shall continue for one (1) Business Day after such due date;

(b) The Servicer shall fail to make any payment or deposit required under the provisions hereof and of the other Transaction Documents (other than those contemplated in (a) hereinabove) when due and such failure shall continue for five (5) Business Days after such due date;

(c) The Servicer shall fail to perform or observe any term, covenant or agreement hereunder or under any other Transaction Document (other than as referred to in paragraph (a)) and such failure shall continue for fifteen (15) days after the earlier of (i) the date on which the Servicer obtains knowledge thereof and (ii) the date on which written notice thereof is given to the Servicer;

(d) Any representation, warranty, certification or statement made by the Servicer in this Agreement, any other Transaction Document or in any other document delivered pursuant hereto or thereto shall prove to have been incorrect in any material respect when made or deemed made and either (i) the failure of such representation, warranty, certification or statement to be true and correct shall have a Material Adverse Effect or (ii) such representation, warranty, certification or statement shall continue to be incorrect;

(e) The Servicer or any of its Subsidiaries shall generally not pay its debts as such debts become due or shall admit in writing its inability to pay its debts generally or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against any such Person seeking to adjudicate it bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee or other similar official for it or any substantial part of its property or (ii) any such Person shall take any corporate action to authorize any of the actions set forth in clause (i) above in this subsection (d);

(f) The Agent for the benefit of the Purchasers shall cease to have a valid and perfected first priority security interest in the Dealer Receivables, the Related Security and the Collections with respect thereto and the Deposit Accounts;

(g) The long-term senior unsecured debt of AGCO shall not be rated at least B+ by S&P and at least B1 by Moody's;

(h) A material adverse change shall have occurred in the collectibility of the Dealer Receivables generally or of any material portion of the Dealer Receivables; or

(i) One or more final judgments for the payment of money in excess or \$10,000,000 shall be entered against the Servicer, and such judgment shall continue unsatisfied and in effect for fifteen (15) consecutive days without a stay of execution; or

(j) The failure of the Servicer to pay any Indebtedness when due in excess of \$10,000,000 and the continuance of such failure after the applicable grace period, if any, specified in the agreement or instrument relating to such Indebtedness; or the default by the Servicer in the performance of any term, provision or condition contained in any agreement under which any such Indebtedness was created or is governed, the effect of which is to cause, or to permit the holder or holders of such Indebtedness to cause, such Indebtedness to become due prior to its stated maturity; or any such Indebtedness of the Servicer shall be declared to be due and payable or required to be prepaid (other than by a regularly scheduled payment) prior to the date of maturity thereof;

provided, however, that notwithstanding the foregoing, a delay in or a failure of performance referred to in clause (a) and (b) for a period of five (5) Business Days, or referred to under clauses (c) or (d) for a period of fifteen (15) days (in addition to any period provided in (a), (b), (c) or (d) (together, the "Additional Grace Periods") shall not constitute a Servicer Default until the expiration of such Additional Grace Periods, if such delay or failure could not be prevented by the exercise of reasonable diligence by the Servicer and such delay was caused by force majeure.

Section 8.08. Replacement of the Servicer. If AGCO is removed as Servicer pursuant to Section 9.02 following the occurrence of an Early Amortization Event, AGCO shall take all actions necessary, or that the Agent may reasonably request, to facilitate the prompt and efficient transfer of responsibilities of the Servicer to any successor Servicer designated by the Agent, including without limitation, transferring to the Agent or such successor all Records, correspondence and documents (including computer software) requested by the Agent or such successor and to permit the Agent and such successor to have access to, and to copy, all software used by AGCO in the collection, administration or monitoring of the Dealer Receivables, Related Security and Collections. In connection therewith, the Agent may enter into a separate servicing agreement with any such successor Servicer relating to the rights and obligations of such successor as Servicer hereunder and, to the extent of any inconsistency between such servicing agreement and this Agreement regarding such rights and obligations, such servicing agreement shall control; provided that the Agent shall use reasonable efforts to minimize any such inconsistency to the extent such inconsistency would have a material adverse effect on the Seller or the Originator.

ARTICLE IX
EARLY AMORTIZATION EVENTS

Section 9.01. Early Amortization Events. The occurrence of any one or more of the following events shall constitute an "Early Amortization Event":

- (a) Either the Seller or the Originator shall fail to make any payment or deposit required hereunder or under any other Transaction Document when due and such failure shall remain unremedied for five (5) Business Days;
- (b) Either the Seller or the Originator shall fail to perform or observe any term, covenant or agreement hereunder or under any other Transaction Document (other than as referred to in paragraph (a)) and such failure shall continue for fifteen (15) days after the earlier of (i) the date on which the Seller or the Originator obtains knowledge thereof and (ii) the date on which written notice thereof is given to the Seller or the Originator;
- (c) Any representation, warranty, certification or statement made by the Seller or the Originator in this Agreement, any other Transaction Document or in any other document delivered pursuant hereto or thereto shall prove to have been incorrect in any material respect when made or deemed made and either (i) the failure of such representation, warranty, certification or statement to be true and correct shall have a Material Adverse Effect or (ii) such representation, warranty, certification or statement shall continue to be incorrect;
- (d) Any Servicer Default shall occur and be continuing;
- (e) (i) The Seller, the Originator or any of their respective Subsidiaries shall generally not pay its debts as such debts become due or shall admit in writing its inability to pay its debts generally or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against any such Person seeking to adjudicate it bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee or other similar official for it or any substantial part of its property or (ii) any such Person shall take any corporate action to authorize any of the actions set forth in clause (i) above in this subsection (e);
- (f) The Agent for the benefit of the Purchasers shall cease to have a valid and perfected first priority security interest in the Dealer Receivables, the Related Security and the Collections with respect thereto and the Deposit Accounts;
- (g) The Seller shall be required to register as an "investment company" by the provisions of the Investment Company Act of 1940, as amended;
- (h) As at the end of any calendar month, (i) the Variable Dilution Ratio shall exceed 5.0%, (ii) the average of the Planned Dilution Ratios for the three most recently ended calendar months shall exceed 20%, (y) the average of the Payment Rates for the three most recently ended calendar months shall be less than (x) if such three calendar

month period shall end with the month of January, February, March or April, 4.0% and (y) in all other cases, 9.0% or (iv) the Default Ratio shall exceed 2.0%;

(i) The aggregate Ownership Interests shall exceed 100% and shall continue as such until the earlier of (i) two Business Days following the date either the Seller or the Servicer has actual knowledge thereof and (ii) the next Payment Date; or

(j) The "Termination Date" or an "Amortization Event" shall occur under the Originator Sale Agreement or the Originator shall for any reason cease to transfer, or cease to have the legal capacity to transfer, or otherwise be incapable of transferring Dealer Receivables to the Seller under the Originator Sale Agreement.

Section 9.02. Remedies. Upon the occurrence and during the continuation of an Early Amortization Event, the Agent may, or upon the direction of the Majority Purchasers shall, take any of the following actions: (i) replace the Person then acting as Servicer, (ii) declare the Termination Date to have occurred, whereupon the Termination Date shall forthwith occur, without demand, protest or further notice of any kind, all of which are hereby expressly waived by each of the Seller and the Servicer; provided, however, that upon the occurrence of an Early Amortization Event described in Section 9.01(e), or of an actual or deemed entry of an order for relief with respect to the Seller or the Servicer under the Federal Bankruptcy Code, the Termination Date shall automatically occur, without demand, protest or any notice of any kind, all of which are hereby expressly waived by each of the Seller and the Servicer, (iii) to the fullest extent permitted by applicable law, declare that the Yield Rate shall be equal to the Base Rate plus 2% for all outstanding Ownership Interests, (iv) deliver the Collection Notices to the Deposit Account Banks, and (v) notify Obligors of the Purchasers' interest in the Dealer Receivables. Further, in the event of an Early Amortization Event arising as a result of a Servicer Default under Section 8.07 (a), (b), (c) or (d), during the Additional Grace Periods applicable to such Servicer Defaults (and unless the relevant actions or omissions are remedied prior to the expiration of the applicable Additional Grace Periods) the Purchasers shall not be required to make any Purchases, of whatever type, of any Dealer Receivables. The aforementioned rights and remedies shall be in addition to all other rights and remedies of the Agent and the Purchasers available under this Agreement, by operation of law, at equity or otherwise, all of which are hereby expressly preserved, including, without limitation, all rights and remedies provided under the UCC, all of which rights shall be cumulative.

ARTICLE X INDEMNIFICATION

Section 10.01. Indemnities.

(a) Seller Indemnities. Without limiting any other rights that the Agent, any Administrator or any Purchaser may have hereunder or under applicable law, the Seller hereby agrees to indemnify the Agent, each Administrator and each Purchaser and their respective assigns, officers, directors, agents and employees (each an "Indemnified Party")

from and against any and all damages, losses, claims, taxes, liabilities, costs, expenses and for all other amounts payable, including reasonable attorneys' fees (which attorneys may be employees of the Agent or such Purchaser) and disbursements (all of the foregoing being collectively referred to as "Indemnified Amounts") awarded against or incurred by any of them arising out of or as a result of this Agreement or the acquisition, either directly or indirectly, by the Agent or a Purchaser of an interest in the Dealer Receivables excluding, however:

(i) Indemnified Amounts to the extent a final judgment of a court of competent jurisdiction holds that such Indemnified Amounts resulted from gross negligence or willful misconduct on the part of the Indemnified Party seeking indemnification;

(ii) Indemnified Amounts to the extent the same include losses in respect of Dealer Receivables that are uncollectible on account of the insolvency, bankruptcy or lack of creditworthiness or other failure to pay of the related Obligor where such failure is not caused by any action or inaction on the part of AGCO in connection with any Dealer Receivable or Dealer Agreement;

(iii) taxes imposed by the jurisdiction in which such Indemnified Party is organized or in which it is otherwise doing business on or measured by the overall net income of such Indemnified Party to the extent that the computation of such taxes is consistent with the Intended Tax Characterization;

provided, however, that nothing contained in this sentence shall limit the liability of either the Seller or the Servicer or limit the recourse of the Purchasers to either the Seller or the Servicer for amounts otherwise specifically provided to be paid by such Person under the terms of this Agreement. Without limiting the generality of the foregoing indemnification, the Seller shall indemnify each Indemnified Party for Indemnified Amounts (including, without limitation, losses in respect of uncollectible receivables, regardless of whether reimbursement therefor would constitute recourse to the Seller or the Servicer) resulting from:

(i) breach of any representation or warranty made by the Seller, the Servicer or the Originator (or any officers of any such Person) under or in connection with this Agreement, any other Transaction Document or any other information or report delivered by any such Person pursuant hereto or thereto, which shall have been false or incorrect when made or deemed made;

(ii) the failure by the Seller, the Servicer or the Originator to comply with any applicable law, rule or regulation with respect to any Dealer Receivable or Contract related thereto, or the nonconformity of any Dealer Receivable or Contract included therein with any such applicable law, rule or regulation or any failure of the Originator to keep or perform any of its obligations, express or implied, with respect to any Contract;

(iii) any failure of the Seller, the Servicer or the Originator to perform its duties, covenants or other obligations in accordance with the provisions of this Agreement or any other Transaction Document;

(iv) any products liability, personal injury or damage suit, or similar claim arising out of or in connection with merchandise, insurance or services that are the subject of any Contract or any Dealer Receivable;

(v) any dispute, claim, offset or defense (other than discharge in bankruptcy of the Obligor) of the Obligor to the payment of any Dealer Receivable arising on or prior to the Termination Date (including, without limitation, a defense based on such Dealer Receivable or the related Contract not being a legal, valid and binding obligation of such Obligor enforceable against it in accordance with its terms), or any other claim resulting from the sale of the merchandise or service related to such Dealer Receivable or the furnishing or failure to furnish such merchandise or services;

(vi) the commingling of Collections of Dealer Receivables at any time with other funds;

(vii) any investigation, litigation or proceeding related to or arising from this Agreement or any other Transaction Document, the transactions contemplated hereby, the use of the proceeds of a purchase, the ownership of the Ownership Interests or any other investigation, litigation or proceeding relating to the Seller, the Servicer or the Originator in which any Indemnified Party becomes involved as a result of any of the transactions contemplated hereby;

(viii) any inability to litigate any claim against any Obligor in respect of any Dealer Receivable as a result of such Obligor being immune from civil and commercial law and suit on the grounds of sovereignty or otherwise from any legal action, suit or proceeding;

(ix) any Early Amortization Event described in Section 9.01(d);

(x) any failure of the Seller to acquire and maintain legal and equitable title to, and ownership of any Dealer Receivable and the Related Security and Collections with respect thereto from the Originator, free and clear of any Adverse Claim (other than as created hereunder); or any failure of the Seller to give reasonably equivalent value to the Originator under the Originator Sale Agreement in consideration of the transfer by the Originator of any Dealer Receivable, or any attempt by any Person to void such transfer under statutory provisions or common law or equitable action; or any failure of the Seller to have a first priority perfected security interest in the Equipment the sale of which gave rise to any Dealer Receivable;

(xi) any failure to vest and maintain vested in the Agent and the Purchasers, or to transfer to the Agent and the Purchasers, legal and equitable title to, and ownership of, a first priority undivided percentage ownership (to the extent of the Ownership Interests contemplated hereunder) in the Dealer Receivables, the Related Security and the Collections, free and clear of any Adverse Claim;

(xii) the failure to have filed, or any delay in filing, financing statements or other similar instruments or documents under the UCC of any applicable jurisdiction or other applicable laws with respect to any Dealer Receivable, the Related Security and Collections with respect thereto, and the proceeds of any thereof, whether at the time of any Incremental Purchase or Reinvestment Purchase or at any subsequent time;

(xiii) any action or omission by either the Seller or the Servicer which reduces or impairs the rights of the Agent or the Purchasers with respect to any Dealer Receivable or the value of any such Dealer Receivable;

(xiv) any attempt by any Person to void any Incremental Purchase or Reinvestment Purchase hereunder under statutory provisions or common law or equitable action; or

(xv) the failure of any Dealer Receivable treated as or represented to be an Eligible Receivable at any time by the Seller, the Originator or the Servicer (including, without limitation, for purposes of calculating the Net Eligible Receivables Balance) to be an Eligible Receivable as of such time.

(b) Servicer Indemnities. Without limiting any other rights that any Indemnified Party may have hereunder or under applicable law, the Servicer hereby agrees to indemnify each Indemnified Party from and against any and all Indemnified Amounts relating to or resulting from:

(i) any representation or warranty made by the Servicer (or any officers of the Servicer) in writing under or in connection with this Agreement, any other Transaction Document or any other information or report delivered by any such Person pursuant hereto or thereto, which shall have been false or incorrect when made or deemed made;

(ii) the failure by the Servicer to comply with any applicable law, rule or regulation with respect to any Dealer Receivable or Contract related thereto;

(iii) any failure of the Servicer to perform its duties, covenants or other obligations in accordance with the provisions of this Agreement or any other Transaction Document;

(iv) the commingling of Collections of Dealer Receivables at any time with other funds;

(v) any failure of the Seller to acquire and maintain legal and equitable title to, and ownership of any Dealer Receivable and the Related Security and Collections with respect thereto from the Originator, free and clear of any Adverse Claim (other than as created hereunder); or any failure of the Seller to give reasonably equivalent value to the Originator under the Originator Sale Agreement in consideration of the transfer by the Originator of any Dealer Receivable, or any attempt by any Person to void such transfer under statutory provisions or common law or equitable action;

(vi) any failure to vest and maintain vested in the Agent and the Purchasers, or to transfer to the Agent and the Purchasers, legal and equitable title to, and ownership of, a first priority undivided percentage ownership (to the extent of the Ownership Interests contemplated hereunder) in the Dealer Receivables arising on or prior to the Termination Date and the Related Security and the Collections with respect thereto free and clear of any Adverse Claim created by or arising as a result of a claim against Servicer;

(vii) the failure to have filed, or any delay in filing, financing statements or other similar instruments or documents under the UCC of any applicable jurisdiction or other applicable laws with respect to any Dealer Receivable, the Related Security and Collections with respect thereto, and the proceeds of any thereof, to the extent the Servicer is required to file the same, whether at the time of any Incremental Purchase or Reinvestment Purchase or at any subsequent time;

(viii) any action or omission by the Servicer (other than in accordance with or as contemplated by this Agreement or any other Transaction Document) which reduces or impairs the rights of the Agent or the Purchasers with respect to any Dealer Receivable or the value of any such Dealer Receivable;

(ix) the Year 2000 Problem; or

(x) the failure of any Dealer Receivable treated as or represented to be an Eligible Receivable at any time by the Servicer (including, without limitation, for purposes of calculating the Net Eligible Receivables Balance) to be an Eligible Receivable as of such time.

Section 10.02. Increased Cost and Reduced Return.

(a) If, due to either (i) the introduction of or any change in or in the interpretation of any law or regulation or (ii) the compliance with any guideline or request from any central bank or other governmental agency or authority (whether or not having the force of law), there shall be any increase in the cost to any Affected Party with respect to this Agreement or any Conduit Funding Agreement or in connection with its obligations under this Agreement or any Conduit Funding Agreement related to this Agreement for which the Affected Party is not entitled to payment hereunder, then the Seller shall from time to time, upon demand by such Affected Party (with a copy of such demand to the

Agent), pay to such Affected Party additional amounts sufficient to compensate such Affected Party for such increased cost. A certificate setting forth in reasonable detail the amount of such increased cost submitted to the Seller by such Affected Party shall be conclusive and binding for all purposes, absent manifest error.

(b) Without duplication of (a), if either (i) the introduction following the date of this Agreement of, or any change following the date of this Agreement in or in the interpretation of, any law or regulation or (ii) the compliance by any Affected Party with any law or regulation or any guideline or request or any written interpretation from any central bank or other governmental authority issued after the date of this Agreement (whether or not having the force of law), affects the amount of capital required to be maintained by such Affected Party or any corporation controlling such Affected Party and the amount of such capital is increased by or based upon this Agreement or any Conduit Funding Agreement related to this Agreement or an Affected Party's obligations under this Agreement or a Conduit Funding Agreement, then, upon demand by such Affected Party (with a copy of such demand to be sent to the Agent related to this Agreement), the Seller shall pay to such Affected Party, from time to time as specified by such Affected Party, additional amounts sufficient to compensate such Affected Party or such controlling corporation in the light of such circumstances. A certificate setting forth in reasonable detail such amounts submitted to the Seller by such Affected Party shall be conclusive and binding for all purposes, absent manifest error.

(c) Notwithstanding anything herein to the contrary, the Seller shall not be obligated to pay any amounts under Section 10.2(a) or (b), to the extent such amounts resulted from an increased cost incurred or an increased capital requirement imposed more than 90 days prior to the date of the certificate in which such amounts were set forth; provided, that, for purposes of the foregoing, any such increased cost or increased capital requirement shall be deemed to have been incurred or imposed, as applicable, on the date on which such increased cost is actually incurred or such increased capital requirement is actually imposed, whether or not such increased cost or increased capital requirement relates back to a period of time prior to such date.

(d) Each Affected Party shall use reasonable efforts (consistent with its internal policy and legal and regulatory restrictions) to reduce or eliminate any claim for compensation pursuant to this Section 10.02, provided that nothing contained herein shall obligate any Affected Party to take any action which, in the opinion of such Affected Party, is unlawful or otherwise disadvantageous to such Affected Party.

(e) Any Committed Purchaser making a claim for payment pursuant to Section 10.02 shall, upon request from the Seller delivered to such Committed Purchaser, assign, in accordance with the provisions of Section 12.01(b) all of its rights and obligations under this Agreement to another financial institution selected by the Seller and approved by the related Administrator in consideration for the payment to such Committed Purchaser of the amount of its outstanding Investment, together with any and all accrued and unpaid Yield thereon and all other Unpaid Obligations owing to such Committed Purchaser under the Transaction Documents accrued to the date of such assignment.

