UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-K

For the fiscal year ended December 31, 2014

of

AGCO CORPORATION

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

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

AGCO Corporation's Common Stock is registered pursuant to Section 12(b) of the Act and is listed on the New York Stock Exchange.

AGCO Corporation is a well-known seasoned issuer.

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

Disclosure of delinquent filers pursuant to Item 405 of Regulation S-K will be contained in a definitive proxy statement, portions of which are incorporated by reference into Part III of this Form 10-K.

AGCO Corporation has submitted electronically and posted on its corporate website every Interactive Data File for the periods required to be submitted and posted pursuant to Rule 405 of Regulation S-T.

The aggregate market value of AGCO Corporation's Common Stock (based upon the closing sales price quoted on the New York Stock Exchange) held by non-affiliates as of June 30, 2014 was approximately $4.8 billion. For this purpose, directors and officers have been assumed to be affiliates. As of February 20, 2015, 88,412,107 shares of AGCO Corporation's Common Stock were outstanding.

AGCO Corporation is a large accelerated filer and is not a shell company.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of AGCO Corporation's Proxy Statement for the 2015 Annual Meeting of Stockholders are incorporated by reference into Part III of this Form 10-K.

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PART I

Item 1. *Business*

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

General

We are a leading manufacturer and distributor of agricultural equipment and related replacement parts throughout the world. We sell a full range of agricultural equipment, including tractors, combines, self-propelled sprayers, hay tools, forage equipment, seeding and tillage, implements, and grain storage and protein production systems. Our products are widely recognized in the agricultural equipment industry and are marketed under a number of well-known brands, including Challenger®, Fendt®, GSI®, Massey Ferguson® and Valtra®. We distribute most of our products through a combination of approximately 3,100 independent dealers and distributors in more than 140 countries. In addition, we also provide retail financing through our finance joint ventures with Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., which we refer to as "Rabobank."

Products

The following table sets forth a description of the Company's products and their percentage of net sales:

		Percentage of Net Sales		
Product	**Product Description**	**2014**	**2013**	**2012**
Tractors	• High horsepower tractors (100 to 590 horsepower); typically used on larger farms, primarily for row crop production	57%	60%	59%
	• Utility tractors (40 to 100 horsepower); typically used on small- and medium-sized farms and in specialty agricultural industries, including dairy, livestock, orchards and vineyards			
	• Compact tractors (under 40 horsepower); typically used on small farms and specialty agricultural industries, as well as for landscaping and residential uses			
Combines	• Combines, sold with a variety of threshing technologies and complemented by a variety of crop-harvesting heads; typically used in harvesting grain crops such as corn, wheat, soybeans and rice	6%	6%	6%
Application Equipment	• Self-propelled, three- and four-wheeled vehicles and related equipment; for use in the application of liquid and dry fertilizers and crop protection chemicals	5%	5%	5%
	• Chemical sprayer equipment; for use both prior to planting crops ("pre-emergence") and after crops emerge from the ground ("post-emergence")			
Hay Tools and Forage Equipment, Implements & Other Equipment	• Round and rectangular balers, self-propelled windrowers, disc mowers, spreaders, rakes, tedders, and mower conditioners; used for the harvesting and packaging of vegetative feeds used in the beef cattle, dairy, horse and renewable fuel industries	9%	9%	10%
	• Implements, including disc harrows, which cut through crop residue; leveling seed beds and mixing chemicals with the soils; heavy tillage, which break up soil and mix crop residue into topsoil, with or without prior discing; field cultivators, which prepare a smooth seed bed and destroy weeds; and drills, which are primarily used for small grain seeding			
	• Planters; used to apply fertilizer and plant seeds in the field, typically used in row crop seeding			
	• Other equipment, including loaders; used for a variety of tasks including lifting and transporting hay crops			
Grain Storage and Protein Production Systems	• Grain storage bins and related drying and handling equipment systems, as well as swine and poultry feed storage and delivery, ventilation and watering systems	9%	7%	7%
Replacement Parts	• Replacement parts for all of the products we sell, including products no longer in production. Most of our products can be economically maintained with parts and service for a period of ten to 20 years. Our parts inventories are maintained and distributed through a network of master and regional warehouses in all of the regions we operate within in order to provide a timely response to customer demand for replacement parts.	14%	13%	13%

Marketing and Distribution

We distribute products primarily through a network of independent dealers and distributors. Our dealers are responsible for retail sales to the equipment's end user in addition to after-sales service and support of the equipment. Our distributors may sell our products through a network of dealers supported by the distributor, or our distributors may also directly market our products and provide customer service support. Our sales are not dependent on any specific dealer, distributor or group of dealers. We intend to maintain the separate strengths and identities of our core brand names and product lines.

In some countries, we utilize associates and licensees to provide a distribution channel for our products and/or a source of low-cost production for certain Massey Ferguson and Valtra products. Associates are entities in which we have an ownership interest, most notably in India. Licensees are entities in which we have no direct ownership interest. The associate or licensee generally has the exclusive right to produce and sell Massey Ferguson or Valtra equipment in its licensed territory under such tradenames but may not sell these products in other countries. We generally license certain technology to these licensees and associates, and we may sell them certain components used in local manufacturing operations.

	Independent Dealers and Distributors	Percent of Net Sales		
Geographical region	**2014**	**2014**	**2013**	**2012**
Europe	1,070	49%	48%	48%
North America	1,360	25%	26%	26%
South America	310	17%	19%	18%
Rest of World (1)	360	9%	7%	8%

(1) Consists of approximately 70 countries in Africa, the Middle East, Australia and Asia.

Dealer Support and Supervision

We believe 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. We support our dealers in order to improve the quality of our dealer network. We monitor each dealer's performance and profitability and establish programs that focus on continual dealer improvement. Our dealers generally have sales territories for which they are responsible.

We believe that our ability to offer our dealers a full product line of agricultural equipment and related replacement parts, as well as our ongoing dealer training and support programs focusing on business and inventory management, sales, marketing, warranty and servicing matters and products, helps ensure the vitality and increase the competitiveness of our dealer network. We also maintain dealer advisory groups to obtain dealer feedback on our operations.

We provide our dealers with volume sales incentives, demonstration programs and other advertising support to assist sales. We design our sales programs, including retail financing incentives, and our policies for maintaining parts and service availability with extensive product warranties to enhance our dealers' competitive position. In general, either party may cancel dealer contracts within certain notice periods.

Manufacturing and Suppliers

Manufacturing and Assembly

We manufacture and assemble our products in 34 locations worldwide, including four locations where we operate joint ventures. Our locations are intended to optimize capacity, technology or local costs. Furthermore, we continue to balance our manufacturing resources with externally-sourced machinery, components and replacement parts to enable us to better control inventory and our supply of components. We believe that our manufacturing facilities are sufficient to meet our needs for the foreseeable future. Please refer to Item 2, "Properties," where a listing of our principal manufacturing locations is presented.

Our AGCO Power engines division produces diesel engines, gears and generating sets. The diesel engines are manufactured for use in a portion of our tractors, combines and sprayers, and are also sold to third parties. AGCO Power specializes in the manufacturing of off-road engines in the 50 to 590 horsepower range.

Third-Party Suppliers

We externally source some of our machinery, components and replacement parts. Our production strategy is intended to optimize our research and development and capital investment requirements and to allow us greater flexibility to respond to changes in market conditions.

We purchase some of the products we distribute from third-party suppliers. We purchase some fully manufactured tractors from Tractors and Farm Equipment Limited ("TAFE"), as well as from Carraro S.p.A. and Iseki & Company, Limited. We also purchase other tractors, implements and hay and forage equipment from various third-party suppliers. Refer to "Related Parties" within Item 7 for further discussion of our relationship with TAFE.

In addition to the purchase of machinery, third-party suppliers supply us with significant components used in our manufacturing operations. We select third-party suppliers that we believe are low cost, high quality and possess the most appropriate technology. We also assist in the development of these products or component parts based upon our own design requirements. Our past experience with outside suppliers generally has been favorable.

Seasonality

Generally, 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, we attempt to ship products to our dealers and distributors on a level basis throughout the year to reduce the effect of seasonal retail demands on our manufacturing operations and to minimize our investment in inventory. Our financing requirements are subject to variations due to seasonal changes in working capital levels, which typically increase in the first half of the year and then decrease in the second half of the year. The fourth quarter is also typically a period for higher retail sales because of our customers' year end tax planning considerations, the increase in availability of funds from completed harvests and the timing of dealer incentives.

Competition

The agricultural industry is highly competitive. We compete with several large national and international full-line suppliers, as well as numerous short-line and specialty manufacturers with differing manufacturing and marketing methods. Our two principal competitors on a worldwide basis are Deere & Company and CNH Industrial N.V. In certain Western European, South American and Asian countries, we have regional competitors that have significant market share in a single country or a group of countries.

We believe 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. See "Marketing and Distribution" for additional information.

Engineering and Research

We make significant expenditures for engineering and applied research to improve the quality and performance of our products, to develop new products and to comply with government safety and engine emissions regulations.

In addition, we also offer a variety of precision farming technologies that provide farmers with the capability to enhance productivity and profitability on the farm. These technologies are installed in our products and include satellite-based steering, field data collection, yield mapping and telemetry-based fleet management systems.

Wholesale Financing

Primarily in the United States and Canada, we engage in the standard industry practice of providing dealers with floor plan payment terms for their inventories of farm equipment for extended periods. The terms of our wholesale finance agreements with our dealers vary by region and product line, with fixed payment schedules on all sales, generally ranging from one to 12 months. In the United States and Canada, dealers typically are not required to make an initial down payment, and our terms allow for an interest-free period generally ranging from one to 12 months, depending on the product. All equipment sales to dealers in the United States and Canada are immediately due upon a retail sale of the equipment by the dealer, with the exception of sales of grain storage and protein production systems. If not previously paid by the dealer, installment payments generally are required beginning after the interest-free period with the remaining outstanding equipment balance generally due within 12 months after shipment. We also provide financing to dealers on used equipment accepted in trade. We retain a security interest in a majority of the new and used equipment we finance. Sales of grain storage and protein production systems generally are payable within 30 days of shipment.

Typically, sales terms outside the United States and Canada are of a shorter duration, generally ranging from 30 to 180 days. In many cases, we retain a security interest in the equipment sold on extended terms. In certain international markets, our sales are backed by letters of credit or credit insurance.

We have an agreement to permit transferring, on an ongoing basis, a majority of our wholesale receivables in North America and Europe to our AGCO Finance joint ventures. These joint ventures are located in the United States, Canada, Europe, Brazil, Argentina and Australia and are owned 49% by AGCO and 51% by a wholly-owned subsidiary of Rabobank. Upon transfer, the wholesale receivables maintain standard payment terms, including required regular principal payments on amounts outstanding and interest charges at market rates. Qualified dealers may obtain additional financing through our U.S., Canadian and European finance joint ventures at the joint ventures' discretion. In addition, AGCO Finance joint ventures may provide wholesale financing to dealers in Brazil and Australia.

Retail Financing

Our end users of our products are also provided with a competitive and dedicated financing source through our AGCO Finance joint ventures. Besides contributing to our overall profitability, the AGCO Finance joint ventures can enhance our sales efforts by tailoring retail finance programs to prevailing market conditions. Refer to "Finance Joint Ventures" within Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" for further information.

In addition, Rabobank is the primary lender with respect to our credit facility and our $4^1/_2$% senior term loan, as are more fully described in "Liquidity and Capital Resources" within Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations." Our historical relationship with Rabobank has been strong, and we anticipate its continued long-term support of our business.

Intellectual Property

We own and have licenses to the rights under a number of domestic and foreign patents, trademarks, trade names and brand names relating to our products and businesses. We defend our patent, trademark and trade and brand name rights primarily by monitoring competitors' machines and industry publications and conducting other investigative work. We consider our intellectual property rights, including our rights to use our trade and brand names, important in the operation of our businesses. However, we do not believe we are dependent on any single patent, trademark or trade name or group of patents or trademarks, trade names or brand names.

Environmental Matters and Regulation

We are subject to environmental laws and regulations concerning emissions to the air, discharges of processed or other types of wastewater, 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 us in the future are impossible to predict with accuracy. It is our policy to comply with all applicable environmental, health and safety laws and regulations, and we believe that any expense or liability we may incur in connection with any noncompliance with any law or regulation or the cleanup of any of our properties will not have a materially adverse effect on us. We believe that we are in compliance in all material respects with all applicable laws and regulations.

The United States Environmental Protection Agency regulates permissible emissions from off-road engines. Our AGCO Power engines division, which specializes in the manufacturing of off-road engines in the 40 to 590 horsepower range, currently complies with Com II, Com IIIa, Com IIIb, Com IV, Tier II, Tier III, Tier 4i and Tier 4f emissions requirements set by European and U.S. regulatory authorities. We also are currently required to comply with other country regulations outside of the United States and Europe. We expect to meet future emissions requirements through the introduction of new technology to our engines and exhaust after-treatment systems, as necessary. In some markets (such as the United States) we must obtain governmental environmental approvals in order to import our products, and these approvals can be difficult or time consuming to obtain or may not be obtainable at all. For example, our AGCO Power engine division and our engine suppliers are subject to air quality standards, and production at our facilities could be impaired if AGCO Power and these suppliers are unable to timely respond to any changes in environmental laws and regulations affecting engine emissions. Compliance with environmental and safety regulations has added, and will continue to add, to the cost of our products and increase the capital-intensive nature of our business.

Climate change, as a result of emissions of greenhouse gases, is a significant topic of discussion and may generate U.S. and other regulatory responses. It is impracticable to predict with any certainty the impact on our business of climate change or the regulatory responses to it, although we recognize that they could be significant. The most direct impacts are likely to be an increase in energy costs, which would increase our operating costs (through increased utility and transportation costs) and an increase in the costs of the products we purchase from others. In addition, increased energy costs for our customers could impact demand for our equipment. It is too soon for us to predict with any certainty the ultimate impact of additional regulation, either directionally or quantitatively, on our overall business, results of operations or financial condition.

Our international operations also are subject to environmental laws, as well as various other national and local laws, in the countries in which we manufacture and sell our products. We believe that we are in compliance with these laws in all material respects.

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, modification or adoption of laws, regulations or policies could have an adverse effect on our business.

We have manufacturing facilities or other physical presence in approximately 33 countries and sell our products in more than 140 countries. This subjects us to a range of trade, product, foreign exchange, employment, tax and other laws and regulations, in addition to the environmental regulation discussed previously, in a significant number of jurisdictions. Many jurisdictions and a variety of laws regulate the contractual relationships with our dealers. These laws impose substantive standards on the relationships between us and our dealers, including events of default, grounds for termination, non-renewal of dealer contracts and equipment repurchase requirements. Such laws could adversely affect our ability to terminate our dealers.

In addition, each of the jurisdictions within which we operate or sell products has an important interest in the success of its agricultural industry and the consistency of the availability of reasonably priced food sources. These interests result in active political involvement in the agricultural industry, which, in turn, can impact our business in a variety of ways.

Employees

As of December 31, 2014, we employed approximately 20,800 employees, including approximately 5,400 employees in the United States and Canada. A majority of our employees at our manufacturing facilities, both domestic and international, are represented by collective bargaining agreements and union contracts with terms that expire on varying dates. We currently do not expect any significant difficulties in renewing these agreements.

Available Information

Our Internet address is *www.agcocorp.com*. We make the following reports filed by us available, free of charge, on our website under the heading "SEC Filings" in our website's "Investors" section:

- annual reports on Form 10-K;
- quarterly reports on Form 10-Q;
- current reports on Form 8-K;
- proxy statements for the annual meetings of stockholders; and
- Forms 3, 4 and 5

The foregoing reports are made available on our website as soon as practicable after they are filed with the Securities and Exchange Commission ("SEC").

We also provide corporate governance and other information on our website. This information includes:

- charters for the committees of our board of directors, which are available under the heading "Charters of the Committees of the Board" in the "Corporate Governance" section of our website located under "Investors," and
- our Global Code of Conduct, which is available under the heading "Global Code of Conduct" in the "Corporate Governance" section of our website located under "Investors."

In addition, in the event of any waivers of our Global Code of Conduct, those waivers will be available under the heading "Corporate Governance" of our website.

Financial Information on Geographical Areas

For financial information on geographical areas, see Note 15 of our Consolidated Financial Statements contained in Item 8 under the caption "Segment Reporting," which information is incorporated herein by reference.

Item 1A. *Risk Factors*

We make forward-looking statements in this report, in other materials we file with the SEC or otherwise release to the public and on our website. In addition, our senior management might make forward-looking statements orally to analysts, investors, the media and others. Statements concerning our future operations, prospects, strategies, products, manufacturing facilities, legal proceedings, financial condition, future financial performance (including growth and earnings) and demand for our products and services, and other statements of our plans, belief or expectations, including the statements contained in Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” regarding net sales, industry conditions, currency translation impacts, pricing impacts, market demand, farm incomes, land values, weather conditions, commodities prices, government financing programs, general economic conditions, availability of financing, working capital, capital expenditure and debt service requirements, margins, production volumes, productivity and purchasing initiatives, restructuring actions, compliance with financial covenants, support of lenders, recovery of amounts under guarantee, uncertain income tax provisions, funding of our pension and postretirement benefit plans, or realization of net deferred tax assets, are forward-looking statements. The forward-looking statements we make are not guarantees of future performance and are subject to various assumptions, risks and other factors that could cause actual results to differ materially from those suggested by these forward-looking statements. These factors include, among others, those set forth below and in the other documents that we file with the SEC. There also are other factors that we may not describe, generally because we currently do not perceive them to be material, that could cause actual results to differ materially from our expectations.

We expressly disclaim any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Our financial results depend entirely upon the agricultural industry, and factors that adversely affect the agricultural industry generally, including declines in the general economy, increases in farm input costs, weather conditions, lower commodity prices and changes in the availability of credit for our retail customers, will adversely affect us.

Our success depends heavily on the vitality of the agricultural industry. Historically, the agricultural industry, including the agricultural equipment business, has been cyclical and subject to a variety of economic factors, governmental regulations and legislation and weather conditions. Sales of agricultural equipment generally are related to the economic health of the agricultural industry, which is affected by farm income, farm input costs, debt levels and land values, all of which reflect levels of commodity prices, acreage planted, crop yields, agricultural product demand, including crops used as renewable energy sources, government policies and government subsidies. Sales also are influenced by economic conditions, interest rate and exchange rate levels, and the availability of retail financing. Trends in the industry, such as farm consolidations, may affect the agricultural equipment market. In addition, weather conditions, such as floods, heat waves or droughts, and pervasive livestock or crop diseases can affect farmers’ buying decisions. Downturns in the agricultural industry due to these or other factors could vary by market and are likely to result in decreases in demand for agricultural equipment, which would adversely affect our sales, growth, results of operations and financial condition. Moreover, volatility in demand makes it difficult for us to accurately predict sales and optimize production. This, in turn, can result in higher costs, including inventory carrying costs and underutilized manufacturing capacity. During previous downturns in the farm sector, we experienced significant and prolonged declines in sales and profitability, and we expect our business to remain subject to similar market fluctuations in the future.

The agricultural equipment industry is highly seasonal, and seasonal fluctuations significantly impact results of operations and cash flows.

The agricultural equipment business is highly seasonal, which causes our quarterly results and our available cash flow to fluctuate during the year. Farmers generally purchase agricultural equipment in the Spring and Fall in conjunction with the major planting and harvesting seasons. In addition, the fourth quarter typically is a significant period for retail sales because of our customers’ year-end tax planning considerations, the increase in availability of funds from completed harvests and the timing of dealer incentives. Our net sales and income from operations historically have been the lowest in the first quarter and have increased in subsequent quarters as dealers anticipate increased retail sales in subsequent quarters.

Most of our sales depend on the retail customers obtaining financing, and any disruption in their ability to obtain financing, whether due to economic downturns or otherwise, will result in the sale of fewer products by us. In addition, the collectability of receivables that are created from our sales, as well as from such retail financing, is critical to our business.

Most retail sales of our products are financed, either by AGCO Finance joint ventures or by a bank or other private lender. Our AGCO Finance joint ventures, which are controlled by Rabobank and are dependent upon Rabobank for financing as well, finance approximately 50% of the retail sales of our tractors and combines in the markets where the joint ventures operate. Any difficulty by Rabobank in continuing to provide that financing, or any business decision by Rabobank as the controlling member not to fund the business or particular aspects of it (for example, a particular country or region) would require the joint ventures to find other sources of financing (which may be difficult to obtain), or would require us to find another source of retail financing for our customers, or our customers would be required to utilize other retail financing providers. In prior economic downturns, financing for capital equipment purchases generally became more difficult in certain regions and, in some cases, was expensive to obtain. To the extent that financing is not available, or available only at unattractive prices, our sales would be negatively impacted.

In addition, both AGCO and our AGCO Finance joint ventures have substantial accounts receivable from dealers and retail customers, and we would be adversely impacted if the collectability of these receivables was not consistent with historical experience; this collectability is dependent on the financial strength of the farm industry, which in turn is dependent upon the general economy and commodity prices, as well as several of the other factors discussed in this "Risk Factors" section.

Our success depends on the introduction of new products, which requires substantial expenditures.

Our long-term results depend upon our ability to introduce and market new products successfully. The success of our new products will depend on a number of factors, including:

- innovation;
- customer acceptance;
- the efficiency of our suppliers in providing component parts and of our manufacturing facilities in producing final products; and
- the performance and quality of our products relative to those of our competitors.

As both we and our competitors continuously introduce new products or refine versions of existing products, we cannot predict the level of market acceptance or the amount of market share our new products will achieve. We have experienced delays in the introduction of new products in the past, and we cannot make any assurances that we will not experience delays in the future. Any delays or problems with our new product launches will adversely affect our operating results. In addition, introducing new products can result in decreases in revenues from our existing products. Consistent with our strategy of offering new products and product refinements, we expect to continue to use a substantial amount of capital for product development and refinement. We may need more capital for product development and refinement than is available to us, which could adversely affect our business, financial condition or results of operations.

Our expansion plans in emerging markets entails significant risks.

Our strategies include establishing a greater manufacturing and marketing presence in emerging markets such as China and Russia. In addition, we are growing our use of component suppliers in these markets. As we progress with these strategies, it will involve a significant investment of capital and other resources and entail various risks. These include risks attendant to obtaining necessary governmental approvals and the construction of the facilities in a timely manner and within cost estimates, the establishment of supply channels, the commencement of efficient manufacturing operations and, ultimately, the acceptance of the products by our customers. While we expect the expansion to be successful, should we encounter difficulties involving these or similar factors, it may not be as successful as we anticipate.

We face significant competition and if we are unable to compete successfully against other agricultural equipment manufacturers, we would lose customers and our net sales and profitability would decline.

The agricultural equipment business is highly competitive, particularly in our major markets. We compete with several large national and international companies that, like us, offer a full line of agricultural equipment. We also compete with numerous short-line and specialty manufacturers of agricultural equipment. Our two key competitors, Deere & Company and CNH Industrial N.V., are substantially larger than we are and have greater financial and other resources. In addition, in some markets, we compete with smaller regional competitors with significant market share in a single country or group of countries. Our competitors may substantially increase the resources devoted to the development and marketing, including discounting, of products that compete with our products. In addition, competitive pressures in the agricultural equipment business may affect the market prices of new and used equipment, which, in turn, may adversely affect our sales margins and results of operations.

We maintain an independent dealer and distribution network in the markets where we sell products. The financial and operational capabilities of our dealers and distributors are critical to our ability to compete in these markets. In addition, we compete with other manufacturers of agricultural equipment for dealers. If we are unable to compete successfully against other agricultural equipment manufacturers, we could lose dealers and their end customers and our net sales and profitability may decline.

Rationalization or restructuring of manufacturing facilities, including plant expansions and system upgrades at our manufacturing facilities, may cause production capacity constraints and inventory fluctuations.

The rationalization of our manufacturing facilities has at times resulted in, and similar rationalizations or restructurings in the future may result in, temporary constraints upon our ability to produce the quantity of products necessary to fill orders and thereby complete sales in a timely manner. In addition, system upgrades at our manufacturing facilities that impact ordering, production scheduling and other related manufacturing processes are complex, and could impact or delay production targets. A prolonged delay in our ability to fill orders on a timely basis could affect customer demand for our products and increase the size of our product inventories, causing future reductions in our manufacturing schedules and adversely affecting our results of operations. Moreover, our continuous development and production of new products will often involve the retooling of existing manufacturing facilities. This retooling may limit our production capacity at certain times in the future, which could adversely affect our results of operations and financial condition. In addition, the expansion and reconfiguration of existing manufacturing facilities, as well as the start up of new manufacturing operations in emerging markets, such as China and Russia, could increase the risk of production delays, as well as require significant investments of capital.

We depend on suppliers for components, parts and raw materials for our products, and any failure by our suppliers to provide products as needed, or by us to promptly address supplier issues, will adversely impact our ability to timely and efficiently manufacture and sell products. We also are subject to raw material price fluctuations, which can adversely affect our manufacturing costs.

Our products include components and parts manufactured by others. As a result, our ability to timely and efficiently manufacture existing products, to introduce new products and to shift manufacturing of products from one facility to another depends on the quality of these components and parts and the timeliness of their delivery to our facilities. At any particular time, we depend on many different suppliers, and the failure by one or more of our suppliers to perform as needed will result in fewer products being manufactured, shipped and sold. If the quality of the components or parts provided by our suppliers is less than required and we do not recognize that failure prior to the shipment of our products, we will incur higher warranty costs. The timely supply of component parts for our products also depends on our ability to manage our relationships with suppliers, to identify and replace suppliers that fail to meet our schedules or quality standards, and to monitor the flow of components and accurately project our needs. The shift from our existing suppliers to new suppliers, including suppliers in emerging markets in the future, also may impact the quality and efficiency of our manufacturing capabilities, as well as impact warranty costs. A significant increase in the price of any component or raw material could adversely affect our profitability. We cannot avoid exposure to global price fluctuations, such as occurred in the past with the costs of steel and related products, and our profitability depends on, among other things, our ability to raise equipment and parts prices sufficiently enough to recover any such material or component cost increases.

A majority of our sales and manufacturing take place outside the United States, and, as a result, we are exposed to risks related to foreign laws, taxes, economic conditions, labor supply and relations, political conditions and governmental policies. These risks may delay or reduce our realization of value from our international operations.

A majority of our net sales are derived from sales outside the United States. The foreign countries in which we do the most significant amount of business are Germany, France, Brazil, the United Kingdom, Finland and Canada. In addition, we have significant manufacturing operations in France, Germany, Brazil, Italy and Finland and have established manufacturing operations in emerging markets, such as China. Our results of operations and financial condition will be adversely affected by adverse changes in the laws, taxes, economic conditions, labor supply and relations, political conditions and governmental policies of the foreign countries in which we conduct business. Our business practices in these foreign countries must comply with U.S. law, including the Foreign Corrupt Practices Act (“FCPA”). We have a compliance program in place designed to reduce the likelihood of potential violations of the FCPA, but we cannot provide assurances that future violations will not occur. If significant violations were to occur, they could subject us to fines and other penalties as well as increased compliance costs. Some of our international operations are also subject to various risks that are not present in domestic operations, including restrictions on dividends and the repatriation of funds. Foreign developing markets may present special risks, such as unavailability of financing, inflation, slow economic growth, price controls and compliance with U.S. regulations.

Domestic and foreign political developments and government regulations and policies directly affect the international agricultural industry, which affects the demand for agricultural equipment. If demand for agricultural equipment declines, our sales, growth, results of operations and financial condition will be adversely affected. The application, modification or adoption of laws, regulations, trade agreements or policies adversely affecting the agricultural industry, including the imposition of import and export duties and quotas, expropriation and potentially burdensome taxation, could have an adverse effect on our business. The ability of our international customers to operate their businesses and the health of the agricultural industry, in general, are affected by domestic and foreign government programs that provide economic support to farmers. As a result, farm income levels and the ability of farmers to obtain advantageous financing and other protections would be reduced to the extent that any such programs are curtailed or eliminated. Any such reductions likely would result in a decrease in demand for agricultural equipment. For example, a decrease or elimination of current price protections for commodities or of subsidy payments for farmers in the European Union, the United States, Brazil or elsewhere in South America could negatively impact the operations of farmers in those regions, and, as a result, our sales may decline if these farmers delay, reduce or cancel purchases of our products. In emerging markets some of these (and other) risks can be greater than they might be elsewhere. In addition, in some cases, the financing provided by our joint ventures with Rabobank or by others is supported by a government subsidy or guarantee. The programs under which those subsidies and guarantees are provided generally are of limited duration and subject to renewal and contain various caps and other limitations. In some markets, for example, Brazil, this support is quite significant. In the event the governments that provide this support elect not to renew these programs, and were financing not available, whether through our joint ventures or otherwise, our sales would be negatively impacted.

As a result of the multinational nature of our business and the acquisitions that we have made over time, our corporate and tax structures are complex, with a significant portion of our operations being held through foreign holding companies. As a result, it can be inefficient, from a tax perspective, for us to repatriate or otherwise transfer funds, and we may be subject to a greater level of tax-related regulation and reviews by multiple governmental units than would companies with a more simplified structure. In addition, our foreign and U.S. operations routinely sell products to, and license technology to other operations of ours. The pricing of these intra-company transactions is subject to regulation and review as well. While we make every effort to comply with all applicable tax laws, audits and other reviews by governmental units could result in our being required to pay additional taxes, interest and penalties.

We recently have experienced substantial and sustained volatility with respect to currency exchange rate and interest rate changes, which can adversely affect our reported results of operations and the competitiveness of our products.

We conduct operations in a variety of currencies. Our production costs, profit margins and competitive position are affected by the strength of the currencies in countries where we manufacture or purchase goods relative to the strength of the currencies in countries where our products are sold. In addition, we are subject to currency exchange rate risk to the extent that our costs are denominated in currencies other than those in which we earn revenues and to risks associated with translating the financial statements of our foreign subsidiaries from local currencies into United States dollars. Similarly, changes in interest rates affect our results of operations by increasing or decreasing borrowing costs and finance income. Our most significant transactional foreign currency exposures are the Euro, the Brazilian real and the Canadian dollar in relation to the United States dollar, and the Euro in relation to the British pound. Where naturally offsetting currency positions do not occur, we attempt to manage these risks by economically hedging some, but not necessarily all, of our exposures through the use of foreign currency forward exchange or option contracts. As with all hedging instruments, there are risks associated with the use of foreign currency forward exchange or option contracts, interest rate swap agreements and other risk management contracts. While the use of such hedging instruments provides us with protection for a finite period of time from certain fluctuations in currency exchange and interest rates, we potentially forego the benefits that might result from favorable fluctuations in currency exchange and interest rates. In addition, any default by the counterparties to these transactions could adversely affect us. Despite our use of economic hedging transactions, currency exchange rate or interest rate fluctuations may adversely affect our results of operations, cash flow and financial condition.

We are subject to extensive environmental laws and regulations, including increasingly stringent engine emissions standards, and our compliance with, or our failure to comply with, existing or future laws and regulations could delay production of our products or otherwise adversely affect our business.

We are subject to increasingly stringent environmental laws and regulations in the countries in which we operate. These regulations govern, among other things, emissions into the air, discharges into water, the use, handling and disposal of hazardous substances, waste disposal and the remediation of soil and groundwater contamination. Our costs of complying with these or any other current or future environmental regulations may be significant. For example, the European Union and the United States have adopted more stringent environmental regulations regarding emissions into the air, and it is possible that new emissions-related legislation or regulations will be adopted in connection with concerns regarding greenhouse gases. We may be adversely impacted by costs, liabilities or claims with respect to our operations under existing laws or those that may be adopted in the future. If we fail to comply with existing or future laws and regulations, we may be subject to governmental or judicial fines or sanctions, or we may not be able to sell our products and, therefore, our business and results of operations could be adversely affected.

In addition, the products that we manufacture or sell, particularly engines, are subject to increasingly stringent environmental regulations. As a result, we will likely incur increased engineering expenses and capital expenditures to modify our products to comply with these regulations. Further, we may experience production delays if we or our suppliers are unable to design and manufacture components for our products that comply with environmental standards established by regulators. For instance, we are required to meet more stringent engine emission reduction standards, including Tier 4 requirements, that are applicable to engines we manufacture or incorporate into our products, and we expect to meet these requirements through the introduction of new technology to our products, engines and exhaust after-treatment systems, as necessary. Failure to meet such requirements could materially affect our business and results of operations.

We are subject to recently adopted SEC disclosure obligations relating to "conflict minerals" (columbite-tantalite, cassiterite (tin), wolframite (tungsten) and gold) that are sourced from the Democratic Republic of Congo or adjacent countries. The first reports under these disclosure obligations were filed with the SEC in May 2014. Complying with these requirements has and will require us to incur additional costs, including the costs to determine the sources of any conflict minerals used in our products and to modify our processes or products, if required. As a result, we may choose to modify the sourcing, supply and pricing of materials in our products. In addition, we may face reputational and regulatory risks if the information that we receive from our suppliers is inaccurate or inadequate, or our process in obtaining that information does not fulfill the SEC's requirements. We have a formal policy with respect to the use of conflict minerals in our products that is intended to minimize, if not eliminate, conflict minerals sourced from the covered countries to the extent that we are unable to document that they have been obtained from conflict-free sources.

Our labor force is heavily unionized, and our contractual and legal obligations under collective bargaining agreements and labor laws subject us to the risks of work interruption or stoppage and could cause our costs to be higher.

Most of our employees, most notably at our manufacturing facilities, are subject to collective bargaining agreements and union contracts with terms that expire on varying dates. Several of our collective bargaining agreements and union contracts are of limited duration and, therefore, must be re-negotiated frequently. As a result, we incur various administrative expenses associated with union representation of our employees. Furthermore, we are at greater risk of work interruptions or stoppages than non-unionized companies, and any work interruption or stoppage could significantly impact the volume of products we have available for sale. In addition, collective bargaining agreements, union contracts and labor laws may impair our ability to reduce our labor costs by streamlining existing manufacturing facilities and in restructuring our business because of limitations on personnel and salary changes and similar restrictions.

We have significant pension obligations with respect to our employees and our available cash flow may be adversely affected in the event that payments became due under any pension plans that are unfunded or underfunded. Declines in the market value of the securities used to fund these obligations result in increased pension expense in future periods.

A portion of our active and retired employees participate in defined benefit pension plans under which we are obligated to provide prescribed levels of benefits regardless of the value of the underlying assets, if any, of the applicable pension plan. To the extent that our obligations under a plan are unfunded or underfunded, we will have to use cash flow from operations and other sources to pay our obligations either as they become due or over some shorter funding period. In addition, since the assets that we already have provided to fund these obligations are invested in debt instruments and other securities, the value of these assets varies due to market factors. Historically, these fluctuations have been significant and sometimes adverse, and there can be no assurances that they will not be significant in the future. As of December 31, 2014, we had substantial unfunded or underfunded obligations related to our pension and other postretirement health care benefits. See Note 8 of our Consolidated Financial Statements contained in Item 8 for more information regarding our unfunded or underfunded obligations.

Our business routinely is subject to claims and legal actions, some of which could be material.

We routinely are a party to claims and legal actions incidental to our business. These include claims for personal injuries by users of farm equipment, disputes with distributors, vendors and others with respect to commercial matters, and disputes with taxing and other governmental authorities regarding the conduct of our business. While these matters generally are not material, it is entirely possible that a matter will arise that is material to our business.

We have a substantial amount of indebtedness, and, as a result, we are subject to certain restrictive covenants and payment obligations that may adversely affect our ability to operate and expand our business.

Our credit facility and certain other debt agreements have various financial and other covenants that require us to maintain certain total debt to EBITDA and interest coverage ratios. In addition, the credit facility and certain other debt agreements contain other restrictive covenants such as the incurrence of indebtedness and the making of certain payments, including dividends, and are subject to acceleration in the event of default. If we fail to comply with these covenants and are unable to obtain a waiver or amendment, an event of default would result.

If any event of default were to occur, our lenders could, among other things, declare outstanding amounts due and payable, and our cash may become restricted. In addition, an event of default or declaration of acceleration under our credit facility or certain other debt agreements could also result in an event of default under our other financing agreements.

Our substantial indebtedness could have other important adverse consequences such as:

- requiring us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness, which would reduce the availability of our cash flow to fund future working capital, capital expenditures, acquisitions and other general corporate purposes;
- increasing our vulnerability to general adverse economic and industry conditions;
- limiting our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- restricting us from being able to introduce new products or pursuing business opportunities;
- placing us at a competitive disadvantage compared to our competitors that may have less indebtedness; and
- limiting, along with the financial and other restrictive covenants in our indebtedness, among other things, our ability to borrow additional funds, pay cash dividends or engage in or enter into certain transactions.

Our business increasingly is subject to regulations relating to privacy and data protection, and if we violate any of those regulations or otherwise are the victim of a cyber attack, we could incur significant losses and liability.

Increasingly the United States, the European Union and other governmental entities are imposing regulations designed to protect the collection, maintenance and transfer of personal information. Other regulations govern the collection and transfer of financial data and data security generally. These regulations generally impose penalties in the event of violations. In addition, we also could be subject to cyber attacks that, if successful, could compromise our information technology systems and our ability to conduct business.

In addition, our business relies on the Internet as well as other electronic communications systems that, by their nature, may be subject to efforts by so-called “hackers” to either disrupt our business or steal data or funds. While we strive to maintain customary protections against hackers, there can be no assurance that at some point a hacker will breach those safeguards and damage our business, possibly materially.

We may encounter difficulties in integrating businesses we acquire and may not fully achieve, or achieve within a reasonable time frame, expected strategic objectives and other expected benefits of the acquisitions.

We may at times seek to expand through acquisitions of other businesses. We would expect to realize strategic and other benefits as a result of our acquisitions, including, among other things, the opportunity to extend our reach in the agricultural industry and provide our customers with an even wider range of products and services. However, it is impossible to predict with certainty whether, or to what extent, these benefits will be realized or whether we will be able to integrate acquired businesses in a timely and effective manner. For example:

- the costs of integrating acquired businesses and their operations may be higher than we expect and may require significant attention from our management; and

- our ability to successfully carry out our growth strategies for acquired businesses will be affected by, among other things, our ability to maintain and enhance our relationships with their existing customers, our ability to provide additional product distribution opportunities to them through our existing distribution channels, changes in the spending patterns and preferences of customers and potential customers, fluctuating economic and competitive conditions and our ability to retain their key personnel.

Our ability to address these issues will determine the extent to which we are able to successfully integrate, develop and grow acquired businesses and to realize the expected benefits of these transactions. Our failure to do so could have a material adverse effect on our revenues, operating results and financial condition following the transactions.

Item 1B. ***Unresolved Staff Comments***

Not applicable.

Item 2. ***Properties***

Our principal manufacturing locations and/or properties as of January 31, 2015, were as follows:

Location	Description of Property	Leased (Sq. Ft.)	Owned (Sq. Ft.)
United States:			
Duluth, Georgia	Corporate Headquarters	166,700	
Hesston, Kansas	Manufacturing		1,445,300
Batavia, Illinois	Parts Distribution	310,200	
Assumption, Illinois	Manufacturing/Sales and Administrative Office		933,900
Jackson, Minnesota	Manufacturing	287,000	706,000
International:			
Beauvais, France(1)	Manufacturing		1,263,100
Ennery, France	Parts Distribution	58,200	403,400
Marktoberdorf, Germany	Manufacturing	154,800	1,472,000
Breganze, Italy	Manufacturing		1,548,400
Linnavuori, Finland	Manufacturing		396,300
Suolahti, Finland	Manufacturing/Parts Distribution		550,900
Canoas, Brazil	Regional Headquarters/Manufacturing		615,300
Santa Rosa, Brazil	Manufacturing		481,500
Mogi das Cruzes, Brazil	Manufacturing		727,400
Changzhou, China	Manufacturing	449,300	767,000

(1) Includes our joint venture, GIMA, in which we own a 50% interest.

We consider each of our facilities to be in good condition and adequate for its present use. We believe that we have sufficient capacity to meet our current and anticipated manufacturing requirements.

Item 3. ***Legal Proceedings***

On June 27, 2008, the Republic of Iraq filed a civil action in federal court in the Southern District of New York, Case No. 08 CIV 59617, naming as defendants one of our French subsidiaries and two of our other foreign subsidiaries that participated in the United Nations Oil for Food Program (the “Program”). Ninety-one other entities or companies also were named as defendants in the civil action due to their participation in the Program. The complaint purports to assert claims against each of the defendants seeking damages in an unspecified amount. On February 6, 2013, the federal court dismissed the complaint with prejudice. The federal appeals court affirmed that decision. The time period during which the plaintiff can petition the U.S. Supreme Court for a Writ of Certiorari has not yet expired. Although we intend to vigorously defend against this action, it is not possible at this time to predict the outcome of this action or its impact, if any, on us, although if the outcome was adverse, we could be required to pay damages.

On October 30, 2012, a third-party complaint was filed in federal court in the Southern District of Texas, Case No. 09 CIV 03884, naming as defendants one of our French subsidiaries and two of our other foreign subsidiaries. Sixty other entities or companies also were named as third-party defendants. The complaint asserts claims against the defendants, certain of which are also third-party plaintiffs, seeking unspecified damages arising from their participation in the Program. The third-party plaintiffs seek contribution from the third-party defendants. On February 12, 2014, the federal court dismissed the third-party complaint with prejudice. The third-party plantiffs have not appealed this dismissal, but have until after the resolution of the underlying case to do so. Although we intend to vigorously defend against this action, it is not possible at this time to predict the outcome of the action or its impact, if any, on us, although if the outcome was adverse, we could be required to pay damages.

In August 2008, as part of a routine audit, the Brazilian taxing authorities disallowed deductions relating to the amortization of certain goodwill recognized in connection with a reorganization of our Brazilian operations and the related transfer of certain assets to our Brazilian subsidiaries. The amount of the tax disallowance through December 31, 2014, not including interest and penalties, was approximately 131.5 million Brazilian reais (or approximately $49.5 million). The amount ultimately in dispute will be greater because of interest and penalties. We have been advised by our legal and tax advisors that our position with respect to the deductions is allowable under the tax laws of Brazil. We are contesting the disallowance and believe that it is not likely that the assessment, interest or penalties will be required to be paid. However, the ultimate outcome will not be determined until the Brazilian tax appeal process is complete, which could take several years.

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

Item 4. ***Mine Safety Disclosures***

Not Applicable.

PART II

Item 5. *Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities*

Our common stock is listed on the New York Stock Exchange ("NYSE") and trades under the symbol AGCO. As of the close of business on February 20, 2015, the closing stock price was $50.46, and there were 364 stockholders of record (this number does not include stockholders who hold their stock through brokers, banks and other nominees). The following table sets forth, for the periods indicated, the high and low sales prices for our common stock for each quarter within the last two years, as reported on the NYSE as well as the amount of the dividend paid.

	High	Low	Dividend
2014			
First Quarter	$ 59.02	$ 49.93	$ 0.11
Second Quarter	59.18	53.28	0.11
Third Quarter	56.61	45.07	0.11
Fourth Quarter	47.37	41.56	0.11

	High	Low	Dividend
2013			
First Quarter	$ 55.15	$ 49.07	$ 0.10
Second Quarter	56.83	47.29	0.10
Third Quarter	61.88	49.63	0.10
Fourth Quarter	64.60	56.31	0.10

Dividend Policy

On January 22, 2015, our Board of Directors approved an increase in our quarterly dividend from $0.11 per share to $0.12 per share beginning in the first quarter of 2015. Future dividends will be subject to our Board of Directors' approval. We cannot provide any assurance that we will continue to pay dividends in the future. Although we are in compliance with all provisions of our debt agreements, both our credit facility and the indenture governing our senior subordinated notes and term loan contain restrictions on our ability to pay dividends in certain circumstances. Refer to Note 9 of our Consolidated Financial Statements for further information.

Issuer Purchases of Equity Securities

The table below sets forth information with respect to purchases of our common stock made by or on behalf of us during the three months ended December 31, 2014:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs[1]	Maximum Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (in millions)[1][2]
October 1, 2014 through October 31, 2014 [2]	768,763	$ 44.06	768,763	$ 156.6
November 1, 2014 through November 30, 2014 [2]	2,020,785	$ 43.30	2,020,785	$ 31.6
December 1, 2014 through December 31, 2014 [2]	838,279	$ 43.72	838,279	$ 531.6
Total	3,627,827	$ 43.79	3,627,827	$ 531.6

(1) In July 2012, our Board of Directors approved a share repurchase program under which we can repurchase up to $50.0 million of our common stock. This share repurchase program does not have an expiration date. In December 2013, our Board of Directors approved a second share repurchase program under which we can repurchase up to $500.0 million shares of our common stock through an expiration date of June 2015. In December 2014, our Board of Directors approved a third share repurchase program under which we can repurchase an additional $500.0 million shares of our common stock through December 2016.

(2) During October 2014, we repurchased 768,763 shares of our common stock through open market transactions. In November 2014, we entered into an accelerated repurchase agreement ("ASR") with a third-party financial institution to repurchase $125.0 million of our common stock. The ASR agreement resulted in the initial delivery of 2,020,785 shares of our common stock, representing approximately 70% of the shares expected to be repurchased in connection with the transaction. In December 2014, the remaining 838,279 shares under the ASR agreement were delivered. As reflected in the table above, the average price paid per share for the ASR agreement was the volume-weighted average stock price of our common stock over the term of the ASR agreement. Refer to Note 9 of our Consolidated Financial Statements contained in Item 8 for a further discussion of this matter.

Item 6. *Selected Financial Data*

The following tables present our selected consolidated financial data. The data set forth below should be read together with Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," and our historical Consolidated Financial Statements and the related notes. The Consolidated Financial Statements as of December 31, 2014 and 2013 and for the years ended December 31, 2014, 2013 and 2012 and the reports thereon are included in Item 8 in this Form 10-K. The historical financial data may not be indicative of our future performance.

	Years Ended December 31,				
	2014	**2013**	**2012**	**2011**	**2010**
	(In millions, except per share data)				
Operating Data:					
Net sales	$ 9,723.7	$ 10,786.9	$ 9,962.2	$ 8,773.2	$ 6,896.6
Gross profit	2,066.3	2,390.6	2,123.2	1,776.1	1,258.7
Income from operations	646.5	900.7	693.2	610.3	324.2
Net income	404.2	592.3	516.4	585.3	220.2
Net loss (income) attributable to noncontrolling interests	6.2	4.9	5.7	(2.0)	0.3
Net income attributable to AGCO Corporation and subsidiaries	$ 410.4	$ 597.2	$ 522.1	$ 583.3	$ 220.5
Net income per common share — diluted	$ 4.36	$ 6.01	$ 5.30	$ 5.95	$ 2.29
Cash dividends declared and paid per common share	$ 0.44	$ 0.40	$ —	$ —	$ —
Weighted average shares outstanding — diluted	94.2	99.4	98.6	98.1	96.4

	As of December 31,				
	2014	**2013**	**2012**	**2011**	**2010**
	(In millions, except number of employees)				
Balance Sheet Data:					
Cash and cash equivalents	$ 363.7	$ 1,047.2	$ 781.3	$ 724.4	$ 719.9
Total assets	7,395.9	8,438.8	7,721.8	7,257.2	5,436.9
Total long-term debt, excluding current portion	997.6	938.5	1,035.6	1,409.7	443.0
Stockholders' equity	3,496.9	4,044.8	3,481.5	3,031.2	2,659.2
Other Data:					
Number of employees	20,828	22,111	20,320	19,294	14,740

Item 7. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

We are a leading manufacturer and distributor of agricultural equipment and related replacement parts throughout the world. We sell a full range of agricultural equipment, including tractors, combines, self-propelled sprayers, hay tools, forage equipment, tillage, implements, and grain storage and protein production systems. Our products are widely recognized in the agricultural equipment industry and are marketed under a number of well-known brand names, including: Challenger®, Fendt®, GSI®, Massey Ferguson® and Valtra®. We distribute most of our products through a combination of approximately 3,100 dealers and distributors as well as associates and licensees. In addition, we provide retail financing through our finance joint ventures with Rabobank.

Results of Operations

We sell our equipment and replacement parts to our independent dealers, distributors and other customers. A large majority of our sales are to independent dealers and distributors that sell our products to end users. To the extent practicable, we attempt to sell products to our dealers and distributors on a level basis throughout the year to reduce the effect of seasonal demands on our manufacturing operations and to minimize our investment in inventories. However, retail sales by dealers to farmers are highly seasonal and are linked to 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 our sale of the equipment to the dealer and the dealer's sale to a retail customer.

The following table sets forth, for the periods indicated, the percentage relationship to net sales of certain items included in our Consolidated Statements of Operations:

	Years Ended December 31,		
	2014 (1)	**2013 (1)**	**2012**
Net sales	100.0%	100.0%	100.0%
Cost of goods sold	78.7	77.8	78.7
Gross profit	21.3	22.2	21.3
Selling, general and administrative expenses	10.2	10.1	10.5
Engineering expenses	3.5	3.3	3.2
Restructuring and other infrequent expenses	0.5	—	—
Impairment charge	—	—	0.2
Amortization of intangibles	0.4	0.4	0.5
Income from operations	6.6	8.4	6.9
Interest expense, net	0.6	0.5	0.6
Other expense, net	0.5	0.4	0.3
Income before income taxes and equity in net earnings of affiliates	5.5	7.4	6.0
Income tax provision	1.9	2.4	1.4
Income before equity in net earnings of affiliates	3.6	5.0	4.6
Equity in net earnings of affiliates	0.5	0.4	0.5
Net income	4.2	5.5	5.1
Net loss attributable to noncontrolling interests	0.1	—	0.1
Net income attributable to AGCO Corporation and subsidiaries	4.2%	5.5%	5.2%

(1) Rounding may impact summation of amounts.

2014 Compared to 2013

Net income attributable to AGCO Corporation and subsidiaries for 2014 was $410.4 million, or $4.36 per diluted share, compared to net income for 2013 of $597.2 million, or $6.01 per diluted share.

Net sales for 2014 were approximately $9,723.7 million, or 9.9% lower than 2013, primarily due to softer global market conditions and the unfavorable impact of currency translation. Income from operations was $646.5 million in 2014 compared to $900.7 million in 2013. The decrease in income from operations during 2014 was a result of lower net sales in all of our geographical segments, decreased production volumes and a weaker sales mix.

Regionally, income from operations in our Europe/Africa/Middle East (“EAME”), South American and North American regions decreased approximately $58.0 million, $78.7 million and $106.7 million, respectively, in 2014 compared to 2013 as a result of lower net sales and production levels and a weaker sales mix. Income from operations in the Asia/Pacific region decreased approximately $12.0 million in 2014 compared to 2013 primarily due to lower net sales and increased expenses associated with our new factory in China.

Industry Market Conditions

Favorable growing conditions and strong yields in 2014 resulted in record crop production that has led to lower prices of all major commodities. With lower farm income impacting farmer sentiment, industry demand softened in all major agricultural equipment markets during 2014 as compared to 2013. In North America, industry demand was significantly lower for higher horsepower tractors as well as combines and sprayers, which primarily are used in row crop applications. Improved conditions in the dairy and livestock sectors in North America supported a growth in industry demand in the lower horsepower tractor categories. Weaker demand in the Brazilian sugarcane sector and funding delays in the Brazilian government financing program negatively impacted industry demand in South America. In Western Europe, industry results by country remained mixed, with a significant decline in the markets of France and Scandinavia as well as lower demand in Germany.

In the United States and Canada, industry unit retail sales of tractors, and combines decreased approximately 2% and 25%, respectively, in 2014 compared to 2013. The most significant declines were experienced in the row crop sector, impacting demand for high horsepower tractors and combines. These declines were partially offset by higher industry sales in lower horsepower tractors. In South America, industry unit retail sales of tractors in 2014 decreased approximately 15% compared to 2013. Industry unit retail sales of combines in South America decreased approximately 24% during 2014 compared to 2013. In Western Europe, industry unit retail sales of tractors and combines decreased approximately 9% and 11%, respectively, in 2014 compared to 2013. The most significant decline were in the markets of France and Scandinavia, while Germany experienced a moderate decline and industry demand remained stable in the United Kingdom and parts of Southern Europe.

Results of Operations

Net sales for 2014 were $9,723.7 million compared to $10,786.9 million for 2013, primarily due to the softer global market conditions and the unfavorable impact of foreign currency translation. Foreign currency translation negatively impacted net sales during 2014 as compared to 2013 by approximately $258.7 million, or 2.4%, primarily due to the weakening of the Euro and the Brazilian real. The following table sets forth, for the year ended December 31, 2014, the impact to net sales of currency translation by geographical segment (in millions, except percentages):

			Change		Change due to Currency Translation	
	2014	**2013**	**$**	**%**	**$**	**%**
North America	$ 2,414.2	$ 2,757.8	$ (343.6)	(12.5)%	$ (25.3)	(0.9)%
South America	1,663.4	2,039.7	(376.3)	(18.4)%	(180.1)	(8.8)%
Europe/Africa/Middle East	5,158.5	5,481.5	(323.0)	(5.9)%	(40.0)	(0.7)%
Asia/Pacific	487.6	507.9	(20.3)	(4.0)%	(13.3)	(2.6)%
	$ 9,723.7	$ 10,786.9	$ (1,063.2)	(9.9)%	$ (258.7)	(2.4)%

Regionally, net sales in North America decreased during 2014 compared to 2013 with the most significant decreases in net sales in high horsepower tractors, sprayers and implements, partially offset by growth in net sales of low horsepower tractors, grain storage equipment and hay tools. Net sales were lower in South America for tractors, offset by increased net sales of grain storage equipment. In the EAME region, net sales decreased in 2014 compared to 2013, with the largest net sales decreases in France and Germany, partially offset by growth in Africa and Turkey. In the Asia/Pacific region, net sales decreased in 2014 compared to 2013, primarily due to net sales declines in Asia. We estimate that worldwide average price increases were approximately 1.5% and 2% in 2014 and 2013, respectively. Consolidated net sales of tractors and combines, which consisted of approximately 63% of our net sales in 2014, decreased approximately 14% in 2014 compared to 2013. Unit sales of tractors and combines decreased approximately 10% during 2014 compared to 2013. The unit sales decrease and the decrease in net sales can differ due to foreign currency translation, pricing and sales mix changes.

The following table sets forth, for the years ended December 31, 2014 and 2013, the percentage relationship to net sales of certain items included in our Consolidated Statements of Operations (in millions, except percentages):

	2014		2013	
	$	% of Net Sales[1]	$	% of Net Sales
Gross profit	$ 2,066.3	21.3%	$ 2,390.6	22.2%
Selling, general and administrative expenses	995.4	10.2%	1,088.7	10.1%
Engineering expenses	337.0	3.5%	353.4	3.3%
Restructuring and other infrequent expenses	46.4	0.5%	—	—%
Amortization of intangibles	41.0	0.4%	47.8	0.4%
Income from operations	$ 646.5	6.6%	$ 900.7	8.4%

(1) Rounding may impact summation of amounts.

Gross profit as a percentage of net sales decreased during 2014 compared to 2013, primarily due to lower net sales and production levels as well as a weaker product mix. Pricing and cost reduction initiatives helped to partially offset these negative impacts. Unit production of tractors and combines during 2014 was approximately 15% lower than 2013. We recorded a stock compensation (credit) expense of approximately $(0.9) million and $2.3 million within cost of goods sold during 2014 and 2013, respectively, as is more fully explained in Note 1 of our Consolidated Financial Statements.

Selling, general and administrative expenses ("SG&A expenses") as a percentage of net sales increased slightly during 2014 compared to 2013, primarily due to the decline in net sales. We recorded a stock compensation (credit) expense of approximately $(9.7) million and $32.6 million within SG&A expenses during 2014 and 2013, respectively, as is more fully explained in Note 1 of our Consolidated Financial Statements. The credit recorded in 2014 included approximately $16.9 million for the reversal of previously recorded long-term stock compensation expense. Engineering expenses as a percentage of net sales also increased slightly during 2014 compared to 2013, primarily due to lower net sales.

We recorded restructuring and other infrequent expenses of approximately $46.4 million during 2014. The restructuring and other infrequent expenses recorded in 2014 primarily related to severance and other related costs associated with the rationalization of employee headcount at various manufacturing facilities located in Europe, China, Brazil, Argentina and the United States, as well as various administrative offices located in Europe, Brazil, China and the United States.

Interest expense, net was $58.4 million for 2014 compared to $58.0 million for 2013, which is more fully explained in "Liquidity and Capital Resources."

Other expense, net was $49.1 million in 2014 compared to $40.1 million in 2013. Other expense, net increased during 2014 compared to 2013 primarily due to foreign exchange losses partially offset by a decline in losses on sales of receivables. Losses on sales of receivables associated with our accounts receivable sales agreements were approximately $24.8 million and $25.6 million in 2014 and 2013, respectively.

We recorded an income tax provision of $187.7 million in 2014 compared to $258.5 million in 2013. Our tax provision and effective tax rate is impacted by the differing tax rates of the various tax jurisdictions in which we operate, permanent differences for items treated differently for financial accounting and income tax purposes and for losses in jurisdictions where no income tax benefit is recorded.

A valuation allowance is established when it is more likely than not that some portion or all of a company's deferred tax assets will not be realized. We assessed the likelihood that our deferred tax assets would be recovered from estimated future taxable income and available income tax planning strategies. At December 31, 2014 and 2013, we had gross deferred tax assets of $430.0 million and $423.2 million, respectively, including $75.7 million and $69.7 million, respectively, related to net operating loss carryforwards. At December 31, 2014, we had total valuation allowances as an offset to the gross deferred tax assets of $93.3 million, primarily related to net operating loss carryforwards in Brazil, China, Russia and the Netherlands. At December 31, 2013, we had total valuation allowances as an offset to the gross deferred tax assets of approximately $77.2 million, primarily related to net operating loss carryforwards in Brazil, China and Russia. Realization of the remaining deferred tax assets as of December 31, 2014 will depend on generating sufficient taxable income in future periods, net of reversing deferred tax liabilities. We believe it is more likely than not that the remaining net deferred tax assets will be realized.

Equity in net earnings of affiliates, which is comprised of income from our finance joint ventures, was $52.9 million in 2014 compared to $48.2 million in 2013. The increase in net earnings of affiliates was primarily a result of higher income in our manufacturing joint ventures during 2014 as compared to 2013. Refer to “Finance Joint Ventures” for further information regarding our finance joint ventures and their results of operations and Note 5 of our Consolidated Financial Statements.

2013 Compared to 2012

Net income attributable to AGCO Corporation and subsidiaries for 2013 was $597.2 million, or $6.01 per diluted share, compared to net income for 2012 of $522.1 million, or $5.30 per diluted share.

