

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549  
FORM 10-Q**

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
For the quarterly period ended September 30, 2023  
OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 001-12930

**AGCO CORPORATION**

(Exact name of Registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of incorporation or organization)

**58-1960019**  
(I.R.S. Employer Identification No.)

**4205 River Green Parkway  
Duluth, Georgia**  
(Address of principal executive offices)

**30096**  
(Zip Code)

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

Title of Class	Securities registered pursuant to Section 12(b) of the Act	Name of exchange on which registered
Common stock	Trading Symbol AGCO	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer     Accelerated filer     Non-accelerated filer     Smaller reporting company     Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  Yes  No

As of November 3, 2023, there were 74,879,937 shares of the registrant's common stock, par value of \$0.01 per share, outstanding.

# AGCO CORPORATION AND SUBSIDIARIES

## INDEX

Page  
Numbers

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### PART I. FINANCIAL INFORMATION:

Item 1.	<a href="#"><u>Financial Statements (unaudited)</u></a>	
	<a href="#"><u>Condensed Consolidated Balance Sheets as of September 30, 2023 and December 31, 2022</u></a>	<a href="#"><u>3</u></a>
	<a href="#"><u>Condensed Consolidated Statements of Operations for the Three Months Ended September 30, 2023 and 2022</u></a>	<a href="#"><u>4</u></a>
	<a href="#"><u>Condensed Consolidated Statements of Operations for the Nine Months Ended September 30, 2023 and 2022</u></a>	<a href="#"><u>5</u></a>
	<a href="#"><u>Condensed Consolidated Statements of Comprehensive Income for the Three and Nine Months Ended September 30, 2023 and 2022</u></a>	<a href="#"><u>6</u></a>
	<a href="#"><u>Condensed Consolidated Statements of Cash Flows for the Nine Months Ended September 30, 2023 and 2022</u></a>	<a href="#"><u>7</u></a>
	<a href="#"><u>Notes to Condensed Consolidated Financial Statements</u></a>	<a href="#"><u>8</u></a>
Item 2.	<a href="#"><u>Management’s Discussion and Analysis of Financial Condition and Results of Operations</u></a>	<a href="#"><u>40</u></a>
Item 3.	<a href="#"><u>Quantitative and Qualitative Disclosures about Market Risk</u></a>	<a href="#"><u>51</u></a>
Item 4.	<a href="#"><u>Controls and Procedures</u></a>	<a href="#"><u>51</u></a>

### PART II. OTHER INFORMATION:

Item 1.	<a href="#"><u>Legal Proceedings</u></a>	<a href="#"><u>52</u></a>
Item 1A.	<a href="#"><u>Risk Factors</u></a>	<a href="#"><u>52</u></a>
Item 2.	<a href="#"><u>Unregistered Sales of Equity Securities and Use of Proceeds</u></a>	<a href="#"><u>52</u></a>
Item 5.	<a href="#"><u>Other information</u></a>	<a href="#"><u>52</u></a>
Item 6.	<a href="#"><u>Exhibits</u></a>	<a href="#"><u>53</u></a>

<a href="#"><u>SIGNATURES</u></a>	<a href="#"><u>54</u></a>
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**PART I. FINANCIAL INFORMATION**
**ITEM 1. FINANCIAL STATEMENTS**

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

	September 30, 2023	December 31, 2022
<b>ASSETS</b>		
Current Assets:		
Cash, cash equivalents and restricted cash	\$ 680.7	\$ 789.5
Accounts and notes receivable, net	1,643.9	1,221.3
Inventories, net	3,726.0	3,189.7
Other current assets	624.5	538.8
Total current assets	6,675.1	5,739.3
Property, plant and equipment, net	1,750.4	1,591.2
Right-of-use lease assets	167.3	163.9
Investments in affiliates	512.2	436.9
Deferred tax assets	299.6	228.5
Other assets	315.2	268.7
Intangible assets, net	322.8	364.4
Goodwill	1,308.5	1,310.8
Total assets	\$ 11,351.1	\$ 10,103.7
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current Liabilities:		
Current portion of long-term debt	\$ 79.9	\$ 187.1
Short-term borrowings	25.9	8.9
Accounts payable	1,308.4	1,385.3
Accrued expenses	2,507.3	2,271.3
Other current liabilities	197.6	235.4
Total current liabilities	4,119.1	4,088.0
Long-term debt, less current portion and debt issuance costs	1,919.7	1,264.8
Operating lease liabilities	128.2	125.4
Pension and postretirement health care benefits	159.4	158.0
Deferred tax liabilities	112.5	112.0
Other noncurrent liabilities	556.6	472.9
Total liabilities	6,995.5	6,221.1
Commitments and contingencies (Note 19)		
Stockholders' Equity:		
AGCO Corporation stockholders' equity:		
Preferred stock; \$0.01 par value, 1,000,000 shares authorized, no shares issued or outstanding in 2023 and 2022	—	—
Common stock; \$0.01 par value, 150,000,000 shares authorized, 74,879,816 and 74,600,815 shares issued and outstanding at September 30, 2023 and December 31, 2022, respectively	0.7	0.7
Additional paid-in capital	46.0	30.2
Retained earnings	6,045.7	5,654.6
Accumulated other comprehensive loss	(1,736.9)	(1,803.1)
Total AGCO Corporation stockholders' equity	4,355.5	3,882.4
Noncontrolling interests	0.1	0.2
Total stockholders' equity	4,355.6	3,882.6
Total liabilities and stockholders' equity	\$ 11,351.1	\$ 10,103.7

See accompanying notes to condensed consolidated financial statements.

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

	<b>Three Months Ended September 30,</b>	
	<b>2023</b>	<b>2022</b>
Net sales	\$ 3,455.5	\$ 3,121.6
Cost of goods sold	2,521.5	2,382.7
Gross profit	934.0	738.9
Operating expenses:		
Selling, general and administrative expenses	353.6	287.5
Engineering expenses	139.6	104.7
Amortization of intangibles	14.4	14.7
Restructuring expenses	0.8	1.0
Bad debt expense	2.0	(1.1)
Income from operations	423.6	332.1
Interest expense, net	5.5	2.3
Other expense, net	84.2	33.1
Income before income taxes and equity in net earnings of affiliates	333.9	296.7
Income tax provision	75.3	74.2
Income before equity in net earnings of affiliates	258.6	222.5
Equity in net earnings of affiliates	21.9	15.4
Net income	280.5	237.9
Net loss attributable to noncontrolling interests	0.1	—
Net income attributable to AGCO Corporation and subsidiaries	\$ 280.6	\$ 237.9
Net income per common share attributable to AGCO Corporation and subsidiaries:		
Basic	\$ 3.75	\$ 3.19
Diluted	\$ 3.74	\$ 3.18
Cash dividends declared and paid per common share	\$ 0.29	\$ 0.24
Weighted average number of common and common equivalent shares outstanding:		
Basic	74.9	74.6
Diluted	75.0	74.9

See accompanying notes to condensed consolidated financial statements.

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

	<b>Nine Months Ended September 30,</b>	
	<b>2023</b>	<b>2022</b>
Net sales	\$ 10,611.7	\$ 8,752.5
Cost of goods sold	7,817.1	6,691.8
Gross profit	2,794.6	2,060.7
Operating expenses:		
Selling, general and administrative expenses	1,033.2	861.1
Engineering expenses	398.0	312.1
Amortization of intangibles	43.3	45.4
Impairment charges	—	36.0
Restructuring expenses	8.3	4.4
Bad debt expense	4.5	2.1
Income from operations	1,307.3	799.6
Interest expense, net	11.8	8.6
Other expense, net	212.6	72.3
Income before income taxes and equity in net earnings of affiliates	1,082.9	718.7
Income tax provision	306.5	205.9
Income before equity in net earnings of affiliates	776.4	512.8
Equity in net earnings of affiliates	55.9	39.7
Net income	832.3	552.5
Net loss attributable to noncontrolling interests	0.1	14.9
Net income attributable to AGCO Corporation and subsidiaries	\$ 832.4	\$ 567.4
Net income per common share attributable to AGCO Corporation and subsidiaries:		
Basic	\$ 11.11	\$ 7.60
Diluted	\$ 11.10	\$ 7.58
Cash dividends declared and paid per common share	\$ 5.81	\$ 5.16
Weighted average number of common and common equivalent shares outstanding:		
Basic	74.9	74.6
Diluted	75.0	74.9

See accompanying notes to condensed consolidated financial statements.

AGCO CORPORATION AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
(unaudited and in millions)

	<b>Three Months Ended September 30,</b>	
	<b>2023</b>	<b>2022</b>
Net income	\$ 280.5	\$ 237.9
Other comprehensive income (loss), net of reclassification adjustments:		
Foreign currency translation adjustments	(54.5)	(75.7)
Defined benefit pension plans, net of tax	1.9	(16.9)
Deferred gains and losses on derivatives, net of tax	0.5	1.3
Other comprehensive loss, net of reclassification adjustments	(52.1)	(91.3)
Comprehensive income	228.4	146.6
Comprehensive loss attributable to noncontrolling interests	0.1	—
Comprehensive income attributable to AGCO Corporation and subsidiaries	<u>\$ 228.5</u>	<u>\$ 146.6</u>

	<b>Nine Months Ended September 30,</b>	
	<b>2023</b>	<b>2022</b>
Net income	\$ 832.3	\$ 552.5
Other comprehensive income (loss), net of reclassification adjustments:		
Foreign currency translation adjustments	64.1	(61.9)
Defined benefit pension plans, net of tax	5.6	(13.5)
Deferred gains and losses on derivatives, net of tax	(3.5)	(5.2)
Other comprehensive income (loss), net of reclassification adjustments	66.2	(80.6)
Comprehensive income	898.5	471.9
Comprehensive loss attributable to noncontrolling interests	0.1	14.0
Comprehensive income attributable to AGCO Corporation and subsidiaries	<u>\$ 898.6</u>	<u>\$ 485.9</u>

See accompanying notes to condensed consolidated financial statements.

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

	<b>Nine Months Ended September 30,</b>	
	<b>2023</b>	<b>2022</b>
<b>Cash flows from operating activities:</b>		
Net income	\$ 832.3	\$ 552.5
<b>Adjustments to reconcile net income to net cash provided by (used in) operating activities:</b>		
Depreciation	168.9	157.1
Amortization of intangibles	43.3	45.4
Stock compensation expense	37.5	25.4
Impairment charges	—	36.0
Equity in net earnings of affiliates, net of cash received	(53.0)	(39.1)
Deferred income tax (benefit) provision	(55.2)	5.7
Other	17.1	2.3
<b>Changes in operating assets and liabilities:</b>		
Accounts and notes receivable, net	(481.6)	(302.2)
Inventories, net	(542.9)	(951.7)
Other current and noncurrent assets	(140.6)	(74.9)
Accounts payable	(56.1)	199.1
Accrued expenses	251.8	22.5
Other current and noncurrent liabilities	181.2	26.8
Total adjustments	(629.6)	(847.6)
Net cash provided by (used in) operating activities	202.7	(295.1)
<b>Cash flows from investing activities:</b>		
Purchases of property, plant and equipment	(357.7)	(270.5)
Proceeds from sale of property, plant and equipment	5.2	2.5
Investments in unconsolidated affiliates	(21.3)	(1.6)
Purchase of businesses, net of cash acquired	(0.9)	(111.3)
Other	(4.0)	—
Net cash used in investing activities	(378.7)	(380.9)
<b>Cash flows from financing activities:</b>		
Proceeds from indebtedness	725.5	1,046.5
Repayments of indebtedness	(148.5)	(158.8)
Payment of dividends to stockholders	(435.8)	(386.4)
Payment of minimum tax withholdings on stock compensation	(20.5)	(20.0)
Distributions to noncontrolling interest	—	(11.5)
Payment of debt issuance costs	(9.5)	(0.2)
Net cash provided by financing activities	111.2	469.6
Effects of exchange rate changes on cash, cash equivalents and restricted cash	(44.0)	(75.7)
Decrease in cash, cash equivalents and restricted cash	(108.8)	(282.1)
Cash, cash equivalents and restricted cash, beginning of period	789.5	889.1
Cash, cash equivalents and restricted cash, end of period	\$ 680.7	\$ 607.0

See accompanying notes to condensed consolidated financial statements.

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

**1. BASIS OF PRESENTATION**

The condensed consolidated financial statements of AGCO Corporation and its subsidiaries (the “Company” or “AGCO”) included herein have been prepared in accordance with United States generally accepted accounting principles (“U.S. GAAP”) for interim financial information and the rules and regulations of the Securities and Exchange Commission. In the opinion of management, the accompanying unaudited condensed consolidated financial statements reflect all adjustments, which are of a normal recurring nature, necessary to present fairly the Company’s financial position, results of operations, comprehensive income and cash flows at the dates and for the periods presented. These condensed consolidated financial statements should be read in conjunction with the Company’s audited consolidated financial statements and the notes thereto included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2022. Results for interim periods are not necessarily indicative of the results for the year.

The Company has a wholly-owned subsidiary in Turkey that distributes agricultural equipment and replacement parts. On the basis of currently available data related to inflation indices and as a result of the devaluation of the Turkish lira relative to the United States dollar, the Turkish economy was determined to be highly inflationary. A highly inflationary economy is one where the cumulative inflation rate for the three years preceding the beginning of the reporting period, including interim reporting periods, is in excess of 100 percent. For the nine months ended and as of September 30, 2023, the Company’s wholly-owned subsidiary in Turkey had net sales of approximately \$292.9 million and total assets of approximately 3.5 billion Turkish lira (or approximately \$126.5 million). The monetary assets and liabilities denominated in the Turkish lira were approximately 3.0 billion Turkish lira (or approximately \$109.4 million) and approximately 2.3 billion Turkish lira (or approximately \$85.4 million), respectively, as of September 30, 2023. The monetary assets and liabilities were remeasured into U.S. dollar based on exchange rates as of September 30, 2023.

The Company is subject to the risk of the imposition of limitations by governments on international transfers of funds. In recent years, the Argentine government has substantially limited the ability of companies to transfer funds out of Argentina. As a consequence of these limitations, the spread between the official government exchange rate and the exchange rates resulting implicitly from certain capital market operations, usually effected to obtain U.S. dollars, has broadened significantly. The Company has a wholly-owned subsidiary in Argentina that assembles and distributes agricultural equipment and replacement parts. The Company determined that the Argentina economy was highly inflationary during the third quarter of 2018. For the nine months ended and as of September 30, 2023, the Company’s wholly-owned subsidiary in Argentina had net sales of approximately \$164.6 million and total assets of approximately 82.8 billion pesos (or approximately \$240.0 million). The monetary assets of the Company’s operations in Argentina denominated in pesos at the official government rate were approximately 25.6 billion pesos (or approximately \$74.4 million), inclusive of approximately 14.1 billion pesos (or approximately \$41.0 million) in cash and cash equivalents, as of September 30, 2023. The monetary liabilities of the Company’s operations in Argentina denominated in pesos at the official government rate were approximately 9.0 billion pesos (or approximately \$26.2 million) as of September 30, 2023. The monetary assets and liabilities were remeasured into U.S. dollar based on exchange rates as of September 30, 2023. The Company’s finance joint venture in Argentina, AGCO Capital Argentina S.A. (“AGCO Capital”) has net monetary assets denominated in pesos at the official government rate of approximately 7.1 billion (or approximately \$20.5 million) as of September 30, 2023, of which a majority is cash and cash equivalents. Future impairments and charges are possible in connection with these exposures.

***Recent Accounting Pronouncements***

In June 2016, the FASB issued Accounting Standards Update (“ASU”) 2016-13 “Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments,” which requires measurement and recognition of expected versus incurred credit losses for financial assets. In November 2019, the FASB issued ASU 2019-10, “Financial Instruments - Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842): Effective Dates,” which delays the effective date of ASU 2016-13 for smaller reporting companies and other non-SEC reporting entities. This delay applies to the Company’s equity method finance joint ventures, which were required to adopt ASU 2016-13 for annual periods beginning after December 15, 2022 and interim periods within those annual periods. The standard, and its subsequent modification, impacts the results of operations and financial condition of the Company’s finance joint ventures. For the adoption of the standard by the Company’s finance joint ventures on January 1, 2023 under the modified retrospective approach, the Company recognized the cumulative effect of ASU 2016-13 as an adjustment to the opening balance of

stockholders' equity as of January 1, 2023 within "Retained earnings." The cumulative effect was a reduction of approximately \$5.5 million.

In September 2022, the FASB issued ASU 2022-04, "Liabilities-Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations." The new standard requires that a buyer in a supplier finance program disclose sufficient information about the key terms of the program, the amount of outstanding confirmed obligations at period end, where the obligations are presented in the balance sheet, and a rollforward of the obligations during the annual period. This guidance was effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years, except for the rollforward, which is effective for fiscal years beginning after December 15, 2023. Early adoption was permitted. The adoption of ASU 2022-04 resulted in disclosure of the Company's supplier financing programs. Refer to Note 10 for further details.

The Company has adopted ASU 2021-08, "Business Combinations: Accounting for Contract Assets and Contract Liabilities from Contracts with Customers," effective for fiscal years beginning after December 15, 2022, which did not have a material impact on the Company's results of operations, financial condition or cash flows but may impact future acquisitions.

## 2. ACQUISITIONS

On September 28, 2023, the Company entered into a Sale and Contribution Agreement (the "Agreement") with Trimble Inc. ("Trimble") and its currently 100%-owned subsidiary Trimble Solutions, LLC (the "Joint Venture"). Among other things, the Agreement provides for (i) the contribution by Trimble to the Joint Venture of Trimble's agricultural business, excluding certain Global Navigation Satellite System and guidance technologies, (ii) the contribution by the Company to the Joint Venture of the Company's interest in JCA Industries, LLC d/b/a JCA Technologies ("JCA") in exchange for membership interests in the Joint Venture, and (iii) the purchase by the Company from Trimble of membership interests in exchange for the payment by the Company to Trimble of \$2.0 billion in cash, subject to customary working capital and other adjustments. Immediately following the closing and as a result of the transaction, the Company will own an 85% interest in the Joint Venture. The closing is expected in the first half of 2024 and is subject to customary conditions, including compliance with antitrust and similar laws.

In connection with the planned Joint Venture, also on September 28, 2023, the Company entered into a bridge facility commitment letter with Morgan Stanley Senior Funding Inc. ("Morgan Stanley") pursuant to which Morgan Stanley has committed to provide, subject to the terms and conditions set forth therein, a \$2.0 billion senior unsecured 364-day bridge facility (the "Bridge Facility").

During the three and nine months ended September 30, 2023, the Company paid \$9.5 million in fees related to the Bridge Facility commitment which were recorded as a deferred asset included within "Other current assets" in the Company's Condensed Consolidated Balance Sheet as of September 30, 2023 and will be amortized to interest expense over the life of the commitment.

On May 2, 2022, the Company acquired JCA for 63.0 million Canadian dollars (or approximately \$49.2 million as of May 2, 2022). JCA is located in Winnipeg, Manitoba, Canada, and specializes in the design of electronic systems and software development to automate and control agricultural equipment. 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, other current and noncurrent assets, accounts payable, accrued expenses, other current and noncurrent liabilities, property, plant and equipment, deferred tax liabilities as well as customer relationship, technology and trademark identifiable intangible assets. The Company recorded approximately 43.9 million Canadian dollars (or approximately \$34.0 million) of goodwill associated with the acquisition. The results of operations of JCA have been included in the Company's Condensed Consolidated Financial Statements as of and from the date of acquisition. The associated goodwill has been included in the Company's North America geographical reportable segment. Proforma financial information related to the acquisition of JCA was not material to the Company's results of operations.

On January 1, 2022, the Company acquired Appareo Systems, LLC ("Appareo") for approximately \$62.1 million, net of approximately \$0.5 million of cash. As a result of the acquisition of the remaining 50% interest in IAS, the Company's previous operating joint venture with Appareo, the Company recorded a gain of approximately \$3.4 million on the remeasurement of the previously held equity interest within "Other expense, net" in the Company's Condensed Consolidated Statements of Operations. The fair value of the previously held 50% interest in the joint venture as of the acquisition date was approximately \$11.2 million. Appareo is headquartered in Fargo, North Dakota and offers engineering, manufacturing and technology for end-to-end product development. 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, other current and noncurrent assets, assets held for sale, lease right-of-use assets and liabilities, accounts payable, accrued expenses, other current and noncurrent liabilities, property, plant and equipment, as well as customer relationship, technology, non-competition agreements and trademark identifiable intangible assets. The Company recorded approximately \$25.8 million of goodwill associated with the acquisition. The results of operations of Appareo have been included in the Company's Condensed Consolidated Financial Statements as of and from the date of acquisition. The associated goodwill has been included in the Company's North America geographical reportable segment. Proforma financial information related to the acquisition of Appareo was not material to the Company's results of operations.

The acquired identifiable intangible assets of JCA and Appareo as of the date of their respective acquisitions during 2022 are summarized in the following table (in millions):

Intangible Asset	Amount	Weighted-Average Useful Life
Customer relationships	\$ 15.4	10 years
Technology	15.4	8 years
Trademarks	5.7	10 years
Non-competition agreements	1.4	5 years
	<u>\$ 37.9</u>	

### 3. RESTRUCTURING EXPENSES AND IMPAIRMENT CHARGES

#### *Restructuring Expenses*

In recent years, the Company has announced and initiated several actions to rationalize employee headcount in various manufacturing facilities and administrative offices located in the U.S., Europe, South America, Africa and China, as well as the rationalization of its grain and protein business, in order to reduce costs in response to fluctuating global market demand. Restructuring expenses activity during the three and nine months ended September 30, 2023 is summarized as follows (in millions):

	Employee Severance	Other Related Closure Costs	Total
Balance as of December 31, 2022	\$ 6.8	\$ —	\$ 6.8
First quarter 2023 provision	1.4	—	1.4
First quarter 2023 cash activity	(1.0)	—	(1.0)
Balance as of March 31, 2023	<u>\$ 7.2</u>	<u>\$ —</u>	<u>\$ 7.2</u>
Second quarter 2023 provision	4.1	2.0	6.1
Second quarter 2023 cash activity	(1.7)	—	(1.7)
Foreign currency translation	(0.4)	—	(0.4)
Balance as of June 30, 2023	<u>\$ 9.2</u>	<u>\$ 2.0</u>	<u>\$ 11.2</u>
Third quarter 2023 provision	0.8	—	0.8
Third quarter 2023 cash activity	(2.8)	(2.0)	(4.8)
Foreign currency translation	(0.7)	—	(0.7)
Balance as of September 30, 2023	<u>\$ 6.5</u>	<u>\$ —</u>	<u>\$ 6.5</u>

Restructuring expenses activity during the three and nine months ended September 30, 2022 is summarized as follows (in millions):

	<b>Employee Severance</b>	<b>Other Related Closure Costs</b>	<b>Total</b>
Balance as of December 31, 2021	\$ 14.5	\$ 0.2	\$ 14.7
First quarter 2022 provision	3.0	—	3.0
First quarter 2022 cash activity	(3.4)	—	(3.4)
Foreign currency translation	(0.3)	0.1	(0.2)
Balance as of March 31, 2022	<u>\$ 13.8</u>	<u>\$ 0.3</u>	<u>\$ 14.1</u>
Second quarter 2022 provision	0.8	—	0.8
Second quarter 2022 provision reversal	(0.4)	—	(0.4)
Second quarter 2022 cash activity	(3.3)	—	(3.3)
Foreign currency translation	(0.6)	—	(0.6)
Balance as of June 30, 2022	<u>\$ 10.3</u>	<u>\$ 0.3</u>	<u>\$ 10.6</u>
Third quarter 2022 provision	1.0	—	1.0
Third quarter 2022 cash activity	(3.4)	—	(3.4)
Foreign currency translation	(0.6)	—	(0.6)
Balance as of September 30, 2022	<u>\$ 7.3</u>	<u>\$ 0.3</u>	<u>\$ 7.6</u>

### Impairment Charges

As a consequence of the conflict between Russia and Ukraine, during the three months ended March 31, 2022, the Company assessed the fair value of its gross assets related to the joint ventures operating in Russia for potential impairment and recorded asset impairment charges of approximately \$36.0 million, reflected as “Impairment charges” in its Condensed Consolidated Statements of Operations, with an offsetting benefit of approximately \$12.2 million included within “Net income attributable to noncontrolling interests.” The Company sold its interest in its Russian distribution joint venture during the three months ended December 31, 2022. In addition, during the three months ended March 31, 2022, the Company recorded a write-down of its investment in its Russian finance joint venture of approximately \$4.8 million, reflected within “Equity in net earnings of affiliates” in its Condensed Consolidated Statements of Operations. The Russian finance joint venture was sold during the three months ended December 31, 2022.

### 4. STOCK COMPENSATION PLANS

The Company recorded stock compensation expense as follows for the three and nine months ended September 30, 2023 and 2022 (in millions):

	<b>Three Months Ended September 30,</b>		<b>Nine Months Ended September 30,</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Cost of goods sold	\$ 0.4	\$ 0.4	\$ 1.4	\$ 1.0
Selling, general and administrative expenses	9.8	7.4	36.1	24.4
Total stock compensation expense	<u>\$ 10.2</u>	<u>\$ 7.8</u>	<u>\$ 37.5</u>	<u>\$ 25.4</u>

### Stock Incentive Plan

Under the Company’s Long-Term Incentive Plan (the “Plan”), up to 10,000,000 shares of AGCO common stock may be issued. As of September 30, 2023, of the 10,000,000 shares reserved for issuance under the Plan, 3,581,555 shares were available for grant, assuming the maximum performance level, or 200%, and target, or 100%, total shareholder return are achieved related to the performance award grants discussed below.

*Long-Term Incentive Plan and Related Performance Awards*

As of September 30, 2023, the Company had 808,032 performance shares outstanding with a weighted-average grant price of \$128.89 per share, assuming the Company were to achieve its maximum level of performance, or 200%, and that the total shareholder return modifier related to the 2023, 2022 and 2021 performances awards are achieved at target, or 100%. The total compensation cost related to unearned performance awards not yet recognized, assuming the Company's current projected assessment of the level of performance that will be achieved, was approximately \$48.5 million, and the weighted average period over which it is expected to be recognized is approximately two years.

*Restricted Stock Unit Awards ("RSUs")*

During the nine months ended September 30, 2023, 16,191 shares were issued related to RSUs previously granted in 2020 to certain executives, net of 11,277 shares withheld for taxes. In addition, the shares issued included an adjustment of 25% additional shares based on a total margin improvement metric relative to the Company's defined peer group that was applicable to executive RSU grants made in 2020. At September 30, 2023, 215,671 restricted stock units were outstanding with weighted-average grant price of \$122.52 per share. The total compensation cost related to unearned restricted stock units not yet recognized was approximately \$18.8 million, and the weighted average period over which it is expected to be recognized is approximately one and one-half years.

*Stock-Settled Appreciation Rights ("SSARs")*

Certain executives and key managers were eligible to receive grants of SSARs through the year ended December 31, 2020. The Company has not granted any SSARs since the year ended December 31, 2020 and does not currently anticipate granting any SSARs in the future. There were 98,259 SSARs outstanding as of September 30, 2023. As of September 30, 2023, the total compensation cost related to the unvested SSARs not yet recognized was approximately \$0.1 million.

*Director Restricted Stock Grants*

The Plan provides for annual restricted stock grants of the Company's common stock to all non-employee directors. The 2023 grant was made on April 27, 2023 and equated to 12,069 shares of common stock, of which 10,524 shares of common stock were issued after shares were withheld for taxes. The Company recorded stock compensation expense of approximately \$1.5 million during the nine months ended September 30, 2023 associated with these grants.

**5. GOODWILL AND OTHER INTANGIBLE ASSETS**

Changes in the carrying amount of goodwill during the nine months ended September 30, 2023 are summarized as follows (in millions):

	North America	South America	Europe/Middle East	Asia/Pacific/Africa	Consolidated
Balance as of December 31, 2022	\$ 667.3	\$ 86.0	\$ 444.3	\$ 113.2	\$ 1,310.8
Foreign currency translation	0.2	4.7	(3.7)	(3.5)	(2.3)
Balance as of September 30, 2023	<u>\$ 667.5</u>	<u>\$ 90.7</u>	<u>\$ 440.6</u>	<u>\$ 109.7</u>	<u>\$ 1,308.5</u>

Goodwill is tested for impairment on an annual basis and more often if indications of impairment exist. The Company conducts its annual impairment analyses as of October 1 each year.