Section 10.03. Taxes.

(a) Any and all payments by the Seller hereunder shall be made free and clear of and without deduction for any and all present or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto, excluding, in the case of each Purchaser, each Administrator and the Agent, net income taxes and franchise taxes that are imposed on such Purchaser or the Agent and, in the case of each Purchaser, franchise taxes and net income taxes that are imposed on such Purchaser (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities being hereinafter referred to as "Taxes"). If the Seller shall be required by law to deduct any Taxes from or in respect of any sum payable hereunder to any Purchaser or the Agent, (i) the sum payable shall be increased as may be necessary so that, after making all required deductions (including deductions applicable to additional sums payable under this Section 10.03), such Purchaser or the Agent (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Seller shall make such deductions and (iii) the Seller shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law.

(b) In addition, the Seller agrees to pay any present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies that arise from any payment made hereunder or from the execution, delivery or registration of, or otherwise with respect to, this Agreement (hereinafter referred to as "Other Taxes").

(c) The Seller will indemnify each Purchaser and the Agent for (i) the full amount of Taxes or Other Taxes (including, without limitation, any Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section 10.03) paid by such Purchaser or the Agent (as the case may be) and (ii) any liability (including penalties, interest and expenses) arising therefrom or with respect thereto other than those resulting from such Purchaser's or the Agent's willful or negligent failure to pay such Taxes or Other Taxes; provided that a Purchaser or the Agent, as appropriate, making a demand for indemnity payment shall provide the Seller, at its address referred to in Section 13.02, with a certificate from the relevant taxing authority or from a responsible officer of such Purchaser or the Agent stating or otherwise evidencing that a Purchaser or the Agent has made payment of such Taxes or Other Taxes and will provide a copy of or extract from documentation, if available, furnished by such taxing authority evidencing assertion or payment of such Taxes or Other Taxes.

(d) Within 30 days after the date of any payment of Taxes, the Seller will furnish to the Agent, at its address referred to in Section 13.02, appropriate evidence of payment thereof.

(e) The Agent and each Purchaser that is not created or organized under the laws of the United States or a political subdivision thereof shall, to the extent that it may then do so under applicable laws and regulations, deliver to the Seller (with, in the case of each Purchaser, a copy to the Agent) (i) within 15 days after the date hereof, or, if later, the date on which such Purchaser becomes a Purchaser pursuant to Section 12.01 hereof,

two (or such other number as may be from time to time prescribed by applicable laws or regulations) duly completed copies of IRS Form 4224 or Form 1001 (or any successor forms or other certificates or statements which may be required from time to time by the relevant United States taxing authorities or applicable laws or regulations), as appropriate, to permit the Seller to make payments hereunder for the account of such Purchaser or the Agent, as the case may be, without deduction or withholding of United States federal income or similar taxes and (ii) upon the obsolescence of or after the occurrence of any event requiring a change in, any form or certificate previously delivered pursuant to this Section 10.03(e), copies (in such numbers as may from time to time be prescribed by applicable laws or regulations) of such additional, amended or successor forms, certificates or statements as may be required under applicable laws or regulations to permit the Seller and the Agent to make payments hereunder for the account of such Purchaser or the Agent, as the case may be, without deduction or withholding of United States federal income or similar taxes.

(f) For any period with respect to which a Purchaser or the Agent has failed to provide the Seller with the appropriate form, certificate or statement described in Section 10.03(e) (other than if such failure is due to a change in law occurring after the date of this Agreement), such Purchaser or the Agent, as the case may be, shall not be entitled to indemnification under Section 10.03(a) or 10.03(c) with respect to Taxes imposed by the United States.

(g) Within 30 days of the written request of the Seller therefor, the Agent and each Purchaser, as appropriate, shall execute and deliver to the Seller such certificates, forms or other documents which can be furnished consistent with the facts and which are reasonably necessary to assist the Seller in applying for refunds of taxes remitted hereunder.

(h) The parties hereto have structured this Agreement with the intention that the Ownership Interests of the Purchasers will be treated under applicable federal, state, local and foreign tax law as indebtedness secured by the Dealer Receivables, the Related Security, the Deposit Accounts and the Collections (the "Intended Tax Characterization"). Each of the parties hereto agrees to treat and to take no action inconsistent with the treatment of the Ownership Interests of the Purchasers as such indebtedness for purposes of federal, state, local and foreign income or franchise taxes and any other tax imposed on or measured by income.

Section 10.04. Other Costs and Expenses. The Seller shall pay to the Agent, each Administrator and each Purchaser on demand all reasonable costs and out-of-pocket expenses in connection with the preparation, execution, delivery and administration of this Agreement, the transactions contemplated hereby and the other documents to be delivered hereunder, including without limitation, (i) the cost of the Agent's or any Administrator's auditors auditing the books, records and procedures of the Seller, (ii) rating agency fees incurred by any Administrator or Conduit Purchaser in connection with the transactions contemplated hereby, and (iii) reasonable fees and out-of-pocket expenses of legal counsel for the Agent, each Administrator and each Purchaser with respect thereto and with

respect to advising the Agent, such Administrator or such Purchaser as to its rights and remedies under this Agreement. The Seller shall pay to the Agent, each Administrator and each Purchaser on demand any and all reasonable costs and expenses of such Person, if any, including reasonable counsel fees and expenses in connection with the enforcement of this Agreement and the other documents delivered hereunder and in connection with any restructuring or workout of this Agreement or such documents, or the administration of this Agreement following an Early Amortization Event.

ARTICLE XI
THE AGENT AND THE ADMINISTRATORS

Section 11.01. Authorization and Action of Agent. Each Purchaser hereby appoints and authorizes the Agent to take such action as agent on its behalf and to exercise such powers under this Agreement and the other Transaction Documents to which the Agent is a party, as are delegated to the Agent by the terms hereof and thereof, together with such powers as are reasonably incidental thereto. As to any matters not expressly provided for by this Agreement, the Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of the Majority Purchasers, and such instructions shall be binding upon all the Purchasers; provided, however, that the Agent shall not be required to take any action which exposes it to personal liability or which is contrary to this Agreement or applicable law. The Agent agrees to give to each Purchaser prompt notice of each notice given to it by the Seller or the Servicer pursuant to the terms of this Agreement.

Section 11.02. Agents' Reliance, Etc. Neither the Agent nor any of its directors, officers, agents or employees shall be liable for any action taken or omitted to be taken by it or them under or in connection with this Agreement, except for the gross negligence or willful misconduct of the Agent. Without limiting the generality of the foregoing, the Agent: (i) may treat the Purchaser that made any purchase as the holder of the Ownership Interest related thereto until the Agent receives and accepts an Assignment Agreement entered into by such Purchaser, as assignor, and another Person, as assignee, as provided in Section 12.01; (ii) may consult with legal counsel (including counsel for the Seller), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts; (iii) makes no warranty or representation to any Purchaser and shall not be responsible to any Purchaser for any statements, warranties or representations (whether written or oral) made in or in connection with this Agreement or any other Transaction Document; (iv) shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of this Agreement or any other Transaction Document on the part of the Seller or to inspect the property (including the books and records) of the Seller; (v) shall not be responsible to any Purchaser for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement, the other Transaction Documents, or any other instrument or document furnished pursuant hereto or thereto; and (vi) shall incur no liability under or in respect of this Agreement by acting upon any notice, consent, certificate or other

instrument or writing (which may be by facsimile) reasonably believed by it to be genuine and signed or sent by the proper party or parties.

Section 11.03. Rabobank and Affiliates. With respect to its Commitment and the Ownership Interests held by it, if any, Rabobank shall have the same rights and powers as any other Committed Purchaser and may exercise the same as though it were not the Agent or acting in any other capacity under any Transaction Document or Conduit Funding Agreement, and the term "Committed Purchaser" or "Committed Purchasers" shall, unless otherwise expressly indicated, include Rabobank in its individual capacity as a Committed Purchaser hereunder. Rabobank and its Affiliates may accept deposits from, lend money to, act as trustee under indentures of, and generally engage in any kind of business with, the Seller, any of its Affiliates and any Person who may do business with or own securities of the Seller or any such Affiliate, all as if Rabobank were not the Agent or acting in any other capacity under any Transaction Document or Conduit Funding Agreement, and without any duty to account therefor to the Purchasers.

Section 11.04. Purchaser Credit Decision. Each Purchaser acknowledges that it has, independently and without reliance upon the Agent or any other Purchaser and based on such financial statements and such other documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement and the other Transaction Documents to which it is a party. Each Purchaser also acknowledges that it will, independently and without reliance upon the Agent or any other Purchaser and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement and such other Transaction Documents.

Section 11.05. Indemnification. The Committed Purchasers agree to indemnify the Agent and its directors, officers and employees (to the extent not reimbursed by the Seller), ratably in proportion to their respective Commitments, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against the Agent in any way relating to or arising out of this Agreement, any of the other Transaction Documents or the transactions contemplated hereby or thereby, or any action taken or omitted by the Agent or in any such capacity under this Agreement or any of the other Transaction Documents, provided that no Committed Purchaser shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the Agent's gross negligence or willful misconduct. Without limitation to the foregoing, each Committed Purchaser agrees to reimburse the Agent promptly upon demand for such Committed Purchaser's ratable share (computed based on the ratio which such Committed Purchaser's Commitment bears to the aggregate of the Commitments hereunder) of any out-of-pocket expenses (including reasonable counsel fees) incurred by the Agent in connection with the preparation, execution, delivery, administration, modification, amendment, waiver or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement or any of the other Transaction Documents, to the extent that such Agent

is not reimbursed for such expenses by the Seller. From and after the occurrence of the Termination Date, the indemnification obligations of the Committed Purchasers under this Section 11.05 shall be calculated as if their respective Commitments on the day immediately prior to the Termination Date remained in effect.

Section 11.06. Successor Agent. The Agent may resign at any time by giving written notice thereof to the Purchasers and the Seller, and may be removed at any time with or without cause by the Majority Purchasers upon written notice thereof to the Agent and the Seller. Such resignation or removal shall become effective as set forth below. The Majority Purchasers shall have the right to appoint a successor Agent, provided that the Seller, the Servicer and each Administrator shall have the right to approve the successor Agent, which approval shall not be unreasonably withheld. If no successor Agent shall have been so appointed by the Majority Purchasers and approved by the Seller, the Servicer and each Administrator, and shall have accepted such appointment, within 30 days after the departing Agent's giving of notice of resignation or the Majority Purchasers' removal of the departing Agent, then the departing Agent may, on behalf of the Purchasers, appoint a successor Agent, which successor Agent shall have short-term debt ratings of at least A-1 from S&P and P-1 from Moody's and shall be either a commercial bank having a combined capital and surplus of at least \$250,000,000 or an Affiliate of such an institution. Upon the acceptance of any appointment as Agent hereunder by a successor Agent, such successor Agent shall thereupon succeed to and become vested with all of the rights, powers, privileges and duties of the departing Agent, and the departing Agent shall be discharged from its duties and obligations under this Agreement; provided that the appointment of such successor Agent shall not become effective until each Conduit Purchaser shall have received written confirmation from each of the rating agencies then rating the Commercial Paper Notes of such Conduit Purchaser that the rating of such Commercial Paper Notes would not, as a result of such appointment, be reduced or withdrawn. Notwithstanding anything contained to the contrary herein, until such time as such successor Agent shall have accepted such appointment as aforesaid, the departing Agent shall not be discharged from any of its duties and obligations as the Agent under this Agreement. After any departing Agent's resignation or removal hereunder as such agent, the provisions of this Article XI shall inure to its benefit as to any actions taken or omitted to be taken by it while it was such agent under this Agreement.

Section 11.07. Authorization and Action of Administrator. Each Purchaser in a Related Group hereby appoints and authorizes the Administrator for such Related Group to take such action as agent on its behalf and to exercise such powers under this Agreement and the other Transaction Documents to which such Administrator is a party, as are delegated to such Administrator by the terms hereof and thereof, together with such powers as are reasonably incidental thereto. The Purchasers in a Related Group may at any time appoint a new Administrator in accordance with the terms of the applicable Administrator Agreement. Upon the acceptance of any appointment as Administrator hereunder by a successor Administrator, such successor Administrator shall thereupon succeed to and become vested with all of the rights, powers, privileges and duties of the

departing Administrator, and the departing Administrator shall be discharged from its duties and obligations under this Agreement.

ARTICLE XII
ASSIGNMENTS; PARTICIPATIONS; ADDITIONAL RELATED GROUPS

Section 12.01. Assignments and Participations.

(a) Neither the Seller nor the Servicer nor any Purchaser shall have the right to assign its rights or obligations under this Agreement except to the extent otherwise provided herein. The Seller hereby agrees and consents to the complete or partial assignment by any Conduit Purchaser of all or any portion of its rights under, interest in, title to and obligations under this Agreement to (i) any member of its Related Group and (ii) any other Person approved by the Seller (such approval not to be unreasonably withheld), and upon such assignment, (x) the assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder have been assigned to it pursuant to such assignment, have the rights and obligations of a Conduit Purchaser hereunder and (y) the Conduit Purchaser assignor thereunder shall, to the extent that rights and obligations hereunder have been assigned by it pursuant to such assignment, relinquish its rights and be released from its obligations under this Agreement (and, in the case of an assignment covering all or the remaining portion of an assigning Conduit Purchaser's rights and obligations under this Agreement, such Conduit Purchaser shall cease to be a party hereto).

(b) Each Committed Purchaser may, with the prior written consent of the Administrator for its Related Group, the Seller and AGCO (which consent shall not be unreasonably withheld), assign to one or more banks or other entities all its rights and obligations under this Agreement (including, without limitation, all or a portion of its Commitment and the Ownership Interests owned by it); provided, however, that (i) each such assignment shall be of a constant, and not a varying, percentage of all of the assigning Committed Purchaser's rights and obligations under this Agreement, (ii) the amount of the Commitment of the assigning Committed Purchaser being assigned pursuant to each such assignment (determined as of the date of the Assignment Agreement with respect to such assignment) shall in no event be less than the lesser of (A) \$20,000,000 or an integral multiple of \$1,000,000 in excess of that amount and (B) the full amount of the assigning Committed Purchaser's Commitment, (iii) the parties to each such assignment shall execute and deliver to the Agent, for its acceptance and recording in the Register, an Assignment Agreement together with a processing and recordation fee of \$2,000 or such lesser amount as shall be approved by the Agent, (iv) the parties to each such Assignment Agreement shall have agreed to reimburse the Agent for all fees, costs and expenses (including, without limitation, the reasonable fees and out-of-pocket expenses of counsel for the Agent) incurred by the Agent in connection with such assignment and (v) the assignee shall execute and deliver to the Seller and the Agent an Investment Letter substantially in the form of Exhibit C. Upon such execution, delivery, acceptance and recording by the Agent, from and after the effective date specified in such Assignment Agreement, which effective date shall be the date of acceptance of such Assignment

Agreement by the Agent, unless a later date is specified therein, (x) the assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder have been assigned to it pursuant to such Assignment Agreement, have the rights and obligations of a Committed Purchaser hereunder and (y) the Committed Purchaser assignor thereunder shall, to the extent that rights and obligations hereunder have been assigned by it pursuant to such Assignment Agreement, relinquish its rights and be released from its obligations under this Agreement (and, in the case of an Assignment Agreement covering all or the remaining portion of an assigning Committed Purchaser's rights and obligations under this Agreement, such Committed Purchaser shall cease to be a party hereto).

(c) By executing and delivering an assignment agreement in substantially the form of Exhibit F hereto (an "Assignment Agreement"), the Committed Purchaser assignor thereunder and the assignee thereunder confirm to and agree with each other and the other parties hereto as follows: (i) other than as provided in such Assignment Agreement, such assigning Committed Purchaser makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any other instrument or document furnished pursuant hereto; (ii) such assigning Committed Purchaser makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Seller, the Servicer or the Originator or the performance or observance by the Seller, the Servicer or the Originator of any of their respective obligations under this Agreement or any other Transaction Documents; (iii) such assignee confirms that it has received a copy of this Agreement, together with copies of such financial statements and other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment Agreement; (iv) such assignee will, independently and without reliance upon the Agent, any Administrator, such assigning Committed Purchaser or any other Purchaser and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement; (v) such assignee appoints and authorizes the Agent to take such action as agent on its behalf and to exercise such powers under this Agreement as are delegated to such agent by the terms hereof, together with such powers as are reasonably incidental thereto; (vi) such assignee appoints and authorizes the Administrator for its Related Group to take such actions on its behalf and to exercise such powers under this Agreement as are delegated to such Administrator by the terms hereof, together with such powers as are reasonably incidental thereto; and (vii) such assignee agrees that it will perform in accordance with their terms all of the obligations which by the terms of this Agreement are required to be performed by it as a Committed Purchaser.

(d) Subject to the provisions of Section 12.01(b), upon its receipt of an Assignment Agreement executed by an assigning Committed Purchaser and an assignee, the Agent shall, if such Assignment Agreement has been completed and is in substantially the form of Exhibit F hereto, (i) accept such Assignment Agreement, (ii) record the

information contained therein in the Register and (iii) give prompt notice thereof to the Seller and each Administrator.

(e) Each Committed Purchaser may sell participations to one or more banks or other entities in or to all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of its Commitment and the Ownership Interests owned by it); provided, however, that (i) such Committed Purchaser's obligations under this Agreement (including, without limitation, its Commitment to the Seller hereunder) shall remain unchanged, (ii) such Committed Purchaser shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) the Seller, the Servicer, each Administrator, the Agent and the other Purchasers shall continue to deal solely and directly with such Committed Purchaser in connection with such Committed Purchaser's rights and obligations under this Agreement and (iv) such Committed Purchaser shall give prior written notice to the Agent and the Administrator for its Related Group of the identity of such participant. Notwithstanding anything herein to the contrary, each participant shall have the rights of a Committed Purchaser (including any right to receive payment under Sections 10.02 and 10.03); provided, however, that no participant shall be entitled to receive payment under either such Section in excess of the amount that would have been payable under such Section by the Seller to the Committed Purchaser granting its participation had such participation not been granted, and no Committed Purchaser granting a participation shall be entitled to receive payment under such Section in an amount which exceeds the sum of (x) the amount to which such Committed Purchaser is entitled under such Section with respect to payments to be made to it which are not subject to any participation, plus (y) the aggregate amount to which its participants are entitled under such Sections with respect to the amounts of their respective participations. With respect to any participation described in this Section 12.01(e), the participant's rights as set forth in the agreement between such participant and the applicable Committed Purchaser to agree to or to restrict such Committed Purchaser's ability to agree to any modification, waiver or release of any of the terms of this Agreement or any other Transaction Document or to exercise or refrain from exercising any powers or rights which such Committed Purchaser may have under or in respect of any Transaction Document shall be limited to the right to consent to any of the matters set forth in Section 13.01(b)(i) of this Agreement.

(f) Nothing herein shall prohibit any Purchaser from pledging or assigning as collateral any of its rights under this Agreement to any Federal Reserve Bank in accordance with applicable law and any such pledge or collateral assignment may be made without compliance with this Section 12.01.

