POLICY ON GIFTS, MEALS, ENTERTAINMENT, AND TRAVEL - CHINA

I. Introduction. This policy is to be read in conjunction with Deere’s Business Conduct Guidelines ("BCG"). Gifts, meals, entertainment and travel are mentioned several places in the BCG, including Chapter 2 on accurate accounting records, Chapter 3 on improper payments, Chapter 5 on conflicts of interests, Chapter 8 on relationships with suppliers, and Chapter 10 on U.S. government business. It should also be read in conjunction with other relevant Deere policies in effect from time to time.

Due to the large number of state-owned enterprises in China and the difficulty of distinguishing government owned or controlled entities from private entities, this policy does not differentiate between government and non-government recipients of gifts, meals, entertainment or travel. Thus, this policy treats all recipients as though they were government officials.

Payment for items and activities covered by this policy must be reported in accordance with company financial reporting requirements.

If you have any question about this policy, please consult your immediate supervisor or the China Law Department.

II. Gifts. As the BCG instructs us, gift giving is a problem when business decisions are influenced, or are perceived to have been influenced, by the gift. Thus, every effort should be made to discourage gift giving or receiving. It is recognized, however, that on certain occasions, gift giving is culturally appropriate.

A. Gift Giving. General Rule. A gift may be given to promote Deere’s products, services and legitimate business interests provided the gift is: legal under local law, U.S. anti-bribery law, and applicable tax laws; in accordance with business custom and the BCG; modest in value; infrequent; appropriate for the occasion; not of a nature that would embarrass the company if publicly disclosed; not cash (or cash equivalents, such as gift cards or cash coupons); and not of a nature that would make the recipient feel obliged to the gift-giver or to the company. Any gift given in the name of Deere must be paid for by the Company in accordance with this Policy. In addition, the following rules apply:

1. Nominal Value Logo Gifts. Because gifts are intended to promote Deere’s business, the preferred form of gift is one that bears a Deere logo or depicts a Deere product. The company will maintain a list of pre-approved, nominal value gifts (defined as having a purchase price of below RMB300). These gifts will be purchased by the company directly, rather than by individual employees. An employee who wishes to obtain a gift from the company must complete and sign Section 1 of the “Gift
Form,” in the form attached to this policy as Exhibit 1, and remit it to the designated central repository.

2. **Higher Value Logo Gifts.** In the exceptional circumstance that an employee believes that a gift of greater than nominal value is appropriate, an employee may request that the company purchase a higher value gift that bears a Deere logo or depicts a Deere product. The employee must complete and sign a gift request in the form of Section 2 of the Gift Form, and submit it to the China President and the China Law Department for approval. The approved original Gift Form must be sent to the designated central repository.

3. **Non-Logo Gifts.** It is Deere’s clear preference that any gifts are of the nominal value logo variety. However, it is recognized that on very rare occasions, logo gifts may be inappropriate. In such cases, the employee may purchase the gift and seek reimbursement, or request the company to purchase the gift. If the employee purchases the gift, the employee must provide appropriate expense reporting documentation. In either case, Section 3 of a Gift Form must also be completed and remitted to the designated central repository, with a copy to the employee’s immediate manager. No non-logo gift may exceed a purchase price of RMB200.

4. **Cumulative Amount.** The cumulative amount that an individual gift recipient receives on annual basis shall not exceed RMB 1000.

**B. Gift Receiving.** Employees are encouraged to reject gifts in a polite manner, but if rejection would be culturally inappropriate, employees may accept gifts at the time of presentation in order to show respect to the gift giver. Although it should occur infrequently, an employee who accepts a gift shall promptly document and report the gift to the immediate supervisor or manager (and discuss whether the gift should be reported under Chapter 5 of the BCG), and turn the gift over to the designated central repository, to avoid the perception of improper influence.