Net sales for 2013 were approximately $10,786.9 million, or 8.3% higher than 2012, primarily due to sales increases in all of our geographical segments, partially offset by the unfavorable impact of currency translation. Income from operations was $900.7 million in 2013 compared to $693.2 million in 2012. The increase in income from operations during 2013 was a result of the increase in net sales as well as improved gross margins resulting from factory efficiency and cost control initiatives, favorable pricing and relatively low levels of material cost inflation. Higher engineering expenses associated with new product development and engine emission requirements partially offset gross margin improvements.

In our North American region, income from operations increased approximately $66.0 million in 2013 compared to 2012, primarily due to higher net sales, a favorable sales mix and margin improvement initiatives. Income from operations in our South American region increased approximately $51.1 million in 2013 compared to 2012, primarily due to higher sales volumes and the benefit of cost-reduction initiatives. In our EAME region, income from operations increased approximately $83.3 million in 2013 compared to 2012, primarily due to higher net sales and improved factory efficiencies, partially offset by higher engineering expenses. Income from operations in the Asia/Pacific region decreased approximately $9.7 million in 2013 compared to 2012, as a result of increased manufacturing start-up costs and market development expenses in China, which offset the benefit of increased sales in the region.

Industry Market Conditions

Worldwide industry equipment demand for farm equipment was relatively stable during 2013 in most major markets compared to 2012. Crop production improved to more normal levels and farm income remained relatively high across most of the developed farm markets during 2013. Improved yields in North America and high levels of farm income supported industry sales. Favorable exchange and financing rates, improved weather conditions and attractive commodity prices generated strong demand in South America. In Western Europe, favorable farm economics in France and Germany supported industry demand, while market conditions remained soft in the weather-impacted regions of the United Kingdom and parts of Northern Europe.

In the United States and Canada, industry unit retail sales of tractors and combines increased approximately 9% and 8%, respectively, in 2013 compared to 2012. Continued favorable farm economics resulted in the strength of retail sales, particularly for larger, high horsepower equipment. In South America, industry unit retail sales of tractors in 2013 increased approximately 17% compared to 2012. Industry unit retail sales of tractors increased approximately 17% and 59% in Brazil and Argentina, respectively, during 2013 compared to 2012. Industry unit retail sales of combines in South America increased approximately 35% during 2013 compared to 2012. In South America, supportive government financing programs in Brazil as well as favorable commodity prices and improved harvests all contributed to the market growth in Brazil and in Argentina. In Western Europe, industry unit retail sales of tractors and combines decreased approximately 1% and 10%, respectively, in 2013 compared to 2012. Growth in France was offset by declines in the United Kingdom and Finland due to poor weather conditions, while the German market remained relatively flat. Our net sales in our Asia/Pacific segment for 2013 were approximately 13% higher than 2012, primarily due to increases in China, East Asia and Australia.

Results of Operations

Net sales for 2013 were $10,786.9 million compared to $9,962.2 million for 2012, primarily due to the positive impacts of market growth, partially offset by the unfavorable impact of foreign currency translation. Foreign currency translation negatively impacted net sales during 2013 as compared to 2012 by approximately $121.5 million, or 1.2%, primarily due to the weakening of the Brazilian real, which was partially offset by the strengthening of the Euro. The following table sets forth, for the year ended December 31, 2013, the impact to net sales of currency translation by geographical segment (in millions, except percentages):

			Change		Change due to Currency Translation	
	2013	2012	$	%	$	%
North America	$ 2,757.8	$ 2,584.4	$ 173.4	6.7%	$ (7.7)	(0.3)%
South America	2,039.7	1,855.7	184.0	9.9%	(220.2)	(11.9)%
Europe/Africa/Middle East	5,481.5	5,073.7	407.8	8.0%	115.9	2.3 %
Asia/Pacific	507.9	448.4	59.5	13.3%	(9.5)	(2.1)%
	$ 10,786.9	$ 9,962.2	$ 824.7	8.3%	$ (121.5)	(1.2)%

Regionally, net sales in North America increased during 2013 compared to 2012, primarily as a result of improved industry demand. The most significant increases in sales were in high horsepower tractors, sprayers, implements and grain storage equipment. Excluding the negative impact of foreign currency translation, net sales were higher in Brazil and Argentina with growth mainly in high horsepower tractors, sprayers and grain storage equipment. In the EAME region, net sales increased in 2013 compared to 2012, with the largest net sales increases in France and Germany, partially offset by lower net sales in Central and Eastern Europe. In the Asia/Pacific region, net sales increased in 2013 compared to 2012 primarily due to net sales increases in China, East Asia and Australia. We estimate that worldwide average price increases were approximately 2% and 3% in 2013 and 2012, respectively. Consolidated net sales of tractors and combines, which consisted of approximately 66% of our net sales in 2013, increased approximately 10% in 2013 compared to 2012. Unit sales of tractors and combines increased approximately 5% during 2013 compared to 2012. The unit sales increase and the increase in net sales can differ due to foreign currency translation, pricing and sales mix changes.

The following table sets forth, for the years ended December 31, 2013 and 2012, the percentage relationship to net sales of certain items included in our Consolidated Statements of Operations (in millions, except percentages):

	2013		2012	
	$	% of Net Sales	$	% of Net Sales
Gross profit	$ 2,390.6	22.2%	$ 2,123.2	21.3%
Selling, general and administrative expenses	1,088.7	10.1%	1,041.2	10.5%
Engineering expenses	353.4	3.3%	317.1	3.2%
Impairment charge	—	—%	22.4	0.2%
Amortization of intangibles	47.8	0.4%	49.3	0.5%
Income from operations	$ 900.7	8.4%	$ 693.2	6.9%

Gross profit as a percentage of net sales increased during 2013 compared to 2012, primarily due to favorable pricing, higher sales volume, low material cost inflation and purchasing and factory efficiency initiatives. Unit production of tractors and combines during 2013 was approximately 5% higher than 2012. We recorded approximately $2.3 million and $2.4 million of stock compensation expense within cost of goods sold during 2013 and 2012, respectively, as is more fully explained in Note 1 of our Consolidated Financial Statements.

SG&A expenses as a percentage of net sales decreased slightly during 2013 compared to 2012, primarily due to the increase in net sales, which was partially offset by new market expansion expenses. We recorded approximately $32.6 million and $34.6 million of stock compensation expense within SG&A expenses during 2013 and 2012, respectively, as is more fully explained in Note 1 of our Consolidated Financial Statements. Engineering expenses increased during 2013 compared to 2012, primarily due to increased investment levels for new product development and costs to meet new engine emission standards in the United States and Europe.

Interest expense, net was $58.0 million for 2013 compared to $57.6 million for 2012, which is more fully explained in “Liquidity and Capital Resources.”

Other expense, net was $40.1 million in 2013 compared to $34.8 million in 2012. Other expense, net increased during 2013 compared to 2012, primarily due to increased losses on sales of receivables. Losses on sales of receivables primarily under our accounts receivable sales agreements were approximately $25.6 million and $21.8 million in 2013 and 2012, respectively.

We recorded an income tax provision of $258.5 million in 2013 compared to $137.9 million in 2012. Our tax provision is impacted by the differing tax rates of the various tax jurisdictions in which we operate, permanent differences for items treated differently for financial accounting and income tax purposes and for losses in jurisdictions where no income tax benefit is recorded. Our 2012 income tax rate provision (as reconciled in Note 6 of our Consolidated Financial Statements) included the usage of approximately $54.7 million of valuation allowance resulting from income generated in the United States during 2012. The 2012 income tax provision also included a reversal of approximately $13.8 million of the remaining valuation allowance previously established against our U.S. deferred tax assets and the recognition of certain U.S. research and development tax credits of approximately $13.1 million.

A valuation allowance is established when it is more likely than not that some portion or all of a company’s deferred tax assets will not be realized. We assessed the likelihood that our deferred tax assets would be recovered from estimated future taxable income and available income tax planning strategies. At December 31, 2013 and 2012, we had gross deferred tax assets of $423.2 million and $478.0 million, respectively, including $69.7 million and $94.9 million, respectively, related to net operating loss carryforwards. At December 31, 2013, we had total valuation allowances as an offset to the gross deferred tax assets of $77.2 million, primarily related to net operating loss carryforwards in Brazil, China and Russia. At December 31, 2012, we had total valuation allowances as an offset to the gross deferred tax assets of approximately $74.5 million, primarily related to net operating loss carryforwards in Brazil, Switzerland, China and Russia.

Equity in net earnings of affiliates, which is primarily comprised of income from our finance joint ventures, was $48.2 million in 2013 compared to $53.5 million in 2012. The reduction in net earnings of affiliates was primarily a result of lower income in our manufacturing joint ventures. Refer to “Finance Joint Ventures” for further information regarding our finance joint ventures and their results of operations.

Quarterly Results

The following table presents unaudited interim operating results. We believe that the following information includes all adjustments, consisting only of normal recurring adjustments, necessary to present fairly our results of operations for the periods presented.

	Three Months Ended			
	March 31	**June 30**	**September 30**	**December 31**
	(In millions, except per share data)			
2014:				
Net sales	$ 2,333.4	$ 2,750.3	$ 2,154.8	$ 2,485.2
Gross profit	514.9	631.5	421.9	498.0
Income from operations	155.7	266.7	108.7	115.4
Net income	99.2	166.0	62.5	76.5
Net loss attributable to noncontrolling interests	0.4	2.2	2.5	1.1
Net income attributable to AGCO Corporation and subsidiaries	99.6	168.2	65.0	77.6
Net income per common share attributable to AGCO Corporation and subsidiaries — diluted	1.03	1.77	0.69	0.85
2013:				
Net sales	$ 2,403.1	$ 3,048.2	$ 2,475.9	$ 2,859.7
Gross profit	533.1	710.3	556.2	591.0
Income from operations	177.4	327.1	199.0	197.2
Net income	117.1	213.1	125.2	136.9
Net loss attributable to noncontrolling interests	0.9	0.6	1.0	2.4
Net income attributable to AGCO Corporation and subsidiaries	118.0	213.7	126.2	139.3
Net income per common share attributable to AGCO Corporation and subsidiaries — diluted	1.19	2.15	1.27	1.40

Finance Joint Ventures

Our AGCO Finance joint ventures provide retail financing and wholesale financing to our dealers in the United States, Canada, Europe, Brazil, Argentina and Australia. The joint ventures are owned 49% by AGCO and 51% by a wholly owned subsidiary of Rabobank, a financial institution based in the Netherlands. The majority of the assets of the finance joint ventures represents finance receivables. The majority of the liabilities represents notes payable and accrued interest. Under the various joint venture agreements, Rabobank or its affiliates provide financing to the joint ventures, primarily through lines of credit. We do not guarantee the debt obligations of the joint ventures. As of December 31, 2014, our capital investment in the finance joint ventures, which is included in “Investment in affiliates” on our Consolidated Balance Sheets, was approximately $389.0 million compared to $390.2 million as of December 31, 2013. The total finance portfolio in our finance joint ventures was approximately $8.9 billion and $9.4 billion as of December 31, 2014 and 2013, respectively. The total finance portfolio as of December 31, 2014 included approximately $7.4 billion of retail receivables and $1.5 billion of wholesale receivables from AGCO dealers. The total finance portfolio as of December 31, 2013 included approximately $7.8 billion of retail receivables and $1.6 billion of wholesale receivables from AGCO dealers. The wholesale receivables either were sold directly to AGCO Finance without recourse from our operating companies or AGCO Finance provided the financing directly to the dealers. During 2014, we did not make additional investments in our finance joint ventures. During 2013 and 2012, we made a total of approximately $15.5 million and $7.1 million, respectively, of additional investments in our finance joint ventures in Germany and the Netherlands, primarily related to additional capital required as a result of increased finance portfolios during 2013 and 2012. Our share in the earnings of the finance joint ventures, included in “Equity in net earnings of affiliates” within our Consolidated Statements of Operations, was $48.8 million for both years ended December 31, 2014 and 2013.

The total finance portfolio in our finance joint venture in Brazil was $1.5 billion and $1.8 billion as of December 31, 2014 and 2013, respectively. As a result of weak market conditions in Brazil in 2005 and 2006, a substantial portion of this portfolio had been included in a payment deferral program directed by the Brazilian government relating to retail contracts entered into during 2004, where scheduled payments were rescheduled several times between 2005 and 2008. The impact of the deferral program resulted in higher delinquencies and lower collateral coverage for the portfolio. While the joint venture currently considers its reserves for loan losses to be adequate, it continually monitors its reserves considering borrower payment history, the value of the underlying equipment financed, and further payment deferral programs implemented by the Brazilian government. To date, our finance joint ventures in markets outside of Brazil have not experienced any significant changes in the credit quality of their finance portfolios. However, there can be no assurance that the portfolio credit quality will not deteriorate, and, given the size of the portfolio relative to the joint ventures' level of equity, a significant adverse change in the joint ventures' performance would have a material impact on the joint ventures and on our operating results.

Outlook

Our operations are subject to the cyclical nature of the agricultural industry. Sales of our equipment have been and are expected to continue to be affected by changes in net cash farm income, farm land values, weather conditions, the demand for agricultural commodities, farm industry related legislation, availability of financing and general economic conditions.

Worldwide industry demand is expected to decline in 2015 compared to 2014 levels. Based on their current levels, lower commodity prices in 2015 are expected to result in reduced farm income and weaker industry demand across the developed agricultural equipment markets. Our net sales in 2015 are also expected to decrease compared to 2014, primarily due to the projected industry decline and unfavorable currency translation. We expect gross and operating margins to be lower than 2014 levels as a result of the reduction in net sales and production volumes as well as a weaker product mix. Benefits from our productivity and purchasing initiatives and restructuring actions are expected to partially offset the volume-related impacts.

Recent Acquisitions

On September 11, 2014, we acquired the remaining 39% interest of Santal Equipamentos S.A. Comércio e Indústria ("Santal") for approximately R$9.0 million (or approximately $3.7 million). Santal is headquartered in Ribeirão Preto, Brazil, and manufactures and distributes sugar cane planting, harvesting, handling and transportation equipment as well as replacement parts across Brazil. Due to the fact that we and the seller each had a call option and put option, respectively, with varying dates with respect to the remaining 39% interest in Santal, the fair value of the redeemable noncontrolling interest had previously been recorded within "Temporary equity" in our Consolidated Balance Sheets. The acquisition of the remaining interest was funded with available cash on hand. The redemption and related amounts settled were reflected in "Additional paid-in capital" in our Consolidated Balance Sheets.

On August 1, 2014, we acquired Intersystems Holdings, Inc. ("Intersystems") for approximately $134.4 million, net of cash acquired of approximately $4.1 million (or approximately $130.3 million, net). Intersystems, headquartered in Omaha, Nebraska, designs and manufactures commercial material handling solutions, primarily for the agricultural, biofuels and food and feed processing industries. The acquisition was financed with available cash on hand and our credit facility (refer to Note 7 of our Consolidated Financial Statements for further information). We allocated the purchase price to the assets acquired and liabilities assumed based on preliminary estimates of their fair values as of the acquisition date. The acquired net assets primarily consisted of accounts receivable, inventories, accounts payable and accrued expenses, property, plant and equipment, and customer relationship, technology and trademark identifiable intangible assets. We recorded approximately $46.3 million of customer relationship, technology and trademark identifiable intangible assets and approximately $89.6 million of goodwill associated with the acquisition. The goodwill recorded was reported within our North American geographical reportable segment. The results of operations of Intersystems have been included in our Consolidated Financial Statements as of and from the date of acquisition.

Liquidity and Capital Resources

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

We believe that these facilities, together with available cash and internally generated funds, will be sufficient to support our working capital, capital expenditures and debt service requirements for the foreseeable future:

- Our €200.0 million (or approximately $242.0 million as of December 31, 2014) $4^{1}/_{2}$% senior term loan, which matures in 2016 (see further discussion below).
- Our $300.0 million of $5^{7}/_{8}$% senior notes, which mature in 2021 (see further discussion below).
- Our revolving credit and term loan facility, consisting of a $800.0 million multi-currency revolving credit facility and a $355.0 million term loan facility, which expires in June 2019. As of December 31, 2014, $49.4 million was outstanding under the multi-currency revolving credit facility and $355.0 million was outstanding under the term loan facility (see further discussion below).
- Our accounts receivable sales agreements with our finance joint ventures in the United States, Canada and Europe. As of December 31, 2014, approximately $1.2 billion of cash had been received under these agreements (see further discussion below).
- Our term loan with the European Investment Bank ("EIB") that provides us with the ability to borrow up to €200.0 million (see further discussion below). This term loan was funded by the EIB in January 2015.

In addition, although we are in complete compliance with the financial covenants contained in these facilities and currently expect to continue to maintain such compliance, should we ever encounter difficulties, our historical relationship with our lenders has been strong and we anticipate their continued long-term support of our business.

Current Facilities

Our €200.0 million $4^{1}/_{2}$% senior term loan with Rabobank is due May 2, 2016. We have the ability to prepay the term loan before its maturity date. Interest is payable on the term loan at $4^{1}/_{2}$% per annum, payable quarterly in arrears on March 31, June 30, September 30 and December 31 of each year. The term loan contains covenants restricting, among other things, the incurrence of indebtedness and the making of certain payments, including dividends, and is subject to acceleration in the event of default. We also must fulfill financial covenants with respect to a total debt to EBITDA ratio and an interest coverage ratio.

Our $300.0 million of $5^{7}/_{8}$% senior notes due December 1, 2021 constitute senior unsecured and unsubordinated indebtedness. Interest is payable on the notes semi-annually in arrears on June 1 and December 1 of each year. At any time prior to September 1, 2021, we may redeem the notes, in whole or in part from time to time, at our option, at a redemption price equal to the greater of (i) 100% of the principal amount plus accrued and unpaid interest, including additional interest, if any, to but excluding, the redemption date, or (ii) the sum of the present values of the remaining scheduled payments of principal and interest (exclusive of interest accrued to the date of redemption) discounted to the redemption date at the treasury rate plus 0.5%, plus accrued and unpaid interest, including additional interest, if any. Beginning September 1, 2021, we may redeem the notes, in whole or in part from time to time, at our option, at a redemption price equal to 100% of the principal amount plus accrued and unpaid interest, including additional interest, if any.

On June 30, 2014, we amended and restated our credit facility agreement, increasing the multi-currency revolving credit facility from $600.0 million to $800.0 million and maintaining our $355.0 million term loan facility. The maturity date of our credit facility also was extended until June 28, 2019. We are not required to make quarterly payments towards the term loan. Previously, we were required to make quarterly payments towards the term loan of $5.0 million that were to increase to $10.0 million commencing March 2015. Interest accrues on amounts outstanding under the credit facility, at our option, at either (1) LIBOR plus a margin ranging from 1.0% to 2.0% based on our leverage ratio, or (2) the base rate, which is equal to the higher of (i) the administrative agent's base lending rate for the applicable currency, (ii) the federal funds rate plus 0.5%, and (iii) one-month LIBOR for loans denominated in US dollars plus 1.0% plus a margin ranging from 0.0% to 0.5% based on our leverage ratio. The credit facility contains covenants restricting, among other things, the incurrence of indebtedness and the making of certain payments, including dividends, and is subject to acceleration in the event of a default. We also must fulfill financial covenants with respect to a total debt to EBITDA ratio and an interest coverage ratio. As of December 31, 2014, we had $404.4 million of outstanding borrowings under the credit facility and availability to borrow approximately $750.6 million.

As of December 31, 2013, we had $360.0 million of outstanding borrowings under our credit facility and availability to borrow approximately $600.0 million.

In December 2014, we entered into a term loan with the EIB, which provided us with the ability to borrow up to €200.0 million. The €200.0 million (or approximately $232.4 million) of funding was received on January 15, 2015 with a maturity date of January 15, 2020. We have the ability to prepay the term loan before its maturity date. Interest is payable on the term loan at 1.056% per annum, payable quarterly in arrears on January 15, April 15, July 15 and October 15 of each year. The term loan contains covenants restricting, among other things, the use of funds for certain research and development projects, the incurrence of indebtedness and the making of certain payments, and is subject to acceleration in the event of default. We also have to fulfill financial covenants with respect to a net leverage ratio and an interest coverage ratio.

See Note 7 of our Consolidated Financial Statements for a full description of these facilities.

Our accounts receivable sales agreements in North America and Europe permit the sale, on an ongoing basis, of a majority of our receivables to our 49% owned U.S., Canadian and European finance joint ventures. The sales of all receivables are without recourse to us. We do not service the receivables after the sale occurs, and we do not maintain any direct retained interest in the receivables. These agreements are accounted for as off-balance sheet transactions and have the effect of reducing accounts receivable and short-term liabilities by the same amount. As of December 31, 2014 and 2013, the cash received from receivables sold under the U.S., Canadian and European accounts receivable sales agreements was approximately $1.2 billion and $1.3 billion, respectively.

Our AGCO Finance joint ventures in Brazil and Australia also provide wholesale financing to our dealers. The receivables associated with these arrangements also are without recourse to us. As of December 31, 2014 and 2013, these finance joint ventures had approximately $43.3 million and $68.2 million, respectively, of outstanding accounts receivable associated with these arrangements. These arrangements are accounted for as off-balance sheet transactions. In addition, we sell certain trade receivables under factoring arrangements to other financial institutions around the world. These arrangements also are accounted for as off-balance sheet transactions.

Former Facilities

Our former 1¼% convertible senior subordinated notes, due December 15, 2036, were issued in December 2006 and provided for (i) the settlement upon conversion in cash up to the principal amount of the notes with any excess conversion value settled in shares of our common stock, and (ii) the conversion rate to be increased under certain circumstances if the notes were converted in connection with certain change of control transactions occurring prior to December 15, 2013. The notes were unsecured obligations and were convertible into cash and shares of our common stock upon satisfaction of certain conditions. Interest was payable on the notes at 1¼% per annum, payable semi-annually in arrears in cash on June 15 and December 15 of each year. Holders of our former 1¼% convertible senior subordinated notes had the ability to convert the notes if, during any fiscal quarter, the closing sales price of our common stock exceeded 120% of the conversion price for at least 20 trading days in the 30 consecutive trading days ending on the last trading day of the preceding fiscal quarter. The notes would have been convertible into shares of our common stock at an effective price of $40.27 per share as of June 30, 2014, subject to adjustment, including to reflect the impact to the conversion rate upon payment of any dividends to our stockholders. This effective price reflected a conversion rate for the notes of 24.8295 shares of common stock per $1,000 principal amount of notes.

During the first six months of 2014, holders of our former 1¼% convertible senior subordinated notes converted or we repurchased approximately $49.7 million of aggregate principal amount of the notes. In May 2014, we announced our election to redeem the remaining $151.5 million balance of the notes with a redemption date of June 20, 2014. Substantially all of the holders of the notes elected to convert their remaining notes prior to the redemption date. The redemptions settled in July 2014. For the year ended December 31, 2014, we issued a total of 1,437,465 shares of our common stock associated with the $81.0 million excess conversion value of all notes converted. We reflected the repayment of the principal of the notes totaling $201.2 million within "Repurchase or conversion of convertible senior subordinated notes" within our Consolidated Statements of Cash Flows for the year ended December 31, 2014.

During the year ended December 31, 2013, holders of our former 1¼% convertible senior subordinated notes converted less than $0.1 million of principal amount of the notes. We issued 286 shares of our common stock associated with the less than $0.1 million excess conversion value of the notes. We reflected the repayment of the principal of the notes totaling less than $0.1 million within "Repurchase or conversion of convertible senior subordinated notes" within our Consolidated Statements of Cash Flows for the year ended December 31, 2013.

The former 1¼% convertible senior subordinated notes impacted the diluted weighted average shares outstanding which was dependent on our stock price for the excess conversion value using the treasury stock method. Refer to Notes 1 and 7 of our Consolidated Financial Statements for further discussion.

Cash Flows

Cash flows provided by operating activities were $438.4 million during 2014 compared to $797.0 million during 2013. The decrease in cash flows provided by operating activities during 2014 was primarily due to a decrease in net income as well as a reduction in accounts payable.

Our working capital requirements are seasonal, with investments in working capital typically building in the first half of the year and then reducing in the second half of the year. We had $1,311.0 million in working capital at December 31, 2014, as compared with $1,705.1 million at December 31, 2013. Accounts receivable and inventories, combined, at December 31, 2014 were $242.2 million lower than at December 31, 2013. The decrease in inventories as of December 31, 2014 compared to December 31, 2013 was primarily due to production cuts initiated in 2014 and the impact of foreign currency translation.

Our debt to capitalization ratio, which is total indebtedness divided by the sum of total indebtedness and stockholders' equity, was 23.8% at December 31, 2014 compared to 23.6% at December 31, 2013.

Contractual Obligations

The future payments required under our significant contractual obligations, excluding foreign currency option and forward contracts, as of December 31, 2014 are as follows (in millions):

	Payments Due By Period				
	Total	2015	2016 to 2017	2018 to 2019	2020 and Beyond
Indebtedness[1]	$ 1,091.9	$ 94.3	$ 292.5	$ 389.7	$ 315.4
Interest payments related to indebtedness[2]	167.3	35.0	44.0	58.7	29.6
Capital lease obligations	4.0	2.0	1.9	0.1	—
Operating lease obligations	194.2	52.2	60.3	29.8	51.9
Unconditional purchase obligations	130.9	100.2	25.0	5.7	—
Other short-term and long-term obligations[3]	402.8	107.8	75.1	96.5	123.4
Total contractual cash obligations	$ 1,991.1	$ 391.5	$ 498.8	$ 580.5	$ 520.3

	Amount of Commitment Expiration Per Period				
	Total	2015	2016 to 2017	2018 to 2019	2020 and Beyond
Standby letters of credit and similar instruments	$ 18.5	$ 18.2	$ 0.2	$ 0.1	$ —
Guarantees	129.7	124.7	4.2	0.8	—
Total commercial commitments and letters of credit	$ 148.2	$ 142.9	$ 4.4	$ 0.9	$ —

(1) Indebtedness amounts reflect the principal amount of our senior term loan, senior notes and credit facility.
(2) Estimated interest payments are calculated assuming current interest rates over minimum maturity periods specified in debt agreements. Debt may be repaid sooner or later than such minimum maturity periods (unaudited).
(3) Other short-term and long-term obligations include estimates of future minimum contribution requirements under our U.S. and non-U.S. defined benefit pension and postretirement plans. These estimates are based on current legislation in the countries we operate within and are subject to change. Other short-term and long-term obligations also include income tax liabilities related to uncertain income tax positions connected with ongoing income tax audits in various jurisdictions.

Commitments and Off-Balance Sheet Arrangements

Guarantees

We maintain a remarketing agreement with our finance joint venture in the United States, whereby we are obligated to repurchase repossessed inventory at market values. We have an agreement with our finance joint venture in the United States which limits our purchase obligations under this arrangement to $6.0 million in the aggregate per calendar year. We believe that any losses that might be incurred on the resale of this equipment will not materially impact our financial position or results of operations, due to the fact that the repurchase obligation would be equivalent to the fair value of the underlying equipment.

At December 31, 2014, we guaranteed indebtedness owed to third parties of approximately $129.7 million, primarily related to dealer and end-user financing of equipment. Such guarantees generally obligate us to repay outstanding finance obligations owed to financial institutions if dealers or end users default on such loans through 2019. We believe the credit risk associated with these guarantees is not material to our financial position or results of operations. Losses under such guarantees historically have been insignificant. In addition, we generally would expect to be able to recover a significant portion of the amounts paid under such guarantees from the sale of the underlying financed farm equipment, as the fair value of such equipment is expected to offset a substantial portion of the amounts paid.

Other

At December 31, 2014, we had outstanding designated and non-designated foreign exchange contracts with a gross notional amount of approximately $1,834.3 million. The outstanding contracts as of December 31, 2014 range in maturity through December 2015. Gains and losses on such contracts historically are substantially offset by losses and gains on the exposures being hedged. See “Foreign Currency Risk Management” for additional information.

As discussed in “Liquidity and Capital Resources,” we sell a majority of our wholesale accounts receivable in North America and Europe to our U.S., Canadian and European finance joint ventures. We also sell certain accounts receivable under factoring arrangements to financial institutions around the world. We have determined that these facilities should be accounted for as off-balance sheet transactions.

Contingencies

We are party to various claims and lawsuits arising in the normal course of business. We closely monitor these claims and lawsuits and frequently consult with our legal counsel to determine whether they may, when resolved, have a material adverse effect on our financial position or results of operations and accrue and/or disclose loss contingencies as appropriate (see Note 12 to the Consolidated Financial Statements and Item 3. Legal Proceedings).

Related Parties

Rabobank is a 51% owner in our finance joint ventures, which are located in the United States, Canada, Europe, Brazil, Argentina and Australia. Rabobank is also the principal agent and participant in our credit facility. The majority of the assets of our finance joint ventures represents finance receivables. The majority of the liabilities represents notes payable and accrued interest. Under the various joint venture agreements, Rabobank or its affiliates provide financing to the joint venture companies, primarily through lines of credit. We do not guarantee the debt obligations of the finance joint ventures. During 2014, we did not make additional investments in our finance joint ventures. During 2013 and 2012, we made a total of approximately $15.5 million and $7.1 million, respectively, of additional investments in our finance joint ventures in Germany and the Netherlands, primarily related to additional capital required as a result of increased retail finance portfolios during 2013 and 2012.

Our finance joint ventures provide retail and wholesale financing to our dealers. The terms of the financing arrangements offered to our dealers are similar to arrangements the finance joint ventures provide to unaffiliated third parties. In addition, we transfer, on an ongoing basis, a majority of our wholesale receivables in North America and Europe to our U.S., Canadian and European finance joint ventures. See Note 4 of our Consolidated Financial Statements for further discussion of these agreements. We maintain a remarketing agreement with our U.S. finance joint venture, AGCO Finance LLC, as discussed above under “Commitments and Off-Balance Sheet Arrangements.” In addition, as part of sales incentives provided to end users, we may from time to time subsidize interest rates of retail financing provided by our finance joint ventures. The cost of those programs is recognized at the time of sale to our dealers.

Tractors and Farm Equipment Limited ("TAFE"), in which we hold a 23.75% interest, manufactures Massey Ferguson-branded equipment primarily in India and also supplies tractors and components to us for sale in other markets. Mallika Srinivasan, who is the Chairman and Chief Executive Officer of TAFE, is currently a member of our Board of Directors. As of December 31, 2014, TAFE owned 11,196,271 shares of our common stock. We and TAFE are parties to an agreement pursuant to which, among other things, TAFE has agreed not to purchase in excess of 12,170,290 shares of our common stock, subject to certain adjustments, and we have agreed to annually nominate a TAFE representative to our Board of Directors. During 2014, 2013 and 2012, we purchased approximately $149.0 million, $90.7 million and $104.5 million, respectively, of tractors and components from TAFE. During 2014, 2013 and 2012, we sold approximately $2.1 million, $0.8 million and $0.3 million, respectively, of parts to TAFE. We received dividends from TAFE of approximately $1.8 million, $1.6 million and $1.3 million during 2014, 2013 and 2012, respectively.

During 2014, 2013 and 2012, we paid approximately $3.4 million, $3.3 million and $3.8 million, respectively, to PPG Industries, Inc. for painting materials used in our manufacturing processes. Our Chairman, President and Chief Executive Officer is currently a member of the board of directors of PPG Industries, Inc.

During 2014 and 2013, we paid approximately $2.2 million and $2.3 million, respectively, to Ryerson, Inc. for steel used in our manufacturing processes. Michael Arnold, who is the President and Chief Executive Officer of Ryerson, Inc., is currently a member of our Board of Directors.

Foreign Currency Risk Management

We have significant manufacturing operations in the United States, France, Germany, Finland and Brazil, and we purchase a portion of our tractors, combines and components from third-party foreign suppliers, primarily in various European countries and in Japan. We also sell products in over 140 countries throughout the world. The majority of our net sales outside the United States are denominated in the currency of the customer location, with the exception of sales in the Middle East, Africa, Asia and parts of South America, where net sales are primarily denominated in British pounds, Euros or United States dollars. See Note 15 of our Consolidated Financial Statements for net sales by customer location. Our most significant transactional foreign currency exposures are the Euro, the Brazilian real and the Canadian dollar in relation to the United States dollar, and the Euro in relation to the British pound. Fluctuations in the value of foreign currencies create exposures, which can adversely affect our results of operations.

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

All derivatives are recognized on our Consolidated Balance Sheets at fair value. On the date a derivative contract is entered into, we designate the derivative as either (1) a fair value hedge of a recognized liability, (2) a cash flow hedge of a forecasted transaction, (3) a hedge of a net investment in a foreign operation, or (4) a non-designated derivative instrument. We currently engage in derivatives that are cash flow hedges of forecasted transactions as well as non-designated derivative instruments. Changes in the fair value of non-designated derivative contracts are reported in current earnings. During 2014, 2013 and 2012, we designated certain foreign currency contracts as cash flow hedges of forecasted sales and purchases. The effective portion of the fair value gains or losses on these cash flow hedges are recorded in other comprehensive loss and are subsequently reclassified into cost of goods sold during the period the sales and purchases are recognized. These amounts offset the effect of the changes in foreign currency rates on the related sale and purchase transactions. The amount of the net loss recorded in other comprehensive loss that was reclassified to cost of goods sold during the years ended December 31, 2014, 2013 and 2012 was approximately $1.5 million, $0.5 million and $8.1 million, respectively, on an after-tax basis. The amount of the unrealized (loss) gain recorded to other comprehensive loss related to the outstanding cash flow hedges as of December 31, 2014, 2013 and 2012 was approximately $(0.1) million, $(0.2) million and $0.7 million, respectively, on an after-tax basis. The outstanding contracts as of December 31, 2014 range in maturity through December 2015.

Assuming a 10% change relative to the currency of the hedge contract, the fair value of the foreign currency instruments could be negatively impacted by approximately $42.0 million as of December 31, 2014. Due to the fact that these instruments are primarily entered into for hedging purposes, the gains or losses on the contracts would largely be offset by losses and gains on the underlying firm commitment or forecasted transaction.

Interest Rates

We manage interest rate risk through the use of fixed rate debt and may in the future utilize interest rate swap contracts. During 2014, we had fixed rate debt from our convertible senior subordinated notes, senior notes and senior term loan. Our floating rate exposure is related to our credit facility and our accounts receivable sales facilities, which are tied to changes in U.S. and European LIBOR rates. Assuming a 10% increase in interest rates, interest expense, net for the year ended December 31, 2014 would have increased by approximately $4.9 million.

We had no interest rate swap contracts outstanding during the years ended December 31, 2014, 2013 and 2012.

Recent Accounting Pronouncements

See Note 1 of our Consolidated Financial Statements for more information regarding recent accounting pronouncements and their impact to our consolidated results of operations and financial position.

Critical Accounting Estimates

We prepare our Consolidated Financial Statements in conformity with U.S. generally accepted accounting principles. In the preparation of these financial statements, we make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The significant accounting policies followed in the preparation of the financial statements are detailed in Note 1 of our Consolidated Financial Statements. We believe that our application of the policies discussed below involves significant levels of judgment, estimates and complexity.

Due to the level of judgment, complexity and period of time over which many of these items are resolved, actual results could differ from those estimated at the time of preparation of the financial statements. Adjustments to these estimates would impact our financial position and future results of operations.

Discount and Sales Incentive Allowances

We provide various volume bonus and sales incentive programs with respect to our products. These sales incentive programs include reductions in invoice prices, reductions in retail financing rates, dealer commissions and dealer incentive allowances. In most cases, incentive programs are established and communicated to our dealers on a quarterly basis. The incentives are paid either at the time of invoice (through a reduction of invoice price), at the time of the settlement of the receivable, at the time of retail financing, at the time of warranty registration, or at a subsequent time based on dealer purchases. The incentive programs are product line specific and generally do not vary by dealer. The cost of sales incentives associated with dealer commissions and dealer incentive allowances is estimated based upon the terms of the programs and historical experience, is based on a percentage of the sales price, and is recorded at the later of (a) the date at which the related revenue is recognized, or (b) the date at which the sales incentive is offered. The related provisions and accruals are made on a product or product-line basis and are monitored for adequacy and revised at least quarterly in the event of subsequent modifications to the programs. Volume discounts are estimated and recognized based on historical experience, and related reserves are monitored and adjusted based on actual dealer purchases and the dealers' progress towards achieving specified cumulative target levels. We record the cost of interest subsidy payments, which is a reduction in the retail financing rates, at the later of (a) the date at which the related revenue is recognized, or (b) the date at which the sales incentive is offered. Estimates of these incentives are based on the terms of the programs and historical experience. All incentive programs are recorded and presented as a reduction of revenue due to the fact that we do not receive an identifiable benefit in exchange for the consideration provided. Reserves for incentive programs that will be paid either through the reduction of future invoices or through credit memos are recorded as "accounts receivable allowances" within our Consolidated Balance Sheets. Reserves for incentive programs that will be paid in cash, as is the case with most of our volume discount programs, as well as sales incentives associated with accounts receivable sold to our U.S. and Canadian finance joint ventures, are recorded within "Accrued expenses" within our Consolidated Balance Sheets.

At December 31, 2014, we had recorded an allowance for discounts and sales incentives of approximately $255.0 million, primarily related to allowances in our North America geographical segment that will be paid either through a reduction of future invoices, through credit memos to our dealers or through reductions in retail financing rates. If we were to allow an additional 1% of sales incentives and discounts at the time of retail sale for those sales subject to such discount programs, our reserve would increase by approximately $8.9 million as of December 31, 2014. Conversely, if we were to decrease our sales incentives and discounts by 1% at the time of retail sale, our reserve would decrease by approximately $8.9 million as of December 31, 2014.

Deferred Income Taxes and Uncertain Income Tax Positions

We recorded an income tax provision of $187.7 million in 2014 compared to $258.5 million in 2013. Our tax provision and effective tax rate is impacted by the differing tax rates of the various tax jurisdictions in which we operate, permanent differences for items treated differently for financial accounting and income tax purposes and for losses in jurisdictions where no income tax benefit is recorded.

A valuation allowance is established when it is more likely than not that some portion or all of a company's deferred tax assets will not be realized. We assessed the likelihood that our deferred tax assets would be recovered from estimated future taxable income and available income tax planning strategies. At December 31, 2014 and 2013, we had gross deferred tax assets of $430.0 million and $423.2 million, respectively, including $75.7 million and $69.7 million, respectively, related to net operating loss carryforwards. At December 31, 2014, we had total valuation allowances as an offset to the gross deferred tax assets of $93.3 million, primarily related to net operating loss carryforwards in Brazil, China and the Netherlands. At December 31, 2013, we had total valuation allowances as an offset to the gross deferred tax assets of approximately $77.2 million, primarily related to net operating loss carryforwards in Brazil, China and Russia. Realization of the remaining deferred tax assets as of December 31, 2014 will depend on generating sufficient taxable income in future periods, net of reversing deferred tax liabilities. We believe it is more likely than not that the remaining net deferred tax assets will be realized.

As of December 31, 2014 and 2013, we had approximately $130.6 million and $122.2 million, respectively, of unrecognized tax benefits, all of which would impact our effective tax rate if recognized. As of December 31, 2014 and 2013, we had approximately $64.7 million and $61.9 million, respectively, of current accrued taxes related to uncertain income tax positions connected with ongoing tax audits in various jurisdictions that we expect to settle or pay in the next 12 months. We recognize interest and penalties related to uncertain income tax positions in income tax expense. As of December 31, 2014 and 2013, we had accrued interest and penalties related to unrecognized tax benefits of approximately $15.3 million and $14.4 million, respectively. See Note 6 of our Consolidated Financial Statements for further discussion of our uncertain income tax positions.

Warranty and Additional Service Actions

Warranty coverage on our products generally covers parts, labor and other expenses. At the time of sale, we make provisions for estimated expenses related to product warranties and base these estimates on historical experience of the nature, frequency and average cost of warranty claims. Separately, we also establish reserves for known material defects, based on formal campaigns to repair such defects, when the costs are deemed to be probable and can be reasonably estimated. Due to the uncertainty and potential volatility of these estimated factors, changes in our assumptions could materially affect net income.

Our estimate of warranty obligations is re-evaluated on a quarterly basis. Experience has shown that initial data for any product series line can be volatile; therefore, our process relies upon long-term historical averages until sufficient data is available. As actual experience becomes available, it is used to modify the historical averages to ensure that the forecast is within the range of likely outcomes. Resulting balances are then compared with present spending rates to ensure that the accruals are adequate to meet expected future obligations.

See Note 1 of our Consolidated Financial Statements for more information regarding costs and assumptions for warranties.

Insurance Reserves

Under our insurance programs, coverage is obtained for significant liability limits as well as those risks required by law or contract. It is our policy to self-insure a portion of certain expected losses related primarily to workers' compensation and comprehensive general, product liability and vehicle liability. We provide insurance reserves for our estimates of losses due to claims for those items for which we are self-insured. We base these estimates on the expected ultimate settlement amount of claims, which often have long periods of resolution. We closely monitor the claims to maintain adequate reserves.

Pensions

We sponsor defined benefit pension plans covering certain employees, principally in the United States, the United Kingdom, Germany, Finland, Norway, France, Switzerland and Argentina. Our primary plans cover certain employees in the United States and the United Kingdom.

In the United States, we sponsor a funded, qualified defined benefit pension plan for our salaried employees, as well as a separate funded qualified defined benefit pension plan for our hourly employees. Both plans are frozen to entrants, and we fund at least the minimum contributions required under the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code to both plans. In addition, we maintain an unfunded, nonqualified defined benefit pension plan for certain U.S.-based senior executives, which is our Executive Nonqualified Pension Plan (“ENPP”).

In the United Kingdom, we sponsor a funded defined benefit pension plan that provides an annuity benefit based on participants’ final average earnings and service. Participation in this plan is limited to certain older, longer service employees and existing retirees. This plan is closed to new participants.

See Note 8 of our Consolidated Financial Statements for more information regarding costs and assumptions for employee retirement benefits.

Nature of Estimates Required. The measurement date for all of our benefit plans is December 31. The measurement of our pension obligations, costs and liabilities is dependent on a variety of assumptions provided by management and used by our actuaries. These assumptions include estimates of the present value of projected future pension payments to all plan participants, taking into consideration the likelihood of potential future events such as salary increases and demographic experience. These assumptions may have an effect on the amount and timing of future contributions.

Assumptions and Approach Used. The assumptions used in developing the required estimates include the following key factors:

- Discount rates
- Salary growth
- Retirement rates
- Inflation
- Expected return on plan assets
- Mortality rates

For the years ended December 31, 2014, 2013 and 2012, we used a globally consistent methodology to set the discount rate in the countries where our largest benefit obligations exist. In the United States, the United Kingdom and the Euro Zone, we constructed a hypothetical bond portfolio of high-quality corporate bonds and then applied the cash flows of our benefit plans to those bond yields to derive a discount rate. The bond portfolio and plan-specific cash flows vary by country, but the methodology in which the portfolio is constructed is consistent. In the United States, the bond portfolio is large enough to result in taking a “settlement approach” to derive the discount rate, where high-quality corporate bonds are assumed to be purchased and the resulting coupon payments and maturities are used to satisfy our U.S. pension plans’ projected benefit payments. In the United Kingdom and the Euro Zone, the discount rate is derived using a “yield curve approach,” where an individual spot rate, or zero coupon bond yield, for each future annual period is developed to discount each future benefit payment and, thereby, determine the present value of all future payments. Under the settlement and yield curve approaches, the discount rate is set to equal the single discount rate that produces the same present value of all future payments.

The other key assumptions and methods were set as follows:

- Our inflation assumption is based on an evaluation of external market indicators.
- The salary growth assumptions reflect our long-term actual experience, the near-term outlook and assumed inflation.
- The expected return on plan asset assumptions reflects asset allocations, investment strategy, historical experience and the views of investment managers, and reflects a projection of the expected arithmetic returns over 10 years.
- Retirement and termination rates primarily are based on actual plan experience and actuarial standards of practice.
- The mortality rates for the U.S. defined benefit pension plans were updated in 2014 to reflect expected improvements in the life expectancy of the plan participants. The mortality rates for the U.K. defined benefit pension plan were updated in 2012 to reflect expected improvements in the life expectancy of the plan participants.
- The fair value of assets used to determine the expected return on assets does not reflect any delayed recognition of asset gains and losses.

The effects of actual results differing from our assumptions are accumulated and amortized over future periods and, therefore, generally affect our recognized expense in such periods.

Our U.S. and U.K. defined benefit pension plans, including our ENPP, comprised approximately 87% of our consolidated projected benefit obligation as of December 31, 2014. If the discount rate used to determine the 2014 projected benefit obligation for our U.S. qualified defined benefit pension plans was decreased by 25 basis points, our projected benefit obligation would have increased by approximately $1.2 million at December 31, 2014, and our 2015 pension expense would decrease by a nominal amount. If the discount rate used to determine the 2014 projected benefit obligation for our U.S. qualified defined benefit pension plans was increased by 25 basis points, our projected benefit obligation would have decreased by approximately $1.2 million at December 31, 2014, and our 2015 pension expense would increase by a nominal amount. If the discount rate used to determine the projected benefit obligation for our U.K. defined benefit pension plan was decreased by 25 basis points, our projected benefit obligation would have increased by approximately $28.4 million at December 31, 2014, and our 2015 pension expense would increase by approximately $0.6 million. If the discount rate used to determine the projected benefit obligation for our U.K. defined benefit pension plan was increased by 25 basis points, our projected benefit obligation would have decreased by approximately $27.3 million at December 31, 2014, and our 2015 pension expense would decrease by approximately $0.7 million. In addition, if the expected long-term rate of return on plan assets related to our U.K. defined benefit pension plan was increased or decreased by 25 basis points, our 2015 pension expense would decrease or increase by approximately $1.5 million each, respectively. The impact to our U.S. defined benefit pension plans for a 25-basis-point change in our expected long-term rate of return would have an insignificant impact to our 2015 pension expense.

Unrecognized actuarial losses related to our defined benefit pension plans and ENPP were $329.7 million as of December 31, 2014 compared to $265.5 million as of December 31, 2013. The increase in unrecognized losses between years primarily resulted from a decrease in discount rates during 2014, offset by favorable investment performance. The unrecognized actuarial losses will be impacted in future periods by actual asset returns, discount rate changes, currency exchange rate fluctuations, actual demographic experience and certain other factors. For some of our defined benefit pension plans, these losses, to the extent they exceed 10% of the greater of the plan's liabilities or the fair value of assets ("the gain/loss corridor"), will be amortized on a straight-line basis over the average remaining service period of active employees expected to receive benefits. For our U.S. salaried, U.S. hourly and U.K. defined benefit pension plans, the population covered is predominantly inactive participants, and losses related to those plans, to the extent they exceed the gain/loss corridor, will be amortized over the average remaining lives of those participants while covered by the respective plan. As of December 31, 2014, the average amortization period was 19 years for our U.S. defined benefit pension plans and 22 years for our non-U.S. defined benefit pension plans. For our ENPP, the population is predominantly active participants, and losses related to the plan will be amortized over the average future working lifetime of the active participants. As of December 31, 2014, the average amortization period was 11 years for our ENPP. The estimated net actuarial loss for our defined benefit pension plans and ENPP expected to be amortized from our accumulated other comprehensive loss during the year ended December 31, 2015 is approximately $11.4 million compared to approximately $9.5 million during the year ended December 31, 2014.

As of December 31, 2014, our unfunded or underfunded obligations related to our defined benefit pension plans and ENPP were approximately $249.6 million, primarily due to our defined pension plan in the United Kingdom. In 2014, we contributed approximately $43.4 million towards those obligations, and we expect to fund approximately $38.7 million in 2015. Future funding is dependent upon compliance with local laws and regulations and changes to those laws and regulations in the future, as well as the generation of operating cash flows in the future. We currently have an agreement in place with the trustees of the U.K. defined benefit plan that obligates us to fund approximately £15.3 million per year (or approximately $23.8 million) towards that obligation for the next nine years. The funding arrangement is based upon the current underfunded status and could change in the future as discount rates, local laws and regulations, and other factors change.

See Note 8 of our Consolidated Financial Statements for more information regarding the investment strategy and concentration of risk.

Other Postretirement Benefits (Retiree Health Care and Life Insurance)

We provide certain postretirement health care and life insurance benefits for certain employees, principally in the United States and Brazil. Participation in these plans has generally been limited to older employees and existing retirees. See Note 8 of our Consolidated Financial Statements for more information regarding costs and assumptions for other postretirement benefits.

Nature of Estimates Required. The measurement of our obligations, costs and liabilities associated with other postretirement benefits, such as retiree health care and life insurance, requires that we make use of estimates of the present value of the projected future payments to all participants, taking into consideration the likelihood of potential future events such as health care cost increases and demographic experience, which may have an effect on the amount and timing of future payments.

Assumptions and Approach Used. The assumptions used in developing the required estimates include the following key factors:

- Health care cost trends
- Discount rates
- Retirement rates
- Inflation
- Medical coverage elections
- Mortality rates

Our health care cost trend assumptions are developed based on historical cost data, the near-term outlook, efficiencies and other cost-mitigating actions, including further employee cost sharing, administrative improvements and other efficiencies, and an assessment of likely long-term trends. For the years ended December 31, 2014, 2013 and 2012, as previously discussed, we used a globally consistent methodology to set the discount rate in the countries where our largest benefit obligations exist. In the United States, we constructed a hypothetical bond portfolio of high-quality corporate bonds and then applied the cash flows of our benefit plans to those bond yields to derive a discount rate. In the United States, the bond portfolio is large enough to result in taking a "settlement approach" to derive the discount rate, where high-quality corporate bonds are assumed to be purchased and the resulting coupon payments and maturities are used to satisfy our largest U.S. pension plan's projected benefit payments. After the bond portfolio is selected, a single discount rate is determined such that the market value of the bonds purchased equals the discounted value of the plan's benefit payments. For our Brazilian plan, we based the discount rate on government bond indices within that country. The indices used were chosen to match our expected plan obligations and related expected cash flows. Our inflation assumptions are based on an evaluation of external market indicators. Retirement and termination rates are based primarily on actual plan experience and actuarial standards of practice. The mortality rates for the U.S. plans were updated during 2014 to reflect expected improvements in the life expectancy of the plan participants. The effects of actual results differing from our assumptions are accumulated and amortized over future periods and, therefore, generally affect our recognized expense in such future periods.

Our U.S. postretirement health care and life insurance plans represent approximately 94% of our consolidated projected benefit obligation. If the discount rate used to determine the 2014 projected benefit obligation for our U.S. postretirement benefit plans was decreased by 25 basis points, our projected benefit obligation would have increased by approximately $0.8 million at December 31, 2014, and our 2015 postretirement benefit expense would increase by a nominal amount. If the discount rate used to determine the 2014 projected benefit obligation for our U.S. postretirement benefit plans was increased by 25 basis points, our projected benefit obligation would have decreased by approximately $0.8 million, and our 2015 pension expense would decrease by a nominal amount.

Unrecognized actuarial losses related to our U.S. and Brazilian postretirement benefit plans were $3.3 million as of December 31, 2014 compared to $4.1 million as of December 31, 2013, of which $6.4 million and $6.5 million, respectively, related to our U.S. postretirement benefit plans. The unrecognized actuarial losses will be impacted in future periods by discount rate changes, actual demographic experience, actual health care inflation and certain other factors. These losses, to the extent they exceed the gain/loss corridor, will be amortized on a straight-line basis over the average remaining service period of active employees expected to receive benefits, or the average remaining lives of inactive participants, covered under the postretirement benefit plans. As of December 31, 2014, the average amortization period was 15 years for our U.S. postretirement benefit plans. The estimated net actuarial loss for postretirement health care benefits expected to be amortized from our accumulated other comprehensive loss during the year ended December 31, 2015 is approximately $0.1 million, compared to approximately $0.1 million during the year ended December 31, 2014.

As of December 31, 2014, we had approximately $29.6 million in unfunded obligations related to our U.S. and Brazilian postretirement health and life insurance benefit plans. In 2014, we made benefit payments of approximately $1.6 million towards these obligations, and we expect to make benefit payments of approximately $1.5 million towards these obligations in 2015.

For measuring the expected U.S. postretirement benefit obligation at December 31, 2014 and 2013, we assumed a 7.0% and 7.5% health care cost trend rate for 2015 and 2014, respectively, decreasing to 5.0% by 2019. For measuring the Brazilian postretirement benefit plan obligation at December 31, 2014, we assumed a 12.25% health care cost trend rate for 2015, decreasing to 6.45% by 2025. For measuring the Brazilian postretirement benefit plan obligation at December 31, 2013, we assumed a 12.25% health care cost trend rate for 2014, decreasing to 6.45% by 2024. 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 for 2014 and the accumulated postretirement benefit obligation at December 31, 2014 (in millions):

	One Percentage Point Increase	One Percentage Point Decrease
Effect on service and interest cost	$ 0.2	$ (0.2)
Effect on accumulated benefit obligation	$ 3.8	$ (3.2)

Litigation

We are party to various claims and lawsuits arising in the normal course of business. We closely monitor these claims and lawsuits and frequently consult with our legal counsel to determine whether they may, when resolved, have a material adverse effect on our financial position or results of operations and accrue and/or disclose loss contingencies as appropriate.

Goodwill, Other Intangible Assets and Long-Lived Assets

We test goodwill for impairment, at the reporting unit level, annually and when events or circumstances indicate that fair value of a reporting unit may be below its carrying value. A reporting unit is an operating segment or one level below an operating segment, for example, a component. We combine and aggregate two or more components of an operating segment as a single reporting unit if the components have similar economic characteristics. Our reportable segments are not our reporting units.

Goodwill is evaluated annually as of October 1 for impairment using a qualitative assessment or a quantitative two-step assessment. If we elect to perform a qualitative assessment and determine the fair value of our reporting units more likely than not exceeds their carrying value, no further evaluation is necessary. For reporting units where we perform a two-step quantitative assessment, the first step requires us to compare the fair value of each reporting unit to its respective carrying value, including goodwill. If the fair value of the reporting unit exceeds its carrying value, the goodwill is not considered impaired. If the carrying value is higher than the fair value of the reporting unit, the second step of the quantitative assessment is required to measure the amount of impairment, if any. The second step of the quantitative assessment results in a calculation of the implied fair value of the reporting unit’s goodwill, which is determined as the excess of the fair value of a reporting unit over the fair values assigned to its assets and liabilities. If the implied fair value of goodwill is less than the carrying value of the reporting unit’s goodwill, the difference is recognized as an impairment loss.

We utilize a combination of valuation techniques, including a discounted cash flow approach and a market multiple approach, when making quantitative goodwill assessments.

We review our long-lived assets, which includes intangible assets subject to amortization, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The evaluation for recoverability is performed at a level where independent cash flows may be attributed to either an asset or asset group. If we determine that the carrying amount of an asset or asset group is not recoverable based on the expected undiscounted future cash flows of the asset or asset group, an impairment loss is recorded equal to the excess of the carrying amounts over the estimated fair value of the long-lived assets. Estimates of future cash flows are based on many factors, including current operating results, expected market trends and competitive influences. We also evaluate the amortization periods assigned to our intangible assets to determine whether events or changes in circumstances warrant revised estimates of useful lives. Assets to be disposed of by sale are reported at the lower of the carrying amount or fair value, less estimated costs to sell.

We make various assumptions, including assumptions regarding future cash flows, market multiples, growth rates and discount rates, in our assessments of the impairment of goodwill, other indefinite-lived intangible assets and long-lived assets. The assumptions about future cash flows and growth rates are based on the current and long-term business plans of the reporting unit or related to the long-lived assets. Discount rate assumptions are based on an assessment of the risk inherent in the future cash flows of the reporting unit or long-lived assets. These assumptions require significant judgments on our part, and the conclusions that we reach could vary significantly based upon these judgments.

The results of our goodwill and long-lived assets impairment analyses conducted as of October 1, 2014 and 2013 indicated that no reduction in the carrying amount of goodwill and long-lived assets was required.

During the fourth quarter of 2012, we recorded a non-cash impairment charge of approximately $22.4 million related to goodwill and certain other identifiable intangible assets associated with our Chinese harvesting business in accordance with ASC 350, “Intangibles - Goodwill and Other.” See Note 1 of our Consolidated Financial Statements for further discussion. The results of our goodwill impairment analysis conducted as of October 1, 2012 indicated that no other reduction in the carrying amount of goodwill and long-lived assets was required.

As of December 31, 2014, we had approximately $1,192.8 million of goodwill. While our annual impairment testing in 2014 supported the carrying amount of this goodwill, we may be required to re-evaluate the carrying amount in future periods, thus utilizing different assumptions that reflect the then current market conditions and expectations, and, therefore, we could conclude that an impairment has occurred.

Item 7A. ***Quantitative and Qualitative Disclosures About Market Risk***

The Quantitative and Qualitative Disclosures about Market Risk information required by this Item set forth under the captions "Management's Discussion and Analysis of Financial Condition and Results of Operations - Foreign Currency Risk Management" and "- Interest Rates" on pages 31 and 32 under Item 7 of this Form 10-K are incorporated herein by reference.

Item 8. ***Financial Statements and Supplementary Data***

The following Consolidated Financial Statements of AGCO and its subsidiaries for each of the years in the three-year period ended December 31, 2014 are included in this Item:

The information under the heading "Quarterly Results" of Item 7 of this Form 10-K is incorporated herein by reference.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
AGCO Corporation:

We have audited the accompanying consolidated balance sheets of AGCO Corporation and subsidiaries as of December 31, 2014 and 2013, and the related consolidated statements of operations, comprehensive income, stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2014. In connection with our audits of the consolidated financial statements, we also have audited the financial statement schedule as listed in Item 15(a)(2). These consolidated financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of AGCO Corporation and subsidiaries as of December 31, 2014 and 2013, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2014, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the related financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), AGCO Corporation's internal control over financial reporting as of December 31, 2014, based on criteria established in Internal Control — Integrated Framework (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated February 27, 2015 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

/s/ KPMG LLP

Atlanta, Georgia
February 27, 2015

AGCO CORPORATION

CONSOLIDATED STATEMENTS OF OPERATIONS
(In millions, except per share data)

	Years Ended December 31,		
	2014	**2013**	**2012**
Net sales	$ 9,723.7	$ 10,786.9	$ 9,962.2
Cost of goods sold	7,657.4	8,396.3	7,839.0
Gross profit	2,066.3	2,390.6	2,123.2
Selling, general and administrative expenses	995.4	1,088.7	1,041.2
Engineering expenses	337.0	353.4	317.1
Restructuring and other infrequent expenses	46.4	—	—
Impairment charge	—	—	22.4
Amortization of intangibles	41.0	47.8	49.3
Income from operations	646.5	900.7	693.2
Interest expense, net	58.4	58.0	57.6
Other expense, net	49.1	40.1	34.8
Income before income taxes and equity in net earnings of affiliates	539.0	802.6	600.8
Income tax provision	187.7	258.5	137.9
Income before equity in net earnings of affiliates	351.3	544.1	462.9
Equity in net earnings of affiliates	52.9	48.2	53.5
Net income	404.2	592.3	516.4
Net loss attributable to noncontrolling interests	6.2	4.9	5.7
Net income attributable to AGCO Corporation and subsidiaries	$ 410.4	$ 597.2	$ 522.1
Net income per common share attributable to AGCO Corporation and subsidiaries:			
Basic	$ 4.39	$ 6.14	$ 5.38
Diluted	$ 4.36	$ 6.01	$ 5.30
Cash dividends declared and paid per common share	$ 0.44	$ 0.40	$ —
Weighted average number of common and common equivalent shares outstanding:			
Basic	93.4	97.3	97.1
Diluted	94.2	99.4	98.6

See accompanying notes to Consolidated Financial Statements.