Section 12.02. Additional Related Groups. Upon the Seller's request, an additional Related Group may be added to this Agreement at any time by the execution and delivery of a Joinder Agreement by the members of such proposed additional Related Group and each of the parties hereto, which execution and delivery shall not be unreasonably refused by such parties. Upon the effective date of such Joinder Agreement, (i) each Person specified therein as a "Conduit Purchaser" shall become a party hereto as a Conduit Purchaser, entitled to the rights and subject to the obligations of a Conduit

Purchaser hereunder, (ii) each Person specified therein as a "Committed Purchaser" shall become a party hereto as a Committed Purchaser, entitled to the rights and subject to the obligations of a Committed Purchaser hereunder and (iii) each Person specified therein as an "Administrator" shall become a party hereto as an Administrator, entitled to the rights and subject to the obligations of an Administrator hereunder. On or prior to the effective date of such Joinder Agreement, the Seller, the new Conduit Purchaser and the new Administrator shall enter into a fee letter for purposes of setting forth the fees payable to the members of such Related Group in connection with this Agreement, which fee letter shall be considered a "Fee Letter" for all purposes of this Agreement.

ARTICLE XIII
MISCELLANEOUS

Section 13.01. Waivers and Amendments.

(a) No failure or delay on the part of the Agent, any Administrator or any Purchaser in exercising any power, right or remedy under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or remedy preclude any other further exercise thereof or the exercise of any other power, right or remedy. The rights and remedies herein provided shall be cumulative and nonexclusive of any rights or remedies provided by law. Any waiver of this Agreement shall be effective only in the specific instance and for the specific purpose for which given.

(b) No provision of this Agreement may be amended, supplemented, modified or waived except in writing in accordance with the provisions of this Section 13.01(b). The Seller, the Servicer, the Agent, each Administrator and the Majority Purchasers, may enter into written modifications or waivers of any provisions of this Agreement, provided, however, that no such modification or waiver shall:

(i) without the consent of each affected Purchaser, (A) extend the Commitment Termination Date or the date of any payment or deposit of Collections by the Seller or the Servicer, (B) reduce the rate or extend the time of payment of Yield (or any component thereof), (C) reduce any fee payable to any Administrator for the benefit of the Purchasers in its Related Group, (D) except pursuant to Article XII hereof, change the amount of the Investment of any Purchaser, any Committed Purchaser's Pro Rata Share or any Committed Purchaser's Commitment, or create, with respect to any Committed Purchaser in any Related Group, any obligation for such Committed Purchaser to make any purchase allocable to another Related Group, (E) amend, modify or waive any provision of the definition of Majority Purchasers or this Section 13.01(b), (F) consent to or permit the assignment or transfer by the Seller of any of its rights and obligations under this Agreement, (G) change the definition of "Eligible Receivable" or "Credit Enhancement", or (H) amend or modify any defined term (or any defined term used directly or indirectly in such defined term) used in clauses (A) through (G) above in a manner that would circumvent the intention of the restrictions set forth in such clauses;

(ii) without the written consent of the then Agent, amend, modify or waive any provision of this Agreement if the effect thereof is to affect the rights or duties of such Agent; or

(iii) without the consent of each affected Administrator, modify or waive any provision of this Agreement if the effect thereof is to affect the rights or duties of such Administrator.

Any modification or waiver made in accordance with this Section 13.01 shall apply to each of the Purchasers equally and shall be binding upon the Seller, the Purchasers, the Administrators and the Agent. Notwithstanding anything herein to the contrary, no amendment to this Agreement shall become effective unless and until each rating agency then rating any of the Commercial Paper Notes of the Conduit Purchasers hereunder confirms that such amendment will not result in the reduction, withdrawal or suspension of the then current rating of such Commercial Paper Notes.

Section 13.02. Notices. Except as provided below, all communications and notices provided for hereunder shall be in writing (including bank wire, telecopy or electronic facsimile transmission or similar writing) and shall be given to the other parties hereto at their respective addresses or telecopy numbers set forth on the signature pages hereof or at such other address or telecopy number as such Person may hereafter specify for the purpose of notice to each of the other parties hereto. Each such notice or other communication shall be effective (i) if given by telecopy, upon the receipt thereof, (ii) if given by mail, three (3) Business Days after the time such communication is deposited in the mail with first class postage prepaid or (iii) if given by any other means, when received at the address specified in this Section 13.02. The Seller hereby authorizes each Administrator to effect purchases and Settlement Period and Alternative Rate selections based on telephonic notices made by any Person whom such Administrator in good faith believes to be acting on behalf of the Seller. The Seller agrees to deliver promptly to each Administrator a written confirmation of each telephonic notice signed by an Authorized Officer of the Seller; however, the absence of such confirmation shall not affect the validity of such notice. If the written confirmation differs from the action taken by an Administrator, the records of such Administrator shall govern absent manifest error.

Section 13.03. Ratable Payments. If any Purchaser, whether by setoff or otherwise, has payment made to it with respect to any portion of the Unpaid Obligations owing to such Purchaser (other than payments received pursuant to Section 10.02 or 10.03) in a greater proportion than that received by any other Purchaser entitled to receive a ratable share of such Unpaid Obligations, such Purchaser agrees, promptly upon demand, to purchase for cash without recourse or warranty a portion of such Unpaid Obligations held by the other Purchasers so that after such purchase each Purchaser will hold its ratable proportion of such Unpaid Obligations; provided that if all or any portion of such excess amount is thereafter recovered from such Purchaser, such purchase shall be rescinded and the purchase price restored to the extent of such recovery, but without interest.

Section 13.04. Protection of Ownership Interests of the Purchasers.

(a) The Seller agrees that from time to time, at its expense, it will promptly execute and deliver all instruments and documents, and take all actions, that may be necessary or that the Agent or any Administrator may reasonably request, to perfect, protect or more fully evidence the Ownership Interests, or to enable the Agent, the Administrators or the Purchasers to exercise and enforce their rights and remedies hereunder. At any time following the occurrence and during the continuation of a Cash Control Event, the Agent may, or the Agent may direct the Seller or the Servicer to, notify the Obligors of Dealer Receivables in which the Seller has an interest, at the Seller's expense, of the ownership interests of the Purchasers under this Agreement and may also direct that payments of all amounts due or that become due under any or all Dealer Receivables in which the Seller has an interest be made directly to the Agent or its designee. The Seller or the Servicer (as applicable) shall, at any Purchaser's request, withhold the identity of such Purchaser in any such notification.

(b) If either the Seller or the Servicer fails to perform any of its obligations hereunder, the Agent, any Administrator or any Purchaser may (but shall not be required to) perform, or cause performance of, such obligation, and the Agent's, such Administrator's or such Purchaser's costs and expenses incurred in connection therewith shall be payable by the Seller as provided in Section 10.04. Each of the Seller and the Servicer irrevocably authorizes the Agent at any time and from time to time in the sole discretion of the Agent, and appoints the Agent as its attorney-in-fact, to act on its behalf (i) to execute on behalf of the Seller as debtor and to file financing statements necessary in the Agent's sole discretion to perfect and to maintain the perfection and priority of the interest of the Agent and/or of the Purchasers in the Dealer Receivables and (ii) to file a carbon, photographic or other reproduction of this Agreement or any financing statement with respect to the Dealer Receivables as a financing statement in such offices as the Agent in its sole discretion deems necessary or desirable to perfect and to maintain the perfection and priority of the interests of the Purchasers in the Dealer Receivables. This appointment is coupled with an interest and is irrevocable.

Section 13.05. Confidentiality.

(a) Each of the Seller and the Servicer, the Agent, each Administrator and Purchaser shall maintain and shall cause each of its employees, directors and officers to maintain the confidentiality of this Agreement and the other confidential proprietary information with respect to the Agent, the Administrators and the Conduit Purchasers, the Seller and the Servicer and their respective businesses obtained by it or them in connection with the structuring, negotiating and execution of the transactions contemplated herein, except that the Seller, the Servicer and each Purchaser and its officers, directors and employees may disclose such information to such Person's officers, directors (including the Independent Director of the Seller and any company that employs such Independent Director) and external accountants and attorneys and as required by any applicable law, rule, direction, request or order of any judicial, administrative or regulatory body or any stock exchange, issued during any proceeding or otherwise.

(b) Anything herein to the contrary notwithstanding, each of the Seller and the Servicer hereby consents to the disclosure of any nonpublic information with respect to it (i) to the Agent, the Administrators and the Purchasers by each other, (ii) by the Agent, the Administrators or the Purchasers to any prospective or actual assignee or participant of any of them, (iii) by the Agent or any Administrator to any rating agency or (iv) by the Agent or any Administrator to any Commercial Paper Note dealer or provider of a surety, guaranty or credit or liquidity enhancement to a Conduit Purchaser or any entity organized for the purpose of purchasing, or making loans secured by, financial assets for which such Administrator acts as the administrative or servicing agent and to any officers, directors, employees, outside accountants and attorneys of any of the foregoing, provided each such Person is informed of the confidential nature of such information and, in the case of a Person described in clause (ii) or clause (iv), agrees to maintain the confidentiality of such information on the terms and conditions set forth in this Section 13.05. In addition, the Purchasers, the Administrators and the Agent may disclose any such nonpublic information pursuant to any law, rule, regulation, direction, request or order of any judicial, administrative or regulatory authority or proceedings (whether or not having the force or effect of law).

Section 13.06. Bankruptcy Petition. (a) The Seller, the Servicer, the Agent, each Administrator and each Purchaser hereby covenants and agrees that, prior to the date that is one year and one day after the latest maturing Commercial Paper Note issued by any Conduit Purchaser (whether or not issued to fund the purchase or maintenance of the Ownership Interests of such Conduit Purchaser hereunder), it will not institute against, or join any other Person in instituting against, such Conduit Purchaser any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings or other similar proceeding under the laws of the United States or any state of the United States.

(b) Notwithstanding any provisions contained in this Agreement to the contrary, no Conduit Purchaser shall be obligated to pay any amount pursuant to this Agreement unless (i) such Conduit Purchaser has received funds which may be used to make such payment and which funds are not required to repay the Commercial Paper Notes of such Conduit Purchaser when due and (ii) after giving effect to such payment, either (x) there is sufficient liquidity availability (determined in accordance with the program documents governing such Conduit Purchaser's securitization program) under all of such Conduit Purchaser's liquidity facilities to pay the face amount of all outstanding Commercial Paper Notes of such Conduit Purchaser when due or (y) all Commercial Paper Notes of such Conduit Purchaser are paid in full. Any amount which a Conduit Purchaser does not pay pursuant to the operation of the preceding sentence shall not constitute a claim (as defined in ss.101 of the Bankruptcy Code) against or corporate obligation of such Conduit Purchaser for any such insufficiency unless and until such Conduit Purchaser satisfies the provisions of clauses (i) and (ii) above. Failure of a Conduit Purchaser to make a payment for any purchase of an Ownership Interest hereunder shall be deemed to be an election of such Conduit Purchaser not to purchase such Ownership Interest, whereupon the Committed Purchasers in its Related Group shall purchase such Ownership Interest as provided in Article II hereof.

Section 13.07. Limitation of Liability. Except with respect to any claim arising out of the willful misconduct or gross negligence of a Purchaser, an Administrator or the Agent, no claim may be made by either the Seller or the Servicer or any other Person against any Purchaser, any Administrator or the Agent or any of their respective Affiliates, directors, officers, managers, employees, attorneys or agents for any special, indirect, consequential or punitive damages in respect of any claim for breach of contract or any other theory of liability arising out of or related to the transactions contemplated by this Agreement, or any act, omission or event occurring in connection therewith; and each of the Seller and the Servicer hereby waives, releases, and agrees not to sue upon any claim for any such damages, whether or not accrued and whether or not known or suspected to exist in its favor.

Section 13.08. GOVERNING LAW; CONSENT TO JURISDICTION; WAIVER OF OBJECTION TO VENUE. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK. EACH OF THE PARTIES HERETO HEREBY AGREES TO THE JURISDICTION OF ANY FEDERAL COURT LOCATED IN NEW YORK, NEW YORK. EACH OF THE PARTIES HERETO HEREBY WAIVES ANY OBJECTION BASED ON FORUM NON CONVENIENS AND ANY OBJECTION TO VENUE OF ANY ACTION INSTITUTED HEREUNDER IN ANY OF THE AFOREMENTIONED COURTS AND CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY SUCH COURT.

Section 13.09. WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 13.10. Integration; Binding Effect; Survival of Terms.

(a) This Agreement, each Deposit Account Agreement and the Fee Letters contain the final and complete integration of all prior expressions by the parties hereto with respect to the subject matter hereof and shall constitute the entire agreement among the parties hereto with respect to the subject matter hereof, superseding all prior oral or written understandings.

(b) This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns (including any trustee in bankruptcy). This Agreement shall create and constitute the continuing obligations of the parties hereto in accordance with its terms and shall remain in full force and effect until all Investment hereunder together with all interest, fees, indemnities and other amounts due hereunder have been paid or repaid in full, as the case may be.

Section 13.11. Counterparts; Severability; Section References. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same Agreement. Any provisions of this Agreement which are prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Unless otherwise expressly indicated, all references herein to "Article," "Section," "Schedule" or "Exhibit" shall mean articles and sections of, and schedules and exhibits to, this Agreement.

Section 13.12. Roles. Each of the Purchasers acknowledges that Rabobank and its Affiliates act, or may in the future act, (i) as administrative agent for NARCO, (ii) as issuing and paying agent for the Commercial Paper Notes of NARCO, (iii) to provide credit or liquidity enhancement for the timely payment for the Commercial Paper Notes of NARCO and (iv) to provide other services from time to time for NARCO (collectively, the "Rabobank Roles"). Without limiting the generality of this Section 13.12, each Purchaser hereby acknowledges and consents to any and all Rabobank Roles and agrees that in connection with any Rabobank Role, Rabobank may take, or refrain from taking, any action that it, in its discretion, deems appropriate, including, without limitation, in its role as administrative agent for NARCO.

Section 13.13. Characterization; Grant of Security Interest.

(a) It is the intention of the parties hereto that each purchase hereunder shall constitute and be treated as an absolute and irrevocable sale, which purchase shall provide the applicable Purchaser with the full benefits of ownership of the applicable Ownership Interest. Except as specifically provided in this Agreement, each sale of an Ownership Interest hereunder is made without recourse to the Seller; provided, however, that (i) the Seller shall be liable to each Purchaser, each Administrator and the Agent for all representations, warranties and covenants made by the Seller pursuant to the terms of this Agreement, and (ii) such sale does not constitute and is not intended to result in an assumption by any Purchaser, any Administrator or the Agent or any assignee thereof of any obligation of the Seller or the Originator or any other Person arising in connection with the Dealer Receivables, the Related Security, or the related Contracts, or any other obligations of the Seller or the Originator.

(b) In addition to any ownership interest which the Agent may from time to time acquire pursuant hereto, the Seller hereby grants to the Agent for the ratable benefit of the Purchasers a valid security interest in all of the Seller's right, title and interest in, to and under all Dealer Receivables now existing or hereafter arising, the Collections, each Deposit Account, all Related Security, all other rights and payments relating to such Dealer Receivables, all of the Seller's rights under the Originator Sale Agreement and all proceeds of any thereof prior to all other liens on and security interests therein to secure the prompt and complete payment of the Unpaid Obligations; provided, however, that the

Agent and the Purchasers hereby agree that no security interest is granted in any cash collections or other property included in any Deposit Account to the extent such cash collections or other property does not constitute Dealer Receivables, Related Security or Collections, and the Servicer shall dispose of such cash collections or other property as provided in Section 8.02(e) hereof. After an Early Amortization Event, the Agent and the Purchasers shall have, in addition to the rights and remedies that they may have under this Agreement, all other rights and remedies provided to a secured creditor after default under the UCC and other applicable law, which rights and remedies shall be cumulative.

(c) The Seller acknowledges that the Related Security includes the Originator Sale Agreement, and that all of the Seller's right and title to, and interest in, the Originator Sale Agreement is subject to the Ownership Interests acquired by the Purchasers hereunder and the security interest granted to the Agent, for the benefit of the Purchasers, pursuant to Section 13.3(b). Accordingly, the Seller agrees that the Agent, on behalf of the Purchasers, shall have the right (which, upon the occurrence and during the continuance of an Early Amortization Event, shall be an exclusive right) to enforce the Seller's rights and remedies under the Originator Sale Agreement, to receive all amounts payable thereunder or in connection therewith, to consent to amendments, modifications or waivers thereof, and to direct, instruct or request any action thereunder, but in each case without any obligation on the part of the Agent to perform any of the obligations of the Seller under the Originator Sale Agreement. The Agent, on behalf of the Purchasers shall have the exclusive right to direct enforcement by the Seller of its rights and remedies under the Originator Sale Agreement.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered by their duly authorized officers as of the date hereof.

AGCO FUNDING CORPORATION

By: Stephen D. Lupton

Name: Stephen D. Lupton

Title: Director and Secretary

AGCO Funding Corporation
4205 River Green Parkway
Duluth, GA 30096-2568
Attention: Patrick S. Shannon
Fax: (770) 813-6118

AGCO CORPORATION

By: Stephen D. Lupton

Name: Stephen D. Lupton

Title: Vice President and General Counsel

AGCO Corporation
4205 River Green Parkway
Duluth, GA 30096-2568
Attention: Stephen D. Lupton
Fax: (770) 813-6118

First Signature Page to
Receivables Purchase Agreement

Commitment

\$250,000,000

COOPERATIEVE CENTRALE RAIFFEISEN-
BOERENLEENBANK B.A., "RABOBANK
INTERNATIONAL", NEW YORK BRANCH, as a
Committed Purchaser, as an Administrator and as Agent

By: MARY B.W. COE

Name: MARY B.W. COE

Title: MANAGING DIRECTOR

By: WING NG

Name: WING NG

Title: VICE PRESIDENT

Rabobank International
245 Park Avenue, 38th Floor
New York, New York 10167
Attention: WING NG
Fax: (212) 309-5120

NIEUW AMSTERDAM RECEIVABLES
CORPORATION, as a Conduit Purchaser

By: COOPERATIEVE CENTRALE RAIFFEISEN-
BOERENLEENBANK B.A.,
"RABOBANK INTERNATIONAL", NEW YORK BRANCH,
its Attorney-in-Fact

By: MARY B.W. COE

Name: MARY B.W. COE

Title: MANAGING DIRECTOR

By: WING NG

Name: WING NG

Title: VICE PRESIDENT

c/o Rabobank International
245 Park Avenue, 38th Floor
New York, New York 10167
Attention: Wing Ng
Fax: (212) 309-5120

Second Signature Page to
Receivables Purchase Agreement

AGCO CORPORATION AND SUBSIDIARIES
 STATEMENT RE: COMPUTATION OF RATIO OF EARNINGS TO COMBINED FIXED CHARGES
 (IN MILLIONS, EXCEPT RATIO DATA)

	Year Ended December 31,				
	1999	1998	1997	1996	1995
Fixed Charges Computation:					
Interest expense	\$ 69.1	\$ 79.7	\$ 69.1	\$ 45.2	\$ 73.3
Interest component of rent expense (a)	4.8	5.3	5.6	5.4	5.0
Proportionate share of fixed charges of 50%-owned affiliates .	2.5	2.8	1.8	2.0	2.0
Amortization of debt cost	2.3	1.7	1.6	1.4	1.6
	-----	-----	-----	-----	-----
Total fixed charges	\$ 78.7	\$ 89.5	\$ 78.1	\$ 54.0	\$ 81.9
	=====	=====	=====	=====	=====
Earnings Computation:					
Pretax earnings	\$ (19.2)	\$ 84.8	\$ 245.7	\$ 171.6	\$ 190.6
Fixed charges	78.7	89.5	78.1	54.0	81.9
	-----	-----	-----	-----	-----
Total earnings as adjusted	\$ 59.5	\$ 174.3	\$ 323.8	\$ 225.6	\$ 272.5
	=====	=====	=====	=====	=====
Ratio of earnings to combined fixed charges	0.8:1(b)	1.9:1	4.2:1	4.2:1	3.3:1
	=====	=====	=====	=====	=====

- (a) The interest factor was calculated to be one-third of rental expense and is considered to be a representative interest factor.
- (b) The dollar amount of the deficiency, based on a one-to-one coverage ratio, is \$19.2 million.