Gifts turned over to the company will be disposed of in accordance with Deere policy. This may include sharing with employees working at the recipient’s work site, such as for the company annual dinner; offering for sale to the employees working at the recipient’s work site using a bidding process, with the proceeds of the sale being contributed to a charity; or otherwise.

**Note:** Employees engaged in supply management activities are subject to the [Supplier Code of Conduct](#). Accordingly, those employees may neither provide gifts nor accept gifts or anything of value from suppliers, other than a business card.

**III. Meals and Entertainment.** A meal or other entertainment may be provided to or accepted from a non-Deere employee if it is: for the purpose of promoting sales and maintaining business relationships, and not part of an exchange of favors or quid pro quo; lawful under local law, U.S. anti-bribery law, and applicable tax laws; in accordance with local business custom; reasonable in value and not excessive; infrequent; appropriate for the occasion; in the
presence of at least one company employee; and of a nature that would not embarrass the company if publicly disclosed.

Venues should be professional and appropriate for business. If the company would be embarrassed if the location of the event were made public, then avoid the venue.

Entertainment other than a meal should be provided on an exception basis only, and requires written pre-approval from the China President and the China General Counsel. The China President will inform the Division President, and the China General Counsel will inform the Senior Vice President and General Counsel.

For all meals and entertainment, appropriate expense reporting documentation must be provided. Employees are reminded that expense reports must include the names, company affiliation and titles of each recipient of a meal or entertainment, as well as the purpose.

If a meal or entertainment, beyond a reasonable and customary business meal, is provided in connection with a visit to a Deere facility, please refer to Deere’s Procedures with Respect to Visits by Government Officials.

IV. Banquets. The company recognizes that participating in large banquets is a common part of business negotiations in China. To host a banquet requires written pre-approval from a China Director.

V. Sponsored Travel. Payment or reimbursement by the company of expenses for travel for non-Deere employees requires written pre-approval from the China President and the China General Counsel. A statement of business purpose for such sponsored travel and a detailed agenda must be provided for the approver’s review. All such travel must be for a legitimate business purpose; legal under local law, U.S. anti-bribery law, and applicable tax laws; in accordance with Deere’s Procedures with Respect to Visits by Government Officials; and reasonable in cost.

All pre-approved expenses must be paid directly to the service provider and not to the sponsored traveler.

The following are not permitted: per diem payments; stopovers that are not directly related to the business purpose of the travel; and expenses for other guests, such as spouses, traveling with the sponsored traveler. All travel must be in accordance with company travel policy.

VI. Scope.

This Policy applies to all Deere employees in China.
GIFT FORM

To be completed for all gifts, in accordance with the company’s POLICY ON GIFTS, MEALS, ENTERTAINMENT, AND TRAVEL - CHINA

Please tick the appropriate box below to indicate the type of gift, and complete the corresponding section.

1. □ Nominal value logo gift

I, ________________ (name), took _____ (number) of _______________ (gift type; calendars, shirts, capes, etc.) that I will give to ___________________ (category of recipient: dealers, customers, prospects, government officials) for the purpose of promoting Deere’s products or services.

[Signature]
Employee Signature
Date: ________________

(Original to central repository)

2. □ Higher Value Logo Gifts

I, ________________ (name), request the company to purchase ___________________ (gift description) to give to ___________________ (name, company affiliation, title). I certify that the gift is directly related to the promotion of Deere products or services.

[Signature]
Employee Signature
Date: ________________

Approved by

__________________________
Signature of China President
Name: ______________________
Date: ________________

__________________________
Authorized Law Department Signature
Name: ______________________
Date: ________________

(Original to central repository)

3. □ Non-logo gift

I, ________________ (name), purchased and gave or will give/request the company to purchase so that I may give (strike inapplicable wording) _______________ (gift description) to ___________________ (name, company affiliation, title) for the following purpose (e.g., customary holiday gift, death in the recipient’s family) ____________________________________________.

[Signature]
Employee Signature
Date: ________________

(Original to central repository; copy to employee’s manager/supervisor)