AGCO CORPORATION

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In millions)

	Years Ended December 31,		
	2014	2013	2012
Net income	$ 404.2	$ 592.3	$ 516.4
Other comprehensive loss, net of reclassification adjustments:			
Defined benefit pension plans, net of taxes:			
Prior service cost arising during year	—	—	(2.5)
Net loss recognized due to settlement	0.4	—	—
Net gain recognized due to curtailment	(0.4)	—	—
Net actuarial (loss) gain arising during year	(54.8)	45.2	(28.2)
Amortization of prior service cost included in net periodic pension cost	0.6	0.6	0.4
Amortization of net actuarial losses included in net periodic pension cost	7.3	10.7	7.6
Derivative adjustments:			
Net changes in fair value of derivatives	(1.4)	(1.4)	(3.1)
Net losses reclassified from accumulated other comprehensive loss into income	1.5	0.5	8.1
Foreign currency translation adjustments	(349.3)	(87.2)	(62.7)
Other comprehensive loss, net of reclassification adjustments	(396.1)	(31.6)	(80.4)
Comprehensive income	8.1	560.7	436.0
Comprehensive loss attributable to noncontrolling interests	6.5	5.2	7.3
Comprehensive income attributable to AGCO Corporation and subsidiaries	$ 14.6	$ 565.9	$ 443.3

See accompanying notes to Consolidated Financial Statements.

AGCO CORPORATION

CONSOLIDATED BALANCE SHEETS
(In millions, except share amounts)

	December 31, 2014	December 31, 2013
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 363.7	$ 1,047.2
Accounts and notes receivable, net	963.8	940.6
Inventories, net	1,750.7	2,016.1
Deferred tax assets	217.2	241.2
Other current assets	232.5	272.0
Total current assets	3,527.9	4,517.1
Property, plant and equipment, net	1,530.4	1,602.3
Investment in affiliates	424.1	416.1
Deferred tax assets	25.8	24.4
Other assets	141.1	134.6
Intangible assets, net	553.8	565.6
Goodwill	1,192.8	1,178.7
Total assets	$ 7,395.9	$ 8,438.8
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Current portion of long-term debt	$ 94.3	$ 110.5
Convertible senior subordinated notes	—	201.2
Accounts payable	670.2	960.3
Accrued expenses	1,244.1	1,389.2
Other current liabilities	208.3	150.8
Total current liabilities	2,216.9	2,812.0
Long-term debt, less current portion	997.6	938.5
Pensions and postretirement health care benefits	269.0	246.4
Deferred tax liabilities	238.8	251.2
Other noncurrent liabilities	176.7	145.9
Total liabilities	3,899.0	4,394.0
Commitments and contingencies (Note 12)		
Stockholders' Equity:		
AGCO Corporation stockholders' equity:		
Preferred stock; $0.01 par value, 1,000,000 shares authorized, no shares issued or outstanding in 2014 and 2013	—	—
Common stock; $0.01 par value, 150,000,000 shares authorized, 89,146,093 and 97,362,466 shares issued and outstanding at December 31, 2014 and 2013, respectively	0.9	1.0
Additional paid-in capital	582.5	1,117.9
Retained earnings	3,771.6	3,402.0
Accumulated other comprehensive loss	(906.5)	(510.7)
Total AGCO Corporation stockholders' equity	3,448.5	4,010.2
Noncontrolling interests	48.4	34.6
Total stockholders' equity	3,496.9	4,044.8
Total liabilities and stockholders' equity	$ 7,395.9	$ 8,438.8

See accompanying notes to Consolidated Financial Statements.

AGCO CORPORATION

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In millions, except share amounts)

	Common Stock				Accumulated Other Comprehensive Loss						
	Shares	Amount	Additional Paid-in Capital	Retained Earnings	Defined Benefit Pension Plans	Cumulative Translation Adjustment	Deferred (Losses) Gains on Derivatives	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total Stockholders' Equity	Temporary Equity
Balance, December 31, 2011	97,194,732	$ 1.0	$ 1,073.2	$ 2,321.6	$ (240.2)	$ (156.1)	$ (4.3)	$ (400.6)	$ 36.0	$ 3,031.2	$ —
Net income (loss)	—	—	—	522.1	—	—	—	—	3.0	525.1	(8.7)
Issuance of restricted stock	13,986	—	1.0	—	—	—	—	—	—	1.0	
Stock options and SSARs exercised	16,287	—	(0.3)	—	—	—	—	—	—	(0.3)	
Stock compensation	—	—	35.8	—	—	—	—	—	—	35.8	
Investments by redeemable noncontrolling interest	—	—	—	—	—	—	—	—	—	—	17.6
Distribution to noncontrolling interest	—	—	—	—	—	—	—	—	(1.7)	(1.7)	
Changes in noncontrolling interests	—	—	—	—	—	—	—	—	(4.0)	(4.0)	
Purchases and retirement of common stock	(409,007)	—	(17.6)	—	—	—	—	—	—	(17.6)	
Defined benefit pension plans, net of taxes:											
Prior service cost arising during year	—	—	—	—	(2.5)	—	—	(2.5)	—	(2.5)	
Net actuarial loss arising during year	—	—	—	—	(28.2)	—	—	(28.2)	—	(28.2)	
Amortization of prior service cost included in net periodic pension cost	—	—	—	—	0.4	—	—	0.4	—	0.4	
Amortization of net actuarial losses included in net periodic pension cost	—	—	—	—	7.6	—	—	7.6	—	7.6	
Deferred gains and losses on derivatives, net	—	—	—	—	—	—	5.0	5.0	—	5.0	
Reclassification to temporary equity- Equity component of convertible senior subordinated notes	—	—	(9.2)	—	—	—	—	—	—	(9.2)	9.2
Change in cumulative translation adjustment	—	—	—	—	—	(61.1)	—	(61.1)	—	(61.1)	(1.6)
Balance, December 31, 2012	96,815,998	1.0	1,082.9	2,843.7	(262.9)	(217.2)	0.7	(479.4)	33.3	3,481.5	16.5
Net income (loss)	—	—	—	597.2	—	—	—	—	4.4	601.6	(9.3)
Payment of dividends to shareholders	—	—	—	(38.9)	—	—	—	—	—	(38.9)	
Issuance of restricted stock	12,059	—	0.6	—	—	—	—	—	—	0.6	
Issuance of performance award stock	491,692	—	(14.7)	—	—	—	—	—	—	(14.7)	
SSARs exercised	61,941	—	(2.2)	—	—	—	—	—	—	(2.2)	
Stock compensation	—	—	34.0	—	—	—	—	—	—	34.0	
Excess tax benefit of stock awards	—	—	11.4	—	—	—	—	—	—	11.4	
Conversion of 1 1/4% convertible senior subordinated notes	286	—	—	—	—	—	—	—	—	—	
Distribution to noncontrolling interest	—	—	—	—	—	—	—	—	(3.1)	(3.1)	
Changes in noncontrolling interest	—	—	(2.3)	—	—	—	—	—	—	(2.3)	2.3
Purchases and retirement of common stock	(19,510)	—	(1.0)	—	—	—	—	—	—	(1.0)	
Defined benefit pension plans, net of taxes:											
Net actuarial gain arising during year	—	—	—	—	45.2	—	—	45.2	—	45.2	
Amortization of prior service cost included in net periodic pension cost	—	—	—	—	0.6	—	—	0.6	—	0.6	
Amortization of net actuarial losses included in net periodic pension cost	—	—	—	—	10.7	—	—	10.7	—	10.7	
Deferred gains and losses on derivatives, net	—	—	—	—	—	—	(0.9)	(0.9)	—	(0.9)	
Reclassification to temporary equity- Equity component of convertible senior subordinated notes	—	—	9.2	—	—	—	—	—	—	9.2	(9.2)
Change in cumulative translation adjustment	—	—	—	—	—	(86.9)	—	(86.9)	—	(86.9)	(0.3)
Balance, December 31, 2013	97,362,466	1.0	1,117.9	3,402.0	(206.4)	(304.1)	(0.2)	(510.7)	34.6	4,044.8	—
Net income (loss)	—	—	—	410.4	—	—	—	—	0.1	410.5	(6.3)
Payment of dividends to shareholders	—	—	—	(40.8)	—	—	—	—	—	(40.8)	
Issuance of restricted stock	14,907	—	0.9	—	—	—	—	—	—	0.9	
Issuance of performance award stock	367,100	—	(11.8)	—	—	—	—	—	—	(11.8)	
SSARs exercised	30,477	—	(1.2)	—	—	—	—	—	—	(1.2)	
Stock compensation	—	—	(11.7)	—	—	—	—	—	—	(11.7)	
Shortfall in tax benefit of stock awards	—	—	(0.2)	—	—	—	—	—	—	(0.2)	
Conversion of 1 1/4% convertible senior subordinated notes	1,437,465	—	—	—	—	—	—	—	—	—	
Investment by noncontrolling interest	—	—	—	—	—	—	—	—	16.1	16.1	
Distribution to noncontrolling interest	—	—	—	—	—	—	—	—	(2.4)	(2.4)	
Changes in noncontrolling interest	—	—	(11.8)	—	—	—	—	—	—	(11.8)	6.6
Purchases and retirement of common stock	(10,066,322)	(0.1)	(499.6)	—	—	—	—	—	—	(499.7)	
Defined benefit pension plans, net of taxes:											

Net loss recognized due to settlement	—	—	—	—	0.4	—	—	0.4	—	0.4	
Net gain recognized due to curtailment	—	—	—	—	(0.4)	—	—	(0.4)	—	(0.4)	
Net actuarial loss arising during year	—	—	—	—	(54.8)	—	—	(54.8)	—	(54.8)	
Amortization of prior service cost included in net periodic pension cost	—	—	—	—	0.6	—	—	0.6	—	0.6	
Amortization of net actuarial losses included in net periodic pension cost	—	—	—	—	7.3	—	—	7.3	—	7.3	
Deferred gains and losses on derivatives, net	—	—	—	—	—	—	0.1	0.1	—	0.1	
Change in cumulative translation adjustment	—	—	—	—	—	(349.0)	—	(349.0)	—	(349.0)	(0.3)
Balance, December 31, 2014	89,146,093	$ 0.9	$ 582.5	$ 3,771.6	$ (253.3)	$ (653.1)	$ (0.1)	$ (906.5)	$ 48.4	$ 3,496.9	$ —

See accompanying notes to Consolidated Financial Statements.

AGCO CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)

	Years Ended December 31,		
	2014	**2013**	**2012**
Cash flows from operating activities:			
Net income	$ 404.2	$ 592.3	$ 516.4
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	239.4	211.6	180.6
Deferred debt issuance cost amortization	2.7	3.5	3.5
Impairment charge	—	—	22.4
Amortization of intangibles	41.0	47.8	49.3
Amortization of debt discount	—	9.2	8.7
Stock compensation (credit) expense	(10.8)	34.6	36.8
Equity in net earnings of affiliates, net of cash received	(25.4)	(19.0)	(25.7)
Deferred income tax provision (benefit)	3.6	21.7	(36.4)
Other	2.5	0.3	0.6
Changes in operating assets and liabilities, net of effects from purchase of businesses:			
Accounts and notes receivable, net	(103.9)	(36.2)	40.6
Inventories, net	111.4	(356.9)	(160.9)
Other current and noncurrent assets	29.1	7.0	(71.8)
Accounts payable	(219.4)	54.7	(61.7)
Accrued expenses	(71.2)	123.4	154.5
Other current and noncurrent liabilities	35.2	103.0	9.5
Total adjustments	34.2	204.7	150.0
Net cash provided by operating activities	438.4	797.0	666.4
Cash flows from investing activities:			
Purchases of property, plant and equipment	(301.5)	(391.8)	(340.5)
Proceeds from sale of property, plant and equipment	2.8	2.6	0.9
Purchase of businesses, net of cash acquired	(130.3)	(9.5)	(2.9)
Investments in consolidated affiliates, net of cash acquired	—	—	(20.1)
Investments in unconsolidated affiliates	(3.9)	(10.0)	(15.8)
Restricted cash and other	—	—	3.7
Net cash used in investing activities	(432.9)	(408.7)	(374.7)
Cash flows from financing activities:			
Proceeds from debt obligations	1,689.4	1,135.9	926.3
Repayments of debt obligations	(1,588.8)	(1,194.0)	(1,148.8)
Purchases and retirement of common stock	(499.7)	(1.0)	(17.6)
Repurchase or conversion of convertible senior subordinated notes	(201.2)	—	—
Payment of dividends to stockholders	(40.8)	(38.9)	—
Payment of minimum tax withholdings on stock compensation	(13.2)	(17.0)	(0.3)
Purchase of or distribution to noncontrolling interests	(6.1)	(3.1)	(1.0)
Payment of debt issuance costs	(1.4)	(0.1)	(0.2)
Excess tax benefit related to stock compensation	—	11.4	—
Other	(0.2)	—	—
Net cash used in financing activities	(662.0)	(106.8)	(241.6)
Effects of exchange rate changes on cash and cash equivalents	(27.0)	(15.6)	6.8
(Decrease) increase in cash and cash equivalents	(683.5)	265.9	56.9
Cash and cash equivalents, beginning of year	1,047.2	781.3	724.4
Cash and cash equivalents, end of year	$ 363.7	$ 1,047.2	$ 781.3

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 and subsidiaries ("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, tillage, implements, and grain storage and protein production systems. The Company's products are widely recognized in the agricultural equipment industry and are marketed under a number of well-known brand names including: Challenger®, Fendt®, GSI®, Massey Ferguson®, and Valtra®. The Company distributes most of its products through a combination of approximately 3,100 independent dealers and distributors as well as the Company utilizes associates and licensees to provide a distribution channel for its products. In addition, the Company provides retail financing through its finance joint ventures with Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., or "Rabobank."

Basis of Presentation and Consolidation

The Company's Consolidated Financial Statements represent the consolidation of all wholly-owned companies, majority-owned companies and joint ventures where the Company has been determined to be the primary beneficiary. The Company consolidates a variable interest entity ("VIE") if the Company determines it is the primary beneficiary. The primary beneficiary of a VIE is the party that has both the power to direct the activities that most significantly impact the entity's economic performance and the obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIE. The Company also consolidates all entities that are not considered VIEs if it is determined that it has a controlling voting interest to direct the activities that most significantly impact the joint venture or entity. The Company records investments in all other affiliate companies using the equity method of accounting when it has significant influence. Other investments, including those representing an ownership of less than 20%, are recorded at cost. All significant intercompany balances and transactions have been eliminated in the Consolidated Financial Statements. Certain prior period amounts have been reclassified to conform to the current period presentation.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent 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 accounts and notes receivable, inventories, deferred income tax valuation allowances, goodwill and other identifiable intangible assets, and certain accrued liabilities, principally relating to reserves for volume discounts and sales incentives, warranty obligations, product liability and workers' compensation obligations, and pensions and postretirement benefits.

Revenue Recognition

Sales of equipment and replacement parts are recorded by the Company when title and risks of ownership have been transferred to an independent dealer, distributor or other customer. In certain countries, sales of certain grain storage and protein production systems where the Company is responsible for construction or installation and may be contingent upon customer acceptance, are recorded at the completion of the project. Payment terms vary by market and product, with fixed payment schedules on all sales. The terms of sale generally require that a purchase order or order confirmation accompany all shipments. Title generally passes to the dealer or distributor upon shipment or specified delivery, and the risk of loss upon damage, theft or destruction of the equipment is the responsibility of the dealer, distributor or third-party carrier at the point of the stated shipping or delivery term. In certain foreign countries, the Company retains a form of title to goods delivered to dealers until the dealer makes payment so that the Company can recover the goods in the event of customer default on payment. This occurs as the laws of some foreign countries do not provide for a seller's retention of a security interest in goods in the same manner as established in the United States Uniform Commercial Code. The only right the Company retains with respect to the title is that enabling recovery of the goods in the event of customer default on payment. The dealer or distributor may not return equipment or replacement parts while its contract with the Company is in force. Replacement parts may be returned only under promotional and annual return programs. Provisions for returns under these programs are made at the time of sale based on the terms of the program and historical returns experience. The Company may provide certain sales incentives to dealers and distributors. Provisions for sales incentives are made at the time of sale for existing incentive programs. These provisions are revised in the event of subsequent modification to the incentive program. See “Accounts and Notes Receivable” for further discussion.

In the United States and Canada, all equipment sales to dealers are immediately due upon a retail sale of the equipment by the dealer with the exception of sales of grain storage and protein production systems. If not previously paid by the dealer in the United States and Canada, installment payments are required generally beginning after the interest-free period with the remaining outstanding equipment balance generally due within 12 months after shipment or delivery. Interest generally is charged on the outstanding balance six to 12 months after shipment or delivery. Sales terms of some highly seasonal products provide for payment and due dates based on a specified date during the year regardless of the shipment date. Equipment sold to dealers in the United States and Canada is paid in full on average within 12 months of shipment. Sales of replacement parts generally are payable within 30 days of shipment, with terms for some larger, seasonal stock orders generally requiring payment within six months of shipment. Sales of grain storage and protein production systems generally are payable within 30 days of shipment.

In other international markets, equipment sales generally are payable in full within 30 to 180 days of shipment or delivery. Payment terms for some highly seasonal products have a specified due date during the year regardless of the shipment or delivery date. Sales of replacement parts generally are payable within 30 to 90 days of shipment, with terms for some larger, seasonal stock orders generally payable within six months of shipment.

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 United States currency in accordance with Accounting Standards Codification (“ASC”) 830, “Foreign Currency Matters.” Assets and liabilities are translated to United States 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 loss” in stockholders’ equity within the Company’s Consolidated Balance Sheets. Gains and losses, which result from foreign currency transactions, are included in the accompanying Consolidated Statements of Operations.

Cash and Cash Equivalents

Cash at December 31, 2014 and 2013 of $215.3 million and $465.2 million, respectively, consisted primarily of cash on hand and bank deposits. The Company considers all investments with an original maturity of three months or less to be cash equivalents. Cash equivalents at December 31, 2014 and 2013 of $148.4 million and $582.0 million, respectively, consisted primarily of money market deposits, certificates of deposits and overnight investments.

Accounts and Notes Receivable

Accounts and notes receivable arise from the sale of equipment and replacement parts to independent dealers, distributors or other customers. Payments due under the Company’s terms of sale generally range from one to 12 months and are not contingent upon the sale of the equipment by the dealer or distributor to a retail customer. Under normal circumstances, payment terms are not extended and equipment may not be returned. In certain regions, with respect to most equipment sales, including the United States and Canada, the Company is obligated to repurchase equipment and replacement parts upon cancellation of a dealer or distributor contract. These obligations are required by national, state or provincial laws and require the Company to repurchase a dealer or distributor’s unsold inventory, including inventories for which the receivable already has been paid.

The Company offers various sales terms with respect to its products. For sales in most markets outside of the United States and Canada, the Company generally does not charge interest on outstanding receivables with its dealers and distributors. For sales to certain dealers or distributors in the United States and Canada, interest is charged at or above prime lending rates on outstanding receivable balances after interest-free periods. These interest-free periods vary by product and generally range from one to 12 months as previously discussed. Globally, in limited circumstances, we provide sales terms and, in some cases, interest free periods that are longer than 12 months for certain seasonal products such as harvesting equipment. These are typically specified programs, predominately in the United States and Canada, where interest is charged after a period of up to 23 months depending on the year of the sale and the dealer or distributor’s sales volume during the preceding year. Actual interest-free periods are shorter than described above because the equipment receivable from dealers or distributors in some countries, such as in the United States and Canada, is generally due immediately upon sale of the equipment to a retail customer. Receivables can also be paid prior to terms specified in sales agreements. Under normal circumstances, interest is not forgiven and interest-free periods are not extended.

The following summarizes by geographic region, as a percentage of our consolidated net sales, amounts with maximum interest-free periods as presented below (in millions):

Year Ended December 31, 2014	North America	South America	Europe/Africa/ Middle East	Asia/Pacific	Consolidated	
0 to 6 months	$ 1,856.3	$ 1,663.4	$ 5,097.9	$ 487.6	$ 9,105.2	93.6%
7 to 12 months	510.2	—	59.2	—	569.4	5.9%
13 to 23 months	47.7	—	1.4	—	49.1	0.5%
	$ 2,414.2	$ 1,663.4	$ 5,158.5	$ 487.6	$ 9,723.7	100%

The Company has an agreement to permit transferring, on an ongoing basis, substantially all of its wholesale interest-bearing and non-interest bearing accounts receivable in North America to its U.S. and Canadian finance joint ventures. Upon transfer, the receivables maintain standard payment terms, including required regular principal payments on amounts outstanding, and interest charges at market rates. The Company also has accounts receivable sales agreements that permit the sale, on an ongoing basis, of a majority of its accounts receivables in Europe to its European finance joint ventures. Upon transfer, the receivables maintain standard payment terms. Qualified dealers may obtain additional financing through the Company's U.S., Canadian and European finance joint ventures at the joint ventures' discretion.

The Company provides various volume bonus and sales incentive programs with respect to its products. These sales incentive programs include reductions in invoice prices, reductions in retail financing rates, dealer commissions and dealer incentive allowances. In most cases, incentive programs are established and communicated to the Company's dealers on a quarterly basis. The incentives are paid either at the time of invoice (through a reduction of invoice price), at the time of the settlement of the receivable, at the time of retail financing, at the time of warranty registration, or at a subsequent time based on dealer purchases. The incentive programs are product-line specific and generally do not vary by dealer. The cost of sales incentives associated with dealer commissions and dealer incentive allowances is estimated based upon the terms of the programs and historical experience, is based on a percentage of the sales price, and is recorded at the later of (a) the date at which the related revenue is recognized, or (b) the date at which the sales incentive is offered. The related provisions and accruals are made on a product or product-line basis and are monitored for adequacy and revised at least quarterly in the event of subsequent modifications to the programs. Volume discounts are estimated and recognized based on historical experience, and related reserves are monitored and adjusted based on actual dealer purchases and the dealer's progress towards achieving specified cumulative target levels. The Company records the cost of interest subsidy payments, which is a reduction in the retail financing rates, at the later of (a) the date at which the related revenue is recognized, or (b) the date at which the sales incentive is offered. Estimates of these incentives are based on the terms of the programs and historical experience. All incentive programs are recorded and presented as a reduction of revenue due to the fact that the Company does not receive an identifiable benefit in exchange for the consideration provided. Reserves for incentive programs that will be paid either through the reduction of future invoices or through credit memos are recorded as "accounts receivable allowances" within the Company's Consolidated Balance Sheets. Reserves for incentive programs that will be paid in cash, as is the case with most of the Company's volume discount programs, as well as sales with incentives associated with accounts receivable sold to its U.S. and Canadian finance joint ventures, are recorded within "Accrued expenses" within the Company's Consolidated Balance Sheets.

Accounts and notes receivable are shown net of allowances for sales incentive discounts available to dealers and for doubtful accounts. Cash flows related to the collection of receivables are reported within "Cash flows from operating activities" within the Company's Consolidated Statements of Cash Flows. Accounts and notes receivable allowances at December 31, 2014 and 2013 were as follows (in millions):

	2014	2013
Sales incentive discounts	$ 18.5	$ 30.4
Doubtful accounts	32.1	34.9
	$ 50.6	$ 65.3

The Company transfers certain accounts receivable under its accounts receivable sales agreements with its finance joint ventures (Note 4). 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 Accounting Standards Update ("ASU") 2009-16, "Transfers and Servicing (Topic 860): Accounting for Transfers of Financial Assets." Cash payments are made to the Company's U.S. and Canadian finance joint ventures for sales incentive discounts provided to dealers related to outstanding accounts receivables sold. The balances of such sales discount reserves that are recorded within "Accrued expenses" as of December 31, 2014 and 2013 were approximately $236.5 million and $206.2 million, respectively.

Inventories

Inventories are valued at the lower of cost or market using the first-in, first-out method. Market is current replacement cost (by purchase or by reproduction, dependent on the type of inventory). In cases where market exceeds net realizable value (i.e., estimated selling price less reasonably predictable costs of completion and disposal), inventories are stated at net realizable value. Market is not considered to be less than net realizable value reduced by an allowance for an approximately normal profit margin. At December 31, 2014 and 2013, the Company had recorded $126.5 million and $119.9 million, respectively, as an adjustment for surplus and obsolete inventories. These adjustments are reflected within "Inventories, net" within the Company's Consolidated Balance Sheets.

Inventories, net at December 31, 2014 and 2013 were as follows (in millions):

	2014	2013
Finished goods	$ 616.6	$ 775.7
Repair and replacement parts	536.4	550.2
Work in process	130.5	109.0
Raw materials	467.2	581.2
Inventories, net	$ 1,750.7	$ 2,016.1

Cash flows related to the sale of inventories are reported within "Cash flows from operating activities" within the Company's Consolidated Statements of Cash Flows.

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 ten to 40 years for buildings and improvements, three to 15 years for machinery and equipment and three to ten years for furniture and fixtures. Expenditures for maintenance and repairs are charged to expense as incurred.

Property, plant and equipment, net at December 31, 2014 and 2013 consisted of the following (in millions):

	2014	2013
Land	$ 113.6	$ 125.6
Buildings and improvements	688.4	698.5
Machinery and equipment	2,039.9	2,013.4
Furniture and fixtures	127.6	127.3
Gross property, plant and equipment	2,969.5	2,964.8
Accumulated depreciation and amortization	(1,439.1)	(1,362.5)
Property, plant and equipment, net	$ 1,530.4	$ 1,602.3

Goodwill, Other Intangible Assets and Long-Lived Assets

The Company tests goodwill for impairment, at the reporting unit level, annually and when events or circumstances indicate that fair value of a reporting unit may be below its carrying value. A reporting unit is an operating segment or one level below an operating segment, for example, a component. The Company combines and aggregates two or more components of an operating segment as a single reporting unit if the components have similar economic characteristics. The Company's reportable segments are not its reporting units.

Goodwill is evaluated annually as of October 1 for impairment using a qualitative assessment or a quantitative two-step assessment. If the Company elects to perform a qualitative assessment and determines the fair value of its reporting units more likely than not exceeds their carrying value, no further evaluation is necessary. For reporting units where the Company performs a two-step quantitative assessment, the first step requires the Company to compare the fair value of each reporting unit, which is determined based on a combination of a discounted cash flow valuation approach and a market multiple valuation approach, to its respective carrying value, including goodwill. If the fair value of the reporting unit exceeds its carrying value, the goodwill is not considered impaired. If the carrying value is higher than the fair value of the reporting unit, the second step of the quantitative process is required to measure the amount of impairment, if any. The second step of the quantitative assessment results in a calculation of the implied fair value of the reporting unit's goodwill, which is determined as the excess of the fair value of a reporting unit over the fair values assigned to its assets and liabilities. If the implied fair value of goodwill is less than the carrying value of the reporting unit's goodwill, the difference is recognized as an impairment loss.

The Company reviews its long-lived assets, which includes intangible assets subject to amortization, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The evaluation for recoverability is performed at a level where independent cash flows may be attributed to either an asset or asset group. If the Company determines that the carrying amount of an asset or asset group is not recoverable based on the expected undiscounted future cash flows of the asset or asset group, an impairment loss is recorded equal to the excess of the carrying amounts over the estimated fair value of the long-lived assets. Estimates of future cash flows are based on many factors, including current operating results, expected market trends and competitive influences. The Company also evaluates the amortization periods assigned to its intangible assets to determine whether events or changes in circumstances warrant revised estimates of useful lives. Assets to be disposed of by sale are reported at the lower of the carrying amount or fair value, less estimated costs to sell.

The results of the Company's goodwill and long-lived assets impairment analyses conducted as of October 1, 2014 and 2013 indicated that no reduction in the carrying amount of the Company's goodwill and long-lived assets was required.

During the fourth quarter of 2012, the Company conducted a quantitative goodwill impairment analysis of its Chinese harvesting business and also reviewed its long-lived assets for impairment, including its trademark, distribution network and land use right identifiable intangible assets. The goodwill and long-lived asset impairment analyses indicated that a reduction in the carrying amount of the Chinese harvesting business' goodwill and certain other identifiable intangible assets was required. Accordingly, the Company recorded an impairment charge of approximately $22.4 million within "Impairment charge" in the Company's Consolidated Statement of Operations for the year ended December 31, 2012. The Chinese harvesting business operates within the Asia/Pacific geographical reportable segment. The results of the Company's goodwill impairment analysis conducted as of October 1, 2012 indicated that no other reduction in the carrying amount of goodwill and long-lived assets was required. The Company's accumulated goodwill impairment is approximately $180.5 million, which is comprised of approximately $9.1 million recorded in 2012 related to the Chinese harvesting reporting unit and approximately $171.4 million recorded in 2006 related to the Company's former sprayer reporting unit. The former sprayer reporting unit operates within the North American geographical reportable segment.

Changes in the carrying amount of goodwill during the years ended December 31, 2014, 2013 and 2012 are summarized as follows (in millions):

	North America	South America	Europe/Africa/ Middle East	Asia/Pacific	Consolidated
Balance as of December 31, 2011	$ 415.9	$ 212.2	$ 496.8	$ 69.6	$ 1,194.5
Acquisition	0.8	29.0	—	(3.7)	26.1
Impairment charge	—	—	—	(9.1)	(9.1)
Adjustments related to income taxes	—	—	(7.8)	—	(7.8)
Foreign currency translation	—	(21.9)	9.3	1.3	(11.3)
Balance as of December 31, 2012	416.7	219.3	498.3	58.1	1,192.4
Acquisition	7.3	—	—	—	7.3
Adjustments related to income taxes	—	—	(8.0)	—	(8.0)
Foreign currency translation	—	(28.6)	16.3	(0.7)	(13.0)
Balance as of December 31, 2013	424.0	190.7	506.6	57.4	1,178.7
Acquisition	89.6	—	—	—	89.6
Foreign currency translation	—	(21.0)	(52.0)	(2.5)	(75.5)
Balance as of December 31, 2014	$ 513.6	$ 169.7	$ 454.6	$ 54.9	$ 1,192.8

During 2013 and 2012, the Company reduced goodwill for financial reporting purposes by approximately $8.0 million and $7.8 million, respectively, related to the realization of tax benefits associated with the excess tax basis deductible goodwill resulting from the Company’s acquisition of Valtra.

The Company amortizes certain acquired identifiable intangible assets primarily on a straight-line basis over their estimated useful lives, which range from five to 50 years. The acquired intangible assets have a weighted average useful life as follows:

Intangible Asset	Weighted-Average Useful Life
Patents and technology	14 years
Customer relationships	14 years
Trademarks and trade names	21 years
Land use rights	46 years

For the years ended December 31, 2014, 2013 and 2012, acquired intangible asset amortization was $41.0 million, $47.8 million and $49.3 million, respectively. The Company estimates amortization of existing intangible assets will be $42.7 million for 2015, $41.5 million for 2016, $41.2 million for 2017, $41.2 million for 2018, and $41.2 million for 2019.

The Company has previously determined that two of its trademarks have an indefinite useful life. The Massey Ferguson trademark has been in existence since 1952 and was formed from the merger of Massey-Harris (established in the 1890’s) and Ferguson (established in the 1930’s). The Massey Ferguson brand is currently sold in over 140 countries worldwide, making it one of the most widely sold tractor brands in the world. The Company also has identified the Valtra trademark as an indefinite-lived asset. The Valtra trademark has been in existence since the late 1990’s, but is a derivative of the Valmet trademark which has been in existence since 1951. The Valmet name transitioned to the Valtra name over a period of time in the marketplace. The Valtra brand is currently sold in approximately 50 countries around the world. Both the Massey Ferguson brand and the Valtra brand are primary product lines of the Company’s business, and the Company plans to use these trademarks for an indefinite period of time. The Company plans to continue to make investments in product development to enhance the value of these brands into the future. There are no legal, regulatory, contractual, competitive, economic or other factors that the Company is aware of or that the Company believes would limit the useful lives of the trademarks. The Massey Ferguson and Valtra trademark registrations can be renewed at a nominal cost in the countries in which the Company operates.

AGCO CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Changes in the carrying amount of acquired intangible assets during 2014 and 2013 are summarized as follows (in millions):

	Trademarks and Trade Names	Customer Relationships	Patents and Technology	Land Use Rights	Total
Gross carrying amounts:					
Balance as of December 31, 2012	$ 118.9	$ 507.8	$ 87.6	$ 8.7	$ 723.0
Acquisition	—	—	—	6.0	6.0
Foreign currency translation	(0.3)	(5.1)	1.5	0.2	(3.7)
Balance as of December 31, 2013	118.6	502.7	89.1	14.9	725.3
Acquisition	7.0	28.0	11.3	—	46.3
Settlement of purchase consideration	—	—	—	(4.8)	(4.8)
Foreign currency translation	(2.1)	(16.9)	(6.4)	(0.4)	(25.8)
Balance as of December 31, 2014	$ 123.5	$ 513.8	$ 94.0	$ 9.7	$ 741.0

	Trademarks and Trade Names	Customer Relationships	Patents and Technology	Land Use Rights	Total
Accumulated amortization:					
Balance as of December 31, 2012	$ 24.9	$ 126.6	$ 54.1	$ 2.5	$ 208.1
Amortization expense	6.2	38.4	3.0	0.2	47.8
Foreign currency translation	(0.1)	(4.3)	1.9	—	(2.5)
Balance as of December 31, 2013	31.0	160.7	59.0	2.7	253.4
Amortization expense	6.2	31.4	3.2	0.2	41.0
Foreign currency translation	(0.8)	(11.3)	(6.1)	—	(18.2)
Balance as of December 31, 2014	$ 36.4	$ 180.8	$ 56.1	$ 2.9	$ 276.2

	Trademarks and Trade Names
Indefinite-lived intangible assets:	
Balance as of December 31, 2012	$ 92.2
Foreign currency translation	1.5
Balance as of December 31, 2013	93.7
Foreign currency translation	(4.7)
Balance as of December 31, 2014	$ 89.0

Accrued Expenses

Accrued expenses at December 31, 2014 and 2013 consisted of the following (in millions):

	2014	2013
Reserve for volume discounts and sales incentives	$ 467.7	$ 494.1
Warranty reserves	245.7	255.9
Accrued employee compensation and benefits	232.8	285.8
Accrued taxes	108.4	167.3
Other	189.5	186.1
	$ 1,244.1	$ 1,389.2

Warranty Reserves

The warranty reserve activity for the years ended December 31, 2014, 2013 and 2012 consisted of the following (in millions):

	2014	2013	2012
Balance at beginning of the year	$ 294.9	$ 256.9	$ 240.5
Acquisitions	0.5	—	0.1
Accruals for warranties issued during the year	214.1	200.3	184.5
Settlements made (in cash or in kind) during the year	(205.5)	(165.7)	(171.7)
Foreign currency translation	(19.4)	3.4	3.5
Balance at the end of the year	$ 284.6	$ 294.9	$ 256.9

The Company's agricultural equipment products are generally under warranty against defects in materials 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. Approximately $38.9 million and $39.0 million of warranty reserves are included in "Other noncurrent liabilities" in the Company's Consolidated Balance Sheets as of December 31, 2014 and 2013, respectively.

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.

Stock Incentive Plans

Stock compensation expense (credit) was recorded as follows (in millions). Refer to Note 10 for additional information regarding the Company's stock incentive plans during 2014, 2013 and 2012:

	Years Ended December 31,		
	2014	2013	2012
Cost of goods sold	$ (0.9)	$ 2.3	$ 2.4
Selling, general and administrative expenses	(9.7)	32.6	34.6
Total stock compensation expense (credit)	$ (10.6)	$ 34.9	$ 37.0

Research and Development Expenses

Research and development expenses are expensed as incurred and are included in engineering expenses in the Company's Consolidated Statements of Operations.

Advertising Costs

The Company expenses all advertising costs as incurred. Cooperative advertising costs normally are expensed at the time the revenue is earned. Advertising expenses for the years ended December 31, 2014, 2013 and 2012 totaled approximately $59.8 million, $60.5 million and $60.2 million, respectively.

Shipping and Handling Expenses

All shipping and handling fees charged to customers are included as a component of net sales. Shipping and handling costs are included as a part of cost of goods sold, with the exception of certain handling costs included in selling, general and administrative expenses in the amount of $29.2 million, $29.3 million and $31.0 million for the years ended December 31, 2014, 2013 and 2012, respectively.

Interest Expense, Net

Interest expense, net for the years ended December 31, 2014, 2013 and 2012 consisted of the following (in millions):

	2014	2013	2012
Interest expense	$ 71.9	$ 78.8	$ 77.7
Interest income	(13.5)	(20.8)	(20.1)
	$ 58.4	$ 58.0	$ 57.6

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Refer to Note 6 for additional information regarding the Company’s income taxes.

Net Income Per Common Share

Basic income per common share is computed by dividing net income by the weighted average number of common shares outstanding during each period. Diluted income per common share assumes the exercise of outstanding stock options, stock-settled stock appreciation rights (“SSARs”), the vesting of restricted stock and performance share awards, and the appreciation of the excess conversion value of the contingently convertible senior subordinated notes using the treasury stock method when the effects of such assumptions are dilutive.

The Company’s former $1^1/_4$% convertible senior subordinated notes provided for the settlement upon conversion in cash up to the principal amount of the converted notes with any excess conversion value settled in shares of the Company’s common stock. Dilution of weighted shares outstanding was dependent on the Company’s stock price for the excess conversion value using the treasury stock method (Note 7). A reconciliation of net income attributable to AGCO Corporation and its subsidiaries and weighted average common shares outstanding for purposes of calculating basic and diluted net income per share during the years ended December 31, 2014, 2013 and 2012 is as follows (in millions, except per share data):

	2014	2013	2012
Basic net income per share:			
Net income attributable to AGCO Corporation and subsidiaries	$ 410.4	$ 597.2	$ 522.1
Weighted average number of common shares outstanding	93.4	97.3	97.1
Basic net income per share attributable to AGCO Corporation and subsidiaries	$ 4.39	$ 6.14	$ 5.38
Diluted net income per share:			
Net income attributable to AGCO Corporation and subsidiaries	$ 410.4	$ 597.2	$ 522.1
Weighted average number of common shares outstanding	93.4	97.3	97.1
Dilutive stock options, SSARs, performance share awards and restricted stock awards	0.3	0.8	1.0
Weighted average assumed conversion of contingently convertible senior subordinated notes	0.5	1.3	0.5
Weighted average number of common shares and common share equivalents outstanding for purposes of computing diluted net income per share	94.2	99.4	98.6
Diluted net income per share attributable to AGCO Corporation and subsidiaries	$ 4.36	$ 6.01	$ 5.30

SSARs to purchase 1.0 million shares, 0.8 million shares and 0.6 million shares were outstanding for the years ended December 31, 2014, 2013 and 2012, respectively, but not included in the calculation of weighted average common and common equivalent shares outstanding because they had an antidilutive impact.

Comprehensive Income (Loss)

The Company reports comprehensive income (loss), defined as the total of net income (loss) and all other non-owner changes in equity, and the components thereof in its Consolidated Statements of Stockholders' Equity and Consolidated Statements of Comprehensive Income. The components of other comprehensive loss and the related tax effects for the years ended December 31, 2014, 2013 and 2012 are as follows (in millions):

	AGCO Corporation and Subsidiaries			Noncontrolling Interests
	2014			2014
	Before-tax Amount	Income Taxes	After-tax Amount	After-tax Amount
Defined benefit pension plans	$ (62.1)	$ 15.2	$ (46.9)	$ —
Net gain on derivatives	0.1	—	0.1	—
Foreign currency translation adjustments	(349.0)	—	(349.0)	(0.3)
Total components of other comprehensive loss	$ (411.0)	$ 15.2	$ (395.8)	$ (0.3)

	AGCO Corporation and Subsidiaries			Noncontrolling Interests
	2013			2013
	Before-tax Amount	Income Taxes	After-tax Amount	After-tax Amount
Defined benefit pension plans	$ 75.8	$ (19.3)	$ 56.5	$ —
Net loss on derivatives	(1.4)	0.5	(0.9)	—
Foreign currency translation adjustments	(86.9)	—	(86.9)	(0.3)
Total components of other comprehensive loss	$ (12.5)	$ (18.8)	$ (31.3)	$ (0.3)

	AGCO Corporation and Subsidiaries			Noncontrolling Interests
	2012			2012
	Before-tax Amount	Income Taxes	After-tax Amount	After-tax Amount
Defined benefit pension plans	$ (32.5)	$ 9.8	$ (22.7)	$ —
Net gain on derivatives	6.5	(1.5)	5.0	—
Foreign currency translation adjustments	(61.1)	—	(61.1)	(1.6)
Total components of other comprehensive loss	$ (87.1)	$ 8.3	$ (78.8)	$ (1.6)

Derivatives

The Company uses foreign currency contracts to hedge the foreign currency exposure of certain receivables and payables. The contracts are for periods consistent with the exposure being hedged and generally have maturities of one year or less. These contracts are classified as non-designated derivative instruments. The Company also enters into foreign currency contracts designated as cash flow hedges of expected sales. The Company's foreign currency contracts mitigate risk due to exchange rate fluctuations because gains and losses on these contracts generally offset losses and gains on the exposure being hedged.

The notional amounts of the foreign currency contracts 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. The

Company's hedging policy prohibits it from entering into any foreign currency contracts for speculative trading purposes. Refer to Note 11 for additional information regarding the Company's derivative instruments and hedging activities.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued ASU 2014-09, "Revenue from Contracts with Customers" ("ASU 2014-09"), which supersedes existing revenue recognition guidance under current U.S. GAAP. ASU 2014-09 outlines a comprehensive, single revenue recognition model that provides a five-step analysis in determining when and how revenue is recognized. The new model will require revenue recognition to depict the transfer of promised goods or services to customers at an amount that reflects the consideration expected to be received in exchange for those goods or services. Additional disclosures also will be required to enable users to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. The standard is effective for reporting periods beginning after December 15, 2016 using either a full retrospective or a modified retrospective approach. Early adoption is not permitted. The Company currently is evaluating the impact of adopting this standard on the Company's results of operations and financial condition.

In July 2013, the FASB issued ASU 2013-11, "Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists" ("ASU 2013-11"). ASU 2013-11 requires an unrecognized tax benefit, or a portion of an unrecognized tax benefit, to be presented in the financial statements as a reduction to a deferred tax asset for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward. To the extent a net operating loss carryfoward, a similar tax loss, or a tax credit carryforward is not available at the reporting date under the tax law of the applicable jurisdiction to settle any additional income taxes that would result from the disallowance of a tax position, or the tax law of the applicable jurisdiction does not require the entity to use, and the entity does not intend to use, the deferred tax asset for such purpose, the unrecognized tax benefit is presented in the financial statements as a liability and is not combined with deferred tax assets. The standard is effective for fiscal years, and interim periods within those years, beginning after December 15, 2013. Early adoption is permitted. The Company adopted this standard on January 1, 2014. The adoption of ASU 2013-11 did not have a material impact on the Company's results of operations or financial condition.

2. Acquisitions

On September 11, 2014, the Company acquired the remaining 39% interest of Santal Equipamentos S.A. Comércio e Indústria ("Santal") for approximately R$9.0 million (or approximately $3.7 million). Santal is headquartered in Ribeirão Preto, Brazil, and manufactures and distributes sugar cane planting, harvesting, handling and transportation equipment as well as replacement parts across Brazil. Due to the fact that the Company and the seller each had a call option and put option, respectively, with varying dates with respect to the remaining 39% interest in Santal, the fair value of the redeemable noncontrolling interest had previously been recorded within "Temporary equity" in the Company's Consolidated Balance Sheets. The acquisition of the remaining interest was funded with available cash on hand. The redemption and related amounts settled were reflected in "Additional paid-in capital" in the Company's Consolidated Balance Sheets.

On August 1, 2014, the Company acquired Intersystems Holdings, Inc. ("Intersystems") for approximately $134.4 million, net of cash acquired of approximately $4.1 million (or approximately $130.3 million, net). Intersystems, headquartered in Omaha, Nebraska, designs and manufactures commercial material handling solutions, primarily for the agricultural, biofuels and food and feed processing industries. The acquisition was financed with available cash on hand and the Company's credit facility (Note 7). The Company allocated the purchase price to the assets acquired and liabilities assumed based on preliminary estimates of their fair values as of the acquisition date. The acquired net assets primarily consisted of accounts receivable, inventories, accounts payable and accrued expenses, property, plant and equipment, and customer relationship, technology and trademark identifiable intangible assets. The Company recorded approximately $46.3 million of customer relationship, technology and trademark identifiable intangible assets and approximately $89.6 million of goodwill associated with the acquisition. The goodwill was reported within the Company's North American geographical reportable segment. The results of operations of Intersystems have been included in the Company's Consolidated Financial Statements as of and from the date of acquisition.

The acquired identifiable intangible assets of Intersystems as of the date of the acquisition are summarized in the following table (in millions):

Intangible Asset	Amount	Weighted-Average Useful Life
Customer relationships	$ 28.0	15 years
Technology	11.3	15 years
Trademarks	7.0	16 years
	$ 46.3	

3. Restructuring and Other Infrequent Expenses

During the second half of 2014, the Company announced and initiated several actions to rationalize employee headcount at various manufacturing facilities located in Germany, France, Finland, Italy, China, Brazil, Argentina and the United States, as well as various administrative offices located in Europe, Brazil, China and the United States. The headcount reduction of over 1,500 employees was initiated in order to reduce costs in response to softening global market demand and reduced production volumes. The Company recorded restructuring and other infrequent expenses of approximately $46.4 million associated with these rationalizations, of which $44.4 million related to severance and other related costs. The Company paid approximately $19.0 million of severance and other related costs during 2014. The remaining $25.4 million of severance and other related costs accrued as of December 31, 2014 will be paid during 2015 and 2016. In addition, during 2014, the Company recorded a $1.2 million write-down of property, plant and equipment associated with the rationalization of certain manufacturing facilities. The impairment charge was based upon the estimated fair value of the assets compared to their carrying value. The Company also recorded approximately $0.8 million in net pension settlement and special termination benefit charges related to certain defined benefit plans as a result of the rationalizations in Finland and the United States.

4. Accounts Receivable Sales Agreements

At December 31, 2014 and 2013, the Company had accounts receivable sales agreements that permit the sale, on an ongoing basis, of a majority of its wholesale receivables in North America and Europe to its 49% owned U.S., Canadian and European finance joint ventures. As of December 31, 2014 and 2013, the cash received from receivables sold under the U.S., Canadian and European accounts receivable sales agreements was approximately $1.2 billion and $1.3 billion, respectively.

Under the terms of the accounts receivable sales agreements in North America and Europe, the Company pays an annual servicing fee related to the servicing of the receivables sold. The Company also pays the respective AGCO Finance entities a subsidized interest payment with respect to the sales agreements, calculated based upon LIBOR plus a margin on any non-interest bearing accounts receivable outstanding and sold under the sales agreements. These fees are reflected within losses on the sales of receivables included within “Other expense, net” in the Company’s Consolidated Statements of Operations. The Company does not service the receivables after the sale occurs and does not maintain any direct retained interest in the receivables. The Company reviewed its accounting for the accounts receivable sales agreements and determined that these facilities should be accounted for as off-balance sheet transactions.

Losses on sales of receivables associated with the accounts receivable financing facilities discussed above, reflected within “Other expense, net” and “Interest expense, net” in the Company’s Consolidated Statements of Operations, were approximately $24.8 million, $25.6 million and $21.8 million during 2014, 2013 and 2012, respectively.

The Company’s finance joint ventures in Brazil and Australia also provide wholesale financing to the Company’s dealers. The receivables associated with these arrangements are without recourse to the Company. The Company does not service the receivables after the sale occurs and does not maintain any direct retained interest in the receivables. As of December 31, 2014 and 2013, these finance joint ventures had approximately $43.3 million and $68.2 million, respectively, of outstanding accounts receivable associated with these arrangements. The Company reviewed its accounting for these arrangements and determined that these arrangements should be accounted for as off-balance sheet transactions.

In addition, the Company sells certain trade receivables under factoring arrangements to other financial institutions around the world. The Company reviewed the sale of such receivables and determined that these arrangements should be accounted for as off-balance sheet transactions.

5. Investments in Affiliates

Investments in affiliates as of December 31, 2014 and 2013 were as follows (in millions):

	2014	2013
Finance joint ventures	$ 389.0	$ 390.2
Manufacturing joint ventures	19.6	16.1
Other affiliates	15.5	9.8
	$ 424.1	$ 416.1

The Company’s manufacturing joint ventures as of December 31, 2014 consisted of GIMA and joint ventures with third-party manufacturers to assemble tractors in Algeria and engines in South America. The other joint ventures represent investments in farm equipment manufacturers, an electronic and software system manufacturer, distributors and licensees.

The Company’s equity in net earnings of affiliates for the years ended December 31, 2014, 2013 and 2012 were as follows (in millions):

	2014	2013	2012
Finance joint ventures	$ 48.8	$ 48.8	$ 48.6
Manufacturing and other joint ventures	4.1	(0.6)	4.9
	$ 52.9	$ 48.2	$ 53.5

Summarized combined financial information of the Company’s finance joint ventures as of December 31, 2014 and 2013 and for the years ended December 31, 2014, 2013 and 2012 were as follows (in millions):

	December 31,	
	2014	2013
Total assets	$ 8,836.4	$ 9,442.7
Total liabilities	8,042.9	8,646.3
Partners’ equity	793.5	796.4

	For the Years Ended December 31,		
	2014	2013	2012
Revenues	$ 383.4	$ 389.2	$ 377.8
Costs	234.7	239.4	226.5
Income before income taxes	$ 148.7	$ 149.8	$ 151.3

The majority of the assets of the Company’s finance joint ventures represent finance receivables. The majority of the liabilities represent notes payable and accrued interest. Under the various joint venture agreements, Rabobank or its affiliates provide financing to the joint venture companies (Note 14).

At December 31, 2014 and 2013, the Company’s receivables from affiliates were approximately $108.4 million and $124.3 million, respectively. The receivables from affiliates are reflected within Accounts and notes receivable, net within the Company’s Consolidated Balance Sheets.

The portion of the Company’s retained earnings balance that represents undistributed retained earnings of equity method investees was approximately $293.3 million and $276.3 million as of December 31, 2014 and 2013, respectively.

6. Income Taxes

The sources of income before income taxes and equity in net earnings of affiliates were as follows for the years ended December 31, 2014, 2013 and 2012 (in millions):

	2014	2013	2012
United States	$ 63.5	$ 133.1	$ 98.0
Foreign	475.5	669.5	502.8
Income before income taxes and equity in net earnings of affiliates	$ 539.0	$ 802.6	$ 600.8

The provision for income taxes by location of the taxing jurisdiction for the years ended December 31, 2014, 2013 and 2012 consisted of the following (in millions):

	2014	2013	2012
Current:			
United States:			
Federal	$ 12.6	$ 9.2	$ (5.5)
State	2.8	9.9	2.8
Foreign	168.7	217.7	177.0
	184.1	236.8	174.3
Deferred:			
United States:			
Federal	(0.4)	30.2	(27.0)
State	—	—	—
Foreign	4.0	(8.5)	(9.4)
	3.6	21.7	(36.4)
	$ 187.7	$ 258.5	$ 137.9

At December 31, 2014, the Company's foreign subsidiaries had approximately $3.3 billion of undistributed earnings. These earnings are considered to be indefinitely invested, and, accordingly, no income taxes have been provided on these earnings. Determination of the amount of unrecognized deferred taxes on these earnings is not practicable; however, unrecognized foreign tax credits would be available to reduce a portion of the tax liability.

A reconciliation of income taxes computed at the United States federal statutory income tax rate (35%) to the provision for income taxes reflected in the Company's Consolidated Statements of Operations for the years ended December 31, 2014, 2013 and 2012 is as follows (in millions):

	2014	2013	2012
Provision for income taxes at United States federal statutory rate of 35%	$ 188.7	$ 280.9	$ 210.3
State and local income taxes, net of federal income tax benefit	2.6	5.6	3.9
Taxes on foreign income which differ from the United States statutory rate	(33.4)	(34.7)	(19.8)
Tax effect of permanent differences	(10.3)	(7.6)	11.5
Change in valuation allowance	22.8	9.3	(64.3)
Change in tax contingency reserves	25.2	25.7	20.8
Research and development tax credits	(7.1)	(19.9)	(26.3)
Other	(0.8)	(0.8)	1.8
	$ 187.7	$ 258.5	$ 137.9

The "change in valuation allowance" for the year ended December 31, 2012 primarily relates to the usage of approximately $54.7 million of valuation allowance due to income generated in the United States during 2012. The 2012 income tax provision also includes a reversal of approximately $13.8 million of remaining valuation allowance previously established against the Company's U.S. deferred tax assets (as reflected above in the "change in valuation allowance") as well as the recognition of certain U.S. research and development tax credits of approximately $13.1 million.

The significant components of the deferred tax assets and liabilities at December 31, 2014 and 2013 were as follows (in millions):

	2014	2013
Deferred Tax Assets:		
Net operating loss carryforwards	$ 75.7	$ 69.7
Sales incentive discounts	85.5	68.7
Inventory valuation reserves	33.9	29.4
Pensions and postretirement health care benefits	76.7	69.7
Warranty and other reserves	104.8	108.5
Research and development tax credits	—	13.2
Other	53.4	64.0
Total gross deferred tax assets	430.0	423.2
Valuation allowance	(93.3)	(77.2)
Total net deferred tax assets	336.7	346.0
Deferred Tax Liabilities:		
Tax over book depreciation and amortization	311.0	314.7
Other	21.5	21.6
Total deferred tax liabilities	332.5	336.3
Net deferred tax assets	$ 4.2	$ 9.7
Amounts recognized in Consolidated Balance Sheets:		
Deferred tax assets - current	$ 217.2	$ 241.2
Deferred tax assets - noncurrent	25.8	24.4
Other current liabilities	—	(4.7)
Deferred tax liabilities - noncurrent	(238.8)	(251.2)
	$ 4.2	$ 9.7

The Company recorded a net deferred tax asset of $4.2 million and $9.7 million as of December 31, 2014 and 2013, respectively. As reflected in the preceding table, the Company had a valuation allowance of $93.3 million and $77.2 million as of December 31, 2014 and 2013, respectively.

A valuation allowance is established when it is more likely than not that some portion or all of the deferred tax assets will not be realized. The Company assessed the likelihood that its deferred tax assets would be recovered from estimated future taxable income and available tax planning strategies and determined that the valuation allowance at December 31, 2014 and 2013 was appropriate. In making this assessment, all available evidence was considered, including the current economic climate, as well as reasonable tax planning strategies. The Company believes it is more likely than not that the Company will realize the remaining deferred tax assets, net of the valuation allowance, in future years.

The Company had net operating loss carryforwards of $265.5 million as of December 31, 2014, with expiration dates as follows: 2015 - $0.9 million; 2016 - $23.3 million; 2017 - $31.7 million; and thereafter or unlimited - $209.6 million. These net operating loss carryforwards of $265.5 million were entirely net operating loss carryforwards outside of the United States.

The Company paid income taxes of $223.6 million, $174.5 million and $147.7 million for the years ended December 31, 2014, 2013 and 2012, respectively.

At December 31, 2014 and 2013, the Company had $130.6 million and $122.2 million, respectively, of unrecognized income tax benefits, all of which would affect the Company’s effective tax rate if recognized. At December 31, 2014 and 2013, the Company had approximately $64.7 million and $61.9 million, respectively, of accrued or deferred taxes related to uncertain income tax positions connected with ongoing income tax audits in various jurisdictions that it expects to settle or pay in the next 12 months. The Company accrued approximately $2.3 million of interest and penalties related to unrecognized tax benefits in its provision for income taxes during both 2014 and 2013. At December 31, 2014 and 2013, the Company had accrued interest and penalties related to unrecognized tax benefits of $15.3 million and $14.4 million, respectively.

A reconciliation of the beginning and ending balances of the total amounts of gross unrecognized tax benefits as of and during the years ended December 31, 2014 and 2013 is as follows (in millions):

	2014	2013
Gross unrecognized income tax benefits	$ 122.2	$ 94.5
Additions for tax positions of the current year	21.8	34.7
Additions for tax positions of prior years	11.0	3.6
Additions for tax positions related to acquisitions	(0.6)	—
Reductions for tax positions of prior years for:		
Changes in judgments	(2.2)	(9.0)
Settlements during the period	(1.9)	—
Lapses of applicable statute of limitations	(5.4)	(3.6)
Foreign currency translation	(14.3)	2.0
Gross unrecognized income tax benefits	$ 130.6	$ 122.2

The Company and its subsidiaries file income tax returns in the United States and in various state, local and foreign jurisdictions. The Company and its subsidiaries are routinely examined by tax authorities in these jurisdictions. As of December 31, 2014, a number of income tax examinations in foreign jurisdictions were ongoing. It is possible that certain of these ongoing examinations may be resolved within 12 months. Due to the potential for resolution of federal, state and foreign examinations, and the expiration of various statutes of limitation, it is reasonably possible that the Company's gross unrecognized income tax benefits balance may materially change within the next 12 months. Due to the number of jurisdictions and issues involved and the uncertainty regarding the timing of any settlements, the Company is unable at this time to provide a reasonable estimate of such change that may occur within the next 12 months. Although there are ongoing examinations in various jurisdictions, the 2011 through 2014 tax years generally remain subject to examination in the United States by federal and state authorities. In the Company's significant foreign jurisdictions, primarily the United Kingdom, France, Germany, Switzerland, Finland and Brazil, the 2009 through 2014 tax years generally remain subject to examination by their respective tax authorities. In Brazil, the Company is contesting disallowed deductions related to the amortization of certain goodwill amounts (Note 12).