Changes in the carrying amount of acquired intangible assets during the nine months ended September 30, 2023 are summarized as follows (in millions):

<b>Gross carrying amounts:</b>	<b>Trademarks and Tradenames</b>	<b>Customer Relationships</b>	<b>Patents and Technology</b>	<b>Land Use Rights</b>	<b>Total</b>
Balance as of December 31, 2022	\$ 191.8	\$ 574.5	\$ 150.6	\$ 6.5	\$ 923.4
Foreign currency translation	(0.7)	(0.9)	(0.7)	(0.4)	(2.7)
Balance as of September 30, 2023	\$ 191.1	\$ 573.6	\$ 149.9	\$ 6.1	\$ 920.7

  

<b>Accumulated amortization:</b>	<b>Trademarks and Tradenames</b>	<b>Customer Relationships</b>	<b>Patents and Technology</b>	<b>Land Use Rights</b>	<b>Total</b>
Balance as of December 31, 2022	\$ 103.3	\$ 440.8	\$ 101.5	\$ 1.6	\$ 647.2
Amortization expense	7.5	27.6	8.1	0.1	43.3
Foreign currency translation	(0.3)	(0.6)	(0.9)	(0.1)	(1.9)
Balance as of September 30, 2023	\$ 110.5	\$ 467.8	\$ 108.7	\$ 1.6	\$ 688.6

  

<b>Indefinite-lived intangible assets:</b>	<b>Trademarks and Tradenames</b>
Balance as of December 31, 2022	\$ 84.8
Foreign currency translation	(0.4)
Balance as of September 30, 2023	\$ 84.4

The Company amortizes certain acquired identifiable intangible assets primarily on a straight-line basis over their estimated useful lives, which range from four to 50 years. Amortization expense related to identifiable intangible assets was \$14.4 million and \$43.3 million for the three and nine months ended September 30, 2023, respectively, and \$14.7 million and \$45.4 million for the same periods ended September 30, 2022. External-use software, net, developed by the Company and marketed externally, was approximately \$6.3 million as of September 30, 2023 and classified within “Intangible assets, net.” Amortization expense related to external-use software was approximately \$0.3 million and \$1.4 million for the three and nine months ended September 30, 2023, respectively, and was classified within “Cost of goods sold.”

## 6. INDEBTEDNESS

Long-term debt consisted of the following at September 30, 2023 and December 31, 2022 (in millions):

	<b>September 30, 2023</b>	<b>December 31, 2022</b>
Credit facility, expires 2027	\$ 866.6	\$ 200.0
1.002% Senior term loan due 2025	264.5	267.3
Senior term loans due between 2023 and 2028	232.8	341.6
0.800% Senior notes due 2028	634.9	641.5
Other long-term debt	3.9	5.1
Debt issuance costs	(3.1)	(3.6)
	1,999.6	1,451.9
Senior term loans due 2023, net of debt issuance costs	(77.7)	(184.9)
Current portion of other long-term debt	(2.2)	(2.2)
Total long-term indebtedness, less current portion	\$ 1,919.7	\$ 1,264.8

**Credit Facility**

In December 2022, the Company, certain of its subsidiaries and Rabobank, and other named lenders entered into an amendment to its credit facility providing for a \$1.25 billion multi-currency unsecured revolving credit facility ("credit facility"), which replaced the Company's former \$800.0 million multi-currency unsecured revolving credit facility. The amendment provided an additional \$450.0 million in borrowing capacity. An initial borrowing under the credit facility was used to repay and retire a \$240.0 million short-term multi-currency revolving credit facility with Rabobank that matured on March 31, 2023. The credit facility consists of a \$325.0 million U.S. dollar tranche and a \$925.0 million multi-currency tranche for loans denominated in U.S. Dollars, Euros or other currencies to be agreed upon. The credit facility matures on December 19, 2027. Interest accrues on amounts outstanding for any borrowings denominated in U.S. dollars, at the Company's option, at either (1) the Secured Overnight Financing Rate ("SOFR") plus 0.1% plus a margin ranging from 0.875% to 1.875% based on the Company's credit rating, or (2) the base rate, which is the highest of (i) the Prime Rate, (ii) the Federal Funds Effective Rate plus 0.5%, and (iii) Term SOFR for a one-month tenor plus 1.0%, plus a margin ranging from 0.000% to 0.875% based on the Company's credit rating. Interest accrues on amounts outstanding for any borrowings denominated in Euros at the Euro Interbank Offered Rate ("EURIBOR") plus a margin ranging from 0.875% to 1.875% based on the Company's credit rating. As of September 30, 2023, the Company had \$866.6 million outstanding borrowings under the revolving credit facility and had the ability to borrow \$288.4 million.

**Uncommitted Credit Facility**

In June 2022, the Company entered into an uncommitted revolving credit facility that allows the Company to borrow up to €100.0 million (or approximately \$105.8 million as of September 30, 2023). The credit facility expires on December 31, 2026. Any loans will bear interest at the EURIBOR plus a credit spread. As of September 30, 2023, the Company had no outstanding borrowings under the revolving credit facility.

**0.800% Senior Notes Due 2028**

On October 6, 2021, the Company issued €600.0 million (or approximately \$634.9 million as of September 30, 2023) of senior notes at an issue price of 99.993%. The notes mature on October 6, 2028, and interest is payable annually, in arrears, at 0.800%. The notes contain covenants restricting, among other things, the incurrence of certain secured indebtedness. The senior notes are subject to both optional and mandatory redemption in certain events.

**1.002% Senior Term Loan Due 2025**

On January 25, 2019, the Company borrowed €250.0 million (or approximately \$264.5 million as of September 30, 2023) from the European Investment Bank ("EIB"). The loan matures on January 24, 2025. The Company is permitted to prepay the loan before its maturity date. Interest is payable on the loan at 1.002% per annum, payable semi-annually in arrears.

**Senior Term Loans Due Between 2023 and 2028**

In October 2016, the Company borrowed an aggregate amount of €375.0 million through a group of seven related term loan agreements, and in August 2018, the Company borrowed an additional aggregate amount of €338.0 million through a group of another seven related term loan agreements. Of the 2016 term loans, the Company repaid an aggregate amount of €249.0 million in October 2019, October 2021 and April 2022. Of the 2018 senior term loans, the Company repaid an aggregate amount of €144.5 million in August 2021 and February 2022, and on August 1, 2023, the Company repaid its 2018 senior term loan due August 2023 in the amount of €99.5 million (or approximately \$109.2 million).

In aggregate, as of September 30, 2023, the Company had indebtedness of €220.0 million (or approximately \$232.8 million as of September 30, 2023) through a group of five remaining related term loan agreements. The provisions of the term loan agreements are substantially identical, with the exception of interest rate terms and maturities. As of September 30, 2023, for the term loans with a fixed interest rate, interest is payable in arrears on an annual basis, with interest rates ranging from 1.33% to 2.26% and maturity dates between October 2023 and August 2028. For the term loan with a floating interest rate, interest is payable in arrears on a semi-annual basis, with an interest rate based on the EURIBOR plus a margin of 1.10% and a maturity date of August 2025. On October 19, 2023, the Company repaid its €73.5 million (or approximately \$77.7 million) 2016 senior term loan due October 2023.

#### ***European Investment Bank ("EIB") Senior Term Loan***

On September 29, 2023, the Company entered into a multi-currency Finance Contract with the EIB permitting the Company to borrow up to €250.0 million (or approximately \$264.5 million as of September 30, 2023) to fund up to 50% of certain investments in research, development and innovation primarily in Germany, France and Finland during the period from 2023 through 2026. The loans will mature at a date established at the time of the relevant draw, which generally will be between four years and ten years for an amortizing draw and between three years and six years for a non-amortizing draw. Loans generally can be prepaid at any time upon the election of the Company and must be prepaid upon the occurrence of certain events. At the time of each draw, the Company will be entitled to elect whether the borrowing will bear a fixed rate of interest equal to the EIB's then customary rate or a floating rate of interest equal to SOFR (in the case of Dollar denominated loans) or EURIBOR (in the case of non-Dollar denominated loans), in each case plus a margin based upon the Company's credit rating. The Company also has to fulfill financial covenants with respect to a net leverage ratio and an interest coverage ratio. There were no amounts outstanding under the EIB Senior Term Loan as of September 30, 2023. Subsequent to the end of the quarter, on October 26, 2023, the Company borrowed €250.0 million (approximately \$263.7 million) under the arrangement.

#### ***Bridge Facility***

As discussed in Note 2, in connection with the planned Joint Venture with Trimble Inc., on September 28, 2023, the Company entered into a bridge facility commitment letter with Morgan Stanley pursuant to which Morgan Stanley has committed to provide a \$2.0 billion senior unsecured 364-day bridge facility (the "Bridge Facility"). Amounts outstanding under the Bridge Facility will accrue interest at a rate equal to, at the Company's election, at either (1) the SOFR plus 0.1% plus a margin ranging from 0.875% to 2.625% based on the Company's credit rating, or (2) the base rate, which is the highest of (i) the Prime Rate, (ii) the Federal Funds Effective Rate plus 0.5%, and (iii) Term SOFR for a one-month tenor plus 1.0%, plus a margin ranging from 0.000% to 1.625% based on the Company's credit rating, together with a duration fee based on the closing date of the transaction. There are no amounts outstanding under the Bridge Facility as of September 30, 2023.

#### ***Other Short-Term Borrowings***

As of September 30, 2023 and December 31, 2022, the Company had short-term borrowings due within one year of approximately \$25.9 million and \$8.9 million, respectively.

#### ***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 September 30, 2023 and December 31, 2022, outstanding letters of credit totaled approximately \$14.7 million and \$14.4 million, respectively.

**7. RECOVERABLE INDIRECT TAXES**

The Company's Brazilian operations incur value added taxes ("VAT") on certain purchases of raw materials, components and services. These taxes are accumulated as tax credits and create assets that are reduced by the VAT collected from the Company's sales in the Brazilian market. The Company regularly assesses the recoverability of these tax credits and establishes reserves when necessary against them, through analyses that include, amongst others, the history of realization, the transfer of tax credits to third parties as authorized by the government, anticipated changes in the supply chain and the future expectation of tax debits from the Company's ongoing operations. The Company believes that these tax credits, net of established reserves, are realizable. The Company had recorded approximately \$97.3 million and \$94.6 million, respectively, of VAT tax credits, net of reserves, as of September 30, 2023 and December 31, 2022.

**8. INVENTORIES**

Inventories at September 30, 2023 and December 31, 2022 were as follows (in millions):

	<b>September 30, 2023</b>	<b>December 31, 2022</b>
Finished goods	\$ 1,464.0	\$ 994.9
Repair and replacement parts	807.9	750.1
Work in process	432.6	369.8
Raw materials	1,021.5	1,074.9
Inventories, net	<u>\$ 3,726.0</u>	<u>\$ 3,189.7</u>

**9. PRODUCT WARRANTY**

The warranty reserve activity for the three and nine months ended September 30, 2023 and 2022, including deferred revenue associated with the Company's extended warranties that have been sold, was as follows (in millions):

	<b>Three Months Ended September 30,</b>		<b>Nine Months Ended September 30,</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Balance at beginning of period	\$ 727.2	\$ 589.5	\$ 640.0	\$ 592.5
Accruals for warranties issued during the period	123.9	86.1	321.4	231.3
Settlements made (in cash or in kind) during the period	(94.8)	(81.8)	(222.7)	(189.5)
Foreign currency translation	(21.1)	(31.9)	(3.5)	(72.4)
Balance at September 30	<u>\$ 735.2</u>	<u>\$ 561.9</u>	<u>\$ 735.2</u>	<u>\$ 561.9</u>

The Company's agricultural equipment products generally are warranted against defects in material and workmanship for a period of one to four years. The Company accrues for future warranty costs at the time of sale based on historical warranty experience. Approximately \$625.6 million, \$546.0 million and \$482.1 million of warranty reserves are included in "Accrued expenses" in the Company's Condensed Consolidated Balance Sheets as of September 30, 2023, December 31, 2022 and September 30, 2022, respectively. Approximately \$109.6 million, \$94.0 million and \$79.8 million of warranty reserves are included in "Other noncurrent liabilities" in the Company's Condensed Consolidated Balance Sheets as of September 30, 2023, December 31, 2022, and September 30, 2022, respectively.

The Company recognizes potential recoveries of the costs associated with warranties it provides when the collection is probable. When specifics of the recovery have been agreed upon with the Company's suppliers through the confirmation of liability for the recovery, the Company records the recovery within "Accounts and notes receivable, net." Estimates of the amount of warranty claim recoveries to be received from the Company's suppliers based upon contractual supplier arrangements are recorded within "Other current assets."

**10. SUPPLIER FINANCE PROGRAMS**

The Company has supplier financing arrangements with certain banks or other intermediaries whereby a bank or intermediary purchases receivables held by the Company's suppliers. Under the program, suppliers have the option to be paid by the bank or intermediary earlier than the payment due date. When the supplier receives an early payment, they receive discounted amounts, and the Company pays the bank or intermediary the face amount of the invoice on the payment due date. The Company does not reimburse suppliers for any costs incurred for participation in the program. The Company and its suppliers agree on the contractual terms, including prices, quantities and payment terms, regardless of whether the supplier elects to participate in the supplier finance programs. The suppliers' voluntary inclusion in the supplier financing programs has no bearing on the Company's payment terms. The Company has no economic interest in a supplier's decision to participate in the programs, and the Company has no direct financial relationship with the banks or other intermediaries as it relates to the supplier finance programs. As of September 30, 2023, payment terms with the majority of the Company's suppliers are generally 30 to 180 days, which correspond to the contractual terms, with rates that are based on market rates (such as SOFR) plus a credit spread. There are no assets pledged as security under the programs. As of September 30, 2023, and December 31, 2022, the amounts outstanding that remain unpaid to the banks or other intermediaries totaled \$90.7 million and \$121.5 million, respectively, and are reflected in "Accounts payable" in the Company's Condensed Consolidated Balance Sheets.

**11. NET INCOME PER COMMON SHARE**

Basic net income per common share is computed by dividing net income by the weighted average number of common shares outstanding during each period. Diluted net income per common share assumes the exercise of outstanding SSARs and the vesting of performance share awards and RSUs, when applicable, using the treasury stock method when there is no other circumstance other than the passage of time under which they would not be issued, and the effects of such assumptions are dilutive.

A reconciliation of net income attributable to AGCO Corporation and subsidiaries and weighted average common shares outstanding for purposes of calculating basic and diluted net income per share for the three and nine months ended September 30, 2023 and 2022 is as follows (in millions, except per share data):

	<b>Three Months Ended September 30,</b>		<b>Nine Months Ended September 30,</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
<b>Basic net income per share:</b>				
Net income attributable to AGCO Corporation and subsidiaries	\$ 280.6	\$ 237.9	\$ 832.4	\$ 567.4
Weighted average number of common shares outstanding	74.9	74.6	74.9	74.6
Basic net income per share attributable to AGCO Corporation and subsidiaries	\$ 3.75	\$ 3.19	\$ 11.11	\$ 7.60
<b>Diluted net income per share:</b>				
Net income attributable to AGCO Corporation and subsidiaries	\$ 280.6	\$ 237.9	\$ 832.4	\$ 567.4
Weighted average number of common shares outstanding	74.9	74.6	74.9	74.6
Dilutive SSARs, performance share awards and RSUs	0.1	0.3	0.1	0.3
Weighted average number of common shares and common share equivalents outstanding for purposes of computing diluted net income per share	75.0	74.9	75.0	74.9
Diluted net income per share attributable to AGCO Corporation and subsidiaries	\$ 3.74	\$ 3.18	\$ 11.10	\$ 7.58

There were no SSARs outstanding for the three and nine months ended September 30, 2023 and 2022 that had an antidilutive impact.

## 12. INCOME TAXES

At September 30, 2023 and December 31, 2022, the Company had approximately \$312.9 million and \$281.7 million, respectively, of gross unrecognized income tax benefits, all of which would affect the Company's effective tax rate if recognized. Gross unrecognized income tax benefits as of September 30, 2023 and December 31, 2022 exclude certain indirect favorable effects that relate to other tax jurisdictions of approximately \$91.8 million and \$74.0 million, respectively. In addition, the gross unrecognized income tax benefits as of September 30, 2023 and December 31, 2022 exclude certain deposits made in a foreign jurisdiction of approximately \$25.7 million, net of \$19.0 million refunds received, and \$45.1 million, respectively, associated with an ongoing audit. At September 30, 2023 and December 31, 2022, the Company had approximately \$10.8 million and \$10.4 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, reflected in "Other current liabilities" in the Company's Condensed Consolidated Balance Sheets. At September 30, 2023 and December 31, 2022, the Company had approximately \$304.7 million and \$274.1 million, respectively, of accrued taxes reflected in "Other noncurrent liabilities", and approximately \$2.6 million and \$2.8 million, respectively, of deferred tax assets related to uncertain tax positions that it expects to settle or pay beyond 12 months, reflected in "Deferred tax assets" in the Company's Condensed Consolidated Balance Sheets. The Company accrues interest and penalties related to unrecognized tax benefits in its provision for income taxes. At September 30, 2023 and December 31, 2022, the Company had accrued interest and penalties related to unrecognized tax benefits of approximately \$25.5 million and \$25.8 million, respectively. Generally, tax years 2019 through 2022 remain open to examination by taxing authorities in the United States and certain other foreign tax jurisdictions. The Company and its subsidiaries are routinely examined by tax authorities in the United States and in various state, local and foreign jurisdictions. As of September 30, 2023, a number of income tax examinations in foreign jurisdictions are ongoing.

The Company maintains a valuation allowance to reserve against its net deferred tax assets in certain foreign jurisdictions. 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 regularly assesses the likelihood that its deferred tax assets will be recovered from estimated future taxable income and available tax planning strategies and has determined that all adjustments to the valuation allowances have been 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 its remaining net deferred tax assets, net of the valuation allowance, in future years.

In 2008 and 2012, 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 September 30, 2023, not including interest and penalties, would have been approximately 131.5 million Brazilian reais (or approximately \$26.3 million). The amount ultimately in dispute would have been significantly greater because of interest and penalties. The Company historically had been advised by its legal and tax advisors that its position with respect to the deductions was allowable under the tax laws of Brazil. The Company contested the disallowance and maintained that it was not likely that the assessment, interest or penalties would require payment. The ultimate outcome of the case would not have been determined until the Brazilian tax appeal process was completed.

On January 12, 2023, the Brazilian government issued a "Litigation Zero" tax amnesty program, whereby cases being disputed at the administrative court level of review for a period of more than ten years could be considered for amnesty. Enrollment in the amnesty program would not be considered an admission of guilt with respect to outstanding cases. The amnesty program allowed companies to settle outstanding contested cases at a significant monetary discount. After weighing various impacts involved with enrollment, including the avoidance of potential interest, penalties and legal costs, the Company enrolled in the program in the quarter ended March 31, 2023. The Company recorded its best estimate of the ultimate settlement under the amnesty program of approximately 182.6 million Brazilian reais (or approximately \$34.8 million) within "Income tax provision" for the nine months ended September 30, 2023, net of associated U.S. income tax credits of approximately \$8.4 million. The Company paid installment payments related to the program of 166.7 million Brazilian reais (or approximately \$33.4 million) during the nine months ended September 30, 2023 and paid the final installment payment totaling approximately \$4.4 million in October 2023. The payments were inclusive of \$1.2 million of interest on payments and approximately \$1.8 million of negative currency translation.

**13. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES*****Derivative Transactions Designated as Hedging Instruments*****Cash Flow Hedges***Foreign Currency Contracts*

The Company uses cash flow hedges to minimize the variability in cash flows of assets or liabilities or forecasted transactions caused by fluctuations in foreign currency exchange rates. The changes in the fair values of these cash flow hedges are recorded in accumulated 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 Company designates certain foreign currency contracts as cash flow hedges of expected future sales and purchases. The total notional value of derivatives that were designated as cash flow hedges was approximately \$247.0 million and \$364.8 million as of September 30, 2023 and December 31, 2022, respectively.

*Steel Commodity Contracts*

The Company designates certain steel commodity contracts as cash flow hedges of expected future purchases of steel. The total notional value of derivatives that were designated as cash flow hedges was approximately \$0.4 million and \$0.9 million as of September 30, 2023 and December 31, 2022, respectively.

The following tables summarize the after-tax impact that changes in the fair value of derivatives designated as cash flow hedges had on accumulated other comprehensive loss and net income during the three and nine months ended September 30, 2023 and 2022 (in millions):

Three Months Ended September 30,	Loss Recognized in Accumulated Other Comprehensive Loss	Classification of Gain (Loss)	Recognized in Net Income	
			Gain (Loss) Reclassified from Accumulated Other Comprehensive Loss into Income	Total Amount of the Line Item in the Condensed Consolidated Statements of Operations Containing Hedge Losses
<b>2023</b>				
Foreign currency contracts <sup>(1)</sup>	\$ (1.7)	Cost of goods sold	\$ (2.5)	\$ 2,521.5
Commodity contracts <sup>(2)</sup>	(0.1)	Cost of goods sold	0.2	\$ 2,521.5
Total	<u>\$ (1.8)</u>		<u>\$ (2.3)</u>	
<b>2022</b>				
Foreign currency contracts	\$ (3.4)	Cost of goods sold	\$ (4.3)	\$ 2,382.7
Commodity contracts	(0.4)	Cost of goods sold	(0.8)	\$ 2,382.7
Total	<u>\$ (3.8)</u>		<u>\$ (5.1)</u>	

Nine Months Ended September 30,	Gain (Loss) Recognized in Accumulated Other Comprehensive Loss	Classification of Gain (Loss)	Recognized in Net Income	
			Gain (Loss) Reclassified from Accumulated Other Comprehensive Loss into Income	Total Amount of the Line Item in the Condensed Consolidated Statements of Operations Containing Hedge Losses
<b>2023</b>				
Foreign currency contracts <sup>(1)</sup>	\$ (8.6)	Cost of goods sold	\$ (5.1)	\$ 7,817.1
Commodity contracts <sup>(2)</sup>	0.1	Cost of goods sold	0.1	\$ 7,817.1
Total	<u>\$ (8.5)</u>		<u>\$ (5.0)</u>	
<b>2022</b>				
Foreign currency contracts	\$ (9.9)	Cost of goods sold	(6.3)	\$ 6,691.8
Commodity contracts	(3.5)	Cost of goods sold	(1.9)	\$ 6,691.8
Total	<u>\$ (13.4)</u>		<u>\$ (8.2)</u>	

<sup>(1)</sup> The outstanding contracts as of September 30, 2023 range in maturity through December 2023.

<sup>(2)</sup> The outstanding contracts as of September 30, 2023 range in maturity through November 2023.

The following table summarizes the activity in accumulated other comprehensive loss related to the derivatives held by the Company during the three months ended September 30, 2023 (in millions):

	<b>Before-Tax Amount</b>	<b>Income Tax</b>	<b>After-Tax Amount</b>
Accumulated derivative net losses as of June 30, 2023	\$ (6.7)	\$ (1.8)	\$ (4.9)
Net changes in fair value of derivatives	(2.0)	(0.2)	(1.8)
Net losses reclassified from accumulated other comprehensive loss into income	2.8	0.5	2.3
Accumulated derivative net losses as of September 30, 2023	<u>\$ (5.9)</u>	<u>\$ (1.5)</u>	<u>\$ (4.4)</u>

The following table summarizes the activity in accumulated other comprehensive loss related to the derivatives held by the Company during the nine months ended September 30, 2023 (in millions):

	<b>Before-Tax Amount</b>	<b>Income Tax</b>	<b>After-Tax Amount</b>
Accumulated derivative net losses as of December 31, 2022	\$ (1.0)	\$ (0.1)	\$ (0.9)
Net changes in fair value of derivatives	(11.3)	(2.8)	(8.5)
Net losses reclassified from accumulated other comprehensive loss into income	6.4	1.4	5.0
Accumulated derivative net losses as of September 30, 2023	<u>\$ (5.9)</u>	<u>\$ (1.5)</u>	<u>\$ (4.4)</u>

As of September 30, 2023, approximately \$2.2 million and \$0.2 million of derivative realized net losses, before taxes, remain in accumulated other comprehensive loss related to foreign currency contracts and commodity contracts, respectively, associated with inventory that had not yet been sold.

### Net Investment Hedges

The Company uses non-derivative and derivative instruments to hedge a portion of its net investment in foreign operations against adverse movements in exchange rates. For instruments that are designated as hedges of net investments in foreign operations, changes in the fair value of the derivative instruments are recorded in foreign currency translation adjustments, a component of accumulated other comprehensive loss, to offset changes in the value of the net investments being hedged. When the net investment in foreign operations is sold or substantially liquidates, the amounts recorded in accumulated other comprehensive loss are reclassified to earnings. To the extent foreign currency denominated debt is de-designated from a net investment hedge relationship, changes in the value of the foreign currency denominated debt are recorded in earnings through the maturity date.

On January 29, 2021, the Company entered into a new cross currency swap contract as a hedge of its net investment in foreign operations to offset foreign currency translation gains or losses on the net investment. The cross currency swap has an expiration date of January 29, 2028. At maturity of the cross currency swap contract, the Company will deliver the notional amount of approximately €247.9 million (or approximately \$262.3 million as of September 30, 2023) and will receive \$300.0 million from the counterparties. The Company will receive quarterly interest payments from the counterparties based on a fixed interest rate until the maturity of the cross currency swap.

During the nine months ended September 30, 2023, the Company designated €150.0 million (or approximately \$158.7 million as of September 30, 2023) of its multi-currency revolving credit facility maturing December 2027 as a hedge of its net investment in foreign operations to offset foreign currency translation gains or losses on the net investment.

The following table summarizes the notional values of the instruments designated as a net investment hedge (in millions):

	Notional Amount as of	
	September 30, 2023	December 31, 2022
Cross currency swap contract	\$ 300.0	\$ 300.0
Foreign currency denominated debt	158.7	—

The following table summarizes the changes in the fair value of the cross currency swap contract designated as a net investment hedge during the three and nine months ended September 30, 2023 and 2022 (in millions):

	Gain (Loss) Recognized in Accumulated Other Comprehensive Loss for the Three Months Ended			Gain (Loss) Recognized in Accumulated Other Comprehensive Loss for the Nine Months Ended		
	Before-Tax Amount	Income Tax Benefit (Expense)	After-Tax Amount	Before-Tax Amount	Income Tax Benefit (Expense)	After-Tax Amount
September 30, 2023	\$ 4.1	\$ (1.0)	\$ 3.1	\$ (2.6)	\$ 0.7	\$ (1.9)
September 30, 2022	13.7	(3.5)	10.2	34.5	(8.9)	25.6

The following table summarizes the changes in the fair value of foreign currency denominated debt designated as a net investment hedge during the three and nine months ended September 30, 2023 and 2022 (in millions):

	Gain Recognized in Accumulated Other Comprehensive Loss for the Three Months Ended			Gain Recognized in Accumulated Other Comprehensive Loss for the Nine Months Ended		
	Before-Tax Amount	Income Tax Benefit (Expense)	After-Tax Amount	Before-Tax Amount	Income Tax Benefit (Expense)	After-Tax Amount
September 30, 2023	\$ 2.4	\$ (0.7)	\$ 1.7	\$ 3.7	\$ (1.0)	\$ 2.7
September 30, 2022	—	—	—	—	—	—

#### ***Derivative Transactions Not Designated as Hedging Instruments***

The Company enters into foreign currency contracts to economically hedge a portion of its receivables and payables on the Company and its subsidiaries' balance sheets that are denominated in foreign currencies other than the functional currency. These contracts are classified as non-designated derivative instruments. Gains and losses on such contracts are substantially offset by losses and gains on the remeasurement of the underlying asset or liability being hedged and are immediately recognized into earnings. As of September 30, 2023 and December 31, 2022, the Company had outstanding foreign currency contracts with a notional amount of approximately \$5.1 billion and \$3.7 billion, respectively.

The following table summarizes the impact that changes in the fair value of derivatives not designated as hedging instruments had on net income (in millions):

	Classification of Gain (Loss)	Loss Recognized in Net Income for the Three Months Ended		Gain (Loss) Recognized in Net Income for the Nine Months Ended	
		September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Foreign currency contracts	Other expense, net	\$ (9.9)	\$ (6.1)	\$ 39.2	\$ (19.5)

The table below sets forth the fair value of derivative instruments as of September 30, 2023 (in millions):

	Asset Derivatives as of September 30, 2023		Liability Derivatives as of September 30, 2023	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivative instruments designated as hedging instruments:				
Foreign currency contracts	Other current assets	\$ 1.3	Other current liabilities	\$ 4.6
Commodity contracts	Other current assets	—	Other current liabilities	—
Cross currency swap contract	Other noncurrent assets	30.4	Other noncurrent liabilities	—
Derivative instruments not designated as hedging instruments:				
Foreign currency contracts <sup>(1)</sup>	Other current assets	18.8	Other current liabilities	7.0
Total derivative instruments		<u>\$ 50.5</u>		<u>\$ 11.6</u>

<sup>(1)</sup> The outstanding contracts as of September 30, 2023 range in maturity through December 2023.

The table below sets forth the fair value of derivative instruments as of December 31, 2022 (in millions):

	Asset Derivatives as of December 31, 2022		Liability Derivatives as of December 31, 2022	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivative instruments designated as hedging instruments:				
Foreign currency contracts	Other current assets	\$ 1.3	Other current liabilities	\$ 1.3
Commodity contracts	Other current assets	—	Other current liabilities	—
Cross currency swap contract	Other noncurrent assets	33.0	Other noncurrent liabilities	—
Derivative instruments not designated as hedging instruments:				
Foreign currency contracts <sup>(1)</sup>	Other current assets	6.6	Other current liabilities	39.1
Total derivative instruments		<u>\$ 40.9</u>		<u>\$ 40.4</u>

<sup>(1)</sup> The outstanding contracts as of December 31, 2022 range in maturity through March 2023.