AGCO CORPORATION

1999 FINANCIAL REVIEW

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AGCO CORPORATION

SELECTED FINANCIAL DATA

IN MILLIONS, EXCEPT PER SHARE DATA AND NUMBER OF EMPLOYEES

YEAR ENDED DECEMBER 31,	1999	1998	1997	1996	1995(1)
OPERATING RESULTS					
Net sales	\$ 2,413.3	\$ 2,941.4	\$ 3,224.4	\$ 2,317.5	\$ 2,068.4
Gross profit	356.4	537.3	666.8	470.3	440.7
Income from operations(2)	57.7	170.5	319.1	211.9	220.6
Net income (loss)(2)	(11.5)	60.6	168.7(3)	125.9(3)	129.1
Net income (loss) per common share - diluted(2)(4)	\$ (0.20)	\$ 0.99	\$ 2.71(3)	\$ 2.20(3)	\$ 2.31
Weighted average shares outstanding - diluted(4)	58.7	61.2	62.1	57.4	56.6
Dividends declared per common share(4)	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.02
OTHER FINANCIAL DATA					
Working capital	\$ 733.9	\$ 1,029.9	\$ 884.3	\$ 750.5	\$ 661.5
Total assets	2,273.2	2,750.4	2,620.9	2,116.5	1,628.6
Long-term debt	691.7	924.2	727.4	567.1	415.9(5)
Stockholders' equity	829.1	982.1	991.6	774.6	588.9
Number of employees	9,287	10,572	11,829	7,801	5,548

(1) AGCO sold a 51% joint venture interest in its retail finance subsidiary, Agrifin-North America, effective November 1, 1996. Accordingly, Agrifin-North America is reflected on the equity basis of accounting for the years ended December 31, 1996, 1997, 1998 and 1999. For comparative purposes, the above table also reflects Agrifin-North America on the equity basis of accounting for the year ended December 31, 1995. If the Company's 100% interest in Agrifin-North America were reflected on a consolidated basis for the year ended December 31, 1995, total revenues would be \$2,125.0 million, total assets would be \$2,162.9 million, and long-term debt would be \$568.9 million.

(2) These amounts include nonrecurring expenses of \$24.5 million, \$40.0 million, \$18.2 million, \$22.3 million and \$6.0 million for the years ended December 31, 1999, 1998, 1997, 1996 and 1995, respectively. The effect of these nonrecurring charges reduced net income per common share on a diluted basis by \$0.26, \$0.41, \$0.19, \$0.25 and \$0.07 for the years ended December 31, 1999, 1998, 1997, 1996 and 1995, respectively. See "Management's Discussion and Analysis of Financial Condition and Results of Operations - Nonrecurring Expenses."

(3) Includes extraordinary loss, net of taxes, of \$2.1 million, or \$0.03 per share, and \$3.5 million, or \$0.06 per share, for the write-off of unamortized debt costs related to the refinancing of the Company's revolving credit facility in 1997 and 1996, respectively.

(4) Net income per common share - diluted, weighted average shares outstanding - diluted and dividends declared per common share have been restated for all periods to reflect all stock splits.

(5) Includes \$37.6 million of the Company's 6.5% Convertible Subordinated Debentures, which were subsequently converted into common stock during 1996.

AGCO CORPORATION

TRADING AND DIVIDEND INFORMATION (1)

(IN DOLLARS)	High	Low	Dividends Declared	(IN DOLLARS)	High	Low	Dividends Declared
1999				1998			
First Quarter	\$ 8 9/16	\$ 6 1/16	\$.01	First Quarter	\$30 9/16	\$26 15/16	\$.01
Second Quarter	12 15/16	6 5/16	.01	Second Quarter	29 7/16	20 7/16	.01
Third Quarter	13 1/2	8 11/16	.01	Third Quarter	20 11/16	6 7/16	.01
Fourth Quarter	14 1/8	9 15/16	.01	Fourth Quarter	10 3/8	5 3/4	.01

(1) The Company's stock trades on the New York Stock Exchange under the symbol AG. As of February 29, 2000, there were approximately 783 stockholders of record.

AGCO CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

AGCO Corporation ("AGCO" or the "Company") is a leading manufacturer and distributor of agricultural equipment and related replacement parts throughout the world. The Company sells a full range of agricultural equipment, including tractors, combines, hay tools, sprayers, forage equipment and implements. The Company distributes its products through a combination of approximately 8,200 independent dealers, distributors, associates and licensees. In addition, the Company provides retail financing in North America, the United Kingdom, France, Germany, Spain and Brazil through its finance joint ventures with Rabobank Nederland.

RESULTS OF OPERATIONS

Sales are recorded by the Company when equipment and replacement parts are shipped by the Company to its independent dealers, distributors or other customers. To the extent practicable, the Company attempts to ship products to its dealers and distributors on a level basis throughout the year to reduce the effect of seasonal demands on its manufacturing operations and to minimize its investment in inventory. However, retail sales by dealers to farmers are highly seasonal and are a function of the timing of the planting and harvesting seasons. In certain markets, particularly in North America, there is often a time lag, which varies based on the timing and level of retail demand, between the date the Company records a sale and the date a dealer sells the equipment to a retail customer. During this time lag between the wholesale and retail sale, dealers may not return equipment to the Company unless the Company terminates a dealer's contract or agrees to accept returned products. Commissions payable under the Company's salesman incentive programs are paid at the time of retail sale, as opposed to when products are sold to dealers.

The following table sets forth, for the periods indicated, the percentage relationship to net sales of certain items included in the Company's Consolidated Statements of Income:

YEAR ENDED DECEMBER 31,	1999	1998	1997
Net sales	100.0%	100.0%	100.0%
Cost of goods sold	85.2	81.7	79.3
Gross profit	14.8	18.3	20.7
Selling, general and administrative expenses	9.6	9.2	8.5
Engineering expenses	1.8	1.9	1.7
Nonrecurring expenses	1.0	1.4	0.6
Income from operations	2.4	5.8	9.9
Interest expense, net	2.4	2.3	1.7
Other expense, net	1.3	1.0	0.6
Income (loss) before income taxes, equity in net earnings of affiliates and extraordinary loss	(1.3)	2.5	7.6
Provision (benefit) for income taxes	(0.4)	0.9	2.7
Income (loss) before equity in net earnings of affiliates and extraordinary loss	(0.9)	1.6	4.9
Equity in net earnings of affiliates	0.4	0.5	0.4
Income (loss) before extraordinary loss	(0.5)	2.1	5.3
Extraordinary loss, net of taxes	--	--	(0.1)
Net income (loss)	(0.5)%	2.1%	5.2%

1999 COMPARED TO 1998

The Company recorded a net loss for 1999 of \$11.5 million compared to net income of \$60.6 million for 1998. Net income (loss) per common share on a diluted basis was \$(0.20) for 1999 compared to \$0.99 in 1998. Net income (loss) for 1999 and 1998 included nonrecurring expenses of \$24.5 million and \$40.0 million, or \$0.26 and \$0.41 per common share on a diluted basis, respectively (see "Nonrecurring Expenses"). The results for 1999 were negatively impacted by lower sales and operating margins caused by unfavorable industry conditions, lower production, lower price realization and the negative impact of currency translation as compared to 1998.

RETAIL SALES

Global demand for agricultural equipment continued to weaken in 1999 in most major markets. The industry decline was primarily due to the continued effects of high global commodity stocks and lower export demand for farm commodities, which resulted in lower commodity prices. These conditions have the effect of reducing farm income in most major markets thereby reducing demand for new equipment purchases.

AGCO CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

In the United States and Canada, industry unit retail sales of tractors increased approximately 2% in 1999 over 1998, with significant increases in the under 40 horsepower segment offsetting modest declines in the utility tractor segment and significant declines in the high horsepower segment. Industry retail sales of combines declined approximately 47% compared to 1998. Company retail sales of tractors and combines decreased compared to the same period in 1998, with competitive pricing affecting the Company's sales relative to the industry.

In Western Europe, industry unit retail sales of tractors in 1999 increased approximately 2% compared to 1998. Industry results were mixed with declines experienced in Spain and Scandinavia offset by increases in France, the United Kingdom, Germany and Italy. Company retail sales of tractors in 1999 were unchanged from 1998. However, the Company's retail sales were stronger compared to the industry in the third and fourth quarters of 1999 due to the favorable acceptance of the Company's new Massey Ferguson high horsepower tractor line, which was introduced during the first half of 1999 and, accordingly, had limited availability in the first half of the year.

In South America, industry unit retail sales of tractors in 1999 decreased approximately 15% compared to 1998. Industry results in 1999 were also mixed in this region with slightly favorable industry results in Brazil offset by significant industry declines in Argentina and the remaining South American markets due to low commodity prices, tightening credit and economic uncertainty. Company retail sales of tractors in South America were comparable to the industry decline.

In other international markets, industry and Company unit retail sales of tractors were lower than 1998 in most regions including the Middle East, Africa and Eastern Europe.

STATEMENT OF INCOME

Net sales for 1999 were \$2,413.3 million compared to \$2,941.4 million in 1998. This decline primarily reflects lower retail demand in the majority of markets throughout the world. In addition, net sales for 1999 were negatively impacted by foreign currency translation due to the weakening of the Euro and the Brazilian real against the U.S. dollar. Foreign currency translation had the effect of reducing net sales by approximately \$135.1 million in 1999 compared to 1998. Net sales for 1999 were positively impacted by approximately \$36.0 million due to the Company's 1998 acquisitions of MF Argentina, Spra-Coupe and Willmar, which were only partially included in the 1998 results. Excluding the impact of currency translation and acquisitions, net sales decreased approximately 14.6% compared to 1998.

On a regional basis, net sales in North America decreased \$327.9 million, or 34.8%, compared to 1998, primarily due to unfavorable market conditions and the Company's planned efforts to lower dealer inventories by generating wholesale sales to dealers at a rate less than retail demand. The decline was partially offset by the impact of the Willmar and Spra-Coupe acquisitions. In the Europe/Africa/Middle East region, net sales in 1999 decreased \$90.3 million, or 5.7%, compared to 1998 primarily due to lower sales outside Western Europe and the negative impact of foreign currency translation. Net sales for 1999 in South America decreased \$118.2 million, or 37.5%, compared to 1998, primarily due to unfavorable industry conditions outside of Brazil and the negative impact of foreign currency translation due to the devaluation of the Brazilian real in January 1999. In the East Asia/Pacific region, net sales in 1999 increased \$8.3 million, or 9.5%, compared to 1998, primarily due to improving market conditions in Asia.

Gross profit was \$356.4 million (14.8% of net sales) for 1999 compared to \$537.3 million (18.3% of net sales) for 1998. Gross profit margins declined due to reduced production overhead absorption, lower price realization in certain markets and an unfavorable mix of higher margin products. The Company reduced 1999 worldwide tractor and combine unit production by 16% compared to 1998 in response to the weakening industry demand. Price realization in 1999 was impacted by a more competitive global market environment and higher levels of used dealer inventories in the North American market. The Company increased its sales incentives costs in order to reduce used inventory levels and sell older discontinued products. Gross profit in 1999 also included a one-time write-down of production inventory of approximately \$5.0 million which was recorded to cost of goods sold and was related to the planned closure of the Company's Coldwater, Ohio and Lockney, Texas manufacturing facilities.

Selling, general and administrative expenses (SG&A expenses) were \$229.6 million (9.6% of net sales) compared to \$270.7 million (9.2% of net sales) in 1998. Engineering expenses were \$44.6 million (1.8% of net sales) compared to \$56.1 million (1.9% of net sales). The \$52.6 million decrease in SG&A and engineering expenses in 1999 was primarily a result of the Company's expense reduction initiatives implemented in late 1998, which included reductions in the Company's worldwide workforce and decreases in discretionary spending levels.

Nonrecurring expenses were \$24.5 million in 1999 and \$40.0 million in 1998. The 1999 nonrecurring expenses consisted of a write-down of property, plant and equipment, severance and other costs related to the permanent closure of certain production facilities. The 1998 nonrecurring expenses consisted of severance and related costs associated with a reduction in the Company's worldwide workforce. See "Nonrecurring Expenses" for further discussion.

Income from operations was \$57.7 million for 1999 compared to \$170.5 million in 1998. Excluding nonrecurring expenses in both years, income from operations

was \$82.2 million in 1999 (3.4% of net sales) compared to

\$210.5 million (7.2% of net sales) in 1998. Operating income was negatively impacted in 1999 by lower sales and gross profit margins, partially offset by lower SG&A expenses.

Interest expense, net was \$57.6 million in 1999 compared to \$67.7 million in 1998. The lower expense in 1999 was primarily due to lower average debt levels and lower effective interest rates on the Company's outstanding borrowings.

Other expense, net was \$32.3 million in 1999 compared to \$28.5 million in 1998. The increase in other expense, net is primarily attributable to higher amortization of intangibles due to full year amortization of the Company's 1998 acquisitions.

The Company recorded an income tax benefit of \$10.2 million in 1999 compared to a provision of \$27.5 million in 1998. The Company's effective tax rate increased in 1999 compared to 1998 due to an increase in losses incurred in certain foreign tax jurisdictions for which no immediate tax benefit was recognized.

Equity in net earnings of affiliates was \$10.5 million in 1999 compared to \$13.8 million in 1998. The reduction in earnings primarily related to decreased earnings in the Company's engine joint venture and slightly lower earnings in the Company's retail finance joint ventures.

1998 COMPARED TO 1997

The Company recorded net income for 1998 of \$60.6 million compared to \$168.7 million for 1997. Net income per common share on a diluted basis was \$0.99 for 1998 compared to \$2.71 in 1997. Net income for 1998 and 1997 included nonrecurring expenses of \$40.0 million and \$18.2 million, or \$0.41 and \$0.19 per common share on a diluted basis, respectively (see "Nonrecurring Expenses"). In addition, net income for 1997 included an extraordinary loss of \$2.1 million, or \$0.03 per share on a diluted basis, for the write-off of unamortized debt costs related to the refinancing of the Company's revolving credit facility (see "Liquidity and Capital Resources"). The results for 1998 were negatively impacted by lower sales and operating margins caused by unfavorable industry conditions, lower production, lower price realization and the negative impact of foreign currency translation.

ACQUISITIONS AND DIVESTITURES

The Company completed the following transactions in late 1997 and 1998 which impacted the Company's results in 1998:

- - In December 1997, the Company acquired the remaining 68% of Dronningborg Industries a/s (the "Dronningborg Acquisition"), the Company's supplier of combine harvesters sold under the Massey Ferguson brand name in Europe. The Company previously owned 32% of this combine manufacturer which developed and manufactured combine harvesters exclusively for AGCO. The Dronningborg Acquisition enabled the Company to achieve certain synergies within its worldwide combine manufacturing.
- - In December 1997, the Company sold 50% of Deutz Argentina's engine production and distribution business to Deutz AG, a global supplier of diesel engines. This joint venture (the "Engine Joint Venture") allows the Company to share in research and development costs and gain access to advanced technology.
- - In December 1997, the Company sold its Fendt caravan and motor home business in order to focus on its core agricultural equipment business (the "Fendt Caravan Sale").
- - In May 1998, the Company acquired the distribution rights for the Massey Ferguson brand in Argentina (the "MF Argentina Acquisition"). The MF Argentina Acquisition expanded the Company's distribution network in the second largest market in South America.
- - In July 1998, the Company acquired the Spra-Coupe product line, a brand of agricultural self-propelled sprayers sold primarily in North America (the "Spra-Coupe Acquisition"). In October 1998, the Company acquired the Willmar product line, a brand of agricultural self-propelled sprayers, spreaders and loaders sold primarily in North America (the "Willmar Acquisition"). The Spra-Coupe and Willmar Acquisitions expanded the Company's product offerings to include a full line of self-propelled sprayers.

RETAIL SALES

Global demand for agricultural equipment weakened significantly in the second half of 1998 in most major markets. The industry decline was primarily due to the effects of high global commodity stocks and lower export demand for farm commodities, which resulted in lower commodity prices. In many markets, this impact offset relatively favorable industry demand in the first half of the year.

In the United States and Canada, industry unit retail sales of tractors increased approximately 4% in 1998 over 1997, despite declining in the second half of the year. Industry retail sales of combines declined approximately 4% compared to 1997. Company retail sales of tractors were slightly higher than in 1997, and Company retail sales of combines were below the prior year. The Company's combine sales were negatively impacted relative to the industry primarily due to lower 1998 pre-season sales and new product introductions by competitors.

In Western Europe, industry unit retail sales of tractors in 1998 decreased approximately 3% compared to 1997. Industry results were mixed with significant declines experienced in the United Kingdom and Scandinavia offset by increases in Germany and Italy. Company retail sales of tractors decreased in 1998 compared to 1997. The Company's retail sales were negatively impacted by sales

declines of the Massey Ferguson high horsepower tractors and aggressive pricing in this segment of the market.

AGCO CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

In South America, industry unit retail sales of tractors in 1998 decreased approximately 5% compared to 1997. Industry results in 1998 were also mixed in this region with favorable industry results in Brazil offset by industry declines in Argentina and the remaining South American markets. Company retail sales of tractors were slightly below 1997, thereby outperforming the market primarily due to favorable acceptance of new product introductions.

In other international markets, industry unit retail sales of tractors were lower than in 1997, particularly in Asia and Africa. The Company also experienced lower retail sales in these markets.

STATEMENT OF INCOME

Net sales for 1998 were \$2,941.4 million compared to \$3,224.4 million in 1997. This decline primarily reflects lower retail demand in the majority of markets throughout the world. Net sales for 1998 were also negatively impacted by approximately \$85.4 million due to the Fendt Caravan Sale and Engine Joint Venture divestitures and approximately \$53.7 million from the negative impact on foreign currency translation due to the strengthening of the U.S. dollar against most European currencies. Net sales for 1998 were positively impacted by approximately \$40.4 million from the Dronningborg, MF Argentina, Spra-Coupe and Willmar Acquisitions. Excluding the impact of currency translation, acquisitions and divestitures, net sales decreased approximately 5.7% compared to 1997.

On a regional basis, net sales in North America decreased \$15.7 million, or 1.6%, compared to 1997, primarily due to unfavorable market conditions which particularly impacted sales of combines and replacement parts in the second half of the year. In the Europe/Africa/Middle East region, net sales in 1998 declined \$183.6 million, or 10.3%, compared to 1997 primarily due to unfavorable industry conditions, the impact of the Fendt Caravan Sale, and the negative impact of foreign currency translation. Net sales in South America decreased \$19.0 million, or 5.7%, in 1998 compared to 1997, primarily due to the impact of the Engine Joint Venture and the negative impact of foreign currency translation. In the East Asia/Pacific region, net sales declined \$64.7 million, or 42.5%, for 1998 compared to 1997, primarily due to depressed industry conditions resulting from the Asian currency devaluation and the negative impact of currency translation.

Gross profit was \$537.3 million (18.3% of net sales) for 1998, compared to \$666.8 million (20.7% of net sales) for 1997. Gross profit margins were negatively impacted by reduced production overhead absorption, lower price realization in the majority of markets and unfavorable foreign currency exchange primarily relating to the weakening of the Canadian dollar in relation to the U.S. dollar and the strengthening of the British pound compared to other European currencies. The Company reduced 1998 worldwide tractor and combine unit production by 13% compared to 1997 in response to the weakening industry demand. Price realization in 1998 was impacted by a more competitive market environment and higher discounts to liquidate older, slower-moving inventory.

