

AGCO CORP /DE
Form DEF 14A
March 24, 2014
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities

Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement
 Confidential, for Use of the Commission
Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement
 Definitive Additional Materials
 Soliciting Material under Rule 14a-12

AGCO CORPORATION

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

Edgar Filing: AGCO CORP /DE - Form DEF 14A

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

- (1) Title of each class of securities to which transaction applies:
- (2) Aggregate number of securities to which transaction applies:
- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
- (4) Proposed maximum aggregate value of transaction:
- (5) Total fee paid:

Fee paid previously with preliminary materials:

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- (1) Amount Previously Paid:
- (2) Form, Schedule or Registration Statement No.:
- (3) Filing Party:
- (4) Date Filed:

Table of Contents

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

Time and Date: 9:00 a.m., Eastern Time, on Thursday, April 24, 2014

Place: AGCO Corporation, 4205 River Green Parkway, Duluth, Georgia 30096

Items of Business:

1. To elect ten directors to the Board of Directors for terms expiring at the Annual Meeting in 2015;
2. To consider a non-binding advisory resolution to approve the compensation of the Company's named executive officers;
3. To ratify the appointment of KPMG LLP as the Company's independent registered public accounting firm for 2014; and

4. To transact any other business that may properly be brought before the meeting.

Record Date: Only stockholders of record as of the close of business on March 14, 2014 are entitled to notice of and to vote at the Annual Meeting or any postponement or adjournment thereof. Attendance at the Annual Meeting is limited to stockholders of record at the close of business on March 14, 2014, and to any invitees of the Company.

Inspection of List of Stockholders of Record: A list of stockholders as of the close of business on March 14, 2014 will be available for examination by any stockholder at the Annual Meeting itself as well as for a period of ten days prior to the Annual Meeting at our offices at the above address during normal business hours.

We urge you to mark and execute your proxy card and return it promptly in the enclosed envelope. In the event you are able to attend the meeting, you may revoke your proxy and vote your shares in person.

By Order of the Board of Directors

ROGER N. BATKIN

Corporate Secretary

Atlanta, Georgia

March 24, 2014

Table of Contents**SUMMARY**

This summary highlights information contained elsewhere in this proxy statement. Since this summary does not contain all of that information, you are encouraged to read the entire proxy statement before voting.

Annual Meeting of Stockholders

Time and Date:	9:00 a.m., Eastern Time, on Thursday, April 24, 2014
Place:	AGCO Corporation, 4205 River Green Parkway, Duluth, Georgia 30096
Record Date:	March 14, 2014
Voting:	Stockholders as of the record date are entitled to vote. Each share of common stock is entitled to one vote for each director nominee and one vote for each of the proposals to be voted on.

Voting Recommendations

Proposal	Board Vote Recommendation
Election of Directors	FOR EACH NOMINEE
Advisory vote on executive compensation	FOR
Ratification of the selection of KPMG LLP	FOR

Director Nominees

The following table provides summary information about each nominee. Directors are elected annually. AGCO has majority voting in uncontested elections of directors, such as this election. In the event that a nominee does not receive the affirmative vote of a majority of the votes cast in person or by proxy, he or she is required to tender his or her resignation.

Name	Age	Director Since	Brief Biography	Independent	EC	AC	CC	GC	SP
Roy V. Armes	61	2013	Chairman, President and CEO, Cooper Tire and Rubber Company	X			X		X
Michael C. Arnold	57	2013	President and CEO, Ryerson Inc.	X		X		X	
P. George Benson	67	2004	President, College of Charleston	X	X	X		C	
Wolfgang Deml	68	1999	Former President and CEO, BayWa Corporation (Germany)	X	X			X	C
Luiz F. Furlan	67	2010	Board member, BRF Brasil Foods, S. A. (Brazil)	X			X		X
George E. Minnich	64	2008	Former Senior VP and CFO, ITT Corporation	X	X	C	X		
Martin H. Richenhagen	61	2004	Chairman, President and CEO, AGCO			C			X
Gerald L. Shaheen	69	2005	Lead Director of AGCO,	X	X			C	X
Mallika Srinivasan	54	2011	Former Group President, Caterpillar Inc. Chairman and CEO, Tractors and Farm Equipment Limited (India)						X
Hendrikus Visser	69	2000	Chairman, Royal Huisman Shipyards N.V. (Netherlands)	X		X		X	
EC	Executive Committee			GC	Governance Committee				
AC	Audit Committee			SP	Succession Planning Committee				

CC Compensation Committee

C Chair

Table of Contents**Executive Compensation Advisory Vote**

We are asking stockholders to approve on an advisory basis our named executive officer compensation.