**14. CHANGES IN STOCKHOLDERS' EQUITY**

The following tables set forth changes in stockholders' equity attributed to AGCO Corporation and its subsidiaries and to noncontrolling interests for the three and nine months ended September 30, 2023 and 2022 (in millions):

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total Stockholders' Equity
Balance, June 30, 2023	\$ 0.7	\$ 36.1	\$ 5,786.8	\$ (1,684.8)	\$ 0.2	\$ 4,139.0
Stock compensation	—	10.2	—	—	—	10.2
Issuance of stock awards	—	(0.3)	—	—	—	(0.3)
Comprehensive income:						
Net income (loss)	—	—	280.6	—	(0.1)	280.5
Other comprehensive income, net of reclassification adjustments:						
Foreign currency translation adjustments	—	—	—	(54.5)	—	(54.5)
Defined benefit pension plans, net of tax	—	—	—	1.9	—	1.9
Deferred gains and losses on derivatives, net of tax	—	—	—	0.5	—	0.5
Payment of dividends to stockholders	—	—	(21.7)	—	—	(21.7)
Balance, September 30, 2023	<u>\$ 0.7</u>	<u>\$ 46.0</u>	<u>\$ 6,045.7</u>	<u>\$ (1,736.9)</u>	<u>\$ 0.1</u>	<u>\$ 4,355.6</u>

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total Stockholders' Equity
Balance, December 31, 2022	\$ 0.7	\$ 30.2	\$ 5,654.6	\$ (1,803.1)	\$ 0.2	\$ 3,882.6
Stock compensation	—	37.5	—	—	—	37.5
Issuance of stock awards	—	(20.5)	—	—	—	(20.5)
SSARs exercised	—	(1.2)	—	—	—	(1.2)
Comprehensive income:						
Net income (loss)	—	—	832.4	—	(0.1)	832.3
Other comprehensive income, net of reclassification adjustments:						
Foreign currency translation adjustments	—	—	—	64.1	—	64.1
Defined benefit pension plans, net of tax	—	—	—	5.6	—	5.6
Deferred gains and losses on derivatives, net of tax	—	—	—	(3.5)	—	(3.5)
Payment of dividends to stockholders	—	—	(435.8)	—	—	(435.8)
Adoption of ASU 2016-13 by finance joint ventures	—	—	(5.5)	—	—	(5.5)
Balance, September 30, 2023	<u>\$ 0.7</u>	<u>\$ 46.0</u>	<u>\$ 6,045.7</u>	<u>\$ (1,736.9)</u>	<u>\$ 0.1</u>	<u>\$ 4,355.6</u>

Notes to Condensed Consolidated Financial Statements - Continued  
(unaudited)

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total Stockholders' Equity
Balance, June 30, 2022	\$ 0.7	\$ 13.3	\$ 5,130.3	\$ (1,761.1)	\$ 0.1	\$ 3,383.3
Stock compensation	—	7.8	—	—	—	7.8
Issuance of stock awards	—	0.7	—	—	—	0.7
Comprehensive income:						
Net income	—	—	237.9	—	—	237.9
Other comprehensive loss, net of reclassification adjustments:						
Foreign currency translation adjustments	—	—	—	(75.7)	—	(75.7)
Defined benefit pension plans, net of tax	—	—	—	(16.9)	—	(16.9)
Deferred gains and losses on derivatives, net of tax	—	—	—	1.3	—	1.3
Payment of dividends to stockholders	—	—	(17.9)	—	—	(17.9)
Change in noncontrolling interest	—	—	—	—	0.1	0.1
Balance, September 30, 2022	<u>\$ 0.7</u>	<u>\$ 21.8</u>	<u>\$ 5,350.3</u>	<u>\$ (1,852.4)</u>	<u>\$ 0.2</u>	<u>\$ 3,520.6</u>
	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total Stockholders' Equity
Balance, December 31, 2021	\$ 0.7	\$ 3.9	\$ 5,182.2	\$ (1,770.9)	\$ 27.9	\$ 3,443.8
Stock compensation	—	25.4	—	—	—	25.4
Issuance of stock awards	—	(6.5)	(12.9)	—	—	(19.4)
SSARs exercised	—	(1.0)	—	—	—	(1.0)
Comprehensive income:						
Net income (loss)	—	—	567.4	—	(14.9)	552.5
Other comprehensive income, net of reclassification adjustments:						
Foreign currency translation adjustments	—	—	—	(62.8)	0.9	(61.9)
Defined benefit pension plans, net of tax	—	—	—	(13.5)	—	(13.5)
Deferred gains and losses on derivatives, net of tax	—	—	—	(5.2)	—	(5.2)
Payment of dividends to stockholders	—	—	(386.4)	—	—	(386.4)
Distributions to noncontrolling interest	—	—	—	—	(13.8)	(13.8)
Change in noncontrolling interest	—	—	—	—	0.1	0.1
Balance, September 30, 2022	<u>\$ 0.7</u>	<u>\$ 21.8</u>	<u>\$ 5,350.3</u>	<u>\$ (1,852.4)</u>	<u>\$ 0.2</u>	<u>\$ 3,520.6</u>

Notes to Condensed Consolidated Financial Statements - Continued  
(unaudited)

Total comprehensive loss attributable to noncontrolling interests for the three and nine months ended September 30, 2023 and 2022 was as follows (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net loss	\$ (0.1)	\$ —	\$ (0.1)	\$ (14.9)
Other comprehensive income:				
Foreign currency translation adjustments	—	—	—	0.9
Total comprehensive loss	\$ (0.1)	\$ —	\$ (0.1)	\$ (14.0)

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 nine months ended September 30, 2023 (in millions):

	Defined Benefit Pension Plans	Deferred Net (Losses) Gains on Derivatives	Cumulative Translation Adjustment	Total
Accumulated other comprehensive loss, December 31, 2022	\$ (231.2)	\$ (0.9)	\$ (1,571.0)	\$ (1,803.1)
Other comprehensive (loss) income before reclassifications	—	(8.5)	64.1	55.6
Net losses reclassified from accumulated other comprehensive loss	5.6	5.0	—	10.6
Other comprehensive income (loss), net of reclassification adjustments	5.6	(3.5)	64.1	66.2
Accumulated other comprehensive loss, September 30, 2023	\$ (225.6)	\$ (4.4)	\$ (1,506.9)	\$ (1,736.9)

The following table sets forth reclassification adjustments out of accumulated other comprehensive loss by component attributed to AGCO Corporation and its subsidiaries for the three and nine months ended September 30, 2023 and 2022 (in millions):

Details about Accumulated Other Comprehensive Loss Components	Amount Reclassified from Accumulated Other Comprehensive Loss		Affected Line Item within the Condensed Consolidated Statements of Operations
	Three Months Ended September 30, 2023 <sup>(1)</sup>	Three Months Ended September 30, 2022 <sup>(1)</sup>	
Derivatives:			
Net losses on foreign currency contracts	\$ 3.0	\$ 5.5	Cost of goods sold
Net (gains) losses on commodity contracts	(0.2)	1.1	Cost of goods sold
Reclassification before tax	2.8	6.6	
Income tax benefit	(0.5)	(1.5)	Income tax provision
Reclassification net of tax	\$ 2.3	\$ 5.1	
Defined benefit pension plans:			
Amortization of net actuarial losses	\$ 2.2	\$ 2.0	Other expense, net <sup>(2)</sup>
Amortization of prior service cost	0.3	—	Other expense, net <sup>(2)</sup>
Reclassification before tax	2.5	2.0	
Income tax benefit	(0.6)	(0.6)	Income tax provision
Reclassification net of tax	\$ 1.9	\$ 1.4	
Net losses reclassified from accumulated other comprehensive loss	\$ 4.2	\$ 6.5	

(1) Losses included within the Condensed Consolidated Statements of Operations for the three months ended September 30, 2023 and 2022, respectively.

(2) These accumulated other comprehensive loss components are included in the computation of net periodic pension and postretirement benefit cost. See Note 16 for additional information on the Company's defined benefit pension plans.

Details about Accumulated Other Comprehensive Loss Components	Amount Reclassified from Accumulated Other Comprehensive Loss		Affected Line Item within the Condensed Consolidated Statements of Operations
	Nine Months Ended September 30, 2023 <sup>(1)</sup>	Nine Months Ended September 30, 2022 <sup>(1)</sup>	
<b>Derivatives:</b>			
Net losses on foreign currency contracts	\$ 6.5	\$ 8.2	Cost of goods sold
Net (gains) losses on commodity contracts	(0.1)	2.6	Cost of goods sold
Reclassification before tax	6.4	10.8	
Income tax benefit	(1.4)	(2.6)	Income tax provision
Reclassification net of tax	<u>\$ 5.0</u>	<u>\$ 8.2</u>	
<b>Defined benefit pension plans:</b>			
Amortization of net actuarial losses	\$ 6.4	\$ 6.4	Other expense, net <sup>(2)</sup>
Amortization of prior service cost	1.1	0.2	Other expense, net <sup>(2)</sup>
Reclassification before tax	7.5	6.6	
Income tax benefit	(1.9)	(1.8)	Income tax provision
Reclassification net of tax	<u>\$ 5.6</u>	<u>\$ 4.8</u>	
Net losses reclassified from accumulated other comprehensive loss	<u>\$ 10.6</u>	<u>\$ 13.0</u>	

(1) Losses included within the Condensed Consolidated Statements of Operations for the nine months ended September 30, 2023 and 2022, respectively.

(2) These accumulated other comprehensive loss components are included in the computation of net periodic pension and postretirement benefit cost. See Note 16 for additional information on the Company's defined benefit pension plans.

#### Share Repurchase Program

In November 2021, the Company entered into an accelerated share repurchase ("ASR") agreement with a financial institution to repurchase an aggregate of \$60.0 million of shares of its common stock. The Company received 393,733 shares in this transaction as of December 31, 2021. On January 19, 2022, the Company received an additional 113,824 shares upon final settlement of its November 2021 ASR agreement. All shares received under the ASR agreement were retired upon receipt, and the excess of the purchase price over par value per share was recorded to a combination of "Additional paid-in capital" and "Retained earnings" within the Company's Condensed Consolidated Balance Sheets.

During the three and nine months ended September 30, 2023, the Company did not purchase any shares directly or enter into any accelerated share repurchase agreements. As of September 30, 2023, the remaining amount authorized to be repurchased under board-approved share repurchase authorizations was approximately \$110.0 million, which has no expiration date.

#### Dividends

On April 27, 2023, the Company's Board of Directors approved an increase to its quarterly dividend commencing in the second quarter of 2023 by 21% to \$0.29 per common share and declared a special variable dividend of \$5.00 per common share that was paid during the second quarter of 2023. During the three months ended September 30, 2023 and September 30, 2022, the Company declared and paid cash dividends of \$0.29 and \$0.24 per common share, respectively. During the nine months ended September 30, 2023 and September 30, 2022, the Company declared and paid cash dividends of \$5.81 and \$5.16 per common share, respectively. On October 26, 2023, the Company approved the quarterly dividend of \$0.29 per common share to be paid on December 15, 2023, to all stockholders of record as of the close of business November 15, 2023.

## 15. ACCOUNTS RECEIVABLE SALES AGREEMENTS

The Company has accounts receivable sales agreements that permit the sale, on an ongoing basis, of a majority of its wholesale receivables in North America, Europe and Brazil to its U.S., Canadian, European and Brazilian finance joint ventures. For the nine months ended September 30, 2023 and September 30, 2022, the cash received from receivables sold under the U.S., Canadian, European and Brazilian accounts receivable sales agreements was approximately \$2.1 billion and \$1.2 billion, respectively.

Under the terms of the accounts receivable sales agreements in North America, Europe and Brazil, the Company pays an annual 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 accounts receivable sales agreements, calculated based upon the interest rate charged by Rabobank to its affiliate, and such affiliate then lends to the AGCO Finance entities plus an agreed-upon margin. 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.

In addition, the Company sells certain trade receivables under factoring arrangements to other financial institutions around the world. For the nine months ended September 30, 2023 and September 30, 2022, the cash received from these arrangements was approximately \$218.7 million and \$170.8 million, respectively.

Losses on sales of receivables associated with the accounts receivable sales agreements discussed above, reflected within "Other expense, net" in the Company's Condensed Consolidated Statements of Operations, were approximately \$40.5 million and \$99.3 million during the three and nine months ended September 30, 2023, respectively. Losses on sales of receivables associated with the accounts receivable financing facilities discussed above, reflected within "Other expense, net" in the Company's Condensed Consolidated Statements of Operations, were approximately \$20.4 million and \$38.5 million, respectively, during the three and nine ended September 30, 2022, respectively.

The Company's finance joint ventures in Europe, Brazil and Australia also provide wholesale financing directly 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 September 30, 2023 and December 31, 2022, these finance joint ventures had approximately \$139.4 million and \$69.5 million, respectively, of outstanding accounts receivable associated with these arrangements. The Company accounts for these arrangements as off-balance sheet transactions.

In certain foreign countries, the Company invoices its finance joint ventures directly and the finance joint ventures retain a form of title to the goods delivered to dealers until the dealer makes payment so that the finance joint ventures can recover the goods in the event of dealer or end 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 finance joint ventures retain with respect to the title are those enabling recovery of the goods in the event of customer default on payment. The dealer or distributor may not return equipment or replacement parts to the Company while its contract with the finance joint venture is in force, and can only return the equipment to the retail finance joint venture with penalties that would generally not make it economically beneficial to do so.

**16. PENSION AND POSTRETIREMENT BENEFIT PLANS**

Net periodic pension and postretirement benefit cost for the Company's defined pension and postretirement benefit plans for the three and nine months ended September 30, 2023 and 2022 are set forth below (in millions):

<b>Pension benefits</b>	<b>Three Months Ended September 30,</b>		<b>Nine Months Ended September 30,</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Service cost	\$ 2.4	\$ 3.2	\$ 7.2	\$ 9.8
Interest cost	7.5	3.6	22.0	11.4
Expected return on plan assets	(7.5)	(4.1)	(22.1)	(13.1)
Amortization of net actuarial losses	2.2	2.0	6.4	6.4
Amortization of prior service cost	0.3	—	1.0	0.1
Net periodic pension cost	<u>\$ 4.9</u>	<u>\$ 4.7</u>	<u>\$ 14.5</u>	<u>\$ 14.6</u>

<b>Postretirement benefits</b>	<b>Three Months Ended September 30,</b>		<b>Nine Months Ended September 30,</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Service cost	\$ —	\$ —	\$ —	\$ 0.1
Interest cost	0.4	0.2	1.0	0.7
Amortization of prior service cost	—	—	0.1	0.1
Net periodic postretirement benefit cost	<u>\$ 0.4</u>	<u>\$ 0.2</u>	<u>\$ 1.1</u>	<u>\$ 0.9</u>

The components of net periodic pension and postretirement benefits cost, other than the service cost component, are included in "Other expense, net" in the Company's Condensed Consolidated Statements of Operations.

During the nine months ended September 30, 2023, the Company made approximately \$26.7 million of contributions to its defined pension benefit plans. The Company currently estimates its minimum contributions for 2023 to its defined pension benefit plans will aggregate approximately \$34.6 million.

During the nine months ended September 30, 2023, the Company made approximately \$1.2 million of contributions to its postretirement health care and life insurance benefit plans. The Company currently estimates that it will make approximately \$1.7 million of contributions to its postretirement health care and life insurance benefit plans during 2023.

**17. 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.

The Company enters into foreign currency, commodity and interest rate swap contracts. The fair values of the Company's derivative instruments are determined using discounted cash flow valuation models. The significant inputs used in these models are readily available in public markets, or can be derived from observable market transactions, and therefore have been classified as Level 2. Inputs used in these discounted cash flow valuation models for derivative instruments include the applicable exchange rates, forward rates or interest rates. Such models used for option contracts also use implied volatility. See Note 13 for additional information on the Company's derivative instruments and hedging activities.

Assets and liabilities measured at fair value on a recurring basis as of September 30, 2023 and December 31, 2022 are summarized below (in millions):

	As of September 30, 2023			
	Level 1	Level 2	Level 3	Total
Derivative assets	\$ —	\$ 50.5	\$ —	\$ 50.5
Derivative liabilities	—	11.6	—	11.6
	As of December 31, 2022			
	Level 1	Level 2	Level 3	Total
Derivative assets	\$ —	\$ 40.9	\$ —	\$ 40.9
Derivative liabilities	—	40.4	—	40.4

The carrying amounts of long-term debt under the Company's 1.002% senior term loan due 2025 and senior term loans due between 2023 and 2028 approximate fair value based on the borrowing rates currently available to the Company for loans with similar terms and average maturities. At September 30, 2023, the estimated fair value of the Company's 0.800% senior notes due 2028, based on listed market values, was approximately €496.9 million (or approximately \$525.8 million as of September 30, 2023), compared to the carrying value of €600.0 million (or approximately \$634.9 million as of September 30, 2023). See Note 6 for additional information on the Company's long-term debt.

**18. 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 generally charged to each segment based on the region and division where the expenses are incurred. As a result, the components of income from operations for one segment may not be comparable to another segment. Segment results for the three and nine months ended September 30, 2023 and 2022 and assets as of September 30, 2023 and December 31, 2022 based on the Company's reportable segments are as follows (in millions):

Three Months Ended September 30,	North America	South America	Europe/Middle East	Asia/Pacific/Africa	Total Segments
<b>2023</b>					
Net sales	\$ 941.1	\$ 719.8	\$ 1,586.9	\$ 207.7	\$ 3,455.5
Income from operations	139.8	149.8	199.3	19.2	508.1
Depreciation	16.2	9.6	28.5	4.5	58.8
Capital expenditures	25.0	15.4	79.5	0.8	120.7
<b>2022</b>					
Net sales	\$ 910.5	\$ 571.2	\$ 1,390.1	\$ 249.8	\$ 3,121.6
Income from operations	112.7	107.5	142.1	33.0	395.3
Depreciation	15.4	7.1	24.5	3.6	50.6
Capital expenditures	57.8	15.7	51.4	6.4	131.3
Nine Months Ended September 30,	North America	South America	Europe/Middle East	Asia/Pacific/Africa	Total Segments
<b>2023</b>					
Net sales	\$ 2,861.0	\$ 1,822.2	\$ 5,281.5	\$ 647.0	\$ 10,611.7
Income from operations	378.8	370.7	733.9	58.2	1,541.6
Depreciation	46.3	26.3	83.0	13.3	168.9
Capital expenditures	96.7	49.2	209.3	2.5	357.7
<b>2022</b>					
Net sales	\$ 2,351.4	\$ 1,446.8	\$ 4,260.8	\$ 693.5	\$ 8,752.5
Income from operations	218.2	239.1	465.6	97.7	1,020.6
Depreciation	45.6	21.7	78.0	11.8	157.1
Capital expenditures	88.7	36.9	133.1	11.8	270.5
<b>Assets</b>					
As of September 30, 2023	\$ 1,943.1	\$ 1,551.4	\$ 2,932.7	\$ 875.1	\$ 7,302.3
As of December 31, 2022	1,790.3	1,259.8	2,475.6	650.5	6,176.2

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

	<b>Three Months Ended September 30,</b>		<b>Nine Months Ended September 30,</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Segment income from operations	\$ 508.1	\$ 395.3	\$ 1,541.6	\$ 1,020.6
Impairment charges	—	—	—	(36.0)
Corporate expenses	(59.5)	(40.1)	(146.6)	(110.8)
Amortization of intangibles	(14.4)	(14.7)	(43.3)	(45.4)
Stock compensation expense	(9.8)	(7.4)	(36.1)	(24.4)
Restructuring expenses	(0.8)	(1.0)	(8.3)	(4.4)
<b>Consolidated income from operations</b>	<b>\$ 423.6</b>	<b>\$ 332.1</b>	<b>\$ 1,307.3</b>	<b>\$ 799.6</b>

	<b>September 30, 2023</b>	<b>December 31, 2022</b>
Segment assets	\$ 7,302.3	\$ 6,176.2
Cash, cash equivalents and restricted cash	680.7	789.5
Investments in affiliates	512.2	436.9
Deferred tax assets, other current and noncurrent assets	1,224.6	1,025.9
Intangible assets, net	322.8	364.4
Goodwill	1,308.5	1,310.8
<b>Consolidated total assets</b>	<b>\$ 11,351.1</b>	<b>\$ 10,103.7</b>

**19. COMMITMENTS AND CONTINGENCIES****Leases**

Lease payment amounts for operating and finance leases with remaining terms greater than one year as of September 30, 2023 and December 31, 2022 were as follows (in millions):

	September 30, 2023		December 31, 2022	
	Operating Leases <sup>(1)</sup>	Finance Leases	Operating Leases <sup>(1)</sup>	Finance Leases
2023	\$ 13.8	\$ 0.2	\$ 47.8	\$ 0.8
2024	47.8	0.7	36.6	0.6
2025	37.7	0.6	27.0	0.4
2026	28.0	0.4	19.1	0.2
2027	17.4	0.4	13.4	0.2
Thereafter	59.4	5.6	51.2	6.0
Total lease payments	204.1	7.9	195.1	8.2
Less: imputed interest <sup>(2)</sup>	(33.0)	(2.1)	(27.5)	(2.1)
Present value of leased liabilities	\$ 171.1	\$ 5.8	\$ 167.6	\$ 6.1

(1) Operating lease payments include options to extend or terminate at the Company's sole discretion, which are included in the determination of lease term when they are reasonably certain to be exercised.

(2) Calculated for each lease using either the implicit interest rate or the incremental borrowing rate when the implicit interest rate is not readily available.

**Off-Balance Sheet Arrangements****Guarantees**

The Company maintains a remarketing agreement with its U.S. finance joint venture, AGCO Finance LLC, whereby the Company is obligated to repurchase up to \$6.0 million of repossessed equipment each calendar year. The Company believes that any losses that it might incur on the resale of this equipment will not be material, due to the fair value of the underlying equipment.

At September 30, 2023, the Company had outstanding guarantees issued to its Argentine finance joint venture, AGCO Capital Argentina S.A. ("AGCO Capital") of approximately \$36.6 million. Such guarantees generally obligate the Company to repay outstanding finance obligations owed to AGCO Capital if end users default on such loans to the extent that, due to non-Credit Risk, the end users are not able, or not required, to pay their loans, or are required to pay in a different currency than the one agreed in their loan. The Company also has obligations to guarantee indebtedness owed to certain of its finance joint ventures if dealers or end users default on loans. Losses under such guarantees historically have been insignificant, and the guarantees are not material. The Company believes the credit risk associated with these guarantees is not material.

In addition, at September 30, 2023, the Company had accrued approximately \$14.7 million of outstanding guarantees of residual values that may be owed to its finance joint ventures in the United States and Canada due upon expiration of certain eligible operating leases between the finance joint ventures and end users. The maximum potential amount of future payments under these guarantees is approximately \$185.0 million.

**Other**

At September 30, 2023, the Company had outstanding designated and non-designated foreign exchange contracts with a gross notional amount of approximately \$5,305.5 million. The outstanding contracts as of September 30, 2023 range in maturity through December 2023. The Company also had outstanding designated steel commodity contracts with a gross notional amount of approximately \$0.4 million that range in maturity through November 2023.

The Company sells a majority of its wholesale receivables in North America, Europe and Brazil to its U.S., Canadian, European and Brazilian finance joint ventures. The Company also sells certain accounts receivable under factoring arrangements to financial institutions around the world. The Company accounts for the sale of such receivables as off-balance sheet transactions. Refer to Note 15 for discussion of the Company's accounts receivable sales agreements.

#### *Contingencies*

In 2008 and 2012, 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. See Note 12 for the discussion of the Company's resolution of the disputed deductions under a tax amnesty program.

During 2017, the Company purchased Precision Planting, which provides precision agricultural technology solutions. In 2018, Deere & Company ("Deere") filed separate complaints in the U.S. District Court of Delaware against the Company and Precision Planting alleging that certain products of those entities infringed certain patents of Deere. The two complaints subsequently were consolidated into a single case, Case No. 1:18-cv-00827-CFC. In July 2022, the case was tried before a jury, which determined that the Company and Precision Planting had not infringed the Deere patents. Following customary post-trial procedures, the Court entered a judgement in the Company's favor, and Deere appealed the judgment to the U.S. Court of Appeals for the Federal Circuit. The parties currently are briefing of the appeal. The Company has an indemnity right under the purchase agreement related to the acquisition of Precision Planting from its previous owner. Pursuant to that right, the previous owner of Precision Planting currently is responsible for the litigation costs associated with the complaint and is obligated to reimburse AGCO for some or all of the damages in the event of an adverse outcome in the litigation.

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, are material to its business or financial statements as a whole, including its results of operations and financial condition.

**20. REVENUE*****Contract Liabilities***

Contract liabilities relate to the following: (1) unrecognized revenues where advance payment of consideration precedes the Company's performance with respect to extended warranty and maintenance contracts and where the performance obligation is satisfied over time, (2) unrecognized revenues where advance payment of consideration precedes the Company's performance with respect to certain grain storage and protein production systems and where the performance obligation is satisfied over time and (3) unrecognized revenues where advance payment of consideration precedes the Company's performance with respect to technology services and where the performance obligation is satisfied over time.

Significant changes in the balance of contract liabilities for the three and nine months ended September 30, 2023 and 2022 were as follows (in millions):

	<b>Three Months Ended September 30,</b>	
	<b>2023</b>	<b>2022</b>
Balance at beginning of period	\$ 274.6	\$ 217.7
Advance consideration received	47.7	52.7
Revenue recognized during the period for extended warranty contracts, maintenance services and technology services	(25.1)	(19.4)
Revenue recognized during the period related to grain storage and protein production systems	(6.8)	(29.6)
Foreign currency translation	(5.8)	(12.0)
Balance at September 30	<u>\$ 284.6</u>	<u>\$ 209.4</u>
	<b>Nine Months Ended September 30,</b>	
	<b>2023</b>	<b>2022</b>
Balance at beginning of period	\$ 239.0	\$ 226.2
Advance consideration received	164.2	127.2
Revenue recognized during the period for extended warranty contracts, maintenance services and technology services	(76.8)	(58.4)
Revenue recognized during the period related to grain storage and protein production systems	(40.7)	(58.1)
Foreign currency translation	(1.1)	(27.5)
Balance at September 30	<u>\$ 284.6</u>	<u>\$ 209.4</u>

The contract liabilities are classified as either "Accrued expenses" or "Other current liabilities" and "Other noncurrent liabilities" in the Company's Condensed Consolidated Balance Sheets. During the three and nine months ended September 30, 2023, the Company recognized approximately \$26.9 million and \$96.9 million of revenue that was recorded as a contract liability at the beginning of 2023. During the three and nine months ended September 30, 2022, the Company recognized approximately \$22.0 million and \$74.2 million of revenue that was recorded as a contract liability at the beginning of 2022.

***Remaining Performance Obligations***

The estimated revenues expected to be recognized in the future related to performance obligations that are unsatisfied (or partially unsatisfied) as of September 30, 2023 are \$33.3 million for the remainder of 2023, \$97.4 million in 2024, \$71.5 million in 2025, \$37.8 million in 2026 and \$24.5 million thereafter, and relate primarily to extended warranty contracts. The Company applied the practical expedient in ASU 2014-09 and has not disclosed information about remaining performance obligations that have original expected durations of 12 months or less.