SG&A expenses were \$270.7 million (9.2% of net sales) in 1998 compared to \$275.4 million (8.5% of net sales) in 1997. As a percentage of net sales, SG&A expenses were higher in 1998 due to the lower sales volumes and Year 2000 costs recorded in 1998 (see "Year 2000"). Engineering expenses were \$56.1 (1.9% of net sales) compared to \$54.1 million (1.7% of net sales). As a percentage of net sales, engineering expenses were higher in 1998 primarily due to lower sales volumes and higher expenses due to the Dronningborg Acquisition.

Nonrecurring expenses were \$40.0 million in 1998 and \$18.2 million in 1997. The 1998 nonrecurring expenses consisted of severance and related costs associated with a reduction in the Company's worldwide workforce. The 1997 nonrecurring expenses primarily related to the restructuring of the Company's European operations, the integration of the Company's Argentina and Fendt operations and executive severance costs. See "Nonrecurring Expenses" for further discussion.

Income from operations was \$170.5 million for 1998 compared to \$319.1 million in 1997. Excluding nonrecurring expenses in both years, income from operations was \$210.5 million in 1998 (7.2% of net sales) compared to \$337.3 million (10.5% of net sales) in 1997. Operating income was negatively impacted in 1998 by lower sales and gross profit margins.

Interest expense, net was \$67.7 million in 1998 compared to \$53.5 million in 1997. The higher expense in 1998 was primarily due to additional borrowings to fund the Company's acquisitions, common stock repurchases and higher levels of working capital.

Other expense, net was \$28.5 million in 1998 compared to \$19.9 million in 1997. The increase in other expense, net primarily relates to increased hedging costs and foreign exchange losses in addition to higher amortization of intangibles due to the Company's acquisitions completed in late 1997 and during 1998.

The Company recorded an income tax provision of \$27.5 million in 1998 compared to a provision of \$87.5 million in 1997. The Company's effective tax rate increased in 1998 compared to 1997 due to a change in the mix of income to jurisdictions with higher tax rates.

Equity in net earnings of affiliates was \$13.8 million in 1998 compared to \$12.6 million in 1997. The increase in earnings primarily related to increased earnings in the Company's retail finance joint ventures and earnings from the

QUARTERLY RESULTS

The following table presents unaudited interim operating results of the Company. The Company believes that the following information includes all adjustments (consisting only of normal, recurring adjustments) that the Company considers necessary for a fair presentation, in accordance with generally accepted accounting principles. The operating results for any interim period are not necessarily indicative of results for any future period. (In millions, except per share data.)

THREE MONTHS ENDED	MARCH 31	JUNE 30	SEPTEMBER 30	DECEMBER 31
1999:				
Net sales	\$ 561.6	\$ 683.5	\$ 570.5	\$ 597.7
Gross profit	79.0	111.1	97.1	69.2
Income (loss) from operations(1)	9.3	43.6	30.2	(25.4)
Net income (loss)(1)	(7.2)	15.5	7.5	(27.3)
Net income (loss) per common share - diluted(1)	(0.12)	0.26	0.13	(0.46)
1998:				
Net sales	\$ 701.5	\$ 816.1	\$ 665.7	\$ 758.1
Gross profit	144.5	156.5	131.2	105.1
Income (loss) from operations(1)	67.9	73.2	46.1	(16.7)
Net income (loss)(1)	32.7	32.3	17.9	(22.3)
Net income (loss) per common share - diluted(1)	0.52	0.52	0.30	(0.37)

(1) The 1999 and 1998 operating results include nonrecurring expenses of \$24.5 and \$40.0 million, or \$0.26 and \$0.42 per share, for the three months ended December 31, 1999 and 1998, respectively.

To the extent possible, the Company attempts to ship products to its dealers on a level basis throughout the year to reduce the effect of seasonal demands on its manufacturing operations and to minimize investments in inventory. However, retail sales of agricultural equipment are highly seasonal, with farmers traditionally purchasing agricultural equipment in the spring and fall in conjunction with the major planting and harvesting seasons. The Company's net sales and income from operations have historically been the lowest in the first quarter and have increased in subsequent quarters as dealers increase inventory in anticipation of increased retail sales in the third and fourth quarters.

NONRECURRING EXPENSES

In the fourth quarter of 1999, the Company recorded non-recurring expenses of \$24.5 million, or \$0.26 per share on a diluted basis, related to the planned closure of its Coldwater, Ohio; Lockney, Texas; and Noetinger, Argentina manufacturing facilities. The majority of production in these facilities will be relocated to existing Company facilities or outsourced to third parties. The nonrecurring expenses primarily relate to the write-down of property, plant and equipment, severance and other facility closure costs. The Company also expects to incur an additional \$8.0 million of nonrecurring expenses in 2000 related to the closures. These nonrecurring expenses relate to severance and costs to integrate the production from these facilities into other existing AGCO facilities. These expenses will be recorded as they are incurred in 2000. In addition to the nonrecurring expenses, the Company recorded a one-time \$5.0 million write-down of production inventory which was charged to cost of goods sold and was directly related to the closures.

The closure of these facilities is consistent with the Company's efforts to resize its operations to current industry demand. The rationalization of the Company's production facilities is expected to generate annual cost savings of \$10 million to \$15 million.

In 1998, the Company recorded nonrecurring expenses of \$40.0 million primarily related to severance and related costs associated with the reduction in the Company's worldwide permanent workforce of approximately 1,400 employees. These headcount reductions were made to address the negative market conditions which adversely impacted demand in the majority of markets. The headcount reductions resulted in significant cost savings related to manufacturing costs and SG&A expenses.

In 1997, the Company recorded nonrecurring expenses of \$18.2 million which consisted of (i) \$15.0 million related to the restructuring of the Company's European operations and the integration of the Deutz Argentina and Fendt operations, acquired in December 1996 and January 1997, respectively, and (ii) \$3.2 million related to executive severance. The costs associated with the restructuring and integration activities primarily related to the centralization and rationalization of certain manufacturing, selling and administrative functions in addition to the rationalization of a small portion of the Company's European dealer network. These restructuring and integration activities resulted in cost savings related to manufacturing costs and selling, general and administrative expenses. In addition, the European dealer rationalization is expected to improve long-term sales in certain markets.

LIQUIDITY AND CAPITAL RESOURCES

The Company's financing requirements are subject to variations due to seasonal

changes in company and dealer inventory levels. Internally generated funds are supplemented when necessary from external sources, primarily the Company's revolving credit facility. In January 1997, the Company established a five-year unsecured revolving credit facility (the "Revolving Credit Facility"), which is the Company's primary source of financing. As of December 31, 1999, the lending commitment under the Revolving Credit Facility was \$1.0 billion. Borrowings under the Revolving Credit Facility may not exceed the sum of 90% of eligible

AGCO CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

accounts receivable and 60% of eligible inventory. As of December 31, 1999, approximately \$431.4 million was outstanding under the Revolving Credit Facility and available borrowings, based on the lending commitment of \$1.0 billion, were approximately \$568.3 million, subject to the accounts receivable and inventory borrowing base requirements.

In January 2000, the Company entered into a \$250 million asset backed securitization facility whereby certain U.S. wholesale accounts receivable are sold through a wholly-owned special purpose subsidiary to a third party (the "Securitization Facility"). Funding under the Securitization Facility is provided on a revolving basis and is dependent upon the level of U.S. dealer wholesale receivables eligible to be sold through the facility. The Company initially funded \$200 million under the Securitization Facility which was used to reduce outstanding borrowings under the Revolving Credit Facility. The \$1.0 billion lending commitment under the Revolving Credit Facility was permanently reduced by the \$200 million initial proceeds received from the Securitization Facility and will be further reduced by any additional funding received from the Securitization Facility. The Securitization Facility provides the Company with several benefits, including a lower cost of borrowings and a one-time acceleration of cash flow with a corresponding reduction in outstanding debt. This transaction is consistent with the Company's objective of reducing its leverage and diversifying its capital sources at the lowest cost possible. In conjunction with the closing of the securitization transaction, the Company recorded a loss in January 2000 on the sale of the receivables of approximately \$8 million. The loss represents the difference between the current and future value of the receivables sold, related transaction expenses and the write-off of certain unamortized debt issuance costs due to the reduction in the lending commitment of the Revolving Credit Facility.

During 1999, the Company entered into a sale/leaseback transaction involving certain real property. The proceeds from the transaction of \$18.7 million were used to reduce outstanding borrowings under the Revolving Credit Facility.

In March 1996, the Company issued \$250.0 million of 8.5% Senior Subordinated Notes due 2006 (the "Notes") at 99.139% of their principal amount. The sale of the Notes provided the Company with subordinated capital and replaced a portion of its floating rate debt with longer term fixed rate debt.

In December 1997, the Company's Board of Directors authorized the repurchase of up to \$150.0 million of its outstanding common stock. In 1998, the Company repurchased approximately 3.5 million shares of its common stock at a cost of approximately \$88.1 million. In 1999, the Company did not repurchase any of its common stock. The purchases are made through open market transactions, and the timing and number of shares purchased depends on various factors, such as price and other market conditions.

Total long-term debt for the Company was \$691.7 million at December 31, 1999 compared to \$924.2 million at December 31, 1998. The Company's debt to capitalization ratio was 45.5% at December 31, 1999 compared to 48.5% at December 31, 1998. The decrease in the debt to capitalization ratio was primarily due to a reduction in long-term debt of \$232.5 million, offset to some extent by a negative cumulative translation adjustment to equity of \$145.5 million compared to 1998, due to the devaluation of the Brazilian real and a weakening of the Euro relative to the U.S. dollar.

The Company's 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. The Company had \$733.9 million of working capital as of December 31, 1999 compared to \$1,029.9 million as of December 31, 1998. The decrease in working capital was primarily due to lower accounts receivable and inventories, resulting from the decrease in net sales in 1999 compared to 1998, the effect of foreign currency translation and the planned reduction of North America dealer inventories by producing below retail demand.

Cash flow provided by operating activities was \$233.7 million in 1999, \$11.2 million in 1998 and \$100.0 million in 1997. The increase in operating cash flow in 1999 was primarily due to a reduction in accounts receivable and inventory levels offset to some extent by lower net income. The improved cash flow in 1999 reflects the impact of the Company's initiatives to reduce receivables and inventory levels. In response to the industry decline and to reduce the level of dealer and Company inventories, worldwide unit production of tractors and combines was 16% lower than 1998. The decrease in operating cash flow for 1998 compared to 1997 was primarily due to lower net income, lower provision for deferred taxes, primarily due to the utilization of net operating loss carryforwards in 1997 and lower accounts payable. This impact was offset to some extent by a lower use of cash for accounts receivable and inventory in 1998 compared to 1997, primarily due to the Company lowering production levels in the second half of 1998 in response to the weakening industry conditions.

Capital expenditures were \$44.2 million in 1999, \$61.0 million in 1998 and \$72.1 million in 1997. For all years, the Company's capital expenditures related to the development and enhancement of new and existing products as well as facility and equipment improvements. The decreases in capital expenditures in 1999 compared to 1998 and 1998 compared to 1997 was primarily due to lower capital requirements for new products and facility improvements. The Company currently estimates that aggregate capital expenditures for 2000 will range from approximately \$50 million to \$60 million and will primarily be used to support the development and enhancement of new and existing products. Capital expenditures for 2000 are expected to be funded with cash flows from operations.

During 1999, the Company's Board of Directors declared dividends of \$0.04 per share of common stock. The declaration and payment of future dividends will be at the sole discretion of the Board of Directors and will depend upon the Company's results of operations, financial condition, cash requirements, future prospects, limitations imposed by the Company's credit facilities and other factors deemed relevant by the Company's Board of Directors.

The Company believes that available borrowings under the Revolving Credit Facility, funding under the Securitization Facility, available cash and internally generated funds will be sufficient to support its working capital, capital expenditures and debt service requirements for the foreseeable future.

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

OUTLOOK

The Company's operations are subject to the cyclical nature of the agricultural industry. Sales of the Company's equipment have been and are expected to continue to be affected by changes in net cash farm income, farm land values, weather conditions, the demand for agricultural commodities and general economic conditions.

Global demand for agricultural equipment in 1999 remained weak due to low commodity prices and reduced commodity export demand. These factors are expected to continue in 2000, which will adversely impact farm income, and consequently, lower the demand for agricultural equipment. As a result, worldwide retail demand in 2000 is expected to be between 0% and 5% below 1999 levels. Net sales in 2000 are expected to be slightly below 1999 levels due to the forecasted decline in retail demand and the anticipated negative currency translation impact of the strengthening U.S. dollar compared to European currencies. Despite these conditions, the Company expects production to increase marginally due to inventory corrections made in 1999. As a result of the increased production and the Company's cost reduction initiatives, operating margins and overall profitability in 2000 are expected to improve compared to 1999.

FOREIGN CURRENCY RISK MANAGEMENT

The Company has significant manufacturing operations in the United States, the United Kingdom, France, Germany, Denmark 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 British pound in relation to the Euro and the British pound, Euro and the Canadian dollar in relation to the U.S. dollar. Fluctuations in the value of foreign currencies create exposures which can adversely affect the Company's results of operations.

The Company attempts to manage its transactional foreign exchange exposure by hedging identifiable foreign currency cash flow commitments arising from receivables, payables, and expected purchases and sales. Where naturally offsetting currency positions do not occur, the Company hedges certain 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's translation exposure resulting from translating the financial statements of foreign subsidiaries into U.S. dollars is not hedged. The Company's most significant translation exposures are the British pound, the Euro and the Brazilian real in relation to the U.S. dollar. When practical, this translation impact is reduced by financing local operations with local borrowings.

The following is a summary of foreign currency forward 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 December 31, 1999 stated in U.S. dollars are as follows (in millions):

	Net Notional Amount Buy/(Sell)	Average Contract Rate*	Fair Value Gain/(Loss)
Australian dollar	\$ 7.0	1.57	\$0.2
British pound	(32.4)	0.63	(0.8)
Danish krone	9.6	7.37	-
Euro currency	280.9	0.97	(6.0)
French franc	(6.8)	6.25	0.3
German mark	1.5	1.90	-
Greek drachma	(6.3)	323.77	0.1
Japanese yen	0.6	113.31	0.1
Norwegian krone	0.7	7.09	(0.1)
Swedish krona	2.4	4.83	(1.1)
	\$257.2		\$(7.3)

* per U. S. 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

The Company manages interest rate risk through the use of fixed rate debt and interest rate swap contracts. The Company has fixed rate debt from its \$250 million 8.5% Senior Subordinated Notes due 2006. In addition, the Company

AGCO CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS
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entered into an interest rate swap contract to further minimize the effect of potential interest rate increases on floating rate debt in a rising interest rate environment. At December 31, 1999, the Company had an interest rate swap contract outstanding with a notional amount of \$94.3 million which expires on December 31, 2001. The interest rate swap has the effect of converting a portion of the Company's floating rate indebtedness to a fixed rate of 5.1%. The Company's floating rate debt is primarily the Revolving Credit Facility, which is tied to changes in U.S. and European libor rates. Assuming a 10% increase in interest rates, the Company's interest expense, net, including the effect of the interest rate swap contract for 1999, would have increased by approximately \$3.6 million.

YEAR 2000

The Company assessed the impact of the Year 2000 issue on its reporting systems and operations. Based on its assessment, the Company developed a Year 2000 compliance plan, in which all critical and noncritical systems were tested and all identified noncompliant software or technology was modified or replaced. This review included all information technology systems and embedded systems located in the Company's manufacturing equipment, facility equipment and in the Company's products. Through December 31, 1999, the Company incurred approximately \$9.5 million to modify existing computer systems, applications and embedded systems. The Company expects no significant costs during 2000 related to the Year 2000 issue. In addition, the Company has experienced no significant issues relating to the Year 2000 issue.

EURO CURRENCY

The Company has established the capability to trade in the common European currency (the "Euro") in all European locations beginning January 1, 1999. The Company began communicating with suppliers, dealers and financial institutions in 1998 and has formulated a transition plan to move to a Euro-based business in 2001. The Company does not currently expect its competitive position (including pricing, purchasing contracts and systems modifications) to be materially affected by the change to the Euro.

ACCOUNTING CHANGES

In December 1999, the Securities and Exchange Commission ("SEC") issued Staff Accounting Bulletin ("SAB") No. 101, "Revenue Recognition." SAB No. 101 does not change existing accounting literature on revenue recognition, but rather explains the SEC staff's general framework for revenue recognition. SAB No. 101 states that changes in accounting to apply the guidance in SAB No. 101 may be accounted for as a change in accounting principle and must be recorded in the first quarter of 2000. The Company is currently reviewing its revenue recognition policy and does not expect the adoption of SAB No. 101 to have a material impact on the Company's results of operations.

In June 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards ("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS No. 133 establishes accounting and reporting standards requiring that every derivative instrument be recorded in the balance sheet as either an asset or liability measured at its fair value. SFAS No. 133 requires that changes in a derivative's fair value be recognized currently in earnings unless specific hedge accounting criteria are met. The Company will be required to adopt the new statement on January 1, 2001. The Company has not yet quantified the financial impact of adopting SFAS No. 133 and has not determined the method of adoption. However, SFAS No. 133 could increase volatility in earnings and other comprehensive income.

FORWARD LOOKING STATEMENTS

Certain statements included in Management's Discussion and Analysis of Financial Condition and Results of Operations and elsewhere in this report are forward looking, including certain statements set forth under the "Outlook," "Liquidity and Capital Resources," "Nonrecurring Expenses," "Year 2000" and "Euro Currency" headings. Forward looking statements include the Company's expectations with respect to future commodity prices, export demand for commodities, farm income, demand for agricultural equipment, production levels, the impact of cost reduction initiatives, operating margins, overall profitability and the availability of capital. Although the Company believes that the statements it has made are based on reasonable assumptions, they are based on current information and beliefs and, accordingly, the Company can give no assurance that its statements will be achieved. In addition, these statements are subject to factors that could cause actual results to differ materially from those suggested by the forward looking statements. These factors include, but are not limited to, general economic and capital market conditions, the demand for agricultural products, world grain stocks, crop production, commodity prices, farm income, farm land values, government farm programs and legislation, the levels of new and used field inventories, weather conditions, interest and foreign currency exchange rates, the conversion to the Euro, pricing and product actions taken by competitors, customer access to credit, production disruptions, supply and capacity constraints, Company cost reduction and control initiatives, Company research and development efforts, labor relations, dealer and distributor actions, technological difficulties including the Year 2000 readiness, changes in environmental, international trade and other laws, and political and economic uncertainty in various areas of the world. Further information concerning factors that could significantly affect the Company's results is included in the Company's filings with the Securities and Exchange Commission. The Company disclaims any responsibility to update any forward looking statements.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To AGCO Corporation:

We have audited the accompanying consolidated balance sheets of AGCO CORPORATION AND SUBSIDIARIES as of December 31, 1999 and 1998 and the related consolidated statements of income, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 1999. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of AGCO Corporation and subsidiaries as of December 31, 1999 and 1998 and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1999 in conformity with accounting principles generally accepted in the United States.

