

IN THE MATTER OF THE
SECURITIES LEGISLATION
OF ALBERTA, BRITISH COLUMBIA, MANITOBA, NEW BRUNSWICK,
NEWFOUNDLAND, NOVA SCOTIA, ONTARIO, PRINCE EDWARD ISLAND, QUEBEC
AND SASKATCHEWAN

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF
DEERE & COMPANY
AND
JOHN DEERE CREDIT INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland, Nova Scotia, Ontario, Prince Edward Island, Quebec and Saskatchewan (the "Jurisdictions") has received an application from Deere & Company ("Deere") and John Deere Credit Inc. ("JDCI", and together with Deere, the "Filer") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the requirements contained in the Legislation that:

- (a) JDCI comply with the requirement (the "Canadian GAAP Reconciliation Requirement") to reconcile financial statements included in a prospectus and prepared in accordance with generally accepted accounting principles ("GAAP") of a foreign jurisdiction to Canadian GAAP;
- (b) JDCI comply with the requirement (the "Canadian GAAS Reconciliation Requirement" and together with the Canadian GAAP Reconciliation Requirement, the "Reconciliation Requirements") to provide, where financial statements included in a prospectus are audited in accordance with generally accepted auditing standards ("GAAS") of a foreign jurisdiction, a statement by the auditor (i) disclosing any material differences in the form and content of the auditor's report as compared to a Canadian auditor's report; and (ii) confirming that the auditing standards of the foreign jurisdiction are substantially equivalent to Canadian GAAS;
- (c) JDCI comply with the annual information form requirements in the provinces of Ontario, Québec and Saskatchewan (the "AIF Requirements");

(d) JDCI file with the Decision Makers an annual report, where applicable, annual MD&A and interim MD&A, where applicable (the "MD&A Requirements");

(e) JDCI issue and file with the Decision Makers press releases, and file with the Decision Makers material change reports (together, the "Material Change Requirements");

(f) JDCI comply with the proxy and proxy solicitation requirements under the Legislation, including filing an information circular or report in lieu thereof (the "Proxy Requirements");

(g) insiders of JDCI ("Insiders") file insider reports with the Decision Makers (the "Insider Reporting Requirements"); and

(h) JDCI comply with the requirements (the "Prospectus Disclosure Requirements") of items 12.1(1)(1) to 12.1(1)(2), items 12.1(1)(5) to 12.1(1)(8), item 12.2(1), item 12.2(4) and item 13.1(1)(2) of Form 44-101F3;

shall not apply;

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Ontario Securities Commission is the principal regulator for this application;

AND WHEREAS the Filer has represented to the Decision Makers that:

1. JDCI's primary business is to provide and administer financing for retail purchases of new and used John Deere agricultural, construction and commercial and consumer equipment.

2. JDCI is the result of the amalgamation under the *Canada Business Corporations Act* on October 28, 1996 of Canadian Equipment Finance Corporation and John Deere Finance Limited. JDCI is (indirectly) wholly owned by Deere.

3. JDCI became a reporting issuer or the equivalent in the Jurisdictions by virtue of it filing a short form shelf prospectus dated July 22, 1999 with the Decision Makers in connection with the establishment in Canada of a medium term note program (the "1999 MTN Program") under the provisions of former National Policy Statement No. 47 and former National Policy Statement No. 44. JDCI currently maintains the 1999 MTN Program.

4. Deere was incorporated under the laws of Delaware on April 25, 1958, and is not a reporting issuer or the equivalent in any of the Jurisdictions.

5. Deere has been a reporting company under the Securities Exchange Act of 1934, as amended (the "1934 Act") since 1958. Deere has filed annual reports on form 10-K and quarterly reports on form 10-Q (collectively, the "Deere Financial Statements") since it first became a reporting company, in accordance with the filing obligations set out in sections 13 and 15(d) of the 1934 Act.