**Disaggregated Revenue**

Net sales for the three months ended September 30, 2023 disaggregated by primary geographical markets and major products consisted of the following (in millions):

	North America	South America	Europe/Middle East	Asia/Pacific/Africa	Consolidated
<b>Primary geographical markets:</b>					
United States	\$ 744.6	\$ —	\$ —	\$ —	\$ 744.6
Canada	157.3	—	—	—	157.3
Brazil	—	600.3	—	—	600.3
Other South America	—	115.9	—	—	115.9
Germany	—	—	342.3	—	342.3
France	—	—	339.2	—	339.2
United Kingdom and Ireland	—	—	134.3	—	134.3
Finland and Scandinavia	—	—	181.5	—	181.5
Italy	—	—	103.4	—	103.4
Other Europe	—	—	398.2	—	398.2
Middle East and Algeria	—	—	88.0	—	88.0
Africa	—	—	—	40.9	40.9
Asia	—	—	—	72.7	72.7
Australia and New Zealand	—	—	—	94.1	94.1
Mexico, Central America and Caribbean	39.2	3.6	—	—	42.8
	<u>\$ 941.1</u>	<u>\$ 719.8</u>	<u>\$ 1,586.9</u>	<u>\$ 207.7</u>	<u>\$ 3,455.5</u>
<b>Major products:</b>					
Tractors	\$ 347.5	\$ 418.3	\$ 1,126.4	\$ 116.9	\$ 2,009.1
Replacement parts	107.1	41.8	292.6	26.0	467.5
Grain storage and protein production systems	169.8	33.0	32.9	25.5	261.2
Combines, application equipment and other machinery	316.7	226.7	135.0	39.3	717.7
	<u>\$ 941.1</u>	<u>\$ 719.8</u>	<u>\$ 1,586.9</u>	<u>\$ 207.7</u>	<u>\$ 3,455.5</u>

Notes to Condensed Consolidated Financial Statements - Continued  
(unaudited)

Net sales for the three months ended September 30, 2022 disaggregated by primary geographical markets and major products consisted of the following (in millions):

	North America <sup>(1)</sup>	South America	Europe/Middle East <sup>(1)</sup>	Asia/Pacific/Africa <sup>(1)</sup>	Consolidated <sup>(1)</sup>
<b>Primary geographical markets:</b>					
United States	\$ 730.7	\$ —	\$ —	\$ —	\$ 730.7
Canada	140.6	—	—	—	140.6
Brazil	—	459.3	—	—	459.3
Other South America	—	108.8	—	—	108.8
Germany	—	—	294.9	—	294.9
France	—	—	253.1	—	253.1
United Kingdom and Ireland	—	—	148.1	—	148.1
Finland and Scandinavia	—	—	176.4	—	176.4
Italy	—	—	95.2	—	95.2
Other Europe	—	—	367.6	—	367.6
Middle East and Algeria	—	—	54.8	—	54.8
Africa	—	—	—	44.7	44.7
Asia	—	—	—	94.0	94.0
Australia and New Zealand	—	—	—	111.1	111.1
Mexico, Central America and Caribbean	39.2	3.1	—	—	42.3
	<u>\$ 910.5</u>	<u>\$ 571.2</u>	<u>\$ 1,390.1</u>	<u>\$ 249.8</u>	<u>\$ 3,121.6</u>
<b>Major products:</b>					
Tractors	\$ 328.2	\$ 294.0	\$ 977.2	\$ 137.5	\$ 1,736.9
Replacement parts	109.5	41.4	246.2	28.0	425.1
Grain storage and protein production systems	175.3	56.8	43.0	37.3	312.4
Combines, application equipment and other machinery	297.4	179.0	123.8	47.1	647.3
	<u>\$ 910.5</u>	<u>\$ 571.2</u>	<u>\$ 1,390.1</u>	<u>\$ 249.8</u>	<u>\$ 3,121.6</u>

(1) Rounding may impact the summation of amounts.

Notes to Condensed Consolidated Financial Statements - Continued  
(unaudited)

Net sales for the nine months ended September 30, 2023 disaggregated by primary geographical markets and major products consisted of the following (in millions):

	<b>North America</b>	<b>South America</b>	<b>Europe/Middle East</b>	<b>Asia/Pacific/Africa</b>	<b>Consolidated</b>
<b>Primary geographical markets:</b>					
United States	\$ 2,276.4	\$ —	\$ —	\$ —	\$ 2,276.4
Canada	469.9	—	—	—	469.9
Brazil	—	1,537.8	—	—	1,537.8
Other South America	—	273.0	—	—	273.0
Germany	—	—	1,190.9	—	1,190.9
France	—	—	1,014.3	—	1,014.3
United Kingdom and Ireland	—	—	482.1	—	482.1
Finland and Scandinavia	—	—	587.4	—	587.4
Italy	—	—	337.2	—	337.2
Other Europe	—	—	1,355.2	—	1,355.2
Middle East and Algeria	—	—	314.4	—	314.4
Africa	—	—	—	106.4	106.4
Asia	—	—	—	261.5	261.5
Australia and New Zealand	—	—	—	279.1	279.1
Mexico, Central America and Caribbean	114.7	11.4	—	—	126.1
	<u>\$ 2,861.0</u>	<u>\$ 1,822.2</u>	<u>\$ 5,281.5</u>	<u>\$ 647.0</u>	<u>\$ 10,611.7</u>
<b>Major products:</b>					
Tractors	\$ 995.0	\$ 1,072.9	\$ 3,725.4	\$ 356.0	\$ 6,149.3
Replacement parts	339.1	124.1	874.9	76.8	1,414.9
Grain storage and protein production systems	506.1	112.6	116.7	94.7	830.1
Combines, application equipment and other machinery	1,020.8	512.6	564.5	119.5	2,217.4
	<u>\$ 2,861.0</u>	<u>\$ 1,822.2</u>	<u>\$ 5,281.5</u>	<u>\$ 647.0</u>	<u>\$ 10,611.7</u>

Notes to Condensed Consolidated Financial Statements - Continued  
(unaudited)

Net sales for the nine months ended September 30, 2022 disaggregated by primary geographical markets and major products consisted of the following (in millions):

	North America <sup>(1)</sup>	South America	Europe/Middle East <sup>(1)</sup>	Asia/Pacific/Africa	Consolidated
<b>Primary geographical markets:</b>					
United States	\$ 1,884.4	\$ —	\$ —	\$ —	\$ 1,884.4
Canada	367.5	—	—	—	367.5
Brazil	—	1,156.4	—	—	1,156.4
Other South America	—	280.1	—	—	280.1
Germany	—	—	900.2	—	900.2
France	—	—	782.3	—	782.3
United Kingdom and Ireland	—	—	451.3	—	451.3
Finland and Scandinavia	—	—	569.5	—	569.5
Italy	—	—	270.3	—	270.3
Other Europe	—	—	1,152.4	—	1,152.4
Middle East and Algeria	—	—	134.8	—	134.8
Africa	—	—	—	115.2	115.2
Asia	—	—	—	295.9	295.9
Australia and New Zealand	—	—	—	282.4	282.4
Mexico, Central America and Caribbean	99.5	10.3	—	—	109.8
	<u>\$ 2,351.4</u>	<u>\$ 1,446.8</u>	<u>\$ 4,260.8</u>	<u>\$ 693.5</u>	<u>\$ 8,752.5</u>
<b>Major products:</b>					
Tractors	\$ 843.5	\$ 791.9	\$ 2,868.8	\$ 375.3	\$ 4,879.5
Replacement parts	323.6	116.2	803.1	77.8	1,320.7
Grain storage and protein production systems	461.9	138.4	120.0	118.4	838.7
Combines, application equipment and other machinery	722.3	400.3	469.0	122.1	1,713.7
	<u>\$ 2,351.4</u>	<u>\$ 1,446.8</u>	<u>\$ 4,260.8</u>	<u>\$ 693.5</u>	<u>\$ 8,752.5</u>

(1) Rounding may impact the summation of amounts.

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

### GENERAL

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

On September 28, 2023, the Company entered into a Sale and Contribution Agreement with Trimble Inc. ("Trimble") to form a joint venture (i) to which Trimble will contribute its agricultural business (other than certain Global Navigation Satellite System and guidance technologies) and AGCO will contribute JCA Technologies, and (ii) AGCO will acquire an 85% interest in the joint venture for cash consideration of \$2.0 billion. We believe the joint venture will create a global-leading mixed-fleet precision agriculture platform. We will be the exclusive provider of Trimble's comprehensive technology offering, supporting the future development and distribution of next-generation agriculture technologies. Trimble offers a wide variety of user-friendly technologies compatible across brands, equipment models and farm types. Its hardware, software and cloud-based applications span all aspects of the crop cycle, from land preparation to planting and seeding to harvest. We expect the transaction to close during the first half of 2024. See Note 2 to our Condensed Consolidated Financial Statements for further information.

The COVID-19 pandemic and other economic and geopolitical factors, including inflation and the conflict in Ukraine, continue to create volatility in the global economy, including the potential for energy shortages, employment disruptions, supply chain constraints and delays in deliveries, as well as logistics interruptions. These factors, along with fluctuating industrial demand, can have an adverse effect on production levels, particularly as a result of delays in the receipts of parts and components. We may continue to face supplier delays in all regions as well as challenges with logistics, and we continue to work to mitigate the impact of these issues in order to meet end-market demand.

### RESULTS OF OPERATIONS

For the three months ended September 30, 2023, we generated net income of approximately \$280.6 million, or \$3.74 per share, compared to approximately \$237.9 million or \$3.18 per share, for the same period in 2022. For the nine months ended September 30, 2023, we generated net income of approximately \$832.4 million, or \$11.10 per share, compared to approximately \$567.4 million, or \$7.58 per share, for the same period in 2022.

Net sales during the three months ended September 30, 2023 were approximately \$3,455.5 million, which were approximately 10.7% higher than the same period in 2022. The increase was primarily due to favorable pricing and increased sales of high horsepower tractors, combines and application equipment as well as favorable currency impacts in our North America, South America and Europe/Middle East ("EME") regions. These increases were partially offset by lower sales and unfavorable currency impacts in our Asia/Pacific/Africa ("APA") region.

Net sales during the nine months ended September 30, 2023 were approximately \$10,611.7 million, which were approximately 21.2% higher than the same periods in 2022. The increase was primarily due to favorable pricing and increased sales of high horsepower tractors, combines, hay tools and application equipment in our North America, South America and EME regions. These increases were partially offset by lower sales and unfavorable currency impacts in our APA region.

Income from operations for the three months ended September 30, 2023 was approximately \$423.6 million compared to approximately \$332.1 million for the same period in 2022. The increase was primarily the result of positive net pricing and favorable sales mix. These increases were partially offset by material cost inflation, increased selling, general and administrative expenses and engineering expenses compared to the same period in 2022.

Income from operations for the nine months ended September 30, 2023 was approximately \$1,307.3 million compared to approximately \$799.6 million for the same period in 2022. The increase was primarily the result of positive net pricing, higher net sales and production volumes, along with a favorable sales mix. These increases were partially offset by material cost inflation, increased selling, general and administrative expenses and engineering expenses compared to the same period in 2022.

Regionally, income from operations in our EME region increased for the three months ended September 30, 2023 compared to the same period in 2022 due to positive net pricing and a favorable sales mix. Income from operations in our EME region increased for the nine months ended September 30, 2023 compared to the same period in 2022 as a result of positive net pricing, higher sales and production along with a favorable sales mix. In our North American region, income from operations increased for the three months ended September 30, 2023 compared to the same period in 2022 due to positive net pricing and a favorable sales mix, including significant growth in Fendt products, compared to the same period in 2022. Income from operations in our North America region increased for the nine months ended September 30, 2023 compared to the same period in 2022 as a result of positive net pricing, higher sales and production and a favorable sales mix. In our South American region, income from operations increased in both the three and nine months ended September 30, 2023 compared to the same periods in 2022 due to the benefit of net pricing and higher net sales as well as a favorable sales mix. In our APA region, income from operations decreased for both the three and nine months ended September 30, 2023 compared to the same periods in 2022, primarily due to lower sales, a weaker sales mix and higher logistics costs.

**STATEMENTS OF OPERATIONS**

Net sales for the three months ended September 30, 2023 were approximately \$3,455.5 million compared to approximately \$3,121.6 million for the same period in 2022. Net sales for the nine months ended September 30, 2023 were approximately \$10,611.7 million compared to approximately \$8,752.5 million for the same period in 2022. The following tables set forth, for the three and nine months ended September 30, 2023, the impacts to net sales of currency translation by geographical segment (in millions, except percentages):

	Three Months Ended September 30,		Change		Change Due to Currency Translation	
	2023	2022	\$	%	\$	%
	Europe/Middle East	\$ 1,586.9	\$ 1,390.1	\$ 196.8	14.2 %	\$ 68.1
North America	941.1	910.5	30.6	3.4 %	3.2	0.4 %
South America	719.8	571.2	148.6	26.0 %	42.7	7.5 %
Asia/Pacific/Africa	207.7	249.8	(42.1)	(16.9)%	(4.0)	(1.6)%
	<u>\$ 3,455.5</u>	<u>\$ 3,121.6</u>	<u>\$ 333.9</u>	<u>10.7 %</u>	<u>\$ 110.0</u>	<u>3.5 %</u>

	Nine Months Ended September 30,		Change		Change Due to Currency Translation	
	2023	2022	\$	%	\$	%
	Europe/Middle East	\$ 5,281.5	\$ 4,260.8	\$ 1,020.7	24.0 %	\$ (60.0)
North America	2,861.0	2,351.4	509.6	21.7 %	(4.6)	(0.2)%
South America	1,822.2	1,446.8	375.4	25.9 %	36.0	2.5 %
Asia/Pacific/Africa	647.0	693.5	(46.5)	(6.7)%	(30.3)	(4.4)%
	<u>\$ 10,611.7</u>	<u>\$ 8,752.5</u>	<u>\$ 1,859.2</u>	<u>21.2 %</u>	<u>\$ (58.9)</u>	<u>(0.7)%</u>

Regionally, net sales in our EME region were higher during the three and nine months ended September 30, 2023 compared to the same periods in 2022 primarily due to higher net sales of high horsepower tractors, utility tractors and parts as well as positive pricing impacts. Net sales in North America increased during the three and nine months ended September 30, 2023 compared to the same periods in 2022 primarily due to higher net sales of high horsepower tractors and application equipment as well as positive pricing impacts to offset inflationary cost pressures. Net sales in South America increased during the three and nine months ended September 30, 2023 compared to the same periods in 2022, primarily as a result of higher net sales of high horsepower tractors and planters, as well as favorable pricing impacts. The increase in net sales was primarily driven by both Brazil and Argentina in the three months ended September 30, 2023 and by Brazil in the nine months ended September 30, 2023. In our APA region, net sales decreased during the three months ended September 30, 2023 compared to the same period in 2022, due to lower net sales resulting from declines in Japan, Australia and China and negative impacts of foreign currency translation. Net sales decreased in the nine months ended September 30, 2023 compared to the same period in 2022 as a result of lower net sales in Japan, mostly offset by higher sales in Australia and China, and negative impacts of foreign currency translation.

We estimate our worldwide average price increase was approximately 9.9% and 11.9%, respectively, during the three and nine months ended September 30, 2023 compared to the same prior-year periods. Consolidated net sales of tractors and combines, which together comprised approximately 63.2% and 62.9%, respectively, of our net sales for the three and nine months ended September 30, 2023, increased approximately 14.2% and 27.0% compared to the same periods in 2022. Unit sales of tractors and combines decreased approximately 11.3% and increased approximately 0.9%, respectively, for the three and nine months ended September 30, 2023 compared to the same periods in 2022. The decrease in unit sales for the three months ended September 30, 2023 related to a reduction in sales of compact tractors which more than offset increased sales of high horsepower tractors and combines. The difference between the unit sales change and the change in net sales was primarily the result of foreign currency translation, pricing and sales mix changes.

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

	Three Months Ended September 30,			
	2023		2022	
	\$	% of Net Sale	\$	% of Net Sales
Gross profit	\$ 934.0	27.0 %	\$ 738.9	23.7 %
Selling, general and administrative expenses	353.6	10.2 %	287.5	9.2 %
Engineering expenses	139.6	4.0 %	104.7	3.4 %
Amortization of intangibles	14.4	0.4 %	14.7	0.5 %
Restructuring expenses	0.8	— %	1.0	— %
Bad debt expense	2.0	0.1 %	(1.1)	— %
Income from operations	\$ 423.6	12.3 %	\$ 332.1	10.6 %

  

	Nine Months Ended September 30,			
	2023		2022	
	\$	% of Net Sales	\$	% of Net Sales
Gross profit	\$ 2,794.6	26.3 %	\$ 2,060.7	23.5 %
Selling, general and administrative expenses	1,033.2	9.7 %	861.1	9.8 %
Engineering expenses	398.0	3.8 %	312.1	3.6 %
Amortization of intangibles	43.3	0.4 %	45.4	0.5 %
Impairment charges	—	— %	36.0	0.4 %
Restructuring expenses	8.3	0.1 %	4.4	0.1 %
Bad debt expense	4.5	— %	2.1	— %
Income from operations	\$ 1,307.3	12.3 %	\$ 799.6	9.1 %

Gross profit as a percentage of net sales increased for the three and nine months ended September 30, 2023 compared to the same periods in 2022. These increases were primarily as a result of favorable pricing and a favorable sales mix that more than offset inflationary material and freight cost increases.

Global production hours decreased approximately 2.1% and increased approximately 8.0%, respectively, in the three and nine months ended September 30, 2023 compared to the same periods in 2022. The decrease in global production hours in the three months ended September 30, 2023 compared to the three months ended September 30, 2022 was a result of higher production hours that were incurred in the three months ended September 30, 2022 to recover from the cyber attack in the second quarter of 2022. The increase in global production hours in the nine months ended September 30, 2023 was primarily due to robust market demand as well as easing of supply chain and logistics disruptions experienced in 2022. Some of our production facilities continue to face supply chain and logistics disruptions that have impacted our ability to produce and ship units, which also has contributed to labor inefficiencies and resulted in higher than anticipated raw material and work in process inventory levels. We also are continuing to experience material, labor and freight cost inflation. These factors may continue, which could impact production and inventory levels and net sales and margins in future periods.

We recorded approximately \$0.4 million and \$1.4 million of stock compensation expense within cost of goods sold during the three and nine months ended September 30, 2023, respectively, compared to approximately \$0.4 million and \$1.0 million for the comparable periods in 2022, respectively. See below and refer to Note 4 to our Condensed Consolidated Financial Statements for additional information on stock compensation expense.

Selling, general and administrative expenses ("SG&A expenses") as a percentage of net sales were higher for the three months ended September 30, 2023 compared to the same period in 2022 primarily due to higher variable compensation expense and Trimble-related transaction related costs. SG&A expenses as a percentage of net sales were relatively flat for the nine months ended September 30, 2023 compared to the same period in 2022 as a result of higher variable compensation expense and Trimble-related transaction related costs offset by higher net sales. We recorded approximately \$9.8 million and \$36.1 million of stock compensation expense within SG&A expenses during the three and nine months ended September 30, 2023, compared to approximately \$7.4 million and \$24.4 million during the same periods in 2022. Refer to Note 4 to our Condensed Consolidated Financial Statements for additional information on stock compensation expense.

Restructuring expenses of approximately \$0.8 million and \$8.3 million, respectively, were recorded during the three and nine months ended September 30, 2023, primarily related to severance and other related costs associated with the rationalization of certain South American, North American, European, Africa and Asian manufacturing operations. Refer to Note 3 to our Condensed Consolidated Financial Statements for additional information.

"Interest expense, net" was approximately \$5.5 million and \$11.8 million, respectively, for the three and nine months ended September 30, 2023 compared to approximately \$2.3 million and \$8.6 million, respectively, for the comparable periods in 2022. See "Liquidity and Capital Resources" for further information.

"Other expense, net" was approximately \$84.2 million and \$212.6 million, respectively, for the three and nine months ended September 30, 2023 compared to approximately \$33.1 million and \$72.3 million, respectively, for the comparable periods in 2022. The increase in "Other expense, net" reflects an increase in foreign exchange losses related to the devaluation of the Turkish lira and Argentina peso during the three and nine months ended September 30, 2023 as compared to the same periods in 2022. Losses on sales of receivables, primarily related to our accounts receivable sales agreements with our finance joint ventures in North America, Europe and Brazil and included in "Other expense, net," were approximately \$40.5 million and \$99.3 million, respectively, for the three and nine months ended September 30, 2023 compared to approximately \$20.4 million and \$38.5 million, respectively, for the comparable periods in 2022. The increase in losses for the three and nine months ended September 30, 2023 was primarily a result of higher sales of accounts receivable and higher interest rates as compared to 2022. For both the three and nine months ended September 30, 2023, the increases in "Other expense, net" were partially offset by business interruption insurance recoveries of \$10 million related to the cyber attack in the second quarter of 2022.

We recorded an income tax provision of approximately \$75.3 million and \$306.5 million, respectively, for the three and nine months ended September 30, 2023 compared to approximately \$74.2 million and \$205.9 million, respectively, for the comparable periods in 2022. Our effective tax rate varies from period to period due to the mix of taxable income and losses in the various tax jurisdictions in which we operate. We maintain a valuation allowance to reserve against our net deferred tax assets in certain foreign jurisdictions. In addition, we recorded approximately \$26.4 million within our income tax provision during the nine months ended September 30, 2023 associated with our enrollment in a Brazilian tax amnesty program as is more fully described in Note 12 of our Condensed Consolidated Financial Statements.

Equity in net earnings of affiliates, which is primarily comprised of income from our AGCO Finance joint ventures, was approximately \$21.9 million and \$55.9 million, respectively, the three and nine months ended September 30, 2023 compared to approximately \$15.4 million and \$39.7 million, respectively, for the comparable periods in 2022 primarily due to higher earnings in our finance joint ventures. A write-down of our investment in our Russian finance joint venture of approximately \$4.8 million was recorded during the three months ended March 31, 2022. The Russian finance joint venture was sold during the three months ended December 31, 2022. Refer to "Finance Joint Ventures" for further information regarding our finance joint ventures and their results of operations.

Net loss attributable to noncontrolling interests was \$0.1 million and \$0.1 million, respectively, during the three and nine months ended September 30, 2023 compared to approximately \$0.0 million and \$14.9 million, respectively, in the same periods in 2022. The loss during the nine month period ended September 30, 2022 related to our Russia joint venture.

We previously invested in two joint ventures that operated in Russia primarily for the manufacture and distribution of equipment and parts. Beginning in 2018, our Russian joint venture partner became subject to sanctions by the United States. Subsequent to the commencement of these sanctions, we previously had time-limited general licenses from the Office of Foreign Assets Control ("OFAC") of the U.S. Department of Treasury that permitted us to continue our participation, which expired on May 25, 2022. Following that expiration, we "blocked" our interest in our Russian manufacturing joint venture through a process acceptable to OFAC, which had the effect of suspending our role in that joint venture. During the three months ended March 31, 2022, we assessed the fair value of our gross assets related to the joint ventures for potential impairments and recorded asset impairment charges of approximately \$36.0 million. During the three months ended December 31, 2022, we sold our interest in the Russian distribution joint venture. Refer to Note 3 of our Condensed Consolidated Financial Statements for additional information.

### AGCO FINANCE JOINT VENTURES

Our AGCO Finance joint ventures provide both retail financing and wholesale financing to our dealers in the United States, Canada, Europe, Brazil, Argentina and Australia. The joint ventures are owned by AGCO and by a wholly-owned subsidiary of Rabobank. The majority of the assets of the finance joint ventures consist of finance receivables. The majority of the liabilities consist of notes payable and accrued interest. Under the various joint venture agreements, Rabobank or its affiliates provide financing to the finance joint ventures, primarily through lines of credit. We do not guarantee the debt obligations of the joint ventures. In the United States and Canada, we guarantee certain minimum residual values to those joint ventures upon expiration of certain eligible leases between the finance joint ventures and end users. See "Commitments, Off-Balance Sheet Arrangements and Contingencies" and Note 19 of our Condensed Consolidated Financial Statements for additional information.

As of September 30, 2023, our investment in the finance joint ventures, which is included in "Investment in affiliates" on our Condensed Consolidated Balance Sheets, was approximately \$463.8 million compared to \$390.2 million as of December 31, 2022. The total finance portfolio in our finance joint ventures was approximately \$12.8 billion and \$11.8 billion as of September 30, 2023 and December 31, 2022, respectively. The total finance portfolio as of September 30, 2023 included approximately \$10.1 billion of retail receivables and \$2.7 billion of wholesale receivables from our dealers. The total finance portfolio as of December 31, 2022 included approximately \$9.5 billion of retail receivables and \$2.3 billion of wholesale receivables from our 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 the nine months ended September 30, 2023, we made an investment in our Brazilian finance joint venture of approximately \$24.6 million. There were no dividends paid from our finance joint ventures during 2023. For the nine months ended September 30, 2023, our share in the earnings of the finance joint ventures, included in "Equity in net earnings of affiliates" within our Condensed Consolidated Statements of Operations, was approximately \$53.3 million compared to approximately \$40.4 million for the same period in 2022. In addition, during the nine months ended September 30, 2022 we recorded a write-down of our investment in our Russian finance joint venture of approximately \$4.8 million, reflected within "Equity in net earnings of affiliates" in our Condensed Consolidated Statements of Operations. The Russian finance joint venture was sold during the three months ended December 31, 2022.

### LIQUIDITY AND CAPITAL RESOURCES

Our financing requirements generally 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 facilities and accounts receivable sales agreement facilities subject to the discussion below with respect to financing of the Trimble transaction. We believe that the following facilities and available cash and internally generated funds, will be sufficient to support our working capital, capital expenditures and debt service requirements for the foreseeable future (in millions):

	<b>September 30, 2023<sup>(1)</sup></b>	
Credit facility, expires 2027	\$	866.6
1.002% Senior term loan due 2025		264.5
Senior term loans due between 2023 and 2028		232.8
0.800% Senior notes due 2028		634.9
Other long-term debt		3.9

(1) The amounts above are gross of debt issuance costs of an aggregate amount of approximately \$3.1 million.

The Company has access to a credit facility providing for a \$1.25 billion multi-currency unsecured revolving credit facility ("credit facility") which matures on December 19, 2027. As of September 30, 2023, the Company had \$866.6 million outstanding borrowings under the revolving credit facility and had the ability to borrow \$288.4 million.

In addition, the Company has access to an uncommitted revolving credit facility that allows the Company to borrow up to €100.0 million (or approximately \$105.8 million as of September 30, 2023). The credit facility expires on December 31, 2026. As of September 30, 2023, the Company had no outstanding borrowings under the revolving credit facility.

On September 29, 2023, the Company entered into a multi-currency Finance Contract with the EIB permitting the Company to borrow up to €250.0 million (or approximately \$264.5 million as of September 30, 2023), to fund up to 50% of certain investments in research, development and innovation primarily in Germany, France and Finland during the period from 2023 through 2026. There were no amounts outstanding under the EIB Senior Term Loan as of September 30, 2023. Subsequent to the end of the quarter, on October 26, 2023, the Company borrowed €250.0 million (approximately \$263.7 million) under the arrangement.

In connection with the planned Joint Venture with Trimble Inc., on September 28, 2023, the Company entered into a bridge facility commitment letter with Morgan Stanley pursuant to which Morgan Stanley has committed to provide, subject to the terms and conditions set forth therein, a \$2.0 billion senior unsecured 364-day bridge facility. There were no amounts outstanding under the Bridge Facility as of September 30, 2023. Subject to market conditions, the Company intends to finance the planned Joint Venture transaction through a combination of existing liquidity, ongoing cash flow from operations and the issuance of new debt and not to utilize funding pursuant to the commitment letter.

We are in compliance with the financial covenants contained in these facilities and 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.

See Note 6 to our Condensed Consolidated Financial Statements for additional information.

Our accounts receivable sales agreements in North America, Europe and Brazil permit the sale, on an ongoing basis, of a majority of our receivables to our U.S., Canadian, European and Brazilian finance joint ventures. The sales of all receivables are without recourse to us. We do not service the receivables after the sales occur, and we do not maintain any direct retained interest in the receivables. These agreements are accounted for as off-balance sheet transactions. As of September 30, 2023 and September 30, 2022, the cash received from receivables sold under the U.S., Canadian, European and Brazilian accounts receivable sales agreements was approximately \$2.1 billion and \$1.2 billion, respectively.

In addition, we sell certain trade receivables under factoring arrangements to other financial institutions around the world. During the nine months ended September 30, 2023 and September 30, 2022, the cash received from these arrangements was approximately \$218.7 million and \$170.8 million, respectively.

Our finance joint ventures in Europe, Brazil and Australia also provide wholesale financing directly to our dealers. The receivables associated with these arrangements are also without recourse to us. As of September 30, 2023 and December 31, 2022, these finance joint ventures had approximately \$139.4 million and \$69.5 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 are also accounted for as off-balance sheet transactions.

In order to efficiently manage our liquidity, we generally pay vendors in accordance with negotiated terms. To enable vendors to obtain payment in advance of our payment due dates to them, we have established programs in certain markets with financial institutions under which the vendors have the option to be paid by the financial institutions earlier than the payment due dates. Should we not be able to negotiate extended payment terms with our vendors, or should financial institutions no longer be willing to participate in early payment programs with us, we would expect to have sufficient liquidity to timely pay our vendors without any material impact on us or our financial position. As of September 30, 2023 and December 31, 2022, the amount outstanding that remains unpaid to the banks or other intermediaries associated with these programs totaled \$90.7 million and \$121.5 million, respectively. Refer to Note 10 of our Condensed Consolidated Financial Statements for further discussion.

Our debt to capitalization ratio, which is total indebtedness divided by the sum of total indebtedness and stockholders' equity, was 31.5% and 27.3% at September 30, 2023 and December 31, 2022, respectively.

### Cash Flows

Cash flows provided by operating activities were approximately \$202.7 million for the first nine months of 2023 compared to cash used in operating activities of approximately \$295.1 million for the same period in 2022. The increase in cash flows provided in operating activities during the nine months ended September 30, 2023 was primarily as a result of an increase in net income as compared to the same period in 2022. Supply chain challenges continued to result in higher raw material and work-in-process inventory levels during the first nine months of 2023.

