

JOHN DEERE FINANCIAL INDIA PRIVATE LIMITED  
**BUSINESS STRUCTURE POLICY**  
**(An Internal Guidelines on Corporate Governance)**

**Policy No.** : JDF002

**Prepared By:** Finance Department

**Approved By:** Board of Directors

**Latest Amended on** : October 26, 2023

## 1 Scope

John Deere Financial India Private Limited ("JDFIPL" or the "Company") recognizes the importance of the corporate governance and endeavors to adopt the best practices and the highest standards of Corporate Governance through transparency in business ethics, accountability to its shareholders, customers, government and other stakeholders.

This policy is in consonance with Master Circular No. DNBS (PD) CC No. 390/03.10. 001/2014-15 dated July 01, 2014 issued by The Reserve Bank of India and internal guidelines on Corporate Governance.

This policy shall be applicable for all the business that will be carried in John Deere Financial India Private Limited.

Legal and Secretarial team shall be responsible for maintaining this policy and any updates to this policy shall be approved by Board of Directors.

## 2 Applicability of Deere guidelines

Unless otherwise mentioned in the policy document, Policy template, Records management, Electronic resource usage and any other relevant Deere guidelines shall be equally applicable to all the policies that may be adopted by John Deere Financial India Private Limited.

## 3 Policy

John Deere Financial India Private Limited (JDFIPL) is a Non-Banking Financial Company regulated by provisions of the Companies Act, 2013 read with Reserve Bank of India regulations as amended from time to time. Non Banking Financial Companies are subject prescribed structure of monitoring the NBFC, this policy defines the various committees and its structure that Company has put in place for the Compliance to conduct its business.

John Deere Financial India Private Limited is a Non-Deposit Accepting NBFC and shall not accept public deposit as defined under "Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank of India) Directions, 1998 (Acceptance of Public Deposit Directions). For various purposes of this act, JDFIPL is categorized as NBFC-ICC (Investment and Credit Company) defined under RBI circular dated 22nd February, 2019. As per Scale Based Regulations released by Reserve Bank of India vide No. RBI/2021-22/112 DOR.CRE.REC.No.60/03.10.001/2021-22 dated 22nd October, 2021, the Company falls under the criteria of Middle Layer NBFC.

### 4. Accounting Year

The Company shall have the Financial Year as 1<sup>st</sup> April to 31<sup>st</sup> March to and shall finalize the Audited Financial Statements within 60 days as per Regulation No. 52 (2) (d) of SEBI LODR,

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2015 or within 90 days as per the Master Directions of Reserve Bank of India from the date of close of Accounting year whichever is applicable.

#### 5. Accounting Standards

JDFIPL shall follow Indian Accounting Standards as notified by Companies Act, 2013 to the extent they are not inconsistent with any of the RBI Directions.

#### 6. Reserve Fund Policy

JDFIPL shall create and continue a reserve fund to the extent of 20% or such percentage as laid down by RBI in this regard of its Net Profit each year as disclosed in the profit and loss account and before declaring dividend if any.

It shall also ensure that the appropriation of the funds shall be made only for the approved purposes as laid down and the same is reported within 21 days from the date of such withdrawal to Reserve Bank of India.

#### 7. Investment Policy

JDFIPL Board of Directors shall be responsible for all Investment of the Company. The policy of JDFIPL shall be aligned with the policy of its parent company, Deere & Co. <http://fin.dx.deere.com/treasury/TreasuryPolicies/Manual/I/index.html> .

Units should invest excess funds in the safest instrument and institution available. Units located in countries with sovereign credit ratings lower than "A-" should contact Treasury before depositing excess funds in financial institutions located in another country.

Excess cash should generally be disbursed / invested in the following priority:

1. Prepay external debt
2. Prepay net account
3. Deposit funds in credit line banks
4. Deposit funds in non-credit line banks rated A- or higher

Investments should be limited to overnight (or weekend when applicable) bank deposits. Bank deposits are defined as bankers' acceptances, time deposits, and certificates of deposit. If your unit cannot utilize any of the options listed above, contact Treasury to review investment options. Units should not invest in commercial paper or repurchase agreements unless approved in writing by Treasury.

The Company shall NOT make any investments as detailed below without any prior discussions with Deere Treasury Team.

- a) Current Investments
- b) Long Term Investments

#### 8. Prudential Norms

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JDFIPL shall maintain prudential norms as laid down by RBI and shall ensure that the same is maintained all the time.

**A. Income Recognition**

- a) JDFIPL shall recognize Income as per recognized accounting principles.
- b) Finance Income excluding miscellaneous charges on Non Performing Asset shall be recognized only when the same is realized. Any income excluding miscellaneous charges which is recognized before the asset became Non Performing Asset shall be reversed for the purpose of RBI reporting. The Company will be also governed by the applicable accounting standards for statutory reporting as per the accounting standards.