6. In connection with the establishment of the 1999 MTN Program, JDCI and Deere obtained a decision document (the "1999 John Deere Order") from the Decision Makers dated June 25, 1999 relieving JDCI and Deere from the requirement under the Canadian short form prospectus rules that an issuer guaranteeing debt issued by a subsidiary be a reporting issuer with a 12 month reporting history in a Canadian province or territory. This relief was granted on the condition, among others, that Deere file with the Decision Makers all documents that it files with the Securities Exchange Commission ("SEC") under Sections 13 and 15(d) of the 1934 Act.

7. JDCI and Deere are in compliance with the conditions of the 1999 John Deere Order.

8. Pursuant to the 1999 MTN Program, JDCI may issue up to Cdn.\$1,000,000,000 (or the equivalent thereof in lawful money of the United States of America) of non-convertible medium-term notes (the "First Series Notes"). Deere has fully and unconditionally guaranteed the payment of principal and interest, together with any other amounts which may become due under the First Series Notes. As at January 31, 2001, JDCI had issued and outstanding a total of Cdn.\$370,000,000 in principal amount of First Series Notes.

9. As at January 31, 2001, Deere and its consolidated subsidiaries had approximately US\$5.465 billion in long term debt outstanding. Deere's senior, unsecured long term debt is rated "A+" by Standard & Poor's, "A2" by Moody's Investors Service and "A" by Fitch Investors Service.

10. Deere satisfies the criteria set forth in paragraph 3.1(a) of National Instrument 71-101 ("NI 71-101") and is eligible to use the multi-jurisdictional disclosure system ("MJDS") (as set out in NI 71-101) for the purpose of distributing approved rating non-convertible debt in Canada based on compliance with United States prospectus requirements with certain additional Canadian disclosure.

11. Except for the fact that JDCI is not incorporated under United States law, the Offering (as defined below) would comply with the alternative eligibility criteria of non-convertible debt having an approved rating under the MJDS as set forth in paragraphs 3.1 and 3.2 of NI 71-101.

12. JDCI proposes to "renew" the 1999 MTN Program pursuant to National Instrument 44-101 ("NI 44-101") and National Instrument 44-102 (collectively, the "Shelf Requirements") to raise up to a fixed amount in Canada (the "Offering") through the issuance of notes (the "Second Series Notes" and together with the First Series Notes, the "Notes") from time to time over a two-year period. The Second Series Notes will be fully and unconditionally guaranteed by Deere as to payment of principal, interest and all other amounts due thereunder. All Second Series Notes will have an approved rating (as defined in NI 44-101) and will be rated by a recognized security evaluation agency in one of the categories determined by the Commission des valeurs mobilières du Québec (an "Approved Rating").

13. In connection with the Offering:

(a) a short form base shelf prospectus (the "2001 Prospectus") will be prepared pursuant to the Shelf Requirements, with the disclosure required by (i) item 12 of Form 44-101F3 of NI 44-101 ("Form 44-101F3") being addressed by

incorporating by reference (A) Deere's public disclosure documents, including Deere's annual information form in the form of an annual report on form 10-K; and (B) JDCI's audited Canadian GAAP financial statements for two consecutive financial years ending October 31, 2000 and JDCI's Canadian GAAP financial statements for any subsequent interim periods; and (ii) item 13.1(1)(2) of Form 44-101F3 in respect of JDCI being addressed by incorporating by reference in the 2001 Prospectus the information described in paragraph 13(a)(i)(B) above;

(b) the 2001 Prospectus will incorporate by reference (i) disclosure made in Deere's most recent annual report on form 10-K filed under the 1934 Act, together with all quarterly reports on form 10-Q and current reports on form 8-K filed under the 1934 Act in respect of the financial year following the year that is the subject of Deere's most recently filed annual report on form 10-K and (ii) any documents of the foregoing type filed after the date of the 2001 Prospectus and prior to the termination of the Offering;