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 approximately \$2,556.0 million in working capital at September 30, 2023 as compared to \$1,651.3 million at December 31, 2022 and \$2,083.6 million at September 30, 2022. Accounts receivable and inventories, combined, as of September 30, 2023 were approximately \$958.9 million and \$869.3 million higher, respectively, than at December 31, 2022 and September 30, 2022. Accounts receivable and inventories, combined, at September 30, 2023 were higher than at December 31, 2022 and September 30, 2022 primarily due to higher net sales, favorable pricing and the lingering impact of supply chain constraints experienced in the first half of 2023.

Capital expenditures for the first nine months of 2023 were approximately \$357.7 million compared to \$270.5 million for the same period in 2022 primarily due to capital investments made in our smart farming and precision agriculture manufacturing capacity. We anticipate capital expenditures for the full year of 2023 will be approximately \$450.0 million and will be used primarily to upgrade our system capabilities, improve our factory productivity, and to support the development and enhancement of new and existing products, including investments in smart farming, precision agriculture and digital technologies.

### Share Repurchase and Dividends

During the three and nine months ended September 30, 2023, we did not purchase any shares directly or enter into any accelerated share repurchase agreements. As of September 30, 2023, the remaining amount authorized to be repurchased under board-approved share repurchase authorizations was approximately \$110.0 million, which has no expiration date. In addition, on April 27, 2023, our Board of Directors approved an increase to our quarterly dividend commencing in the second quarter of 2023 by 21% to \$0.29 per common share and declared a special variable dividend of \$5.00 per common share that was paid during the second quarter of 2023. During the three months ended September 30, 2023 and September 30, 2022, the Company declared and paid cash dividends of \$0.29 and \$0.24 per common share, respectively. During the nine months ended September 30, 2023 and September 30, 2022, the Company declared and paid cash dividends of \$5.81 and \$5.16 per common share, respectively. On October 26, 2023, the Company approved the quarterly dividend of \$0.29 per common share to be paid on December 15, 2023, to all stockholders of record as of the close of business November 15, 2023.

### COMMITMENTS, OFF-BALANCE SHEET ARRANGEMENTS AND CONTINGENCIES

We are party to a number of commitments and other financial arrangements, which may include off-balance sheet arrangements. At September 30, 2023, we had outstanding guarantees issued to our Argentine finance joint venture, AGCO Capital, of approximately \$36.6 million. In addition, we had accrued approximately \$14.7 million of outstanding guarantees of residual values that may be owed to our finance joint ventures in the United States and Canada due upon expiration of certain eligible operating leases between the finance joint ventures and end users. The maximum potential amount of future payments under the guarantee is approximately \$185.0 million. We also sell a majority of our wholesale receivables in North America, Europe and Brazil to our U.S., Canadian, European and Brazilian finance joint ventures. At September 30, 2023, we had outstanding designated and non-designated foreign currency contracts with a gross notional amount of approximately \$5.3 billion. Refer to "Liquidity and Capital Resources" and "Item 3. Quantitative and Qualitative Disclosures about Market Risk-Foreign Currency Risk Management," as well as to Notes 13, 15 and 19 of our Condensed Consolidated Financial Statements for further discussion of these matters.

**Contingencies**

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 our Brazilian operations and the related transfer of certain assets to our Brazilian subsidiaries. Refer to Note 12 of our Condensed Consolidated Financial Statements for further discussion of this matter.

During 2017, we purchased Precision Planting, which provides precision agricultural technology solutions. In 2018, Deere & Company ("Deere") filed separate complaints in the U.S. District Court of Delaware against us and Precision Planting alleging that certain products of those entities infringed certain patents of Deere. The two complaints subsequently were consolidated into a single case. In July 2022, the case was tried before a jury, which determined that we and Precision Planting had not infringed the Deere patents. Following customary post-trial procedures, the Court entered a judgement in our favor, and Deere appealed the judgment to the U.S. Court of Appeals for the Federal Circuit. The parties currently are briefing of the appeal. We have an indemnity right under the purchase agreement related to the acquisition of Precision Planting from its previous owner. Pursuant to that right, the previous owner of Precision Planting currently is responsible for the litigation costs associated with the complaint and is obligated to reimburse us for some or all of the damages in the event of an adverse outcome in the litigation. Refer to Note 19 of our Condensed Consolidated Financial Statements or further discussion of this matter.

**OUTLOOK**

Our net sales are expected to increase in 2023 compared to 2022, resulting from improved pricing, higher sales of high horsepower tractors and combines and increased production volumes. Gross and operating margins are expected to improve from 2022 levels, reflecting the impact of improved pricing, higher sales of high horsepower tractors and combines, increased production volumes and expected improvements in factory productivity. We expect these items to more than offset material cost inflation, increased selling, general, and administrative expenses as well as engineering expenses and other technology investments which are expected to increase during 2023 compared to 2022 to support our product development plans as well as our precision agriculture and digital initiatives.

Our outlook is also based on current assumptions regarding a number of factors including demand, currency stability, pricing and market share gains. If our assumptions are incorrect, or other issues arise or return, such as a worsening of our supply chain, our results of operations will be adversely impacted. Refer to "Risk Factors" in Item 1A of Part I of our Annual Report on Form 10-K for the year ended December 31, 2022 for further discussion of the COVID-19 pandemic.

**CRITICAL ACCOUNTING POLICIES AND ESTIMATES**

The discussion and analysis of our financial condition and results of operations are based upon our Condensed Consolidated Financial Statements, which have been prepared in accordance with U.S. generally accepted accounting principles. The preparation of these financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosures of contingent assets and liabilities. On an ongoing basis, management evaluates estimates, including those related to discount and sales incentive allowances, deferred income taxes and uncertain income tax positions, pensions, goodwill, other intangible and long-lived assets, and recoverable indirect taxes. Management bases these estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions. A description of critical accounting policies and related judgments and estimates that affect the preparation of our Condensed Consolidated Financial Statements is set forth in our Annual Report on Form 10-K for the year ended December 31, 2022.

**FORWARD-LOOKING STATEMENTS**

Certain statements in "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in this Quarterly Report on Form 10-Q are forward-looking, including certain statements set forth under the headings "Liquidity and Capital Resources" and "Outlook." Forward-looking statements reflect assumptions, expectations, projections, intentions or beliefs about future events. These statements, which may relate to such matters as earnings, net sales, margins, industry demand, market conditions, commodity prices, farm incomes, foreign currency translation, general economic outlook, dividends, share repurchases, availability of financing, product development and enhancement, factory productivity, production and sales volumes, benefits from cost reduction initiatives, material costs, pricing impacts, tax rates, compliance with loan covenants, capital expenditures, working capital and debt service requirements and the impacts of the COVID-19 pandemic are "forward-looking statements" within the meaning of the federal securities laws. These statements do not relate strictly to

historical or current facts, and you can identify certain of these statements, but not necessarily all, by the use of the words “anticipate,” “assumed,” “indicate,” “estimate,” “believe,” “predict,” “forecast,” “rely,” “expect,” “continue,” “grow” and other words of similar meaning. Although we believe that the expectations and assumptions reflected in these statements are reasonable in view of the information currently available to us, there can be no assurance that these expectations will prove to be correct.

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

- general economic and capital market conditions;
- availability of credit to our retail customers;
- the worldwide demand for agricultural products;
- grain stock levels and the levels of new and used field inventories;
- cost of steel and other raw materials;
- energy costs;
- performance and collectability of the accounts receivable originated or owned by AGCO or our finance joint ventures;
- government policies and subsidies;
- uncertainty regarding changes in the international tariff regimes and product embargoes and their impact on the cost of the products that we sell;
- weather conditions;
- interest and foreign currency exchange rates;
- pricing and product actions taken by competitors;
- commodity prices, acreage planted and crop yields;
- farm income, land values, debt levels and access to credit;
- pervasive livestock diseases;
- production disruptions, including due to component and raw material availability;
- production levels and capacity constraints at our facilities, including those resulting from plant expansions and systems upgrades;
- integration of recent and future acquisitions, including the recently announced acquisition of the Trimble ag assets, and the ability to obtain the expected results;
- our expansion plans in emerging markets;
- supply constraints, including energy shortages;
- our cost reduction and control initiatives;
- our research and development efforts;
- dealer and distributor actions;
- regulations affecting privacy and data protection;
- technological difficulties;
- the impact of the COVID-19, or other future pandemics, on product demand and production;
- the occurrence of future cyberattacks, including ransomware attacks; and
- the conflict in Ukraine.

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. Recently suppliers of several key parts and components have not been able to meet our demand and we have had to decrease our production levels. In addition, the potential of future natural gas shortages in Europe, as well as predicted overall shortages in other energy sources, could also negatively impact our production and that of our supply chain in the future. While we have largely recovered from supply chain disruptions there can be no assurance that there will not be future disruptions.

International relations in the Pacific Rim remain in a state of flux, with, for instance, changes over the last few years in the international tariff regimes between the United States and China in response to various political issues and heightened uncertainty regarding China-Taiwan relations. This region is an important producer of parts and components that are critical to our products, particularly semiconductor chips. Should events in that region or between governments in that region and the countries in which we manufacture products deteriorate, it could significantly adversely impact the availability of parts and components to us, and, correspondingly, our ability to produce products at targeted levels.

We have a wholly-owned subsidiary in Turkey that distributes agricultural equipment and replacement parts. The Turkish economy is highly inflationary. For the nine months ended and as of September 30, 2023, our wholly-owned subsidiary in Turkey had net sales of approximately \$292.9 million and total assets of approximately 3.5 billion Turkish lira (or approximately \$126.5 million). The monetary assets and liabilities denominated in the Turkish lira were approximately 3.0 billion Turkish lira (or approximately \$109.4 million) and approximately 2.3 billion Turkish lira (or approximately \$85.4 million), respectively, as of September 30, 2023. The monetary assets and liabilities were remeasured into U.S. dollar based on exchange rates as of September 30, 2023.

We are subject to the risk of the imposition of limitations by governments on international transfers of funds. In recent years, the Argentine government has substantially limited the ability of companies to transfer funds out of Argentina. As a consequence of these limitations, the spread between the official government exchange rate and the exchange rates resulting implicitly from certain capital market operations, usually effected to obtain U.S. dollars, has broadened significantly. We have a wholly-owned subsidiary in Argentina that assembles and distributes agricultural equipment and replacement parts within Argentina. We determined that the Argentina economy was highly inflationary during the third quarter of 2018. For the nine months ended and as of September 30, 2023, our wholly-owned subsidiary in Argentina had net sales of approximately \$164.6 million and total assets of approximately 82.8 billion pesos (or approximately \$240.0 million). The monetary assets of our operations in Argentina denominated in pesos at the official government rate were approximately 25.6 billion pesos (or approximately \$74.4 million), inclusive of approximately 14.1 billion pesos (or approximately \$41.0 million) in cash and cash equivalents, as of September 30, 2023. The monetary liabilities of our operations in Argentina denominated in pesos at the official government rate were approximately 9.0 billion pesos (or approximately \$26.2 million) as of September 30, 2023. The monetary assets and liabilities were remeasured into U.S. dollar based on exchange rates as of September 30, 2023. The Company's finance joint venture in Argentina, AGCO Capital Argentina S.A. ("AGCO Capital") has net monetary assets denominated in pesos at the official government rate of approximately 7.1 billion (or approximately \$20.5 million) as of September 30, 2023, of which a majority is cash and cash equivalents. Future impairments and charges are possible in connection with these exposures.

In May 2022, we discovered that we had been subject to a sophisticated cyberattack. The attack resulted in the temporary closure of most of our production sites and parts operations. A majority of the affected locations resumed operations within approximately two weeks after the attack was discovered. There was some data exfiltration as a result of the attack, and a portion of the exfiltrated data subsequently was released publicly. We do not have significant retail operations, and we do not believe that the exfiltrated data included privacy protected consumer data or that the exfiltration was consequential. We have invested heavily in maturing our information technology and cybersecurity operations and continue to review and improve our safeguards to minimize our exposure to future attacks. We do not believe the cost of remediation to the impacted systems will be material. To date, the cost of those efforts has not been consequential. We maintain cyber insurance coverage for business interruption.

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.

Any forward-looking statement should be considered in light of such important factors. For additional factors and additional information regarding these factors, see "Risk Factors" in Item 1A of Part I of our Annual Report on Form 10-K for the year ended December 31, 2022.

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

### **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

#### **Foreign Currency Risk Management**

For quantitative and qualitative disclosures about market risks, see “Quantitative and Qualitative Disclosures About Market Risks” in Item 7A of Part II of our Annual Report on Form 10-K for the year ended December 31, 2022. As of the third quarter of 2023, there has been no material change in our exposure to market risks.

### **ITEM 4. CONTROLS AND PROCEDURES**

#### **Evaluation of Disclosure Controls and Procedures**

Our Chief Executive Officer and Chief Financial Officer, after evaluating the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended) as of September 30, 2023, have concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Exchange Act is accumulated and communicated to the issuer’s management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

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

#### **Changes in Internal Control Over Financial Reporting**

There were no changes in our internal control over financial reporting identified in connection with the evaluation described above that occurred during the three months ended September 30, 2023 that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

## **PART II. OTHER INFORMATION**

### **ITEM 1. LEGAL PROCEEDINGS**

We are a party to various other legal claims and actions incidental to our business. These items are more fully discussed in Note 19 to our Condensed Consolidated Financial Statements.

### **ITEM 1A. RISK FACTORS**

The following information supplements our risks and uncertainties disclosed under "Risk Factors" in Item 1A of Part 1 of our Annual Report on Form 10-K for the year ended December 31, 2022. Additional risks and uncertainties not presently known to us or that are currently not believed to be significant to our business may also affect our actual results and could harm our business, financial conditions and results of operations. If any additional risks and uncertainties actually occur, our business, results of operations and financial condition could be materially and adversely affected.

*We may not be able to complete future acquisitions or joint venture transactions or successfully integrate them into our business, which could adversely affect our business or results of operations.*

We recently announced the proposed acquisition of the agriculture assets and technologies of Trimble through the formation of a joint venture of which we will own 85%. Closing the transaction is dependent upon obtaining required regulatory approvals (primarily competition and antitrust approvals), obtaining the necessary financing, and fulfilling other closing conditions, all of which, at least in part, are not within our control. In addition, acquisitions and joint venture transactions involve many risks, including the difficulty of determining the appropriate valuation, the challenges attendant to integrating the operations, technologies, services and products of the acquired lines of businesses, reactions by customers to the transaction, particularly the rate at which Trimble's largest OEM customer reduces purchases of Trimble equipment, and the rate of replacement by the joint venture of those sales, personnel turnover, and the diversion of management's attention from other business matters. In addition, we may be unable to achieve anticipated benefits from the transaction in the time frame that we anticipate, or at all. All of these risks, as well as the others that typically accompany a large transaction, could adversely affect our business or results of operations. See Note 2 - Acquisitions within our Condensed Consolidated Financial Statements.

### **ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**

#### **Issuer Purchases of Equity Securities**

There were no purchases of our common stock made by or on behalf of us during the three months ended September 30, 2023.

### **ITEM 5. OTHER INFORMATION**

During the three months ended September 30, 2023, none of our directors or officers (as defined in Rule 16a-1(f) of the Securities Exchange Act of 1934, as amended) adopted or terminated a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K of the Securities Act of 1933).

**ITEM 6. EXHIBITS**

*(The Company is not filing, under Item 4, instruments defining the rights of holders of long-term debt where the debt does not exceed 10% of the Company's total assets. The Company agrees to furnish copies of those instruments to the Commission upon request.)*

<b>Exhibit Number</b>	<b>Description of Exhibit</b>	<b>The filings referenced for incorporation by reference are AGCO Corporation</b>
<a href="#">2.1</a>	<a href="#">Sale and Contribution Agreement</a>	September 29, 2023, Form 8-K, Exhibit 2.1
<a href="#">10.1</a>	<a href="#">Commitment Letter for \$2 Billion Senior Unsecured 364-Day Bridge Facility</a>	September 29, 2023, Form 8-K, Exhibit 10.1
<a href="#">10.2</a>	<a href="#">European Investment Bank Senior Term Loan dated as of September 29, 2023</a>	Filed herewith
<a href="#">31.1</a>	<a href="#">Certification of Eric P. Hansotia</a>	Filed herewith
<a href="#">31.2</a>	<a href="#">Certification of Damon Audia</a>	Filed herewith
<a href="#">32.1</a>	<a href="#">Certification of Eric P. Hansotia and Damon Audia</a>	Furnished herewith
101	The following unaudited financial information from this Quarterly Report on Form 10-Q for the quarter ended September 30, 2023, are formatted in Inline XBRL: (i) Condensed Consolidated Balance Sheets; (ii) Condensed Consolidated Statements of Operations; (iii) Condensed Consolidated Statements of Comprehensive Income; (iv) Condensed Consolidated Statements of Cash Flows; and (v) Notes to Condensed Consolidated Financial Statements	Filed herewith
104	Cover Page Interactive Data File - the cover page from this Quarterly Report on Form 10-Q for the quarter ended September 30, 2023 is formatted in Inline XBRL	Filed herewith

**SIGNATURES**

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

Date: November 8, 2023

/s/ Damon Audia

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Damon Audia  
Senior Vice President and Chief Financial Officer  
(Principal Financial and Accounting Officer)

Contract Number (FI N°) 94.481  
Operation Number (Serapis N°) 2022-0189

## **AGCO MACHINERY RDI II - A**

### **Finance Contract**

*between the*

**European Investment Bank**

*and*

**AGCO International Holdings B.V.**

Grubbenvorst, 29 September 2023 /  
Luxembourg, 29 September 2023

<u>WHEREAS:</u>	8
<u>INTERPRETATION AND DEFINITIONS</u>	10
<u>Article 1</u>	27
<u>1.1 Amount of Credit</u>	27
<u>1.2 Disbursement procedure</u>	27
<u>1.2.A Tranches</u>	27
<u>1.2.B Disbursement Offer</u>	27
<u>1.2.C Disbursement Acceptance</u>	27
<u>1.2.D Disbursement Account</u>	28
<u>1.3 Currency of disbursement</u>	28
<u>1.4 Conditions of disbursement</u>	28
<u>1.4.A Condition precedent to the first request for Disbursement Offer</u>	28
<u>1.4.B First Tranche</u>	29
<u>1.4.C All Tranches</u>	30
<u>1.5 Deferment of disbursement</u>	30
<u>1.5.A Grounds for deferment</u>	30
<u>1.5.B Cancellation of a disbursement deferred by 6 (six) months</u>	31
<u>1.6 Cancellation and suspension</u>	31
<u>1.6.A Borrower's right to cancel</u>	31
<u>1.6.B Bank's right to suspend and cancel</u>	32
<u>1.6.C Indemnity for suspension and cancellation of a Tranche</u>	32
<u>1.7 Cancellation after expiry of the Credit</u>	33
<u>1.8 Up-front fee</u>	33
<u>1.9 Sums due under Articles 1.5 and 1.6</u>	33
<u>Article 2</u>	33
<u>2.1 Amount of Loan</u>	33
<u>2.2 Currency of payments</u>	33
<u>2.3 Confirmation by the Bank</u>	34
<u>Article 3</u>	34
<u>3.1 Rate of interest</u>	34
<u>3.1.A Fixed Rate Tranches</u>	34
<u>3.1.B Floating Rate Tranches</u>	34
<u>3.2 Interest on overdue sums</u>	36

<u>3.2.A Non-RFR Floating Rate Tranches and Fixed Rate Tranches other than those disbursed in USD</u>	36
<u>3.2.B RFR Floating Rate Tranches</u>	36
<u>3.2.C Fixed Rate Tranches disbursed in USD</u>	37
<u>3.2.D Overdue sums not relating to Tranches and payable in EUR</u>	37
<u>3.2.E Overdue sums not relating to Tranches and payable in USD</u>	37
<u>3.3 Market Disruption Event</u>	38
<u>Article 4</u>	38
<u>4.1 Normal repayment</u>	38
<u>4.1.A Repayment by instalments</u>	38
<u>4.1.B Single instalment</u>	39
<u>4.2 Voluntary prepayment</u>	39
<u>4.2.A Prepayment option</u>	39
<u>4.2.B Prepayment indemnity</u>	39
<u>4.2.C Prepayment mechanics</u>	39
<u>4.2.D Administrative Fee</u>	39
<u>4.3 Compulsory prepayment and cancellation</u>	40
<u>4.3.A Prepayment Events</u>	40
<u>4.3.B Prepayment mechanics</u>	42
<u>4.3.C Prepayment indemnity</u>	43
<u>4.4 General</u>	43
<u>4.4.A No prejudice to Article 10</u>	43
<u>4.4.B No reborrowing</u>	43
<u>Article 5</u>	43
<u>5.1 Day count convention</u>	43
<u>5.2 Time and place of payment</u>	43
<u>5.3 No set-off by the Borrower</u>	44
<u>5.4 Disruption to Payment Systems</u>	44
<u>5.5 Application of sums received</u>	44
<u>5.5.A General</u>	44
<u>5.5.B Partial payments</u>	44
<u>5.5.C Allocation of sums related to Tranches</u>	44
<u>Article 6</u>	45
<u>6.1 Integrity</u>	45
<u>6.2 Disposal of assets</u>	45
<u>6.3 Compliance with laws</u>	45

<u>6.4</u>	<u>Change in business</u>	46
<u>6.5</u>	<u>Merger</u>	46
<u>6.6</u>	<u>Books and records</u>	46
<u>6.7</u>	<u>Financial undertakings</u>	46
<u>6.7.A</u>	<u>Financial covenants</u>	46
<u>6.7.B</u>	<u>Affiliate transactions</u>	46
<u>6.7.C</u>	<u>Restricted Payments</u>	47
<u>6.7.D</u>	<u>Indebtedness</u>	47
<u>6.7.E</u>	<u>Restrictions on Subsidiaries</u>	48
<u>6.8</u>	<u>Data Protection</u>	49
<u>6.9</u>	<u>Sanctions</u>	49
<u>6.10</u>	<u>General Representations and Warranties</u>	49
	<u>Article 7</u>	50
<u>7.1</u>	<u>Negative pledge</u>	51
<u>7.2</u>	<u>Pari passu ranking</u>	51
<u>7.3</u>	<u>Clauses by inclusion</u>	51
	<u>Article 8</u>	52
	<u>Article 9</u>	53
<u>9.1</u>	<u>Taxes, duties and fees</u>	53
<u>9.2</u>	<u>Other charges</u>	54
<u>9.3</u>	<u>Increased costs, indemnity and set-off</u>	54
	<u>Article 10</u>	54
<u>10.1</u>	<u>Right to demand repayment</u>	54
<u>10.1.A</u>	<u>Immediate demand</u>	54
<u>10.1.B</u>	<u>Demand after notice to remedy</u>	56
<u>10.2</u>	<u>Other rights at law</u>	56
<u>10.3</u>	<u>Indemnity</u>	56
<u>10.3.A</u>	<u>Fixed Rate Tranches</u>	56
<u>10.3.B</u>	<u>Floating Rate Tranches</u>	56
<u>10.3.C</u>	<u>General</u>	56
<u>10.4</u>	<u>Non-Waiver</u>	57
	<u>Article 11</u>	57
<u>11.1</u>	<u>Governing Law</u>	57
<u>11.2</u>	<u>Jurisdiction</u>	57
<u>11.3</u>	<u>Place of performance</u>	57
<u>11.4</u>	<u>Waiver</u>	57

<u>11.5</u>	<u>Representation by attorney(s)</u>	57
<u>11.6</u>	<u>Evidence of sums due</u>	57
<u>11.7</u>	<u>Entire Agreement</u>	58
<u>11.8</u>	<u>Invalidity</u>	58
<u>11.9</u>	<u>Amendments</u>	58
<u>11.10</u>	<u>Counterparts</u>	58
<u>11.11</u>	<u>Changes to the parties</u>	58
<u>11.11.A</u>	<u>No changes to the Borrower</u>	58
<u>11.11.B</u>	<u>Assignment by the Bank</u>	58
	<u>Article 12</u>	59
<u>12.1</u>	<u>Notices</u>	59
<u>12.1.A</u>	<u>Form of Notice</u>	59
<u>12.1.B</u>	<u>Addresses</u>	59
<u>12.1.C</u>	<u>Notification of communication details</u>	60
<u>12.2</u>	<u>English language</u>	60
<u>12.3</u>	<u>Recitals, Schedules and Annexes</u>	60
	<u>Schedule A</u>	62
	<u>Project Specification and Reporting</u>	62
	<u>Schedule B</u>	68
	<u>Definitions of EURIBOR</u>	68
	<u>Schedule C</u>	70
	<u>Form of Disbursement Offer/Acceptance (Articles 1.2.B and 1.2.C) and other Forms (Article 1.4.C)</u>	70
	<u>Schedule D</u>	74
	<u>Form of the Guarantee Agreement</u>	74
	<u>Schedule E</u>	111
	<u>Form of Compliance Certificate</u>	111
	<u>Schedule F</u>	112
	<u>Daily Non-Cumulative Compounded RFR Rate</u>	112
	<u>Schedule G</u>	114
	<u>Cumulative Compounded RFR Rate</u>	114
	<u>Schedule H</u>	115
	<u>Indebtedness as of the date of this Agreement</u>	115

Annex I

116

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

116

**THIS CONTRACT IS MADE BETWEEN:**

the European Investment Bank having its seat at 100 blvd Konrad Adenauer, Luxembourg, L-2950 Luxembourg, represented by Dr Julia Nienhaus, Head of Division, and Lukasz Padol, Loan Officer,  
of the first part, and

(the "**Bank**")

AGCO International Holdings B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), incorporated in under the laws of The Netherlands, having its official seat (*statutaire zetel*) in Grubbenvorst, The Netherlands having its registered office at Horsterweg 66a, 5971NG Grubbenvorst, The Netherlands and registered with the Dutch commercial register of the Chamber of Commerce in The Netherlands under number 12067080, represented by Adam Frost, Managing Director, and Sebastiaan Mulder, Managing Director,

(the "**Borrower**")

of the second part.

The Bank and the Borrower together are referred to as the "**Parties**" and any of them is a "**Party**".

**WHEREAS:**

- (a) The Borrower has stated that it is undertaking a project of investments in Research, Development, and Innovation (RDI) in the field of agricultural machinery and equipment carried out in Germany, France and Finland over the period 2023-2026 as more particularly described in the technical description (the "**Technical Description**") set out in Schedule A.1 (the "**Project**").
- (b) The total cost of the Project, as estimated by the Bank, is EUR 858,840,000.00 (eight hundred fifty-eight million eight hundred forty thousand euros) and the Borrower has stated that it intends to finance the Project as follows:

<b>Source</b>	<b>Amount (EUR m)</b>
Credit from the Bank	420
Other funding sources	438,84
<b>TOTAL</b>	<b>858.84</b>

- (c) In order to fulfil the financing plan set out in Recital (b), the Borrower has requested from the Bank a credit equivalent to EUR 420,000,000.00 (four hundred twenty million euros). 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 250,000,000.00 (two hundred fifty million euros) under this finance contract (the "**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 (b).
- (d) The Bank will decide at the appropriate time on the remaining the credit amount of EUR 170,000,000.00 (one hundred seventy million euros).
- (e) The board of directors (Raad van Bestuur) and the sole shareholder of the Borrower have authorised the borrowing of the sum equivalent to EUR 420,000,000.00 (four hundred twenty million euros) represented by this credit on the terms and conditions set out in this Contract in the form set out in Annex I and it has been duly certified to the Bank by the Borrower that such borrowing is within the corporate powers of the Borrower.
- (f) The financial obligations of the Borrower under this Contract are to be guaranteed by AGCO Corporation (the "**Guarantor**") under a guarantee and indemnity, by execution of a guarantee and indemnity agreement in the form attached to this Contract in Schedule D (the "**Guarantee Agreement**").
- (g) The Guarantor shall comply with the provisions of the Guarantee Agreement at all times.
- (h) 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; and, accordingly, the terms and conditions of the Bank's loan operations must be consistent with relevant policies of the European Union.
- (i) If and to the extent that the financing of the Project includes certain state subsidies or grants, the provision of such funds has been duly authorised and will be provided in compliance with all relevant EU Law.
- (j) 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 and 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 citizens of the European Union in general.
- (k) The processing of personal data shall be carried out by the Bank in accordance with applicable EU Law on the protection of individuals with regard to the processing of personal data by the European Union institutions and bodies and on the free movement of such data.

- (l) The Bank supports the implementation of international and European Union standards in the field of anti-money laundering and countering the financing of terrorism and promotes tax good governance standards. It has established policies and procedures to avoid the risk of misuse of its funds for purposes which are illegal or abusive in relation to applicable laws. The Bank's group statement on tax fraud, tax evasion, tax avoidance, aggressive tax planning, money laundering and financing of terrorism is available on the Bank's website and offers further guidance to the Bank's contracting counterparties.<sup>1</sup>
- (m) 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.