/s/ Arthur Andersen LLP

Atlanta, Georgia
February 1, 2000

AGCO CORPORATION

CONSOLIDATED STATEMENTS OF INCOME
IN MILLIONS, EXCEPT PER SHARE DATA

YEAR ENDED DECEMBER 31,	1999	1998	1997
Net sales	\$2,413.3	\$2,941.4	\$3,224.4
Cost of goods sold	2,056.9	2,404.1	2,557.6
Gross profit	356.4	537.3	666.8
Selling, general and administrative expenses	229.6	270.7	275.4
Engineering expenses	44.6	56.1	54.1
Nonrecurring expenses	24.5	40.0	18.2
Income from operations	57.7	170.5	319.1
Interest expense, net	57.6	67.7	53.5
Other expense, net	32.3	28.5	19.9
Income (loss) before income taxes, equity in net earnings of affiliates and extraordinary loss	(32.2)	74.3	245.7
Income tax provision (benefit)	(10.2)	27.5	87.5
Income (loss) before equity in net earnings of affiliates and extraordinary loss	(22.0)	46.8	158.2
Equity in net earnings of affiliates	10.5	13.8	12.6
Income (loss) before extraordinary loss	(11.5)	60.6	170.8
Extraordinary loss, net of taxes	--	--	(2.1)
Net income (loss)	\$ (11.5)	\$ 60.6	\$ 168.7
Net income (loss) per common share:			
Basic:			
Income (loss) before extraordinary loss	\$ (0.20)	\$ 1.01	\$ 2.82
Extraordinary loss	--	--	(0.03)
Net income (loss)	\$ (0.20)	\$ 1.01	\$ 2.79
Diluted:			
Income (loss) before extraordinary loss	\$ (0.20)	\$ 0.99	\$ 2.74
Extraordinary loss	--	--	(0.03)
Net income (loss)	\$ (0.20)	\$ 0.99	\$ 2.71
Weighted average shares outstanding:			
Basic	58.7	59.7	60.4
Diluted	58.7	61.2	62.1

See accompanying notes to consolidated financial statements.

AGCO CORPORATION

CONSOLIDATED BALANCE SHEETS
IN MILLIONS, EXCEPT SHARE AMOUNTS

DECEMBER 31,	1999	1998
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 19.6	\$ 15.9
Accounts and notes receivable, net	758.2	1,016.3
Inventories, net	561.1	671.6
Other current assets	77.2	86.7
Total current assets	1,416.1	1,790.5
Property, plant and equipment, net	310.8	417.6
Investments in affiliates	93.6	95.2
Other assets	140.1	76.6
Intangible assets, net	312.6	370.5
Total assets	\$2,273.2	\$2,750.4
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$ 244.2	\$ 287.0
Accrued expenses	408.2	428.0
Other current liabilities	29.8	45.6
Total current liabilities	682.2	760.6
Long-term debt	691.7	924.2
Postretirement health care benefits	25.4	24.5
Other noncurrent liabilities	44.8	59.0
Total liabilities	1,444.1	1,768.3
Commitments and Contingencies (Note 10)		
Stockholders' Equity:		
Common stock; \$0.01 par value, 150,000,000 shares authorized, 59,579,559 and 59,535,921 shares issued and outstanding in 1999 and 1998, respectively	0.6	0.6
Additional paid-in capital	427.7	427.3
Retained earnings	621.9	635.8
Unearned compensation	(5.1)	(11.1)
Accumulated other comprehensive income	(216.0)	(70.5)
Total stockholders' equity	829.1	982.1
Total liabilities and stockholders' equity	\$2,273.2	\$2,750.4

See accompanying notes to consolidated financial statements.

AGCO CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS
IN MILLIONS

YEAR ENDED DECEMBER 31,	1999	1998	1997
Cash flows from operating activities:			
Net income (loss)	\$ (11.5)	\$ 60.6	\$ 168.7
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Extraordinary loss, net of taxes	--	--	2.1
Depreciation and amortization	55.8	57.6	49.4
Amortization of intangibles	14.8	13.2	12.1
Amortization of unearned compensation	6.2	8.9	10.5
Equity in net earnings of affiliates, net of cash received	2.4	(3.3)	(12.6)
Deferred income tax provision (benefit)	(47.2)	(22.4)	53.4
Loss on write-down of property, plant and equipment	14.9	--	--
Changes in operating assets and liabilities, net of effects from purchase/sale of businesses:			
Accounts and notes receivable, net	194.3	17.7	(94.7)
Inventories, net	72.1	(17.3)	(100.4)
Other current and noncurrent assets	(20.3)	(1.2)	(10.0)
Accounts payable	(38.5)	(87.7)	25.5
Accrued expenses	(3.5)	(15.0)	(1.3)
Other current and noncurrent liabilities	(5.8)	0.1	(2.7)
Total adjustments	245.2	(49.4)	(68.7)
Net cash provided by operating activities	233.7	11.2	100.0
Cash flows from investing activities:			
Purchase of property, plant and equipment	(44.2)	(61.0)	(72.1)
Proceeds from sale/leaseback of property	18.7	--	--
Sale/(purchase) of businesses, net	6.0	(60.6)	(289.2)
Investments in unconsolidated affiliates	(1.1)	--	--
Net cash used for investing activities	(20.6)	(121.6)	(361.3)
Cash flows from financing activities:			
Proceeds from long-term debt	536.1	984.4	932.2
Repayments of long-term debt	(740.8)	(798.9)	(813.8)
Payment of debt issuance costs	--	--	(3.5)
Proceeds from issuance of common stock	--	0.4	142.2
Repurchases of common stock	--	(88.1)	--
Dividends paid on common stock	(2.4)	(2.4)	(2.5)
Net cash provided by (used for) financing activities	(207.1)	95.4	254.6
Effect of exchange rate changes on cash and cash equivalents	(2.3)	(0.3)	(3.8)
Increase (decrease) in cash and cash equivalents	3.7	(15.3)	(10.5)
Cash and cash equivalents, beginning of period	15.9	31.2	41.7
Cash and cash equivalents, end of period	\$ 19.6	\$ 15.9	\$ 31.2

See accompanying notes to consolidated financial statements.

AGCO CORPORATION

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
IN MILLIONS, EXCEPT SHARE AMOUNTS

	Common Stock		Additional Paid-In Capital	Retained Earnings	Unearned Compensation	Cumulative Translation Adjustment	Total Stockholders' Equity	Compre- hensive Income
	Shares	Amount						
Balance, December 31, 1996	57,260,151	\$ 0.6	\$ 360.1	\$ 411.4	\$ (17.8)	\$ 20.3	\$ 774.6	
Net income	--	--	--	168.7	--	--	168.7	\$ 168.7
Issuance of common stock, net of offering expenses	5,175,000	--	140.4	--	--	--	140.4	
Issuance of restricted stock	373,017	--	12.7	--	(12.7)	--	--	
Stock options exercised	164,255	--	1.8	--	--	--	1.8	
Common stock dividends (\$0.04 per common share)	--	--	--	(2.5)	--	--	(2.5)	
Amortization of unearned compensation	--	--	--	--	10.5	--	10.5	
Change in cumulative translation adjustment	--	--	--	--	--	(101.9)	(101.9)	(101.9)
Balance, December 31, 1997	62,972,423	0.6	515.0	577.6	(20.0)	(81.6)	991.6	66.8
Net income	--	--	--	60.6	--	--	60.6	60.6
Repurchases of common stock	(3,487,200)	--	(88.1)	--	--	--	(88.1)	
Stock options exercised	50,698	--	0.4	--	--	--	0.4	
Common stock dividends (\$0.04 per common share)	--	--	--	(2.4)	--	--	(2.4)	
Amortization of unearned compensation	--	--	--	--	8.9	--	8.9	
Change in cumulative translation adjustment	--	--	--	--	--	11.1	11.1	11.1
Balance, December 31, 1998	59,535,921	0.6	427.3	635.8	(11.1)	(70.5)	982.1	71.7
Net loss	--	--	--	(11.5)	--	--	(11.5)	(11.5)
Issuance of restricted stock	26,500	--	0.2	--	(0.2)	--	--	
Stock options exercised	17,138	--	0.2	--	--	--	0.2	
Common stock dividends (\$0.04 per common share)	--	--	--	(2.4)	--	--	(2.4)	
Amortization of unearned compensation	--	--	--	--	6.2	--	6.2	
Change in cumulative translation adjustment	--	--	--	--	--	(145.5)	(145.5)	(145.5)
Balance, December 31, 1999	59,579,559	\$ 0.6	\$ 427.7	\$ 621.9	\$ (5.1)	\$ (216.0)	\$ 829.1	\$ (157.0)

See accompanying notes to consolidated financial statements.

AGCO CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BUSINESS

AGCO Corporation ("AGCO" or the "Company") is a leading manufacturer and distributor of agricultural equipment and related replacement parts throughout the world. The Company sells a full range of agricultural equipment, including tractors, combines, hay tools, sprayers, forage equipment and implements. The Company's products are widely recognized in the agricultural equipment industry and are marketed under the following brand names: AGCO Allis, Massey Ferguson, Hesston, White, GLEANER, New Idea, AGCOSTAR, Landini (North America), Tye, Farmhand, Glencoe, Deutz (South America), Fendt, Spra-Coupe and Willmar. The Company distributes its products through a combination of approximately 8,200 independent dealers, distributors, associates and licensees. In addition, the Company provides retail financing in North America, the United Kingdom, France, Germany, Spain and Brazil through its retail finance joint ventures with Cooperative Centrale Raiffeisen-Boerenleenbank B.A., "Rabobank Nederland" (the "Retail Finance Joint Ventures").

BASIS OF PRESENTATION

The consolidated financial statements represent the consolidation of all majority owned companies. The Company records all affiliate companies representing a 20%-50% ownership using the equity method of accounting. Other investments representing an ownership of less than 20% are recorded at cost. All significant intercompany transactions have been eliminated to arrive at the consolidated financial statements.

Certain prior period amounts have been reclassified to conform with the current period presentation.

REVENUE RECOGNITION

Sales of equipment and replacement parts are recorded by the Company when shipped to independent dealers, distributors or other customers. Provisions for sales incentives and returns and allowances are made at the time of sale to the dealer for existing incentive programs. Provisions are revised in the event of subsequent modification to the incentive programs. In certain markets, particularly in North America, there is a time lag, which varies based on the timing and level of retail demand, between the date the Company records a sale and when the dealer sells the equipment to a retail customer.

FOREIGN CURRENCY TRANSLATION

The financial statements of the Company's foreign subsidiaries are translated into U.S. currency in accordance with Statement of Financial Accounting Standards ("SFAS") No. 52, "Foreign Currency Translation." Assets and liabilities are translated to U.S. dollars at period-end exchange rates. Income and expense items are translated at average rates of exchange prevailing during the period. Translation adjustments are included in "Accumulated other comprehensive income" in stockholders' equity. Gains and losses which result from foreign currency transactions are included in the accompanying consolidated statements of income. For subsidiaries operating in highly inflationary economies, financial statements are remeasured into the U.S. dollar with adjustments resulting from the translation of monetary assets and liabilities reflected in the accompanying consolidated statements of income.

For 1997, the Company accounted for its subsidiary in Brazil by applying the highly inflationary economy provisions of SFAS No. 52, where the U.S. dollar is substituted as the functional currency. For the years ended December 31, 1999 and 1998, the Company ceased the application of highly inflationary accounting of its Brazilian subsidiary and established the functional currency as the Brazilian real.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The estimates made by management primarily relate to receivable and inventory allowances and certain accrued liabilities, principally relating to reserves for volume discounts and sales incentives, warranty and insurance.

CASH AND CASH EQUIVALENTS

The Company considers all investments with an original maturity of three months or less to be cash equivalents.

ACCOUNTS AND NOTES RECEIVABLE

Accounts and notes receivable arise from the sale of parts and finished goods inventory to independent dealers, distributors or other customers. Terms vary by market, generally ranging from 30 day terms to requiring payment when the equipment is sold to retail customers. Interest is charged on the balance outstanding after certain interest-free periods, which generally range from 1 to 12 months.

Accounts and notes receivable are shown net of allowances for sales incentive discounts available to dealers and for doubtful accounts. Accounts and notes receivable allowances at December 31, 1999 and 1998 were as follows (in millions):

	1999	1998
Sales incentive discounts	\$53.6	\$ 58.4
Doubtful accounts	43.0	49.4
	\$96.6	\$107.8

The Company occasionally transfers certain accounts receivable to various financial institutions. The Company records such transfers as sales of accounts receivable when it is considered to have surrendered control of such receivables under the provisions of SFAS No. 125, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities."

INVENTORIES

Inventories are valued at the lower of cost or market using the first-in, first-out method. Market is net realizable value for finished goods and repair and replacement parts. For work in process, production parts and raw materials, market is replacement cost.

Inventory balances at December 31, 1999 and 1998 were as follows (in millions):

	1999	1998
Finished goods	\$ 248.4	\$ 271.2
Repair and replacement parts	229.3	256.7
Work in process, production parts and raw materials	154.6	222.6
Gross inventories	632.3	750.5
Allowance for surplus and obsolete inventories	(71.2)	(78.9)
Inventories, net	\$ 561.1	\$ 671.6

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are recorded at cost less accumulated depreciation and amortization. Depreciation is provided on a straight-line basis over the estimated useful lives of 10 to 40 years for buildings and improvements, three to 15 years for machinery and equipment and three to 10 years for furniture and fixtures. Expenditures for maintenance and repairs are charged to expense as incurred.

Property, plant and equipment at December 31, 1999 and 1998 consisted of the following (in millions):

	1999	1998
Land	\$ 40.0	\$ 52.2
Buildings and improvements	101.3	139.5
Machinery and equipment	263.1	321.3
Furniture and fixtures	47.4	55.9
Gross property, plant and equipment	451.8	568.9
Accumulated depreciation and amortization	(141.0)	(151.3)
Property, plant and equipment, net	\$ 310.8	\$ 417.6

INTANGIBLE ASSETS

Intangible assets at December 31, 1999 and 1998 consisted of the following (in millions):

	1999	1998
Goodwill	\$ 284.4	\$ 330.1
Trademarks	66.0	66.0
Other	4.0	4.2
Accumulated amortization	(41.8)	(29.8)
Intangible assets, net	\$ 312.6	\$ 370.5

The excess of cost over net assets acquired ("goodwill") is being amortized to income on a straight-line basis over periods ranging from 10 to 40 years. Goodwill and accumulated amortization are shown net of the excess of net assets over cost ("negative goodwill") of \$23.2 million for both 1999 and 1998 and its related accumulated amortization of \$21.6 million and \$19.5 million for 1999 and 1998, respectively. The Company also assigned values to certain acquired trademarks which are being amortized to income on a straight-line basis over 40 years. The net amortization expense included in other expense, net in the accompanying consolidated statements of income was \$14.8 million, \$13.2 million and \$12.1 million for the years ended December 31, 1999, 1998 and 1997, respectively.

The Company periodically reviews the carrying values assigned to goodwill and other intangible assets based on expectations of future cash flows and operating income generated by the underlying tangible assets.

AGCO CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

ACCRUED EXPENSES

Accrued expenses at December 31, 1999 and 1998 consisted of the following (in millions):

	1999	1998
Reserve for volume discounts and sales incentives	\$ 88.2	\$ 93.8
Warranty reserves	66.1	79.4
Accrued employee compensation and benefits	49.9	55.7
Accrued taxes	76.9	50.1
Other	127.1	149.0
	\$ 408.2	\$ 428.0

WARRANTY RESERVES

The Company's agricultural equipment products are generally under warranty 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.

INSURANCE RESERVES

Under the Company's insurance programs, coverage is obtained for significant liability limits as well as those risks required to be insured by law or contract. It is the policy of the Company to self-insure a portion of certain expected losses related primarily to workers' compensation and comprehensive general, product and vehicle liability. Provisions for losses expected under these programs are recorded based on the Company's estimates of the aggregate liabilities for the claims incurred.

EXTRAORDINARY LOSS

In 1997, the Company refinanced its revolving credit facility and recorded an extraordinary loss of \$2.1 million, net of taxes of \$1.4 million, for the write-off of unamortized debt costs related to the revolving credit facility existing at the time of refinancing.

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 share assumes exercise of outstanding stock options and vesting of restricted stock into common stock during the periods outstanding when the effects of such assumptions are dilutive.

A reconciliation of net income (loss) and the weighted average number of common and common equivalent shares outstanding used to calculate basic and diluted net income (loss) per common share for the years ended December 31, 1999, 1998 and 1997 is as follows (in millions, except per share data):

	1999	1998	1997
Basic Earnings Per Share			
Weighted average number of common shares outstanding	58.7	59.7	60.4
Income (loss) before extraordinary loss	\$ (11.5)	\$ 60.6	\$ 170.8
Extraordinary loss	--	--	(2.1)
Net income (loss)	\$ (11.5)	\$ 60.6	\$ 168.7
Net income (loss) per common share:			
Income (loss) before extraordinary loss	\$ (0.20)	\$ 1.01	\$ 2.82
Extraordinary loss	--	--	(0.03)
Net income (loss) per share	\$ (0.20)	\$ 1.01	\$ 2.79
Diluted Earnings Per Share			
Weighted average number of common shares outstanding	58.7	59.7	60.4
Shares issued upon assumed vesting of restricted stock	--	1.3	1.4
Shares issued upon assumed exercise of outstanding stock options	--	0.2	0.3

Weighted average number of common and common equivalent shares outstanding	58.7	61.2	62.1
Income (loss) before extraordinary loss	\$ (11.5)	\$ 60.6	\$ 170.8
Extraordinary loss	--	--	(2.1)
Net income (loss)	\$ (11.5)	\$ 60.6	\$ 168.7
Net income (loss) per common share:			
Income (loss) before extraordinary loss	\$ (0.20)	\$ 0.99	\$ 2.74
Extraordinary loss	--	--	(0.03)
Net income (loss)	\$ (0.20)	\$ 0.99	\$ 2.71

COMPREHENSIVE INCOME

The Company reports comprehensive income, defined as the total of net income and all other nonowner changes in equity and the components thereof in the Consolidated Statements of Stockholders' Equity. The cumulative translation adjustment is the sole component of "Accumulated other comprehensive income" in the Consolidated Balance Sheets.

FINANCIAL INSTRUMENTS

The carrying amounts reported in the Company's Consolidated Balance Sheets for "Cash and cash equivalents," "Accounts and notes receivable" and "Accounts payable" approximate fair value due to the immediate or short-term maturity of these financial instruments. The carrying amount of long-term debt under the Company's Revolving Credit Facility (Note 6) approximates fair value based on the borrowing rates currently available to the Company for loans with similar terms and average maturities. At December 31, 1999, the estimated fair value of the Company's 8.5% Senior Subordinated Notes (Note 6), based on its listed market value, was \$230.4 million compared to the carrying value of \$248.5 million.

The Company enters into foreign exchange forward contracts to hedge the foreign currency exposure of certain receivables, payables and expected purchases and sales. These contracts are for periods consistent with the exposure being hedged and generally have maturities of one year or less. At December 31, 1999 and 1998, the Company had foreign exchange forward contracts with gross notional amounts of \$348.2 million and \$429.1 million, respectively. Gains and losses on foreign exchange forward contracts are deferred and recognized in income in the same period as the hedged transaction. As such, the Company has foreign forward exchange contracts with a market value loss of approximately \$7.3 million at December 31, 1999. These foreign exchange forward contracts do not subject the Company's results of operations to risk due to exchange rate fluctuations because gains and losses on these contracts generally offset gains and losses on the exposure being hedged. The Company does not enter into any foreign exchange forward contracts for speculative trading purposes.

The Company entered into an interest rate swap contract to further minimize the effect of potential interest rate increases on floating rate debt in a rising interest rate environment. At December 31, 1999, the Company had an interest rate swap contract outstanding with a notional amount of \$94.3 million. This contract has the effect of converting a portion of the Company's floating rate indebtedness under its revolving credit facility (Note 6) to a fixed interest rate of 5.1%. The interest rate swap contract expires on December 31, 2001. The fair value of the Company's interest rate swap agreement is the estimated amount that the Company would receive or pay to terminate the agreements at the reporting date, taking into account interest and currency rates. At December 31, 1999, the Company estimates that the interest rate swap agreement has a market value of approximately \$1.1 million. The Company anticipates holding the interest rate swap agreement through maturity.