**B. Investment Recognition**

Income from Dividend shall be done on the basis of applicable accounting standards when such dividend has been declared by the Corporate Body in General Meeting and when the right to receive payment has been established.

**C. Assets Classification Policy**

JDFIPL after taking into consideration the degree of well defined Credit weakness and extent of dependence on the collateral security classify its lease/hire purchase assets, loans and advances and any other forms of credit into the following classes, namely:

- (a) Standard assets
- (b) Sub-standard assets :- The asset which has remained non performing for the period up to 12 months
- (c) Doubtful assets :- The asset which has remained sub-standard asset for a period exceeding 12 months;; and
- (d) Loss assets :- an asset which has been identified as loss asset by the non-banking financial company or its internal or external auditor or by the Reserve Bank of India during the inspection of the non-banking financial company, to the extent it is not written off by the non-banking financial company; and an asset which is adversely affected by a potential threat of non-recoverability due to either erosion in the value of security or non-availability of security or due to any fraudulent act or omission on the part of the borrower

The class of assets referred to above shall not be upgraded merely as a result of rescheduling, unless it satisfies the conditions required for the up gradation.

**D. Provisioning Policy**

**i. Expected Credit Losses**

JDFIPL shall provide for expected credit losses based on the ECL policy, JDF040 Policy on ECL, laid out by the company as per requirement of IndAS.

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ii. RBI Provisioning Norms

JDFIPL shall after taking into consideration the time lag between an account becoming non-performing, its recognition as such, the realization of the security and the erosion over time in the value of security charged, make a minimum provision as required by RBI guidelines against sub-standard assets, doubtful assets and loss assets as provided below.

- (a) Standard assets: 0.40% on outstanding standard asset from the financial year ending 2018. The provisions towards Standard Assets need not be netted from gross advances but shown separately as 'Contingent Provisions against Standard Assets' in the balance sheet.
- (b) Sub-standard assets: General Provision of 10% of Total Outstanding  
 Doubtful assets: 100% Provision to the extent advance is not covered by the realisable value of the security to which NBFC has a valid recourse.

For the secured portion

<b>If the asset has remained doubtful</b>	<b>Provision %</b>
Upto One Year	20%
One to Three years	30%
More than three years	50%

- (c) Loss assets- Entire asset shall be written off. If the assets are remaining in the books for any reason, 100% of the outstanding should be provided for.
- (d) Non-performing asset (NPA) :
- an asset, in respect of which, interest has remained overdue for a period of three months or more;
  - a term loan inclusive of unpaid interest, when the installment is overdue for a period of three months or more or on which interest amount remained overdue for a period of three months or more;
  - a demand or call loan, which remained overdue for a period of three months or more from the date of demand or call or on which interest amount remained overdue for a period of three months or more;
  - a bill which remains overdue for a period of three months or more;
  - the interest in respect of a debt or the income on receivables under the head 'other current assets' in the nature of short term loans/advances, which facility remained overdue for a period of three months or more;
  - any dues on account of sale of assets or services rendered or reimbursement of expenses incurred, which remained overdue for a period of three months or more;
  - the lease rental and hire purchase installment, which has become overdue for a period of three months or more;
  - in respect of loans, advances and other credit facilities (including bills purchased and discounted), the balance outstanding under the credit facilities (including accrued interest) made available to the same borrower/beneficiary when any of the above credit facilities becomes non-performing asset:

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## **9. BOARD OF DIRECTORS & COMMITTEES**

The constitution of the Board of Directors of the Company shall be as per provisions of the Companies Act, 2013, SEBI (Listed Obligations & Disclosure Requirements) Regulations, 2015 ("LODR"), RBI Master Directions on Non-Banking Financial Company – Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016, and the Articles of Association of the Company.

### **A. Board of Directors of JDFIPL**

The Board of Directors shall be responsible to provide oversight on the functioning of the Company and have the ultimate responsibility for business conducted by the Company.

#### **i. Composition**

The Board of Directors of the Company shall have following composition:

- a. Executive Director(s)
- b. Non-Executive Director(s)
- c. Independent Director(s)
- d. At least one Women Director

Chairman of the Board shall be any one Non-Executive Director or as decided by the Board from time to time.

#### **ii. Board meeting & Quorum for the meetings**

The Board Meeting shall be held at least four times a year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board.

1/3<sup>rd</sup> of the strength of the Board or 2 members whichever higher shall constitute a valid quorum for the meeting.

The Company shall also adhere to the Secretarial Standards on Board Meetings as issued by the Institute of Company Secretaries of India and approved by the Central Government for meetings of Board and committees as applicable.

#### **iii. Key roles and responsibilities**

The broader key roles of the Board shall be:

- Provide entrepreneurial leadership, set strategic aims and ensure that the necessary financial and human resources are in place for the company to meet its objectives, keeping in view the applicable regulatory requirements.
- Establish a framework of prudent and effective control which enables risk to be assessed and managed.
- Ensure conformance to corporate governance standards relating to risk associated with the Company so as to protect the interest of stakeholders.