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<sup>1</sup> <http://www.eib.org/about/compliance/tax-good-governance/index.htm?f=search&media=search>

**NOW THEREFORE** it is hereby agreed as follows:

## **INTERPRETATION AND DEFINITIONS**

### **Interpretation**

In this Contract:

- (a) references 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;
- (b) references to "law" or "laws" mean:
  - (i) any applicable law and any applicable treaty, constitution, statute, legislation, decree, normative act, rule, regulation, judgement, order, writ, injunction, determination, award or other legislative or administrative measure or judicial or arbitral decision in any jurisdiction which is binding or applicable case law; and
  - (ii) EU Law;
- (c) references to "applicable law", "applicable laws" or "applicable jurisdiction" mean:
  - (i) a law or jurisdiction applicable to the Borrower, its rights and/or obligations (in each case arising out of or in connection with this Contract), its capacity and/or assets and/or the Project; and/or, as applicable
  - (ii) a law or jurisdiction (including in each case the Bank's Statute) applicable to the Bank, its rights, obligations, capacity and/or assets;
- (d) references to a provision of law or a treaty are references to that provision as amended or re-enacted;
- (e) references to any other agreement or instrument (including this Contract) are references to that other agreement or instrument as amended, novated, supplemented, extended or restated;
- (f) an "amendment" includes a supplement, novation, extension (whether of maturity or otherwise), restatement, re-enactment or replacement (however fundamental and whether or not more onerous) and amended will be construed accordingly;
- (g) words and expressions in plural shall include singular and vice versa;
- (h) terms defined in the GDPR (as defined below), including the terms "controller", "data subject", "personal data", "processing" and "processor", have the same meanings when used in Recital (j) or Article 6.12 of this Contract;
- (i) references to "month" mean a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that and subject to the definition of Payment Date, Article 5.1 and Schedule B and unless provided otherwise in this Contract:
  - (i) if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day; and
  - (ii) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month;
- (j) a "person" includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality);
- (k) a "party" or any other "person" includes its successors in title, permitted assigns and permitted transferees;
- (l) "assets" includes present and future properties, revenues and rights of every description;
- (m) "disposal" includes a sale, transfer, assignment, grant, lease, licence, declaration of trust or other disposal, whether voluntary or involuntary, and dispose will be construed accordingly;

- (n) "indebtedness" includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
- (o) a "regulation" includes any regulation, rule, order (of general application), official directive, request or guideline (whether or not having the force of law) of any governmental, inter-governmental or supranational body, agency or department, or of any regulatory, self-regulatory or other authority or organisation;
- (p) a "currency" is a reference to the lawful currency for the time being of the relevant country;
- (q) "including" is a reference to including, without limitation; and
- (r) a reference in this Contract to a page or screen of an information service displaying a rate shall include:
  - (i) any replacement page of that information service which displays that rate; and
  - (ii) the appropriate page of such other information service which displays that rate from time to time in place of that information service,

and, if such page or service ceases to be available, shall include any other page or service displaying that rate specified by the Bank.

## Definitions

In this Contract:

**"Accepted Tranche"** means a Tranche in respect of which a Disbursement Offer has been duly accepted by the Borrower in accordance with its terms on or before the Disbursement Acceptance Deadline.

**"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.

**"AML Criminal Law Directive"** means Directive (EU) 2018/1673 of the European Parliament and of the Council of 23 October 2018 on combating money laundering by criminal law, as amended, supplemented or restated.

**"AML Directives"** means the 4th and 5th AML Directives and the AML Criminal Law Directive.

**"4th and 5th AML Directives"** means Directive 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, as amended by Directive (EU) 2018/843 of the European Parliament and of the Council of 30 May 2018, and as further amended, supplemented or restated.

**"AGCO Credit Agreement"** means the Credit Agreement dated December 19, 2022, among the Guarantor, certain Subsidiaries of the Guarantor, the lenders named therein and Coöperatieve Rabobank U.A., 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.

**"Agreed Deferred Disbursement Date"** has the meaning given to it in Article 1.5.A(2)(b).

**"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 6.7.A of this Contract and Article 5.13 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 6.7.A of this Contract and Article 5.13 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.

**"Authorisation"** means an authorisation, permit, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

**"Authorised Signatory"** means a person authorised to sign individually or jointly (as the case may be) Disbursement Acceptances on behalf of the Borrower and named in the most recent List of Authorised Signatories and Accounts received by the Bank prior to the receipt of the relevant Disbursement Acceptance.

**"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.

**"Cancelled Tranche"** has the meaning given to it in Article 1.6.C(2).

**"Capitalized Leases"** means all leases that have been or should be, in accordance with Applicable Accounting Standards in effect as of December 31, 2017, 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.

**"Central Bank Rate"** means in respect of amounts payable in USD:

- (i) the short-term interest rate target set by the US Federal Open Market Committee as published by the Federal Reserve Bank of New York from time to time; or
- (ii) if that target is not a single figure, the arithmetic mean of:
  - (1) the upper bound of the short-term interest rate target range set by the US Federal Open Market Committee and published by the Federal Reserve Bank of New York; and
  - (2) the lower bound of that target range,

which shall include any successor rate to, or replacement rate for, that rate, as reasonably determined by the Bank.

**"Central Bank Rate Adjustment"** means, in relation to the Central Bank Rate prevailing at close of business on any RFR Business Day, the 20% (twenty per cent) trimmed arithmetic mean (calculated by the Bank) of the Central Bank Rate Spreads for the five most immediately preceding RFR Business Days for which the RFR is available.

**"Central Bank Rate Spread"** means, in relation to any RFR Business Day, the difference (expressed as a percentage rate per annum) calculated by the Bank between:

- (a) the RFR for that RFR Business Day; and

(b) the Central Bank Rate prevailing at close of business on that RFR Business Day.

**"Change in the Beneficial Ownership"** means a change in the ultimate ownership or control of the Borrower according to the definition of "beneficial owner" set out in article 3(6) of Directive 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing as modified and /or supplemented from time to time.

**"Change-of-Control Event"** has the meaning given to it in Article 4.3.A(3).

**"Change-of-Law Event"** has the meaning given to it in Article 4.3.A(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.2.

**"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 (d).

**"Contract Number"** means the Bank generated number identifying this Contract and indicated on the cover page of this Contract after the letters "FI N°".

**"Cost of Funds Rate"** means the rate (expressed as a percentage rate per annum) 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.

**"Credit"** has the meaning given to it in Article 1.1.

**"Cumulative Compounded RFR Rate"** means, in relation to a Floating Rate Reference Period for an RFR Floating Rate Tranche, the percentage rate per annum determined by the Bank in accordance with the methodology set out in Schedule G.

**"Daily Non-Cumulative Compounded RFR Rate"** means, in relation to any RFR Business Day during a Floating Rate Reference Period for an RFR Floating Rate Tranche, the percentage rate per annum determined by the Bank in accordance with the methodology set out in Schedule F.

**"Daily Rate"** means for any RFR Business Day:

- (a) the RFR for that RFR Business Day;
- (b) if the RFR is not available for that RFR Business Day, the percentage rate per annum which is the aggregate of (A) the Central Bank Rate for that RFR Business Day and (B) the applicable Central Bank Rate Adjustment; or
- (c) if subparagraph (b) above applies but the Central Bank Rate for that RFR Business Day is not available, the percentage rate per annum which is the aggregate of:
  - (i) the most recent Central Bank Rate for a day which is no more than five RFR Business Days before that RFR Business Day (in respect of such RFR Business Day, the **"Historical Central Bank Rate"**); and
  - (ii) the applicable Central Bank Rate Adjustment,

rounded, in each case, to five decimal places for amounts in USD, and provided that if, in any case in respect of a RFR Floating Rate Tranche, the aggregate of that rate on any day and the Spread is less than zero, the Daily Rate shall be deemed to be such a rate that the aggregate of the Daily Rate and the applicable Spread is zero.

**"Deferment Fee"** means a fee calculated on the amount of an Accepted Tranche deferred or suspended at the rate of the higher of:

- (a) in respect of any Floating Rate Tranche:
  - (i) 0.125% (12.5 basis points) per annum; and
  - (ii) 0.125% (12.5 basis points) per annum plus the Spread net of the Margin; and
- (b) in respect of a Fixed Rate Tranche in USD:
  - (i) 0.125% (12.5 basis points) per annum; and

- (ii) the percentage rate by which:
  - (1) the interest rate net of the Margin that would have been applicable to such Tranche had it been disbursed to the Borrower on the Scheduled Disbursement Date, exceeds
  - (2) the Daily Rate as at the date falling two RFR Business Days prior to the most recent Frozen Rate Calculation Date less 0.125% (12.5 basis points), unless such rate is less than zero in which case it will be set at zero.
- (c) in respect of a Fixed Rate Tranche in EUR:
  - (i) 0.125% (12.5 basis points) per annum; and
  - (ii) the percentage rate by which:
    - (1) the interest rate net of the Margin that would have been applicable to such Tranche had it been disbursed to the Borrower on the Scheduled Disbursement Date, exceeds
    - (2) EURIBOR (one month rate) less 0.125% (12.5 basis points), unless such rate is less than zero in which case it shall be set at zero.

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

**"Disbursement Acceptance"** means a copy of the Disbursement Offer duly countersigned by the Borrower in accordance with the List of Authorised Signatories and Accounts.

**"Disbursement Acceptance Deadline"** means the date and time of expiry of a Disbursement Offer, as specified therein.

**"Disbursement Account"** means, in respect of each Tranche, the bank account to which disbursements may be made under this Contract, as set out in the most recent List of Authorised Signatories and Accounts.

**"Disbursement Date"** means the date on which disbursement of a Tranche is made by the Bank.

**"Disbursement Offer"** means a letter substantially in the form set out in Schedule C.

**"Dispute"** has the meaning given to it in Article 11.2.

**"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 the other Party,

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.

**"Dutch Civil Code"** means the *Burgerlijk Wetboek* of the Netherlands.

**"Environment"** means the following:

- (a) fauna and flora, living organisms including the ecological systems;
- (b) land, soil, water (including marine and coastal waters), air, climate and the landscape (natural or man-made structures, whether above or below ground);
- (c) cultural heritage (natural, tangible and intangible);
- (d) the built environment; and

(e) human health and wellbeing.<sup>2</sup>

**"Environmental and Social Approval"** means any Authorisation required by Environmental and Social Law.

**"Environmental or Social Claim"** means any claim, proceeding, formal notice or investigation by any person in respect of any Environmental and Social Law.

**"Environmental and Social Law"** means:

- (a) EU Law, including principles and standards;
- (b) national laws; and
- (c) applicable international treaties,

in each case of which a principal objective is the preservation, protection or improvement of the Environment and/or the protection or improvement of Social Matters.

**"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.

**"Establishment"** shall have the meaning as used in Article 2(h) of the Regulation.

**"EU Law"** means the *acquis communautaire* of the European Union as expressed through the Treaties of the European Union, the regulations, directives, delegated acts, implementing acts, principles, decisions and the case law of the Court of Justice of the European Union.

**"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.

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

**"European Term Loan Credit Agreement"** means a certain credit agreement dated 26 April 2016, 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 10.1.

**"Exclusion Policy"** means the European Investment Bank Exclusion Policy as published on the Bank's website.

**"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 the day falling 12 months after the signature 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.

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<sup>2</sup> European Investment Bank - Environmental and Social Standards  
([https://www.eib.org/attachments/publications/eib\\_environmental\\_and\\_social\\_standards\\_en.pdf](https://www.eib.org/attachments/publications/eib_environmental_and_social_standards_en.pdf))

**"Fixed Rate"** means an annual interest rate including the Margin 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. Such rate shall not be of negative value.

**"Fixed Rate Tranche"** means a Tranche on which the Fixed Rate is applied.

**"Floating Rate"** means:

- (a) in respect of a Non-RFR Floating Rate Tranche, a fixed-spread floating annual interest rate, determined by the Bank for each successive Floating Rate Reference Period equal to EURIBOR plus the Spread. If the Floating Rate for any Floating Rate Reference Period is calculated to be below zero, it will be set at zero; and
- (b) in respect of an RFR Floating Rate Tranche, a fixed-spread floating annual interest rate, determined by the Bank for any day during a Floating Rate Reference Period equal to the applicable Daily Non-Cumulative Compounded RFR Rate for that RFR Business Day 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 a Floating Rate is applied.

**"Frozen Rate Calculation Date"** means:

- (a) subject to paragraph (b) below, the Scheduled Disbursement Date; and
- (b) if the deferment is for more than one month, each date falling monthly after the date in paragraph (a) above, or, if there is no numerically corresponding date falling monthly after the date in paragraph (a) above, the last calendar date in the relevant month.

**"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 Guarantee 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 Accountants 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.

**"GDPR"** means General Data Protection Regulation (EU) 2016/679.

**"Group"** means the Borrower, the Guarantor and the Guarantor's Material Subsidiaries.

**"Guarantee"** as applied to any Indebtedness, lease or other obligations (each a "primary obligation"), means and includes (a) any guarantee, 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, "Guarantee" shall not include (1) non-binding comfort letters limited to corporate intent or policies, (2) any liability arising under a declaration of joint and several liability used for the purpose of section 2:403 BW (and any residual liability under such declaration arising pursuant to section 2:404(2) BW); (3) any liability arising as a result of two or more Subsidiaries being part of a fiscal unity (fiscale eenheid) for Dutch Tax purposes.

**"Guarantee Agreement"** has the meaning given to it in Recital (f).

"**Guarantor**" has the meaning given to it in Recital (f).

"**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.

"**Historical Central Bank Rate**" has the meaning given to it in subparagraph (c)(i) of the definition of Daily Rate.

"**IFRS**" means international accounting standards within the meaning of IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements.

"**Illegal Activity**" means any of the following illegal activities or activities carried out for illegal purposes according to applicable laws in any of the following areas: (i) fraud, corruption, coercion, collusion or obstruction, (ii) money laundering, financing of terrorism or tax crimes each as defined in the AML Directives, and (iii) other illegal activity against the financial interests of the European Union as defined in the PIF Directive.

"**Illegality Event**" has the meaning given to it in Article 4.3.A(5).

"**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 Guarantee; 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. 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 a Prepayment Event other than the Non-EIB Financing Prepayment Event or Illegality 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 Guarantee 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.

**"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.

**"List of Authorised Signatories and Accounts"** means a list, in form and substance satisfactory to the Bank, setting out:

- (a) the Authorised Signatories, accompanied by evidence of signing authority of the persons named on the list and specifying if they have individual or joint signing authority;
- (b) the specimen signatures of such persons;
- (c) the bank account(s) to which disbursements may be made under this Contract (specified by IBAN code if the country is included in the IBAN Registry published by SWIFT, or in the appropriate account format in line with the local banking practice), BIC/SWIFT code of the bank and the name of the bank account(s) beneficiary, together with evidence that such account(s) have been opened in the name of the beneficiary; and
- (d) the bank account(s) from which payments under this Contract will be made by the Borrower (specified by IBAN code if the country is included in the IBAN Registry published by SWIFT, or in the appropriate account format in line with the local banking practice), BIC/SWIFT code of the bank and the name of the bank account(s) beneficiary, together with evidence that such account(s) have been opened in the name of the beneficiary.

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

**"Loan Outstanding"** means the aggregate of the amounts disbursed from time to time by the Bank under this Contract that remains outstanding.

**"Lookback Period"** means 5 RFR Business Days.

**"Margin"** means the component of the rate of interest quantified in Article 3.1.

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

- (a) there are, in the 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 the Bank's 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 Non-RFR Floating Rate Tranche:
  - (i) 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 EURIBOR; or

- (ii) the Bank determines that adequate and fair means do not exist for ascertaining the applicable EURIBOR for the relevant currency of such Tranche; or
- (d) in relation to an RFR Floating Rate Tranche:
  - (i) 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 RFR Floating Rate Tranche (i.e. in the money market) would be in excess of the Market Disruption Rate for that Floating Rate Reference Period (where the Market Disruption Rate is calculated by reference to a period equal in length to the Floating Rate Reference Period for such RFR Floating Rate Tranche ending on any date selected by the Bank (in its absolute discretion), **provided that** such date is within the period of time during which, in accordance with the relevant provisions in this Contract, a Market Disruption Event would need to occur for the Bank to be able to notify the Borrower that the provisions in this Contract relating to a Market Disruption Event have come into effect); or
  - (ii) the Bank determines that adequate and fair means do not exist for ascertaining the applicable RFR.

**"Market Disruption Rate"** means, in relation to a Floating Rate Reference Period for an RFR Floating Rate Tranche, the percentage rate per annum which is the Cumulative Compounded RFR Rate for that Floating Rate Reference Period.

**"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 its 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 legality, validity or enforceability of, or the effectiveness or ranking of, or the value of any Lien granted to the Bank, or the rights or remedies of the Bank under this Contract or the Guarantee Agreement.

**"Material Acquisition"** means the purchase of property or assets, or acquisition of Equity Interests, in each case by the Guarantor or any Subsidiary in any transaction, that involves consideration equal to or in excess of USD 300,000,000 for any transaction.

**"Material Subsidiary"** means 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
- (a) 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.

**"Maturity Date"** means the last Repayment Date of a Tranche specified pursuant to Article 4.1.A(b)(iv) or the sole Repayment Date of a Tranche specified pursuant to Article 4.1.B.

**"Moody's"** means Moody's Investors Service, Inc. and its successors.

**"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.

**"Non-EIB Financing"** has the meaning given to it in Article 4.3.A(2).

**"Non-EIB Financing Prepayment Event"** has the meaning given to it in Article 4.3.A(2).

**"Non-RFR Floating Rate Tranche"** means a Floating Rate Tranche in a currency other than USD.

**"Payment Account"** means the bank account from which payments under this Contract will be made by the Borrower, as set out in the most recent List of Authorised Signatories and Accounts.

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

- (a) for a Fixed Rate Tranche either:
  - (i) the following Relevant Business Day, without adjustment to the interest due under Article 3.1; or
  - (ii) the preceding Relevant Business Day with adjustment (but only to the amount of interest due under Article 3.1 that accrued over the last interest period), in case repayment of principal is made in a single instalment in accordance with Article 4.1.B; and
- (b) for a Floating Rate Tranche, the following Relevant Business Day in that month, or, failing that, the nearest preceding Relevant Business Day, in all cases with corresponding adjustment to the interest due under Article 3.1.

**"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 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;
- (h) 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;
- (i) 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
- (j) 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

(k) 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.

**"PIF Directive"** means Directive (EU) 2017/1371 of the European Parliament and of the Council of 5 July 2017 on the fight against fraud to the Union's financial interests by means of criminal law as amended, supplemented or restated.

**"Prepayment Amount"** means the amount of a Tranche to be prepaid by the Borrower in accordance with Article 4.2.A or Article 4.3.A, as applicable.

**"Prepayment Date"** means the date, as requested by the Borrower and agreed by the Bank or indicated by the Bank (as applicable) on which the Borrower shall effect prepayment of a Prepayment Amount.

**"Prepayment Event"** means any of the events described in Article 4.3.A.

**"Prepayment Indemnity"** means in respect of any principal amount to be prepaid, the amount communicated by the Bank to the Borrower as the present value (calculated 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 0.19% (nineteen 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 4.2.C.

**"Prepayment Request"** means a written request from the Borrower to the Bank to prepay all or part of the Loan Outstanding, in accordance with Article 4.2.A.

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

**"Project Cost Reduction Event"** has the meaning given to it in Article 4.3.A(1).

**"Project Group"** means the Borrower, the Guarantor, the Guarantor's Material Subsidiaries, AGCO GmbH (Germany), AGCO SA (France) and Valtra Oy Ab (Finland).

**"Rating"** means the Guarantor's long-term debt rating (on a senior unsecured non-credit enhanced basis) as was most recently announced by S&P or Moody's, as applicable.

**"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 annual rate determined by the Bank, being a rate which the Bank would apply on the day of the indemnity calculation to a loan that has the same currency, 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 or cancellation is proposed or requested to be made. Such rate shall not be of negative value.

**"Regulation"** means the Council Regulation (EC) No. 2015/848 of 20 May 2015 on insolvency proceedings (recast).

**"Relevant Business Day"** means:

- (a) for EUR, a day on which real time gross settlement system operated by the Eurosystem (T2), or any successor system, is open for settlement of payments in EUR; and
- (b) for USD, a day (other than Saturday or Sunday) on which banks are open for general business in New York.

**"Relevant Person"** means, with respect to the Borrower and the Guarantor, any member of its management bodies; or any person acting for it, on its behalf or under its control, having the power to give directions and/or exercise control with respect to the Credit, the Loan or the Project.

**"Repayment Date"** shall mean each of the Payment Dates specified for the repayment of the principal of a Tranche in the Disbursement Offer, in accordance with the criteria set out in Article 4.1.

**"Requested Deferred Disbursement Date"** has the meaning given to it in Article 1.5.A(1)(a)(ii).

**"RFR"** means in respect of RFR Floating Rate Tranches (or amounts payable) in USD, the secured overnight financing rate (SOFR) administered by the Federal Reserve Bank of New York (or any other person which takes over the administration of that rate) published by the Federal Reserve Bank of New York (or any other person which takes over the publication of that rate).

**"RFR Business Day"** means in respect of RFR Floating Rate Tranches (or amounts payable) in USD, any day other than:

- (i) a Saturday or Sunday; and
- (ii) a day on which the Securities Industry and Financial Markets Association (or any successor organisation) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in US Government securities.

**"RFR Floating Rate Tranche"** means a Floating Rate Tranche in USD.

**"Sanctioned Person"** means any individual or entity (for the avoidance of doubt, the term entity includes, but is not limited to, any government, group or terrorist organisation) who is a designated target of, or who is otherwise a subject of, Sanctions (including, without limitation, as a result of being owned or otherwise controlled, directly or indirectly, by any individual or entity, who is a designated target of, or who is otherwise a subject of, Sanctions).

**"Sanctions"** means the economic or financial sanctions laws, regulations, trade embargoes or other restrictive measures (including, in particular, but not limited to, measures in relation to the financing of terrorism) enacted, administered, implemented or enforced from time to time by any of the following:

- (a) the United Nations, including, *inter alia*, the United Nations Security Council;
- (b) the European Union, including, *inter alia*, the Council of the European Union and the European Commission, and any other competent bodies/institutions or agencies of the European Union; and
- (c) the government of the United States of America, and any department, division, agency, or office thereof, including, *inter alia*, the Office of Foreign Asset Control (OFAC) of the United States Department of the Treasury, the United States Department of State and/or the United States Department of Commerce; and
- (d) the government of the United Kingdom, and any department, division, agency, office or authority including, *inter alia*, the Office of Financial Sanctions Implementation of His Majesty's Treasury and the Department for International Trade of the United Kingdom.

**"Scheduled Disbursement Date"** means the date on which a Tranche is scheduled to be disbursed in accordance with Article 1.2.C.

**"Schuldschein Loan Agreements"** means those certain Schuldscheindarlehensvertrag, dated 12 October 2016 or 27 July 2018, executed by AGCO International GmbH, as borrower and the Guarantor, as guarantor.

**"S&P"** means Standard & Poor's Financial Services LLC, a division of S&P Global Inc. and its successors."

**"Social Matters"** means all, or any of, the following:

- (a) labour and working conditions;
- (b) occupational health and safety;
- (c) rights and interests of vulnerable groups;
- (d) rights and interests of indigenous peoples;
- (e) gender equality;
- (f) public health, safety and security;
- (g) avoidance of forced evictions and alleviation of hardship arising from involuntary resettlement; and

(h) stakeholder engagement.

"**Spread**" means:

- (a) with respect to a Non-RFR Floating Rate Tranche, the fixed spread (being of either positive or negative value) to EURIBOR, as determined by the Bank and notified to the Borrower in the relevant Disbursement Offer; or
- (b) with respect to an RFR Floating Rate Tranche, the fixed spread (being of either positive or negative value) to the Daily Non-Cumulative Compounded RFR Rate, as determined by the Bank and notified to the Borrower in the relevant Disbursement Offer.

The Spread shall include the Margin.

"**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**" means any tax, levy, impost, duty or other charge or withholding 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).

"**Tax Incentive Transactions**" means any revenue bond financing arrangement 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 (a).

"**Tranche**" means each disbursement made or to be made under this Contract. In case no Disbursement Acceptance has been received, Tranche shall mean a Tranche as offered under Article 1.2.B.

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

## Dutch terms

In this Contract references to:

- (i) **The Netherlands** means the European part of the Kingdom of The Netherlands and **Dutch** means in or of the Netherlands;
- (ii) a **winding-up, administration or dissolution** includes a Dutch entity being:
  - 1) declared bankrupt (*failliet verklaard*);
  - 2) dissolved (*ontbonden*);
- (iii) a necessary action to **authorise or duly authorised** where applicable, includes:
  - 1) any action required to comply with the Dutch Works Council Act (*Wet op de ondernemingsraden*); and
  - 2) obtaining an unconditional positive advice (*advies*) from the competent works council(s);
- (iv) **constitutional documents** includes *akte van oprichting* and *statuten*;

- (v) a **moratorium** includes *surseance van betaling* and **granted a moratorium** includes *surseance verleend*;
- (vi) any **procedure or step** taken in connection with insolvency proceedings includes a Dutch entity having filed a notice under Section 36 of the Tax Collection Act of The Netherlands (*Invorderingswet 1990*) or Section 60 of the Social Insurance Financing Act of the Netherlands (*Wet Financiering Sociale Verzekeringen*) in conjunction with Section 36 of the Tax Collection Act of the Netherlands (*Invorderingswet 1990*);
- (vii) a **bankruptcy trustee** or a **liquidator** includes a *curator*;
- (viii) an **administrator** includes a *bewindvoerder* as well as a *stille bewindvoerder*, *beoogd bewindvoerder*, *stille curator* and *beoogd curator*;
- (ix) an **attachment** includes a *beslag*;
- (x) a **merger** includes a *juridische fusie*;
- (xi) a **demerger** includes a *juridische splitsing*;
- (xii) a **security** or a **security interest** includes any mortgage (*hypotheek*), pledge (*pandrecht*), retention of title arrangement (*eigendomsvoorbehoud*), privilege (*voorrecht*), right of retention (*recht van retentie*), right to reclaim goods (*recht van reclame*) and, in general, any right in rem (*beperkt recht*) created for the purpose of granting security (*goederenrechtelijk zekerheidsrecht*).

**Article 1**  
**Credit and Disbursements**

**1.1 Amount of Credit**

By this Contract the Bank establishes in favour of the Borrower, and the Borrower accepts, a credit in an amount equivalent to EUR 250,000,000.00 (two hundred fifty million euros) for the financing of the Project (the "**Credit**").

**1.2 Disbursement procedure**

**1.2.A Tranches**

The Bank shall disburse the Credit in up to 3 (three) Tranches. The amount of each Tranche shall be in a minimum amount equivalent to EUR 50,000,000.00 (fifty million euros) or (if less) the entire undrawn balance of the Credit.

**1.2.B Disbursement Offer**

Upon request by the Borrower and subject to Article 1.4.A, provided that no event mentioned in Article 1.6.B has occurred and is continuing, the Bank shall send to the Borrower within 5 (five) Business Days after the receipt of such request a Disbursement Offer for the disbursement of a Tranche. The latest time for receipt by the Bank of such Borrower's request is 15 (fifteen) Business Days before the Final Availability Date. The Disbursement Offer shall specify:

- (a) the amount of the Tranche in the currency, amount and EUR equivalent of the Tranche;
- (b) the Scheduled Disbursement Date, which shall be a Relevant Business Day, falling at least 10 (ten) days after the date of the Disbursement Offer and on or before the Final Availability Date;
- (c) the interest rate basis of the Tranche, being: (i) a Fixed Rate Tranche; or (ii) a Floating Rate Tranche, in each case, pursuant to the relevant provisions of Article 3.1;
- (d) the Payment Dates and the first interest Payment Date for the Tranche;
- (e) the terms for repayment of principal for the Tranche, in accordance with the provisions of Article 4.1;
- (f) the Repayment Dates and the first and the last Repayment Date for the Tranche, or the single Repayment Date;
- (g) for a Fixed Rate Tranche, the Fixed Rate and for a Floating Rate Tranche, the Spread, applicable to the Tranche until the Maturity Date; and
- (h) the Disbursement Acceptance Deadline.

**1.2.C Disbursement Acceptance**

The Borrower may accept a Disbursement Offer by delivering a Disbursement Acceptance to the Bank no later than the Disbursement Acceptance Deadline. The Disbursement Acceptance shall be signed by an Authorised Signatory with individual representation right or two or more Authorised Signatories with joint representation right and shall specify the Disbursement Account to which the disbursement of the Tranche should be made in accordance with Article 1.2.F.

If a Disbursement Offer is duly accepted by the Borrower in accordance with its terms on or before the Disbursement Acceptance Deadline, the Bank shall make the Accepted Tranche available to the Borrower in accordance with the relevant Disbursement Offer and subject to the terms and conditions of this Contract.

The Borrower shall be deemed to have refused any Disbursement Offer which has not been duly accepted in accordance with its terms on or before the Disbursement Acceptance Deadline.

The Bank may rely on the information set out in the most recent List of Authorised Signatories and Accounts provided to the Bank by the Borrower. If a Disbursement Acceptance is signed by a person defined as Authorised Signatory under the most recent List of Authorised Signatories and Accounts provided to the Bank by the Borrower, the Bank may assume that such person has the power to sign and deliver in the name and on behalf of the Borrower such Disbursement Acceptance.