(c) the only continuous disclosure filings to be made by JDCI with the Decision Makers and incorporated by reference in the 2001 Prospectus will be the audited annual financial statements and unaudited interim financial statements (excluding interim MD&A) that JDCI is obligated to file pursuant to the applicable requirements of the Legislation; the current AIF (as defined in NI 44-101) of JDCI will not be included or incorporated by reference in the 2001 Prospectus;

(d) Deere will fully and unconditionally guarantee payment of the principal and interest on the Second Series Notes, together with any other amounts that may be due under any provisions of the trust indenture relating to the Second Series Notes;

(e) the Second Series Notes will have an Approved Rating;

(f) Deere will sign the 2001 Prospectus as promoter; and

(g) Deere will undertake to file with the Decision Makers all documents that it files under sections 13 and 15(d) of the 1934 Act until such time as the Second Series Notes are no longer outstanding.

AND WHEREAS under to the System this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the securities regulatory authority or securities regulator in each of Ontario, Quebec and Saskatchewan is that the AIF Requirements shall not apply to JDCI provided that JDCI and Deere comply with all of the requirements of each of the Decisions below.

DATED June 13, 2001

"K. Soden"

AND FURTHER, THE DECISION of the Decision Makers under the Legislation is that the Reconciliation Requirements shall not apply to the Deere Financial Statements included or incorporated by reference in a prospectus of JDCI provided that:

- (a) the Deere Financial Statements that are included or incorporated by reference in a prospectus of JDCI are prepared in accordance with United States GAAP and otherwise comply with the requirements of United States law, and in the case of the audited annual financial statements, such financial statements are audited in accordance with United States GAAS;
- (b) the Notes maintain an Approved Rating;
- (c) Deere maintains direct or indirect 100% ownership of the voting shares of JDCI;
- (d) Deere continues to satisfy the eligibility criteria set forth in paragraph 3.1 of NI 71-101 (or any applicable successor provision) for using MJDS (or any successor instrument) for the purpose of distributing approved rating non-convertible debt in Canada based on compliance with United States prospectus requirements with certain additional Canadian disclosure; and
- (e) Deere continues to fully and unconditionally guarantee payment of the principal and interest on the Notes, together with any other amounts that may be due under any provisions of the trust indenture relating to the Notes.

DATED June 13, 2001

"K. Soden"

AND FURTHER, THE DECISION of the Decision Makers under the Legislation is that the Prospectus Disclosure Requirements shall not apply to the 2001 Prospectus provided that each of JDCI and Deere comply with paragraph 13.

DATED June 13, 2001

"K.Soden"

AND FURTHER, THE DECISION of the Decision Makers under the Legislation is that:

A. the MD&A Requirements shall not apply to JDCI, provided that (i) Deere files with the Decision Makers, in electronic format through SEDAR under JDCI's SEDAR profile, the annual reports on form 10-K filed by Deere with the SEC, by the end of the business day following the

day on which they are filed with the SEC; (ii) Deere files with the Decision Makers, in electronic format through SEDAR under JDCI's SEDAR profile, each of the quarterly reports on form 10-Q filed by Deere with the SEC, by the end of the business day following the day on which they are filed with the SEC; and (iii) that such documents are provided to security holders whose last address as shown on the books of JDCI is in Canada, in the manner, at the time and if required by applicable United States law to be sent to Deere debt holders;

B. the Material Change Requirements shall not apply to JDCI, provided (i) Deere (A) files with the Decision Makers, in electronic format through SEDAR under JDCI's SEDAR profile, each of the current reports on Form 8-K filed by Deere with the SEC by the end of the business day following the day on which they are filed with the SEC; (B) complies with the requirements of the New York Stock Exchange (or such other principal stock exchange on which its common shares are then listed) in respect of making public disclosure of material information on a timely basis; and (C) forthwith issues in each Jurisdiction and files with the Decision Makers, any press release which discloses a material change in Deere's affairs; and (ii) if there is a material change in respect of the business, operations or capital of JDCI that is not a material change in respect of Deere, JDCI will comply with the requirements of the Legislation to issue a press release and file a material change report notwithstanding that the change may not be a material change in respect of Deere;