7. Indebtedness

Indebtedness consisted of the following at December 31, 2014 and 2013 (in millions):

	December 31, 2014	December 31, 2013
4½% Senior term loan due 2016	$ 242.0	$ 275.0
Credit facility, expires 2019	404.4	360.0
5⅞% Senior notes due 2021	300.0	300.0
Other long-term debt	145.5	114.0
1¼% Convertible senior subordinated notes due 2036	—	201.2
	1,091.9	1,250.2
Less: Current portion of long-term debt	(94.3)	(110.5)
1¼% Convertible senior subordinated notes due 2036	—	(201.2)
Total indebtedness, less current portion	$ 997.6	$ 938.5

At December 31, 2014, the aggregate scheduled maturities of long-term debt, excluding the current portion of long-term debt, are as follows (in millions):

2016	$ 268.0
2017	24.5
2018	4.8
2019	384.9
Thereafter	315.4
	$ 997.6

Convertible Senior Subordinated Notes

The carrying amount of the equity component of the Company's former 1$^{1}/_{4}$% convertible senior subordinated notes was $54.3 million as of December 31, 2013. The discount on the liability component of the notes was fully amortized as of December 31, 2013. The effective interest rate on the liability component for the 1$^{1}/_{4}$% convertible senior subordinated notes for each of the years ended December 31, 2013 and 2012 was 6.1%.

The following table sets forth the interest expense recognized for the year ended December 31, 2014 relating to the contractual interest coupon and the interest expense recognized for the years ended December 31, 2013 and 2012 relating to both the contractual interest coupon and the amortization of the discount on the liability component for the Company's former 1$^{1}/_{4}$% convertible senior subordinated notes (in millions):

	Years Ended December 31,		
	2014	2013	2012
1¼% Convertible senior subordinated notes:			
Interest expense	$ 0.9	$ 11.7	$ 11.2

Cash payments for interest were approximately $68.4 million, $66.4 million and $70.0 million for the years ended December 31, 2014, 2013 and 2012, respectively.

The Company's former 1$^{1}/_{4}$% convertible senior subordinated notes, due December 15, 2036, were issued in December 2006 and provided for (i) the settlement upon conversion in cash up to the principal amount of the notes with any excess conversion value settled in shares of the Company's common stock, and (ii) the conversion rate to be increased under certain circumstances if the notes were converted in connection with certain change of control transactions occurring prior to December 15, 2013. The notes were unsecured obligations and were convertible into cash and shares of the Company's common stock upon satisfaction of certain conditions. Interest was payable on the notes at 1$^{1}/_{4}$% per annum, payable semi-annually in arrears in cash on June 15 and December 15 of each year. Holders of the Company's former 1$^{1}/_{4}$% convertible senior subordinated notes had the ability to convert the notes if, during any fiscal quarter, the closing sales price of the Company's common stock exceeded 120% of the conversion price for at least 20 trading days in the 30 consecutive trading days ending on the last trading day of the preceding fiscal quarter. The notes would have been convertible into shares of the Company's common stock at an effective price of $40.27 per share as of June 30, 2014, subject to adjustment, including to reflect the impact to the conversion rate upon payment of any dividends to the Company's stockholders. This effective price reflected a conversion rate for the notes of 24.8295 shares of common stock per $1,000 principal amount of notes.

During the first six months of 2014, holders of the Company's former 1$^{1}/_{4}$% convertible senior subordinated notes converted or the Company repurchased approximately $49.7 million of aggregate principal amount of the notes. In May 2014, the Company announced its election to redeem the remaining $151.5 million balance of the notes with a redemption date of June 20, 2014. Substantially all of the holders of the notes elected to convert their remaining notes prior to the redemption date. The redemptions settled in July 2014. For the year ended December 31, 2014, the Company issued a total of 1,437,465 shares of its common stock associated with the $81.0 million excess conversion value of all notes converted. The Company reflected the repayment of the principal of the notes totaling $201.2 million within "Repurchase or conversion of convertible senior subordinated notes" within the Company's Consolidated Statements of Cash Flows for the year ended December 31, 2014.

During the year ended December 31, 2013, holders of the Company's former 1$^{1}/_{4}$% convertible senior subordinated notes converted less than $0.1 million of principal amount of the notes. The Company issued 286 shares of its common stock associated with the less than $0.1 million excess conversion value of the notes. The Company reflected the repayment of the principal of the notes totaling less than $0.1 million within “Repurchase or conversion of convertible senior subordinated notes” within the Company’s Consolidated Statements of Cash Flows for the year ended December 31, 2013. Due to the ability of the holders of the notes to convert the notes during the three months ending March 31, 2014, the Company classified the notes as a current liability as of December 31, 2013.

4 1/2% Senior Term Loan

The Company’s €200.0 million (or approximately $242.0 million) 4 1/2% senior term loan with Rabobank is due May 2, 2016. The Company has the ability to prepay the term loan before its maturity date. Interest is payable on the term loan at 4 1/2% per annum, payable quarterly in arrears on March 31, June 30, September 30 and December 31 of each year. The term loan contains covenants restricting, among other things, the incurrence of indebtedness and the making of certain payments, including dividends, and is subject to acceleration in the event of default. The Company also has to fulfill financial covenants with respect to a total debt to EBITDA ratio and an interest coverage ratio.

5 7/8% Senior Notes

The Company’s $300.0 million of 5 7/8% senior notes due 2021 constitute senior unsecured and unsubordinated indebtedness. Interest is payable on the notes semi-annually in arrears on June 1 and December 1 of each year. At any time prior to September 1, 2021, the Company may redeem the notes, in whole or in part from time to time, at its option, at a redemption price equal to the greater of (i) 100% of the principal amount plus accrued and unpaid interest, including additional interest, if any, to, but excluding, the redemption date or (ii) the sum of the present values of the remaining scheduled payments of principal and interest (exclusive of interest accrued to the date of redemption) discounted to the redemption date at the treasury rate plus 0.5%, plus accrued and unpaid interest, including additional interest, if any. Beginning September 1, 2021, the Company may redeem the notes, in whole or in part from time to time, at its option, at a redemption price equal to 100% of the principal amount plus accrued and unpaid interest, including additional interest, if any.

Credit Facility

On June 30, 2014, the Company amended and restated its credit facility agreement, increasing the multi-currency revolving credit facility from $600.0 million to $800.0 million and maintaining its $355.0 million term loan facility. The maturity date of the Company’s credit facility also was extended until June 28, 2019. The Company amended the term loan facility so that it is no longer required to make quarterly payments towards the term loan. Previously, the Company was required to make quarterly payments towards the term loan of $5.0 million that were to increase to $10.0 million commencing March 2015. Interest accrues on amounts outstanding under the credit facility, at the Company’s option, at either (1) LIBOR plus a margin ranging from 1.0% to 2.0% based on the Company’s leverage ratio, or (2) the base rate, which is equal to the higher of (i) the administrative agent’s base lending rate for the applicable currency, (ii) the federal funds rate plus 0.5% and (iii) one-month LIBOR for loans denominated in US dollars plus 1.0% plus a margin ranging from 0.0% to 0.5% based on the Company’s leverage ratio. The credit facility contains covenants restricting, among other things, the incurrence of indebtedness and the making of certain payments, including dividends, and is subject to acceleration in the event of a default. The Company also has to fulfill financial covenants with respect to a total debt to EBITDA ratio and an interest coverage ratio. As of December 31, 2014, the Company had $404.4 million of outstanding borrowings under the credit facility and availability to borrow approximately $750.6 million. As of December 31, 2013, the Company had $360.0 million of outstanding borrowings under its credit facility and availability to borrow approximately $600.0 million.

European Investment Bank (“EIB”) Senior Term Loan

In December 2014, the Company entered into a term loan with the EIB, which provided the Company with the ability to borrow up to €200.0 million. The €200.0 million (or approximately $232.4 million) of funding was received on January 15, 2015 with a maturity date of January 15, 2020. The Company has the ability to prepay the term loan before its maturity date. Interest is payable on the term loan at 1.056% per annum, payable quarterly in arrears on January 15, April 15, July 15 and October 15 of each year. The term loan contains covenants restricting, among other things, the use of funds for certain research and development projects, the incurrence of indebtedness and the making of certain payments, and is subject to acceleration in the event of default. The Company also has to fulfill financial covenants with respect to a net leverage ratio and an interest coverage ratio.

Standby Letters of Credit and Similar Instruments

The Company has arrangements with various banks to issue standby 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, 2014 and 2013, outstanding letters of credit totaled $18.5 million and $16.7 million, respectively.

8. Employee Benefit Plans

The Company sponsors defined benefit pension plans covering certain employees, principally in the United States, the United Kingdom, Germany, Finland, Norway, France, Switzerland and Argentina. The Company also provides certain postretirement health care and life insurance benefits for certain employees, principally in the United States and Brazil.

The Company also maintains an Executive Nonqualified Pension Plan ("ENPP"), which provides U.S.-based senior executives with retirement income for a period of 15 years based on a percentage of the average of their highest three non-consecutive years of base salary and bonus during their final ten years of employment (referred to as their "three-year average compensation"), reduced by the senior executive's social security benefits and 401(k) employer-matching contributions, as if the executive had made the maximum contribution. The benefit paid to the executives ranges from 2.25% to 3.00% of their three-year average compensation multiplied by credited years of service (subject to a maximum of 20 years). For nearly all participants, benefits under the ENPP vest if the participant has attained age 50 with at least ten years of service (five years of which include years of participation in the ENPP), but are not payable until the participant reaches age 65. The ENPP is an unfunded, nonqualified defined benefit pension plan.

Net annual pension costs for the years ended December 31, 2014, 2013 and 2012 for the Company's defined benefit pension plans and ENPP are set forth below (in millions):

Pension benefits	2014[1]	2013	2012
Service cost	$ 16.8	$ 18.0	$ 17.2
Interest cost	37.3	35.4	39.6
Expected return on plan assets	(44.5)	(37.6)	(36.3)
Amortization of net actuarial loss	9.5	14.0	9.8
Amortization of prior service cost	0.8	0.8	0.8
Settlement loss	0.4	0.1	0.2
Curtailment gain	(0.5)	—	—
Special termination benefits	1.3	—	—
Net annual pension cost	$ 21.0	$ 30.7	$ 31.3

(1) Rounding may impact summation of amounts.

The weighted average assumptions used to determine the net annual pension costs for the Company's defined benefit pension plans and ENPP for the years ended December 31, 2014, 2013 and 2012 are as follows:

	2014	2013	2012
All plans:			
Weighted average discount rate	4.4%	4.3%	5.0%
Weighted average expected long-term rate of return on plan assets	6.9%	6.8%	7.0%
Rate of increase in future compensation	2.5-5.0%	2.5-5.0%	2.5-5.0%
U.S.-based plans:			
Weighted average discount rate	4.75%	3.85%	4.6%
Weighted average expected long-term rate of return on plan assets[1]	7.0%	7.0%	7.75%
Rate of increase in future compensation[2]	5.0%	5.0%	5.0%

(1) Applicable for U.S. funded, qualified plans.
(2) Applicable for U.S. unfunded, nonqualified plan.

Net annual postretirement benefit costs for the years ended December 31, 2014, 2013 and 2012 are set forth below (in millions, except percentages):

Postretirement benefits	2014	2013	2012
Service cost	$ 0.1	$ 0.1	$ 0.1
Interest cost	1.6	1.7	1.5
Amortization of prior service cost (credit)	0.2	0.2	(0.2)
Amortization of net actuarial loss	0.1	0.5	0.4
Other	0.2	—	—
Net annual postretirement benefit cost	$ 2.2	$ 2.5	$ 1.8
Weighted average discount rate	5.3%	4.7%	4.8%

AGCO CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

The following tables set forth reconciliations of the changes in benefit obligation, plan assets and funded status as of December 31, 2014 and 2013 (in millions):

	Pension and ENPP Benefits		Postretirement Benefits	
Change in benefit obligation	**2014**	**2013**	**2014**	**2013**
Benefit obligation at beginning of year	$ 888.2	$ 881.9	$ 30.3	$ 37.0
Service cost	16.8	18.0	0.1	0.1
Interest cost	37.3	35.4	1.6	1.7
Plan participants' contributions	1.3	1.3	—	—
Actuarial loss (gain)	109.6	(10.1)	(0.7)	(6.2)
Settlements	(4.2)	(0.6)	—	—
Curtailments	(7.3)	—	—	—
Benefits paid	(55.9)	(54.1)	(1.6)	(1.8)
Special termination benefits and other	1.3	—	0.2	—
Foreign currency exchange rate changes	(60.3)	16.4	(0.3)	(0.5)
Benefit obligation at end of year	$ 926.8	$ 888.2	$ 29.6	$ 30.3

	Pension and ENPP Benefits		Postretirement Benefits	
Change in plan assets	**2014**	**2013**	**2014**	**2013**
Fair value of plan assets at beginning of year	$ 660.7	$ 576.7	$ —	$ —
Actual return on plan assets	73.7	81.3	—	—
Employer contributions	43.4	42.2	1.6	1.8
Plan participants' contributions	1.3	1.3	—	—
Benefits paid	(55.9)	(54.1)	(1.6)	(1.8)
Settlements	(4.2)	(0.6)	—	—
Foreign currency exchange rate changes	(41.8)	13.9	—	—
Fair value of plan assets at end of year	$ 677.2	$ 660.7	$ —	$ —
Funded status	$ (249.6)	$ (227.5)	$ (29.6)	$ (30.3)
Unrecognized net actuarial loss	329.7	265.5	3.3	4.1
Unrecognized prior service cost	3.2	4.6	3.7	3.9
Accumulated other comprehensive loss	(332.9)	(270.1)	(7.0)	(8.0)
Net amount recognized	$ (249.6)	$ (227.5)	$ (29.6)	$ (30.3)

Amounts recognized in Consolidated Balance Sheets:				
Other current liabilities	$ (3.3)	$ (4.2)	$ (1.5)	$ (1.8)
Accrued expenses	(5.4)	(5.4)	—	—
Pensions and postretirement health care benefits (noncurrent)	(240.9)	(217.9)	(28.1)	(28.5)
Net amount recognized	$ (249.6)	$ (227.5)	$ (29.6)	$ (30.3)

The following table summarizes the activity in accumulated other comprehensive loss related to the Company's ENPP and defined pension and postretirement benefit plans during the years ended December 31, 2014 and 2013 (in millions):

	Before-Tax Amount	Income Tax	After-Tax Amount
Accumulated other comprehensive loss as of December 31, 2012	$ (355.2)	$ (92.3)	$ (262.9)
Net loss recognized due to settlement	0.1	0.1	—
Net actuarial gain arising during the year	60.1	14.9	45.2
Amortization of prior service cost	1.1	0.5	0.6
Amortization of net actuarial loss	14.5	3.8	10.7
Accumulated other comprehensive loss as of December 31, 2013	$ (279.4)	$ (73.0)	$ (206.4)
Net loss recognized due to settlement	0.6	0.2	0.4
Net gain recognized due to curtailment	(0.5)	(0.1)	(0.4)
Net actuarial loss arising during the year	(72.8)	(18.0)	(54.8)
Amortization of prior service cost	1.0	0.4	0.6
Amortization of net actuarial loss	9.6	2.3	7.3
Accumulated other comprehensive loss as of December 31, 2014	$ (341.5)	$ (88.2)	$ (253.3)

As of December 31, 2014, the Company's accumulated other comprehensive loss included a net actuarial loss of approximately $329.7 million and a net prior service cost of approximately $3.2 million related to the Company's defined benefit pension plans and ENPP. The estimated net actuarial loss and net prior service cost for the defined benefit pension plans and ENPP expected to be amortized from the Company's accumulated other comprehensive loss during the year ended December 31, 2015 are approximately $11.4 million and $0.4 million, respectively.

As of December 31, 2014, the Company's accumulated other comprehensive loss included a net actuarial loss of approximately $3.3 million and a net prior service cost of approximately $3.7 million related to the Company's U.S. and Brazilian postretirement health care benefit plans. The estimated net actuarial loss and net prior service cost for postretirement health care benefit plans expected to be amortized from the Company's accumulated other comprehensive loss during the year ended December 31, 2015 are approximately $0.1 million and $0.2 million, respectively.

The aggregate projected benefit obligation, accumulated benefit obligation and fair value of plan assets for defined benefit pension plans, ENPP and other postretirement plans with accumulated benefit obligations in excess of plan assets were $956.4 million, $901.7 million and $677.2 million, respectively, as of December 31, 2014, and $910.6 million, $863.7 million and $653.1 million, respectively, as of December 31, 2013. The projected benefit obligation, accumulated benefit obligation and fair value of plan assets for the Company's U.S.-based defined benefit pension plans and ENPP with accumulated benefit obligations in excess of plan assets were $102.9 million, $90.2 million and $41.5 million, respectively, as of December 31, 2014, and $85.1 million, $77.4 million and $41.9 million, respectively, as of December 31, 2013. The Company's accumulated comprehensive loss as of December 31, 2014 reflects a reduction in equity of $339.9 million, net of taxes of $87.6 million, primarily related to the Company's U.K. pension plan, where the projected benefit obligation exceeded the plan assets. In addition, the Company's accumulated comprehensive loss as of December 31, 2014 reflects a reduction in equity of approximately $1.6 million, net of taxes of $0.6 million, related to the Company's GIMA joint venture. The amount represents 50% of GIMA's unrecognized net actuarial losses and unrecognized prior service cost associated with its pension plan. In addition, GIMA recognized a net actuarial loss due to settlements during 2014 of approximately $0.2 million. The Company's accumulated comprehensive loss as of December 31, 2013 reflected a reduction in equity of $278.1 million, net of taxes of $72.6 million, primarily related to the Company's U.K. pension plan, where the projected benefit obligation exceeded the plan assets. In addition, the Company's accumulated comprehensive loss as of December 31, 2013 reflected a reduction in equity of approximately $1.3 million, net of taxes of $0.4 million, related to the Company's GIMA joint venture. This amount represented 50% of GIMA's unrecognized net actuarial losses and unrecognized prior service cost associated with its pension plan.

The weighted average assumptions used to determine the benefit obligation for the Company's defined benefit pension plans and ENPP as of December 31, 2014 and 2013 are as follows:

	2014	2013
All plans:		
Weighted average discount rate	3.5%	4.4%
Rate of increase in future compensation	2.5-5.0%	2.5-5.0%
U.S.-based plans:		
Weighted average discount rate	4.15%	4.75%
Rate of increase in future compensation[1]	5.0%	5.0%

(1)Applicable for U.S. unfunded, nonqualified plan.

The weighted average discount rate used to determine the benefit obligation for the Company's postretirement benefit plans for the years ended December 31, 2014 and 2013 was 4.6% and 5.3%, respectively.

For the years ended December 31, 2014, 2013 and 2012, the Company used a globally consistent methodology to set the discount rate in the countries where its largest benefit obligations exist. In the United States, the United Kingdom and the Euro Zone, the Company constructed a hypothetical bond portfolio of high-quality corporate bonds and then applied the cash flows of the Company's benefit plans to those bond yields to derive a discount rate. The bond portfolio and plan-specific cash flows vary by country, but the methodology in which the portfolio is constructed is consistent. In the United States, the bond portfolio is large enough to result in taking a "settlement approach" to derive the discount rate, where high-quality corporate bonds are assumed to be purchased and the resulting coupon payments and maturities are used to satisfy the Company's U.S. pension plans' projected benefit payments. In the United Kingdom and the Euro Zone, the discount rate is derived using a "yield curve approach," where an individual spot rate, or zero coupon bond yield, for each future annual period is developed to discount each future benefit payment and, thereby, determine the present value of all future payments. Under the settlement and yield curve approaches, the discount rate is set to equal the single discount rate that produces the same present value of all future payments.

For measuring the expected U.S. postretirement benefit obligation at December 31, 2014 and 2013, the Company assumed a 7.0% and 7.5% health care cost trend rate for 2015 and 2014, respectively, decreasing to 5.0% by 2019. For measuring the Brazilian postretirement benefit plan obligation at December 31, 2014, the Company assumed a 12.25% health care cost trend rate for 2015, decreasing to 6.45% by 2025. For measuring the Brazilian postretirement benefit plan obligation at December 31, 2013, the Company assumed a 12.25% health care cost trend rate for 2014, decreasing to 6.45% by 2024. 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 for 2014 and the accumulated postretirement benefit obligation at December 31, 2014 (in millions):

	One Percentage Point Increase	One Percentage Point Decrease
Effect on service and interest cost	$ 0.2	$ (0.2)
Effect on accumulated benefit obligation	$ 3.8	$ (3.2)

The Company currently estimates its minimum contributions and benefit payments to its U.S.-based underfunded defined benefit pension plans and unfunded ENPP for 2015 will aggregate approximately $2.9 million. The Company currently estimates its benefit payments for 2015 to its U.S.-based postretirement health care and life insurance benefit plans will aggregate approximately $1.5 million and its benefit payments for 2015 to its Brazilian postretirement health care benefit plans will aggregate approximately less than $0.1 million. The Company currently estimates its minimum contributions for underfunded plans and benefit payments for unfunded plans for 2015 to its non-U.S.-based defined benefit pension plans will aggregate approximately $35.8 million, of which approximately $23.8 million relates to its U.K. pension plan.

During 2014, approximately $60.1 million of benefit payments were made related to the Company's defined benefit pension plans and ENPP. At December 31, 2014, the aggregate expected benefit payments for the Company's defined benefit pension plans and ENPP are as follows (in millions):

2015	$ 54.9
2016	50.8
2017	52.5
2018	52.5
2019	53.0
2020 through 2024	286.4
	$ 550.1

During 2014, approximately $1.6 million of benefit payments were made related to the Company's U.S. and Brazilian postretirement benefit plans. At December 31, 2014, the aggregate expected benefit payments for the Company's U.S. and Brazilian postretirement benefit plans are as follows (in millions):

2015	$ 1.5
2016	1.6
2017	1.6
2018	1.7
2019	1.7
2020 through 2024	9.2
	$ 17.3

Investment Strategy and Concentration of Risk

The weighted average asset allocation of the Company's U.S. pension benefit plans as of December 31, 2014 and 2013 are as follows:

Asset Category	2014	2013
Large and small cap domestic equity securities	28%	48%
International equity securities	10%	16%
Domestic fixed income securities	42%	16%
Other investments	20%	20%
Total	100%	100%

The weighted average asset allocation of the Company's non-U.S. pension benefit plans as of December 31, 2014 and 2013 are as follows:

Asset Category	2014	2013
Equity securities	42%	45%
Fixed income securities	38%	30%
Other investments	20%	25%
Total	100%	100%

The Company categorizes its pension plan assets into one of three levels based on the assumptions used in valuing the asset. See Note 13 for a discussion of the fair value hierarchy as per the guidance in ASC 820, "Fair Value Measurements" ("ASC 820"). The Company's valuation techniques are designed to maximize the use of observable inputs and minimize the use of unobservable inputs. The Company uses the following valuation methodologies to measure the fair value of its pension plan assets:

Equity Securities: Equity securities are valued on the basis of the closing price per unit on each business day as reported on the applicable exchange.

Fixed Income: Fixed income securities are valued using the closing prices in the active market in which the fixed income investment trades. Fixed income funds are valued using the net asset value of the fund, which is based on the fair value of the underlying securities.

Cash: These investments primarily consist of short-term investment funds which are valued using the net asset value.

Alternative Investments and Pooled Funds: These investments are reported at fair value as determined by the general partner of the alternative investment or pooled fund. The "market approach" valuation technique is used to value investments in these funds. The funds typically are open-end funds as they generally offer subscription and redemption options to investors. The frequency of such subscriptions or redemptions is dictated by each fund's governing documents. The amount of liquidity provided to investors in a particular fund is generally consistent with the liquidity and risk associated with the underlying portfolio (i.e., the more liquid the investments in the portfolio, the greater the liquidity provided to investors). Liquidity of individual funds varies based on various factors and may include "gates," "holdbacks" and "side pockets" imposed by the manager of the fund, as well as redemption fees that may also apply. Investments in these funds typically are valued utilizing the net asset valuations provided by their underlying investment managers, general partners or administrators. The funds consider subscription and redemption rights, including any restrictions on the disposition of the interest, in its determination of the fair value.

Insurance Contracts: Insurance contracts are valued using current prevailing interest rates.

The fair value of the Company's pension assets as of December 31, 2014 is as follows (in millions):

	Total	Level 1	Level 2	Level 3
Equity securities:				
Global equities	$ 135.9	$ 135.9	$ —	$ —
Non-U.S. equities	4.3	4.3	—	—
U.K. equities	122.8	122.8	—	—
U.S. large cap equities	7.1	7.1	—	—
U.S. small cap equities	4.5	4.5	—	—
Total equity securities	274.6	274.6	—	—
Fixed income:				
Aggregate fixed income	17.5	17.5	—	—
International fixed income	230.5	230.5	—	—
Total fixed income share(1)	248.0	248.0	—	—
Cash and equivalents:				
Cash	7.5	—	7.5	—
Total cash and equivalents	7.5	—	7.5	—
Alternative investments(2)	124.3	—	—	124.3
Miscellaneous funds(3)	22.8	—	—	22.8
Total assets	$ 677.2	$ 522.6	$ 7.5	$ 147.1

(1) 39% of "fixed income" securities are in government treasuries; 37% are in investment-grade corporate bonds; and 24% are in other various fixed income securities.
(2) 34% of "alternative investments" are in long-short equity funds; 31% are in event-driven funds; 12% are in relative value funds; 10% are in credit funds; 9% are distributed in hedged and non-hedged funds; and 4% are in multi-strategy funds.
(3) "Miscellaneous funds" is comprised of insurance contracts in Finland, Norway and Switzerland.

The following is a reconciliation of Level 3 assets as of December 31, 2014 (in millions):

	Total	Alternative Investments	Miscellaneous Funds
Beginning balance as of December 31, 2013	$ 171.8	$ 146.0	$ 25.8
Actual return on plan assets:			
(a) Relating to assets still held at reporting date	6.3	5.1	1.2
(b) Relating to assets sold during period	2.3	2.3	—
Purchases, sales and /or settlements	(22.6)	(21.7)	(0.9)
Foreign currency exchange rate changes	(10.7)	(7.4)	(3.3)
Ending balance as of December 31, 2014	$ 147.1	$ 124.3	$ 22.8

The fair value of the Company's pension assets as of December 31, 2013 is as follows (in millions):

	Total	Level 1	Level 2	Level 3
Equity securities:				
Global equities	$ 132.0	$ 132.0	$ —	$ —
Non-U.S. equities	6.7	6.7	—	—
U.K. equities	132.0	132.0	—	—
U.S. large cap equities	13.9	13.9	—	—
U.S. small cap equities	6.2	6.2	—	—
Total equity securities	290.8	290.8	—	—
Fixed income:				
Aggregate fixed income	6.5	6.5	—	—
International fixed income	180.8	180.8	—	—
Total fixed income share(1)	187.3	187.3	—	—
Cash and equivalents:				
Cash	10.8	—	10.8	—
Total cash and equivalents	10.8	—	10.8	—
Alternative investments(2)	146.0	—	—	146.0
Miscellaneous funds(3)	25.8	—	—	25.8
Total assets	$ 660.7	$ 478.1	$ 10.8	$ 171.8

(1) 40% of "fixed income" securities are in government treasuries; 31% are in investment-grade corporate bonds; and 29% are in other various fixed income securities.
(2) 35% of "alternative investments" are in long-short equity funds; 29% are in event-driven funds; 12% are in relative value funds; 12% are in credit funds; 7% are distributed in hedged and non-hedged funds; and 5% are in multi-strategy funds.
(3) "Miscellaneous funds" is comprised of pooled funds in Australia and various contracts in Finland, Norway and Switzerland.

The following is a reconciliation of Level 3 assets as of December 31, 2013 (in millions):

	Total	Alternative Investments	Miscellaneous Funds
Beginning balance as of December 31, 2012	$ 152.6	$ 127.1	$ 25.5
Actual return on plan assets:			
(a) Relating to assets still held at reporting date	15.4	15.1	0.3
(b) Relating to assets sold during period	0.3	0.3	—
Purchases, sales and /or settlements	0.5	0.3	0.2
Foreign currency exchange rate changes	3.0	3.2	(0.2)
Ending balance as of December 31, 2013	$ 171.8	$ 146.0	$ 25.8

AGCO CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

All tax-qualified pension fund investments in the United States are held in the AGCO Corporation Master Pension Trust. The Company's global pension fund strategy is to diversify investments across broad categories of equity and fixed income securities with appropriate use of alternative investment categories to minimize risk and volatility. The primary investment objective of the Company's pension plans is to secure participant retirement benefits. As such, the key objective in the pension plans' financial management is to promote stability and, to the extent appropriate, growth in funded status.

The investment strategy for the plans' portfolio of assets balances the requirement to generate returns with the need to control risk. The asset mix is recognized as the primary mechanism to influence the reward and risk structure of the pension fund investments in an effort to accomplish the plans' funding objectives. The overall investment strategy for the U.S.-based pension plans is to achieve a mix of approximately 15% of assets for the near-term benefit payments and 85% for longer-term growth. The overall U.S. pension funds invest in a broad diversification of asset types. The Company's U.S. target allocation of retirement fund investments is 30% large- and small-cap domestic equity securities, 12% international equity securities, 44% broad fixed income securities and 14% in alternative investments. The Company has noted that over very long periods, this mix of investments would achieve an average return of approximately 6.0%. The overall investment strategy for the non-U.S. based pension plans is to achieve a mix of approximately 30% of assets for the near-term benefit payments and 70% for longer-term growth. The overall non-U.S. pension funds invest in a broad diversification of asset types. The Company's non-U.S. target allocation of retirement fund investments is 45% equity securities, 35% broad fixed income investments and 20% in alternative investments. The majority of the Company's non-U.S. pension fund investments are related to the Company's pension plan in the United Kingdom. The Company has noted that over very long periods, this mix of investments would achieve an average return of approximately 7.3%. In arriving at the choice of an expected return assumption of 7.0% for its U.K.-based plans for the year ended December 31, 2015, the Company has tempered this historical indicator with lower expectations for returns and equity investment in the future as well as the administrative costs of the plans.

Equity securities primarily include investments in large-cap and small-cap companies located across the globe. Fixed income securities include corporate bonds of companies from diversified industries, mortgage-backed securities, agency mortgages, asset-backed securities and government securities. Alternative and other assets include investments in hedge fund of funds that follow diversified investment strategies. To date, the Company has not invested pension funds in its own stock and has no intention of doing so in the future.

Within each asset class, careful consideration is given to balancing the portfolio among industry sectors, geographies, interest rate sensitivity, dependence on economic growth, currency and other factors affecting investment returns. The assets are managed by professional investment firms, who are bound by precise mandates and are measured against specific benchmarks. Among asset managers, consideration is given, among others, to balancing security concentration, issuer concentration, investment style and reliance on particular active investment strategies.

The Company participates in a small number of multiemployer plans in the Netherlands and Sweden. The Company has assessed and determined that none of the multiemployer plans which it participates in are individually, or in the aggregate, significant to the Company's Consolidated Financial Statements. The Company does not expect to incur a withdrawal liability or expect to significantly increase its contributions over the remainder of the multiemployer plans' contract periods.

The Company maintains separate defined contribution plans covering certain employees, primarily in the United States, the United Kingdom and Brazil. Under the plans, the Company contributes a specified percentage of each eligible employee's compensation. The Company contributed approximately $13.3 million, $13.0 million and $11.7 million for the years ended December 31, 2014, 2013 and 2012, respectively.

9. Stockholders' Equity

The following table sets forth changes in accumulated other comprehensive loss by component, net of tax, attributed to AGCO Corporation and its subsidiaries for the years ended December 31, 2014 and 2013 (in millions):

	Defined Benefit Pension Plans	Cumulative Translation Adjustment	Deferred Net Gains (Losses) on Derivatives	Total
Accumulated other comprehensive (loss) income, December 31, 2012	$ (262.9)	$ (217.2)	$ 0.7	$ (479.4)
Other comprehensive gain (loss) before reclassifications	45.2	(86.9)	(1.4)	(43.1)
Net losses reclassified from accumulated other comprehensive loss	11.3	—	0.5	11.8
Other comprehensive income (loss), net of reclassification adjustments	56.5	(86.9)	(0.9)	(31.3)
Accumulated other comprehensive loss, December 31, 2013	(206.4)	(304.1)	(0.2)	(510.7)
Other comprehensive loss before reclassifications	(54.8)	(349.0)	(1.4)	(405.2)
Net losses reclassified from accumulated other comprehensive loss	7.9	—	1.5	9.4
Other comprehensive (loss) income, net of reclassification adjustments	(46.9)	(349.0)	0.1	(395.8)
Accumulated other comprehensive loss, December 31, 2014	$ (253.3)	$ (653.1)	$ (0.1)	$ (906.5)

The following table sets forth reclassification adjustments out of accumulated other comprehensive loss by component attributed to AGCO Corporation and its subsidiaries for the years ended December 31, 2014 and 2013 (in millions):

Details about Accumulated Other Comprehensive Loss Components	Amount Reclassified from Accumulated Other Comprehensive Loss: Year ended December 31, 2014 (1)	Year ended December 31, 2013 (1)	Affected Line Item within the Consolidated Statements of Operations
Net losses on cash flow hedges	$ 1.4	$ 0.7	Cost of goods sold
	0.1	(0.2)	Income tax provision
Reclassification net of tax	$ 1.5	$ 0.5	
Defined benefit pension plans:			
Amortization of net actuarial loss	$ 9.6	$ 14.5	(2)
Amortization of prior service cost	1.0	1.1	(2)
Reclassification before tax	10.6	15.6	
	(2.7)	(4.3)	Income tax provision
Reclassification net of tax	$ 7.9	$ 11.3	
Net losses reclassified from accumulated other comprehensive loss	$ 9.4	$ 11.8	

(1) Losses included within the Consolidated Statements of Operations for the years ended December 31, 2014 and 2013, respectively.
(2) These accumulated other comprehensive loss components are included in the computation of net periodic pension and postretirement benefit cost. See Note 8 to the Company's Consolidated Financial Statements.

Common Stock

At December 31, 2014, the Company had 150.0 million authorized shares of common stock with a par value of $0.01 per share, with approximately 89.1 million shares of common stock outstanding and approximately 3.6 million shares reserved for issuance under the Company's 2006 Long-Term Incentive Plan (the "2006 Plan") (Note 10).

Share Repurchase Program

In July 2012, the Company's Board of Directors approved a share repurchase program under which the Company is permitted to repurchase up to $50.0 million of shares of its common stock. This share repurchase program does not have an expiration date. In December 2013, the Company's Board of Directors approved a second share repurchase program under which the Company is permitted to repurchase up to $500.0 million of shares of its common stock through an expiration date of June 2015. In December 2014, the Board of Directors approved a third share repurchase program under which the Company can repurchase an additional $500.0 million of shares of its common stock through December 2016.

During 2014, through open market transactions, the Company repurchased 1.8 million shares of its common stock for approximately $84.7 million at an average price paid of $46.60 per share. During 2013, through open market transactions, the Company repurchased less than 0.1 million shares of its common stock for approximately $1.0 million at an average price paid of $49.34 per share. During 2012, through open market transactions, the Company repurchased 0.4 million shares of its common stock for approximately $17.6 million at an average price of $43.14 per share. Repurchased shares were retired on the date of purchase, and the excess of the purchase price over par value per share was recorded to "Additional paid-in capital" within the Company's Consolidated Balance Sheets.

During 2014, the Company entered into three accelerated repurchase agreements ("ASRs") with a financial institution to repurchase an aggregate of $415.0 million of shares of the Company's common stock. The Company received approximately 8.2 million shares during the year ended December 31, 2014 related to these ASRs. All shares received under the ASRs were retired upon receipt, and the excess of the purchase price over par value per share was recorded to "Additional paid-in capital" within the Company's Consolidated Balance Sheets.

Of the $1,050.0 million in approved share repurchase programs, the remaining amount authorized to be repurchased is approximately $531.7 million.

During 2015, the Company entered into an ASR with a financial institution to repurchase an aggregate of $62.5 million of shares of the Company's common stock. The Company received approximately 0.9 million shares to date in this transaction. The specific number of shares the Company will ultimately repurchase will be determined at the completion of the term of the ASR based on the daily volume-weighted average share price of the Company's common stock less an agreed-upon discount. Upon settlement of the ASR, the Company may be entitled to receive additional shares of common stock, or under certain circumstances, be required to remit a settlement amount. The Company expects that additional shares will be received by the Company upon final settlement of its current ASR, which expires during the second quarter of 2015. All shares received under the ASR discussed above were retired upon receipt and the excess of the purchase price over par value per share was recorded to "Additional paid-in capital" within the Company's Consolidated Balance Sheets.

Dividends

On January 24, 2013, the Company's Board of Directors approved the initiation of quarterly cash dividends to our stockholders. A quarterly dividend of $0.10 per common share was paid to each of the Company's stockholders during 2013. On January 24, 2014, the Company's Board of Directors approved an increase in the quarterly dividend from $0.10 per common share to $0.11 per common share beginning in the first quarter of 2014. On January 22, 2015, the Company's Board of Directors approved an increase in the quarterly dividend from $0.11 per common share to $0.12 per common share beginning in the first quarter of 2015.

10. Stock Incentive Plan

Under the 2006 Plan, up to 10.0 million shares of AGCO common stock may be issued. The 2006 Plan allows the Company, under the direction of the Board of Directors' Compensation Committee, to make grants of performance shares, stock appreciation rights, stock options, restricted stock units and restricted stock awards to employees, officers and non-employee directors of the Company.

Long-Term Incentive Plan

The Company's primary long-term incentive plan is a performance share plan that provides for awards of shares of the Company's common stock based on achieving financial targets, such as targets for earnings per share and return on invested capital, as determined by the Company's Board of Directors. The Company's other long-term incentive plan includes the margin growth incentive plan, which provides for awards of shares of the Company's common stock based on achieving operating margin targets as determined by the Company's Board of Directors. The stock awards under the 2006 Plan are earned over a performance period, and the number of shares earned is determined based on the cumulative or average results for the period, depending on the measurement. Performance periods for the long-term incentive plan are consecutive and overlapping three-year cycles, and performance targets are set at the beginning of each cycle. The primary long-term incentive plan provides for participants to earn 33% to 200% of the target awards depending on the actual performance achieved, with no shares earned if performance is below the established minimum target. The performance period for the margin growth incentive plan is a three- to five-year cycle commencing in January 2011 and performance targets were set at the beginning of the cycle. The margin growth incentive plan provides for participants to earn 33% to 300% of the target awards depending on the actual performance achieved, with no shares earned if performance is below the established minimum target. Awards earned under the 2006 Plan are paid in shares of common stock at the end of each performance period. The compensation expense associated with these awards is amortized ratably over the vesting or performance period based on the Company's projected assessment of the level of performance that will be achieved and earned.

Compensation expense recorded during 2014, 2013 and 2012 with respect to awards granted was based upon the stock price as of the grant date. The weighted average grant-date fair value of performance awards granted under the 2006 Plan during 2014, 2013 and 2012 was as follows:

	Years Ended December 31,		
	2014	2013	2012
Weighted average grant-date fair value	$ 53.87	$ 51.51	$ 52.11

The 2006 Plan allows for the participant to have the option of forfeiting a portion of the shares awarded in lieu of a cash payment contributed to the participant's tax withholding to satisfy the participant's statutory minimum federal, state and employment taxes which would be payable at the time of grant. Based on the level of performance achieved as of December 31, 2014 and 2013, the following shares were earned under the related performance period and issued in the subsequent year, net of shares that were withheld for taxes related to the earned awards:

	Years Ended December 31,	
	2014	2013
Shares earned at year-end	286,804	622,018
Shares withheld for taxes on the earned awards	113,334	226,721
Shares issued subsequent to year-end, net	173,470	395,297 (1)

(1) 26,800 shares were issued during 2013.

During 2014, the Company granted 887,198 performance awards for the three-year performance period commencing in 2014 and ending in 2016. The awards granted assume the maximum target level of performance is achieved.

Performance award transactions during 2014 were as follows and are presented as if the Company were to achieve its maximum levels of performance under the plan:

Shares awarded but not earned at January 1	2,808,519
Shares awarded	887,198
Shares forfeited or unearned	(317,684)
Shares earned	(896,266)
Shares awarded but not earned at December 31	2,481,767

During the year ended December 31, 2014, the Company recorded a credit of approximately $16.9 million for the reversal of previously recorded stock compensation expense to reflect the Company's projected level of performance for the margin growth incentive plan and all three-year cycles under the Company's primary long-term incentive plan. The Company currently projects that the minimum target level of performance related to the 2013-2015 and the 2014-2016 three-year cycles and the margin growth incentive plan will not be achieved and earned, and therefore, there will be no compensation cost related to unearned performance awards not yet recognized with respect to those cycles.

Stock-settled Appreciation Rights

In addition to the performance share plans, certain executives and key managers are eligible to receive grants of SSARs. The SSARs provide a participant with the right to receive the aggregate appreciation in stock price over the market price of the Company's common stock at the date of grant, payable in shares of the Company's common stock. The participant may exercise his or her SSARs at any time after the grant is vested but no later than seven years after the date of grant. The SSARs vest ratably over a four-year period from the date of grant. SSAR award grants made to certain executives and key managers under the 2006 Plan are made with the base price equal to the price of the Company's common stock on the date of grant. The Company recorded stock compensation expense of approximately $5.2 million, $4.7 million and $3.8 million associated with SSAR award grants during 2014, 2013 and 2012, respectively. The compensation expense associated with these awards is being amortized ratably over the vesting period. The Company estimated the fair value of the grants using the Black-Scholes option pricing model.

The weighted average grant-date fair value of SSARs granted under the 2006 Plan and the weighted average assumptions under the Black-Scholes option model were as follows for the years ended December 31, 2014, 2013 and 2012:

	Years Ended December 31,		
	2014	2013	2012
Weighted average grant-date fair value	$ 13.11	$ 21.10	$ 22.50
Weighted average assumptions under Black-Scholes option model:			
Expected life of awards (years)	3.0	5.5	5.5
Risk-free interest rate	0.9%	0.9%	0.8%
Expected volatility	35.7%	50.3%	51.0%
Expected dividend yield	0.8%	0.8%	—

SSAR transactions during the year ended December 31, 2014 were as follows:

SSARs outstanding at January 1	1,094,836
SSARs granted	301,400
SSARs exercised	(112,050)
SSARs canceled or forfeited	(63,362)
SSARs outstanding at December 31	1,220,824
SSAR price ranges per share:	
Granted	$ 52.85 - 55.23
Exercised	21.45 - 52.94
Canceled or forfeited	21.45 - 56.98
Weighted average SSAR exercise prices per share:	
Granted	$ 55.20
Exercised	23.08
Canceled or forfeited	53.31
Outstanding at December 31	50.31

At December 31, 2014, the weighted average remaining contractual life of SSARs outstanding was approximately four years. As of December 31, 2014, the total compensation cost related to unvested SSARs not yet recognized was approximately $8.6 million and the weighted-average period over which it is expected to be recognized is approximately two years.

The following table sets forth the exercise price range, number of shares, weighted average exercise price, and remaining contractual lives by groups of similar price as of December 31, 2014:

	SSARs Outstanding					SSARs Exercisable		
Range of Exercise Prices	Number of Shares	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price		Exercisable as of December 31, 2014	Weighted Average Exercise Price	
$21.45 - $32.01	56,625	1.2	$	22.64	56,625	$	22.64
$33.65 - $43.39	125,525	2.1	$	33.88	124,800	$	33.82
$47.89 - $63.64	1,038,674	4.5	$	53.80	414,652	$	53.56
	1,220,824				596,077	$	46.49

The total fair value of SSARs vested during 2014 was approximately $4.3 million. There were 624,747 SSARs that were not vested as of December 31, 2014. The total intrinsic value of both outstanding and exercisable SSARs as of December 31, 2014 was $2.7 million. The total intrinsic value of SSARs exercised during 2014 was approximately $2.6 million.

The shortfall in tax benefit realized for tax deductions in the United States related to the exercise of SSARs and vesting of performance awards under the 2006 Plan was approximately $0.2 million for the year ended December 31, 2014. The excess tax benefit realized for tax deductions in the United States related to the exercise of SSARs, vesting of performance awards under the 2006 Plan and exercise of stock options under the Company’s 1991 Stock Option Plan was approximately $11.4 million for the year ended December 31, 2013. No excess tax benefit was realized for tax deductions for the year ended December 31, 2012 in the United States. The Company realized an insignificant tax benefit from the exercise of SSARs, vesting of performance awards and exercise of stock options in certain foreign jurisdictions during the years ended December 31, 2014, 2013 and 2012.

On January 21, 2015, the Company granted 358,950 performance award shares (subject to the Company achieving future target levels of performance), 325,200 SSARs, and 142,150 of restricted stock units under the 2006 Plan.

Director Restricted Stock Grants

Pursuant to the 2006 Plan, all non-employee directors receive annual restricted stock grants of the Company’s common stock. All restricted stock grants made to the Company’s directors prior to April 24, 2014 were restricted as to transferability for a period of three years. Effective April 24, 2014, the shares granted on that date and all future grants made to the Company’s directors are restricted as to transferability for a period of one year. In the event a director departs from the Company’s Board of Directors, the non-transferability period expires immediately. The plan allows each director to have the option of forfeiting a portion of the shares awarded in lieu of a cash payment contributed to the participant’s tax withholding to satisfy the statutory minimum federal, state and employment taxes that would be payable at the time of grant. The 2014 grant was made on April 24, 2014 and equated to 18,846 shares of common stock, of which 14,907 shares of common stock were issued, after shares were withheld for taxes. The Company recorded stock compensation expense of approximately $1.1 million during 2014 associated with these grants.

As of December 31, 2014, of the 10.0 million shares reserved for issuance under the 2006 Plan, approximately 3.6 million shares were available for grant, assuming the maximum number of shares are earned related to the performance award grants discussed above.

11. Derivative Instruments and Hedging Activities

All derivatives are recognized on the Company’s Consolidated Balance Sheets at fair value. On the date the derivative contract is entered into, the Company designates the derivative as either (1) a fair value hedge of a recognized liability, (2) a cash flow hedge of a forecasted transaction, (3) a hedge of a net investment in a foreign operation, or (4) a non-designated derivative instrument.

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

Foreign Currency Risk

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

The Company attempts to manage its transactional foreign exchange exposure by hedging foreign currency cash flow forecasts and commitments arising from the anticipated settlement of receivables and payables and from future purchases and sales. Where naturally offsetting currency positions do not occur, the Company hedges certain, but not all, of its exposures through the use of foreign currency contracts. The Company's translation exposure resulting from translating the financial statements of foreign subsidiaries into United States dollars is not hedged. When practical, the translation impact is reduced by financing local operations with local borrowings.

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

The Company categorizes its assets and liabilities into one of three levels based on the assumptions used in valuing the asset or liability. See Note 13 for a discussion of the fair value hierarchy as per the guidance in ASC 820. The Company's valuation techniques are designed to maximize the use of observable inputs and minimize the use of unobservable inputs.

Cash Flow Hedges

During 2014, 2013 and 2012, the Company designated certain foreign currency contracts as cash flow hedges of expected future sales and purchases. The effective portion of the fair value gains or losses on these cash flow hedges were recorded in other comprehensive loss and are subsequently reclassified into cost of goods sold during the period the sales and purchases are recognized. These amounts offset the effect of the changes in foreign currency rates on the related sale and purchase transactions. The amount of the net loss recorded in other comprehensive loss that was reclassified to cost of goods sold during the years ended December 31, 2014, 2013 and 2012 was approximately $1.5 million, $0.5 million and $8.1 million, respectively, on an after-tax basis. The amount of the unrealized (loss) gain recorded to other comprehensive loss related to the outstanding cash flow hedges as of December 31, 2014, 2013 and 2012 was approximately $(0.1) million, $(0.2) million and $0.7 million, respectively, on an after-tax basis. The outstanding contracts as of December 31, 2014 range in maturity through December 2015.

The following table summarizes the activity in accumulated other comprehensive loss related to the derivatives held by the Company during the years ended December 31, 2014, 2013 and 2012 (in millions):

	Before-Tax Amount	Income Tax (1)	After-Tax Amount (1)
Accumulated derivative net losses as of December 31, 2011	$ (5.4)	$ (1.1)	$ (4.3)
Net changes in fair value of derivatives	(2.0)	1.1	(3.1)
Net losses reclassified from accumulated other comprehensive loss into income	8.5	0.4	8.1
Accumulated derivative net gains as of December 31, 2012	1.1	0.4	0.7
Net changes in fair value of derivatives	(2.1)	(0.7)	(1.4)
Net losses reclassified from accumulated other comprehensive loss into income	0.7	0.2	0.5
Accumulated derivative net losses as of December 31, 2013	(0.3)	(0.1)	(0.2)
Net changes in fair value of derivatives	(1.3)	0.1	(1.4)
Net losses reclassified from accumulated other comprehensive loss into income	1.4	(0.1)	1.5
Accumulated derivative net losses as of December 31, 2014	$ (0.2)	$ (0.1)	$ (0.1)

(1) Rounding may impact summation of amounts.

As of December 31, 2014 and 2013, the Company had outstanding foreign currency contracts with a notional amount of approximately $23.8 million and $50.3 million, respectively, that were entered into to hedge forecasted sale and purchase transactions.

Derivative Transactions Not Designated as Hedging Instruments

During 2014, 2013 and 2012, the Company entered into foreign currency contracts to hedge receivables and payables on the Company and its subsidiaries' balance sheets that are denominated in foreign currencies other than the functional currency. These contracts were classified as non-designated derivative instruments.

As of December 31, 2014 and 2013, the Company had outstanding foreign currency contracts with a notional amount of approximately $1,810.5 million and $1,288.4 million, respectively, that were entered into to hedge receivables and payables that are denominated in foreign currencies other than the functional currency. Changes in the fair value of these contracts are reported in "Other expense, net." For the years ended December 31, 2014, 2013 and 2012, the Company recorded a net loss of approximately $2.3 million, a net gain of approximately $9.5 million and a net gain of approximately $5.5 million, respectively, related to these contracts within "Other expense, net" in the Company's Consolidated Statements of Operations. Gains and losses on such contracts are substantially offset by losses and gains on the remeasurement of the underlying asset or liability being hedged.

The table below sets forth the fair value of derivative instruments as of December 31, 2014 (in millions):

	Asset Derivatives as of December 31, 2014		Liability Derivatives as of December 31, 2014	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivative instruments designated as hedging instruments:				
Foreign currency contracts	Other current assets	$ —	Other current liabilities	$ 0.2
Derivative instruments not designated as hedging instruments:				
Foreign currency contracts	Other current assets	11.3	Other current liabilities	20.3
Total derivative instruments		$ 11.3		$ 20.5

The table below sets forth the fair value of derivative instruments as of December 31, 2013 (in millions):

	Asset Derivatives as of December 31, 2013		Liability Derivatives as of December 31, 2013	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivative instruments designated as hedging instruments:				
Foreign currency contracts	Other current assets	$ —	Other current liabilities	$ 0.1
Derivative instruments not designated as hedging instruments:				
Foreign currency contracts	Other current assets	13.9	Other current liabilities	5.3
Total derivative instruments		$ 13.9		$ 5.4

The Company had unrealized (losses) gains of approximately $(9.2) million and $8.5 million on foreign currency contracts outstanding at December 31, 2014 and 2013, respectively, related to both designated and non-designated contracts. The Company recorded approximately $(9.0) million and $8.6 million of unrealized (losses) gains within “Other expense, net” in the Consolidated Statements of Operations for the years ended December 31, 2014 and 2013, respectively, related to non-designated contracts.

Counterparty Risk

The Company regularly monitors the counterparty risk and credit ratings of all the counterparties to the derivative instruments. The Company believes that its exposures are appropriately diversified across counterparties and that these counterparties are creditworthy financial institutions. If the Company perceives any risk with a counterparty, then the Company would cease to do business with that counterparty. There have been no negative impacts to the Company from any non-performance of any counterparties.

12. Commitments and Contingencies

The future payments required under the Company’s significant commitments, excluding indebtedness, as of December 31, 2014 are as follows (in millions):

	Payments Due By Period						
	2015	2016	2017	2018	2019	Thereafter	Total
Interest payments related to indebtedness[(1)]	$ 35.0	$ 24.8	$ 19.2	$ 18.2	$ 40.5	$ 29.6	$ 167.3
Capital lease obligations	2.0	1.3	0.6	0.1	—	—	4.0
Operating lease obligations	52.2	35.5	24.8	18.2	11.6	51.9	194.2
Unconditional purchase obligations[(2)]	100.2	16.9	8.1	5.6	0.1	—	130.9
Other short-term and long-term obligations[(3)]	107.8	34.2	40.9	52.5	44.0	123.4	402.8
Total contractual cash obligations	$ 297.2	$ 112.7	$ 93.6	$ 94.6	$ 96.2	$ 204.9	$ 899.2

(1) Estimated interest payments are calculated assuming current interest rates over minimum maturity periods specified in debt agreements. Debt may be repaid sooner or later than such minimum maturity periods (unaudited).
(2) Unconditional purchase obligations exclude routine purchase orders entered into in the normal course of business.
(3) Other short-term and long-term obligations include estimates of future minimum contribution requirements under the Company’s U.S. and non-U.S. defined benefit pension and postretirement plans. These estimates are based on current legislation in the countries the Company operates within and are subject to change. Other short-term and long-term obligations also include income tax liabilities related to uncertain income tax positions connected with ongoing income tax audits in various jurisdictions (unaudited).

	Amount of Commitment Expiration Per Period						
	2015	2016	2017	2018	2019	Thereafter	Total
Guarantees	$ 124.7	$ 2.6	$ 1.6	$ 0.7	$ 0.1	$ —	$ 129.7

Off-Balance Sheet Arrangements

Guarantees

The Company maintains a remarketing agreement with its U.S. finance joint venture, whereby the Company is obligated to repurchase repossessed inventory at market values. The Company has an agreement with its U.S. finance joint venture which limits the Company’s purchase obligations under this arrangement to $6.0 million in the aggregate per calendar year. The Company believes that any losses that might be incurred on the resale of this equipment will not materially impact the Company’s financial position or results of operations, due to the fair value of the underlying equipment.

At December 31, 2014, the Company guaranteed indebtedness owed to third parties of approximately $129.7 million, primarily related to dealer and end-user financing of equipment. Such guarantees generally obligate the Company to repay outstanding finance obligations owed to financial institutions if dealers or end users default on such loans through 2019. The Company believes the credit risk associated with these guarantees is not material to its financial position or results of operations. Losses under such guarantees have historically been insignificant. In addition, the Company generally would expect to be able to recover a significant portion of the amounts paid under such guarantees from the sale of the underlying financed farm equipment, as the fair value of such equipment is expected to be sufficient to offset a substantial portion of the amounts paid.

Other

At December 31, 2014, the Company had outstanding designated and non-designated foreign exchange contracts with a gross notional amount of approximately $1,834.3 million. The outstanding contracts as of December 31, 2014 range in maturity through December 2015 (Note 11).

The Company sells substantially all of its wholesale accounts receivable in North America to the Company’s U.S. and Canadian finance joint ventures and a large portion of its wholesale accounts receivable to its finance joint ventures in Europe. The Company also sells certain accounts receivable under factoring arrangements to financial institutions around the world. The Company reviewed the sale of such receivables and determined that these facilities should be accounted for as off-balance sheet transactions.

Total lease expense under noncancelable operating leases was $73.9 million, $72.8 million and $68.8 million for the years ended December 31, 2014, 2013 and 2012, respectively.

Contingencies

On June 27, 2008, the Republic of Iraq filed a civil action in federal court in the Southern District of New York, Case No. 08 CIV 59617, naming as defendants one of the Company’s French subsidiaries and two of its other foreign subsidiaries that participated in the United Nations Oil for Food Program (the “Program”). Ninety-one other entities or companies also were named as defendants in the civil action due to their participation in the Program. The complaint purports to assert claims against each of the defendants seeking damages in an unspecified amount. On February 6, 2013, the federal court dismissed the complaint with prejudice. The federal appeals court affirmed that decision. The time period during which the plaintiff can petition the U.S. Supreme Court for a Writ of Certiorari has not yet expired. Although the Company’s subsidiaries intend to vigorously defend against this action, it is not possible at this time to predict the outcome of this action or its impact, if any, on the Company, although if the outcome was adverse, the Company could be required to pay damages.

On October 30, 2012, a third-party complaint was filed in federal court in the Southern District of Texas, Case No. 09 CIV 03884, naming as defendants one of the Company’s French subsidiaries and two of its other foreign subsidiaries. Sixty other entities or companies also were named as third-party defendants. The complaint asserts claims against the defendants, certain of which are also third-party plaintiffs, seeking unspecified damages arising from their participation in the Program. The third-party plaintiffs seek contribution from the third-party defendants. On February 12, 2014, the federal court dismissed the third-party complaint with prejudice. The third-party plaintiffs have not appealed this dismissal, but have until after the resolution of the underlying case to do so. Although the Company’s subsidiaries intend to vigorously defend against this action, it is not possible at this time to predict the outcome of the action or its impact, if any, on the Company, although if the outcome was adverse, the Company could be required to pay damages.

In August 2008, as part of routine audits, the Brazilian taxing authorities disallowed deductions relating to the amortization of certain goodwill recognized in connection with a reorganization of the Company's Brazilian operations and the related transfer of certain assets to the Company's Brazilian subsidiaries. The amount of the tax disallowance through December 31, 2014, not including interest and penalties, was approximately 131.5 million Brazilian reais (or approximately $49.5 million). The amount ultimately in dispute will be greater because of interest and penalties. The Company has been advised by its legal and tax advisors that its position with respect to the deductions is allowable under the tax laws of Brazil. The Company is contesting the disallowance and believes that it is not likely that the assessment, interest or penalties will be required to be paid. However, the ultimate outcome will not be determined until the Brazilian tax appeal process is complete, which could take several years.

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

13. Fair Value of Financial Instruments

The Company categorizes its assets and liabilities into one of three levels based on the assumptions used in valuing the asset or liability. Estimates of fair value for financial assets and liabilities are based on a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Observable inputs (highest level) reflect market data obtained from independent sources, while unobservable inputs (lowest level) reflect internally developed market assumptions. In accordance with this guidance, fair value measurements are classified under the following hierarchy:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; and model-derived valuations in which all significant inputs are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Model-derived valuations in which one or more significant inputs are unobservable.