The Company's compensation philosophy and program design is intended to pay for performance, support the Company's business strategy and align executives' interests with those of stockholders and employees. A significant portion of the Company's executive compensation opportunity is related to factors that directly and indirectly influence stockholder value, including stock performance, earnings per share, operational performance, free cash flow performance and return on invested capital. The Company believes that as an executive's responsibilities increase, so should the portion of his or her total pay comprised of annual incentive cash bonuses and long-term incentive compensation, which supports and reinforces the Company's pay for performance philosophy.

For more information on the Company's executive compensation programs, please see Proposal Number 2 Non-Binding Advisory Resolution to Approve the Compensation of the Company's NEOs and Compensation Discussion and Analysis in this proxy statement.

Independent Registered Public Accounting Firm

As a matter of good corporate governance, we are asking our stockholders to ratify the selection of KPMG LLP as our independent registered public accounting firm for 2014. The Company's Audit Committee considers a number of factors when selecting a firm, including the qualifications, staffing considerations, and the independence and quality controls of the firms considered. The Audit Committee has appointed KPMG LLP as the Company's independent registered public accounting firm for 2014. KPMG LLP served as the Company's independent registered public accounting firm for 2013 and is considered to be well-qualified.

Set forth below is summary information with respect to KPMG LLP's fees for services provided in 2013 and 2012.

Type of Fees	2013	2012
	(in thousands)	
Audit Fees	\$ 6,823	\$ 7,560
Audit-Related Fees	48	74
Tax Fees	24	15
Other Fees	1,792	1,535
Total	\$ 8,687	\$ 9,184

Table of Contents

TABLE OF CONTENTS

	PAGE
<u>INFORMATION REGARDING THE ANNUAL MEETING</u>	1
<u>PROPOSAL NUMBER 1 ELECTION OF DIRECTORS</u>	3
<u>BOARD OF DIRECTORS AND CORPORATE GOVERNANCE</u>	6
<u>PROPOSAL NUMBER 2 NON-BINDING ADVISORY RESOLUTION TO APPROVE THE COMPENSATION OF THE COMPANY S NEOs</u>	12
<u>PROPOSAL NUMBER 3 RATIFICATION OF COMPANY S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR 2014</u>	14
<u>OTHER BUSINESS</u>	14
<u>PRINCIPAL HOLDERS OF COMMON STOCK</u>	15
<u>EXECUTIVE COMPENSATION</u>	17
<u>COMPENSATION DISCUSSION AND ANALYSIS</u>	19
<u>SUMMARY OF 2013 COMPENSATION</u>	32
<u>2013 SUMMARY COMPENSATION TABLE</u>	33
<u>2013 GRANTS OF PLAN-BASED AWARDS</u>	36
<u>OUTSTANDING EQUITY AWARDS AT YEAR-END 2013</u>	37
<u>SSAR EXERCISES AND STOCK VESTED IN 2013</u>	38
<u>PENSION BENEFITS</u>	39
<u>2013 PENSION BENEFITS TABLE</u>	40
<u>OTHER POTENTIAL POST-EMPLOYMENT PAYMENTS</u>	41
<u>COMPENSATION COMMITTEE REPORT</u>	44
<u>AUDIT COMMITTEE REPORT</u>	44
<u>CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS</u>	46
<u>SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u>	46
<u>ANNUAL REPORT TO STOCKHOLDERS</u>	47
<u>ANNUAL REPORT ON FORM 10-K</u>	47
<u>INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	47
<u>STOCKHOLDERS PROPOSALS</u>	47

Table of Contents

AGCO CORPORATION
PROXY STATEMENT FOR THE
ANNUAL MEETING OF STOCKHOLDERS

April 24, 2014

INFORMATION REGARDING THE ANNUAL MEETING

INFORMATION REGARDING PROXIES

This proxy solicitation is made by the Board of Directors (the Board) of AGCO Corporation (the Company), which has its principal executive offices at 4205 River Green Parkway, Duluth, Georgia 30096. By signing and returning the enclosed proxy card, you authorize the persons named as proxies on the proxy card to represent you at the meeting and vote your shares.