#### **1.2.D Disbursement Account**

Disbursement shall be made to the Disbursement Account specified in the relevant Disbursement Acceptance, provided that such Disbursement Account is acceptable to the Bank.

Notwithstanding Article 5.2(e), the Borrower acknowledges that payments to a Disbursement Account notified by the Borrower shall constitute disbursements under this Contract as if they had been made to the Borrower's own bank account.

Only one Disbursement Account may be specified for each Tranche.

#### **1.3 Currency of disbursement**

The disbursement of each Tranche shall be made in EUR or, subject to availability, in 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 am Main, available on or shortly before the date of the Disbursement Offer as the Bank shall decide.

#### **1.4 Conditions of disbursement**

##### **1.4.A Condition precedent to the first request for Disbursement Offer**

The Bank shall have received from the Borrower in form and substance satisfactory to the Bank:

- (a) evidence that the execution of this Contract by the Borrower has been duly authorised (pursuant to resolutions of the managing board (*bestuur*)) and that the person or persons signing this Contract on behalf of the Borrower is/are duly authorised to do so together with the specimen signature of each such person or persons;
- (b) at least 2 (two) originals of this Contract duly executed by all Parties;
- (c) 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;
- (d) The following legal opinions on the due execution of this Contract and the relevant documentation by the Borrower and on the legal, valid, binding and enforceable character of the Borrower's obligations under this Contract and the the Guarantee Agreement substantially in the form agreed by the Bank prior to the signing of this Contract
  - (i) a legal opinion addressed to the Bank and issued by external Dutch legal counsel to the Borrower on, inter alia, the authority and capacity of the Borrower, and due execution by the Borrower of this Contract;
  - (ii) a legal opinion addressed to the Bank and issued by external US legal counsel to the Borrower on, inter alia, the authority and capacity of the Guarantor, and due execution by the Guarantor of the Guarantee Agreement;
  - (iii) a legal opinion addressed to the Bank and issued by external Dutch legal counsel to the Bank 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 Dutch law; and
- (e) the List of Authorised Signatories and Accounts,

prior to requesting a Disbursement Offer under Article 1.2.B by the Borrower. Any request for a Disbursement Offer made by the Borrower without the above documents having been received by the Bank and to its satisfaction shall be deemed not made.

##### **1.4.B First Tranche**

The disbursement of the first Tranche under Article 1.2 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 (and, in the case of deferment under Article 1.5, the Requested Deferred Disbursement Date or the Agreed Deferred Disbursement Date, respectively) for the proposed Tranche, of the following documents or evidence:

- (a) evidence that the Borrower has obtained all necessary Authorisations, required in connection with this Contract and the Project;

- (b) 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;
- (c) 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 Acceptance) to be signed and/or despatched by it under or in connection with this Contract;
- (d) 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;
- (e) 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;
- (f) 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 1.4.B 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;
- (g) 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);
- (h) 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;
- (i) evidence that the AGCO Credit Agreement has been executed; and
- (j) evidence of compliance by the Borrower with the financial covenants pursuant to Article 6.7.A.

#### 1.4.C All Tranches

The disbursement of each Tranche under Article 1.2, including the first, is subject to the following conditions:

- (a) that the Bank has received, in form and substance satisfactory to it, on or before the date falling 5 (five) Business Days before the Scheduled Disbursement Date (and, in the case of deferment under Article 1.5, the Requested Deferred Disbursement Date or the Agreed Deferred Disbursement Date, respectively) for the proposed Tranche, of the following documents or evidence:
  - (i) the following certificates
    - (1) a certificate from the Borrower in the form of Schedule C.2;
    - (2) a certificate from the Guarantor in the form of Schedule C.3;
    - (3) a duly executed Compliance Certificate;

each signed by an authorised representative of the Borrower and/or the Guarantor as set out in the relevant Schedules and dated no earlier than the date falling 10 (ten) Business Days before the Scheduled Disbursement Date (and, in the case of deferment under Article 1.5, the Requested Deferred Disbursement Date or the Agreed Deferred Disbursement Date, respectively);

- (ii) 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 and performance of, and the transactions contemplated by, this Contract or the legality, validity, binding effect or enforceability of the same; and
  - (k) that on the Scheduled Disbursement Date (and, in the case of deferment under Article 1.5, on the Requested Deferred Disbursement Date or the Agreed Deferred Disbursement Date, respectively) for the proposed Tranche:
    - (i) the representations and warranties which are repeated pursuant to Article 6.10 are correct in all respects; and
    - (ii) no event or circumstance which constitutes or would with the passage of time or giving of notice under this Contract constitute:
      - (1) an Event of Default; or
      - (2) a Prepayment Event; or
- has occurred and is continuing unremedied or unwaived or would result from the disbursement of the proposed Tranche.

## **1.5 Deferment of disbursement**

### **1.5.A Grounds for deferment**

#### **1.5.A(1) BORROWER'S REQUEST**

- (a) The Borrower may send a written request to the Bank requesting the deferral of the disbursement of an Accepted Tranche. The written request must be received by the Bank at least 5 (five) Business Days before the Scheduled Disbursement Date of the Accepted Tranche and specify:
  - (i) whether the Borrower would like to defer the disbursement in whole or in part, and if in part, the amount to be deferred; and
  - (ii) the date until which the Borrower would like to defer a disbursement of the above amount (the "**Requested Deferred Disbursement Date**"), which must be a date falling not later than:
    - (1) 6 (six) months from its Scheduled Disbursement Date;
    - (2) 30 (thirty) days prior to the first Repayment Date; and
    - (3) the Final Availability Date.
- (b) Upon receipt of such a written request, the Bank shall defer the disbursement of the relevant amount until the Requested Deferred Disbursement Date.

#### **1.5.A(1) FAILURE TO SATISFY CONDITIONS TO DISBURSEMENT**

- (a) The disbursement of an Accepted Tranche shall be deferred if any condition for disbursement of such Accepted Tranche referred to in Article 1.4 is not fulfilled both:
  - (i) at the date specified for fulfilment of such condition in Article 1.4; and
  - (ii) at its Scheduled Disbursement Date (or, where the Scheduled Disbursement Date has been deferred previously, the date expected for disbursement).
- (b) The Bank and the Borrower shall agree the date until which the disbursement of such Accepted Tranche shall be deferred (the "**Agreed Deferred Disbursement Date**"), which must be a date falling:
  - (i) not earlier than 5 (five) Business Days following the fulfilment of all conditions of disbursement; and
  - (ii) not later than the Final Availability Date.
- (c) Without prejudice to the Bank's right to suspend and/or cancel the undisbursed portion of the Credit in whole or in part pursuant to Article 1.6.B, the Bank shall defer disbursement of such Accepted Tranche until the Agreed Deferred Disbursement Date.

#### 1.5.A(1) DEFERMENT FEE

If disbursement of an Accepted Tranche is deferred pursuant to paragraphs 1.5.A(1) or 1.5.A(2) above, the Borrower shall pay the Deferment Fee.

#### 1.5.B Cancellation of a disbursement deferred by 6 (six) months

If a disbursement has been deferred by more than 6 (six) months in aggregate pursuant to Article 1.5.A, the Bank may notify the Borrower in writing that such disbursement shall be cancelled and such cancellation shall take effect on the date of such written notification. The amount of the disbursement which is cancelled by the Bank pursuant to this Article 1.5.B shall remain available for disbursement under Article 1.2.

### 1.6 Cancellation and suspension

#### 1.6.A Borrower's right to cancel

- (a) The Borrower may send a written notice to the Bank requesting a cancellation of the undisbursed Credit or a portion thereof.
- (b) In its written notice, the Borrower:
  - (i) must specify whether the Credit shall be cancelled in whole or in part and, if in part, the amount of the Credit to be cancelled; and
  - (ii) must not request any cancellation of an Accepted Tranche, which has a Scheduled Disbursement Date falling within 5 (five) Business Days of the date of such written notice.
- (c) Upon receipt of such written notice, the Bank shall cancel the requested portion of the Credit with immediate effect.

#### 1.6.B Bank's right to suspend and cancel

- (a) At any time upon the occurrence of the following events, the Bank may notify the Borrower in writing that the undisbursed portion of the Credit shall be suspended and/or (except upon the occurrence of a Market Disruption Event) cancelled in whole or in part:
  - (i) a Prepayment Event;
  - (ii) an Event of Default;
  - (iii) a Market Disruption Event provided the Bank has not received a Disbursement Acceptance; or
  - (iv) in case of 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:
    - (1) until such time, the Bank may only suspend the undisbursed portion of the Credit; and
    - (2) after the expiry of the applicable grace period or the event or circumstance is not capable to be remedied, the Bank may cancel the undisbursed portion of the Credit (in whole or in part).
- (b) On the date of such written notification from the Bank the relevant portion of the Credit shall be suspended and/or cancelled with immediate effect. Any suspension shall continue until the Bank ends the suspension or cancels the suspended amount.

#### 1.6.C Indemnity for suspension and cancellation of a Tranche

##### 1.6.C(1) SUSPENSION

If the Bank suspends an Accepted Tranche upon the occurrence of an Indemnifiable Prepayment Event or an Event of Default or of an event or circumstance which would, with the passage of time or the giving of notice or the making of any determination under this Contract (or any combination of the foregoing) constitute an Indemnifiable Prepayment Event or an Event of Default, the Borrower shall pay to the Bank the Deferment Fee calculated on the amount of such Accepted Tranche.

### 1.6.C(2) CANCELLATION

- (a) If an Accepted Tranche which is a Fixed Rate Tranche (the "**Cancelled Tranche**") is cancelled:
  - (i) by the Borrower pursuant to Article 1.6.A; or
  - (ii) by the Bank upon an Indemnifiable Prepayment Event or an event or circumstance which would, with the passage of time or the giving of notice or the making of any determination under this Contract (or any combination of the foregoing) constitute an Indemnifiable Prepayment Event pursuant to Article 1.5.B,

the Borrower shall pay to the Bank an indemnity on such Cancelled Tranche.

- (b) Such indemnity shall be:
  - (i) calculated assuming that the Cancelled Tranche had been disbursed and repaid on the same Scheduled Disbursement Date or, to the extent the disbursement of the Tranche is currently deferred or suspended, on the date of the cancellation notice; and
  - (ii) in the amount communicated by the Bank to the Borrower as the present value (calculated as of the date of cancellation) of the excess, if any, of:
    - (1) the interest net of the Margin that would accrue thereafter on the Cancelled Tranche over the period from the date of cancellation pursuant to this Article 1.6.C(2), to the Maturity Date, if it were not cancelled; over
    - (2) the interest that would so accrue over that period, if it were calculated at the Redeployment Rate, less 0.19% (nineteen 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 of the applicable Tranche.

- (c) If the Bank cancels any Accepted Tranche upon the occurrence of an Event of Default, the Borrower shall indemnify the Bank in accordance with Article 10.3.

### 1.1 **Cancellation after expiry of the Credit**

On the day following the Final Availability Date, unless otherwise specifically notified in writing by the Bank to the Borrower, any part of the Credit in respect of which no Disbursement Acceptance has been received in accordance with Article 1.2.C shall be automatically cancelled, without any further notice from the Bank to the Borrower and without any liability arising on the part of either Party.

### 1.2 **Up-front fee**

The Borrower authorises the Bank to retain out of the first Tranche an up-front fee in an amount equivalent to 0.10% (10 basis points) of the Credit.

An amount retained by the Bank out of the first Tranche in payment of the up-front fee shall be treated as having been disbursed by the Bank.

If:

- (a) no disbursement takes place, the Borrower shall pay to the Bank the up-front fee on the Final Availability Date; or
- (b) the Credit is cancelled in full under Article 1.6 prior to the Final Availability Date, the Borrower shall pay to the Bank the up-front fee on the date of such cancellation.

### 1.3 **Sums due under Articles 1.5 and 1.6**

Sums due under Articles 1.5 and 1.6 shall be payable:

- (a) in the currency of the Tranche concerned; and
- (b) 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**

**2.1 Amount of Loan**

The Loan shall comprise the aggregate amount of Tranches disbursed by the Bank under the Credit, as confirmed by the Bank pursuant to Article 2.3.

**2.2 Currency of payments**

The Borrower shall pay interest, principal and other charges payable in respect of each Tranche in the currency in which such Tranche was disbursed.

Other payments, if any, 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.

**2.3 Confirmation by the Bank**

The Bank shall deliver to the Borrower the amortisation table referred to in Article 4.1, if any, showing the Disbursement Date, the currency, the amount disbursed, the repayment terms and (other than in respect of a RFR Floating Rate Tranche) the interest rate for each Tranche, not later than 10 (ten) calendar days after the Scheduled Disbursement Date for such Tranche.

**Article 3**  
**Interest**

**3.1 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 54 basis points (0.54%) provided, however, if the Guarantor's long term debt credit rating from:

Moody's falls to (1) Ba1, the Margin shall be 80 basis points (0.80%) or (2) Ba2 or below, the Margin shall be 122 basis points (0.122%); or

S&P's falls to (1) BB+, the Margin shall be 80 basis points (0.80%) or (2) BB or below, the Margin shall be 122 basis points (0.122%).

If the applicable Ratings established by Moody's and S&P are different, then the Margin will be based on the higher Rating (e.g., if Moody's announced Rating is higher than S&P's announced Rating, then the applicable Margin will be based on Moody's Rating). In the event that either S&P or Moody's (but not both) shall no longer issue a Rating, the Margin shall be determined by the remaining Rating. In the event that neither S&P nor Moody's issues a Rating, the Borrower and the Bank shall negotiate in good faith to amend the definition of Margin contained in this Contract to reflect such unavailability of a rating from Moody's and S&P'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 cessation.

The Margin shall be effective as of the first Payment Date following the downgrade by Moody's or S&P's, as the case may be, following which either (1) or (2) of the corresponding Rating above become applicable.

**3.1.A 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 arrear on the relevant Payment Dates as specified in the Disbursement Offer, 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 5.1(a).

### **3.1.B Floating Rate Tranches**

#### **3.1.B(1) GENERAL**

- (a) The Borrower shall pay interest on the outstanding balance of each Floating Rate Tranche at the applicable Floating Rate quarterly or semi-annually or annually in arrear on the relevant Payment Dates, as specified in the Disbursement Offer 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.
- (b) The Bank shall not be required to make any notification to the Borrower pursuant to this Article on a day which is not a Business Day (and shall make any such notification on the next Business Day).

#### **3.1.B(2) NON-RFR FLOATING RATE TRANCHES**

- (a) Interest shall be calculated in respect of each Non-RFR Floating Rate Tranche on the basis of Article 5.1(b).
- (b) The Bank shall notify the Borrower of the Floating Rate in respect of Non-RFR Floating Rate Tranches within 10 (ten) days following the commencement of each Floating Rate Reference Period for such Non-RFR Floating Rate Tranche.
- (c) If pursuant to Articles 1.5 and 1.6 disbursement of any Non-RFR Floating Rate Tranche takes place after the Scheduled Disbursement Date, EURIBOR applicable to the first Floating Rate Reference Period for such Non-RFR Floating Rate Tranche shall be determined, in accordance with Schedule B, for the Floating Rate Reference Period commencing on the Disbursement Date and not on the Scheduled Disbursement Date.

#### **3.1.B(3) RFR FLOATING RATE TRANCHES**

- (a) Interest shall be calculated in respect of each RFR Floating Rate Tranche on the basis of Article 5.1(c).
- (b) Without prejudice to the Borrower's obligation to pay accrued interest on its due date in accordance with the terms of this Contract, in respect of RFR Floating Rate Tranches the Bank shall, without undue delay upon the interest amount payable in respect of a Floating Rate Reference Period being determinable, notify the Borrower of that interest amount and in any event prior to the last day of the relevant Floating Rate Reference Period. This provision shall not apply to any rate of interest or interest amount determined in accordance with Article 3.1.B(4).
- (c) If any day during a Floating Rate Reference Period for an RFR Floating Rate Tranche is not an RFR Business Day, the rate of interest on that RFR Floating Rate Tranche for that day will be the rate applicable to the immediately preceding RFR Business Day.
- (d) If pursuant to Articles 1.5 and 1.6 disbursement of any RFR Floating Rate Tranche takes place after the Scheduled Disbursement Date, the interest applicable to the first Floating Rate Reference Period for such RFR Floating Rate Tranche shall be determined, in accordance with Schedule F, for the Floating Rate Reference Period commencing on the Disbursement Date and not on the Scheduled Disbursement Date.
- (e) The aggregate amount of interest payable by the Borrower on each RFR Floating Rate Tranche or each overdue amount relating to an RFR Floating Rate Tranche for a Floating Rate Reference Period shall be the sum of the amount of interest for such RFR Floating Rate Tranche or such overdue amount (as applicable) on each day during the applicable Floating Rate Reference Period, provided that, if the aggregate amount of interest for such RFR Floating Rate Tranche or such overdue amount (as applicable) for a Floating Rate Reference Period is less than zero, it will be deemed to be zero.
- (f) The amount of interest, indemnities or fee which accrues during a Floating Rate Reference Period for an RFR Floating Rate Tranche (or of any amount equal to that interest, indemnity or fee) shall be rounded to two decimal places (rounded upwards where the 3rd decimal place is 0.005 or above).

- (g) If, pursuant to this Contract, any accrued interest on all or any part of an RFR Floating Rate Tranche or any interest on an overdue amount in USD becomes payable by the Borrower or if the amount of accrued interest on all or any part of an RFR Floating Rate Tranche is otherwise required to be determined, in each case, prior to the last day of the applicable Floating Rate Reference Period (including, without limitation, as a result of the Bank demanding repayment in accordance with the provisions of this Contract), that Floating Rate Reference Period shall:
- (i) for the purposes of calculating that interest only, and in relation only to such part of that RFR Floating Rate Tranche or overdue amount in USD (as applicable) to which that interest relates, be treated as ending on the day on which that interest becomes payable by the Borrower or is required to be determined pursuant to this Contract; and
  - (ii) for all other purposes under this Contract, continue to end, and shall be treated as ending, on the last day of that Floating Rate Reference Period.

#### 3.1.B(4) FALLBACK RATE

- (a) If, for the purposes of this Article 3.1.B, there is no applicable RFR, Central Bank Rate or Historical Central Bank Rate for an RFR Business Day during a Floating Rate Reference Period for the purposes of calculating the Daily Non-Cumulative Compounded RFR Rate, the Daily Non-Cumulative Compounded RFR Rate shall not apply to that RFR Floating Rate Tranche for that Floating Rate Reference Period and the rate of interest payable by the Borrower on that RFR Floating Rate Tranche for that Floating Rate Reference Period shall be the percentage rate per annum which is the sum of:
- (i) the applicable Margin; and
  - (ii) the rate notified to the Borrower by the Bank for that RFR Floating Rate Tranche to be the Cost of Funds Rate relating to that RFR Floating Rate Tranche,

**provided that**, if the aggregate amount of interest for such RFR Floating Rate Tranche for that Floating Rate Reference Period is less than zero, it will be deemed to be zero.

### 3.2 Interest on overdue sums

#### 3.2.A Non-RFR Floating Rate Tranches and Fixed Rate Tranches other than those disbursed in USD

Without prejudice to Article 10 and by way of exception to Article 3.1, if the Borrower fails to pay any amount payable by it under this Contract in respect of a Non-RFR Floating Rate Tranche or a Fixed Rate Tranche in a currency other than USD, in each case on its due date, interest shall accrue on any overdue amount 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 Non-RFR Floating Rate Tranches, the applicable Floating Rate plus 2% (200 basis points); and
- (b) for overdue sums related to Fixed Rate Tranches other than those disbursed in USD, the higher of:
  - (i) the applicable Fixed Rate plus 2% (200 basis points); or
  - (ii) EURIBOR (one month) plus 2% (200 basis points);

and shall be payable in accordance with the demand of the Bank. For the purpose of determining EURIBOR in relation to this Article 3.2.A(b), the relevant periods within the meaning of Schedule B shall be successive periods of one (1) month commencing on the due date.

#### 3.2.B RFR Floating Rate Tranches

Without prejudice to Article 10 and by way of exception to Article 3.1, if the Borrower fails to pay any amount payable by it under this Contract in respect of an RFR Floating Rate Tranche on its due date, interest shall:

- (a) accrue on any overdue amount payable under the terms of this Contract for any day from the due date to the date of actual payment at an annual rate equal to the aggregate of the Daily Non-Cumulative Compounded RFR Rate for that day plus the Spread applicable to such RFR Floating Rate Tranche plus 2% (200 basis points) per annum, for successive Floating Rate Reference Periods, each of a duration selected by the Bank (acting reasonably), with the first such Floating Rate Reference Period to commence from the due date of the overdue amount; and
- (b) be payable by the Borrower in accordance with the demand of the Bank.

**3.2.C Fixed Rate Tranches disbursed in USD**

Without prejudice to Article 10 and by way of exception to Article 3.1, if the Borrower fails to pay any amount payable by it under this Contract in respect of a Fixed Rate Tranche disbursed in USD on its due date, interest shall:

- (a) accrue on any overdue amount payable under the terms of this Contract from the due date to the date of actual payment at an annual rate equal to the higher of:
  - (i) the applicable Fixed Rate plus 2% (200 basis points); or
  - (ii) the Daily Rate as at the date falling two RFR Business Days prior to the due date for the relevant amount plus 2% (200 basis points), **provided that**, if the sum remains overdue for more than one month, the Daily Rate shall be reset as at the date falling two RFR Business Days prior to each date falling monthly after the due date for the relevant amount; and
- (b) be payable by the Borrower in accordance with the demand of the Bank.

**3.2.D Overdue sums not relating to Tranches and payable in EUR**

Without prejudice to Article 10 and by way of exception to Article 3.1, if the Borrower fails to pay any amount payable by it under this Contract in EUR which does not relate to a Tranche on its due date, interest shall:

- (a) accrue on any overdue amount from the due date to the date of actual payment at an annual rate equal to EURIBOR (one month) plus 2% (200 basis points); and
- (b) be payable by the Borrower in accordance with the demand of the Bank.

For the purpose of determining EURIBOR in relation to this Article 3.2.D, the relevant periods within the meaning of Schedule B shall be successive periods of one (1) month commencing on the due date.

Notwithstanding Articles 3.2.D and 3.2.E, if the overdue sum is in a currency for which no RFR and no EURIBOR is specified in this Contract, the following rate per annum shall apply, namely the relevant interbank rate or, as determined by the Bank, the relevant risk-free 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.

**3.2.E Overdue sums not relating to Tranches and payable in USD**

Without prejudice to Article 10 and by way of exception to Article 3.1, if the Borrower fails to pay any amount payable by it under this Contract in USD which does not relate to a Tranche on its due date, interest shall:

- (a) accrue on any overdue amount from the due date to the date of actual payment at an annual rate equal to the Daily Rate as at the date falling two RFR Business Days prior to the due date for the relevant amount plus 2% (200 basis points), **provided that**, if the sum remains overdue for more than one month, the Daily Rate shall be reset as at the date falling two RFR Business Days prior to each date falling monthly after the due date for the relevant amount; and
- (b) be payable by the Borrower in accordance with the demand of the Bank.

**3.3 Market Disruption Event**

If at any time:

- (a) from the receipt by the Bank of a Disbursement Acceptance in respect of a Tranche; and

- (b) until the date falling either:
- (i) 30 (thirty) calendar days prior to the Scheduled Disbursement Date for Tranches to be disbursed in EUR; or
  - (ii) 2 (two) Business Days prior to the Scheduled Disbursement Date for Tranches to be disbursed in USD,
- a Market Disruption Event occurs, the Bank may notify the Borrower that this Article 3.3 has come into effect.

Irrespective of the currency of disbursement accepted by the Borrower originally for the Tranche, the Bank shall notify to the Borrower the EUR equivalent to be disbursed on the Scheduled Disbursement Date. The rate of interest applicable to such Accepted Tranche until the Maturity Date shall be the percentage rate per annum which is the sum of the Margin and the Cost of Funds Rate.

The Borrower shall have the right to refuse in writing such disbursement within 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 portion of the Credit shall remain available for disbursement under Article 1.2. If the Borrower does not refuse the disbursement in time, the Parties agree that the disbursement in EUR and the conditions thereof shall be fully binding for all Parties. The Spread or Fixed Rate previously accepted by the Borrower shall no longer be applicable.

## **Article 4**

### **Repayment**

#### **4.1 Normal repayment**

##### **4.1.A Repayment by instalments**

- (a) The Borrower shall repay each Tranche by instalments on the Repayment Dates specified in the relevant Disbursement Offer in accordance with the terms of the amortisation table delivered pursuant to Article 2.3.
- (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 quarterly, semi-annually or annually 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 quarterly, semi-annual or annual instalments of principal;
  - (iii) the first Repayment Date of each Tranche shall fall not earlier than 30 (thirty) days from the Scheduled Disbursement Date and not later than the Repayment Date immediately following the 2<sup>nd</sup> (second) anniversary of the Scheduled Disbursement Date of the Tranche; and
  - (iv) the last Repayment Date of each Tranche shall fall not earlier than 4 (four) years and not later than 10 (ten) years from the Scheduled Disbursement Date.

##### **4.1.B Single instalment**

Alternatively, the Borrower shall repay the Tranche in a single instalment on the sole Repayment Date specified in the Disbursement Offer that shall fall not earlier than 3 (three) years and not later than 6 (six) years from the Scheduled Disbursement Date.

#### **4.2 Voluntary prepayment**

##### **4.2.A Prepayment option**

Subject to Articles 4.2.B, 4.2.C and 4.4, 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 30 (thirty) calendar days' prior notice specifying:

- (a) the Prepayment Amount;

- (b) the Prepayment Date, which shall be a Payment Date;
- (c) if applicable, the choice of application method of the Prepayment Amount in line with Article 5.5.C(a); and
- (d) the Contract Number.

The Prepayment Request shall be irrevocable.

#### **4.2.B Prepayment indemnity**

##### **4.2.B(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.

##### **4.2.B(2) FLOATING RATE TRANCHE**

The Borrower may prepay a Floating Rate Tranche without indemnity.

#### **4.2.C Prepayment mechanics**

Upon presentation by the Borrower to the Bank of a Prepayment Request, the Bank shall issue a Prepayment Notice to the Borrower:

- (a) in the case of a prepayment of a Tranche other than an RFR Floating Rate Tranche, not later than 15 (fifteen) days prior to the Prepayment Date; and
- (b) in the case of a prepayment of an RFR Floating Rate Tranche, prior to the Prepayment Date.

The Prepayment Notice shall specify the Prepayment Amount, the accrued interest due thereon, the Prepayment Indemnity payable under Article 4.2.B or, as the case may be, that no indemnity is due, the method of application of the Prepayment Amount and, if a Prepayment Indemnity is applicable, the deadline by which the Borrower may accept the Prepayment Notice.

If the Borrower accepts the Prepayment Notice no later than by the deadline (if any) specified in the Prepayment Notice, the Borrower shall effect the prepayment. In any other case, the Borrower may not effect the prepayment.

The Borrower shall accompany the payment of the Prepayment Amount by the payment of accrued interest, the Prepayment Indemnity due on the Prepayment Amount, as specified in the Prepayment Notice, and the fee under Article 4.2.D, if any.

#### **4.2.D Administrative Fee**

If the Borrower prepays a Tranche on a date other than a relevant Payment Date, or if the Bank exceptionally accepts, solely upon the Bank's discretion, a Prepayment Request with prior notice of less than 30 (thirty) calendar days, the Borrower shall pay to the Bank an administrative fee in such amount as the Bank shall notify to the Borrower.

#### **4.3 Compulsory prepayment and cancellation**

##### **4.3.A Prepayment Events**

###### **4.3.A(1) PROJECT COST REDUCTION EVENT**

- (a) The Borrower shall promptly inform the Bank if a Project Cost Reduction Event has occurred or is likely to occur. At any time after the occurrence of a Project Cost Reduction Event the Bank may, by notice to the Borrower, cancel the undisbursed portion of the Credit and/or demand prepayment of the Loan Outstanding up to the amount by which the Credit exceeds the limits referred to in paragraph (c) below together with accrued interest and all other amounts accrued and outstanding under this Contract in relation to the proportion of the Loan Outstanding to be prepaid.
- (b) The Borrower shall effect payment of the amount demanded on the date specified by the Bank, such date falling not less than 30 (thirty) days from the date of the demand.

- (c) For the purpose of this Article, "**Project Cost Reduction Event**" means that the total cost of the Project falls below the figure stated in Recital (b) so that the amount of the Credit exceeds:
  - (i) 50% (fifty per cent); and/or
  - (ii) when aggregated with the amount of any other funds from the European Union made available for the Project, 70% (seventy per cent),of such total cost of the Project.