The Company categorizes its pension plan assets into one of the three levels of the fair value hierarchy. See Note 8 for a discussion of the valuation methods used to measure the fair value of the Company's pension plan assets.

The Company enters into foreign currency contracts that are primarily forward and options contracts (Note 11). The fair value of foreign currency forward contracts is based on a valuation model that discounts cash flows resulting from the differential between the contract price and the market-based forward rate. The fair value of foreign currency option contracts is based on a valuation model that utilizes spot and forward exchange rates, interest rates and currency pair volatility.

Foreign currency contracts measured at fair value on a recurring basis as of December 31, 2014 and 2013 are summarized below (in millions):

	As of December 31, 2014			
	Level 1	Level 2	Level 3	Total
Derivative assets	$ —	$ 11.3	$ —	$ 11.3
Derivative liabilities	$ —	$ 20.5	$ —	$ 20.5

	As of December 31, 2013			
	Level 1	Level 2	Level 3	Total
Derivative assets	$ —	$ 13.9	$ —	$ 13.9
Derivative liabilities	$ —	$ 5.4	$ —	$ 5.4

Cash and cash equivalents, accounts and notes receivable, and accounts payable are valued at their carrying amounts in the Company's Consolidated Balance Sheets, due to the immediate or short-term maturity of these financial instruments.

The carrying amounts of long-term debt under the Company's $4^1/_2$% senior term loan and credit facility (Note 7) approximate fair value based on the borrowing rates currently available to the Company for loans with similar terms and average maturities. At December 31, 2014, the estimated fair value of the Company's $5^7/_8$% senior notes (Note 7), based on its listed market value, was $337.6 million, compared to its carrying value of $300.0 million. At December 31, 2013, the estimated fair values of the Company's $5^7/_8$% senior notes and $1^1/_4$% convertible notes (Note 7), based on their listed market values, were $322.1 million and $290.5 million, respectively, compared to their carrying values of $300.0 million and $201.2 million, respectively.

14. Related Party Transactions

Rabobank, a financial institution based in the Netherlands, is a 51% owner in the Company's finance joint ventures, which are located in the United States, Canada, Europe, Brazil, Argentina and Australia. Rabobank is also the principal agent and participant in the Company's revolving credit facility (Note 7). The majority of the assets of the Company's finance joint ventures represents finance receivables. The majority of the liabilities represents notes payable and accrued interest. Under the various joint venture agreements, Rabobank or its affiliates provide financing to the joint venture companies, primarily through lines of credit. During 2014, the Company did not make additional investments in its finance joint ventures. During 2013 and 2012, the Company made a total of approximately $15.5 million and $7.1 million, respectively, of additional investments in its finance joint ventures in Germany and the Netherlands, primarily related to additional capital required as a result of increased retail finance portfolios during 2013 and 2012.

The Company's finance joint ventures provide retail financing and wholesale financing to its dealers. The terms of the financing arrangements offered to the Company's dealers are similar to arrangements the finance joint ventures provide to unaffiliated third parties. In addition, the Company transfers, on an ongoing basis, a majority of its wholesale receivables in North America and Europe to its 49% owned U.S., Canadian and European finance joint ventures (Note 4). The Company maintains a remarketing agreement with its U.S. finance joint venture (Note 12). In addition, as part of sales incentives provided to end users, the Company may from time to time subsidize interest rates of retail financing provided by its finance joint ventures. The cost of those programs is recognized at the time of sale to the Company's dealers.

Tractors and Farm Equipment Limited ("TAFE"), in which the Company holds a 23.75% interest, manufactures Massey Ferguson-branded equipment primarily in India and also supplies tractors and components to the Company for sale in other markets. Mallika Srinivasan, who is the Chairman and Chief Executive Officer of TAFE, is currently a member of the Company's Board of Directors. As of December 31, 2014, TAFE owned 11,196,271 shares of the Company's common stock. The Company and TAFE are parties to an agreement pursuant to which, among other things, TAFE has agreed not to purchase in excess of 12,170,290 shares of the Company's common stock, subject to certain adjustments, and the Company has agreed to annually nominate a TAFE representative to its Board of Directors. During 2014, 2013 and 2012, the Company purchased approximately $149.0 million, $90.7 million and $104.5 million, respectively, of tractors and components from TAFE. During 2014, 2013 and 2012, the Company sold approximately $2.1 million, $0.8 million and $0.3 million, respectively, of parts to TAFE. The Company received dividends from TAFE of approximately $1.8 million, $1.6 million and $1.3 million during 2014, 2013 and 2012, respectively.

During 2014, 2013 and 2012, the Company paid approximately $3.4 million, $3.3 million and $3.8 million, respectively, to PPG Industries, Inc. for painting materials used in the Company's manufacturing processes. The Company's Chairman, President and Chief Executive Officer is currently a member of the board of directors of PPG Industries, Inc.

During 2014 and 2013, the Company paid approximately $2.2 million and $2.3 million, respectively, to Ryerson, Inc. for steel used in the Company's manufacturing processes. Michael Arnold, who is the President and Chief Executive Officer of Ryerson, Inc., is currently a member of the Company's Board of Directors.

15. Segment Reporting

The Company's four reportable segments distribute a full range of agricultural equipment and related replacement parts. The Company evaluates segment performance primarily based on income from operations. Sales for each segment are based on the location of the third-party customer. The Company's selling, general and administrative expenses and engineering expenses are charged to each segment based on the region and division where the expenses are incurred. As a result, the components of income from operations for one segment may not be comparable to another segment. Segment results for the years ended December 31, 2014, 2013 and 2012 based on the Company's current reportable segments are as follows (in millions):

Years Ended December 31,	North America	South America	Europe/Africa/ Middle East	Asia/Pacific	Consolidated
2014					
Net sales	$2,414.2	$1,663.4	$5,158.5	$487.6	$9,723.7
Income (loss) from operations	219.2	134.0	500.2	(11.5)	841.9
Depreciation	60.1	26.5	138.7	14.1	239.4
Assets	1,026.9	719.8	2,036.0	353.8	4,136.5
Capital expenditures	70.9	45.6	136.3	48.7	301.5
2013					
Net sales	$2,757.8	$2,039.7	$5,481.5	$507.9	$10,786.9
Income from operations	325.9	212.7	558.2	0.5	1,097.3
Depreciation	51.4	24.6	126.6	9.0	211.6
Assets	1,002.8	773.5	2,368.9	289.5	4,434.7
Capital expenditures	73.4	66.4	204.5	47.5	391.8
2012					
Net sales	$2,584.4	$1,855.7	$5,073.7	$448.4	$9,962.2
Income from operations	259.9	161.6	474.9	10.2	906.6
Depreciation	41.5	22.7	107.0	9.4	180.6
Assets	907.4	674.9	2,114.2	295.8	3,992.3
Capital expenditures	64.0	48.3	211.6	16.6	340.5

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

	2014	2013	2012
Segment income from operations	$ 841.9	$ 1,097.3	$ 906.6
Corporate expenses	(117.7)	(116.2)	(107.1)
Stock compensation credit (expense)	9.7	(32.6)	(34.6)
Restructuring and other infrequent expenses	(46.4)	—	—
Impairment charge	—	—	(22.4)
Amortization of intangibles	(41.0)	(47.8)	(49.3)
Consolidated income from operations	$ 646.5	$ 900.7	$ 693.2
Segment assets	$ 4,136.5	$ 4,434.7	$ 3,992.3
Cash and cash equivalents	363.7	1,047.2	781.3
Receivables from affiliates	108.4	124.3	41.5
Investments in affiliates	424.1	416.1	390.3
Deferred tax assets, other current and noncurrent assets	616.6	672.2	716.9
Intangible assets, net	553.8	565.6	607.1
Goodwill	1,192.8	1,178.7	1,192.4
Consolidated total assets	$ 7,395.9	$ 8,438.8	$ 7,721.8

AGCO CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Net sales by customer location for the years ended December 31, 2014, 2013 and 2012 were as follows (in millions):

	2014	2013	2012
Net sales:			
United States	$ 1,985.4	$ 2,216.5	$ 2,033.1
Canada	333.9	419.4	415.9
Germany	1,240.0	1,301.0	1,114.4
France	828.4	1,136.8	944.3
United Kingdom and Ireland	490.8	471.8	481.0
Finland and Scandinavia	808.4	828.5	790.2
Other Europe	1,376.0	1,422.6	1,421.0
South America	1,646.2	2,018.5	1,834.2
Middle East and Africa	414.9	320.7	322.9
Asia	253.6	293.1	232.4
Australia and New Zealand	234.1	214.8	216.0
Mexico, Central America and Caribbean	112.0	143.2	156.8
	$ 9,723.7	$ 10,786.9	$ 9,962.2

Net sales by product for the years ended December 31, 2014, 2013 and 2012 were as follows (in millions):

	2014	2013	2012
Net sales:			
Tractors	$ 5,566.8	$ 6,491.1	$ 5,882.4
Replacement parts	1,390.1	1,349.1	1,286.7
Other machinery	875.3	1,001.0	963.2
Grain storage and protein production systems	851.0	771.9	728.5
Combines	581.0	652.8	638.9
Application equipment	459.5	521.0	462.5
	$ 9,723.7	$ 10,786.9	$ 9,962.2

Property, plant and equipment and amortizable intangible assets by country as of December 31, 2014 and 2013 was as follows (in millions):

	2014	2013
United States	$ 666.7	$ 634.4
Finland	192.5	221.3
Germany	420.8	498.1
Brazil	204.1	218.4
Italy	101.8	117.6
China	138.7	112.3
France	83.2	87.3
Other	187.4	184.8
	$ 1,995.2	$ 2,074.2

Item 9. ***Changes in and Disagreements with Accountants on Accounting and Financial Disclosure***

None.

Item 9A. ***Controls and Procedures***

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

Evaluation of Disclosure Controls and Procedures

Our Chief Executive Officer and Chief Financial Officer, after evaluating the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended) as of December 31, 2014, have concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Exchange Act is accumulated and communicated to the issuer's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Management's Annual Report on Internal Control over Financial Reporting

Management of the Company is responsible for establishing and maintaining effective internal control over financial reporting as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934. The Company's internal control over financial reporting is designed to provide reasonable assurance to the Company's management and Board of Directors regarding the preparation and fair presentation of published financial statements for external purposes in accordance with generally accepted accounting principles. In assessing the effectiveness of the Company's internal control over financial reporting, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in "*Internal Control — Integrated Framework* (1992)."

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2014. Based on this assessment, management believes that, as of December 31, 2014, the Company's internal control over financial reporting is effective based on the criteria referred to above.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2014 has been audited by KPMG LLP, an independent registered public accounting firm, which also audited the Company's Consolidated Financial Statements for the year ended December 31, 2014. KPMG LLP's report on internal control over financial reporting is set forth below.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during our last fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. However, as a result of the Company's processes to comply with the Sarbanes-Oxley Act of 2002, enhancements to the Company's internal control over financial reporting were implemented as management addressed and remediated deficiencies that had been identified.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
AGCO Corporation:

We have audited AGCO Corporation's internal control over financial reporting as of December 31, 2014, based on criteria established in Internal Control — Integrated Framework (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). AGCO Corporation's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, AGCO Corporation maintained, in all material respects, effective internal control over financial reporting as of December 31, 2014, based on criteria established in Internal Control — Integrated Framework (1992) issued by COSO.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of AGCO Corporation and subsidiaries as of December 31, 2014 and 2013, and the related consolidated statements of operations, comprehensive income, stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2014, and our report dated February 27, 2015 expressed an unqualified opinion on those consolidated financial statements.

/s/ KPMG LLP

Atlanta, Georgia
February 27, 2015

Item 9B. ***Other Information***

None.

PART III

The information called for by Items 10, 11, 12, 13 and 14, if any, will be contained in our Proxy Statement for the 2015 Annual Meeting of Stockholders which we intend to file in March 2015.

Item 10. ***Directors, Executive Officers and Corporate Governance***

The information with respect to directors and committees required by this Item set forth in our Proxy Statement for the 2015 Annual Meeting of Stockholders in the sections entitled "Election of Directors" and "Board of Directors and Corporate Governance" is incorporated herein by reference. The information with respect to executive officers required by this Item set forth in our Proxy Statement for the 2015 Annual Meeting of Stockholders in the sections entitled "Executive Compensation" and "Section 16(a) Beneficial Ownership Reporting Compliance" is incorporated herein by reference.

The information under the heading "Available Information" set forth in Part I of this Form 10-K is incorporated herein by reference. The code of conduct referenced therein applies to our principal executive officer, principal financial officer, principal accounting officer and controller and the persons performing similar functions.

Item 11. ***Executive Compensation***

The information with respect to executive compensation and its establishment required by this Item set forth in our Proxy Statement for the 2015 Annual Meeting of Stockholders in the sections entitled "Board of Directors and Corporate Governance," "Executive Compensation" and "Compensation Committee Report" is incorporated herein by reference.

Item 12. ***Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters***

(a) Securities Authorized for Issuance Under Equity Compensation Plans

AGCO maintains its 2006 Plan pursuant to which we may grant equity awards to eligible persons. For additional information, see Note 10, "Stock Incentive Plan," in the Notes to Consolidated Financial Statements included in this filing. The following table gives information about equity awards under our Plan.

	(a)	(b)	(c)
Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Awards Under the Plans	Weighted-Average Exercise Price of Outstanding Awards Under the Plans	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)
Equity compensation plans approved by security holders	3,702,591	$ 51.87	2,831,281
Equity compensation plans not approved by security holders	—	—	—
Total	3,702,591	$ 51.87	2,831,281

(b) Security Ownership of Certain Beneficial Owners and Management

The information required by this Item set forth in our Proxy Statement for the 2015 Annual Meeting of Stockholders in the section entitled "Principal Holders of Common Stock" is incorporated herein by reference.

Item 13. ***Certain Relationships and Related Party Transactions, and Director Independence***

The information required by this Item set forth in our Proxy Statement for the 2015 Annual Meeting of Stockholders in the section entitled "Certain Relationships and Related Party Transactions" is incorporated herein by reference.

Item 14. *Principal Accounting Fees and Services*

The information required by this Item set forth in our 2015 Proxy Statement for the Annual Meeting of Stockholders in the sections entitled "Audit Committee Report" and "Board of Directors and Corporate Governance" is incorporated herein by reference.

PART IV

Item 15. *Exhibits and Financial Statement Schedules*

(a) The following documents are filed as part of this Form 10-K:

(1) The Consolidated Financial Statements, Notes to Consolidated Financial Statements, Report of Independent Registered Public Accounting Firm for AGCO Corporation and its subsidiaries are presented under Item 8 of this Form 10-K.

(2) Financial Statement Schedules:

The following Consolidated Financial Statement Schedule of AGCO Corporation and its subsidiaries is included herein and follows this report.

Schedule	Description
Schedule II	Valuation and Qualifying Accounts

Schedules other than that listed above have been omitted because the required information is contained in Notes to the Consolidated Financial Statements or because such schedules are not required or are not applicable.

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

Exhibit Number	Description of Exhibit	The Filings Referenced for Incorporation by Reference are AGCO Corporation
3.1	Certificate of Incorporation	June 30, 2002, Form 10-Q, Exhibit 3.1
3.2	By-Laws	December 10, 2014, Form 8-K, Exhibit 3.1
4.1	Indenture dated as of December 5, 2011	December 6, 2011, Form 8-K, Exhibit 4.1
10.1	2006 Long-Term Incentive Plan*	January 22, 2015, Form 8-K, Exhibit 10.1
10.2	Form of Non-Qualified Stock Option Award Agreement*	March 31, 2006, Form 10-Q, Exhibit 10.2
10.3	Form of Incentive Stock Option Award Agreement*	March 31, 2006, Form 10-Q, Exhibit 10.3
10.4	Form of Stock Appreciation Rights Agreement*	March 31, 2006, Form 10-Q, Exhibit 10.4
10.5	Form of Restricted Stock Units Agreement*	January 22, 2015, Form 8-K, Exhibit 10.2
10.6	Form of Performance Share Award*	March 31, 2006, Form 10-Q, Exhibit 10.6
10.7	Management Incentive Plan*	June 30, 2008, Form 10-Q, Exhibit 10.4
10.8	Amended and Restated Executive Nonqualified Pension Plan*	December 31, 2011, Form 10-K, Exhibit 10.8
10.9	Employment and Severance Agreement with Martin Richenhagen*	December 31, 2009, Form 10-K, Exhibit 10.12
10.10	Employment and Severance Agreement with Andrew H. Beck*	March 31, 2010, Form 10-Q, Exhibit 10.2
10.11	Employment and Severance Agreement with André M. Carioba*	December 31, 2008, Form 10-K, Exhibit 10.15
10.12	Employment and Severance Agreement with Gary L. Collar*	June 30, 2008, Form 10-Q, Exhibit 10.6
10.13	Employment and Severance Agreement with Hans-Bernd Veltmaat*	December 31, 2009, Form 10-K, Exhibit 10.17

Exhibit Number	Description of Exhibit	The Filings Referenced for Incorporation by References are AGCO Corporation
10.14	Credit Agreement dated as of May 2, 2011	June 30, 2011, Form 10-Q, Exhibit 10.1
10.15	Debt Agreement dated December 18, 2014	Filed herewith
10.16	Amended and Restated Credit Agreement dated as of June 30, 2014	June 30, 2014, Form 10-Q, Exhibit 10.1
10.17	U.S. Receivables Purchase Agreement, dated December 22, 2009	December 23, 2009, Form 8-K, Exhibit 10.1; June 30, 2013, Form 10-Q, Exhibit 10.1
10.18	Canadian Receivables Purchase Agreement, dated December 22, 2009	December 23, 2009, Form 8-K, Exhibit 10.2; June 30, 2013, Form 10-Q, Exhibit 10.2
10.19	European Receivables Transfer Agreement, dated October 13, 2006	September 30, 2006, Form 10-Q, Exhibit 10.1; December 31, 2009, Form 10K, Exhibit 10.21; June 30, 2010, Form 10-Q, Exhibit 10.1
10.20	French Receivables Purchase Agreement, dated February 19, 2010	December 31, 2009, Form 10-K, Exhibit 10.22
10.21	Letter Agreement, dated August 29, 2014, between AGCO Corporation and Tractors and Farm Equipment Limited	September 4, 2014, Form 8-K, Exhibit 10.1
10.22	Farm and Machinery Distributor Agreement, dated January 1, 2012, between AGCO International GMBH and Tractors and Farm Equipment Limited	September 4, 2014, Form 8-K, Exhibit 10.2
10.23	Letter Agreement, dated August 3, 2007, between AGCO Corporation and Tractors and Farm Equipment Limited	September 4, 2014, Form 8-K, Exhibit 10.3
10.24	Consultancy Agreement, dated December 8, 2014, between AGCO Do Brasil Comércio E Industria Ltda and André Carioba	December 10, 2014, Form 8-K, Exhibit 10.1
10.25	Current Director Compensation	Filed herewith
21.1	Subsidiaries of the Registrant	Filed herewith
23.1	Consent of KPMG LLP	Filed herewith
24.1	Powers of Attorney	Filed herewith
31.1	Certification of Martin Richenhagen	Filed herewith
31.2	Certification of Andrew H. Beck	Filed herewith
32.1	Certification of Martin Richenhagen and Andrew H. Beck	Filed herewith
101.INS	XBRL Instance Document	Filed herewith
101.SCH	XBRL Taxonomy Extension Schema	Filed herewith
101.CAL	XBRL Taxonomy Extension Calculation Linkbase	Filed herewith
101.DEF	XBRL Taxonomy Extension Definition Linkbase	Filed herewith
101.LAB	XBRL Taxonomy Extension Label Linkbase	Filed herewith
101.PRE	XBRL Taxonomy Extension Presentation Linkbase	Filed herewith

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/ MARTIN RICHENHAGEN

Martin Richenhagen

Chairman of the Board, President and Chief Executive Officer

Dated: February 27, 2015

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
/s/ MARTIN RICHENHAGEN Martin Richenhagen	Chairman of the Board, President and Chief Executive Officer	February 27, 2015
/s/ ANDREW H. BECK Andrew H. Beck	Senior Vice President and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	February 27, 2015
/s/ ROY V. ARMES * Roy V. Armes	Director	February 27, 2015
/s/ MICHAEL C. ARNOLD * Michael C. Arnold	Director	February 27, 2015
/s/ P. GEORGE BENSON * P. George Benson	Director	February 27, 2015
/s/ WOLFGANG DEML * Wolfgang Deml	Director	February 27, 2015
/s/ LUIZ F. FURLAN * Luiz F. Furlan	Director	February 27, 2015
/s/ GEORGE E. MINNICH * George E. Minnich	Director	February 27, 2015
/s/ GERALD L. SHAHEEN * Gerald L. Shaheen	Director	February 27, 2015
/s/ MALLIKA SRINIVASAN * Mallika Srinivasan	Director	February 27, 2015
/s/ HENDRIKUS VISSER * Hendrikus Visser	Director	February 27, 2015

*By: /s/ ANDREW H. BECK — February 27, 2015

Andrew H. Beck

Attorney-in-Fact

ANNUAL REPORT ON FORM 10-K
ITEM 15 (A)(2)
FINANCIAL STATEMENT SCHEDULE
YEAR ENDED DECEMBER 31, 2014

SCHEDULE II

AGCO CORPORATION AND SUBSIDIARIES

SCHEDULE II — VALUATION AND QUALIFYING ACCOUNTS
(In millions)

Description	Balance at Beginning of Period	Additions: Acquired Businesses	Additions: Charged to Costs and Expenses	Deductions	Foreign Currency Translation	Balance at End of Period (1)
Year ended December 31, 2014						
Allowances for sales incentive discounts	$ 236.6	$ —	$ 300.7	$ (282.3)	$ —	$ 255.0
Year ended December 31, 2013						
Allowances for sales incentive discounts	$ 165.2	$ —	$ 374.6	$ (303.2)	$ —	$ 236.6
Year ended December 31, 2012						
Allowances for sales incentive discounts	$ 103.5	$ —	$ 330.8	$ (269.1)	$ —	$ 165.2

Description	Balance at Beginning of Period	Additions: Acquired Businesses	Additions: Charged to Costs and Expenses	Deductions	Foreign Currency Translation	Balance at End of Period
Year ended December 31, 2014						
Allowances for doubtful accounts	$ 34.9	$ 0.5	$ 1.7	$ (1.2)	$ (3.8)	$ 32.1
Year ended December 31, 2013						
Allowances for doubtful accounts	$ 38.1	$ —	$ 3.2	$ (5.0)	$ (1.4)	$ 34.9
Year ended December 31, 2012						
Allowances for doubtful accounts	$ 36.9	$ 0.4	$ 5.4	$ (4.8)	$ 0.2	$ 38.1

Description	Balance at Beginning of Period	Additions: Charged to Costs and Expenses	Additions: Reversal of Accrual	Deductions	Foreign Currency Translation	Balance at End of Period
Year ended December 31, 2014						
Accruals of severance, relocation and other integration costs	$ —	$ 44.4	$ —	$ (18.8)	$ (0.2)	$ 25.4
Year ended December 31, 2013						
Accruals of severance, relocation and other integration costs	$ —	$ —	$ —	$ —	$ —	$ —
Year ended December 31, 2012						
Accruals of severance, relocation and other integration costs	$ 0.3	$ —	$ —	$ (0.3)	$ —	$ —

Description	Balance at Beginning of Period	Additions: Acquired Businesses	Additions: Charged (Credited) to Costs and Expenses	Deductions	Foreign Currency Translation	Balance at End of Period
Year ended December 31, 2014						
Deferred tax valuation allowance	$ 77.2	$ —	$ 22.8	$ —	$ (6.7)	$ 93.3
Year ended December 31, 2013						
Deferred tax valuation allowance	$ 74.5	$ —	$ 9.3	$ (2.8)	$ (3.8)	$ 77.2
Year ended December 31, 2012						
Deferred tax valuation allowance	$ 145.8	$ 0.2	$ (64.3)	$ (4.7)	$ (2.5)	$ 74.5

(1) As of December 31, 2014, approximately $236.5 million of this balance was recorded within “Accrued expenses” and approximately $18.5 million was recorded within “accounts receivable allowances” in the Company’s Consolidated Balance Sheets. As of December 31, 2013, approximately $206.2 million of this balance was recorded within “Accrued expenses” and approximately $30.4 million was recorded within “accounts receivable allowances” in the Company’s Consolidated Balance Sheets.

Exhibit 10.15

FI N° 31.593 (DE)
Serapis N° 2011 0159

AGCO R&D

Finance Contract

between the

European Investment Bank

and

AGCO International Holdings B.V.

Grubbenvorst, 18 December 2014

Luxembourg, 18 December 2014

THIS CONTRACT IS MADE BETWEEN:

The European Investment Bank, having its seat at 98-100 blvd Konrad Adenauer, Luxembourg L-2950, Luxembourg, represented by Ms Elina Kamenitzer, Head of Division, and Ms Wiebke Jardet, Head of Division,	(the "**Bank**")

of the first part, and

AGCO International Holdings B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of The Netherlands having its registered office at Horsterweg 66a, 5971NG Grubbenvorst, The Netherlands and registered with the trade register of the commercial register of the Chamber of Commerce in The Netherlands under number 12067080, represented by Mr Paul Huijsmans, Authorized Representative, and Mr Gary Rollinson, Authorized Representative,	(the "**Borrower**")

of the second part.

WHEREAS:

(1) AGCO Corporation, a company organised under the laws of Delaware, United States of America (the **"Guarantor"**), has stated that its group is undertaking an investment programme in Germany, Finland and France concerning the research and development related to agricultural tractors and engines in the period 2015-2018 (the "**Project**"), as more particularly described in the technical description set out in Schedule A (the "**Technical Description**").

(2) The Guarantor holds, indirectly through Massey Ferguson Corp., a company incorporated in the State of Delaware, United States of America, 100% (one hundred per cent) of the Borrower's issued share capital and voting rights.

(3) The total cost of the Project, as estimated by the Bank, is approximately EUR 408,900,000 (four hundred and eight million and nine hundred thousand euros), to be partly financed by the Guarantor's own funds and other external funds available to the group.

(4) In order to fulfil the financing plan described in Recital (3), the Borrower has requested from the Bank a credit equivalent to EUR 200,000,000 (two hundred million euros) for the financing of the Project.

(5) The financial obligations of the Borrower under this finance contract (the "**Contract**") are to be guaranteed by the Guarantor under a guarantee and indemnity (the **"Guarantee"**) by execution of a deed of guarantee and indemnity and project implementation agreement in the form attached to this Contract as Schedule D (the **"Guarantee Agreement"**).

(6) The Guarantor shall comply with the provisions of the Guarantee Agreement at all times.

(7) The Guarantor's shares are listed on the New York Stock Exchange. As of the date of this Contract, the Guarantor has issued around 90 million shares.

(8) The Bank, considering that the financing of the Project falls within the scope of its functions, and having regard to the statements and facts cited in these Recitals, has decided to give effect to the Borrower's request providing to it a credit in an amount equivalent to EUR 200,000,000 (two hundred million euros) under this Contract; provided that the amount of the Bank's loan shall not, in any case, exceed 50% (fifty per cent) of the total cost of the Project set out in Recital (3).

(9) The board of managing directors and the sole shareholder of the Borrower have authorised the borrowing of the sum equivalent to EUR 200,000,000 (two hundred million euros) represented by this credit on the terms and conditions set out in this Contract; copies of such authorisations are set out in Annex I. It has been duly certified to the Bank by the Borrower that such borrowing is within the corporate powers of the Borrower.

(10) The Statute of the Bank provides that the Bank shall ensure that its funds are used as rationally as possible in the interests of the European Union. Accordingly, the terms and conditions of the Bank's loan operations must be consistent with relevant EU policies.

(11) The Bank considers that access to information plays an essential role in the reduction of environmental and social risks, including human rights violations, linked to the projects it finances. The Bank has therefore established its transparency policy, the purpose of which is to enhance the accountability of the Bank's group towards its stakeholders and the EU citizens in general, by giving access to information that will enable them to understand its governance, strategy, policies, activities and practices.

(12) The processing of personal data shall be carried out by the Bank in accordance with applicable European Union legislation on the protection of individuals with regard to the processing of personal data by the EU institutions and bodies and on the free movement of such data.

(13) Under current law, the Bank is exempt from withholding under FATCA pursuant to the Intergovernmental Agreement entered into between Luxembourg and the United States on 28 March 2014 implementing the Foreign Account Tax Compliance provisions of the U.S. Hiring Incentives to Restore Employment Act of 2010.

NOW THEREFORE it is hereby agreed as follows:

INTERPRETATION AND DEFINITIONS

(a) Interpretation

(i) References in this Contract to Articles, Recitals, Schedules and Annexes are, save if explicitly stipulated otherwise, references respectively to articles of, and recitals, schedules and annexes to this Contract.

(ii) References in this Contract to a provision of law are references to such provision as amended or re-enacted.

(iii) References in this Contract to any other agreement or instrument are references to such other agreement or instrument as amended, novated, supplemented, extended or restated.

(b) Definitions

In this Contract:

"**Acceptance Deadline**" for a notice means:

(a) 16h00 Luxembourg time on the day of delivery, if the notice is delivered by 14h00 Luxembourg time on a Business Day; or

(b) 11h00 Luxembourg time on the next following day which is a Business Day, if the notice is delivered after 14h00 Luxembourg time on any such day or is delivered on a day which is not a Business Day.

"**Affiliate**" means, as to any Person, any other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person or is a director, officer or partner of such Person. For purposes of this definition, the term "control" (including the terms "controlling," "controlled by" and "under common control with") of a Person means the power, directly or indirectly, to direct or cause the direction of the management and policies of such Person, whether through the ownership of Equity Interests, by contract or otherwise.

"**AGCO Credit Agreement**" means Amended and Restated Credit Agreement dated 30 June 2014, among the Guarantor, certain Subsidiaries of the Guarantor, the lenders named therein and Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., "Rabobank Nederland", New York branch, as administrative agent, as such may be amended, supplemented, modified, extended, replaced or refinanced from time to time; however, with regard to any amendments, supplements, modifications, extensions, replacements or refinancing, only to the extent such have been made publicly available on the website of the U.S. Securities and Exchange Commission or provided by the Borrower or the Guarantor to the Bank.

"**Applicable Accounting Standards**" means, as of the date of this Contract, GAAP; provided, however, that the Borrower and/or the Guarantor (as applicable) may, upon not less than 60 (sixty) days prior written notice to the Bank, change to IFRS; provided, however, (a) such notice of its change to IFRS shall be accompanied by a description in reasonable detail of any material variation between the application of accounting principles under GAAP and the application of accounting principles under IFRS in calculating the financial covenants under Article 6.06A of this Contract and Article 5.14 of the Guarantee Agreement and the reasonable estimates of the difference between such calculations arising as a consequence thereof, and (b) if such change is deemed by the Bank to be material or detrimental to the Bank, such change shall not be effective for purposes of calculating the financial covenants under Article 6.06A of this Contract and Article 5.14 of the Guarantee Agreement until the parties to this Contract and the Guarantee Agreement have agreed upon amendments to the financial covenants contained in this Contract and the Guarantee Agreement to reflect any change in such basis.

"**Authorized Representative**" means any two members of the Borrower's board of managing directors acting jointly, pursuant to the articles of association of the Borrower.

“**Board of Directors**” means (a) with respect to a corporation, the board of directors of such corporation or a duly authorized committee of the board of directors, (b) with respect to a partnership, the board of directors or similar body of the general partner (or, if more than one general partner, the managing general partner) of such partnership, and (c) with respect to a limited liability company, any managing or other authorized committee of such limited liability company or any board of managing directors or similar body of any managing member.

“**Business Day**” means a day (other than a Saturday or Sunday) on which the Bank and commercial banks are open for general business in Luxembourg.

“**Capitalized Leases**” means all leases that have been or should be, in accordance with Applicable Accounting Standards, recorded as capitalized leases on a balance sheet of the lessee, excluding operating leases.

“**Cash Equivalents**” means, for any Person, any of the following, to the extent owned by such Person free and clear of all Liens, other than Permitted Liens and having a maturity of not greater than 1 (one) year from the date of acquisition: (a) readily marketable direct obligations of the government of the United States or any agency or instrumentality thereof or obligations unconditionally guaranteed by the full faith and credit of the government of the United States, (b) readily marketable direct obligations denominated in USD of any other sovereign government or any agency or instrumentality thereof which are unconditionally guaranteed by the full faith and credit of such government and which have a rating equivalent to at least “Prime-1” (or the then equivalent grade) by Moody’s or “A-1” (or the then equivalent grade) by Standard & Poor’s, (c) insured certificates of deposit of, time deposits, or bankers’ acceptances with any commercial bank that issues (or the parent of which issues) commercial paper rated as described in clause (d) below, is organized under the laws of the United States or any state thereof or is a foreign bank or branch or agency thereof acceptable to the Bank and, in any case, has combined capital and surplus of at least USD 1,000,000,000 (or the foreign currency equivalent thereof) or (d) commercial paper issued by any corporation organized under the laws of any state of the United States or any commercial bank organized under the laws of the United States or any state thereof or any foreign bank, in each case rated at least “Prime-1” (or the then equivalent grade) by Moody’s or “A-1” (or the then equivalent grade) by Standard & Poor’s.

“**Change-of-Control Event**” has the meaning given to it in Article 4.03A(3).

“**Change-of-Law Event**” has the meaning given to it in Article 4.03A(4).

“**Code**” means the U.S. Internal Revenue Code of 1986, as amended.

“**Compliance Certificate**” means a certificate substantially in the form set out in Schedule E.

“**Consolidated**” refers to the consolidation of accounts in accordance with Applicable Accounting Standards, except that, in the case of the Guarantor, notwithstanding Applicable Accounting Standards, “Consolidated” shall refer to the consolidation of accounts of the Guarantor and its Subsidiaries, with any Finance Company being accounted for on an equity basis of accounting.

“**Consolidated EBITDA**” means, for any period, Consolidated Net Income for such period, plus (a) without duplication and to the extent reflected as a charge in the statement of such Consolidated Net Income for such period, the sum of (i) Consolidated Net Interest Expense for such period, (ii) amounts in respect of taxes imposed on or measured by income or excess profits (other than income taxes (either positive or negative) attributable to extraordinary and non-recurring gains or losses on sales of assets, to the extent such gains or losses are not included in the definition of Consolidated Net Income), (iii) depreciation and amortization expense, (iv) extraordinary or non-recurring cash expenses, and (v) all other non-cash items reducing Consolidated Net Income (other than items that will require cash payments and for which an accrual or reserve is, or is required by Applicable Accounting Standards to be, made), minus (b) all non-cash items or extraordinary or non-recurring gains increasing Consolidated Net Income for such period, all as determined in accordance with Applicable Accounting Standards.

"**Consolidated Interest Expense**" means, for any period, the interest expense of the Guarantor and its Subsidiaries calculated on a consolidated basis for such period with respect to all outstanding Indebtedness of the Guarantor and its Subsidiaries allocable to such period in accordance with Applicable Accounting Standards (including, without limitation, interest expense under Capitalized Leases that is treated as interest in accordance with Applicable Accounting Standards, all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing and net costs under all interest rate swap agreements, interest rate cap agreements, interest rate collar agreements and interest rate insurance to the extent such net costs are allocable to such period in accordance with Applicable Accounting Standards).

"**Consolidated Interest Income**" means, for any period, the sum of all amounts that would be included, for purposes of determining Consolidated Net Income, as income of the Guarantor and its Subsidiaries for such period in respect of interest payments by third parties to the Guarantor and its Subsidiaries.

"**Consolidated Net Income**" means, for any period, the net income (or deficit) of the Guarantor and its Subsidiaries for such period (taken as a cumulative whole), after deducting all operating expenses, provisions for all taxes and reserves (including reserves for deferred income taxes) and all other proper deductions, after eliminating all intercompany transactions and after deducting portions of income properly attributable to minority interests, if any, in the stock and surplus of Subsidiaries, provided that there shall be excluded for purposes of calculating Consolidated Net Income: (a) the income (or deficit) of any Person (other than a Subsidiary) in which the Guarantor or any Subsidiary has an ownership interest, except to the extent that any such income has been actually received by the Guarantor or such Subsidiary in the form of cash dividends or similar distributions; (b) the undistributed earnings of any Subsidiary to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary is not at the time permitted by the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to such Subsidiary; (c) any aggregate net gain or aggregate net loss during such period arising from the sale, exchange or other disposition of capital assets (such term to include all fixed assets, whether tangible or intangible, all Inventory sold in conjunction with the disposition of fixed assets, and all securities); (d) any write-up of any asset, or any write-down of any asset other than Receivables or Inventory; (e) any net gain from the collection of the proceeds of life insurance policies; (f) any gain or loss arising from the acquisition of any securities, or the extinguishment, under Applicable Accounting Standards, of any Indebtedness, of the Guarantor or any Subsidiary; and (g) any net income or gain or any net loss during such period from any change in accounting, from any discontinued operations or the disposition thereof, from any extraordinary events or from any prior period adjustments.

"**Consolidated Net Interest Expense**" means, for any period, (a) Consolidated Interest Expense for such period, minus (b) Consolidated Interest Income for such period.

"**Consolidated Net Tangible Assets**" means the total assets of the Guarantor and its Subsidiaries on a Consolidated basis after deducting therefrom (a) all current liabilities (except for indebtedness payable by its terms more than one year from the date of incurrence thereof or renewable or extendible at the option of the obligor for a period ending more than one year after such date of incurrence) and (b) all goodwill, trade names, trademarks, franchises, patents, unamortized debt discount and expense, organization and developmental expenses and other like segregated intangibles, all as computed in accordance with Applicable Accounting Standards; provided, that any items constituting deferred income taxes, deferred investment tax credit or other similar items shall not be taken into account as a liability or as a deduction from or adjustment to total assets.

"**Contract**" has the meaning given to it in Recital (5).

"**Credit**" has the meaning given to it in Article 1.01.

"**Criminal Offence**" means any of the following criminal offences, as applicable: fraud, corruption, coercion, collusion, obstruction, money laundering and financing of terrorism.

"**Deferment Indemnity**" means an indemnity calculated on the amount of disbursement deferred or suspended at the percentage rate (if higher than zero) by which:

- the interest rate net of the Margin that would have been applicable to such amount had it been disbursed to the Borrower on the Scheduled Disbursement Date exceeds

- the Relevant Interbank Rate (one month rate) less 0.125% (12.5 basis points), unless this value is less than zero, in which case it will be set at zero.

Such indemnity shall accrue from the Scheduled Disbursement Date to the Disbursement Date or, as the case may be, until the date of cancellation of the Notified Tranche in accordance with this Contract.

"**Disbursement Notice**" means a notice from the Bank to the Borrower pursuant to and in accordance with Article 1.02C.

"**Disbursement Request**" means a notice substantially in the form set out in Schedule C.1.

"**Disruption Event**" means either or both of:

(a) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with this Contract; or

(b) the occurrence of any other event which results in a disruption (of a technical or systems-related nature) to the treasury or payments operations of either the Bank or the Borrower, preventing that party from:

  (i) performing its payment obligations under this Contract; or

  (ii) communicating with other parties,

and which disruption (in either such case as per (a) or (b) above) is not caused by, and is beyond the control of, the party whose operations are disrupted.

"**Domestic Subsidiary**" means any Subsidiary of the Guarantor that is organized or formed under the laws of the United States or any jurisdiction thereof.

"**Equity Interests**" means shares of the capital stock (including common and preferred shares), partnership interests, membership interest in a limited liability company, beneficial interests in a trust or other equity interests in a Person.

"**EURIBOR**" has the meaning given to it in Schedule B.

"**EUR**" or "**euro**" means the lawful currency of the Member States of the European Union which adopt or have adopted it as their currency in accordance with the relevant provisions of the Treaty on European Union and the Treaty on the Functioning of the European Union or their succeeding treaties.

"**European Term Loan Credit Agreement**" means a certain credit agreement dated 2 May 2011, by and among, AGCO International GmbH, as borrower, the Guarantor, and Rabobank, as a lender and as administrative agent for the lenders.

"**Event of Default**" means any of the circumstances, events or occurrences specified in Article 10.01.

"**FATCA**" means:

(a) Sections 1471 to 1474 of the Code or any associated regulations or other official guidance;

(b) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the United States and any other jurisdiction, which (in either case) facilitates the implementation of paragraph (a) above; or

(c) any agreement pursuant to the implementation of paragraphs (a) or (b) above with the U.S. Internal Revenue Service, the U.S. government or any governmental or taxation authority in any other jurisdiction.

"**Final Availability Date**" means a date falling 12 (twelve) months from the date of this Contract.

"**Finance Company**" means any of AGCO Finance LLC, AGCO Finance Canada, Ltd., Agricredit Ltd., Agricredit Ltd. Ireland, Agricredit S.N.C., Agricredit GmbH, Agricredit do Brasil, Ltda. and any other Person (a) not a Subsidiary of the Guarantor, (b) in whom the Guarantor or its Subsidiaries holds an Investment, and (c) which is engaged primarily in the business of providing retail financing to purchasers of agricultural equipment.

"**Fiscal Quarter**" means each 3 (three) month period beginning on the first day of each of the following months: January, April, July and October.

“**Fiscal Year**” means a year commencing on January 1 and ending on December 31.

“**Fixed Rate**” means an annual interest rate determined by the Bank in accordance with the applicable principles from time to time laid down by the governing bodies of the Bank for loans made at a fixed rate of interest, denominated in the currency of the Tranche and bearing equivalent terms for the repayment of capital and the payment of interest. Fixed Rate shall include the Margin.

“**Fixed Rate Tranche**” means a Tranche on which Fixed Rate is applied.

“**Floating Rate**” means a fixed-spread floating interest rate, that is to say an annual interest rate determined by the Bank for each successive Floating Rate Reference Period equal to the Relevant Interbank Rate plus the Spread.

“**Floating Rate Reference Period**” means each period from one Payment Date to the next relevant Payment Date; the first Floating Rate Reference Period shall commence on the date of disbursement of the Tranche.

“**Floating Rate Tranche**” means a Tranche on which Floating Rate is applied.

“**Funded Debt**” means without double-counting, with respect to the Guarantor on a Consolidated basis, as of any date of determination, all obligations of the type described in clauses (a) to (d) of the definition of “Indebtedness” and any Guaranty of any of the foregoing for which a demand for payment has been received.

“**GAAP**” means generally accepted accounting principles in the United States of America as in effect from time to time as set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accounts and the statements and pronouncements of the Financial Accounting Standards Board which are applicable to the circumstances as of the date of determination consistently applied.

“**Group**” means the Borrower, the Guarantor and the Guarantor’s Material Subsidiaries.

“**Guarantee**” has the meaning given to it in Recital (5).

“**Guaranty**” as applied to any Indebtedness, lease or other obligations (each a “primary obligation”), means and includes (a) any guaranty, direct or indirect, in any manner, of any part or all of such primary obligation, and (b) any agreement, direct or indirect, contingent or otherwise, the practical effect of which is to assure in any way the payment or performance (or payment of damages in the event of non-performance) of any part or all of such primary obligation, including, without limiting the foregoing, any reimbursement obligations as to amounts drawn down by beneficiaries of outstanding letters of credit, and any obligation of such Person (the “primary obligor”), whether or not contingent, (i) to purchase any such primary obligation or any property or asset constituting direct or indirect security therefor, (ii) to advance or supply funds (1) for the purchase or payment of such primary obligation or (2) to maintain working capital, equity capital or the net worth, cash flow, solvency or other balance sheet or income statement condition of any other Person, (c) to purchase property, assets, securities or services primarily for the purpose of assuring the owner or holder of any primary obligation of the ability of the primary obligor with respect to such primary obligation to make payment thereof or (d) otherwise to assure or hold harmless the owner or holder of such primary obligation against loss in respect thereof; provided, however, “***Guaranty***” shall not include non- binding comfort letters limited to corporate intent or policies.

“**Guarantee Agreement**” has the meaning given to it in Recital (5).

“**Guarantor**” has the meaning given to it in Recital (1).

“**Hedging Obligations**” means obligations under any agreement with respect to any cap, swap, collar, forward, listed future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more interest rates, currency exchange rates, or commodity prices, and designed to provide protection against fluctuations in interest rates, currency exchange rates or commodity prices, whether or not any such transaction is governed by or subject to any master agreement.

“**IFRS**” means the International Financial Reporting Standards, as promulgated by the International Accounting Standards Board.

“**Indebtedness**” means, with respect to any Person on any date of determination (without duplication): (a) the principal of and premium (if any) in respect of (i) indebtedness of such Person for money borrowed and (ii) indebtedness evidenced by notes, debentures, bonds or other similar instruments for the payment of which such Person is responsible or liable; (b) all obligations under Capitalized Leases of such Person; (c) all obligations of such Person issued or assumed as the deferred purchase price of property or services, all conditional sale obligations of such Person and all obligations of such Person under any title retention agreement (excluding trade accounts payable and accrued liabilities arising in the ordinary course of business but only if and so long as such accounts are payable on trade terms customary in the industry); (d) all obligations of such Person for the reimbursement of any obligor on any letter of credit, banker’s acceptance or similar credit transaction (other than obligations with respect to letters of credit securing obligations (other than obligations described in (a) through (c) above) entered into in the ordinary course of business of such Person to the extent such letters of credit are not drawn upon or, if and to the extent drawn upon, such drawing is reimbursed no later than the tenth Business Day following receipt by such Person of a demand for reimbursement following payment on the letter of credit); (e) the amount of all obligations of such Person with respect to the redemption, repayment or other repurchase of the Equity Interests in such Person; (f) all obligations of the type referred to in clauses (a) through (e) above of other Persons and all dividends of other Persons for the payment of which, in either case, such Person is responsible or liable, directly or indirectly, as obligor, guarantor or otherwise, including by means of any Guaranty; and (g) all obligations of the type referred to in clauses (a) through (f) above of other Persons secured by any Lien on any property or asset of such Person (whether or not such obligation is assumed by such Person), the amount of such obligation being deemed to be the lesser of the value of such property or assets or the amount of the obligation so secured. The amount of Indebtedness of any Person at any date shall be the outstanding balance at such date of all unconditional obligations as described above and the maximum liability, upon the occurrence of the contingency giving rise to the obligation, of any contingent obligations as described above at such date; provided, however, that Indebtedness under New Market Tax Credit Transactions shall be calculated on a basis that is net of the principal amount plus capitalized interest of any leverage loan made by the Guarantor or any of its Subsidiaries in such New Market Tax Credit Transaction. Indebtedness, with respect to any Person as of any date, means the actual amount of Indebtedness then outstanding with respect to which such Person is then liable without deduction for any discount therefrom as may be reflected on such Person’s financial statements to reflect the value of any warrants or other equity securities that may be issued together with such Indebtedness. Notwithstanding the foregoing, for all purposes other than the definition of “Permitted Liens”, Indebtedness shall not include (a) obligations incurred in connection with Tax Incentive Transactions or (b) the factoring of Receivables permitted hereunder, provided that the Receivables subject to such factoring arrangement are not required under Applicable Accounting Standards to be included on the Consolidated balance sheet of the Guarantor and its Subsidiaries.

“**Indemnifiable Prepayment Event**” means any Prepayment Event.

“**Interest Coverage Ratio**” means, on any date of determination, the ratio of (a) Consolidated EBITDA for the most recent Fiscal Quarter of the Guarantor for which financial statements have been delivered to the Bank pursuant to Article 4.02(a) of the Guarantee Agreement and for the three complete Fiscal Quarters of the Guarantor immediately preceding such Fiscal Quarter to (b) Consolidated Interest Expense for the most recent Fiscal Quarter of the Guarantor for which financial statements have been delivered to the Bank pursuant to Article 4.02(a) of the Guarantee Agreement and for the three complete Fiscal Quarters of the Guarantor immediately preceding such Fiscal Quarter.

“**Inventory**” means, with respect to any Person, goods, other than farm products, which (a) are leased by a person as lessor; (b) are held by a person for sale or lease or to be furnished under a contract of service; (c) are furnished by a person under a contract of service; or (d) consist of raw materials, work in process, or materials used or consumed in a business, including, without limitation, all goods, merchandise and other personal property owned and held for sale in the ordinary course of its business, and all raw materials, work or goods in process, materials and supplies of every nature which contribute to the finished products of such Person.

"**Investment**" by any Person in any other Person means any direct or indirect advance, loan (other than advances to wholesale or retail customers in the ordinary course of business that are recorded as Receivables on the balance sheet of such Person) or other extensions of credit (including by way of Guaranty or similar arrangement) or capital contributions to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or any purchase or acquisition of Equity Interests, Indebtedness or other similar instruments issued by such Person.

"**LIBOR**" has the meaning given to it in Schedule B.

"**Lien**" means, with respect to any property, any mortgage, lien, pledge, assignment by way of security, charge, hypothec, security interest, title retention agreement, levy, execution, seizure, attachment, garnishment, or other encumbrance of any kind in respect of such property, whether or not choate, vested, or perfected.

"**Loan**" means the aggregate amount of Tranches disbursed from time to time by the Bank under this Contract.

"**Margin**" means the component of the rate of interest quantified in Article 3.01.

"**Market Disruption Event**" means any of the following circumstances:

(a) there are, in the reasonable opinion of the Bank, events or circumstances adversely affecting the Bank's access to its sources of funding;

(b) in the opinion of the Bank, funds are not available from its ordinary sources of funding in order to adequately fund a Tranche in the relevant currency and/or for the relevant maturity and/or in relation to the reimbursement profile of such Tranche;

(c) in relation to a Tranche in respect of which interest is or would be payable at Floating Rate:

(A) the cost to the Bank of obtaining funds from its sources of funding, as determined by the Bank, for a period equal to the Floating Rate Reference Period of such Tranche (i.e. in the money market) would be in excess of the applicable Relevant Interbank Rate; or

(B) the Bank determines that adequate and fair means do not exist for ascertaining the applicable Relevant Interbank Rate for the relevant currency of such Tranche or it is not possible to determine the Relevant Interbank Rate in accordance with the definition contained in Schedule B.

"**Material Adverse Change**" means any event or change of condition, which has a material adverse effect on:

(a) the ability of the Borrower or the Guarantor to perform their obligations under this Contract or the Guarantee Agreement to which it is a party;

(b) the business, operations, property, condition (financial or otherwise) or liabilities of the Group as a whole; or

(c) the validity or enforceability of, or the effectiveness or ranking of, or the value of any security granted to or procured for the Bank, or the rights or remedies of the Bank under this Contract or the Guarantee Agreement.

"Material Subsidiary" means:

(1) any direct or indirect Subsidiary of the Guarantor that meets any of the following conditions (including as a result of any acquisition, Investment, merger, reorganization, transfer of assets, or other change in circumstances):

(a) the Guarantor's and its other Subsidiaries' proportionate share of the total assets, in the aggregate (after intercompany eliminations), of such Subsidiary (and its Subsidiaries) exceeds ten percent (10%) of the total assets of the Guarantor and its Subsidiaries Consolidated as of the end of the most recently completed Fiscal Quarter; or

(b) the Guarantor's and its other Subsidiaries' equity in the income from continuing operations, in the aggregate, before income taxes, extraordinary items and cumulative effect of a change in accounting principles of such Subsidiary (and its Subsidiaries) exceeds ten percent (10%) of such income of the Guarantor and its Subsidiaries Consolidated for the most recently completed Fiscal Year; and

(2) AGCO International Limited, an English corporation.

"**Maturity Date**" means the last or sole repayment date of a Tranche specified pursuant to Article 4.01A(b)(iv) or Article 4.01B.

"**Net Leverage Ratio**" means, at any date of determination, the ratio of (a) the average of the amounts, calculated as of the last day of each Fiscal Quarter for the four Fiscal Quarter period then ended, equal to (i) the principal amount of Funded Debt outstanding as of the last day of such Fiscal Quarter minus (ii) the total amount of Cash Equivalents on the Consolidated books of the Guarantor as of the last day of such Fiscal Quarter, to (b) Consolidated EBITDA for the four Fiscal Quarter period most recently ended for which financial statements have been delivered to the Bank pursuant to Article 4.02(a) of the Guarantee Agreement.

"**New Market Tax Credit Transaction**" means a transaction using "new market tax credits" provided by Section 45D of the Code, in which (a) a wholly-owned Domestic Subsidiary of the Guarantor receives two loans from a qualified "community development entity" (the "***NMTC Lender***") owned 99.99% by a third-party tax credit investor (the "***NMTC Investor***") consisting of (i) an "A Loan" which is indirectly funded by a loan made by the Guarantor to the NMTC Investor (the "***Leverage Loan***") and (ii) a "B Loan" funded indirectly by a capital contribution from the NMTC Investor's parent, the proceeds of each of which are used to finance or refinance the costs incurred by such Domestic Subsidiary in connection with the expansion of certain manufacturing and warehouse facilities of such Domestic Subsidiary, (b) such loans are secured by substantially all of the assets of such Domestic Subsidiary, (c) payments on the A Loan and the B Loan are sufficient to provide all debt service on the Leverage Loan, and (d) the principal amount of the B Loan is expected to be forgiven at the end of the seven-year "new markets tax credit" compliance period under the Code if the NMTC Investor exercises its put right requiring the Guarantor to buy its ownership interest in the NMTC Lender for USD 1,000.

"**Notified Tranche**" means a Tranche in respect of which the Bank has issued a Disbursement Notice.

"**Payment Date**" means the annual, semi-annual or quarterly dates specified in the Disbursement Notice until the Maturity Date, save that, in case any such date is not a Relevant Business Day, it means:

(a) for a Fixed Rate Tranche, the following Relevant Business Day, without adjustment to the interest due under Article 3.01 except for those cases where repayment is made in a single instalment according to Article 4.01B, when the preceding Relevant Business Day shall apply instead to this single instalment and to the final interest payment and only in this case, with adjustment to the interest due under Article 3.01; and

(b) for a Floating Rate Tranche, the next day, if any, of that calendar month that is a Relevant Business Day or, failing that, the nearest preceding day that is a Relevant Business Day, in all cases with corresponding adjustment to the interest due under Article 3.01.

"**Permitted Liens**" means:

(a) Liens incurred in the ordinary course of business which do not secure Indebtedness or Hedging Obligations and which do not materially impair the value of, or materially interfere with the use of, in the ordinary course of business of the Guarantor and its Subsidiaries, the property affected and which do not, individually or in the aggregate, have a materially adverse effect on the business of the Guarantor or such Subsidiaries affected thereby individually or of the Guarantor and its Subsidiaries on a Consolidated basis;

(b) Liens existing on the property of a Person immediately prior to it being acquired by the Guarantor or any of its Subsidiaries, or any Lien existing on any property acquired by the Guarantor or any of its Subsidiaries at the time such property is so acquired; provided that (i) no such Lien shall secure Indebtedness or Hedging Obligations, (ii) no such Lien shall have been created or assumed in contemplation of such Person becoming a Subsidiary of the Guarantor or such acquisition of property, and (iii) each such Lien shall at all times be confined solely to the item or items of property so acquired and the proceeds thereof;

(c) Liens and rights of set-off of banks existing solely with respect to cash, Cash Equivalents or investment property on deposit with such bank in one or more accounts maintained by the Guarantor or any Subsidiary, in each case granted in the ordinary course of business in favour of the bank or banks with which such accounts are maintained;

(d) Liens on Receivables sold under any factoring arrangement permitted hereunder;

(e) precautionary financing statements filed by lessors, or retained interests in leased equipment by lessors, with respect to equipment leases under which the Guarantor or a Subsidiary is lessee;

(f) Liens arising in connection with Tax Incentive Transactions;

(g) Liens securing Indebtedness permitted under Article 6.06D(e) of this Contract and Article 5.17(e) of the Guarantee Agreement (as applicable) arising in connection with New Market Tax Credit Transactions;

(h) Liens securing reimbursement obligations with respect to letters of credit that encumber documents of title and/or property shipped under such letters of credit, to the extent incurred in the ordinary course of business;

(i) mandatory Liens in favour of unsecured creditors attaching to proceeds from the sale of property in a foreclosure or similar proceeding imposed by law of any jurisdiction outside of the U.S. and which have not arisen to secure Indebtedness and do not in the aggregate materially detract from the value of such property or assets;

(j) Liens on cash or deposits to secure Hedging Obligations entered into in the ordinary course of business to hedge risks or reduce costs with respect to interest rates, currency or commodity exposure, and not for speculative purposes; and

(k) Liens granted by a Subsidiary (other than the Borrower) to the Guarantor or another Subsidiary securing Indebtedness of such Subsidiary (other than the Borrower) to the Guarantor or such other Subsidiary; and

(l) any other Liens that secure Indebtedness or other obligations in a principal amount not in excess of 10% of the Guarantor's Consolidated Net Tangible Assets.

"**Person**" or "**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.

"**Prepayment Amount**" means the amount of a Tranche to be prepaid by the Borrower in accordance with Article 4.02A.

"**Prepayment Date**" means the date, which shall be a Payment Date, on which the Borrower proposes to effect prepayment of a Prepayment Amount.

"**Prepayment Event**" means any of the events described in Article 4.03A.

"**Prepayment Indemnity**" means in respect of any principal amount to be prepaid or cancelled, the amount communicated by the Bank to the Borrower as the present value (as of the Prepayment Date) of the excess, if any, of:

(a) the interest net of the Margin that would accrue thereafter on the Prepayment Amount over the period from the Prepayment Date to the Maturity Date, if it were not prepaid; over

(b) the interest that would so accrue over that period, if it were calculated at the Redeployment Rate, less 0.15% (fifteen basis points).

The said present value shall be calculated at a discount rate equal to the Redeployment Rate, applied as of each relevant Payment Date.

"**Prepayment Notice**" means a written notice from the Bank to the Borrower in accordance with Article 4.02C.

"**Prepayment Request**" means a written request from the Borrower to the Bank to prepay all or part of the Loan, in accordance with Article 4.02A.

"**Project**" has the meaning given to it in Recital (1).

"**Receivables**" means any right to payment for goods sold or leased or for services rendered whether or not it has been earned by performance.

"**Redeployment Rate**" means the Fixed Rate excluding the Margin in effect on the day of the indemnity calculation for fixed-rate loans denominated in the same currency and which shall have the same terms for the payment of interest and the same repayment profile to the Maturity Date as the Tranche in respect of which a prepayment is proposed or requested to be made. For those cases where the period is shorter than 48 months (or 36 months in the absence of a repayment of principal during that period) the most closely corresponding money market rate equivalent will be used, that is the Relevant Interbank Rate minus 0.125% (12.5 basis points) for periods of up to 12 (twelve) months. For periods falling between 12 and 36/48 months as the case may be, the bid point on the swap rates as published by Reuters for the related currency and observed by the Bank at the time of calculation will apply.