If you attend the meeting, you may vote by ballot. If you are not present at the meeting, your shares can be voted only when represented by a proxy either pursuant to the enclosed proxy card or otherwise. You may indicate a vote on the enclosed proxy card in connection with any of the listed proposals, and your shares will be voted accordingly. If you indicate a preference to abstain from voting, no vote will be cast. You may revoke your proxy card before balloting begins by notifying the Corporate Secretary in writing at 4205 River Green Parkway, Duluth, Georgia 30096. In addition, you may revoke your proxy card before it is voted by signing and duly delivering a proxy card bearing a later date or by attending the meeting and voting in person. If you return a signed proxy card that does not indicate your voting preferences, the persons named as proxies on the proxy card will vote your shares (i) in favor of all of the ten director nominees described below; (ii) in favor of the non-binding advisory resolution to approve the compensation of the Company's named executive officers (NEOs); (iii) in favor of ratification of the appointment of KPMG LLP as the Company's independent registered public accounting firm for 2014; and (iv) in their best judgment with respect to any other business brought before the Annual Meeting.

The enclosed proxy card is solicited by the Board, and the cost of solicitation of proxy cards will be borne by the Company. The Company may retain an outside firm to aid in the solicitation of proxy cards, the cost of which the Company expects would not exceed \$25,000. Proxy solicitation also may be made personally or by telephone by officers or employees of the Company, without added compensation. The Company will reimburse brokers, custodians and nominees for their customary expenses in forwarding proxy material to beneficial owners.

This proxy statement and the enclosed proxy card are first being sent to stockholders on or about March 24, 2014. The Company's 2013 Annual Report to its stockholders and its 2013 Annual Report on Form 10-K also are enclosed and should be read in conjunction with the matters set forth herein.

INFORMATION REGARDING VOTING

Only stockholders of record as of the close of business on March 14, 2014, are entitled to notice of and to vote at the Annual Meeting. On March 14, 2014, the Company had outstanding 93,909,208 shares of common stock, each of which is entitled to one vote on each matter coming before the meeting. No cumulative voting rights exist, and dissenters' rights for stockholders are not applicable to the matters being proposed. For directions to the offices of the Company where the Annual Meeting will be held, you may contact our corporate office at (770) 813-9200.

Quorum Requirement

A quorum of the Company's stockholders is necessary to hold a valid meeting. The Company's By-Laws provide that a quorum is present if a majority of the outstanding shares of common stock of the Company entitled to vote at the meeting are present in person or represented by proxy. Votes cast by proxy or in person at the Annual Meeting will be tabulated by the inspector of elections appointed for the meeting, who also will determine whether a quorum is present for the transaction of business. Abstentions and broker non-votes will be treated as shares that are present and entitled to vote for purposes of determining whether a quorum is present. A broker non-vote occurs on an item when a broker or other nominee is not permitted to vote on that item without instruction from the beneficial owner of the shares and no instruction is given.

Table of Contents

Vote Necessary for the Election of Directors

Directors are elected by a plurality of the votes cast in person or by proxy at the Annual Meeting. However, in uncontested elections of directors, such as this election, in the event that a nominee does not receive the affirmative vote of a majority of the votes cast in person or by proxy, he or she is required to tender his or her resignation. See Proposal Number 1 Election of Directors in this proxy statement for a more detailed description of the majority voting procedures in our By-Laws.

Under the New York Stock Exchange (NYSE) rules, if your broker holds your shares in its name, your broker is not permitted to vote your shares with respect to the election of directors if your broker does not receive voting instructions from you. Abstentions and broker non-votes will not affect the election outcome.

Vote Necessary to Adopt the Non-Binding Advisory Resolution to Approve the Compensation of the Company s NEOs

Adoption of the non-binding advisory resolution to approve the compensation of the Company s NEOs requires the affirmative vote of a majority of the votes cast in person or by proxy at the Annual Meeting. Because the stockholder vote on this proposal is advisory only, it will not be binding on the Company or the Board. However, the Compensation Committee will review the voting results and take them into consideration when making future decisions regarding executive compensation as the Compensation Committee deems appropriate.