#### 4.3.A(2) NON-EIB FINANCING PREPAYMENT EVENT

- (a) The Borrower shall promptly inform the Bank if a Non-EIB Financing Prepayment Event has occurred or is likely to occur. At any time after the occurrence of a Non-EIB Financing Prepayment Event the Bank may, by notice to the Borrower, cancel the undisbursed portion of the Credit and demand prepayment of the Loan Outstanding, together with accrued interest and all other amounts accrued and outstanding under this Contract in relation to the proportion of the Loan Outstanding to be prepaid.
- (b) The proportion of the Credit that the Bank may cancel and the proportion of the Loan Outstanding 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.
- (c) 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.
- (d) Paragraph (a) does not apply to any voluntary prepayment (or repurchase or cancellation, as the case may be) of a Non-EIB Financing:
  - (i) made with a prior written consent of the Bank;
  - (ii) made within a revolving credit facility; or
  - (iii) made out of the proceeds of any financial indebtedness having a term at least equal to the unexpired term of such Non-EIB Financing prepaid; or
  - (iv) if, following such prepayment the amount of the Loan Outstanding constitutes less than 40% (fourty per cent.) of the aggregate outstanding Non-EIB Financing to the Borrower, the Guarantor and any of the Subsidiaries.
- (e) For the purposes of this Article:
  - (i) "**Non-EIB Financing Prepayment Event**" means any case where the Borrower, the Guarantor or any of the Subsidiaries voluntarily prepays (for the avoidance of doubt, such prepayment shall include a voluntary repurchase or cancellation of any creditor's commitment, as the case may be) a part or the whole of any Non-EIB Financing; and
  - (ii) "**Non-EIB Financing**" means any loan (save for the Loan and any other direct loans from the Bank to the Borrower (or the Guarantor or any of its Subsidiaries)), credit bond or other form of financial indebtedness or any obligation for the payment or repayment of money originally granted to the Borrower (or the Guarantor or any of its Subsidiaries)) for a term of 5 (five) years or for a term of more than 5 (five) years.

#### 4.3.A(3) CHANGE OF CONTROL EVENT

- (a) The Borrower shall promptly inform the Bank if a Change-of-Control Event has occurred or is likely to occur in respect of itself. At any time after the occurrence of a Change-of-Control Event, the Bank may, by notice to the Borrower or the Guarantor, cancel the undisbursed portion of the Credit and/or demand prepayment of the Loan Outstanding, 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 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.

After the earlier of:

- (i) the lapse of 30 (thirty) days from the date of such request for consultation; or
- (ii) 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 demand prepayment of the Loan Outstanding, 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.

(b) For the purposes of this Article:

(i) a "**Change-of-Control Event**" occurs if:

- (1) 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
- (2) 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; or
- (3) a majority of the members of the Board or Directors of the Guarantor shall cease to be composed of individuals (i) who were members of that Board of Directors of the Guarantor on the date of this Contract or (ii) whose election to the Board of Directors of the Guarantor, or whose nomination for election by the Guarantor's stakeholders, was approved by a vote of at least two-thirds of the members of the Board of Directors of the Guarantor who were either directors on the date of this Contract or whose election or nomination for election was previously so approved; and

(ii) "**acting in concert**" means acting together pursuant to an agreement or understanding (whether formal or informal).

#### 4.3.A(4) CHANGE OF LAW EVENT

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 reasonable opinion that:

- (a) such Change-of-Law Event would materially impair the Borrower's or Guarantor's ability to perform its obligations under this Contract or the Guarantee Agreement (as applicable), and
- (b) the effects of such 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 Outstanding, 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 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 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.

#### 4.3.A(5) ILLEGALITY EVENT

- (a) Upon becoming aware of an Illegality Event:

- (i) the Bank shall promptly notify the Borrower, and
  - (ii) the Bank may immediately (A) suspend or cancel the undisbursed portion of the Credit, and/or (B) demand prepayment of the Loan Outstanding, together with accrued interest and all other amounts accrued and outstanding under this Contract on the date indicated by the Bank in its notice to the Borrower.
- (b) For the purposes of this Article, "**Illegality Event**" means that it becomes unlawful in any applicable jurisdiction, or if it becomes contrary to any Sanctions, for the Bank to:
- (i) perform any of its obligations as contemplated in this Contract; or
  - (ii) fund or maintain the Loan.

#### **4.3.B Prepayment mechanics**

Any sum demanded by the Bank pursuant to Article 4.3.A, together with any interest or other amounts accrued or outstanding under this Contract including, without limitation, any indemnity due under Article 4.3.C, shall be paid on the Prepayment Date indicated by the Bank in its notice of demand.

#### **4.3.C Prepayment indemnity**

##### **4.3.C(1) FIXED RATE TRANCHE**

If the Borrower prepays a Fixed Rate Tranche in case of an Indemnifiable Prepayment Event, the Borrower shall pay to the Bank on the Prepayment Date the Prepayment Indemnity in respect of the Fixed Rate Tranche that is being prepaid.

##### **4.3.C(2) FLOATING RATE TRANCHE**

The Borrower may prepay the Floating Rate Tranches without the Prepayment Indemnity.

#### **4.4 General**

##### **4.4.A No prejudice to Article 10**

This Article 4 shall not prejudice Article 10.

##### **4.4.B No reborrowing**

A repaid or prepaid amount may not be reborrowed.

### **Article 5** **Payments**

#### **5.1 Day count convention**

Any amount due by way of interest, indemnity, or the Deferment Fee from the Borrower under this Contract, and calculated in respect of a fraction of a year, shall be determined on the following respective conventions:

- (a) under a Fixed Rate Tranche, a year of 360 (three hundred and sixty) days and a month of 30 (thirty) days;
- (b) under a Non-RFR Floating Rate Tranche, a year of 360 (three hundred and sixty) days and the number of days elapsed; and
- (c) under an RFR Floating Rate Tranche, in accordance with the relevant day count conventions set out in Schedule F and Schedule G (as applicable).

#### **5.2 Time and place of payment**

- (a) 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.

- (b) Each sum payable by the Borrower under this Contract shall be paid to the relevant account notified by the Bank to the Borrower. The Bank shall notify 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.
- (c) The Borrower shall indicate the Contract Number in the payment details for each payment made hereunder.
- (d) A sum due from the Borrower shall be deemed paid when the Bank receives it.
- (e) Any disbursements by and payments to the Bank under this Contract shall be made using the Disbursement Account (for disbursements by the Bank) and the Payment Account (for payments to the Bank).

**5.3 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.

**5.4 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 this 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 5.4.

**5.5 Application of sums received**

**5.5.A General**

Sums received from the Borrower shall only discharge its payment obligations if received in accordance with the terms of this Contract.

**5.5.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, in the order set out below, in or towards:

- (a) *pro rata* to each of any unpaid fees, costs, indemnities and expenses due under this Contract;
- (b) any accrued interest due but unpaid under this Contract;
- (c) any principal due but unpaid under this Contract; and
- (d) any other sum due but unpaid under this Contract.

**5.5.C Allocation of sums related to Tranches**

- (a) In case of:
  - (i) a partial voluntary prepayment of a Tranche that is subject to a 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; or

- (ii) a partial compulsory prepayment of a Tranche that is subject to a repayment in several instalments, the Prepayment Amount shall be applied in reduction of the outstanding instalments in inverse order of maturity.
- (b) Sums received by the Bank following a demand under Article 10.1 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.
- (c) 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.

#### **6.1 Integrity**

The Borrower shall 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 an Illegal Activity perpetrated in the course of the exercise of his/her professional duties, in order to ensure that such member is excluded from any Borrower's activity in relation to the Credit, Loan or the Project.

#### **6.2 Disposal of assets**

- (a) Except as provided below, the Borrower shall not, and shall procure that no other member of the Group 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;
  - (iv) transfers of assets among the Guarantor and its Subsidiaries in compliance with Article 6.7.B;
  - (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.
- (c) For the purposes of this Article, "**dispose**" and "**disposal**" includes any act effecting sale, transfer, lease or other disposal.

### **6.3 Compliance with laws**

- (a) The Borrower shall and shall ensure that each member of the Group will comply in all respects with all laws to which it or the Project is subject, if failure so to comply would materially impair the ability of the Borrower or respectively any other member of the Group to perform its obligations under this Contract or, in case of the Guarantor, the Guarantee Agreement.
- (b) Notwithstanding paragraph (a) above, the Borrower shall and shall ensure that any member of the Group will comply in all respects with any laws to which it may be subject and the breach of which would constitute an Illegal Activity.

### **6.4 Change in business**

The Borrower shall procure that the core business of the Borrower or the Group 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.

### **6.5 Merger**

The Borrower shall not and shall ensure that no member of the Group will enter into any amalgamation, demerger, merger or corporate reconstruction without the prior written consent of the Bank, such consent not to be unreasonably withheld, and other than where:

- (a) such amalgamation, demerger, merger or corporate reconstruction is on a solvent basis; and
- (b) the merger does not involve any Sanctioned Person; and
- (c) if the Borrower is involved the Borrower is the surviving legal entity following any such amalgamation, demerger, merger or corporate reconstruction.

### **6.6 Books and records**

The Borrower shall ensure that it has, kept and will continue to keep proper books and records of account, in which full and correct entries shall be made of all financial transactions and the assets and business of the Borrower, including expenditures in connection with the Project, in accordance with GAAP as in effect from time to time.

### **1.4 Financial undertakings**

#### **1.7.A Financial covenants**

- (a) **Net Leverage Ratio.** 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; provided that, notwithstanding the foregoing, for the four Fiscal Quarters ended immediately following closing of a Material Acquisition (including the Fiscal Quarter in which such Material Acquisition occurs), the Net Leverage Ratio shall not exceed 3.50 to 1.00.
- (b) **Interest Coverage Ratio.** 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.

#### **1.7.B 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 6.7.C, (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.

#### **1.7.C 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.

#### **1.7.D 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 any agreement or other instrument entered into with the Bank;
- (b) Indebtedness under the AGCO Credit Agreement;
- (c) Indebtedness under the Schuldschein Loan Agreements;
- (d) unsecured Indebtedness under the European Term Loan Credit Agreement as of the date of this Contract;
- (e) Indebtedness as described in Schedule F hereto (including Indebtedness under the AGCO Credit Agreement, the Schuldschein Loan Agreements and the European Term Loan Credit Agreement as of the date of this Agreement);
- (f) 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 any other member of the Group, such Indebtedness, shall be unsecured;
- (g) Indebtedness arising under a declaration of joint and several liability used for the purpose of section 2:403 DCC (and any residual liability under such declaration arising pursuant to section 2:404(2) DCC);
- (h) Indebtedness arising as a result of two or more Subsidiaries being part of a fiscal unity (*fiscale eenheid*) for Dutch Tax purposes;
- (i) Indebtedness under any Capitalized Leases in existence as of the date of this Contract; and
- (j) 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 6.7.A of this Contract and/or Article 5.13 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 (j) 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.

#### **1.7.E 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 Schuldschein Loan Agreements and the European Term Loan Credit Agreement as of the effective date of such documents and any similar restrictions set forth in documents governing Indebtedness permitted under Article 6.7.D,
- (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.

#### **6.7 Data Protection**

Before disclosing any personal data (other than mere contact information relating to the Borrower's personnel involved in the management of this Contract) to the Bank in connection with this Contract, the Borrower shall ensure that each data subject of such personal data:

- (i) has been informed of the disclosure to the Bank (including the categories of personal data to be disclosed); and
- (ii) has been advised on the information contained in (or has been provided with an appropriate link to) the Bank's privacy statement in relation to its lending and investment activities as set out from time to time at <https://www.eib.org/en/privacy/lending> (or such other address as the Bank may notify to the Borrower in writing from time to time).

#### **6.8 Sanctions**

The Borrower shall not, and shall procure that the Guarantor and any Subsidiary involved in the Project shall not, directly or, to the best of knowledge of the Borrower and the Guarantor, indirectly:

- (a) enter into a business relationship with, and/or make any funds and/or economic resources available to, or for the benefit of, any Sanctioned Person in connection with the Project, or

- (b) use all or part of the proceeds of the Loan or lend, contribute or otherwise make available such proceeds to any person in any manner that would result in a breach by itself and/or by the Bank of any Sanctions; or
- (c) fund all or part of any payment under this Contract or the Guarantee Agreement out of proceeds derived from activities or businesses with a Sanctioned Person or in any manner that would result in a breach by itself and/or by the Bank of any Sanctions.

It is acknowledged and agreed that the undertakings set out in this Article 6.13 are only sought by and given to the Bank to the extent that to do so would be permissible pursuant to any applicable anti-boycott rule of the EU such as Regulation (EC) 2271/96.

## **6.9 General Representations and Warranties**

The Borrower represents and warrants to the Bank that:

- (a) it is duly incorporated and validly existing as a private company with limited liability (*besloten vennootschap*) under Dutch law 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 contravene or conflict with:
  - (i) any applicable law, statute, rule or regulation, or any judgement, decree or permit to which it is subject;
  - (ii) 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;
  - (iii) any provision of its constitutional documents (including the articles of association);
- (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) no event or circumstance which constitutes an Event of Default has occurred and is continuing unremedied or unwaived;
- (g) 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;
- (h) it has obtained all necessary Authorisations in connection with this Contract and in order to lawfully comply with its obligations hereunder, and the Project and all such Authorisations are in full force and effect and admissible in evidence;
- (i) the Group is in compliance with Article 7.1, and the Borrower, the Guarantor and any Subsidiary are in compliance with Article 7.3;
- (j) 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;
- (k) 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;
- (l) 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;

- (m) its Centre of Main Interests is situated in the Netherlands and it has no Establishment in any other jurisdiction;
- (n) under the laws of its jurisdiction of incorporation, it is not necessary that this Contract be filed, recorded or enrolled with any court or other authority in such jurisdiction or that any stamp, registration or similar tax be paid on or in relation to this Contract;
- (o) it is in compliance with Article 5.05(e) of the Guarantee Agreement and to the best of its knowledge and belief (having made due and careful enquiry) no material Environmental or Social Claim has been commenced or is threatened against it or any relevant Affiliate in relation to the Project;
- (p) it is in compliance with all undertakings under this Article 6; and
- (q) none of the Borrower, Guarantor and/or any Relevant Person:
  - (i) is a Sanctioned Person; or
  - (ii) is in breach of any Sanctions.

It is acknowledged and agreed that the representations set out in this paragraph (o) are only sought by and given to the Bank to the extent that to do so would be permissible pursuant to any applicable anti-boycott rule of the EU such as Regulation (EC) 2271/96.

The representations and warranties set out above are made on the date of this Contract and are deemed repeated with reference to the facts and circumstances then existing on the date of each Disbursement Acceptance, the date of each Compliance Certificate and each Disbursement Date.

## Article 7

### Lien

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.

#### **1.1 Negative pledge**

The Borrower shall not (and the Borrower shall ensure that no other member of the Group will) create or permit to subsist any Lien over any of its assets, other than Permitted Liens.

#### **1.2 Pari passu ranking**

The Borrower shall ensure that its payment obligations under this Contract rank, and will 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.

#### **1.3 Clauses by inclusion**

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 senior unsecured 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 7.3 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 concerning the Borrower**

The Borrower shall:

- (a) deliver to the Bank:
  - (i) 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) 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 6.7.A of this Contract and Article 5.13 of the Guarantee Agreement (including evidence of such compliance and related calculations) and including necessary information for determining the applicable Margin; and
  - (iii) such further information, evidence or document concerning:
    - (1) its general financial situation or such certificates of compliance with the undertakings of Article 6 as the Bank may reasonably deem necessary; and
    - (2) the compliance with the due diligence requirements of the Bank for the Borrower, the Guarantor and Subsidiary involved in the Project, including, but not limited to "know your customer" (KYC) or similar identification and verification procedures,

when requested and within a reasonable time; and

(b) inform the Bank immediately of:

- (i) any material alteration to its constitutional documents after the date of this Contract or, as soon as they become aware of it, any material alteration in the shareholding structure 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 (fifty million US dollars) 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 to grant any Lien over any of its assets in favour of a third party, that are not Permitted Liens;
- (v) 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;
- (vi) 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;
- (vii) any fact or event that is reasonably likely to prevent the substantial fulfilment of any obligation of the Borrower under this Contract;
- (viii) any Event of Default having occurred 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;
- (ix) any event or decision that constitutes or may result in an event described in Article 6.2, other than those described in Article 6.2(b);
- (x) any Merger Event;
- (xi) unless prohibited 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 its controlling entities or members of the Borrower's management bodies in connection with Criminal Offences related to the Credit, the Loan or the Project;
- (xii) any measure taken by the Borrower pursuant to Article 6.1 of this Contract;
- (xiii) any litigation, arbitration or administrative or enforcement proceedings or investigation which is current, threatened or pending and which might if adversely determined result in a Material Adverse Change, and
- (xiv) any Change in the Beneficial Ownership of the Borrower; and
- (xv) any claim, action, proceeding, formal notice or investigation relating to any Sanctions concerning the Borrower, Guarantor, any Subsidiary involved in the Project or, applying the best of knowledge of the Borrower and the Guarantor, any Relevant Person.

**Article 9**  
**Charges and expenses**

**9.1 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 in 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 shall gross up the payment to the Bank so that after withholding or 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.

**9.2 Other charges**

The Borrower shall bear all charges and expenses, including professional, legal, 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 in the amendment, creation, management, enforcement and realisation of any security for the Loan.

**9.3 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 which occurs after the date of signature of this Contract, in accordance with or as a result of 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 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 under 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 that takes place in a manner other than as expressly set out 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. If either obligation is unliquidated or unascertained, the Bank may set off in an amount estimated by it in good faith to be the amount of that obligation.

**Article 10**  
**Events of Default**

**10.1 Right to demand repayment**

The Borrower shall repay all or part of the Loan Outstanding (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.

### 10.1.A Immediate demand

The Bank may make such demand immediately without prior notice or any judicial or extra judicial step:

- (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 the information or documents given to the Bank by or on behalf of the Borrower or the Guarantor (taken as a whole) or any representation, warranty or statement made or deemed to be made by the Borrower or Guarantor in or pursuant to this Contract or in connection with the negotiation or performance of this Contract 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, the Guarantor or any other member of the Group is unable to pay its debts as they fall due, or suspends its debts, or makes or seeks to make a composition with its creditors; if in relation to the Borrower, the Guarantor or any other member of the Group any corporate action, legal proceedings or other procedure or step is taken in relation to (i) the suspension of payments, a moratorium of any indebtedness, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise), (ii) a composition (*akkoord*), compromise, assignment or arrangement with any creditor of the Borrower, the Guarantor or any other member of the Group, or (iii) the enforcement of any Security over any assets of the Borrower, the Guarantor or any other member of the Group, or if an order is made or an effective resolution is passed for the winding up of the Borrower, the Guarantor or any other member of the Group, or if the Borrower, the Guarantor or any other member of the Group takes steps towards a substantial reduction in its capital, is declared insolvent or bankrupt (*failliet*) or ceases or resolves to cease to carry on the whole or any substantial part of its business or activities, or any situation similar to any of the above occurs under any applicable law;
- (e) if an encumbrancer takes possession of, or a bankruptcy trustee, receiver, liquidator, administrator, administrative receiver, compulsory manager or other similar officer is appointed in any jurisdiction, 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, the Guarantor or or any other member of the Group or any property forming part of the Project;
- (f) if the Borrower, the Guarantor or 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;
- (g) subject to Sub-Article (i) below, if any expropriation, attachment, arrestment, distress, execution, sequestration or other process is levied or enforced upon the property of the Borrower, the Guarantor or any other member of the Group or any property forming part of the Project and is not discharged or stayed within 7 (seven) days;

- (h) if an executory attachment (*executoriaal beslag*) affects any asset of a member of the Group;
- (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;
- (j) if a notice under Article 36 Tax Collection Act (*Invorderingswet 1990*) has been given by any member of the Group.

#### **10.1.B Demand after notice to remedy**

The Bank may also make such demand without prior notice or any judicial or extra judicial step (without prejudice to any notice referred to below):

- (a) if the Borrower fails to comply with any provision of this Contract (other than those referred to in Article 10.1.A) or the Guarantor fails to comply with any provision of the Guarantee Agreement; or
- (b) if any fact related to the Borrower or the Project stated in the Recitals materially alters and is not materially restored and if 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 within 20 Business Days from a notice served by the Bank on the Borrower.

#### **10.2 Other rights at law**

Article 10.1 shall not restrict any other right of the Bank at law to require prepayment of the Loan Outstanding.

#### **10.3 Indemnity**

##### **10.3.A Fixed Rate Tranches**

In case of demand under Article 10.1 in respect of any Fixed Rate Tranche, the Borrower shall pay to the Bank the amount demanded together with the indemnity on any amount of principal due to be prepaid. Such indemnity shall (i) 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, and (ii) be for the amount communicated by the Bank to the Borrower as the present value (calculated as of the date of the prepayment) of the excess, if any, of:

- (a) the interest net of the Margin that would accrue thereafter on the amount prepaid over the period from the date of prepayment 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 0.19% (nineteen 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 of the applicable Tranche.

##### **10.3.B Floating Rate Tranches**

In case of demand under Article 10.1 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 0.19% (nineteen 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 applicable 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.

##### **10.3.C General**

Amounts due by the Borrower pursuant to this Article 10.3 shall be payable on the date specified in the Bank's demand.

#### **10.4 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, miscellaneous.**

#### **11.1 Governing Law**

This Contract (including this Article 11) and any non-contractual obligations arising out of or in connection with it shall be governed by Dutch law.

#### **11.2 Jurisdiction**

- (a) The courts of Amsterdam, the Netherlands, have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with this Contract (including a dispute regarding this Article 11, the existence, validity or termination of this Contract or the consequences of its nullity) or any non-contractual obligation arising out of or in connection with this Contract.
- (b) The Parties agree that the courts of Amsterdam, the Netherlands, are the most appropriate and convenient courts to settle Disputes between them and, accordingly, that they will not argue to the contrary.

#### **11.3 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.

#### **11.4 Waiver**

The Borrower waives, to the fullest extent permitted by law, its rights to rescind (*ontbinden*) this Contract, to suspend (*opschorten*) any of its obligations or liability under this Contract, to nullify (*vernietigen*) or to invoke the nullity (*nietigheid*) of this Contract on any ground under Dutch law or under any other applicable law.

#### **11.5 Representation by attorney(s)**

If a party is represented by one or more attorneys in connection with the execution of this Contract, and the relevant power of attorney is expressed to be governed by Dutch or any other law, that choice of law is hereby accepted by each other party, in accordance with Article 14 of the Hague Convention on the Law Applicable to Agency of 14 March 1978.

#### **11.6 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.

#### **11.7 Entire Agreement**

This Contract constitutes the entire agreement between the Bank and the Borrower in relation to the provision of the Credit hereunder, and supersedes any previous agreement, whether express or implied, on the same matter.

### **11.8 Invalidity**

If at any time any term of this Contract is or becomes illegal, invalid or unenforceable in any respect, or this Contract is or becomes ineffective in any respect, under the laws of any jurisdiction, such illegality, invalidity, unenforceability or ineffectiveness shall not affect:

- (a) the legality, validity or enforceability in that jurisdiction of any other term of this Contract or the effectiveness in any other respect of this Contract in that jurisdiction; or
- (b) the legality, validity or enforceability in other jurisdictions of that or any other term of this Contract or the effectiveness of this Contract under the laws of such other jurisdictions.

### **11.9 Amendments**

Any amendment to this Contract shall be made in writing and shall be signed by the Parties.

### **11.10 Counterparts**

This Contract may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument. Each counterpart is an original, but all counterparts shall together constitute one and the same instrument.

### **11.11 Changes to the parties**

#### **1.3.A No changes to the Borrower**

The rights and obligations of the Borrower under this Contract cannot be transferred, assigned or pledged in accordance with Section 3:83 (2) of the Dutch Civil Code.

#### **1.3.B Assignment by the Bank**

The Bank shall not assign or transfer this Contract, including any individual rights and obligations existing thereunder, to any third party without the prior written consent of the Borrower, except for an assignment by the Bank (i) following the occurrence of an Event of Default or (ii) for the purpose of a refinancing of the Bank by the European Central Bank.

A transfer of part of the Banks rights and obligations under this Agreement must be in a minimum amount of EUR 100,000 (one hundred thousand euros).

## **Article 12**

### **Final clauses**

### **12.1 Notices**

#### **12.1.A Form of Notice**

- (a) Any notice or other communication given under this Contract must be in writing and, unless otherwise stated, may be made by letter or electronic mail.
- (b) 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 by electronic mail. Such notices and communications shall be deemed to have been received by the other Party:
  - (i) on the date of delivery in relation to a hand-delivered or registered letter;
  - (ii) in the case of any electronic mail only when such electronic mail is actually received in readable form and only if it is addressed in such a manner as the other Party shall specify for this purpose.
- (c) Any notice provided by the Borrower to the Bank by electronic mail shall:
  - (i) mention the Contract Number in the subject line; and

- (ii) be in the form of a non-editable electronic image (pdf, tif or other common non editable file format agreed between the Parties) of the notice signed by an authorised signatory with individual representation right or by two or more authorised signatories with joint representation right of the Borrower as appropriate, attached to the electronic mail.
- (d) 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.
- (e) Without affecting the validity of electronic mail notices or communication made in accordance with this Article 12.1, the following notices, communications and documents shall also be sent by registered letter to the relevant Party at the latest on the immediately following Business Day:
  - (i) Disbursement Acceptance;
  - (ii) any notices and communication in respect of the deferment, cancellation and suspension of a disbursement of any Tranche, Market Disruption Event, Prepayment Request, Prepayment Notice, Event of Default, any demand for prepayment; and
  - (iii) any other notice, communication or document required by the Bank.
- (f) The Parties agree that any above communication (including via electronic mail) is an accepted form of communication, shall constitute admissible evidence in court and shall have the same evidential value as a written agreement under hand.

**12.1.B Addresses**

The address and electronic mail address (and the department for whose attention the communication is to be made) of each Party for any communication to be made or document to be delivered under or in connection with this Contract is:

For the Bank	Attention: OPS 100 boulevard Konrad Adenauer L-2950 Luxembourg E-mail address: contactline-94481@eib.org
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For the Borrower	Attention: Finance Department AGCO International Holdings B.V. Horsterweg 66a 5971 NG Grubbenvorst The Netherlands E-mail address: LCovUKTreasury@uk.agcocorp.com
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Copies to the Guarantor	Attention: Treasurer AGCO Corporation 4205 River Green Parkway Duluth, GA 30096 United States of America E-mail address: Treasury@agcocorp.com
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**12.1.C Notification of communication details**

The Bank and the Borrower shall promptly notify the other Party in writing of any change in their respective communication details.

**12.2 English language**

- (a) Any notice or communication given under or in connection with this Contract must be in English.

- (b) All other documents provided under or in connection with this Contract must be:
- (i) in English; or
  - (ii) if not in English, and if so required by the Bank, accompanied by a certified English translation and, in this case, the English translation will prevail.

### **12.3 Recitals, Schedules and Annexes**

The Recitals and following Schedules form part of this Contract:

Schedule A	Project Specification and Reporting
Schedule B	Definitions of EURIBOR
Schedule C	Form of Disbursement Offer/Acceptance (Articles 1.2.B and 1.2.C) and other Forms (Article 1.4.C)
Schedule D	Form of the Guarantee Agreement
Schedule E	Form of Compliance Certificate
Schedule F	Daily Non-Cumulative Compounded RFR Rate
Schedule G	Cumulative Compounded RFR Rate
Schedule H	Indebtedness as of the date of this Agreement

Annexes are attached hereto:

Annex I	Borrower's resolutions of the board of managing directors and the sole shareholder, the extract ( <i>uittreksel</i> ) from the Dutch Commercial Register ( <i>Handelsregister</i> ) of the Borrower and authorisation of signatories
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The Parties have caused this Contract to be executed in 4 (four) originals in the English language.

At Luxembourg, this 29 September 2023 /

At Grubbenvorst, this 29 September 2023

Signed for and on behalf of  
EUROPEAN INVESTMENT BANK

Signed for and on behalf of  
AGCO International Holdings B.V.

/s/ J. Nienhaus

/s/ L. Padol

/s/ A. Frost

/s/ B. Mulder

Dr J. Nienhaus  
Head of Division

L. Padol  
Loan Officer

A. Frost  
Managing Director

B. Mulder  
Managing Director

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

I, Eric P. Hansotia, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of AGCO Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying 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: November 8, 2023

/s/ Eric P. Hansotia

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Eric P. Hansotia  
Chairman of the Board, President and Chief Executive Officer

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

I, Damon Audia, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of AGCO Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying 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: November 8, 2023

/s/ Damon Audia

Damon Audia

Senior Vice President and Chief Financial Officer

**CERTIFICATION**

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 Quarterly Report on Form 10-Q for the period ended September 30, 2023, which accompanies this certification fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and the information contained in the periodic report fairly presents, in all material respects, the financial condition and results of operations of AGCO Corporation at the dates and for the periods indicated. The foregoing certifications are made pursuant to 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350) and shall not be relied upon for any other purpose.

/s/ Eric P. Hansotia

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Eric P. Hansotia  
Chairman of the Board, President and Chief Executive Officer  
November 8, 2023

/s/ Damon Audia

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Damon Audia  
Senior Vice President and Chief Financial Officer  
November 8, 2023

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.