"**Relevant Business Day**" means:

(a) for EUR, a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer payment system, which utilises a single shared platform and which was launched on 19 November 2007 (TARGET2), is open for the settlement of payments in EUR; and

(b) for USD, a day on which banks are open for general business in New York.

"**Relevant Interbank Rate**" means:

(a) EURIBOR for a Tranche denominated in EUR; and

(b) LIBOR for a Tranche denominated in USD.

"**Restricted Payment**" means (a) any direct or indirect distribution, dividend, or other payment to any Person on account of any shares of Equity Interests in such Person or (b) any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, or other acquisition or retirement of any shares of Equity Interests in such Person; provided that payments of principal and interest in respect of Indebtedness convertible into Equity Interests of the Guarantor shall not constitute Restricted Payments.

"**Scheduled Disbursement Date**" means the date on which a Tranche is scheduled to be disbursed in accordance with Article 1.02C.

"**Senior Debt Documents**" means a certain indenture entered into in December 2011 among the Guarantor and Union Bank, N.A., as trustee, relating to the Guarantor's 5-7/8% senior notes due 2021, together with each such note issued in connection therewith.

"**2036 Senior Subordinated Notes Documents**" means a certain indenture dated 4 December 2006 among the Guarantor and Union Bank of California, N.A., as trustee, relating to the Guarantor's 1.25% convertible senior subordinated notes due 2036, together with each such note issued in connection therewith.

"**Spread**" means the fixed spread to the Relevant Interbank Rate (being either plus or minus) determined by the Bank including the Margin and notified to the Borrower in the relevant Disbursement Notice.

"**Subsidiary**" of any Person means a corporation, partnership, joint venture, limited liability company or other entity of which a majority of the Equity Interests having ordinary voting power for the election of the Board of Directors or other governing body (other than Equity Interests having such power only by reason of the happening of a contingency) are at the time beneficially owned, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by such Person. All references in this Contract and the Guarantee Agreement to a "***Subsidiary***" or to "***Subsidiaries***" shall refer to a Subsidiary or Subsidiaries of the Guarantor.

"**Tax Incentive Transactions**" means any revenue bond financing arrangement (excluding a New Market Tax Credit Transaction) between any Person and a development authority or other similar governmental authority or entity for the purpose of providing a property tax abatement or other tax incentive to such Person whereby (a) the governmental authority or entity issues notes, bonds or other indebtedness to finance the acquisition of property that at such time is owned by the Guarantor or a Subsidiary, (b) the property so transferred is leased back by the Guarantor or such Subsidiary, (c) the notes, bonds or other Indebtedness issued to finance the acquisition are owned by the Guarantor or a Subsidiary, (d) the rental payments on the lease and the debt service payments on the bonds, notes, or other Indebtedness are substantially equal and (e) the Guarantor or such Subsidiary has the option to prepay the notes, bonds or other Indebtedness, terminate its lease and reacquire the property for nominal consideration at any time; provided that if at any time any of the foregoing conditions shall cease to be satisfied, such transaction shall cease to be a Tax Incentive Transaction.

"**Technical Description**" has the meaning given to it in Recital (1).

"**Tranche**" means each disbursement made or to be made under this Contract. In case no Disbursement Notice has been delivered, Tranche shall mean a Tranche as requested under Article 1.02B.

"**USD**" means the lawful currency of the United States of America.

(c) Dutch Terms

In this Contract, where it relates to a Dutch entity, a reference to:

(a) a necessary action to authorise, where applicable, includes without limitation:

(i) any action required to comply with the Dutch Works Council Act (*Wet op de ondernemingsraden*); and

(ii) obtaining unconditional positive advice (*advies*) from each competent works council;

(b) a winding-up, administration or dissolution includes a Dutch entity being:

(i) declared bankrupt (*failliet verklaard*);

(ii) dissolved (*ontbonden*);

(c) a moratorium includes *surseance van betaling* and granted a moratorium includes *surseance verleend*;

(d) a trustee in bankruptcy includes a *curator*;

(e) an administrator includes a *bewindvoerder*;

(f) a receiver or an administrative receiver does not include a *curator* or *bewindvoerder*; and

(g) an attachment includes a *beslag*.

ARTICLE 1

Credit and Disbursements

1.01 Amount of Credit

By this Contract the Bank establishes in favour of the Borrower, and the Borrower accepts, the credit in an amount equivalent to EUR 200,000,000 (two hundred million euros) for the financing of the Project (the "**Credit**").

1.02 Disbursement procedure

1.02A Tranches

The Bank shall disburse the Credit in up to 5 (five) Tranches. The amount of each Tranche, if not being the undrawn balance of the Credit, shall be in a minimum amount equivalent to EUR 25,000,000 (twenty-five million euros).

1.02B Disbursement Request

(a) The Borrower may present to the Bank a Disbursement Request for the disbursement of a Tranche, such Disbursement Request to be received at the latest on the date falling 15 (fifteen) days before the Final Availability Date. The Disbursement Request shall be in the form set out in Schedule C.1 and shall specify:

(i) the amount and currency of the Tranche;

(ii) the preferred disbursement date for the Tranche; such preferred disbursement date must be a Relevant Business Day falling at least 15 (fifteen) days after the date of the Disbursement Request and, in any event, on or before the Final Availability Date, it being understood that, notwithstanding the Final Availability Date, the Bank may disburse the Tranche up to 4 (four) calendar months from the date of the Disbursement Request;

(iii) whether the Tranche is a Fixed Rate Tranche or a Floating Rate Tranche, each pursuant to the relevant provisions of Article 3.01;

(iv) the preferred interest payment periodicity for the Tranche, chosen in accordance with Article 3.01;

(v) the preferred terms for repayment of principal for the Tranche, chosen in accordance with Article 4.01;

(vi) the preferred first and last dates for repayment of principal for the Tranche; and

(vii) the IBAN code (or appropriate format in line with local banking practice) and SWIFT BIC of the bank account to which disbursement of the Tranche should be made in accordance with Article 1.02D.

(b) If the Bank, following a request by the Borrower, has provided the Borrower before the submission of the Disbursement Request with a non-binding fixed interest rate or spread quotation to be applicable to the Tranche, the Borrower may also, at its discretion, specify in the Disbursement Request such quotation, that is to say:

(i) in the case of a Fixed Rate Tranche, the aforementioned fixed interest rate previously quoted by the Bank; or

(ii) in the case of a Floating Rate Tranche, the aforementioned spread previously quoted by the Bank,

applicable to the Tranche until the Maturity Date.

(c) Each Disbursement Request shall be accompanied by evidence of the authority of the person or persons authorised to sign it and the specimen signature of such person or persons.

(d) Subject to Article 1.02C(b), each Disbursement Request is irrevocable.

1.02C **Disbursement Notice**

(a) Not less than 10 (ten) days before the proposed Scheduled Disbursement Date of a Tranche the Bank shall, if the Disbursement Request conforms to this Article 1.02, deliver to the Borrower a Disbursement Notice which shall specify:

(i) the currency, amount and EUR equivalent of the Tranche;

(ii) the Scheduled Disbursement Date;

(iii) the interest rate basis for the Tranche, being: (i) a Fixed Rate Tranche; or (ii) a Floating Rate Tranche all pursuant to the relevant provisions of Article 3.01;

(iv) the first interest Payment Date and the periodicity for the payment of interest for the Tranche;

(v) the terms for repayment of principal for the Tranche;

(vi) the first and last dates for repayment of principal for the Tranche;

(vii) the applicable Payment Dates for the Tranche; and

(viii) for a Fixed Rate Tranche the Fixed Rate and for a Floating Rate Tranche the Spread applicable to the Tranche until the Maturity Date.

(b) If one or more of the elements specified in the Disbursement Notice does not reflect the corresponding element, if any, in the Disbursement Request, the Borrower may following receipt of the Disbursement Notice revoke the Disbursement Request by written notice to the Bank to be received no later than 12h00 Luxembourg time on the next Business Day and thereupon the Disbursement Request and the Disbursement Notice shall be of no effect. If the Borrower has not revoked in writing the Disbursement Request within such period, the Borrower will be deemed to have accepted all elements specified in the Disbursement Notice.

(c) If the Borrower has presented to the Bank a Disbursement Request in which the Borrower has not specified the fixed interest rate or spread as set out in Article 1.02B(b), the Borrower will be deemed to have agreed in advance to the Fixed Rate or Spread as subsequently specified in the Disbursement Notice.

1.02D **Disbursement Account**

Disbursement shall be made to the account of the Borrower as the Borrower shall notify in writing to the Bank not later than 15 (fifteen) days before the Scheduled Disbursement Date (with IBAN code or with the appropriate format in line with local banking practice).

Only one account may be specified for each Tranche.

1.03 **<u>Currency of disbursement</u>**

The Bank shall disburse each Tranche in EUR or USD.

For the calculation of the sums available to be disbursed in USD, and to determine their equivalent in EUR, the Bank shall apply the rate published by the European Central Bank in Frankfurt, available on or shortly before submission of the Disbursement Notice as the Bank decides.

1.04 **<u>Conditions of disbursement</u>**

1.04A **First Tranche**

The disbursement of the first Tranche under Article 1.02 is conditional upon receipt by the Bank, in form and substance satisfactory to it, on or before the date falling 5 (five) Business Days before the Scheduled Disbursement Date, of the following documents or evidence:

(a) a copy of the articles of association (*statuten*) of the Borrower, as well as an extract (*uittreksel*) from the Dutch Commercial Register (*Handelsregister*) of the Borrower together with specimen signatures of the person or persons signing the Contract on behalf of the Borrower;

(b) a copy of a resolution of the board of managing directors of the Borrower:

(i) approving the terms of, and the transactions contemplated by, this Contract and resolving that it executes, delivers and performs this Contract;

(ii) authorising a specified person or persons to execute this Contract on its behalf; and

(iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices (including, if relevant, any Disbursement Request) to be signed and/or despatched by it under or in connection with this Contract;

(c) a copy of a resolution signed by the sole shareholder of the Borrower approving the resolutions of the board of managing directors referred to in paragraph (b) above and appointing an authorised person to represent the Borrower in case of a conflict of interest;

(d) if applicable, a copy of (i) the request for advice from each works council, or central or European works council with jurisdiction over the transactions contemplated by this Contract and (ii) the unconditional positive advice from such works council, or, if no advice is required to be obtained, a declaration by the Borrower, signed by a person or persons duly authorised to act on behalf of the Borrower, that there is no works council, or central or European works council with jurisdiction over the transactions contemplated by this Contract;

(e) a certificate of an authorised signatory of each of the Borrower and the Guarantor, certifying that each copy document relating to the Borrower or the Guarantor, as the case may be, specified in this Article 1.04A is correct, complete and in full force and effect and has not been amended or superseded as at a date no earlier than the date of this Contract;

(f) evidence that the Borrower has obtained all necessary consents, authorisations, licences or approvals of governmental or public bodies or authorities required in connection with this Contract or, if none are required, a declaration by the Borrower, signed by a person or persons duly authorised to act on behalf of the Borrower, that no consents, authorisations, licenses or approvals of governmental or public bodies or authorities are required in connection with this Contract, such evidence substantially in the form provided for in Schedule C.2, paragraph (h);

(g) the duly executed Guarantee Agreement, in full force and effect, covering the aggregate financial obligations of the Borrower under this Contract, in the form set out in Schedule D;

(h) evidence that the execution of the Guarantee Agreement by the Guarantor has been duly authorised and that the person or persons signing the Guarantee Agreement on behalf of the Guarantor is/are duly authorised to do so together with the specimen signature of each such person or persons;

(i) a legal opinion issued by external legal counsel on, *inter alia*, the authority and capacity of the Borrower, and due execution by the Borrower of this Contract;

(j) a legal opinion issued by external legal counsel on, *inter alia*, the authority and capacity of the Guarantor, and due execution by the Guarantor of the Guarantee Agreement;

(k) a legal opinion issued by external legal counsel confirming, *inter alia*, that this Contract and the Guarantee Agreement are in full force and effect, and are valid, binding and enforceable in accordance with their respective terms under English law;

(l) evidence of acceptance by the agent of service of its appointment with respect to this Contract; and

(m) evidence of acceptance by the agent of service of its appointment with respect to the Guarantee Agreement.

1.04B **All Tranches**

The disbursement of each Tranche under Article 1.02, including the first, is conditional upon:

(a) receipt by the Bank, in form and substance satisfactory to it, on or before the date falling 5 (five) Business Days before the Scheduled Disbursement Date for the proposed Tranche, of the following documents or evidence:

(i) a certificate from the Borrower in the form of Schedule C.2;

(ii) a certificate from the Guarantor in the form of Schedule C.3;

(iii) a duly executed Compliance Certificate; and

(iv) a copy of any other authorisation or other document, opinion or assurance, which the Bank has notified the Borrower is necessary or desirable in connection with the entry into, delivery and performance of, and the transactions contemplated by, this Contract, the Guarantee Agreement or any other security, or the validity and enforceability of the same.

(b) that on the Disbursement Date for the proposed Tranche:

(i) the representations and warranties which are repeated pursuant to Article 6.07 being correct in all material respects; and

(ii) no event or circumstance which constitutes or would with the passage of time or giving of notice under this Contract constitute:

(aa) an Event of Default, or

(bb) a Prepayment Event,

having occurred and being continuing unremedied or unwaived or would result from the disbursement of the proposed Tranche.

1.05 Deferment of disbursement

1.05A **Grounds for deferment**

Upon the written request of the Borrower, the Bank shall defer the disbursement of any Notified Tranche in whole or in part to a date specified by the Borrower being a date falling not later than 6 (six) months from its Scheduled Disbursement Date and not later than 60 days prior to the first repayment date of the Tranche indicated in the Disbursement Notice. In such case, the Borrower shall pay the Deferment Indemnity calculated on the amount of disbursement deferred.

Any request for deferment shall have effect in respect of a Tranche only if it is made at least 5 (five) Business Days before its Scheduled Disbursement Date.

If for a Notified Tranche any of the conditions referred to in Article 1.04 is not fulfilled as at the specified date and at the Scheduled Disbursement Date (or the date expected for disbursement in case of a previous deferment), disbursement will be deferred to a date agreed between the Bank and the Borrower falling not earlier than 5 (five) Business Days following the fulfilment of all conditions of disbursement (without prejudice to the right of the Bank to suspend and/or cancel the undisbursed portion of the Credit in whole or in part pursuant to Article 1.06B). In such case, the Borrower shall pay the Deferment Indemnity calculated on the amount of disbursement deferred.

1.05B **Cancellation of a disbursement deferred by 6 (six) months**

The Bank may, by notice in writing to the Borrower, cancel a disbursement which has been deferred under Article 1.05A by more than 6 (six) months in aggregate. The cancelled amount shall remain available for disbursement under Article 1.02.

1.06 Cancellation and suspension

1.06A **Borrower's right to cancel**

The Borrower may at any time by notice in writing to the Bank cancel, in whole or in part and with immediate effect, the undisbursed portion of the Credit. However, the notice shall have no effect in respect of (i) a Notified Tranche which has a Scheduled Disbursement Date falling within 5 (five) Business Days of the date of the notice or (ii) a Tranche in respect of which a Disbursement Request has been submitted but no Disbursement Notice has been issued.

1.06B **Bank's right to suspend and cancel**

(a) The Bank may, by notice in writing to the Borrower, suspend and/or cancel the undisbursed portion of the Credit in whole or in part at any time and with immediate effect:

(i) upon the occurrence of a Prepayment Event or an Event of Default or an event or circumstance which would with the passage of time or giving of notice under this Contract constitute a Prepayment Event or an Event of Default; or

(ii) if a Material Adverse Change occurs.

(b) The Bank may also suspend the portion of the Credit in respect of which it has not issued a Disbursement Notice with immediate effect in the case that a Market Disruption Event occurs.

(c) Any suspension shall continue until the Bank ends the suspension or cancels the suspended amount.

1.06C **Indemnity for suspension and cancellation of a Tranche**

1.06C(1) SUSPENSION

If the Bank suspends a Notified Tranche, whether upon an Indemnifiable Prepayment Event or an Event of Default or upon the occurrence of a Material Adverse Change, the Borrower shall pay to the Bank the Deferment Indemnity calculated on the amount of disbursement suspended.

1.06C(2) CANCELLATION

If pursuant to Article 1.06A, the Borrower cancels:

(a) a Fixed Rate Tranche, which is a Notified Tranche, it shall indemnify the Bank under Article 4.02B; or

(b) a Floating Rate Tranche, which is a Notified Tranche, or any part of the Credit other than a Notified Tranche, no indemnity is payable.

If the Bank cancels

(a) a Fixed Rate Tranche, which is a Notified Tranche, upon an Indemnifiable Prepayment Event or upon the occurrence of a Material Adverse Change or pursuant to Article 1.05B, the Borrower shall pay to the Bank the Prepayment Indemnity; or

(b) a Notified Tranche upon an Event of Default, the Borrower shall indemnify the Bank under Article 10.03.

Save in these cases, no indemnity is payable upon cancellation of a Tranche by the Bank.

The indemnity shall be calculated as if the cancelled amount had been disbursed and repaid on the Scheduled Disbursement Date or, to the extent that the disbursement of the Tranche is currently deferred or suspended, on the date of the cancellation notice.

1.07 Cancellation after expiry of the Credit

On the day following the Final Availability Date, and unless otherwise specifically agreed to in writing by the Bank, the part of the Credit in respect of which no Disbursement Request has been made in accordance with Article 1.02B shall be automatically cancelled without any notice being served by the Bank on the Borrower and without liability arising on the part of either party.

1.08 Appraisal fee

The Borrower authorises the Bank to retain out of the first Tranche an appraisal fee in respect of the appraisal conducted by the Bank in relation to the Project. The amount of the appraisal fee is EUR 77,500 (seventy-seven thousand and five hundred euros). An amount retained by the Bank out of the first Tranche in payment of the appraisal fee shall be treated as having been disbursed by the Bank.

1.09 Sums due under Articles 1.05 and 1.06

Sums due under Articles 1.05 and 1.06 shall be payable in the currency of the Tranche concerned. They shall be payable within 15 (fifteen) days of the Borrower's receipt of the Bank's demand or within any longer period specified in the Bank's demand.

ARTICLE 2

The Loan

2.01 Amount of Loan

The Loan shall comprise the aggregate amount of Tranches disbursed by the Bank under this Contract, as confirmed by the Bank pursuant to Article 2.03.

2.02 Currency of repayment, interest and other charges

Interest, repayments and other charges payable in respect of each Tranche shall be made by the Borrower in the currency in which the Tranche is disbursed.

Any other payment shall be made in the currency specified by the Bank having regard to the currency of the expenditure to be reimbursed by means of that payment.

2.03 Confirmation by the Bank

Within 10 (ten) days after disbursement of each Tranche, the Bank shall deliver to the Borrower the amortisation table referred to in Article 4.01, if appropriate, showing the Disbursement Date, currency, the amount disbursed, the repayment terms and the interest rate of and for that Tranche.

ARTICLE 3

Interest

3.01 Rate of interest

For the purposes of this Contract, and for as long as none of the events under (1) or (2) below has occurred and is continuing, "**Margin**" means 58 basis points (0.58%); provided, however, if the Guarantor's long term debt credit rating from Moody's falls to (1) Ba1, the Margin shall be 83 basis points (0.83%) or (2) Ba2 or below, the Margin shall be 141 basis points (1.41%).

The Margin shall be effective as of the first Payment Date following the downgrade by Moody's following which either (1) or (2) above become applicable.

For the purposes of determining the Margin hereunder, (i) if the rating system of Moody's shall change, or if Moody's shall cease to be in the business of issuing long term debt credit rating or shall not have in effect a rating for the Guarantor, the Borrower and the Bank shall negotiate in good faith to amend the definition of Margin contained in this Contract to reflect such changed rating system or the unavailability of a rating from Moody's. Pending the effectiveness of any such amendment, the Margin shall be determined by reference to the rating most recently in effect prior to such change or cessation.

3.01A **Fixed Rate Tranches**

The Borrower shall pay interest on the outstanding balance of each Fixed Rate Tranche at the Fixed Rate quarterly, semi-annually or annually in arrears on the relevant Payment Dates as specified in the Disbursement Notice, commencing on the first such Payment Date following the Disbursement Date of the Tranche. If the period from the Disbursement Date to the first Payment Date is 15 (fifteen) days or less then the payment of interest accrued during such period shall be postponed to the following Payment Date.

Interest shall be calculated on the basis of Article 5.01(a).

3.01B **Floating Rate Tranches**

The Borrower shall pay interest on the outstanding balance of each Floating Rate Tranche at the Floating Rate quarterly, semi-annually or annually in arrears on the relevant Payment Dates, as specified in the Disbursement Notice commencing on the first such Payment Date following the Disbursement Date of the Tranche. If the period from the Disbursement Date to the first Payment Date is 15 (fifteen) days or less then the payment of interest accrued during such period shall be postponed to the following Payment Date.

The Bank shall notify the Floating Rate to the Borrower within 10 (ten) days following the commencement of each Floating Rate Reference Period.

If pursuant to Articles 1.05 and 1.06 disbursement of any Floating Rate Tranche takes place after the Scheduled Disbursement Date the Relevant Interbank Rate applicable to the first Floating Rate Reference Period shall apply as though the disbursement had been made on the Scheduled Disbursement Date.

Interest shall be calculated in respect of each Floating Rate Reference Period on the basis of Article 5.01(b). For the avoidance of doubt, if the Floating Rate for any Floating Rate Reference Period is below zero, it will be set at zero.

3.02 <u>Interest on overdue sums</u>

Without prejudice to Article 10 and by way of exception to Article 3.01, if the Borrower fails to pay any amount payable by it under this Contract on its due date, interest shall accrue on any overdue sum payable under the terms of this Contract from the due date to the date of actual payment at an annual rate equal to:

(a) for overdue sums related to Floating Rate Tranches, the applicable Floating Rate plus 2% (200 basis points);

(b) for overdue sums related to Fixed Rate Tranches, the higher of (i) the applicable Fixed Rate plus 2% (200 basis points) or (ii) the Relevant Interbank Rate plus 2% (200 basis points); and

(c) for overdue sums other than under (a) or (b) above, the Relevant Interbank Rate plus 2% (200 basis points), and

shall be payable in accordance with the demand of the Bank. For the purpose of determining the Relevant Interbank Rate in relation to this Article 3.02, the relevant periods within the meaning of Schedule B shall be successive periods of one month commencing on the due date.

If the overdue sum is in a currency other than the currency of the Loan, the following rate per annum shall apply, namely the relevant interbank rate that is generally retained by the Bank for transactions in that currency plus 2% (200 basis points), calculated in accordance with the market practice for such rate.

3.03 <u>Market Disruption Event</u>

If at any time (i) from the issuance by the Bank of the Disbursement Notice in respect of a Tranche, and (ii) until the date falling 30 (thirty) calendar days prior to the Scheduled Disbursement Date, a Market Disruption Event occurs, the Bank may notify the Borrower that this clause has come into effect. In such case, the following rules shall apply.

The rate of interest applicable to such Notified Tranche until the Maturity Date shall be the percentage rate per annum which is the sum of:

(a) the Margin and

(b) the rate (expressed as a percentage rate per annum) which is determined by the Bank to be the all-inclusive cost to the Bank for the funding of the relevant Tranche based upon the then applicable internally generated Bank reference rate or an alternative rate determination method reasonably determined by the Bank.

The Borrower shall have the right to refuse in writing such disbursement prior to the deadline specified in the notice and shall bear charges incurred as a result, if any, in which case the Bank shall not effect the disbursement and the corresponding Credit shall remain available for disbursement under Article 1.02B. If the Borrower does not refuse the disbursement in time, the parties agree that the disbursement and the conditions thereof shall be fully binding for both parties.

The Spread or Fixed Rate previously notified by the Bank in the Disbursement Notice shall be no longer applicable.

ARTICLE 4

Repayment

4.01 Normal repayment

4.01A Repayment by instalments

(a) The Borrower shall repay each Tranche by instalments on the Payment Dates specified in the relevant Disbursement Notice in accordance with the terms of the amortisation table delivered pursuant to Article 2.03.

(b) Each amortisation table shall be drawn up on the basis that:

(i) in the case of a Fixed Rate Tranche, repayment shall be made annually, semi-annually or quarterly by equal instalments of principal or constant instalments of principal and interest;

(ii) in the case of a Floating Rate Tranche, repayment shall be made by equal annual, semi-annual or quarterly instalments of principal;

(iii) the first repayment date of each Tranche shall be a Payment Date falling not earlier than 60 (sixty) days from the Scheduled Disbursement Date and not later than the first Payment Date immediately following the 2nd (second) anniversary of the Scheduled Disbursement Date of the Tranche; and

(iv) the last repayment date of each Tranche shall be a Payment Date falling not earlier than 4 (four) years and not later than 8 (eight) years from the Scheduled Disbursement Date.

4.01B Single instalment

Alternatively, the Borrower may repay the Tranche in a single instalment on a Payment Date specified in the Disbursement Notice, being a date falling not less than 3 (three) years or more than 5 (five) years from the Scheduled Disbursement Date.

4.02 Voluntary prepayment

4.02A Prepayment option

Subject to Articles 4.02B, 4.02C and 4.04, the Borrower may prepay all or part of any Tranche, together with accrued interest and indemnities if any, upon giving a Prepayment Request with at least 1 (one) month's prior written notice specifying (i) the Prepayment Amount, (ii) the Prepayment Date, (iii) if applicable, the choice of application method of the Prepayment Amount in line with Article 5.05(c)(i), and (iv) the contract number (“FI No”) mentioned on the cover page of this Contract.

Subject to Article 4.02C, the Prepayment Request shall be binding and irrevocable.

4.02B **Prepayment indemnity**

4.02B(1) FIXED RATE TRANCHE

If the Borrower prepays a Fixed Rate Tranche, the Borrower shall pay to the Bank on the Prepayment Date the Prepayment Indemnity in respect of the Fixed Rate Tranche which is being prepaid.

4.02B(2) FLOATING RATE TRANCHE

The Borrower may prepay a Floating Rate Tranche without indemnity on any relevant Payment Date.

4.02C **Prepayment mechanics**

Upon presentation by the Borrower to the Bank of a Prepayment Request, the Bank shall issue a Prepayment Notice to the Borrower, not later than 15 (fifteen) days prior to the Prepayment Date. The Prepayment Notice shall specify the Prepayment Amount, the accrued interest due thereon, the Prepayment Indemnity payable under Article 4.02B or, as the case may be, that no indemnity is due, the method of application of the Prepayment Amount and the Acceptance Deadline.

If the Borrower accepts the Prepayment Notice no later than by the Acceptance Deadline, it shall effect the prepayment. In any other case, the Borrower may not effect the prepayment.

The Borrower shall accompany the prepayment by the payment of accrued interest and indemnity, if any, due on the Prepayment Amount, as specified in the Prepayment Notice.

4.03 Compulsory prepayment

4.03A **Prepayment Events**

4.03A(1) PROJECT COST REDUCTION

If the total cost of the Project falls below the figure stated in Recital (3) so that the amount of the Credit exceeds 50% (fifty per cent) of such total cost, the Bank may forthwith, by notice to the Borrower, cancel the undisbursed portion of the Credit and/or demand prepayment of the Loan up to the amount by which the Credit exceeds 50% (fifty per cent) of the total cost of the Project, together with accrued interest and all other amounts accrued or outstanding under this Contract.

The Borrower shall effect payment of the amount demanded on the date specified by the Bank, such date being a date falling not less than 30 (thirty) days from the date of the demand.

4.03A(2) *PARI PASSU* TO NON-EIB FINANCING

If the Borrower, the Guarantor or any other member of the Group voluntarily prepays (for the avoidance of doubt, prepayment shall include repurchase or cancellation where applicable) a part or the whole of any Non-EIB Financing and following such prepayment the outstanding Loan constitutes more than 30% (thirty per cent) of the aggregate outstanding Non-EIB Financing to the Group, the Bank may, by notice to the Borrower, cancel the undisbursed portion of the Credit and/or demand prepayment of the Loan, together with accrued interest and all other amounts accrued or outstanding under this Contract. The proportion of the Credit that the Bank may cancel and/or the proportion of the Loan that the Bank may require to be prepaid shall be the same as the proportion that the prepaid amount of the Non-EIB Financing bears to the aggregate outstanding amount of all Non-EIB Financing.

The Borrower shall effect payment of the amount demanded on the date specified by the Bank, such date being a date falling not less than 30 (thirty) days from the date of the demand.

For the purposes of this Article, "**Non-EIB Financing**" includes any loan (save for the Loan), bond or other form of financial indebtedness or any obligation for the payment or repayment of money for an original tenor of more than 5 (five) years.

4.03A(3) CHANGE OF CONTROL

The Borrower shall promptly inform the Bank, if a Change-of-Control Event has occurred or is likely to occur in respect of itself or the Guarantor. At any time after the occurrence of a Change-of-Control Event, the Bank may, by notice to the Borrower, cancel the undisbursed portion of the Credit and/or demand prepayment of the Loan, together with accrued interest and all other amounts accrued or outstanding under this Contract.

In addition, if the Borrower or the Guarantor has informed the Bank that a Change-of-Control Event is about to occur, or if the Bank has reasonable cause to believe that a Change-of-Control Event is about to occur, the Bank may request that the Borrower consult with it. Such consultation shall take place within 30 (thirty) days from the date of the Bank's request. After the earlier of (a) the lapse of 30 (thirty) days from the date of such request for consultation, or (b) at any time thereafter, upon the occurrence of the anticipated Change-of-Control Event, the Bank may, by notice to the Borrower, cancel the undisbursed portion of the Credit and/or demand prepayment of the Loan, together with accrued interest and all other amounts accrued or outstanding under this Contract.

The Borrower shall effect payment of the amount demanded on the date specified by the Bank, such date being a date falling not less than 30 (thirty) days from the date of the demand.

For the purposes of this Article:

(a) a "**Change-of-Control Event**" occurs if:

(i) any person, or group of persons acting in concert, gains beneficial ownership, directly or indirectly, of voting Equity Interests (or other securities convertible into such voting Equity Interests) representing 35% (thirty-five percent) or more of the combined voting power of all voting Equity Interests of the Guarantor; or

(ii) the Guarantor ceases to be the beneficial owner, directly or indirectly through wholly owned Subsidiaries, of 100% (one hundred per cent) of the issued share capital of the Borrower; and

(b) "**acting in concert**" means acting together pursuant to an agreement or understanding (whether formal or informal).

4.03A(4) CHANGE OF LAW

The Borrower shall promptly inform the Bank, if a Change-of-Law Event has occurred or is likely to occur in respect of itself or the Guarantor. In such case, or if the Bank has reasonable cause to believe that a Change-of-Law Event has occurred or is about to occur, the Bank may request that the Borrower consult with it. Such consultation shall take place within 30 (thirty) days from the date of the Bank's request. If, after the lapse of 30 (thirty) days from the date of such request for consultation, the Bank is of the opinion that the effects of the Change-of-Law Event cannot be mitigated to its satisfaction, the Bank may, by notice to the Borrower, cancel the undisbursed portion of the Credit and/or demand prepayment of the Loan, together with accrued interest and all other amounts accrued or outstanding under this Contract.

The Borrower shall effect payment of the amount demanded on the date specified by the Bank, such date being a date falling not less than 30 (thirty) days from the date of the demand.

For the purposes of this Article, "**Change-of-Law Event**" means the enactment, promulgation, execution or ratification of or any change in or amendment to any law, rule or regulation (or in the application or official interpretation of any law, rule or regulation) that occurs after the date of this Contract and which, in the reasonable opinion of the Bank, would materially impair (a) the Borrower's ability to perform its obligations under this Contract or (b) the Guarantor's ability to perform its obligations under the Guarantee Agreement.

4.03A(5) ILLEGALITY

If it becomes unlawful for the Bank to perform any of its obligations as contemplated in this Contract or to fund or maintain the Loan in any applicable jurisdiction, the Bank shall promptly notify the Borrower. The Bank may immediately (i) suspend or cancel the undisbursed portion of the Credit and/or (ii) if the applicable law applies to an obligation already existing at the time such law becomes effective (that is, an obligation is not "grandfathered"), demand prepayment of the Loan together with accrued interest and all other amounts accrued or outstanding under this Contract.

The Borrower shall effect payment of the amount demanded on the date specified by the Bank, such date being a date falling not less than 30 (thirty) days from the date of the demand.

4.03B **Prepayment mechanics**

Any sum demanded by the Bank pursuant to Article 4.03A, together with any interest or other amounts accrued or outstanding under this Contract including, without limitation, any indemnity due under Article 4.03C, shall be paid on the date indicated by the Bank in its notice of demand.

4.03C **Prepayment indemnity**

In the case of an Indemnifiable Prepayment Event, the indemnity, if any, shall be determined in accordance with Article 4.02B.

4.04 General

A repaid or prepaid amount may not be reborrowed. This Article 4 shall not prejudice Article 10.

If the Borrower prepays a Tranche on a date other than a relevant Payment Date, the Borrower shall indemnify the Bank in such amount as the Bank shall certify is required to compensate it for receipt of funds otherwise than on a relevant Payment Date.

ARTICLE 5

Payments

5.01 Day count convention

Any amount due by way of interest, indemnity or fee from the Borrower under this Contract, and calculated in respect of a fraction of a year, shall be determined based on the following respective conventions:

(a) in respect of interest and indemnities due under a Fixed Rate Tranche, a year of 360 (three hundred and sixty) days and a month of 30 (thirty) days;

(b) in respect of interest and indemnities due under a Floating Rate Tranche, a year of 360 (three hundred and sixty) days and the number of days elapsed; and

(c) in respect of fees, a year of 360 (three hundred and sixty) days and the number of days elapsed.

5.02 Time and place of payment

Unless otherwise specified in this Contract or in the Bank's demand, all sums other than sums of interest, indemnity and principal are payable within 15 (fifteen) days of the Borrower's receipt of the Bank's demand.

Each sum payable by the Borrower under this Contract shall be paid to the account notified by the Bank to the Borrower. The Bank shall indicate the account not less than 15 (fifteen) days before the due date for the first payment by the Borrower and shall notify any change of account not less than 15 (fifteen) days before the date of the first payment to which the change applies. This period of notice does not apply in the case of payment under Article 10.

The Borrower shall indicate with each payment made hereunder the contract number ("FI No") mentioned on the cover page of this Contract.

A sum due from the Borrower shall be deemed paid when the Bank receives it.

Any disbursements by and payments to the Bank under this Contract shall be made using account(s) acceptable to the Bank. For the avoidance of doubt, any account in the name of the Borrower held with a duly authorized financial institution in the jurisdiction where the Borrower is incorporated or where the Project is undertaken is deemed acceptable to the Bank.

5.03 No set-off by the Borrower

All payments to be made by the Borrower under this Contract shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

5.04 Disruption to payment systems

If either the Bank determines (in its discretion) that a Disruption Event has occurred or the Bank is notified by the Borrower that a Disruption Event has occurred:

(a) the Bank may, and shall if requested to do so by the Borrower, consult with the Borrower with a view to agreeing with the Borrower such changes to the operation or administration of the Contract as the Bank may deem necessary in the circumstances;

(b) the Bank shall not be obliged to consult with the Borrower in relation to any changes mentioned in paragraph (a) if, in its opinion, it is not practicable to do so in the circumstances and, in any event, shall have no obligation to agree to such changes; and

(c) the Bank shall not be liable for any damages, costs or losses whatsoever arising as a result of a Disruption Event or for taking or not taking any action pursuant to or in connection with this Article 5.04.

5.05 Application of sums received

(a) General

Sums received from the Borrower shall only discharge its payment obligations, if received in accordance with the terms of this Contract.

(b) Partial payments

If the Bank receives a payment that is insufficient to discharge all the amounts then due and payable by the Borrower under this Contract, the Bank shall apply that payment:

(i) firstly, in or towards the pro rata payment of any unpaid fees, costs, indemnities and expenses due under this Contract;

(ii) secondly, in or towards payment of any accrued interest due but unpaid under this Contract;

(iii) thirdly, in or towards payment of any principal due but unpaid under this Contract; and

(iv) fourthly, in or towards payment of any other sum due but unpaid under this Contract.

(c) Allocation of sums related to Tranches

(i) In case of:

- a partial voluntary prepayment of a Tranche that is subject to repayment in several instalments, the Prepayment Amount shall be applied pro rata to each outstanding instalment, or, at the request of the Borrower, in inverse order of maturity,

- a partial compulsory prepayment of a Tranche that is subject to repayment in several instalments, the Prepayment Amount shall be applied in reduction of the outstanding instalments in inverse order of maturity.

(ii) Sums received by the Bank following a demand under Article 10.01 and applied to a Tranche shall reduce the outstanding instalments in inverse order of maturity. The Bank may apply sums received between Tranches at its discretion.

(iii) In case of receipt of sums which cannot be identified as applicable to a specific Tranche, and on which there is no agreement between the Bank and the Borrower on their application, the Bank may apply these between Tranches at its discretion.

ARTICLE 6

Borrower undertakings and representations

The undertakings in this Article 6 remain in force from the date of this Contract for so long as any amount is outstanding under this Contract or the Credit is in force.

6.01 Use of Loan

The Borrower undertakes to ensure that the proceeds of the Loan shall be used exclusively for the execution of the Project.

6.02 Disposal of assets

(a) Except as provided below, the Borrower shall not, and shall procure that neither the Guarantor nor any Subsidiary will, either in a single transaction or in a series of transactions whether related or not and whether voluntarily or involuntarily dispose of any part of its assets.

(b) Paragraph (a) above does not apply to:

(i) sales of Inventory in the ordinary course of its business;

(ii) sale or disposition of obsolete, worn-out or surplus equipment in the ordinary course of business;

(iii) so long as no Event of Default has occurred and is then continuing, the sale of fixed assets in connection with Tax Incentive Transactions or New Market Tax Credit Transactions;

(iv) transfers of assets among the Guarantor and its Subsidiaries in compliance with Article 6.06B;

(v) sales of Receivables in connection with factoring arrangements in the ordinary course of business; and

(vi) so long as no Event of Default has occurred and is then continuing, the sale of any other assets by the Guarantor or any Subsidiary in an aggregate amount during any Fiscal Year of the Guarantor not exceeding 10% of the Consolidated Net Tangible Assets of the Guarantor as of the last day of such Fiscal Year and (ii) in an aggregate amount during the term of this Contract not exceeding 20% of the Consolidated Net Tangible Assets of the Guarantor at any time, in each case, other than assets forming part of the Project and all shares in Subsidiaries holding assets forming part of the Project, which may not be disposed of, unless such disposal is made to the Guarantor or to Subsidiaries of the Guarantor.

For the purposes of this Article, "**dispose**" and "**disposal**" include any act effecting sale, transfer, lease or other disposal.

6.03 Compliance with laws

The Borrower shall procure that each member of the Group shall comply in all respects with all laws and regulations to which it is subject where failure to do so results or is reasonably likely to result in a Material Adverse Change.

6.04 Change in business

The Borrower shall procure that the core business of the Guarantor and its Subsidiaries as a whole shall continue to be the manufacture, sale and financing of goods and services in the agricultural industry, together with any business substantially related, ancillary or incidental thereto.

6.05 Mergers

The Borrower shall promptly inform the Bank upon occurrence of any amalgamation, demerger, merger or corporate reconstruction entered into by the Guarantor, the Borrower or any Subsidiary other than (a) a solvent reconstruction, amalgamation, reorganisation, merger or consolidation between the Guarantor and its Subsidiaries (other than the Borrower) provided that the Guarantor is the surviving entity or (b) a solvent reconstruction, amalgamation, reorganisation, merger or consolidation between Subsidiaries (other than the Borrower unless the Borrower is the surviving entity) of the Guarantor (a "**Merger Event**").

Upon receipt of such information, or if the Bank has reasonable cause to believe that a Merger Event has occurred or is about to occur, the Bank may demand that the Borrower consult with it. Such consultation shall take place within 30 (thirty) days from the date of the Bank's request.

If, after the lapse of 30 (thirty) days from the date of such a demand, the Bank is of the opinion that:

(i) the Merger Event results or will result in an "unacceptable credit concentration" for the Bank;

(ii) the obligations under this Contract and/or under the Guarantee Agreement would, as a result of such Merger Event, not remain with the Borrower and the Guarantor, respectively, but would instead be transferred (by law, agreement or otherwise) to another entity;

(iii) the Merger Event has or will have a material adverse effect on the validity, legality or enforceability of the Borrower's obligations under this Contract or the Guarantor's obligations under the Guarantee Agreement; or

(iv) the statutory seat of the Borrower would, as a result of such Merger Event, be transferred outside the European Union and/or the Guarantor would cease to be organised under the laws of the State of Delaware, United States,

then the Bank may, unless it has given its prior written consent to such Merger Event on terms previously approved by it in writing, cancel the undisbursed portion of the Credit and/or demand that the Borrower prepays the Loan together with accrued interest and all other amounts accrued and outstanding under this Contract.

The Borrower shall effect payment of the amount demanded on the date specified by the Bank, such date being a date falling not less than 30 (thirty) days from the date of the demand.

For the purposes of this Contract, "**unacceptable credit concentration**" means: total financing provided by the Bank to the consolidated entity exceeds 15% of equity of such consolidated entity, as calculated on a pro forma basis for the participating entities before a Merger Event has occurred.

6.06 <u>Financial undertakings</u>

6.06A **Financial covenants**

(a) *<u>Net Leverage Ratio</u>*. The Borrower shall not allow, and shall procure that the Guarantor does not allow, as of the end of each Fiscal Quarter, the Net Leverage Ratio to exceed 3.00 to 1.00.

(b) *<u>Interest Coverage Ratio</u>*. The Borrower shall, and shall procure that the Guarantor will, maintain, as of the end of each Fiscal Quarter, an Interest Coverage Ratio of not less than 3.00 to 1.00.

6.06B **Affiliate transactions**

The Borrower shall not, and shall procure that neither the Guarantor nor any Subsidiary will, sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates, on terms and conditions less favourable to the Borrower, the Guarantor or such Subsidiary than those that could be obtained on an arm's-length basis with a Person that is not such an Affiliate, except (a) transactions to the extent between or among the Guarantor and its Subsidiaries, (b) Restricted Payments permitted by Article 6.06C, (c) increases in compensation and benefits for officers and employees of the Guarantor and its Subsidiaries which are customary in the industry or consistent with the past business practice of the Guarantor, or payment of customary directors' fees and indemnities, and (d) transactions entered into in good faith and for legitimate business purposes with any Person that is an Affiliate by reason of the ownership by the Guarantor or any of its Subsidiaries of Equity Interests of such Person.

6.06C **Restricted Payments**

The Borrower shall not, and shall procure that neither the Guarantor nor any Subsidiary will, directly or indirectly declare or make any Restricted Payment if at the time of such Restricted Payment, after giving effect thereto, there shall exist an Event of Default; provided that (a) any Subsidiary of the Guarantor may make Restricted Payments to the Guarantor or any Subsidiary of the Guarantor and (b) to the extent any Subsidiary of the Guarantor is treated for tax purposes as a limited liability company, partnership or other "pass-through" entity, such Subsidiary may make Restricted Payments required by the terms of its governing documents to be made during such period to the owners of Equity Interests in such Subsidiary to pay the tax liability of such Persons as a result of their ownership of Equity Interests in such Subsidiary for such period.

6.06D **Indebtedness**

The Borrower shall not, and shall procure that neither the Guarantor nor any Subsidiary will, create, assume, incur or otherwise become or remain obligated in respect of, or permit to be outstanding, any Indebtedness except:

(a) Indebtedness under the AGCO Credit Agreement;

(b) unsecured Indebtedness of the Guarantor under the 2036 Senior Subordinated Notes Documents and Senior Debt Documents, in each case, as of the date of this Contract;

(c) unsecured Indebtedness under the European Term Loan Credit Agreement as of the date of this Contract;

(d) intercompany Indebtedness among any of the Guarantor and the Subsidiaries; provided, to the extent such Indebtedness is incurred by or an obligation of the Borrower or the Guarantor, such Indebtedness, shall be unsecured;

(e) Indebtedness incurred in connection with a New Market Tax Credit Transaction in an aggregate amount not to exceed USD 20,000,000;

(f) Indebtedness under any Capitalized Leases in existence as of the date of this Contract; and

(g) Indebtedness incurred after the date of this Contract so long as (i) no Event of Default exists or would result therefrom, (ii) the Borrower and/or the Guarantor (as applicable) determines after giving effect to the incurrence of such Indebtedness that it is in pro forma compliance with the financial covenants set forth in Article 6.06A of this Contract and/or Article 5.14 of the Guarantee Agreement (as applicable), and (iii) such Indebtedness shall be unsecured except to the extent it is secured by a Permitted Lien. In the event any Indebtedness subject to this clause (g) is a revolving line of credit, the pro forma compliance shall be calculated based upon the maximum facility amount of such revolving credit facility, assuming it is fully drawn, in which case such pro forma compliance shall be satisfied for all future borrowings thereunder up to the amount of such maximum facility amount.

6.06E **Restrictions on Subsidiaries**

The Borrower shall not (and shall procure that the Guarantor shall not permit any Subsidiary to) enter into, incur or permit to exist any agreement or other arrangement that prohibits, restricts or limits

(a) the amount of dividends or other distributions with respect to any of its Equity Interests that may be paid by such Subsidiary to the Guarantor or another Subsidiary of the Guarantor,

(b) the amount of loans that may be made by such Subsidiary to the Guarantor or another Subsidiary of the Guarantor,

(c) the amount of payments by such Subsidiary on Indebtedness owing by such Subsidiary of the Guarantor to the Guarantor or another Subsidiary, or

(d) the ability of such Subsidiary to transfer any of its properties or assets to the Guarantor or any other Subsidiary of the Guarantor,

other than:

(i) restrictions imposed under an agreement for the sale of all of the Equity Interests in a Subsidiary or for the sale of a substantial part of the assets of such Subsidiary, in either case to the extent permitted hereunder and pending the consummation of such sale,

(ii) restrictions set forth in the AGCO Credit Agreement, the 2036 Senior Subordinated Notes Documents and the Senior Debt Documents as of the effective date of such documents and any similar restrictions set forth in documents governing Indebtedness permitted under Article 6.06D,

(iii) restrictions imposed by applicable law, this Contract or the Guarantee Agreement,

(iv) restrictions in any agreement with another Person relating to a joint venture conducted through a Subsidiary of the Guarantor in which such Person is a minority stockholder requiring the consent of such Person to the payment of dividends,

(v) with respect to restrictions of the type described in clause (d) above, restrictions under agreements governing Indebtedness secured by a Lien not otherwise prohibited hereunder that limit the right of the debtor to dispose of the assets securing such Indebtedness,

(vi) customary provisions contained in leases, licenses and other similar agreements entered into in the ordinary course of business that impose restrictions of the type described in clause (d) above on the property subject to such lease,

(vii) customary anti-assignment provisions contained in agreements entered into in the ordinary course of business,

(viii) customary subordination of subrogation, contribution and similar claims contained in guaranties permitted under AGCO Credit Agreement and hereunder,

(ix) restrictions on the transfer, lease, or license of any property or asset of the Guarantor or any Subsidiary in effect on the date of this Contract that were entered into in the ordinary course of business, and

(x) encumbrances or restrictions existing with respect to any Person or the property or assets of such Person acquired by the Guarantor or any Subsidiary of the Guarantor, provided that such encumbrances and restrictions were in existence immediately prior to such acquisition (and not created in contemplation thereof) and are not applicable to any Person or the property or assets of any Person other than such acquired Person or the property or assets of such acquired Person.

6.07 <u>General representations and warranties</u>

The Borrower represents and warrants to the Bank that:

(a) it is duly incorporated and validly existing as a private company with limited liability under the laws of Netherlands and it has power to carry on its business as it is now being conducted and to own its property and other assets;

(b) it has the power to execute, deliver and perform its obligations under this Contract and all necessary corporate, shareholder and other action has been taken to authorise the execution, delivery and performance of the same by it;

(c) this Contract constitutes its legally valid, binding and enforceable obligations;

(d) the execution and delivery of, the performance of its obligations under and compliance with the provisions of this Contract do not and will not:

  (i) contravene or conflict with any applicable law, statute, rule or regulation, or any judgement, decree or permit to which it is subject;

  (ii) contravene or conflict with any agreement or other instrument binding upon it which might reasonably be expected to have a material adverse effect on its ability to perform its obligations under this Contract; and

  (iii) contravene or conflict with any provision of its constitutional documents;

(e) the latest available accounts of the Borrower have been prepared on a basis consistent with previous years and represent a true and fair view of the results of its operations for that year and accurately disclose or reserve against all the liabilities (actual or contingent) of the Borrower;

(f) there has been no Material Adverse Change since 18 November 2014;

(g) no event or circumstance which constitutes an Event of Default has occurred and is continuing unremedied or unwaived;

(h) no litigation, arbitration, administrative proceedings or investigation is current or, to its knowledge, is threatened or pending before any court, arbitral body or agency which has resulted or, if adversely determined, is reasonably likely to result in a Material Adverse Change, nor is there subsisting any unsatisfied judgement or award which has resulted or is reasonably likely to result in a Material Adverse Change;

(i) it has obtained all necessary consents, authorisations, licences or approvals of governmental or public bodies or authorities in connection with this Contract, and in order to lawfully comply with its obligations hereunder, and all such consents, authorisations, licences or approvals are in full force and effect and admissible in evidence;

(j) the Group is in compliance with Article 7.04, and the Borrower, the Guarantor and any Subsidiary are in compliance with Article 7.02;

(k) its payment obligations under this Contract rank not less than *pari passu* in right of payment with all other present and future unsecured and unsubordinated obligations under any of its debt instruments and with all present and future claims of its other unsecured and unsubordinated creditors except for obligations mandatorily preferred by law applying to companies generally;

(l) the Borrower's resolutions provided to the Bank pursuant to Annex I to this Contract have not been amended, rescinded, revoked or declared null and void;

(m) the articles of association of the Borrower have not been amended since 23 December 2008, or if they have been amended, the Borrower has notified the Bank thereof;

(n) to the best of its knowledge, no funds invested in the Project by the Borrower, the Guarantor or any Subsidiary are of illicit origin, including products of money laundering or linked to the financing of terrorism. The Borrower shall promptly inform the Bank if at any time it becomes aware of the illicit origin of any such funds;

(o) it has its "centre of main interests" within the meaning of Regulation (EC) No. 1346/2000 of the Council of 29 May 2000 on Insolvency Proceedings in The Netherlands and it does not have an "establishment" within the meaning of Regulation (EC) No. 1346/2000 of the Council of 29 May 2000 on Insolvency Proceedings outside The Netherlands;

(p) it deems the entering into, signing, execution, delivery and performance of this Contract to be (i) in the Borrower's corporate interest (*vennootschappelijk belang*) and conducive to the realisation of and useful in connection with the Borrower's corporate objects (*doel*) and (ii) not prejudicial to the interests of the Borrower's (present and future) creditors;

(q) no notice under Article 36 Tax Collection Act (*Invorderingswet 1990*) has been given by any member of the Group;

(r) where applicable, it will at all times act in full compliance with article 2:98c of the Dutch Civil Code (*Burgerlijk Wetboek*);

(s) it shall comply with Financial Supervision Act (*Wet op het financieel toezicht*), including any regulations issued pursuant thereto;

(t) it is subject to civil and commercial law with respect to its obligations under this Contract and in any proceedings taken in its jurisdiction of incorporation in relation to this Contract, it will not be entitled to claim for itself or any of its assets immunity from suit, execution, attachment or other legal process; and

(u) the extract (*uittreksel*) from the Dutch Commercial Register (*Handelsregister*) of the Borrower, a copy of which is attached to this Contract as Annex I, is true, correct and complete as of the date of this Contract.

The representations and warranties set out above shall survive the execution of this Contract and are deemed repeated on each Disbursement Request, Disbursement Date and on each Payment Date.

ARTICLE 7

Security

The undertakings in this Article 7 remain in force from the date of this Contract for so long as any amount is outstanding under this Contract or the Credit is in force.

7.01 Guarantee

The obligations of the Bank under this Contract are conditional upon the prior due execution and delivery to the Bank of the Guarantee Agreement in the form set out in Schedule D, whereby the Guarantor unconditionally and irrevocably guarantees the due performance of the Borrower's financial obligations under this Contract.

The Borrower hereby acknowledges and consents to the terms of the Guarantee Agreement.

7.02 Negative pledge

(a) The Borrower shall not, and shall ensure that neither the Guarantor nor any Subsidiary will, create, incur, assume or suffer to exist any Lien on or with respect to any of its properties of any character, whether now owned or hereafter acquired, except Permitted Liens.

(b) The Borrower shall, and shall ensure that the Guarantor and any Subsidiary will, request the prior written consent of the Bank to create, incur, assume or suffer to exist any Lien other than a Permitted Lien on or with respect to any of its properties of any character, whether now owned or hereafter acquired. The consent of the Bank shall not be unreasonably refused or delayed on the condition that the obligations of the Borrower under this Contract are secured equally and rateably prior to such Lien being provided to any third party lender.

7.03 *Pari passu* ranking

The Borrower shall ensure that its payment obligations under this Contract rank, and will continue to rank, not less than *pari passu* in right of payment with all other present and future unsecured and unsubordinated obligations under any of its debt instruments and with all present and future claims of its other unsecured and unsubordinated creditors except for obligations mandatorily preferred by law applying to companies generally.

7.04 MFL

If, for as long as any amount of the Loan remains outstanding, the Borrower or any other member of the Group enters into any loan, bond or other form of financial indebtedness, or any obligation for the payment or repayment of money, in a principal amount exceeding EUR 100,000,000 (one hundred million euros), or the equivalent thereof in any other currency, which contains (i) rating clauses (including, but not limited to, a loss-of-rating clause), (ii) financial covenants clauses pursuant to which compliance with certain financial figures or ratios is required, (iii) material adverse change/effect (or equivalent) is included as an event of default, (iv) limitation on Subsidiary indebtedness clauses, (v) negative pledge clauses, (vi) asset disposal clauses, (vii) cross default clauses or (viii) provision of co-borrowership/upstream guarantees by any operating Subsidiary of the Guarantor for any indebtedness of the Guarantor (each such clause or undertaking, as the case may be, hereinafter referred to as a "**More Favourable Clause**") which is either:

(a) not included in this Contract,

(b) is stricter than the relevant provisions of this Contract, or

(c) is otherwise more favourable for third party creditors than the relevant provisions of this Contract,

the Borrower shall inform the Bank without delay and in any case within 10 (ten) Business Days following the conclusion or amendment of such contractual arrangement in writing and provide the text of such More Favourable Clause to the Bank. Such More Favourable Clause will be deemed to be incorporated into this Contract by reference, with effect as of the day when such More Favourable Clause became effective under the relevant contract (any such More Favourable Clause so adopted by reference into this Contract, an "**Adopted Clause**"). Such Adopted Clause shall not be amended, cancelled, or withdrawn without the prior written consent of the Bank, and the Borrower shall upon the request of the Bank conclude an amendment to this Contract which incorporates the relevant Adopted Clause.

In the event a More Favourable Clause becomes an Adopted Clause under this Contract and, thereafter, such More Favourable Clause is either removed or amended to be less restrictive on the Borrower or the Guarantor or is otherwise less favorable to the third party creditors than such More Favorable Clause had previously been (a "**Relaxed More Favourable Clause**"), then, upon notice thereof by the Borrower to the Bank together with the delivery of the text of such Relaxed More Favourable Clause to the Bank, (x) in the case of a More Favourable Clause originally subject to clause (a) above, such Adopted Clause shall automatically cease to be effective under this Contract, (y) in the case of a More Favourable Clause originally subject to clauses (b) or (c) above, such Adopted Clause shall automatically be deemed amended to conform to such Relaxed More Favorable Clause; provided, however, that the relevant provisions of this Contract shall not be deemed to be amended pursuant to this clause (y) to the extent that any such amendment would render such provision less restrictive on the Borrower or the Guarantor than such provision would have been had such original Adopted Clause never been adopted (by reference or otherwise) into this Contract. The Bank shall, upon the request of the Borrower, conclude an amendment to this Contract which deletes or amends, as the case may be, the relevant Adopted Clause.

This Article 7.04 shall not apply to:

(i) any financial indebtedness incurred (x) from banks (other than multilateral development banks/IFIs) or (y) in form of bonds issued by any member of the Group, in each case in non-OECD countries by any member of the Group located and incorporated in a non-OECD country; and

(ii) upstream guarantees by Massey Ferguson Corp. and The GSI Group, LLC under the AGCO Credit Agreement in the maximum aggregate amount of up to USD 1,155,000,000.

ARTICLE 8

Information

8.01 Information concerning the Borrower

The Borrower shall:

(a) (i) deliver to the Bank each year within 1 (one) month after their publication its unaudited annual report, balance sheet, profit and loss account certified by its directors and, from time to time, such further information on its general financial situation as the Bank may reasonably require and (ii) deliver and/or procure that the Guarantor delivers to the Bank financial statements pursuant to Article 4.02(a) of the Guarantee Agreement together with a Compliance Certificate, in form and substance satisfactory to the Bank, signed by authorised representatives of the Borrower and the Guarantor confirming compliance with the financial covenants pursuant to Article 6.06A of this Contract and Article 5.14 of the Guarantee Agreement (including evidence of such compliance and related calculations) and including necessary information for determining the applicable Margin; and

(b) inform the Bank immediately of:

   (i) any material alteration to its constitutional documents after the date of this Contract;

   (ii) any fact which obliges the Borrower, the Guarantor or any other member of the Group to prepay any financial indebtedness in the amount in excess of USD 50,000,000 in the aggregate or any EU funding, except when such prepayment is (A) made by the Borrower, the Guarantor or any other member of the Group on a voluntary basis or when early redemption at the discretion of the Borrower, the Guarantor or any other member of the Group, as issuers, was originally foreseen in the documentation of the relevant capital markets instrument or (B) the result of the sale or other disposition of assets which secure such indebtedness;

(iii) any event or decision that constitutes or may result in a Prepayment Event;

(iv) any intention on its part, or that of the Guarantor or any Subsidiary, to create, incur, assume or suffer to exist any Lien on or with respect to any of its properties of any character, or those of the Guarantor or any Subsidiary, in favour of a third party, save for Permitted Liens;

(v) any intention on its part, or that of the Guarantor or any Subsidiary, to relinquish ownership of any material component of the Project, save as permitted pursuant to this Contract;

(vi) any fact or event that is reasonably likely to prevent the substantial fulfilment of any obligation of the Borrower under this Contract;

(vii) any event listed in Article 10.01 having occurred or being imminent;

(viii) any event or decision that constitutes or may result in an event described in Article 6.02, other than those described in Article 6.02(b);

(ix) any Merger Event;

(x) any litigation, arbitration, administrative proceedings or investigation, which is current, threatened or pending, which might reasonably be expected to result in a Material Adverse Change;

(xi) any investigation concerning the integrity of any member of the Borrower’s board of managing directors; and

(xii) to the extent permitted by law, any material litigation, arbitration, administrative proceedings or investigation carried out by a court, administration or similar public authority, which, to the best of its knowledge and belief, is current, imminent or pending against the Borrower or any of its controlling entities or any member of the Borrower’s board of managing directors in connection with a Criminal Offence related to the Loan or the Project.