Under the NYSE rules, if your broker holds your shares in its name, your broker is not permitted to vote your shares with respect to the non-binding advisory resolution to approve the compensation of the Company s NEOs if your broker does not receive voting instructions from you. Abstentions and broker non-votes will not affect the vote on this proposal.

Vote Necessary to Ratify the Appointment of Independent Registered Public Accounting Firm

Ratification of the appointment of KPMG LLP as the Company s independent registered public accounting firm for 2014 requires the affirmative vote of a majority of the votes cast in person or by proxy at the Annual Meeting.

Under the NYSE rules, if your broker holds your shares in its name, your broker is permitted to vote your shares with respect to the ratification of the appointment of KPMG LLP as the Company s independent registered public accounting firm for 2014 even if your broker does not receive voting instructions from you. Abstentions and broker non-votes will not affect the vote on this proposal.

Other Matters

With respect to any other matter that may properly come before the Annual Meeting for stockholder consideration, a matter generally will be approved by the affirmative vote of a majority of the votes cast in person or by proxy at the Annual Meeting unless the question is one upon which a different vote is required by express provision of the laws of Delaware, federal law, the Company s Certificate of Incorporation or the Company s By-Laws, or, to the extent permitted by the laws of Delaware, the Board has expressly provided that some other vote shall be required, in which case such express provisions shall govern.

Important Notice Regarding the Availability of Proxy Materials

As required by rules adopted by the United States Securities and Exchange Commission (SEC), the Company is making this proxy statement and its annual report available to stockholders electronically via the Internet. The proxy statement and annual report to stockholders are available at www.agcocorp.com. The proxy statement is available under the heading SEC Filings in our website s Investors section located under Company, and the annual report to stockholders is available under the heading Annual Reports in our Investors section.

Table of Contents

PROPOSAL NUMBER 1

ELECTION OF DIRECTORS

The Company's By-Laws provide for a majority voting standard for the election of directors in uncontested elections. While directors are elected by a plurality vote, in the event that a nominee does not receive the requisite majority vote, he or she is required to tender his or her resignation. In that event, the Governance Committee will determine whether to accept the director's resignation and will submit its recommendation to the Board. In deciding whether to accept a director's resignation, the Board and our Governance Committee may consider any factors that they deem relevant. Our By-Laws also provide that the director whose resignation is under consideration will abstain from the deliberation process with respect to his or her resignation.

In the event that a stockholder proposes a nominee to stand for election with nominees selected by the Board, and the stockholder does not withdraw the nomination prior to the tenth day preceding our mailing the notice of the stockholders meeting (i.e., a contested election), then our By-Laws provide that directors will be elected by a plurality vote.

For this year's Annual Meeting, the Governance Committee has recommended, and the Board has nominated, the ten individuals named below to serve as directors until the Annual Meeting in 2015 or until their successors have been duly elected and qualified. The following is a brief description of the business experience, qualifications and skills of each of the ten nominees for directorship:

Roy V. Armes, age 61, has been a director of the Company since October 2013.

Executive Chairman of Cooper Tire and Rubber Company

Chairman, President and CEO of Cooper Tire and Rubber Company since 2008

Various executive positions with Whirlpool Corporation from 1975 to 2006 including Senior Vice President, Project Management Office; Corporate Vice President and General Director, Whirlpool Mexico; Corporate Vice President, Global Procurement Operations; President/Managing Director, Whirlpool Greater China, Inc. Hong Kong; Vice President, Manufacturing Technology, Whirlpool Asia (Singapore); and Vice President, Manufacturing & Technology, Refrigeration Products, Whirlpool Europe (Comerio, Italy).

Member of the Board of Directors of The Manitowoc Company, Inc. since 2010

Director Qualifications and Skills: Mr. Armes brings extensive leadership experience with manufacturing companies and will provide an important perspective and contribution to the Board. The addition of his global manufacturing experience to the collective knowledge of our Board better positions AGCO for the opportunities facing our industry.

Michael C. Arnold, age 57, has been a director of the Company since October 2013.