The notional amounts of foreign exchange forward contracts and the interest rate swap contract do not represent amounts exchanged by the parties and therefore are not a measure of the Company's risk. The amounts exchanged are calculated on the basis of the notional amounts and other terms of the contracts. The credit and market risks under these contracts are not considered to be significant.

ACCOUNTING CHANGES

In December 1999, the Securities and Exchange Commission (the "SEC") issued Staff Accounting Bulletin ("SAB") No. 101, "Revenue Recognition." The SAB does not change existing accounting literature on revenue recognition, but rather explains the SEC staff's general framework for revenue recognition. SAB No. 101 states that changes in accounting to apply the guidance in SAB No. 101 may be accounted for as a change in accounting principle and must be recorded in the first quarter of 2000. The Company is currently reviewing its revenue recognition policy and does not expect the adoption of SAB No. 101 to have a material impact on the Company's results of operations.

In June 1998, the Financial Accounting Standards Board issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS No. 133 establishes accounting and reporting standards requiring that every derivative instrument be recorded in the balance sheet as either an asset or liability measured at its fair value. SFAS No. 133 requires that changes in a derivative's fair value be recognized currently in earnings unless specific hedge accounting criteria are met. The Company will be required to adopt the new statement on January 1, 2001. The Company has not yet quantified the financial impact of adopting SFAS No. 133 and has not determined the method of adoption. However, SFAS No. 133 could increase the volatility in earnings and other comprehensive income.

Effective December 31, 1998, the Company adopted SFAS No. 132, "Employer's Disclosures About Pensions and Other Postretirement Benefits," which revises disclosure requirements related to the Company's employee benefit plans and postretirement benefits (Note 7), and SFAS No. 131, "Disclosure about Segments of an Enterprise and Related Information," which revises disclosure requirements related to segment reporting (Note 11). SFAS No. 132 and SFAS No. 131 require disclosure only; therefore, their adoption had no impact on the Company's financial position or results of operations.

Effective January 1, 1998, the Company adopted SFAS No. 130, "Reporting Comprehensive Income," which requires disclosures regarding the Company's comprehensive income defined as the total of net income and all other nonowner changes in equity. SFAS No. 130 requires disclosure only; therefore, its adoption had no impact on the Company's financial position or results of operations.

AGCO CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2. ACQUISITIONS AND DISPOSITIONS

ACQUISITIONS

The Company completed several acquisitions in 1998 and 1997 which were primarily financed with borrowings under the Company's revolving credit facility (Note 6). In most cases, the Company acquired assets and assumed liabilities consisting primarily of accounts receivable, inventories, property, plant and equipment, trademarks, trade names and technology, accounts payable and accrued liabilities. The results of operations for the Company's acquisitions are included in the Company's consolidated financial statements as of and from the respective dates of acquisition.

Effective October 1, 1998, the Company acquired the net assets of the Willmar product line, a brand of agricultural self-propelled sprayers, spreaders and loaders, sold primarily in North America (the "Willmar Acquisition") for approximately \$33.0 million. Effective July 1, 1998, the Company acquired certain assets related to the Spra-Coupe product line, a brand of agricultural self-propelled sprayers sold primarily in North America, for approximately \$37.2 million (the "Spra-Coupe Acquisition").

On December 4, 1997, the Company acquired the remaining 68% of Dronningborg Industries a/s ("Dronningborg") for approximately \$22.0 million (the "Dronningborg Acquisition"). Prior to the acquisition, the Company owned 32% of Dronningborg which manufactured combine harvesters sold exclusively to the Company for sale under the Massey Ferguson brand name. Effective January 1, 1997, the Company acquired Xaver Fendt GmbH & Co. KG ("Fendt") for approximately \$283.5 million plus approximately \$38.3 million of assumed working capital debt (the "Fendt Acquisition"). Fendt's primary business is the manufacture and distribution of tractors through a network of independent agricultural cooperatives, dealers and distributors in Germany and throughout Europe and Australia. Effective December 31, 1997, the Company sold Fendt's caravan and motor home business for approximately \$10.0 million.

The above acquisitions were accounted for as purchases in accordance with Accounting Principles Board Opinion ("APB") No. 16, and, accordingly, each purchase price has been allocated to the assets acquired and the liabilities assumed based on the estimated fair values as of the acquisition dates. The purchase price allocations for the Fendt, Spra-Coupe and Willmar Acquisitions included liabilities associated with certain costs to integrate the acquired businesses into the Company's operations. These costs related to the consolidation of certain acquired manufacturing operations into existing Company facilities and the integration of certain sales and marketing functions. As of December 31, 1999, the Company had established liabilities totaling \$10.5 million for employee severance and relocation and other integration costs and had incurred \$6.1 million of expenses charged against these liabilities.

DISPOSITIONS

Effective February 5, 1999, the Company sold its manufacturing plant in Haedo, Argentina (the "Haedo Sale") for approximately \$19.0 million. The Company received \$12.3 million of the purchase price in December 1998 in the form of a deposit and received the remaining balance in December 1999. The Haedo Sale included property, plant and equipment at the facility in addition to the transfer of manufacturing hourly and salaried employees. The Haedo Sale had no material impact to the Company's 1999 results of operations.

3. NONRECURRING EXPENSES

In the fourth quarter of 1999, the Company recorded nonrecurring expenses of \$24.5 million, or \$0.26 per share on a diluted basis, related to the planned closure of its Coldwater, Ohio; Lockney, Texas; and Noetinger, Argentina manufacturing facilities. The majority of production in these facilities will be relocated to existing Company facilities or outsourced. The Coldwater, Ohio facility was permanently closed in 1999 and the Lockney, Texas and Noetinger, Argentina are planned to close in 2000. The Company believes that the closure of these facilities will not have a significant impact on 2000 revenues. The components of the nonrecurring charge are summarized in the following table (in millions):

	Nonrecurring Expense	Expenses Incurred	Balance at December 31, 1999
Employee severance	\$ 1.9	\$0.5	\$1.4
Facility closure costs	7.7	0.9	6.8
Write-down of property, plant and equipment	14.9	14.9	--
	\$24.5	\$16.3	\$8.2

The \$1.9 of employee severance costs relate to the termination of approximately 680 employees in the Cold-water, Ohio; Lockney, Texas; and Noetinger, Argentina facilities of which approximately 490 employees had been terminated as of December 31, 1999. The \$7.7 million of facility closure costs

include employee and other exit costs to be incurred after operations cease in addition to non-cancelable operating lease obligations. The \$14.9 million write-down of property, plant and equipment represents the impairment of assets resulting from the facility closures. The write-down was based on the estimated fair value of the assets compared to their carrying value.

The results of operations for 1998 included nonrecurring expenses of \$40.0 million, or \$0.41 per share on a diluted basis. The nonrecurring expenses primarily related to severance, pension and postretirement benefit expense and related costs associated with reductions in the Company's worldwide permanent workforce. All 1,400 employees identified for termination were terminated as of December 31, 1999. Of the \$40.0 million total expense, \$34.9 million had been incurred as of December 31, 1999.

The results of operations for 1997 included nonrecurring expenses of \$18.2 million, or \$0.19 per share on a diluted basis. These nonrecurring expenses included \$15.0 million related to the restructuring of the Company's European operations and certain costs associated with the integration of the Company's Argentina and Fendt operations. The nonrecurring expenses for 1997 also included \$3.2 million related to executive severance costs. The costs included for these restructuring and integration activities in 1997 primarily related to the centralization and rationalization of certain manufacturing, selling and administrative functions in addition to the rationalization of a certain portion of the Company's European dealer network. Of the \$18.2 million total expense, \$13.7 million had been incurred as of December 31, 1999.

4. INVESTMENTS IN AFFILIATES

At December 31, 1999 and 1998, the Company's investments in affiliates primarily consisted of (i) the Retail Finance Joint Ventures, (ii) the Company's 50% investments in manufacturing joint ventures with various unrelated manufacturers to produce hay and forage equipment in North America, driveline assemblies in Europe, and engines in South America and (iii) certain other minority investments in farm equipment manufacturers and licensees.

Investments in affiliates as of December 31, 1999 and 1998 were as follows (in millions):

	1999	1998
Retail Finance Joint Ventures	\$63.0	\$61.2
Manufacturing joint ventures	21.5	24.2
Other	9.1	9.8
	\$93.6	\$95.2

The Company's equity in net earnings of affiliates for 1999, 1998 and 1997 were as follows (in millions):

	1999	1998	1997
Retail Finance Joint Ventures	\$11.0	\$11.4	\$10.9
Other	(0.5)	2.4	1.7
	\$10.5	\$13.8	\$12.6

The manufacturing joint ventures of the Company primarily sell their products to the joint venture partners at prices which result in operating at or near breakeven on an annual basis.

Summarized combined financial information of the Retail Finance Joint Ventures as of and for the years ended December 31, 1999 and 1998 were as follows (in millions):

AS OF DECEMBER 31,	1999	1998
Total assets	\$ 1,402.8	\$ 1,340.2
Total liabilities	1,276.5	1,220.8
Partner's equity	126.3	119.4

FOR THE YEAR ENDED DECEMBER 31,	1999	1998
Revenues	\$ 144.1	\$ 136.6
Costs	109.3	102.2
Income before income taxes	\$ 34.8	\$ 34.4

5. INCOME TAXES

The Company accounts for income taxes under the provisions of SFAS No. 109, "Accounting for Income Taxes." SFAS No. 109 requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial reporting and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse.

The sources of income before income taxes, equity in net earnings of affiliates and extraordinary loss were as follows for the years ended December 31, 1999, 1998 and 1997 (in millions):

	1999	1998	1997

United States	\$ (96.9)	\$ (9.4)	\$ 51.7
Foreign	64.7	83.7	194.0

Income (loss) before income taxes, equity in net earnings of affiliates and extraordinary loss	\$ (32.2)	\$ 74.3	\$ 245.7
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AGCO CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The provision (benefit) for income taxes by location of the taxing jurisdiction for the years ended December 31, 1999, 1998 and 1997 consisted of the following (in millions):

	1999	1998	1997
Current:			
United States:			
Federal	\$ (3.3)	\$ 0.6	\$ (2.6)
State	--	0.2	(0.8)
Foreign	40.3	49.1	37.5
Total current	37.0	49.9	34.1
Deferred:			
United States:			
Federal	(31.2)	(6.1)	19.0
State	(4.1)	(0.8)	2.6
Foreign	(11.9)	(15.5)	31.8
Total deferred	(47.2)	(22.4)	53.4
Provision (benefit) for income taxes	\$(10.2)	\$27.5	\$ 87.5

Certain foreign operations of the Company are subject to United States as well as foreign income tax regulations. Therefore, the preceding sources of income (loss) before income taxes by location and the provision (benefit) for income taxes by taxing jurisdiction are not directly related.

A reconciliation of income taxes computed at the United States federal statutory income tax rate (35%) to the provision (benefit) for income taxes reflected in the Consolidated Statements of Income for the years ended December 31, 1999, 1998 and 1997 is as follows (in millions):

	1999	1998	1997
Provision (benefit) for income taxes at United States federal statutory rate of 35%	\$(11.3)	\$26.0	\$86.0
State and local income taxes, net of federal income tax benefit	(3.9)	(0.4)	1.8
Taxes on foreign income which differ from the United States statutory rate	(0.7)	(0.3)	(0.5)
Foreign losses with no tax benefit	6.2	4.3	1.8
Benefit of foreign sales corporation	(0.5)	(1.3)	(1.0)
Other	--	(0.8)	(0.6)
	\$(10.2)	\$27.5	\$87.5

The significant components of the net deferred tax assets at December 31, 1999 and 1998 were as follows (in millions):

	1999	1998
Deferred Tax Assets:		
Net operating loss carryforwards	\$116.9	\$ 63.6
Sales incentive discounts	18.8	15.5
Inventory valuation reserves	10.1	13.1
Postretirement benefits	8.2	7.2
Other	76.3	77.3
Valuation allowance	(78.8)	(75.0)
Total deferred tax assets	151.5	101.7
Deferred Tax Liabilities:		
Tax over book depreciation	46.2	35.9
Tax over book amortization of goodwill	18.1	21.9
Other	5.0	11.8
Total deferred tax liabilities	69.3	69.6
Net deferred tax assets	82.2	32.1
Less: Current portion of deferred tax asset	(22.3)	(22.9)

Noncurrent net deferred tax assets	\$ 59.9	\$ 9.2
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At December 31, 1999, the Company has recorded a net deferred tax asset of \$82.2 million, which is included in "Other current assets" and "Other assets" in the Consolidated Balance Sheet. Realization of the asset is dependent on generating sufficient taxable income in future periods. Management believes that it is more likely than not that the deferred tax asset will be realized. As reflected in the preceding table, the Company established a valuation allowance of \$78.8 million and \$75.0 million as of December 31, 1999 and 1998, respectively. The majority of the valuation allowance relates to net operating loss carryforwards in certain foreign entities where there is an uncertainty regarding their realizability. The Company has net operating loss carryforwards of \$307.5 million as of December 31, 1999, with expiration dates as follows: 2000 - \$29.7 million, 2001 - \$25.9 million, 2002 - \$14.9 million, 2003 - \$16.5 million, 2004 - \$38.4 million and thereafter and unlimited - \$182.1 million. The Company paid income taxes of \$6.1 million, \$87.8 million and \$42.0 million for the years ended December 31, 1999, 1998 and 1997, respectively.

6. LONG-TERM DEBT

Long-term debt consisted of the following at December 31, 1999 and 1998 (in millions):

	1999	1998
Revolving credit facility	\$431.4	\$661.2
Senior Subordinated Notes	248.5	248.3
Other long-term debt	11.8	14.7
Total long-term debt	\$691.7	\$924.2

In January 1997, the Company established a five-year unsecured revolving credit facility (the "Revolving Credit Facility"). At December 31, 1999, the lending commitment under the Revolving Credit Facility was \$1.0 billion. Aggregate borrowings outstanding under the Revolving Credit Facility are subject to a borrowing base limitation and may not at any time exceed the sum of 90% of eligible accounts receivable and 60% of eligible inventory. Interest accrues on borrowings outstanding under the Revolving Credit Facility primarily at LIBOR plus an applicable margin, as defined. At December 31, 1999, interest rates on the outstanding borrowings, including the effect of the interest rate swap contract (Note 1), ranged from 4.8% to 8.5%, and the weighted average interest rate during 1999 was 5.3%. The Revolving Credit Facility contains certain covenants, including covenants restricting the incurrence of indebtedness and the making of certain restrictive payments, including dividends. In addition, the Company must maintain certain financial covenants including, among others, a debt to capitalization ratio, a fixed charge coverage ratio and a ratio of debt to cash flow, as defined. At December 31, 1999, \$431.4 million was outstanding under the Revolving Credit Facility and available borrowings, based on the lending commitment of \$1.0 billion, were \$568.3 million, subject to the accounts receivable and inventory borrowing base requirements.

In 1996, the Company issued \$250.0 million of 8.5% Senior Subordinated Notes due 2006 (the "Notes") at 99.139% of their principal amount. The Notes are unsecured obligations of the Company and are redeemable at the option of the Company, in whole or in part, at any time on or after March 15, 2001 initially at 104.25% of their principal amount, plus accrued interest, declining ratably to 100% of their principal amount plus accrued interest, on or after March 15, 2003. The Notes include certain covenants restricting the incurrence of indebtedness and the making of certain restrictive payments, including dividends.

At December 31, 1999, the aggregate scheduled maturities of long-term debt are as follows (in millions):

2001	\$ 4.9
2002	432.3
2003	1.0
2004	1.0
2005 and thereafter	252.5

	\$691.7
=====	

Cash payments for interest were \$71.8 million, \$77.4 million and \$70.9 million for the years ended December 31, 1999, 1998 and 1997, respectively.

The Company has arrangements with various banks to issue letters of credit or similar instruments which guarantee the Company's obligations for the purchase or sale of certain inventories and for potential claims exposure for insurance coverage. At December 31, 1999, outstanding letters of credit totaled \$8.4 million, of which \$0.3 million were issued under the Revolving Credit Facility.

In January 2000, the Company entered into a \$250 million asset backed securitization facility whereby certain U.S. wholesale accounts receivable are sold through a wholly-owned special purpose subsidiary to a third party. Funding under the securitization facility is provided on a revolving basis and is dependent upon the level of U.S. dealer wholesale receivables eligible to be sold under the facility. The Company initially funded \$200 million under the securitization facility which was used to reduce outstanding borrowings under the Revolving Credit Facility. The \$1.0 billion lending commitment under the Revolving Credit Facility was permanently reduced by the \$200 million initial proceeds received from the securitization facility and will be further reduced by any additional funding received under the securitization facility. This transaction had no impact on the financial statements as of and for the year ended December 31, 1999.

7. EMPLOYEE BENEFIT PLANS

The Company has defined benefit pension plans covering certain employees principally in the United States, the United Kingdom and Germany. The Company also provides certain postretirement health care and life insurance benefits for certain employees principally in the United States.

Net annual pension and postretirement cost and the measurement assumptions for the plans for the years ended December 31, 1999, 1998 and 1997 are set forth below (in millions):

PENSION BENEFITS	1999	1998	1997

Service cost	\$ 8.0	\$ 8.4	\$ 6.5
Interest cost	25.9	25.1	24.4
Expected return on plan assets	(27.9)	(29.7)	(27.2)
Amortization of prior service cost	0.5	0.5	0.5
Amortization of net loss	1.1	--	--
Special termination benefits	--	6.7	--

Net annual pension costs	\$ 7.6	\$ 11.0	\$ 4.2
=====			
Weighted average discount rate	6.4%	6.1%	7.0%
Weighted average expected long-term rate of return on plan assets	7.3%	7.6%	8.0%

Rate of increase in future compensation	4.0%	4.0%	4.0%
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POSTRETIREMENT BENEFITS	1999	1998	1997

Service cost	\$ 0.9	\$ 0.9	\$ 0.8
Interest cost	1.5	1.3	1.2
Amortization of transition			
and prior service cost	(0.1)	(0.6)	(0.6)
Amortization of unrecognized net gain	(0.1)	(0.8)	(0.7)
Special termination benefits	--	0.5	--

Net annual postretirement costs	\$ 2.2	\$ 1.3	\$ 0.7

Weighted average discount rate	7.8%	7.0%	7.3%
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AGCO CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following tables set forth reconciliations of the changes in benefit obligations, plan assets and funded status as of December 31, 1999 and 1998 (in millions):

CHANGE IN BENEFIT OBLIGATION	Pension Benefits		Postretirement Benefits	
	1999	1998	1999	1998
Benefit obligation at beginning of year	\$ 443.4	\$ 364.0	\$ 22.3	\$ 18.9
Service cost	8.0	8.4	0.9	0.9
Interest cost	25.9	25.1	1.5	1.3
Plan participant contributions	2.5	3.0	--	--
Actuarial (gain) loss	21.2	50.6	(2.1)	1.3
Amendments	--	--	--	0.5
Curtailments	--	--	--	0.2
Special termination benefits	--	6.7	--	0.5
Benefits paid	(27.7)	(18.6)	(1.3)	(1.3)
Foreign currency exchange rate changes	(12.2)	4.2	--	--
Benefit obligation at end of year	\$ 461.1	\$ 443.4	\$ 21.3	\$ 22.3

CHANGE IN PLAN ASSETS	Pension Benefits		Postretirement Benefits	
	1999	1998	1999	1998
Fair value of plan assets at beginning of year	\$ 384.7	\$ 352.5	\$ --	\$ --
Actual return of plan assets	59.1	33.3	--	--
Employer contributions	16.7	11.6	1.3	1.3
Plan participant contributions	2.5	3.0	--	--
Benefits paid	(27.7)	(18.6)	(1.3)	(1.3)
Foreign currency exchange rate changes	(8.5)	2.9	--	--
Fair value of plan assets at end of year	\$ 426.8	\$ 384.7	\$ --	\$ --
Funded status	\$ (34.3)	\$ (58.7)	\$ (21.3)	\$ (22.3)
Unrecognized net obligation	0.7	0.9	0.4	0.4
Unrecognized net loss (gain)	46.7	58.0	(4.9)	(2.8)
Unrecognized prior service cost	1.7	2.2	0.4	0.2
Net amount recognized	\$ 14.8	\$ 2.4	\$ (25.4)	\$ (24.5)
Amounts recognized in Consolidated Balance Sheet:				
Prepaid benefit cost	\$ 31.4	\$ 20.5	\$ --	\$ --
Accrued benefit liability	(17.6)	(19.4)	(25.4)	(24.5)
Intangible asset	1.0	1.3	--	--
Net amount recognized	\$ 14.8	\$ 2.4	\$ (25.4)	\$ (24.5)

The aggregate projected benefit obligation, accumulated benefit obligation and fair value of plan assets for pension plans with accumulated benefit obligations in excess of plan assets were \$417.8 million, \$403.7 million and \$381.5 million, respectively, as of December 31, 1999 and \$433.8 million, \$420.5 million and \$374.3 million, respectively, as of December 31, 1998.