ARTICLE 9

Charges and expenses

9.01 Taxes, duties and fees

The Borrower shall pay all taxes, duties, fees and other impositions of whatsoever nature, including stamp duty and registration fees, arising out of the execution or implementation of this Contract or any related document and the creation, perfection, registration or enforcement of any security for the Loan to the extent applicable.

The Borrower shall pay all principal, interest, indemnities and other amounts due under this Contract gross without any withholding or deduction of any national or local impositions whatsoever required by law or an agreement with a governmental authority or otherwise; provided that, if the Borrower is obliged to make any such withholding or deduction, it will gross up the payment to the Bank so that after deduction, the net amount received by the Bank is equivalent to the sum due.

If requested by the Borrower, the Bank shall provide the Borrower with a completed U.S. Internal Revenue Service Form W-8BEN-E.

9.02 Other charges

The Borrower shall bear all charges and expenses, including professional, banking or exchange charges, incurred in connection with the preparation, execution, implementation, enforcement and termination of this Contract or any related document, any amendment, supplement or waiver in respect of this Contract or any related document, and the amendment, creation, management, enforcement and realisation of any security for the Loan.

9.03 Increased costs, indemnity and set-off

(a) The Borrower shall pay to the Bank any costs or expenses incurred or suffered by the Bank as a consequence of the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation or compliance with any law or regulation after the date of this Contract in accordance with which (i) the Bank is obliged to incur additional costs in order to fund or perform its obligations under this Contract or (ii) any amount owed by the Borrower to the Bank under this Contract or the financial income resulting from the granting of the Credit or the Loan by the Bank to the Borrower is reduced or eliminated.

(b) Without prejudice to any other rights of the Bank under this Contract or any applicable law, the Borrower shall indemnify and hold the Bank harmless from and against any loss incurred as a result of any full or partial discharge of the Borrower's obligations under this Contract that takes place in a manner other than as expressly provided for in this Contract.

(c) The Bank may set off any matured obligation due from the Borrower under this Contract (to the extent beneficially owned by the Bank) against any obligation (whether or not matured) owed by the Bank to the Borrower regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Bank may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

ARTICLE 10

Events of default

10.01 Right to demand repayment

The Borrower shall repay all or part of the Loan (as requested by the Bank) forthwith, together with accrued interest and all other accrued or outstanding amounts under this Contract, upon written demand being made by the Bank in accordance with the following provisions.

10.01A **Immediate demand**

The Bank may make such demand immediately:

(a) if the Borrower does not pay on the due date any amount payable pursuant to this Contract at the place and in the currency in which it is expressed to be payable, unless (i) its failure to pay is caused by an administrative or technical error or a Disruption Event and (ii) payment is made within 3 (three) Business Days of its due date;

(b) if any information or document given to the Bank by or on behalf of the Borrower or the Guarantor or any representation, warranty or statement made or deemed to be made by the Borrower or the Guarantor in or pursuant to this Contract or the Guarantee Agreement is, or proves to have been, incorrect, incomplete or misleading in any material respect;

(c) if the Borrower or the Guarantor or any other member of the Group shall fail to pay any principal of, premium or interest on or any other amount payable in respect of any Indebtedness, if such Indebtedness is outstanding in a principal or notional amount of at least USD 50,000,000 in the aggregate (but excluding Indebtedness outstanding hereunder), when the same becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise), and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Indebtedness; or any other event shall occur or condition shall exist under any agreement or instrument relating to any such Indebtedness and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such event or condition is to accelerate, or to permit the acceleration of, the maturity of such Indebtedness or otherwise to cause, or to permit the holder thereof to cause, such Indebtedness to mature; or any such Indebtedness shall be declared to be due and payable or required to be prepaid or redeemed (other than by a regularly scheduled required prepayment or redemption), purchased or defeased, or an offer to prepay, redeem, purchase or defease such Indebtedness shall be required to be made, in each case prior to the stated maturity thereof;

(d) if the Borrower or the Guarantor or any other member of the Group is generally unable to pay its debts as they fall due, or suspends its debts, or makes or seeks to make a composition with its creditors;

(e) if any corporate action, legal proceedings or other procedure or step is taken in relation to the suspension of payments, a moratorium of any indebtedness, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) or an order is made or an effective resolution is passed for the winding up of the Borrower or the Guarantor or any other member of the Group, or if the Borrower or the Guarantor or any other member of the Group takes steps towards a substantial reduction in its capital, is declared insolvent or ceases or resolves to cease to carry on the whole or any substantial part of its business or activities;

(f) if an encumbrancer takes possession of, or a receiver, trustee in bankruptcy, liquidator, administrator, administrative receiver or similar officer is appointed, whether by a court of competent jurisdiction or by any competent administrative authority or by any person, of or over any part of the business or assets of the Borrower or the Guarantor or any other member of the Group or any property forming part of the Project;

(g) if the Borrower or the Guarantor or any other member of the Group defaults in the performance of any obligation in respect of any other loan granted by the Bank or financial instrument entered into with the Bank;

(h) if any distress, execution, sequestration, attachment or other process is levied or enforced upon the property of the Borrower or the Guarantor or any other member of the Group or any property forming part of the Project and is not discharged or stayed within 14 (fourteen) days;

(i) if (x) it is or becomes unlawful for the Borrower or the Guarantor to perform any of its obligations under this Contract or the Guarantee Agreement; or (y) this Contract or the Guarantee Agreement is not effective in accordance with its terms or is alleged by the Borrower or the Guarantor to be ineffective in accordance with its terms; or

(j) if a notice under Article 36 Tax Collection Act (*Invorderingswet 1990*) has been given by any member of the Group.

10.01B **Demand after notice to remedy**

The Bank may also make such demand if:

(a) the Borrower fails to comply with any obligation under this Contract not being an obligation mentioned in Article 10.01A or the Guarantor fails to comply with any obligation under the Guarantee Agreement; or

(b) any fact stated in the Recitals materially alters and is not materially restored and the alteration either prejudices the interests of the Bank as lender to the Borrower or adversely affects the implementation or operation of the Project,

unless the non-compliance or circumstance giving rise to the non-compliance is capable of remedy and is remedied to the satisfaction of the Bank within 20 (twenty) Business Days from a notice served by the Bank on the Borrower or the Guarantor.

10.02 Other rights at law

Article 10.01 shall not restrict any other right of the Bank at law to require prepayment of the Loan.

10.03 Indemnity

10.03A **Fixed Rate Tranches**

In case of demand under Article 10.01 in respect of any Fixed Rate Tranche, the Borrower shall pay to the Bank the amount demanded together with the Prepayment Indemnity on any amount of principal due to be prepaid. Such Prepayment Indemnity shall accrue from the due date for payment specified in the Bank's notice of demand and be calculated on the basis that prepayment is effected on the date so specified.

10.03B **Floating Rate Tranches**

In case of demand under Article 10.01 in respect of any Floating Rate Tranche, the Borrower shall pay to the Bank the amount demanded together with a sum equal to the present value of 0.15% (fifteen basis points) per annum calculated and accruing on the amount of principal due to be prepaid in the same manner as interest would have been calculated and would have accrued, if that amount had remained outstanding according to the original amortisation schedule of the Tranche until the Maturity Date.

The value shall be calculated at a discount rate equal to the Redeployment Rate applied as of each relevant Payment Date.

10.03C **General**

Amounts due by the Borrower pursuant to this Article 10.03 shall be payable on the date of prepayment specified in the Bank's demand.

10.04 Non-waiver

No failure or delay or single or partial exercise by the Bank in exercising any of its rights or remedies under this Contract shall be construed as a waiver of such right or remedy. The rights and remedies provided in this Contract are cumulative and not exclusive of any rights or remedies provided by law.

ARTICLE 11

Law and jurisdiction

11.01 Governing law

This Contract, and any non-contractual obligations arising out of or in connection with it, shall be governed by, and construed in accordance with, English law.

11.02 Jurisdiction

The English courts have exclusive jurisdiction to settle any dispute in connection with this Contract.

The parties agree that English courts are the most appropriate and convenient courts to settle any such dispute in connection with this Contract.

References in this Article 11.02 to a dispute in connection with this Contract include any dispute as to the existence, validity or termination of this Contract.

11.03 Forum conveniens and enforcement abroad

The Borrower:

(a) waives any objection it may have to the English courts on grounds of inconvenient forum or otherwise as regards proceedings in connection with this Contract; and

(b) agrees that a judgment or order of an English court in connection with this Contract is conclusive and binding on it and may be enforced against it in the courts of any other jurisdiction.

11.04 Agent of service

(a) The Borrower hereby appoints AGCO Ltd., Abbey Park, Stoneleigh, Kenilworth, CV8 2TQ, UK as its agent for service of process under this Contract for service of process in any proceedings before the English courts in connection with this Contract.

(b) If any person appointed as process agent under paragraph (a) above is unable for any reason to so act or if such appointment is terminated for any reason, the Borrower must immediately (and in any event within 15 (fifteen) days of the event taking place) appoint another agent on terms acceptable to the Bank. Failing this, the Bank may appoint another process agent for this purpose.

(c) The Borrower agrees that failure by a process agent to notify it of any process will not invalidate the relevant proceedings.

(d) This Article 11.04 does not affect any other method of service allowed by law.

11.05 Place of performance

Unless otherwise specifically agreed by the Bank in writing, the place of performance under this Contract shall be the seat of the Bank.

11.06 Evidence of sums due

In any legal action arising out of this Contract the certificate of the Bank as to any amount or rate due to the Bank under this Contract shall in the absence of manifest error be prima facie evidence of such amount or rate.

11.07 Amendments

Any amendment to this Contract shall be made in writing and shall be signed by the parties hereto. Any amendment hereto shall not be effective between the parties hereto, unless and until the Guarantor has consented to such amendment in writing.

ARTICLE 12

Final clauses

12.01 Notices to either party

Notices and other communications given under this Contract addressed to either party to this Contract shall be made to the address or facsimile number as set out below, or to such other address or facsimile number as a party previously notifies to the other in writing:

For the Bank	Attention: Ops - Central Europe Department 98-100 boulevard Konrad Adenauer L-2950 Luxembourg Facsimile no.: +352 4379 67197
For the Borrower	Attention: Finance Department

AGCO International Holdings B.V.
Horsterweg 66a
5971 NG Grubbenvorst
The Netherlands

Facsimile no.: +31 773 270 202

Copies to the Guarantor	Attention: Treasurer
	AGCO Corporation 4205 River Green Parkway Duluth, GA 30096 United States of America
	Facsimile no.: +1 770 813 6070

12.02 Form of notice

Any notice or other communication given under this Contract must be in writing.

Notices and other communications, for which fixed periods are laid down in this Contract or which themselves fix periods binding on the addressee, may be made by hand delivery, registered letter or facsimile. Such notices and communications shall be deemed to have been received by the other party on the date of delivery in relation to a hand-delivered or registered letter or on receipt of transmission in relation to a facsimile.

Other notices and communications may be made by hand delivery, registered letter or facsimile or, to the extent agreed by the parties by written agreement, by email or other electronic communication.

Without affecting the validity of any notice delivered by facsimile according to the paragraphs above, a copy of each notice delivered by facsimile shall also be sent by letter to the relevant party on the next following Business Day at the latest.

Notices issued by the Borrower pursuant to any provision of this Contract shall, where required by the Bank, be delivered to the Bank together with satisfactory evidence of the authority of the person or persons authorised to sign such notice on behalf of the Borrower and the authenticated specimen signature of such person or persons.

12.03 Contracts (Rights of Third Parties) Act 1999

A person who is not a party to this Contract may not enforce or enjoy the benefit of any of its terms under the Contracts (Rights of Third Parties) Act 1999 and, except as provided under the Guarantee Agreement, the consent of any third party is not required for any variation (including any release or compromise of any liability) or termination of this Contract.

12.04 Entire agreement

The Finance Documents constitute the entire agreement between the Parties in relation to matters set out herein and supersede any previous agreements, whether express or implied, in relation thereto.

For the purposes of this Article:

(a) **"Finance Documents"** means this Contract and the Guarantee Agreement; and

(b) **"Parties"** means the Borrower, the Guarantor and the Bank.

12.05 Partial invalidity

If, at any time, any provision of this Contract is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

12.06 Changes to the Borrower

The Borrower may not assign any of its rights or transfer any of its rights or obligations under this Contract, unless with the prior written consent of the Bank.

12.07 Recitals, Schedules and Annexes

The Recitals and following Schedules form part of this Contract:

Schedule A	Technical Description
Schedule B	Definitions of EURIBOR and LIBOR
Schedule C	Forms for the Borrower and the Guarantor
Schedule D	Form of the Guarantee Agreement
Schedule E	Form of Compliance Certificate

The following Annex is attached hereto:

Annex I	Borrower's resolutions of the board of managing directors and the sole shareholder, the extract (*uittreksel*) from the Dutch Commercial Register (*Handelsregister*) of the Borrower and authorisation of signatories

IN WITNESS WHEREOF the parties hereto have caused this Contract to be executed in 4 (four) originals in the English language and have respectively caused Ms Dita Sole, Legal Counsel, on behalf of the Bank, and Mr. P Huijsmans, and Mr. G Rollinson, on behalf of the Borrower, to initial each page of this Contract on their behalf.

Grubbenvorst, 18 December 2014

Luxembourg, 18 December 2014

Signed for and on behalf of		Signed for and on behalf of	
EUROPEAN INVESTMENT BANK		**AGCO International Holdings B.V.**	
/s/ E. Kamenitzer	/s/ W. Jardet	/s/ P. Huijsmans	/s/ G. Rollinson
E. Kamenitzer	W. Jardet	P. Huijsmans	G. Rollinson
Head of Division	Head of Division	Authorized Representative	Authorized Representative

Technical Description

Purpose, Location
The Project concerns the Group's RDI expenditures related to agricultural tractors and engines. The main Project component aims at developing technical solutions to comply with new legislation requirements, namely reduction of exhaust emissions, reduction of operator and bystander noise levels, reduction of operator exposure to vibrations during operations as well as numerous future safety-related items linked to the vehicles' homologation. The RDI activities will be carried out in the Group's existing EU-based R&D facilities:
(i) Marktoberdorf, Germany (Fendt, tractors from 50 to 390 HP);
(ii) Beauvais, France (Massey Ferguson, tractors from 70 to 400 HP);
(iii) Suolahti, Finland (Valtra, tractors from 70 to 215 HP);
(iv) Linnavuori, Finland (AGCO Power, engines).

Description
The main sub-projects included in the Project are as follows:

(i) Marktoberdorf, Germany

Project name	Project description	Deliverables
X217	New emission technology in order to meet COMIIIB (Tier 4 interim) requirements	Reduce nitrogen oxide and particulate matter to meet Tier 4 interim requirements
X315	New emission technology in order to meet COMIV (Tier 4 final) requirements	Reduce nitrogen oxide and particulate matter to meet Tier 4 final requirements
	New driver place, new hydraulic concept, new features	Increase the overall efficiency of the machine
	Capability for bigger tyres	Increase scope of application
X320	New emission technology in order to meet COMV (Tier 5) requirements	Reduce nitrogen oxide and particulate matter to meet Tier 5 requirements
	New engine with increased horse power	Increase engine efficiency (fuel)
	CEA Guide implementation	Increase efficiency of material usage (seeds, fertilizer, pesticide, fuel, etc.)
X515	New emission technology in order to meet COMIV (Tier 4 final) requirements	Reduce nitrogen oxide and particulate matter to meet Tier 4 final requirements
X520	New emission technology in order to meet COMV (Tier 5) requirements	Reduce nitrogen oxide and particulate matter to meet Tier 5 requirements
X719	New emission technology in order to meet COMV (Tier 5) requirements	Reduce nitrogen oxide and particulate matter to meet Tier 5 requirements
	New engine and implementation of new CVT generation (TA190)	Increase fuel (energy) efficiency
	Improved/extended automation of driver place	Increase operator respectively overall machine efficiency
	CEA Guide implementation	Increase efficiency of material usage (seeds, fertilizer, pesticide, fuel, etc.)
	Tyre pressure control system	Increase fuel efficiency (on- & off-road)

X820	New emission technology in order to meet COMV (Tier 5) requirements	Reduce nitrogen oxide and particulate matter to meet Tier 5 requirements
	CEA Guide implementation	Increase efficiency of material usage (seeds, fertilizer, pesticide, fuel, etc.)
X918	New emission technology in order to meet COMV (Tier 5) requirements	Reduce nitrogen oxide and particulate matter to meet Tier 5 requirements
	New engine and implementation of new CVT generation (TA300)	Increase fuel (energy) efficiency
	New hydraulic concept	Increase fuel efficiency
X1015	New model range in the range 400 - 500 HP, mainly used for heavy pulling but also maintaining the Fendt-specific all-round capability like for transport etc	Provide efficient Fendt Technology in a new model range
	New emission technology in order to meet COMIV (Tier 4 final) requirements	Reduce nitrogen oxide and particulate matter to meet Tier 4 final requirements
X1019	New emission technology in order to meet COMV (Tier 5) requirements	Reduce nitrogen oxide and particulate matter to meet Tier 5 requirements
SPFH	New emission technology in order to meet COMV (Tier 5) requirements	Reduce nitrogen oxide and particulate matter to meet Tier 5 requirements
	New Model Katana 45	Provide efficient Fendt Technology in a new model range
	New Technology NIR-Sensor	Mixture measurement for efficiency in harvesting and further processing
TA190	Module Development of new CVT generation	Increase fuel (energy) efficiency
TA300	Module Development of new CVT generation	Increase fuel (energy) efficiency
TA - MT 700	Module Development of new CVT generation for track tractors	Provide fuel efficient technology to track tractors
TA - MT 800	Module Development of new CVT generation for track tractors	Provide fuel efficient technology to track tractors
Section Control	Module Development for automatic switching of sections of an implement based on GPS position and desired degree of overlap	Increase efficiency of material usage (seeds, fertilizer, pesticide, fuel, etc.)
CEA Guide	Module Development of automatic guidance system	Increase efficiency of material usage (seeds, fertilizer, pesticide, fuel, etc.)
Research projects - Robotics	MARS SMART-E	Increase efficiency of material usage (fertilizer, pesticide, seeds, fuel, etc.) and Resources

(ii) Beauvais, France

Project name	Project description	Deliverables
Reliability	All engineering efforts to cover current product maintenance and reliability improvement. New features requested by product	

	management during serial production	
SRT1 4 cylinder T4 final	Due to emission legislation Tier 4 final has to be implemented onto the big 4cyl tractors MF/Challenger/Iseki up to 130kW New CVT installation bringing additional lift capacity and new hydraulic installation	New 6700 range T4F compliant New hydraulic installation with new features. New CVT with new features
ERT 4 cylinders T4 final	Due to emission legislation Tier 4 final has to be implemented onto the small 4cyl tractors MF/Iseki up to 95kW	New 5700 range 4cyl T4F compliant New hydraulic installation with new features
ERT1 4 cylinders T4 final	Due to emission legislation Tier 4 final has to be implemented onto the small 4cyl tractors MF up to 80kW. New hydraulic installation. HP increase	New 5700 range 4cyl T4F compliant New hydraulic installation with new features. New front axle suspension. Max horse power increase
SRT2 6 cylinders T5	Due to emission legislation Tier 5 has to be implemented onto the 6cyl tractors. In addition the new range has to be compliant with the mother regulation (incl. ABS compatibility) New range of transmissions and engines. New cab and hood design	

(iii) Suolahti, Finland

Project name	Project description	Deliverables
Tier 4 Final	Engine series (56<P<365kW) designed to meet Tier IV Final emission legislation	Fulfil Tier IV final emission requirement (engine development, testing, validation and application work)
AP 3000	New base engine series designed to meet Tier V Final emission legislation (56<P<250 kW)	As an integration with EAT system AP300 series is designed to meet Tier V requirement, low cost, Low total cost of ownership, superior performance, good durability
Big bore	New base engine series designed to meet Tier V Final emission legislation (184<P<405kW)	As an integration with EAT system BB upgrade series is designed to meet Tier V requirement, superior total cost of ownership, superior performance, superior durability
Engine After Treatment (including StageV)	New after treatment system designed for following engine platforms: current Tier 4 Final, New AP3000, New Big Bore upgrade and Eco platform	Fulfil Tier V final emission requirement together with base engine technology, to develop simple and reliable Diesel Particulate Filter system

(iv) Linnavuori, Finland

Project name	Project description	Deliverables
Tier IV final emissions, Cab Phase 11 (VT11)	Tier 4 Final 6-cyl (66 and 74 Engines) 150 - 235 HP New Cab, New design of front end, Product range shift up to T234 New hydraulic options, LS with mechanical spool valves 3 speed PTO, New transmission control interface	To meet Tier IV final requirement SOP Q4 2014
Tier IV final emissions, Cab Phase 11 (VN12a)	Tier4 Final 3- and 4-cyl (33, 44 and 49 Engines) 90 - 180 HP New outlook, design aligned with VT11 3 PS replaced with 5 PS	To meet Tier IV final requirement SOP Q3 2015 (VN12a 4 cyl) SOP Q2 2016 (VN12b 3 cyl)
3 cylinder common pilot project (VN12b)	Introduce CM08 Phase 2 cabin version in Small N-series (carry over from VN12a) Introduce optional 3-speed rear PTO (carry over from VN12a and VT11) Robotized creeper and GSPTO (carry over from VN12a and VT11) Change EGR technology to SCR Only	Gradually replace all N3 models during 2015-2016 VN12b will be AGCO pilot project for common front-end design. It will be done jointly with MF Z19A project
Next generation A, (VA13)	Global AGCO project will deliver also Valtra models as a new A-series Replacement for existing A3-series 70 - 130 HP Valtra brand specific cab New design of front end	SOP Q4 2016
N, T and S range (VT16 and VS16, CEA)	Modernization of user interface Meet EU Tractor mother regulations AGCO common electric architecture	SOP Q1 / 2017
AGCO global S-platform (volume)	Stage 5 4-cyl	SOP Q3 / 2019
AGCO global M-platform (volume)	Stage 5 6-cyl	SOP Q1 / 2019
Research and advance engineering	Betra	

Reliability	Engineering efforts to cover current product maintenance and reliability improvement

Calendar
The Project will be carried out in the period 1 January 2015 - 31 December 2018.

Definitions of EURIBOR and LIBOR

A. EURIBOR

"**EURIBOR**" means:

(a) in respect of a relevant period of less than one month, the Screen Rate (as defined below) for a term of one month;

(b) in respect of a relevant period of one or more months for which a Screen Rate is available, the applicable Screen Rate for a term for the corresponding number of months; and

(c) in respect of a relevant period of more than one month for which a Screen Rate is not available, the rate resulting from a linear interpolation by reference to two Screen Rates, one of which is applicable for a period next shorter and the other for a period next longer than the length of the relevant period,

(the period for which the rate is taken or from which the rates are interpolated being the "**Representative Period**").

For the purposes of paragraphs (b) and (c) above, "available" means the rates, for given maturities, that are calculated and published by Global Rate Set Systems Ltd (GRSS), or such other service provider selected by the European Money Markets Institute (EMMI), under the sponsorship of EMMI and EURIBOR ACI, or any successor to that function of EMMI and EURIBOR ACI as determined by the Bank.

"**Screen Rate**" means the rate of interest for deposits in EUR for the relevant period as published at 11h00, Brussels time, or at a later time acceptable to the Bank on the day (the "**Reset Date**") which falls 2 (two) Relevant Business Days prior to the first day of the relevant period, on Reuters page EURIBOR 01 or its successor page or, failing which, by any other means of publication chosen for this purpose by the Bank.

If such Screen Rate is not so published, the Bank shall request the principal euro-zone offices of four major banks in the euro-zone, selected by the Bank, to quote the rate at which EUR deposits in a comparable amount are offered by each of them as at approximately 11h00, Brussels time, on the Reset Date to prime banks in the euro-zone interbank market for a period equal to the Representative Period. If at least 2 (two) quotations are provided, the rate for that Reset Date will be the arithmetic mean of the quotations.

If fewer than 2 (two) quotations are provided as requested, the rate for that Reset Date will be the arithmetic mean of the rates quoted by major banks in the euro-zone, selected by the Bank, at approximately 11h00, Brussels time, on the day which falls 2 (two) Relevant Business Days after the Reset Date, for loans in EUR in a comparable amount to leading European Banks for a period equal to the Representative Period.

If the rate resulting from the above is below zero, EURIBOR will be deemed to be zero.

If no rate is available as provided above, EURIBOR shall be the rate (expressed as a percentage rate per annum) which is determined by the Bank to be the all-inclusive cost to the Bank for the funding of the relevant Tranche based upon the then applicable internally generated Bank reference rate or an alternative rate determination method reasonably determined by the Bank.

B. LIBOR USD

"**LIBOR**" means, in respect of USD:

(a) in respect of a relevant period of less than one month, the Screen Rate for a term of one month;

(b) in respect of a relevant period of one or more months for which a Screen Rate is available, the applicable Screen Rate for a term for the corresponding number of months; and

(c) in respect of a relevant period of more than one month for which a Screen Rate is not available, the rate resulting from a linear interpolation by reference to two Screen Rates, one of which is applicable for a period next shorter and the other for a period next longer than the length of the relevant period,

(the period for which the rate is taken or from which the rates are interpolated being the "**Representative Period**").

For the purposes of paragraphs (b) and (c) above, "available" means "calculated and published" under the aegis of the ICE Benchmark Administration Limited (or any successor to that function of the ICE Benchmark Administration Limited as determined by the Bank) for given maturities.

"**Screen Rate**" means the rate of interest for deposits in USD for the relevant period as set by the ICE Benchmark Administration Limited (or any successor to that function of the ICE Benchmark Administration Limited as determined by the Bank) and released by financial news providers at 11h00, London time, or at a later time acceptable to the Bank on the day (the "**Reset Date**") which falls 2 (two) London Business Days prior to the first day of the relevant period.

If such Screen Rate is not so released by any financial news provider acceptable to the Bank, the Bank shall request the principal London offices of 4 (four) major banks in the London interbank market selected by the Bank to quote the rate at which USD deposits in a comparable amount are offered by each of them at approximately 11h00, London time, on the Reset Date, to prime banks in the London interbank market for a period equal to the Representative Period. If at least 2 (two) such quotations are provided, the rate will be the arithmetic mean of the quotations provided.

If fewer than 2 (two) quotations are provided as requested, the Bank shall request the principal New York City offices of 4 (four) major banks in the New York City interbank market, selected by the Bank, to quote the rate at which USD deposits in a comparable amount are offered by each of them at approximately 11h00, New York City time, on the day falling 2 (two) New York Business Days after the Reset Date, to prime banks in the European market for a period equal to the Representative Period. If at least 2 (two) such quotations are provided, the rate will be the arithmetic mean of the quotations provided.

If the rate resulting from the above is below zero, LIBOR will be deemed to be zero.

If no rate is available as provided above, LIBOR shall be the rate (expressed as a percentage rate per annum) which is determined by the Bank to be the all-inclusive cost to the Bank for the funding of the relevant Tranche based upon the then applicable internally generated Bank reference rate or an alternative rate determination method reasonably determined by the Bank.

C. General

For the purposes of the foregoing definitions:

(a) "**London Business Day**" means a day on which banks are open for normal business in London and "**New York Business Day**" means a day on which banks are open for normal business in New York.

(b) All percentages resulting from any calculations referred to in this Schedule will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with halves being rounded up.

(c) The Bank shall inform the Borrower without delay of the quotations received by the Bank.

(d) If any of the foregoing provisions becomes inconsistent with provisions adopted under the aegis of EMMI and EURIBOR ACI (or any successor to that function of EMMI and EURIBOR ACI as determined by the Bank) or of the ICE Benchmark Administration Limited (or any successor to that function of the ICE Benchmark Administration Limited as determined by the Bank) in respect of LIBOR, the Bank may by notice to the Borrower amend the provision to bring it into line with such other provisions.

Forms for the Borrower and the Guarantor

C.1 Form of Disbursement Request (Article 1.02B)

[On the Borrower's letterhead]

Disbursement Request - AGCO R&D

Date:

Please proceed with the following disbursement:

Loan Name (*):	**AGCO R&D**
Signature Date (*):	
Contract FI number:	**31.593**

Currency & amount requested	
Currency	Amount

Proposed disbursement date:

INTEREST	**Int. rate basis (Art. 3.01)**		
	Rate (% or Spread) **OR (please indicate only ONE)** **Maximum Rate (% or Maximum Spread)** *If the Borrower does not specify an interest rate or Spread here, the Borrower will be deemed to have agreed to the interest rate or Spread subsequently provided by the Bank in the Disbursement Notice, in accordance with Article 1.02C(c).*	--	
	Frequency (Art. 3.01)	Annual Semi-annual Quarterly	
	Payment Dates (Art. 5)		
CAPITAL	**Repayment frequency**	Annual Semi-annual Quarterly	
	Repayment methodology **(Art. 4.01)**	Equal instalments Constant annuities Single instalment	
	First repayment date		
	Maturity Date		

Reserved for the Bank	(contract currency)
Total **Credit** Amount:	
Disbursed to date:	
Balance <u>for</u> disbursement:	
Current disbursement:	
Balance <u>after</u> disbursement:	
Disbursement deadline:	
Max. number of disbursements:	
Minimum Tranche size:	
Total allocations to date:	
Conditions precedent:	Yes / No

1 If the Borrower does not specify an interest rate or Spread here, the Borrower will be deemed to have agreed to the interest rate or Spread subsequently provided by the Bank in the Disbursement Notice, in accordance with Article 1.02C(c).

Borrower's account to be credited:

Acc. N: ……………………………………………………………………………………………….

(please provide IBAN format in case of disbursements in EUR, or appropriate format for the relevant currency)

Bank name, address: ……………………………………………………………………………

Please transmit information relevant to:

Borrower's authorised name(s) and signature(s):

C.2 Form of certificate from the Borrower (Article 1.04B)

[On the Borrower's letterhead]

To: European Investment Bank

From: AGCO International Holdings B.V.

Date: <>

Subject: Finance contract between European Investment Bank and AGCO International Holdings B.V. dated <> (the "Finance Contract")

FI number 31.593 Serapis number 2011 0159

Dear Sirs,

Terms defined in the Finance Contract have the same meaning when used in this letter.

For the purposes of Article 1.04 of the Finance Contract, we hereby certify to you as follows:

(a) no Prepayment Event has occurred and is continuing unremedied or unwaived;

(b) no Lien of the type prohibited under Article 7.02 has been created or is in existence;

(c) no event or circumstance which constitutes or would with the passage of time or giving of notice under the Finance Contract constitute an Event of Default has occurred and is continuing unremedied or unwaived;

(d) no litigation, arbitration, administrative proceedings or investigation is current or to our knowledge is threatened or pending before any court, arbitral body or agency which has resulted or if adversely determined is reasonably likely to result in a Material Adverse Change, nor is there subsisting any unsatisfied judgement or award which has resulted or is reasonably likely to result in a Material Adverse Change;

(e) the representations and warranties to be made or repeated by us under Article 6.07 are true in all material respects;

(f) no Material Adverse Change has occurred; [and]

(g) no event of the type prohibited under Article 6.02 or of which we are required to inform you under Article 6.05 has occurred; [and]

(h) [we have obtained all necessary consents, authorisations, licences or approvals of governmental or public bodies or authorities required in connection with the Finance Contract.] / [no consents, authorisations, licenses or approvals of governmental or public bodies or authorities are required in connection with the Finance Contract.]

Yours faithfully,

For and on behalf of AGCO International Holdings B.V.

Date:

C.3 Form of certificate from the Guarantor (Article 1.04B)

[On the Guarantor's letterhead]

To: European Investment Bank

From: AGCO Corporation

Date: <>

Subject: Finance contract between European Investment Bank and AGCO International Holdings B.V. dated <> (the "Finance Contract"), and Deed of Guarantee and Indemnity between European Investment Bank and AGCO Corporation dated <> (the "Guarantee Agreement")

FI number 31.593 Serapis number 2011 0159

Dear Sirs,

Terms defined in the Finance Contract and the Guarantee Agreement have the same meaning when used in this letter.

For the purposes of Article 1.04 of the Finance Contract, we hereby certify to you as follows:

(a) no Prepayment Event has occurred and is continuing unremedied or unwaived;

(b) no Lien of the type prohibited under Article 7.02 of the Finance Contract and under Article 6.01 of the Guarantee Agreement has been created or is in existence;

(c) there has been no material change to any aspect of the Project or in respect of which we are obliged to report under Article 4.01 of the Guarantee Agreement, save as previously communicated by us;

(d) we have sufficient funds available to ensure the timely completion and implementation of the Project in accordance with Schedule A.1 of the Guarantee Agreement;

(e) no event or circumstance which constitutes or would with the passage of time or giving of notice under the Finance Contract constitute an Event of Default has occurred and is continuing unremedied or unwaived;

(f) the representations and warranties to be made or repeated by us under Article 2.09 of the Guarantee Agreement are true in all material respects;

(g) no litigation, arbitration, administrative proceedings or investigation is current or to our knowledge is threatened or pending before any court, arbitral body or agency which has resulted or if adversely determined is reasonably likely to result in a Material Adverse Change, nor is there subsisting against us or any of our Subsidiaries any unsatisfied judgement or award which has resulted or is reasonably likely to result in a Material Adverse Change;

(h) no Material Adverse Change has occurred;

(i) no event of the type prohibited under Article 6.02 of the Finance Contract or of which the Borrower is required to inform you under Article 6.05 of the Finance Contract has occurred; and

(j) no event of the type prohibited under Article 5.06 of the Guarantee Agreement or of which we are required to inform you under Article 5.09 of the Guarantee Agreement has occurred.

Yours faithfully,

For and on behalf of AGCO Corporation

Date:

<u>Form of the Guarantee Agreement</u>

FI N° 31.593 (DE)
Serapis N° 2011 0159

AGCO R&D

DEED OF GUARANTEE AND INDEMNITY

between

EUROPEAN INVESTMENT BANK

and

AGCO CORPORATION

___ December 2014

THIS DEED OF GUARANTEE AND INDEMNITY IS DATED ___ DECEMBER 2014 AND MADE BETWEEN:

The European Investment Bank, having its seat at 98-100, boulevard Konrad Adenauer, Luxembourg L-2950, Luxembourg, represented by Ms Elina Kamenitzer, Head of Division, and Ms Wiebke Jardet, Head of Division,

hereinafter referred to as: the “**Bank**”

of the first part, and

AGCO Corporation, a company incorporated in Delaware, United States of America, having its registered office at 4205 River Green Parkway, Duluth, GA 30096, United States of America, represented by Mr Andrew H. Beck, Senior Vice President and CFO, and Mr David K. Williams, Vice President and Treasurer,

hereinafter referred to as: the “**Guarantor**”

of the second part.

WHEREAS:

1. The Guarantor has stated that its group is undertaking an investment programme in Germany, Finland and France concerning the research and development related to agricultural tractors and engines in the period 2015-2018 (the "**Project**"), as more particularly described in the technical description set out in Schedule A.1 (the "**Technical Description**").

2. The Guarantor's shares are listed on the New York Stock Exchange. As of the date of this deed of guarantee and indemnity (the "**Deed of Guarantee and Indemnity**"), the Guarantor has issued around 90 million shares.

3. The total cost of the Project, as estimated by the Bank, is approximately EUR 408,900,000 (four hundred and eight million and nine hundred thousand euros), to be partly financed by the Guarantor's own funds and other external funds available to the group.

4. By a finance contract dated [] December 2014 (the "**Finance Contract**") between the Bank and AGCO International Holdings B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of The Netherlands having its registered office at Horsterweg 66a, 5971NG Grubbenvorst, The Netherlands and registered with the trade register of the commercial register of the Chamber of Commerce in The Netherlands under number 12067080 (the "**Borrower**"), the Bank has agreed to establish in favour of the Borrower a credit in an aggregate amount of up to EUR 200,000,000 (two hundred million euros) or the equivalent thereof in USD (the "**Credit**") to be used by the Borrower for the financing of the Project.

5. The obligations of the Bank under the Finance Contract and the disbursement of funds thereunder are conditional upon, *inter alia*, the prior due execution and delivery by the Guarantor of this Deed of Guarantee and Indemnity.

6. The board of directors of the Guarantor is satisfied that the Guarantor is entering into this Deed of Guarantee and Indemnity for the purposes of its business and that its doing so benefits the Guarantor.

7. The execution of this Deed of Guarantee and Indemnity is authorised by the board of directors and certain designated officers of the Guarantor. A copy of the secretary's certificate from the Guarantor relating to such authorisation is set out in Annex I to this Deed of Guarantee and Indemnity.

8. The Guarantor and the Bank intend this Deed of Guarantee and Indemnity to take effect as a deed.

9. Accordingly, the Bank and the Guarantor have agreed to enter into this Deed of Guarantee and Indemnity pursuant to which the Guarantor shall act as guarantor of the Borrower's financial obligations under and in connection with the Finance Contract.

NOW THEREFORE it is hereby agreed as follows:

ARTICLE 1
Finance Contract

1.01 Notice of the Finance Contract

The Guarantor acknowledges notice of the provisions of, and the transactions contemplated by, the Finance Contract, a certified copy or original of which has been delivered to it by the Borrower.

1.02 Defined terms

1.02A Capitalised terms used but not defined in this Deed of Guarantee and Indemnity have the meanings given to them in the Finance Contract.

1.02B Any reference in this Deed of Guarantee and Indemnity to:

(a) "**tax**" shall be construed so as to include any tax, levy, impost, duty or other charge of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same); and

(b) the "**winding-up**", "**dissolution**" or "**administration**" of a company or corporation shall be construed so as to include any equivalent or analogous proceedings under the law of the jurisdiction in which such company or corporation is established or any jurisdiction in which such company or corporation carries on business including the seeking of liquidation, winding up, reorganisation, dissolution, administration, arrangement, adjustment, protection from creditors or relief of debtors.

1.02C Any reference in Articles 2.09(l), 4.01(c), 4.02(c)(xi), 4.03, 5.01, 5.04, 5.05 and 5.07 of, and Schedule A.1 to, this Deed of Guarantee and Indemnity to:

(a) the "**Group**" shall be construed as, in addition to the Borrower, the Guarantor and the Guarantor's Material Subsidiaries, to also include AGCO GmbH, AGCO SAS, Valtra Oy and AGCO Power Oy.

1.03 Other documents

1.03A All definitions and provisions which are incorporated herein by reference to any other document or agreement shall survive the expiry or termination of such document or agreement and any repayment or payment of moneys by the Borrower, any other obligor or other person thereunder. Any amendment, supplement, restatement, novation or replacement to or of any such definition or provision agreed between the parties (in accordance with the Finance Contract and this Deed of Guarantee and Indemnity) to the relevant document or agreement and approved by the Bank in writing shall apply for the purposes of this Deed of Guarantee and Indemnity. Subject thereto, all such definitions and provisions shall be construed by reference to the form of the relevant document or agreement current at the date of this Deed of Guarantee and Indemnity.

1.03B Subject to Article 1.03A above, any reference herein to any document or agreement shall be construed as a reference to the same as from time to time amended, supplemented, restated, novated or replaced in accordance with its terms.

1.04 Statutes

Any reference in this Deed of Guarantee and Indemnity to a statute or statutory provision shall, unless the contrary is indicated, be construed as a reference to such statute or statutory provision as the same shall have been or may be amended or re-enacted.

1.05 Third party rights

Unless expressly provided to the contrary, a person who is not a party to this Deed of Guarantee and Indemnity has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Deed of Guarantee and Indemnity.

The consent of any person who is not a party to this Deed of Guarantee and Indemnity is not required to rescind or vary this Deed of Guarantee and Indemnity.

1.06 Article, Schedule and Annex headings

References in this Deed of Guarantee and Indemnity to Articles, Recitals, Schedules or Annexes are, save if explicitly stipulated otherwise, references respectively to articles of, and recitals, schedules or annexes to, this Deed of Guarantee and Indemnity. Article, Schedule and Annex headings are for ease of reference only and shall not affect the construction of this Deed of Guarantee and Indemnity.

ARTICLE 2
Guarantee

2.01 Payment

(a) **Immediate recourse guarantee**

The Guarantor, as primary obligor, hereby irrevocably and unconditionally guarantees to the Bank the due and punctual payment and performance of all present and future obligations and liabilities of the Borrower to the Bank under and in connection with the Finance Contract. The Guarantor undertakes that, if the Borrower fails to pay any part of a Guaranteed Sum to the Bank, whether upon the normal due date, upon acceleration or otherwise, the Guarantor shall unconditionally, irrevocably and promptly pay that sum to the Bank on first written demand, in the currency specified in the Finance Contract and to the account specified in the demand, provided that the principal monies comprised in the Guaranteed Sums shall consist of those monies disbursed and outstanding from time to time under the Finance Contract and the Guarantor shall have no liability in respect of such principal monies prior to their disbursement. This Deed of Guarantee and Indemnity is an independent guarantee of payment when due and not of collectibility.

For the purposes of this Deed of Guarantee and Indemnity, a "**Guaranteed Sum**" means any principal, interest, commission, indemnity, charge, expense or any other sum (in each case, whether actual or contingent, whether owed jointly or severally and whether owed as principal or surety or in any other capacity) due now or hereafter from the Borrower to the Bank under, pursuant to or in connection with the Finance Contract and any other sum due from time to time now or hereafter from the Borrower in connection with any advance or credit extended pursuant to the Finance Contract which remains unpaid after the expiry of the relevant grace periods provided under the Finance Contract.

Anything contained in this Deed of Guarantee and Indemnity to the contrary notwithstanding, if any Fraudulent Transfer Law (as hereinafter defined) is determined by a court of competent jurisdiction to be applicable to the obligations of the Guarantor under this Deed of Guarantee and Indemnity, such obligations of the Guarantor hereunder shall be limited to maximum aggregate amount equal to the largest amount that would not render its obligations hereunder subject to avoidance as a fraudulent transfer or conveyance under Section 548 of the United States Bankruptcy Code or any applicable provision of comparable state law (collectively, the "**Fraudulent Transfer Laws**").

(b) **Interest on sums demanded under this Deed of Guarantee and Indemnity**

The Guarantor further agrees and undertakes unconditionally and irrevocably to pay interest to the Bank at the rate specified in, and calculated under, Article 3.02 (*Interest on overdue sums*) of the Finance Contract on any sum demanded under this Deed of Guarantee and Indemnity from its Due Date until its date of receipt by the Bank.

For the purposes of this Deed of Guarantee and Indemnity, "**Due Date**" means, in respect of any Guaranteed Sum, its due date for payment under this Deed of Guarantee and Indemnity, being at the latest the second (2nd) Business Day from the date of the demand made by the Bank with respect to such payment.

2.02 Waiver of defences

The obligations of the Guarantor under this Deed of Guarantee and Indemnity shall not be impaired, discharged or affected by an act, omission, matter or thing which, but for this Article 2.02, would reduce, release or prejudice any of its obligations under Article 2 (without limitation and whether or not known to it or the Bank) including:

(a) any time, waiver or consent granted to, or composition with, the Guarantor, the Borrower or other person;
(b) the release of the Guarantor, the Borrower or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;
(c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, the Guarantor, the Borrower or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
(d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the Guarantor, the Borrower or any other person;
(e) subject to Article 7, any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of the Finance Contract, this Deed of Guarantee and Indemnity or any other document or security including without limitation any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under the Finance Contract, this Deed of Guarantee and Indemnity or other document or security;
(f) any unenforceability, illegality or invalidity of any obligation of any person under the Finance Contract, this Deed of Guarantee and Indemnity or any other document or security; or
(g) any insolvency or similar proceedings.

2.03 Indemnity

As an original and independent continuing obligation, additional to and separate from those set out in Articles 2.01 and 2.02 above, and without prejudice to the validity or enforceability of those obligations, the Guarantor unconditionally and irrevocably undertakes (as primary obligor and not merely as surety) that, if any Guaranteed Sum should not be recoverable from the Guarantor under Article 2.01 above for whatever reason (including as a result of such Guaranteed Sum being or becoming void, voidable, unenforceable or ineffective as against the Borrower for any reason whatsoever), and whether or not the reason may have been known to the Bank or any other person at any time, the Guarantor shall, upon first written demand by the Bank, and as if it were a sole and independent obligor, compensate and hold harmless the Bank by way of a full indemnity for all loss, cost or liability incurred by the Bank resulting from the failure of the Borrower to make payment of any Guaranteed Sums in the amount and currency provided for by or pursuant to the Finance Contract, whether upon the normal due date, upon acceleration or otherwise.

2.04 Continuing guarantee

This guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by the Borrower or the Guarantor under the Finance Contract or this Deed of Guarantee and Indemnity, regardless of any intermediate payment or discharge in whole or in part.

2.05 Reinstatement

If any discharge, release or arrangement (whether in respect of the obligations of the Guarantor or the Borrower or any security for those obligations or otherwise) is made by the Bank in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of the Guarantor will continue or be reinstated as if the discharge, release or arrangement had not occurred.

2.06 Deferral of the Guarantor’s rights

Any claim which the Guarantor may have by way of contribution or indemnity arising from any payment hereunder, shall, prior to the full and irrevocable repayment of the Guaranteed Sums, be exercised by the Guarantor only if and to the extent that the Bank so requires and in such manner and upon such terms as the Bank may specify and the Guarantor shall hold any monies, rights or security held or received by it as a result of the exercise of any such rights on behalf of, and to the order of, the Bank for application in accordance with the terms of this Deed of Guarantee and Indemnity as if such monies, rights or security were held or received by the Bank under this Deed of Guarantee and Indemnity.

2.07 Additional security

The Guarantor’s obligations under this Deed of Guarantee and Indemnity are in addition to and are not in any way prejudiced by any other guarantee or security now or subsequently held by the Bank.

2.08 Application of payments

Any money received by the Bank in connection with this Deed of Guarantee and Indemnity may be placed by the Bank to the credit of a suspense account with a view to preserving the right of the Bank to prove for the whole of the claims against the Borrower or may be applied by the Bank in or towards satisfaction of such of the Guaranteed Sums as the Bank in its absolute discretion may from time to time determine; provided, however, that if any such money, being freely disposable by the Bank, is not applied towards satisfaction of the Guaranteed Sums for which payment of the money was made hereunder, the Guarantor's responsibility in respect of the Guaranteed Sums shall be discharged to the extent of such payment.

2.09 Representations and warranties of the Guarantor

The Guarantor represents and warrants to the Bank that:

(a) it is duly incorporated and validly existing as a corporation under the laws of the State of Delaware, United States of America, and it has power to carry on its business as it is now being conducted and to own its property and other assets;

(b) it has the power to execute and deliver, and perform its obligations under, this Deed of Guarantee and Indemnity and all necessary corporate, shareholder and other action has been taken to authorise the execution, delivery and performance of the same by it;

(c) the board of directors of the Guarantor is satisfied that the Guarantor is entering into this Deed of Guarantee and Indemnity for the purposes of its business and that its doing so benefits the Guarantor;

(d) this Deed of Guarantee and Indemnity constitutes its legally valid, binding and enforceable obligations subject to any qualifications set out in the legal opinions provided to the Bank pursuant to Article 1.04 of the Finance Contract;

(e) the execution and delivery of, the performance of its obligations under and compliance with the provisions of, this Deed of Guarantee and Indemnity do not and will not:

   (i) contravene or conflict with any applicable law, statute, rule or regulation, or any judgement, decree or permit to which it is subject;

   (ii) contravene or conflict with any agreement or other instrument binding upon it which might reasonably be expected to have a material adverse effect on its ability to perform its obligations under this Deed of Guarantee and Indemnity; and

   (iii) contravene or conflict with any provision of its constitutional documents;

(f) the latest available consolidated audited financial statements of the Guarantor have been prepared in accordance with Applicable Accounting Standards and have been approved by its auditors as representing a true and fair view of the results of its operations for that year and accurately disclose or reserve, to the extent required in accordance with Applicable Accounting Standards, against all the liabilities (actual or contingent) of the Guarantor;

(g) there has been no Material Adverse Change since 18 November 2014;

(h) no event or circumstance which constitutes an event of default under Article 10.01 of the Finance Contract has occurred and is continuing unremedied or unwaived;

(i) no litigation, arbitration, administrative proceedings or investigation is current or to its knowledge is threatened or pending before any court, arbitral body or agency which has resulted or if adversely determined is reasonably likely to result in a Material Adverse Change, nor is there subsisting against it or any of its Subsidiaries any unsatisfied judgement or award which has resulted or is reasonably likely to result in a Material Adverse Change;

(j) it has obtained all necessary consents, authorisations, licences or approvals of governmental or public bodies or authorities in connection with this Deed of Guarantee and Indemnity, and in order to lawfully comply with its obligations hereunder, and all such consents, authorisations, licences or approvals are in full force and effect and admissible in evidence;

(k) the Borrower, the Guarantor and any Subsidiary are in compliance with Article 6.01 of this Deed of Guarantee and Indemnity;

(l) it is in compliance with Article 5.05(e) of this Deed of Guarantee and Indemnity and to the best of its knowledge and belief (having made due and careful enquiry) no material Environmental Claim has been commenced or is threatened against it or any member of the Group in relation to the Project;

(m) it will not be required to make any deduction or withholding from any payment it may make under this Deed of Guarantee and Indemnity;

(n) under the laws of its jurisdiction of incorporation, the claims of the Bank against it under this Deed of Guarantee and Indemnity will rank at least *pari passu* with the claims of all its other unsecured creditors save those whose claims are preferred by reason of any bankruptcy, insolvency, liquidation or other similar laws of general application;

(o) under the laws of its jurisdiction of incorporation, it is not necessary that this Deed of Guarantee and Indemnity be filed, recorded or enrolled with any court or other authority in such jurisdiction (save for a filing with the U.S. Securities and Exchange Commission, which shall be made by the Guarantor after the execution and delivery of this Deed of Guarantee and Indemnity) or that any stamp, registration or similar tax be paid on or in relation to this Deed of Guarantee and Indemnity;

(p) it has not taken any corporate action nor have any other steps been taken or legal proceedings been started or (to the best of its knowledge and belief) threatened against it for its winding-up, dissolution, administration or reorganisation or for the appointment of a receiver, administrator, administrative receiver, trustee or similar officer of it or of a material part of its assets or revenues;

(q) in any proceedings taken in its jurisdiction of incorporation in relation to this Deed of Guarantee and Indemnity, the choice of English law as the governing law of this Deed of Guarantee and Indemnity, the submission to the courts of England and any judgment obtained in England will be recognised and enforced, in each case subject to any qualifications set out in the legal opinions provided to the Bank pursuant to Article 1.04 of the Finance Contract; and

(r) it has obtained all consents, authorisations, licences or approvals of governmental or public bodies or authorities in connection with its business activities, except where the failure to have such consents, authorisations, licences or approvals could not reasonably be expected to result in a Material Adverse Change, and all such consents, authorisations, licences or approvals are in full force and effect and admissible in evidence.

The representations and warranties set out above shall survive the execution of this Deed of Guarantee and Indemnity and are deemed repeated on each Disbursement Request, Disbursement Date and on each Payment Date under the Finance Contract.

2.10 Covenants of the Guarantor

In addition and without prejudice to the covenants and undertakings made by the Guarantor elsewhere in this Deed of Guarantee and Indemnity, the Guarantor agrees that until all of the Guaranteed Sums have been fully, unconditionally and irrevocably paid or discharged:

(a) the Guarantor shall:

(i) not seek to enforce any obligation owed to the Guarantor by the Borrower which arises by virtue of the discharge by the Guarantor of its obligations hereunder;

(ii) pay to the Bank all distributions in liquidation or otherwise received by it from or for the account of the Borrower in respect of any obligation referred to in sub-paragraph (i) above; the Bank shall apply such sums to reduce the outstanding Guaranteed Sums in such sequence as it may decide;

(iii) not exercise any claim for payment against the Borrower or right of subrogation in either case as a result of any payment hereunder to the rights of the Bank under the Finance Contract or any security granted in connection therewith;

(iv) not bring legal or other proceedings for an order requiring the Borrower to make any payment or perform any obligation in respect of which the Guarantor has given a guarantee, undertaking or indemnity under this Deed of Guarantee and Indemnity; and

(v) not claim or prove as a creditor of the Borrower or any other person or its estate in competition with the Bank.

(b) the Guarantor shall hold any monies, rights or security held or received by the Guarantor as a result of the exercise of any such rights of recourse on behalf of, and to the order of, the Bank for application in accordance with the terms of this Deed of Guarantee and Indemnity as if such monies, rights or security were held or received by the Bank under this Deed of Guarantee and Indemnity;

(c) the Guarantor shall obtain, comply with the terms of and do all that is necessary to maintain in full force and effect all authorisations, approvals, licences and consents required in or by the laws and regulations of its jurisdiction of incorporation to enable it lawfully to enter into and perform its obligations under this Deed of Guarantee and Indemnity and to ensure the legality, validity, enforceability and admissibility in evidence in its jurisdiction of incorporation and in England of this Deed of Guarantee and Indemnity;

(d) the Guarantor shall not take any action which would cause any of the representations made in Article 2.09 above to be untrue in any material respect at any time during the continuation of this Deed of Guarantee and Indemnity;

(e) the Guarantor shall notify the Bank of the occurrence of any event which results in or may reasonably be expected to result in any of the representations made in Article 2.09 above being untrue when made or when deemed to be repeated; and

(f) the Guarantor shall not change its "centre of main interests" (as that term is used in Article 3(1) of the Council of the European Union Regulation No 1346/2000 on Insolvency Proceedings) from its jurisdiction of incorporation.

2.11 Acknowledgement

The Guarantor acknowledges that (a) it has entered into this Deed of Guarantee and Indemnity on the basis of its own assessment of the Borrower and its own assessment of the transactions contemplated in the Finance Contract, and any security provided in relation thereto, and (b) it has not been induced to enter into this Deed of Guarantee and Indemnity by any representation made by the Bank.

The Bank is not obliged to report to the Guarantor on the financial position of the Borrower or of any other guarantor or on any security provided. The Bank shall have no liability to the Guarantor for granting or disbursing the Credit, for cancelling or suspending, or not cancelling or suspending the Credit or for demanding or not demanding prepayment under the Finance Contract.

ARTICLE 3
Enforcement of Guarantee

3.01 Certificate conclusive

A certificate of the Bank as to any default by the Borrower in the payment of any Guaranteed Sums shall, in the absence of manifest error, constitute *prima facie* evidence of such default.

In any legal action arising out of this Deed of Guarantee and Indemnity, the certificate of the Bank as to any amount due to the Bank under this Deed of Guarantee and Indemnity shall, in the absence of manifest error, constitute *prima facie* evidence of such amount.

3.02 Guarantor's obligations unconditional

The Guarantor undertakes to pay all sums due hereunder in full, free of set-off or counterclaim. The Bank shall not be obliged to take any action or obtain judgment in any court against the Borrower or to have recourse to any other guarantee or any security or to make any demand of the Borrower or to make or file any claim or proof in a winding up or dissolution of the Borrower as a condition precedent to the enforcement by the Bank of this Deed of Guarantee and Indemnity.

ARTICLE 4
Information and Visits

4.01 Information concerning the Project

The Guarantor shall:

(a) deliver to the Bank:

- (i) the information in content and in form, and at the times, specified in Schedule A.2 or otherwise as agreed from time to time by the parties to this Deed of Guarantee and Indemnity; and
- (ii) any such information or further document concerning the financing, procurement, implementation, operation and environmental matters of or for the Project as the Bank may reasonably require within a reasonable time;

provided always that if such information or document is not delivered to the Bank on time, and the Guarantor does not rectify the omission within a reasonable time set by the Bank in writing, the Bank may remedy the deficiency, to the extent feasible, by employing its own staff or a consultant or any other third party, at the Guarantor's expense, and the Guarantor shall provide such persons with all assistance necessary for the purpose;

(b) submit for the approval of the Bank without delay any material change to the Project, also taking into account the disclosures made to the Bank in connection with the Project prior to the signing of this Deed of Guarantee and Indemnity, in respect of, *inter alia*, costs, design, plans, timetable, or the expenditure programme or financing plan for the Project;

(c) promptly inform the Bank of:

- (i) any action or protest initiated or any objection raised by any third party or any genuine complaint received by the Guarantor or any member of the Group or any material Environmental Claim that is to its knowledge commenced, pending or threatened against it or any member of the Group with regard to environmental or other matters affecting the Project;
- (ii) any fact or event known to the Guarantor, which may substantially prejudice or affect the conditions of execution or operation of the Project;
- (iii) a genuine allegation, complaint or information with regard to a Criminal Offence related to the Project;
- (iv) any non-compliance by it or any member of the Group with any Environmental Law applicable to the Project;
- (v) any non-compliance by it or any member of the Group with any required Environmental Approval applicable to the Project in material respect; and
- (vi) any suspension, revocation or modification of any Environmental Approval,

and set out the action to be taken with respect to matters in (i) to (vi) above.

"Environment" means the following, in so far as they affect human health or social well-being:

(a) fauna and flora;
(b) soil, water, air, climate and the landscape; and
(c) cultural heritage and the built environment,

and includes, without limitation, occupational and community health and safety matters and working conditions.

"Environmental Approval" means any permit, licence, authorisation, consent or other approval required by Environmental Law.

"Environmental Claim" means any claim, proceeding, formal notice or investigation by any person in respect of any Environmental Law.

"Environmental Law" means:

(a) EU law, standards and principles;

(b) the national laws and regulations of Germany, Finland and France (as applicable); and

(c) applicable international treaties,

in each case above, of which a principal objective is the preservation, protection or improvement of the Environment.