C. the Proxy Requirements shall not apply to JDCI, provided that (i) Deere complies with the requirements of the 1934 Act and the rules and regulations made thereunder relating to proxy statements, proxies and proxy solicitations in connection with any meeting of the holders of its Notes; (ii) Deere files with the Decision Makers, in electronic format through SEDAR under JDCI's SEDAR profile, materials relating to the meeting filed by it with the SEC by the end of the business day following the day on which they are filed with the SEC; and (iii) such documents are provided to such holders of Notes whose last address as shown on the books of JDCI is in Canada, in the manner, at the time and if required by applicable United States law to be sent to Deere debt holders; and

D. the Insider Reporting Requirements shall not apply to Insiders of JDCI, provided that each insider (as defined in the Legislation) files with the SEC on a timely basis the reports, if any, required to be filed with the SEC pursuant to section 16(a) of the 1934 Act and the rules and regulations thereunder;

provided that (for A. through D.):

(a) JDCI complies with all of the other requirements of NI 44-101, Form 44-101F1 and Form 44-101F3, except as described in paragraphs 13(a) and (c);

(b) JDCI does not issue additional securities other than the Notes (or any other series of notes which hereinafter may be issued), debt securities ranking pari passu to the Notes, any debentures issued in connection with the security granted by JDCI to the holders of the Notes or debt ranking pari passu with the Notes, and those securities currently issued and outstanding, other than to Deere or to direct or indirect wholly-owned subsidiaries of Deere; and

- (c) each of JDCI and Deere comply with paragraph 13;
- (d) the Notes maintain an Approved Rating;
- (e) Deere maintains direct or indirect 100% ownership of the voting shares of JDCI;
- (f) Deere maintains a class of securities registered pursuant to section 12 of the 1934 Act;
- (g) Deere continues to satisfy the eligibility criteria set forth in paragraph 3.1 of NI 71-101 (or any applicable successor provision) for using MJDS (or any successor instrument) for the purpose of distributing approved rating non-convertible debt in Canada based on compliance with US prospectus requirements with certain additional Canadian disclosure;
- (h) Deere continues to fully and unconditionally guarantee payment of the principal and interest on the Notes, together with any other amounts that may be due under any provisions of the trust indenture relating to the Notes; and
- (i) all filing fees that would otherwise be payable by JDCI in connection with the MD&A Requirements, the Material Change Requirements, the Proxy Requirements and the Insider Reporting Requirements are paid.

DATED June 13, 2001

"Paul Moore" "R. S. Paddon"

Headnote

Mutual Reliance Review System

NI 44-101 - Director grants exemption from the GAAP Reconciliation Requirement and the GAAS Reconciliation Requirement.

Form 44-101F3 - Director grants exemption from Prospectus Disclosure Requirements.

OSC Rule 51-501 - Director grants exemption from AIF Requirements of Ontario, Quebec and Saskatchewan.

Commission grants exemptions from the MD&A Requirements, Material Change Requirements, Circular Requirements, Proxy Requirements and Insider Reporting Requirements.

National Instruments Cited

National Instrument 44-101 Short Form Prospectus Distributions, ss. 7.1(2)(b), 7.4, 7.5 and 15.1

Form 44-101F3 to National Instrument 44-101, items 12.1(1)(1) to 12.1(1)(2), 12.1(1)(5) to 12.1(1)(8), 12.2(1), 12.2(4) and 13.1(1)(2)

National Instrument 44-102 Shelf Distributions

National Instrument 71-101 The Multijurisdictional Disclosure System

National Policy Cited

National Policy Statement No. 41, Part XII

Ontario Rule Cited

Rule 51-501 AIF and MD&A, s. 5.1

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c.S.5, as am., ss. 75, 80(b)(iii), 81(2), 107, 108, 109 and 121(2)(a)(ii)