For measuring the expected postretirement benefit obligation, a 8.25% health care cost trend rate was assumed for 1999, decreasing 0.75% per year to 6.0% and remaining at that level thereafter. For 1998, a 9.0% health care cost trend rate was assumed. Changing the assumed health care cost trend rates by one percentage point each year and holding all other assumptions constant would have the following effect to service and interest cost and the accumulated postretirement benefit obligation at December 31, 1999 (in millions):

One
percentage
point

One
percentage
point

	increase	decrease
Effect on service and interest cost	\$ 0.3	\$ (0.2)
Effect on accumulated benefit obligation	\$ 2.1	\$ (1.8)

The Company maintains a separate defined contribution 401(k) savings plan covering certain salaried employees in the United States. Under the plan, the Company contributes a specified percentage of each eligible employee's compensation. The Company contributed \$1.5 million, \$1.6 million and \$1.7 million for the years ended December 31, 1999, 1998 and 1997, respectively.

8. COMMON STOCK

At December 31, 1999, the Company had 150.0 million authorized shares of common stock with a par value of \$0.01, with 59.6 million shares of common stock outstanding, 0.7 million shares reserved for issuance under the Company's 1991 Stock Option Plan (Note 9), 0.1 million shares reserved for issuance under the Company's Nonemployee Director Stock Incentive Plan (Note 9) and 2.3 million shares reserved for issuance under the Company's Long-Term Incentive Plan (Note 9).

In December 1997, the Company's Board of Directors authorized the repurchase of up to \$150.0 million of its outstanding common stock. In 1998, the Company repurchased approximately 3.5 million shares of its common stock at a cost of approximately \$88.1 million. In 1999, the Company did not repurchase any of its common stock. The purchases are made through open market transactions, and the timing and number of shares purchased depend on various factors, such as price and other market conditions.

In March 1997, the Company completed a public offering of 5.2 million shares of its common stock (the "Offering"). The net proceeds to the Company from the Offering were approximately \$140.4 million, after deduction of underwriting discounts and commissions and other expenses. The Company used the proceeds from the Offering to reduce a portion of the borrowings outstanding under the Revolving Credit Facility.

In April, 1994, the Company designated 300,000 shares of Junior Cumulative Preferred Stock ("Junior Preferred Stock") in connection with the adoption of a Stockholders' Rights Plan (the "Rights Plan"). Under the terms of the Rights Plan, one-third of a preferred stock purchase right (a "Right") is attached to each outstanding share of the Company's common stock. The Rights Plan contains provisions that are designed to protect stockholders in the event of certain unsolicited attempts to acquire the Company. Under the terms of the Rights Plan, each Right entitles the holder to purchase one one-hundredth of a share of Junior Preferred Stock, par value of \$0.01 per share, at an exercise price of \$200 per share. The Rights are exercisable a specified number of days following (i) the acquisition by a person or group of persons of 20% or more of the Company's common stock or (ii) the commencement of a tender or exchange offer for 20% or more of the Company's common stock. In the event the Company is the surviving company in a merger with a person or group of persons that owns 20% or more of the Company's outstanding stock, each Right will entitle the holder (other than such 20% stockholder) to receive, upon exercise, common stock of the Company having a value equal to two times the Right's exercise price. In addition, in the event the Company sells or transfers 50% or more of its assets or earning power, each Right will entitle the holder to receive, upon exercise, common stock of the acquiring company having a value equal to two times the Right's exercise price. The Rights may be redeemed by the Company at \$0.01 per Right prior to their expiration on April 27, 2004.

9. STOCK INCENTIVE PLANS

NONEMPLOYEE DIRECTOR STOCK INCENTIVE PLAN

The Company's Nonemployee Director Stock Incentive Plan (the "Director Plan") provides for restricted stock awards to nonemployee directors based on increases in the price of the Company's common stock. The awarded shares are earned in specified increments for each 15% increase in the average market value of the Company's common stock over the initial base price established under the plan. When an increment of the awarded shares is earned, the shares are issued to the participant in the form of restricted stock which vests at the earlier of 12 months after the specified performance period or upon departure from the board of directors. When the restricted shares are earned, a cash bonus equal to 40% of the value of the shares on the date the restricted stock award is earned is paid by the Company to satisfy a portion of the estimated income tax liability to be incurred by the participant.

At December 31, 1999, 72,500 shares have been awarded to plan participants under the Director Plan, of which, 41,000 shares were earned and 21,500 shares were vested.

LONG-TERM INCENTIVE PLAN

The Company's Long-Term Incentive Plan (the "LTIP") provides for restricted stock awards to executives based on increases in the price of the Company's common stock. The awarded shares are earned in specified increments for each 20% increase in the average market value of the Company's common stock over the initial base price established under the plan. When an increment of the awarded shares is earned, the shares are issued to the participant in the form of restricted stock which generally carries a five year vesting period with one-third of each award vesting on the last day of the 36th, 48th and 60th month, respectively, after each award is earned. When the restricted shares are vested, a cash bonus equal to 40% of the value of the vested shares on the date the restricted stock award is earned is paid by the Company to satisfy a portion of the estimated income tax liability to be incurred by the participant.

At the time the awarded shares are earned, the market value of the stock is added to common stock and additional paid-in capital and an equal amount is deducted from stockholders' equity as unearned compensation. The LTIP unearned compensation and the amount of cash bonus to be paid when the awarded shares become vested are amortized to expense ratably over the vesting period. The Company recognized compensation expense associated with the LTIP of \$8.5 million, \$12.0 million and \$14.8 million for the years ended December 31, 1999, 1998 and 1997, respectively, consisting of amortization of the stock award and the related cash bonus.

Additional information regarding the LTIP for the years ended December 31, 1999, 1998 and 1997 is as follows:

	1999	1998	1997
Shares awarded but not earned at January 1	927,500	965,000	1,597,500
Shares awarded, net of forfeitures	133,500	(37,500)	(270,000)
Shares earned	(15,000)	--	(362,500)
Shares awarded but not earned at December 31	1,046,000	927,500	965,000
Shares available for grant	1,234,000	1,367,500	1,330,000
Total shares reserved for issuance	2,280,000	2,295,000	2,295,000

Shares vested during year	441,166	375,833	194,000
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AGCO CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

STOCK OPTION PLAN

The Company's Stock Option Plan (the "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 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 an additional 20% of such options vest ratably over a four-year period and expire not later than ten years from the date of grant. In 1998, the Option Plan was amended to increase the number of shares authorized for issuance by 1,600,000 shares.

Stock option transactions during the three years ended December 31, 1999, 1998 and 1997 were as follows:

	1999	1998	1997
Options outstanding at January 1	1,238,294	797,968	787,250
Options granted	701,700	586,700	193,900
Options exercised	(17,138)	(50,698)	(164,255)
Options canceled	(66,937)	(95,676)	(18,927)
Options outstanding at December 31	1,855,919	1,238,294	797,968
Options available for grant at December 31	740,718	1,375,481	266,505
Option price ranges per share:			
Granted	\$ 11.00	\$ 8.31-27.00	\$ 31.25
Exercised	1.52-11.00	1.52-27.00	1.52-31.25
Canceled	\$14.63-31.25	\$11.75-31.25	\$14.63-31.25
Weighted average option prices per share:			
Granted	\$ 11.00	\$ 22.08	\$ 31.25
Exercised	3.09	9.52	10.36
Canceled	23.15	23.78	21.68
Outstanding at December 31	16.90	20.39	18.87

At December 31, 1999, the outstanding options had a weighted average remaining contractual life of approximately 8.3 years and there were 884,893 options currently exercisable with option prices ranging from \$1.52 to \$31.25 and with a weighted average exercise price of \$17.46.

The Company accounts for all stock-based compensation awarded under the Director Plan, the LTIP and the Option Plan as prescribed under APB No. 25, "Accounting for Stock Issued to Employees" and also provides the disclosures required under SFAS No. 123, "Accounting for Stock Based Compensation." APB No. 25 requires no recognition of compensation expense for options granted under the Option Plan. However, APB No. 25 does require recognition of compensation expense under the Director Plan and the LTIP.

For disclosure purposes only, under SFAS No. 123, the Company estimated the fair value of grants under the Company's stock incentive plans using the Black-Scholes pricing model. Based on this model, the weighted average fair value of options granted under the Option Plan and the weighted average fair value of awards granted under the Director Plan and the LTIP, including the related cash bonus, were as follows (in millions):

	1999	1998	1997
Director Plan	\$ 13.61	\$ 43.47	\$ 39.96
LTIP *	12.13	--	--
Option Plan	7.07	12.18	15.75

* There were no awards under the LTIP in 1998 or 1997.

The fair value of the grants and awards are amortized over the vesting period for stock options and earned awards under the Director Plan and LTIP and over the performance period for unearned awards under the Director Plan and LTIP. Based on applying the provisions of SFAS No. 123, pro forma net income, net income per common share and the assumptions under the Black-Scholes pricing model were as follows (in millions, except per share data):

YEAR ENDED DECEMBER 31,	1999	1998	1997
Net income (loss)	\$ (14.0)	\$ 57.4	\$ 166.5
Net income (loss) per common share - diluted	\$ (0.24)	\$ 0.94	\$ 2.60
Weighted average assumptions under Black-Scholes:			
Expected life of options (years)	7.0	7.0	7.0
Risk free interest rate	5.9%	5.6%	6.1%
Expected volatility	61.0%	46.0%	35.0%
Expected dividend yield	0.4%	0.2%	0.1%

Because the SFAS No. 123 method of accounting has not been applied to grants and awards prior to January 1, 1995, the resulting pro forma compensation cost may not be representative of that expected in future years.

10. COMMITMENTS AND CONTINGENCIES

The Company leases land, buildings, machinery, equipment and furniture under various noncancelable operating lease agreements. At December 31, 1999, future minimum lease payments under noncancelable operating leases were as follows (in millions):

2000	\$12.2
2001	11.1
2002	9.3
2003	8.0
2004	7.0
Thereafter	35.1

	\$82.7
=====	

Total lease expense under noncancelable operating leases was \$14.5 million, \$15.9 million and \$16.8 million, for the years ended December 31, 1999, 1998 and 1997, respectively.

At December 31, 1999, the Company was obligated under certain circumstances to purchase through the year 2002 up to \$70.6 million of equipment upon expiration of certain operating leases between Agricredit, the Company's retail finance joint venture in North America, and end users. Management believes that any losses which might be incurred on the resale of this equipment will not materially impact the Company's financial position or results of operations.

The Company is party to various claims and lawsuits arising in the normal course of business. It is the opinion of management, after consultation with legal counsel, that those claims and lawsuits, when resolved, will not have a material adverse effect on the financial position or results of operations of the Company.

11. SEGMENT REPORTING

The Company has four geographic reportable segments: North America, South America, Europe/Africa/Middle East and Asia/Pacific. Each segment distributes a full range of agricultural equipment and related replacement parts. The accounting policies of the segments are the same as described in the summary of significant accounting policies. The Company evaluates segment performance based on income from operations. Sales for each segment are based on the location of the third-party customer. All intercompany transactions between segments have been eliminated. The Company's selling, general and administrative expenses and engineering expenses are charged to each segment based on the region where the expenses are incurred. As a result, the components of operating income for one segment may not be comparable to another segment. Segment results for 1999, 1998 and 1997 are as follows (in millions):

	North America -----	South America -----	Europe/Africa/ Middle East -----	Asia/Pacific -----	Consolidated -----
1999					
Net Sales	\$ 613.0	\$197.1	\$1,507.5	\$ 95.7	\$2,413.3
Income (loss) from operations	(25.3)	(14.1)	116.5	13.6	90.7
Depreciation and amortization	12.7	6.1	35.0	2.0	55.8
Assets	667.4	189.0	728.1	32.8	1,617.3
Capital expenditures	4.9	7.6	31.7	--	44.2
1998					
Net Sales	\$ 940.9	\$ 315.3	\$1,597.8	\$ 87.4	\$2,941.4
Income from operations	57.0	13.5	136.2	15.8	222.5
Depreciation and amortization	14.3	8.9	32.9	1.5	57.6
Assets	876.7	260.9	922.5	30.2	2,090.3
Capital expenditures	14.5	6.4	40.1	--	61.0
1997					
Net Sales	\$ 956.6	\$ 334.3	\$1,781.4	\$ 152.1	\$3,224.4
Income from operations	108.3	19.3	192.4	32.1	352.1
Depreciation and amortization	11.1	9.4	27.2	1.7	49.4
Assets	799.9	245.2	926.4	33.6	2,005.1
Capital expenditures	20.4	7.2	44.4	0.1	72.1

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

	1999	1998	1997
Segment income from operations	\$ 90.7	\$ 222.5	\$ 352.1
Restricted stock compensation expense	(8.5)	(12.0)	(14.8)
Nonrecurring expenses	(24.5)	(40.0)	(18.2)
Consolidated income from operations	\$ 57.7	\$ 170.5	\$ 319.1
Segment assets	\$1,617.3	\$2,090.3	\$2,005.1
Cash and cash equivalents	19.6	15.9	31.2
Receivables from affiliates	12.8	15.2	18.5
Investments in affiliates	93.6	95.2	87.6
Other current and noncurrent assets	217.3	163.3	139.5
Intangible assets, net	312.6	370.5	339.0
Consolidated total assets	\$2,273.2	\$2,750.4	\$2,620.9

Net sales by customer location for the years ended December 31, 1999, 1998 and 1997 were as follows (in millions):

	1999	1998	1997
Net Sales:			
United States	\$ 479.8	\$ 759.0	\$ 738.5
Canada	92.1	142.4	182.6
Germany	439.5	449.3	470.5
France	315.2	321.5	347.8
United Kingdom and Ireland	137.4	122.2	179.5
Other Europe	480.4	540.3	614.6
South America	197.1	315.3	334.3
Middle East	97.5	115.8	105.7
Asia	48.4	36.7	87.8
Australia	47.3	50.7	64.3
Africa	37.5	48.7	63.3
Mexico, Central America and Caribbean	41.1	39.5	35.5
	\$2,413.3	\$2,941.4	\$3,224.4

Net sales by product for the years ended December 31, 1999, 1998 and 1997 were as follows (in millions):

	1999	1998	1997
Net sales:			
Tractors	\$1,540.3	\$1,838.8	\$1,990.6
Combines	162.3	293.5	330.5
Other machinery	253.5	318.5	389.7
Replacement parts	457.2	490.6	513.6
	\$2,413.3	\$2,941.4	\$3,224.4

EXHIBIT 21.0

SUBSIDIARIES OF THE REGISTRANT

NAME OF SUBSIDIARY	STATE OR JURISDICTION OF INCORPORATION
AGCO Corporation	Delaware
AGCO AB	Germany
AGCO Acceptance Corporation	Delaware
AGCO Argentina SA	Sweden
AGCO Australia, Ltd.	Argentina
AGCO Canada, Ltd.	Canada
AGCO Danmark AS	Denmark
AGCO de Mexico SA de CV	Mexico
AGCO do Brazil	Brazil
AGCO Export Corp.	Barbados
AGCO Farm Finance Corp.	Delaware
AGCO France SA	France
AGCO GmbH & Co.	Germany
AGCO Holding BV	Netherlands
AGCO Iberia SA	Spain
AGCO International, Ltd.	United Kingdom
AGCO Ltd.	United Kingdom
AGCO Manufacturing Ltd.	United Kingdom
AGCO Pension Trust Ltd.	United Kingdom
AGCO Romania SRL	Romania
AGCO SA	United Kingdom
AGCO Services, Ltd.	United Kingdom
AGCO Vertriebs GmbH	Germany
AGCO Verwaltungs GmbH	Germany
Agricredit Acceptance Canada, Ltd.	Canada
Araus SA	Argentina
Blue Corp.	Delaware
Dania Finans A/S	Denmark
Deutz SA	Argentina
Dronningborg Industries AS	Denmark
Eikmaskin AS	Norway
Fendt GmbH	Germany
Fendt Italiana GmbH	Italy
Gleaner-Allis Company, Ltd.	Delaware
Hesston Ventures Corp.	Kansas
Indamo SA	Argentina
Kemptener Maschinenfabrik GmbH	Germany
Manufacturers Leasing Corp.	Delaware
Massey Ferguson Corp.	Delaware
Massey Ferguson de Mexico, SA de CV	Mexico
Massey Ferguson Europa BV	Netherlands
Massey Ferguson Executive Pension Trust Ltd.	United Kingdom
Massey Ferguson SPA	Italy
Massey Ferguson Staff Pension Trust Ltd.	United Kingdom
Massey Ferguson Works Pension Trust Ltd.	United Kingdom
Terramec SA	Argentina
The Hesston Company, Ltd.	Delaware
Wohungsbau GmbH	Germany

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation of our reports included (or incorporated by reference) in this Form 10-K into AGCO Corporation's previously filed Registration Statements on Form S-8 (File No. 33-63802, File No. 33-83104, File No. 33-91686 and File No. 333-04707).

Arthur Andersen LLP

Atlanta, Georgia
March 27, 2000

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below, hereby constitutes and appoints John M. Shumejda, Patrick S. Shannon and Stephen D. Lupton his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign the annual report on Form 10-K of AGCO Corporation for the fiscal year ended December 31, 1999 and any or all amendments or supplements thereto, and to file the same with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing necessary or appropriate to be done with respect to the Form 10-K or any amendments or supplements thereto in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Date: March 20, 2000

/s/ Henry J. Claycamp

Henry J. Claycamp

/s/ Hamilton Robinson, Jr.

Hamilton Robinson, Jr.

/s/ Wolfgang Deml

Wolfgang Deml

/s/ Robert J. Ratliff

Robert J. Ratliff

/s/William H. Fike

William H. Fike

/s/ Wolfgang Sauer

Wolfgang Sauer

/s/ Gerald B. Johanneson

Gerald B. Johanneson

/s/ John M. Shumejda

John M. Shumejda

/s/ Anthony D. Loehnis

Anthony D. Loehnis

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE FINANCIAL STATEMENTS OF AGCO CORPORATION FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1999, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000,000

YEAR	DEC-31-1999	JAN-01-1999	DEC-31-1999
			20
		0	
		758	
		0	
		561	
	1,416		311
		0	
	2,273		
682			692
	0		
		0	
		1	
		828	
2,273			
		2,413	
	2,413		2,057
		2,057	
		45	
		4	
	58		
	(32)		
	(12)	(10)	
	0		
	0		
		0	
		(12)	
		(0.20)	
		(0.20)	