4.02 Information concerning the Guarantor

The Guarantor shall:

(a) deliver to the Bank:

(i) in the event that the Borrower has not already done so in accordance with Article 8.01 (*Information concerning the Borrower*) of the Finance Contract, each year (within 1 (one) month after their publication) the Borrower's unaudited annual report, balance sheet, profit and loss account certified by the Borrower's directors and, from time to time, such further information on the Borrower's general financial situation as the Bank may reasonably require;

(ii) as soon as available and in any event within 45 (forty-five) days (plus any extension period obtained by the Guarantor from the U.S. Securities and Exchange Commission for the filing of an equivalent periodic report) after the end of each of the first 3 (three) Fiscal Quarters of each Fiscal Year of the Guarantor, consolidated balance sheets of the Guarantor and its Subsidiaries, as of the end of such Fiscal Quarter and consolidated statements of income and cash flows of the Guarantor and its Subsidiaries, for the portion of the Fiscal Year then ended, setting forth in each case in comparative form the corresponding figures for the corresponding period of the preceding Fiscal Year, all in reasonable detail and duly certified (except as to the omission of footnotes and subject to year-end audit adjustments) by an authorized financial officer of the Guarantor as having been prepared in accordance with Applicable Accounting Standards;

(iii) together with the financial statements delivered pursuant to (ii) above, a Compliance Certificate, in form and substance satisfactory to the Bank, signed by authorised representatives of the Borrower and the Guarantor confirming compliance with the financial covenants pursuant to Article 6.06A of the Finance Contract and Article 5.14 hereof (including evidence of such compliance and related calculations) and including necessary information for determining the applicable Margin;

(iv) as soon as available and in any event within 90 (ninety) days (plus any extension period obtained by the Guarantor from the U.S. Securities and Exchange Commission for the filing of an equivalent periodic report) after the end of each Fiscal Year of the Guarantor, a copy of the annual audit report for such year for the Guarantor and its Subsidiaries, including therein consolidated balance sheets and consolidated statements of income and cash flows of the Guarantor and its Subsidiaries for such Fiscal Year, in each case reported on by KPMG LLC or other independent public accountants of recognized international standing (without a "going concern" or like qualification or exception) to the effect that such consolidated financial statements present fairly in all material respects the financial condition and results of operations of the Guarantor and its consolidated Subsidiaries on a consolidated basis in accordance with Applicable Accounting Standards consistently applied;

(v) together with the financial statements delivered pursuant to (iv) above, a Compliance Certificate, in form and substance satisfactory to the Bank, signed by authorised representatives of the Borrower and the Guarantor confirming compliance with the financial covenants pursuant to Article 6.06A of the Finance Contract and Article 5.14 hereof (including evidence of such compliance and related calculations) and including necessary information for determining the applicable Margin; and

(vi) from time to time, such further information on the Guarantor's general financial situation as the Bank may reasonably require;

(b) ensure that its accounting records fully reflect the operations relating to the financing, execution and operation of the Project; and

(c) inform the Bank immediately of:

(i) any material alteration to the constitutional documents of the Borrower after the date of the Finance Contract and of the Guarantor after the date hereof;

(ii) any fact which obliges the Borrower, the Guarantor or any other member of the Group to prepay any financial indebtedness in the amount in excess of USD 50,000,000 in the aggregate or any EU funding, except when such prepayment is (A) made by the Borrower, the Guarantor or any other member of the Group on a voluntary basis or when early redemption at the discretion of the Borrower, the Guarantor or any other member of the Group, as issuers, was originally foreseen in the documentation of the relevant capital markets instrument or (B) the result of the sale or other disposition of assets which secure such indebtedness;

(iii) any event or decision that constitutes or may result in the events described in Article 4.03A of the Finance Contract;

(iv) any intention on its part, or that of the Borrower or any Subsidiary, to create, incur, assume or suffer to exist any Lien on or with respect to any of its properties of any character, or those of the Borrower or any Subsidiary, in favour of a third party, save for Permitted Liens;

(v) any intention on its part, or that of the Borrower or any Subsidiary, to relinquish ownership of any material component of the Project, save as permitted pursuant to this Deed of Guarantee and Indemnity;

(vi) any fact or event that is reasonably likely to prevent the substantial fulfilment of any obligation of the Guarantor under this Deed of Guarantee and Indemnity;

(vii) any event listed in Article 10.01 of the Finance Contract having occurred or being imminent;

(viii) any litigation, arbitration, administrative proceedings or investigation, which is current, threatened or pending, which might reasonably be expected to result in a Material Adverse Change;

(ix) any event or decision that constitutes or may result in an event described in Article 5.06, other than those described in Article 5.06(b);

(x) any Merger Event; and

(xi) any measure taken by the Guarantor or any other member of the Group pursuant to Article 5.05(f).

4.03 Visits by the Bank

The Guarantor shall, and shall procure that the Borrower and each member of the Group will, allow persons designated by the Bank, as well as persons designated by other institutions or bodies of the European Union when so required by the relevant mandatory provisions of European Union law, on reasonable notice

(a) to visit the sites, installations and works comprising the Project;

(b) to interview representatives of the Borrower, the Guarantor and each member of the Group, and not obstruct contacts with any other person involved in or affected by the Project; and

(c) to review the Borrower's, the Guarantor's and each member's of the Group books and records in relation to the execution of the Project and be able to take copies of related documents to the extent permitted by law.

The Guarantor shall provide the Bank, or ensure that the Bank is provided, with all necessary assistance for the purposes described in this Article 4.03.

The Guarantor acknowledges that the Bank may be obliged to communicate information relating to the Borrower, the Guarantor, each member of the Group and the Project to any competent institution or body of the European Union in accordance with the relevant mandatory provisions of European Union law.

ARTICLE 5
Guarantor undertakings and representations

In addition and without prejudice to the undertakings and representations made by the Guarantor elsewhere in this Deed of Guarantee and Indemnity, the Guarantor agrees that the undertakings in this Article 5 remain in force from the date of this Deed of Guarantee and Indemnity for so long as any amount is outstanding under this Deed of Guarantee and Indemnity or the Finance Contract or the Credit is in force.

5.01 Use of Loan and availability of other funds

The Guarantor shall use, and shall procure that its Group will use, the proceeds of the Loan exclusively for the execution of the Project.

The Guarantor shall ensure that it and/or the Group has available to it the other funds set out in Recital 3 and that such funds are expended, to the extent required, on the financing of the Project.

5.02 Completion of the Project

The Guarantor shall ensure that the Project is carried out and implemented in accordance with the Technical Description as may be modified from time to time with the approval of the Bank, and that the Project is completed by the final date specified therein.

5.03 Increased cost of the Project

If the total cost of the Project exceeds the estimated figure set out in Recital 3, the Guarantor shall, or shall procure that the Borrower will, obtain the finance to fund the excess cost without recourse to the Bank, so as to enable the Project to be completed in accordance with the Technical Description. The plans for funding the excess cost shall be communicated to the Bank without delay.

5.04 Procurement procedure

The Guarantor undertakes to, and shall procure that any other member of the Group will, purchase equipment, secure services and order works for the Project (a) in so far as they apply to it or to the Project, in accordance with EU law in general and in particular with the relevant EU directives and (b) in so far as EU directives do not apply, by procurement procedures which, to the satisfaction of the Bank, respect the criteria of economy and efficiency.

5.05 Continuing Project undertakings

The Guarantor shall, and shall procure that any other member of the Group will:

(a) **Maintenance**: maintain, repair, overhaul and renew all property forming part of the Project as required to keep it in good working order, ordinary wear and tear excepted;

(b) **Project assets**: unless the Bank has given its prior consent in writing, retain title to and possession of all or substantially all the assets comprising the Project or, as appropriate, replace and renew such assets and maintain the Project in substantially continuous operation in accordance with its original purpose; provided that the Bank may withhold its consent only where the proposed action would prejudice the Bank's interests as lender to the Borrower or would render the Project ineligible for financing by the Bank under its Statute or under Article 309 of the Treaty on the Functioning of the European Union;

(c) **Insurance**: insure all works and property forming part of the Project with first class insurance companies in accordance with the most comprehensive relevant industry practice;

(d) **Rights and Permits**: maintain in force all rights of way or use and all permits necessary for the execution and operation of the Project;

(e) **Environment**:

(i) implement and operate the Project in compliance with Environmental Law;

(ii) obtain and maintain Environmental Approvals for the Project; and

(iii) comply with any such Environmental Approvals in material respect,

in each case above, if applicable and/or required for the Project. In case of non-compliance by any member of the Group with any undertaking under (i), (ii) or (iii) above, the Guarantor shall immediately notify the Bank thereof. If the non-compliance or circumstance giving rise to the non-compliance is capable of remedy and is remedied to the satisfaction of the Bank within 30 (thirty) Business Days from a notice served by the Bank on the Guarantor, such non-compliance shall not constitute a default under this Deed of Guarantee and Indemnity. In all other cases, a non-compliance by any member of the Group with any undertaking under (i), (ii) or (iii) above shall constitute a default under this Deed of Guarantee and Indemnity;

(f) **Integrity**: take, within a reasonable timeframe, appropriate measures in respect of any member of its management bodies who has been convicted by a final and irrevocable court ruling of a Criminal Offence perpetrated in the course of the exercise of his/her professional duties, in order to ensure that such member is excluded from any activity in relation to the Loan or the Project; and

(g) **State aid**: to the extent the financing of the Project includes state subsidies and/or grants, ensure that the provision of such funds is provided in compliance with all relevant European Union and national law and is duly authorised by the relevant authorities in case a notification is required pursuant to applicable law.

5.06 Disposal of assets

(a) Except as provided below, the Guarantor shall not, and shall procure that neither the Borrower nor any Subsidiary will, either in a single transaction or in a series of transactions whether related or not and whether voluntarily or involuntarily dispose of any part of its assets.

(b) Paragraph (a) above does not apply to:

(i) sales of Inventory in the ordinary course of its business;

(ii) sale or disposition of obsolete, worn-out or surplus equipment in the ordinary course of business;

(iii) so long as no Event of Default has occurred and is then continuing, the sale of fixed assets in connection with Tax Incentive Transactions or New Market Tax Credit Transactions;

(iv) transfers of assets among the Guarantor and its Subsidiaries in compliance with Article 6.06B of the Finance Contract and Article 5.15 of this Deed of Guarantee and Indemnity;

(v) sales of Receivables in connection with factoring arrangements in the ordinary course of business; and

(vi) so long as no Event of Default has occurred and is then continuing, the sale of any other assets by the Guarantor or any Subsidiary in an aggregate amount during any Fiscal Year of the Guarantor not exceeding 10% of the Consolidated Net Tangible Assets of the Guarantor as of the last day of such Fiscal Year and (ii) in an aggregate amount during the term of this Deed of Guarantee and Indemnity not exceeding 20% of the Consolidated Net Tangible Assets of the Guarantor at any time,

in each case, other than assets forming part of the Project and all shares in Subsidiaries holding assets forming part of the Project, which may not be disposed of, unless such disposal is made to the Guarantor or to Subsidiaries of the Guarantor.

For the purposes of this Article, “**dispose**” and “**disposal**” include any act effecting sale, transfer, lease or other disposal.

5.07 Compliance with laws

The Guarantor shall procure that each member of the Group shall comply in all respects with all laws and regulations to which it or the Project is subject where failure to do so results or is reasonably likely to result in a Material Adverse Change. The foregoing is without prejudice to Articles 5.04, 5.05(e) and 5.05(g) of this Deed of Guarantee and Indemnity.

5.08 Change in business

The Guarantor shall ensure that the core business of the Guarantor and its Subsidiaries as a whole shall continue to be the manufacture, sale and financing of goods and services in the agricultural industry, together with any business substantially related, ancillary or incidental thereto.

5.09 Mergers

The Guarantor shall promptly inform the Bank upon occurrence of any Merger Event.

5.10 Taxes, duties and fees

The Guarantor shall procure that the Borrower shall pay all taxes, duties, fees and other impositions of whatever nature, including stamp duty and registration fees, arising out of the execution or implementation of the Finance Contract or any related document and the creation, perfection, registration or enforcement of any security for the Loan to the extent applicable.

The Guarantor shall procure that the Borrower shall pay all principal, interest, indemnities and other amounts due under the Finance Contract gross without any withholding or deduction of any national or local impositions whatsoever required by law or an agreement with a governmental authority or otherwise; provided that, if the Borrower is obliged to make any such withholding or deduction, the Guarantor shall procure that the Borrower will gross up the payment to the Bank so that after deduction, the net amount received by the Bank is equivalent to the sum due.

5.11 Other charges

The Guarantor shall procure that the Borrower shall bear all charges and expenses, including professional, banking or exchange charges incurred in connection with the preparation, execution, implementation, enforcement and termination of the Finance Contract or any related document, any amendment, supplement or waiver in respect of the Finance Contract or any related document, and the amendment, creation, management, enforcement and realisation of any security for the Loan.

5.12 Ownership of the Borrower

The Guarantor shall at all times, directly or indirectly, hold 100% (one hundred per cent) of the issued share capital and voting rights in the Borrower.

5.13 Payment by the Borrower

The Guarantor shall procure that the Borrower shall repay all or part of the Loan forthwith, together with accrued interest and all other accrued or outstanding amounts, upon written demand being made by the Bank, in accordance with the provisions of Article 10 of the Finance Contract.

5.14 Financial covenants

(a) *Net Leverage Ratio*. The Guarantor shall not allow, as of the end of each Fiscal Quarter, the Net Leverage Ratio to exceed 3.00 to 1.00.

(b) *Interest Coverage Ratio*. The Guarantor shall maintain, as of the end of each Fiscal Quarter, an Interest Coverage Ratio of not less than 3.00 to 1.00.

5.15 Affiliate transactions

The Guarantor shall not, and shall procure that neither the Borrower nor any Subsidiary will, sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates, on terms and conditions less favourable to the Borrower, the Guarantor or such Subsidiary than those that could be obtained on an arm's-length basis with a Person that is not such an Affiliate, except (a) transactions to the extent between or among the Guarantor and its Subsidiaries, (b) Restricted Payments permitted by Article 6.06C of the Finance Contract and Article 5.16 of this Deed of Guarantee and Indemnity, (c) increases in compensation and benefits for officers and employees of the Guarantor and its Subsidiaries which are customary in the industry or consistent with the past business practice of the Guarantor, or payment of customary directors' fees and indemnities, and (d) transactions entered into in good faith and for legitimate business purposes with any Person that is an Affiliate by reason of the ownership by the Guarantor or any of its Subsidiaries of Equity Interests of such Person.

5.16 Restricted Payments

The Guarantor shall not, and shall procure that neither the Borrower nor any Subsidiary will, directly or indirectly declare or make any Restricted Payment if at the time of such Restricted Payment, after giving effect thereto, there shall exist an Event of Default; provided that (a) any Subsidiary of the Guarantor may make Restricted Payments to the Guarantor or any Subsidiary of the Guarantor and (b) to the extent any Subsidiary of the Guarantor is treated for tax purposes as a limited liability company, partnership or other "pass-through" entity, such Subsidiary may make Restricted Payments required by the terms of its governing documents to be made during such period to the owners of Equity Interests in such Subsidiary to pay the tax liability of such Persons as a result of their ownership of Equity Interests in such Subsidiary for such period.

5.17 Indebtedness

The Guarantor shall not, and shall procure that neither the Borrower nor any Subsidiary will, create, assume, incur or otherwise become or remain obligated in respect of, or permit to be outstanding, any Indebtedness except:

(a) Indebtedness under the AGCO Credit Agreement;

(b) unsecured Indebtedness of the Guarantor under the 2036 Senior Subordinated Notes Documents and Senior Debt Documents, in each case, as of the date of this Deed of Guarantee and Indemnity;

(c) unsecured Indebtedness under the European Term Loan Credit Agreement as of the date of this Deed of Guarantee and Indemnity;

(d) intercompany Indebtedness among any of the Guarantor and the Subsidiaries; provided, (x) to the extent such Indebtedness is incurred by or an obligation of the Guarantor, such Indebtedness shall be unsecured and, upon the occurrence of an Event of Default, subordinated to the obligations of the Guarantor under this Deed of Guarantee and Indemnity and (y) to the extent such Indebtedness is incurred by or an obligation of the Borrower, such Indebtedness shall be unsecured;

(e) Indebtedness incurred in connection with a New Market Tax Credit Transaction in an aggregate amount not to exceed USD 20,000,000;

(f) Indebtedness under any Capitalized Leases in existence as of the date of this Deed of Guarantee and Indemnity; and

(g) Indebtedness incurred after the date of this Deed of Guarantee and Indemnity so long as (i) no Event of Default exists or would result therefrom, (ii) the Borrower and/or the Guarantor (as applicable) determines after giving effect to the incurrence of such Indebtedness that it is in pro forma compliance with the financial covenants set forth in Article 6.06A of the Finance Contract and/or Article 5.14 of this Deed of Guarantee and Indemnity (as applicable), and (iii) such Indebtedness shall be unsecured except to the extent it is secured by a Permitted Lien. In the event any Indebtedness subject to this clause (g) is a revolving line of credit, the pro forma compliance shall be calculated based upon the maximum facility amount of such revolving credit facility, assuming it is fully drawn, in which case such pro forma compliance shall be satisfied for all future borrowings thereunder up to the amount of such maximum facility amount.

5.18 Restrictions on Subsidiaries

The Guarantor shall not permit any Subsidiary to enter into, incur or permit to exist any agreement or other arrangement that prohibits, restricts or limits

(a) the amount of dividends or other distributions with respect to any of its Equity Interests that may be paid by such Subsidiary to the Guarantor or another Subsidiary of the Guarantor,

(b) the amount of loans that may be made by such Subsidiary to the Guarantor or another Subsidiary of the Guarantor,

(c) the amount of payments by such Subsidiary on Indebtedness owing by such Subsidiary of the Guarantor to the Guarantor or another Subsidiary, or

(d) the ability of such Subsidiary to transfer any of its properties or assets to the Guarantor or any other Subsidiary of the Guarantor, other than:

(i) restrictions imposed under an agreement for the sale of all of the Equity Interests in a Subsidiary or for the sale of a substantial part of the assets of such Subsidiary, in either case to the extent permitted hereunder and pending the consummation of such sale,

(ii) restrictions set forth in the AGCO Credit Agreement, the 2036 Senior Subordinated Notes Documents and the Senior Debt Documents as of the effective date of such documents and any similar restrictions set forth in documents governing Indebtedness permitted under Article 6.06D of the Finance Contract and Article 5.17 of this Deed of Guarantee and Indemnity,

(iii) restrictions imposed by applicable law, the Finance Contract or this Deed of Guarantee and Indemnity,

(iv) restrictions in any agreement with another Person relating to a joint venture conducted through a Subsidiary of the Guarantor in which such Person is a minority stockholder requiring the consent of such Person to the payment of dividends,

(v) with respect to restrictions of the type described in clause (d) above, restrictions under agreements governing Indebtedness secured by a Lien not otherwise prohibited hereunder that limit the right of the debtor to dispose of the assets securing such Indebtedness,

(vi) customary provisions contained in leases, licenses and other similar agreements entered into in the ordinary course of business that impose restrictions of the type described in clause (d) above on the property subject to such lease,

(vii) customary anti-assignment provisions contained in agreements entered into in the ordinary course of business,

(viii) customary subordination of subrogation, contribution and similar claims contained in guaranties permitted under AGCO Credit Agreement and hereunder,

(ix) restrictions on the transfer, lease, or license of any property or asset of the Guarantor or any Subsidiary in effect on the date of this Deed of Guarantee and Indemnity that were entered into in the ordinary course of business, and

(x) encumbrances or restrictions existing with respect to any Person or the property or assets of such Person acquired by the Guarantor or any Subsidiary of the Guarantor, provided that such encumbrances and restrictions were in existence immediately prior to such acquisition (and not created in contemplation thereof) and are not applicable to any Person or the property or assets of any Person other than such acquired Person or the property or assets of such acquired Person.

ARTICLE 6
Security

The undertakings in this Article 6 remain in force from the date of this Deed of Guarantee and Indemnity for so long as any amount is outstanding under the Finance Contract or this Deed of Guarantee and Indemnity or the Credit is in force.

6.01 Negative pledge

(a) The Guarantor shall not, and shall ensure that neither the Borrower nor any Subsidiary will, create, incur, assume or suffer to exist any Lien on or with respect to any of its properties of any character, whether now owned or hereafter acquired, except Permitted Liens

(b) The Guarantor shall, and shall ensure that the Borrower and any Subsidiary will, request the prior written consent of the Bank to create, incur, assume or suffer to exist any Lien other than a Permitted Lien on or with respect to any of its properties of any character, whether now owned or hereafter acquired. The consent of the Bank shall not be unreasonably refused or delayed on the condition that the obligations of the Borrower under the Finance Contract are secured equally and rateably prior to such Lien being provided to any third party lender.

6.02 *Pari passu* ranking

The Guarantor shall ensure that its payment obligations under this Deed of Guarantee and Indemnity rank, and will continue to rank, not less than *pari passu* in right of payment with all other present and future unsecured and unsubordinated obligations under any of its debt instruments except for obligations mandatorily preferred by law applying to companies generally.

6.03 MFL

If, for as long as any amount of the Loan remains outstanding, the Guarantor or any other member of the Group enters into any loan, bond or other form of financial indebtedness, or any obligation for the payment or repayment of money, in a principal amount exceeding EUR 100,000,000 (one hundred million euros), or the equivalent thereof in any other currency, which contains a More Favourable Clause which is either:

(a) not included in the Finance Contract or this Deed of Guarantee and Indemnity,

(b) is stricter than the relevant provisions of the Finance Contract or this Deed of Guarantee and Indemnity, or

(c) is otherwise more favourable for third party creditors than the relevant provisions of the Finance Contract or this Deed of Guarantee and Indemnity,

the Guarantor shall inform the Bank without delay and in any case within 10 (ten) Business Days following the conclusion or amendment of such contractual arrangement in writing and provide the text of such More Favourable Clause to the Bank. Such More Favourable Clause will be deemed to be incorporated into this Deed of Guarantee and Indemnity by reference, with effect as of the day when such More Favourable Clause became effective under the relevant contract (any such More Favourable Clause so adopted by reference into this Deed of Guarantee and Indemnity, an "**Adopted Deed Clause**"). Such Adopted Deed Clause shall not be amended, cancelled, or withdrawn without the prior written consent of the Bank, and the Guarantor shall upon the request of the Bank conclude an amendment to this Deed of Guarantee and Indemnity which incorporates the relevant Adopted Deed Clause.

In the event a More Favourable Clause becomes an Adopted Deed Clause under this Deed of Guarantee and Indemnity and, thereafter, such More Favourable Clause is either removed or amended to be less restrictive on the Borrower or the Guarantor or is otherwise less favorable to the third party creditors than such More Favorable Clause had previously been (a "**Relaxed More Favourable Clause**"), then, upon notice thereof by the Guarantor to the Bank together with the delivery of the text of such Relaxed More Favourable Clause to the Bank, (x) in the case of a More Favourable Clause originally subject to clause (a) above, such Adopted Deed Clause shall automatically cease to be effective under this Deed of Guarantee and Indemnity, (y) in the case of a More Favourable Clause originally subject to clauses (b) or (c) above, such Adopted Deed Clause shall automatically be deemed amended to conform to such Relaxed More Favorable Clause; provided, however, that the relevant provisions of this Deed of Guarantee and Indemnity shall not be deemed to be amended pursuant to this clause (y) to the extent that any such amendment would render such provision less restrictive on the Borrower or the Guarantor than such provision would have been had such original Adopted Deed Clause never been adopted (by reference or otherwise) into this Deed of Guarantee and Indemnity. The Bank shall, upon the request of the Guarantor, conclude an amendment to this Deed of Guarantee and Indemnity which deletes or amends, as the case may be, the relevant Adopted Deed Clause.

This Article 6.03 shall not apply to:

(i) any financial indebtedness incurred (x) from banks (other than multilateral development banks/IFIs) or (y) in form of bonds issued by any member of the Group, in each case in non-OECD countries by any member of the Group located and incorporated in a non-OECD country; and

(ii) upstream guarantees by Massey Ferguson Corp. and The GSI Group, LLC under the AGCO Credit Agreement in the maximum aggregate amount of up to USD 1,155,000,000.

ARTICLE 7
Amendment to the Finance Contract

The Bank may agree to any amendment or variation to the Finance Contract if:

(a) the amendment or variation does not increase the amounts payable by the Guarantor under this Deed of Guarantee and Indemnity or change the conditions under which such amounts are payable in any material respect; or

(b) the amendment or variation consists of the extension of time for payment of a Guaranteed Sum of up to 3 (three) months; or

(c) the Guarantor has given its prior written consent to the amendment or variation (which the Borrower has previously approved), provided that such consent may not be unreasonably refused or unreasonably delayed,

and, without prejudice to the generality of Article 2.02, the Guarantor hereby confirms that it intends that the guarantee constituted by this Deed of Guarantee and Indemnity shall extend from time to time to any reasonable variation (however fundamental) of or amendment to the Finance Contract.

ARTICLE 8
Taxes, Charges and Expenses

8.01 The Guarantor shall bear its own costs of execution and implementation of this Deed of Guarantee and Indemnity and, without prejudice to the terms of Article 2, shall indemnify, reimburse and hold harmless the Bank against all:

(a) taxes and fiscal charges, legal costs and other expenses incurred by the Bank in the execution, implementation, amendment or enforcement of this Deed of Guarantee and Indemnity; and

(b) losses, charges and expenses to which the Bank may be subject or which it may properly incur under or in connection with the recovery from any person of sums expressed due under, pursuant to or in connection with this Deed of Guarantee and Indemnity.

8.02 The Guarantor shall make payments under this Deed of Guarantee and Indemnity gross without withholding or deduction on account of tax or fiscal charges, provided that, if the Guarantor is obliged by law to make any such withholding or deduction, the Guarantor shall gross up the payment to the Bank so that the net sum received by the Bank is equal to the sum demanded.

ARTICLE 9
Assignment

Any transfer, assignment or novation of liabilities by the Guarantor under this Deed of Guarantee and Indemnity shall be subject to the prior written consent of the Bank.

ARTICLE 10
Jurisdiction

10.01 Law

This Deed of Guarantee and Indemnity, and any non-contractual obligations arising out of or in connection with it, shall be governed by, and construed in accordance with, English law.

10.02 Jurisdiction

(a) The English courts have exclusive jurisdiction to settle any dispute in connection with this Deed of Guarantee and Indemnity.

(b) The parties agree that English courts are the most appropriate and convenient courts to settle any such dispute in connection with this Deed of Guarantee and Indemnity.

(c) References in this Article 10.02 to a dispute in connection with this Deed of Guarantee and Indemnity include any dispute as to the existence, validity or termination of this Deed of Guarantee and Indemnity.

10.03 Forum conveniens and enforcement abroad

The Guarantor:

(a) waives any objection it may have to the English courts on grounds of inconvenient forum or otherwise as regards proceedings in connection with this Deed of Guarantee and Indemnity; and

(b) agrees that a judgment or order of an English court in connection with this Deed of Guarantee and Indemnity is conclusive and binding on it and may be enforced against it in the courts of any other jurisdiction.

10.04 Waiver of immunity

The Guarantor irrevocably and unconditionally:

(a) agrees not to claim any immunity from proceedings brought by the Bank against the Guarantor in relation to this Deed of Guarantee and Indemnity and to ensure that no such claim is made on its behalf;
(b) consents generally to the giving of any relief or the issue of any process in connection with the proceedings as referred to in paragraph (a) above; and
(c) waives all rights of immunity in respect of it or its assets.

10.05 Agent for service of process

(a) The Guarantor hereby irrevocably appoints AGCO Ltd., Abbey Park, Stoneleigh, Kenilworth, CV8 2TQ, UK, as its agent for service of process under this Deed of Guarantee and Indemnity for service of process in any proceedings before the English courts in connection with this Deed of Guarantee and Indemnity.

(b) If any person appointed as process agent under paragraph (a) above is unable for any reason to so act or if such appointment is terminated for any reason, the Guarantor must immediately, and in any event within 15 (fifteen) Business Days of the event taking place, appoint another agent on terms acceptable to the Bank. Failing this, the Bank may appoint another process agent for this purpose.

(c) To the maximum extent permitted by law, the Guarantor agrees that failure by a process agent to notify it of any process will not invalidate the relevant proceedings.

(d) This Article 10.05 does not affect any other method of service allowed by law.

ARTICLE 11
Final Provisions

11.01 Invalidity

If at any time any term of this Deed of Guarantee and Indemnity is or becomes illegal, invalid or unenforceable in any respect, or this Deed of Guarantee and Indemnity is or becomes ineffective in any respect, under any jurisdiction, the illegality, invalidity, unenforceability or ineffectiveness of such term shall not affect:

(a) the legality, validity or enforceability in that jurisdiction of any other term of this Deed of Guarantee and Indemnity or the effectiveness in any other respect of the remainder of this Deed of Guarantee and Indemnity in that jurisdiction; or

(b) the legality, validity or enforceability in other jurisdictions of that or any other term of this Deed of Guarantee and Indemnity or the effectiveness of this Deed of Guarantee and Indemnity under such other jurisdictions.

11.02 Potentially avoided payments

If the Bank determines, acting reasonably, that an amount paid to the Bank under the Finance Contract is capable of being avoided or otherwise set aside on the liquidation or administration of the person by whom such amount was paid, then for the purposes of this Deed of Guarantee and Indemnity, such amount shall be regarded as not having been paid. If any discharge, release or arrangement (whether in respect of the Guaranteed Sums or any security therefor or otherwise) is made by the Bank in whole or in part on the faith of any payment, security or disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of the Guarantor under this Deed of Guarantee and Indemnity shall continue or be reinstated as if the discharge, release or arrangement had not occurred.

11.03 Currency conversion

In order to apply any sum held or received by the Bank in or towards payment of the Guaranteed Sums, the Bank may purchase an amount in another currency and the rate of exchange to be used shall be that at which, at such time as it considers appropriate, the Bank is able to effect such purchase.

11.04 Currency indemnity

If any sum due from the Guarantor under this Deed of Guarantee and Indemnity or any order or judgment given or made in relation to this Deed of Guarantee and Indemnity has to be converted from the currency (the “**first currency**”) in which the same is payable under this Deed of Guarantee and Indemnity or under such order or judgment into another currency (the “**second currency**”) for the purpose of (a) making or filing a claim or proof against the Guarantor, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to this Deed of Guarantee and Indemnity, the Guarantor shall indemnify and hold harmless the Bank from and against any loss suffered or incurred as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which the Bank may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

11.05 Remedies and waivers

No failure by the Bank to exercise, or any delay by the Bank in exercising, any right or remedy under this Deed of Guarantee and Indemnity shall operate as a waiver thereof nor shall any single or partial exercise of any such right or remedy prevent any further or other exercise thereof or the exercise of any other such right or remedy.

11.06 Rights cumulative

The rights and remedies provided by this Deed of Guarantee and Indemnity are cumulative and not exclusive of any rights or remedies provided by law.

11.07 Immediate recourse

The Guarantor waives any right it may have of first requiring the Bank to proceed against or enforce any other rights or security or claim payment from any person before claiming from the Guarantor under this Deed of Guarantee and Indemnity. This waiver applies irrespective of any law or any provision of the Finance Contract or this Deed of Guarantee and Indemnity to the contrary.

11.08 Notices

Notices and other communications given hereunder (other than such as arise out of litigation) addressed to either party to this Deed of Guarantee and Indemnity shall be made by hand delivery, registered letter or facsimile to the address or facsimile number as set out below, or to such other address or facsimile number as a party previously notifies to the other in writing:

For the Bank	Attention: Ops - Central Europe Department 98-100 boulevard Konrad Adenauer L-2950 Luxembourg Facsimile: +352 4379 67197
For the Guarantor	Attention: Treasurer AGCO Corporation 4205 River Green Parkway Duluth, GA 30096 United States of America Facsimile: +1 770 813 6070

Each communication and document made or delivered by one party to another pursuant to this Deed of Guarantee and Indemnity shall be in English or accompanied by a translation into English which is certified (by an officer of the person making or delivering the same) as being a true and accurate translation.

11.09 Counterparts

This Deed of Guarantee and Indemnity may be executed in counterparts and such counterparts taken together shall constitute one and the same instrument.

11.10 Entire agreement

The Finance Documents constitute the entire agreement between the Parties in relation to matters set out herein and supersede any previous agreements, whether express or implied, in relation thereto.

For the purposes of this Article:

(a) **"Finance Documents"** means this Deed of Guarantee and Indemnity, and the Finance Contract; and

(b) **"Parties"** means the Borrower, the Guarantor and the Bank.

11.11 Recitals, Schedules and Annexes

The Recitals form part of this Deed of Guarantee and Indemnity.

The following Schedules and Annex are attached hereto:

Schedule A.1	Technical Description
Schedule A.2	Reporting
Annex I	Evidence of the Authorisation of the Guarantor to Execute the Deed of Guarantee and Indemnity and Evidence of the Due Authorisation of the Signatories of the Guarantor

ARTICLE 12
Effectiveness

This Deed of Guarantee and Indemnity shall take effect as a deed on the date on which it is stated to be made above.

IN WITNESS WHEREOF the parties hereto have caused this Deed of Guarantee and Indemnity to be executed and delivered as a deed in 4 (four) originals in the English language. This Deed of Guarantee and Indemnity has been initialled by Ms Dita Sole, Legal Counsel, on behalf of the Bank and ________________________, ________________________, on behalf of the Guarantor.

Executed and delivered as a deed for
EUROPEAN INVESTMENT BANK
acting by its authorised signatories:

E. Kamenitzer W. Jardet

Witness:

Name: Dita Sole
Address: 98-100, boulevard Konrad Adenauer, Luxembourg L-2950

Executed and delivered as a deed for
AGCO CORPORATION
acting by its authorised signatories:

A. H. Beck D. K. Williams

Witness:

Name: Lynnette D. Schoenfeld
Address: 4205 River Green Parkway
Duluth, GA 30096

Schedule A.1

Technical Description

Purpose, Location

The Project concerns the Group's RDI expenditures related to agricultural tractors and engines. The main Project component aims at developing technical solutions to comply with new legislation requirements, namely reduction of exhaust emissions, reduction of operator and bystander noise levels, reduction of operator exposure to vibrations during operations as well as numerous future safety-related items linked to the vehicles' homologation. The RDI activities will be carried out in the Group's existing EU-based R&D facilities:
(i) Marktoberdorf, Germany (Fendt, tractors from 50 to 390 HP);
(ii) Beauvais, France (Massey Ferguson, tractors from 70 to 400 HP);
(iii) Suolahti, Finland (Valtra, tractors from 70 to 215 HP);
(iv) Linnavuori, Finland (AGCO Power, engines).

Description

The main sub-projects included in the Project are as follows:

(i) Marktoberdorf, Germany

Project name	Project description	Deliverables
X217	New emission technology in order to meet COMIIIB (Tier 4 interim) requirements	Reduce nitrogen oxide and particulate matter to meet Tier 4 interim requirements
X315	New emission technology in order to meet COMIV (Tier 4 final) requirements	Reduce nitrogen oxide and particulate matter to meet Tier 4 final requirements
	New driver place, new hydraulic concept, new features	Increase the overall efficiency of the machine
	Capability for bigger tyres	Increase scope of application
X320	New emission technology in order to meet COMV (Tier 5) requirements	Reduce nitrogen oxide and particulate matter to meet Tier 5 requirements
	New engine with increased horse power	Increase engine efficiency (fuel)
	CEA Guide implementation	Increase efficiency of material usage (seeds, fertilizer, pesticide, fuel, etc.)
X515	New emission technology in order to meet COMIV (Tier 4 final) requirements	Reduce nitrogen oxide and particulate matter to meet Tier 4 final requirements
X520	New emission technology in order to meet COMV (Tier 5) requirements	Reduce nitrogen oxide and particulate matter to meet Tier 5 requirements
X719	New emission technology in order to meet COMV (Tier 5) requirements	Reduce nitrogen oxide and particulate matter to meet Tier 5 requirements
	New engine and implementation of new CVT generation (TA190)	Increase fuel (energy) efficiency
	Improved/extended automation of driver place	Increase operator respectively overall machine efficiency
	CEA Guide implementation	Increase efficiency of material usage (seeds, fertilizer, pesticide, fuel, etc.)

	Tyre pressure control system	Increase fuel efficiency (on- & off-road)
X820	New emission technology in order to meet COMV (Tier 5) requirements	Reduce nitrogen oxide and particulate matter to meet Tier 5 requirements
	CEA Guide implementation	Increase efficiency of material usage (seeds, fertilizer, pesticide, fuel, etc.)
X918	New emission technology in order to meet COMV (Tier 5) requirements	Reduce nitrogen oxide and particulate matter to meet Tier 5 requirements
	New engine and implementation of new CVT generation (TA300)	Increase fuel (energy) efficiency
	New hydraulic concept	Increase fuel efficiency
X1015	New model range in the range 400 - 500 HP, mainly used for heavy pulling but also maintaining the Fendt-specific all-round capability like for transport etc	Provide efficient Fendt Technology in a new model range
	New emission technology in order to meet COMIV (Tier 4 final) requirements	Reduce nitrogen oxide and particulate matter to meet Tier 4 final requirements
X1019	New emission technology in order to meet COMV (Tier 5) requirements	Reduce nitrogen oxide and particulate matter to meet Tier 5 requirements
SPFH	New emission technology in order to meet COMV (Tier 5) requirements	Reduce nitrogen oxide and particulate matter to meet Tier 5 requirements
	New Model Katana 45	Provide efficient Fendt Technology in a new model range
	New Technology NIR-Sensor	Mixture measurement for efficiency in harvesting and further processing
TA190	Module Development of new CVT generation	Increase fuel (energy) efficiency
TA300	Module Development of new CVT generation	Increase fuel (energy) efficiency
TA - MT 700	Module Development of new CVT generation for track tractors	Provide fuel efficient technology to track tractors
TA - MT 800	Module Development of new CVT generation for track tractors	Provide fuel efficient technology to track tractors
Section Control	Module Development for automatic switching of sections of an implement based on GPS position and desired degree of overlap	Increase efficiency of material usage (seeds, fertilizer, pesticide, fuel, etc.)
CEA Guide	Module Development of automatic guidance system	Increase efficiency of material usage (seeds, fertilizer, pesticide, fuel, etc.)
Research projects - Robotics	MARS SMART-E	Increase efficiency of material usage (fertilizer, pesticide, seeds, fuel, etc.) and Resources

(ii) Beauvais, France

Project name	Project description	Deliverables
Reliability	All engineering efforts to cover current product maintenance and reliability improvement. New features requested by product management during serial production	
SRT1 4 cylinder T4 final	Due to emission legislation Tier 4 final has to be implemented onto the big 4cyl tractors MF/Challenger/Iseki up to 130kW New CVT installation bringing additional lift capacity and new hydraulic installation	New 6700 range T4F compliant New hydraulic installation with new features. New CVT with new features
ERT 4 cylinders T4 final	Due to emission legislation Tier 4 final has to be implemented onto the small 4cyl tractors MF/Iseki up to 95kW	New 5700 range 4cyl T4F compliant New hydraulic installation with new features
ERT1 4 cylinders T4 final	Due to emission legislation Tier 4 final has to be implemented onto the small 4cyl tractors MF up to 80kW. New hydraulic installation. HP increase	New 5700 range 4cyl T4F compliant New hydraulic installation with new features. New front axle suspension. Max horse power increase
SRT2 6 cylinders T5	Due to emission legislation Tier 5 has to be implemented onto the 6cyl tractors. In addition the new range has to be compliant with the mother regulation (incl. ABS compatibility) New range of transmissions and engines. New cab and hood design	

(iii) Suolahti, Finland

Project name	Project description	Deliverables
Tier 4 Final	Engine series (56<P<365kW) designed to meet Tier IV Final emission legislation	Fulfil Tier IV final emission requirement (engine development, testing, validation and application work)
AP 3000	New base engine series designed to meet Tier V Final emission legislation (56<P<250 kW)	As an integration with EAT system AP300 series is designed to meet Tier V requirement, low cost, Low total cost of ownership, superior performance, good durability
Big bore	New base engine series designed to meet Tier V Final emission legislation (184<P<405kW)	As an integration with EAT system BB upgrade series is designed to meet Tier V requirement, superior total cost of ownership, superior performance, superior durability
Engine After Treatment (including StageV)	New after treatment system designed for following engine platforms: current Tier 4 Final, New AP3000, New Big Bore upgrade and Eco platform	Fulfil Tier V final emission requirement together with base engine technology, to develop simple and reliable Diesel Particulate Filter system

(iv) Linnavuori, Finland

Project name	Project description	Deliverables
Tier IV final emissions, Cab Phase 11 (VT11)	Tier 4 Final 6-cyl (66 and 74 Engines) 150 - 235 HP New Cab, New design of front end, Product range shift up to T234 New hydraulic options, LS with mechanical spool valves 3 speed PTO, New transmission control interface	To meet Tier IV final requirement SOP Q4 2014
Tier IV final emissions, Cab Phase 11 (VN12a)	Tier4 Final 3- and 4-cyl (33, 44 and 49 Engines) 90 - 180 HP New outlook, design aligned with VT11 3 PS replaced with 5 PS	To meet Tier IV final requirement SOP Q3 2015 (VN12a 4 cyl) SOP Q2 2016 (VN12b 3 cyl)
3 cylinder common pilot project (VN12b)	Introduce CM08 Phase 2 cabin version in Small N-series (carry over from VN12a) Introduce optional 3-speed rear PTO (carry over from VN12a and VT11) Robotized creeper and GSPTO (carry over from VN12a and VT11) Change EGR technology to SCR Only	Gradually replace all N3 models during 2015-2016 VN12b will be AGCO pilot project for common front-end design. It will be done jointly with MF Z19A project
Next generation A, (VA13)	Global AGCO project will deliver also Valtra models as a new A-series Replacement for existing A3-series 70 - 130 HP Valtra brand specific cab New design of front end	SOP Q4 2016
N, T and S range (VT16 and VS16, CEA)	Modernization of user interface Meet EU Tractor mother regulations AGCO common electric architecture	SOP Q1 / 2017
AGCO global S-platform (volume)	Stage 5 4-cyl	SOP Q3 / 2019
AGCO global M-platform (volume)	Stage 5 6-cyl	SOP Q1 / 2019
Research and advance	Betra	

engineering	
Reliability	Engineering efforts to cover current product maintenance and reliability improvement

Calendar
The Project will be carried out in the period 1 January 2015 - 31 December 2018.

Schedule A.2

Reporting

1. Dispatch of information: designation of the responsible person

The information below has to be sent to the Bank under the responsibility of:

	Financial/Technical Contact
Company	AGCO Corporation
Contact person	Iain WATSON
Title	Mr.
Function / Department financial and technical	Assistant Treasurer EAME/APAC
Address	Abbey Park, Stoneleigh, Kenilworth CV8 2TQ, UK
Phone	+44 2476852549
Fax	+44 2476852640
Email	iain.watson@agcocorp.com

The above-mentioned contact person(s) is (are) the responsible contact(s) for the time being.
The Guarantor shall inform the Bank immediately in case of any change.

2. Miscellaneous

In case of a shortfall in the total estimated Project costs of EUR 408,900,000: The Guarantor may provide for the approval of the Bank an overview of R&D activities of similar nature to the ones included in the Technical Description that could replace sub-projects, which have been discontinued or deprioritized.

3. Information on the Project's implementation

The Guarantor shall deliver to the Bank the following information on Project progress during implementation at the latest by the deadline indicated below.

Document / information	Deadline	Frequency of reporting
Project Progress Report *A brief update on the Technical Description, explaining the reasons for significant changes vs. initial scope;* *Update on the date of completion of each of the main Project's components, explaining reasons for any possible delay;* *Update on the cost of the Project, explaining reasons for any possible cost increases vs. initial budgeted cost;* *A description of any major issue with impact on the environment;* *A short update about the relevant demand and technology trends in the agricultural machinery industry and specifically for the promoter;* *Any significant issue that has occurred and any significant risk that may affect the Project's operation;* *Any legal action concerning the Project that may be on-going.*	*March 31st, 2017*	*Intermediate report*

4. Information on the end of works

The Guarantor shall deliver to the Bank the following information on Project completion and initial operation at the latest by the deadline indicated below.

Document / information	**Date of delivery to the Bank**
Project Completion Report, including: *A brief description of the technical characteristics of the Project as completed, explaining the reasons for any significant change;* *The date of completion of each of the main Project's components, explaining reasons for any possible delay;* *The final cost of the Project, explaining reasons for any possible cost increases vs. initial budgeted cost;* *The number of new jobs created by the Project: both jobs during implementation and permanent new jobs created;* *A description of any major issue with impact on the environment;* *A short update about the relevant demand and technology trends in the agricultural machinery industry and specifically for the promoter;* *The following information for the update of the Bank's monitoring indicators:* *An estimate of the number of FTEs employed by the promoter during the implementation of the R&D project (2015-2018);* *An estimate of the number of new jobs created by the promoter (if any) in R&D and operations in Europe over the Project period;* *The number of patent applications and patents granted during the period 2015-2018 in relation to the Project or at corporate level (globally);* *The number of collaborations with universities and research institutes (Europe);* *The promoter's WACC[1] (average cost of capital - before taxes) and ROIC[2], as a proxy for minimum return on investment of RDI at portfolio level, in the period 2015-2018;* *Any significant issue that has occurred and any significant risk that may affect the Project's operation;* *Any legal action concerning the Project that may be on-going.*	*March 31st, 2019*

Language of reports	*English*

[1] Weighted Average Cost of Capital.

[2] Return on Invested Capital.

ANNEX I

EVIDENCE OF THE AUTHORISATION OF THE GUARANTOR TO EXECUTE THE DEED OF GUARANTEE AND INDEMNITY AND EVIDENCE OF THE DUE AUTHORISATION OF THE SIGNATORIES OF THE GUARANTOR

Form of Compliance Certificate

To: European Investment Bank

From: AGCO Corporation / AGCO International Holdings B.V.

Date: <>

Subject: Finance contract between European Investment Bank and AGCO International Holdings B.V. dated <> (the “Finance Contract”), and Deed of Guarantee and Indemnity between European Investment Bank and AGCO Corporation dated <> (the “Guarantee Agreement”)

FI number 31.593 Serapis number 2011 0159

Dear Sirs,

We refer to the Finance Contract and the Guarantee Agreement. This is a Compliance Certificate. Terms defined in the Finance Contract and the Guarantee Agreement have the same meaning when used in this Compliance Certificate.

We hereby confirm:

(i) [*insert details and computations of covenants to be certified*];

(ii) [*include other relevant evidence as per Article 8.01(a) of the Finance Contract and Article 4.02(a) of the Guarantee Agreement*].

Yours faithfully,

For and on behalf of AGCO Corporation

[] []

For and on behalf of AGCO International Holdings B.V.

[] []

Borrower's resolutions of the board of managing directors and the sole shareholder, the extract (*uittreksel*) from the Dutch Commercial Register (*Handelsregister*) of the Borrower and authorisation of signatories

A G C O C O R P O R A T I O N

DIRECTOR COMPENSATION
for
NON - EMPLOYEE DIRECTORS
(as of January 1, 2014)

Retainers (1)	**USD**
Annual Lead Director Retainer (paid only to Lead Director):	30,000
Annual Director Base Retainer (applies to all Directors):	100,000
Annual Committee Chairperson Retainer: (except Audit Committee and Compensation Committee Chair)	15,000
Annual Audit Committee Chairperson Retainer:	25,000
Annual Compensation Committee Chairperson Retainer:	20,000

Additional Compensation	**USD**
Annual AGCO Stock Grant Award (2)	120,000

In addition, the Company will reimburse directors for the reasonable out-of-pocket expense incurred in the attendance of the meeting.

A G C O C O R P O R A T I O N

DIRECTOR COMPENSATION
for
NON - EMPLOYEE DIRECTORS
(as of January 1, 2014)

Notes:

1) Payments of annual retainers are made in accordance with the following provisions:

   I) Annual Retainers are paid quarterly in four installments (for ease of calculation purposes quarters are divided into 90 days with a 360 day year).
   II) Annual Retainers accrue as of the first day of each calendar quarter based on the Board and Committee Membership Roster in effect on that date.
   III) Annual Retainers are paid in advance during the first month of the given calendar quarter (e.g., January for the first quarter).
   IV) Changes to Board and Committee Memberships (including Chairpersons) will be reviewed and adjustments made to current quarter's retainer amounts (up or down).
   V) Any changes in the Retainer amounts due for the current quarter will be reflected in the ensuing quarter's retainer payment.

2) Terms applicable to the Stock Grant Award are defined in the 2006 Plan Document. The stock grant equivalent to USD 120,000 is based on closing price on the day of the Annual Shareholder's meeting.

AGCO CORP /DE **Exhibit 21.1**

12/31/2014

Wholly Owned Subsidiaries of AGCO Corporation	**Country of Jurisdiction**
AGCO Argentina SA	Argentina
Indamo SA	Argentina
AGCO Australia Ltd	Australia
Sparex Australia PTY Ltd	Australia
AGCO Austria GmbH	Austria
Sparex Maschinensubehor Handelsgesellschaft m.b.H	Austria
Sparex Belgium BVBA	Belgium
AGCO do Brazil Commercio e Industria Ltda	Brazil
GSI Brasil Industria e Comercio de Equipamentos Agropecuarios Ltd	Brazil
Tecnoagro Maquinas Agricolas Ltda	Brazil
Valtra do Brazil Ltda	Brazil
AGCO Canada Ltd	Canada
GSI Electronique Inc	Canada
Sparex Canada Ltd	Canada
Shanghai GSI Agriculture Equipment Co., Ltd	China
AGCO GSI (Changzhou) Agriculture Equipment Co., Ltd	China
AGCO (Changzhou) Agricultural Machinery Co. Ltd	China
AGCO (Daqing) Agricultural Machinery Co	China
AGCO Genpowex (Shanghai) Co. Ltd	China
Beijing AGCO Trading Co., Ltd	China
AGCO Dafeng (Yanzhou) Agricultural Machinery Co., Ltd	China
AGCO (China) Investment Co., Ltd.	China
The GSI Group (Shanghai) Co. Ltd	China
AGCO A/S	Denmark
AGCO Danmark A/S	Denmark
Sparex Limited ApS	Denmark
AGCO Power Oy	Finland
AGCO Suomi Oy	Finland
Valtra OY AB	Finland
AGCO Distribution SAS	France
AGCO France SAS	France
AGCO SAS	France
Sparex S.A.R.L.	France
AGCO Deutschland GmbH	Germany
AGCO Deutschland Limited & Co. KG	Germany
AGCO GmbH	Germany
AGCO Hohenmölsen GmbH	Germany
Fella Werke GmbH	Germany
Fendt GmbH	Germany
Fendt Immobilien GmbH	Germany
Sparex Handels-Und Vertriebs GmbH	Germany
Valtra Deutschland GmbH	Germany
AGCO Holdings (Hong Kong) Ltd	Hong Kong

AGCO Hungary Kft	Hungary
GSI Hungary Kft	Hungary
AGCO Trading (India) Private Ltd	India
Sparex (Tractor Accessories) Ltd	Ireland
AGCO Italia SpA	Italy
Farmec Srl	Italy
AGCO Italiana GmbH	Italy
Laverda AGCO SPA	Italy
AGCO Luxembourg SARL	Luxembourg
Cumberland Sales & Services Sdn Bhd	Malaysia
AGCO GSI Asia Sdn Bhd (formerly Hired Hand Asia Sdn Bhd)	Malaysia
The GSI Asia Group Sdn. Bhd	Malaysia
AGCO Mexico S de RL de CV	Mexico
GSI Cumberland De Mexico Servicios, SA De CV	Mexico
GSI Cumberland De Mexico, S. De RL De CV	Mexico
Prestadora de Servicios Mexicana del Bajio, SA de CV	Mexico
Sparex Mexicana S.A. de CV	Mexico
Ag-Chem Europe Fertilizer Equipment BV	Netherlands
Ag-Chem Europe Industrial Equipment BV	Netherlands
AGCO Holding BV	Netherlands
AGCO International Holdings BV	Netherlands
AGCO Netherlands BV	Netherlands
AGCO R-M (Distribution) Holding BV	Netherlands
Sparex Limited Vestiging Holland BV	Netherlands
Valtra International BV	Netherlands
Sparex New Zealand Ltd	New Zealand
Eikmaskin AS	Norway
AGCO Sp Z.o.o	Poland
Sparex Polska Sp. Z.o.o.	Poland
Sparex Portugal Importacao e Comercio de Pecas Lda	Portugal
Valtractor Comercio de Tractores e Maquinas Agricolas SA	Portugal
AGCO LLC	Russia
AGCO Machinery LLC	Russia
AGCO Holdings (Singapore) Pte. Ltd	Singapore
AGCO Holdings South Africa	South Africa
AGCO South Africa Pty Ltd	South Africa
Sparex (Proprietary) Ltd	South Africa
AGCO Iberia SA	Spain
Sparex Agrirepuestos SL (Spain)	Spain
AGCO AB	Sweden
AGCO International GmbH	Switzerland
AGCO Tarim Makineleri Ticaret Ltd Sirketi	Turkey
Ag-Chem (UK) Ltd	United Kingdom
AGCO Funding Company	United Kingdom
AGCO International Ltd	United Kingdom
AGCO Ltd	United Kingdom
AGCO Machinery Ltd	United Kingdom
AGCO Manufacturing Ltd	United Kingdom
AGCO Pension Trust Ltd	United Kingdom
AGCO Receivables Limited	United Kingdom

AGCO Services Ltd	United Kingdom
Anglehawk Ltd	United Kingdom
Massey Ferguson Executive Pension Trust Ltd	United Kingdom
Massey Ferguson Staff Pension Trust Ltd	United Kingdom
Massey Ferguson Works Pension Trust Ltd	United Kingdom
Sparex Holding Ltd	United Kingdom
Sparex International Ltd	United Kingdom
Sparex Ltd	United Kingdom
Spenco Engineering Company Ltd	United Kingdom
Valtra Tractors (UK) Ltd	United Kingdom
Export Market Services LLC	United States
Massey Ferguson Corp.	United States
AGCO Jackson Assembly Company	United States
Sparex, Inc.	United States
The GSI Group, LLC	United States
Assumption Leasing Company, Inc.	United States
Intersystems Holdings, Inc.	United States
Intersystems International Inc.	United States
AGCO Zambia Ltd	Zambia

50% or Greater Joint Venture Interests of the Registrant

Deutz AGCO Motores SA	Argentina
Santal Equipamentos SA Comercio e Industria	Brazil
Groupement International De Mecanique Agricole SA	France
AGCO - Amity JV, LLC	United States

Less Than 50% Joint Venture Interests of the Registrant

Algerian Tractors Company Spa	Algeria
AGCO Capital Argentina SA	Argentina
AGCO Finance Pty Limited	Australia
AGCO Finance GmbH, Landmaschinenleasing	Austria
AGCO Finance NV	Belgium
De Lage Landen Participações Limitada	Brazil
Banco De Lage Landen Brasil S.A.	Brazil
AGCO Finance Canada, Ltd	Canada
AGCO Finance S.N.C	France
AGCO Finance GmbH	Germany
Tractors and Farm Equipment Ltd	India
AGCO Finance Limited	Ireland
Libyan Tractor and Agricultural Commodities Company	Libya
Compagnie Maghebine de Materials Agricoles et Industriels SA	Morocco
AGCO Finance B.V.	Netherlands
AGCO-RM (Manufacturing) Holding BV	Netherlands
AGCO Finance Limited	New Zealand
AGCO Finance Sp.z.o.o.	Poland

AGCO Finance LLC	Russia
AGCO Finance AG	Switzerland
AGCO Finance Limited	United Kingdom
AGCO Finance LLC	United States

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

The Board of Directors
AGCO Corporation:

We consent to the incorporation by reference in the registration statements (No. 333-178399 and No. 333-142711) on Form S-8 of AGCO Corporation of our reports dated February 27, 2015, with respect to the consolidated balance sheets of AGCO Corporation and subsidiaries as of December 31, 2014 and 2013, and the related consolidated statements of operations, comprehensive income, stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2014, and the related financial statement schedule, and the effectiveness of internal control over financial reporting as of December 31, 2014, which reports appear in the December 31, 2014 annual report on Form 10-K of AGCO Corporation.

/s/ KPMG LLP

Atlanta, Georgia
February 27, 2015

Exhibit 24.1

Power of Attorney

Know all men and women by these presents**,** that each person whose signature appears below, hereby constitutes and appoints Andrew H. Beck and Roger N. Batkin his/her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him/her and in his/her 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, 2014 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.

Signature	Date
/s/ Martin Richenhagen Martin Richenhagen	February 27, 2015
/s/ Roy V. Armes Roy V. Armes	February 27, 2015
/s/ Michael C. Arnold Michael C. Arnold	February 27, 2015
/s/ P. George Benson P. George Benson	February 27, 2015
/s/ Wolfgang Deml Wolfgang Deml	February 27, 2015
/s/ Luiz F. Furlan Luiz F. Furlan	February 27, 2015
/s/ George E. Minnich George E. Minnich	February 27, 2015
/s/ Gerald L. Shaheen Gerald L. Shaheen	February 27, 2015
/s/ Mallika Srinivasan Mallika Srinivasan	February 27, 2015
/s/ Hendrikus Visser Hendrikus Visser	February 27, 2015

Exhibit 31.1

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

I, Martin Richenhagen, certify that:

1. I have reviewed this Annual Report on Form 10-K of AGCO Corporation;

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

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

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

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

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

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

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

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

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

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

Dated: February 27, 2015

/s/ Martin Richenhagen

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

Exhibit 31.2

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

I, Andrew H. Beck, certify that:

1. I have reviewed this Annual Report on Form 10-K of AGCO Corporation;

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

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

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

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

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

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

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

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

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

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

Dated: February 27, 2015

/s/ Andrew H. Beck

Andrew H. Beck

Senior Vice President and Chief Financial Officer

Exhibit 32.1

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

The undersigned, as the Chairman of the Board, President and Chief Executive Officer and as the Senior Vice President and Chief Financial Officer of AGCO Corporation, respectively, certify that, to the best of their knowledge and belief, the Annual Report on Form 10-K for the year ended December 31, 2014 that accompanies this certification fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and the information contained in the annual report fairly presents, in all material respects, the financial condition and results of operations of AGCO Corporation at the dates and for the periods indicated. The foregoing certifications are made pursuant to 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350) and shall not be relied upon for any other purpose.

/s/ Martin Richenhagen

Martin Richenhagen
Chairman of the Board, President and Chief Executive Officer
February 27, 2015

/s/Andrew H. Beck

Andrew H. Beck
Senior Vice President and Chief Financial Officer
February 27, 2015

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