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- Approve all key policies for the Company, including the Credit policy, Investment policy, Customer service policy, Compliance policy and the Fair Practice Code.
- Constitute committees of the Board as mandated by Companies Act, 2013, SEBI & RBI to execute specific activities.
- Review all instances of policy breach, anti-money laundering violations and regulatory non-compliances.
- Approve all new products to be introduced by the Company.
- Ensure that an appropriate grievance redressal mechanism is established within the Company to resolve disputes arising of the Company's business.
- Periodically review the compliance of the Fair Practices Code and the functioning of the grievances redressal mechanism at various levels of management through the report submitted by the Customer Service Committee.

For effective functioning of the Company and managing the risk profile of the business, the Company shall set up various Committees with the functions stated below.

## **B. COMPOSITION OF COMMITTEES:**

The Board has constituted various Committees to deal with specific matters and for operational convenience, delegated powers for different functional areas to different Committees in accordance with applicable laws. The Audit Committee, Risk Management Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee, IT Strategy Committee, Stakeholders Relationship Committee, Asset Liability Management Committee, Customer Service Committee have been constituted in accordance with the provisions of the Companies Act, 2013, Guidelines issued by SEBI, Reserve Bank of India as applicable to the Company for internal and operational convenience. The composition, terms of reference and functioning of the Committee(s) shall be decided by the Board of Directors in accordance with the provisions of the applicable laws.

### **I. AUDIT COMMITTEE**

The Company shall have in place Audit Committee of the Company constituted in accordance with the provisions of the Section 177 of the Companies Act, 2013 read with rules framed thereunder, Regulation 18 of LODR and applicable provisions of the RBI Directions. Structure of the Audit committee shall be as follows:

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<b>Composition</b>	<ol style="list-style-type: none"> <li>1. Mr. Mark Ferres – Non-Executive Director</li> <li>2. Mr. Patrick E. Mack – Independent Director</li> <li>3. Mr. Jyoti Kumar Pandey – Independent Director</li> </ol>
<b>Chairman</b>	Mr. Jyoti Kumar Pandey – Independent Director
<b>Quorum</b>	Two members or one third of the members, whichever is greater, with at least one Independent Directors.
<b>Frequency of meetings</b>	Four times in a year. Gap between two meetings shall not exceed 120 days.
<b>Roles &amp; responsibilities</b>	<p>The responsibilities of the Committee shall inter alia include:</p> <p><b>External Audit:</b></p> <ol style="list-style-type: none"> <li>1. Appointing, retaining, replacing, compensating and overseeing the work of the independent audit firm, which shall report to, and be directly accountable to, the Committee.</li> <li>2. Reviewing, at least annually, and seeking to assure the independence of the independent auditors. This review shall cover and include services, fees, quality control procedures and a formal written statement from the independent auditors regarding relationships between the independent auditors and the Company.</li> <li>3. Reviewing the use of independent public accountants other than the appointed independent auditors.</li> <li>4. Establishing policies for the hiring of employees and former employees of the independent auditor.</li> </ol> <p><b>Financial Statements and Reporting:</b></p> <ol style="list-style-type: none"> <li>1. Reviewing and discussing with management and the independent auditors:             <ol style="list-style-type: none"> <li>a. Company’s accounting and financial reporting policies and practices, including any significant changes.</li> <li>b. The effect of new or proposed auditing, accounting and reporting standards and management’s plan to implement required changes.</li> <li>c. Significant risks and exposures to the Company and the steps management has taken to minimize or manage such risks.</li> <li>d. The results of the independent auditors’ review of the quarterly submissions to the regulator.</li> </ol> </li> <li>2. Reviewing the disclosures made by the Chief Executive Officer and the Chief Financial Officer in connection with their required certifications accompanying the Company’s annual report including disclosures to the Committee of             <ol style="list-style-type: none"> <li>a. Significant deficiencies in the design or operation of internal controls</li> <li>b. Significant changes in internal controls</li> <li>c. Any fraud involving management or other employees who have a significant role in the Company’s internal controls.</li> </ol> </li> </ol>

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**Internal Controls and Audit**

1. Reviewing with management, the Head of Internal Audit function and the independent auditors the adequacy of the Company's internal controls, including computerized information system controls and security.
2. Reviewing the proposed scope and plan for conducting internal audits of Company operations and obtaining reports of significant findings and recommendations, together with management's corrective action plans.
3. Seeking to ensure the Internal Audit function has sufficient authority, support and access to Company personnel, facilities and records to carry out its work without restrictions or limitations.
4. Reviewing progress of the internal audit program, key findings and management's action plans to address findings.

**Other Responsibilities:**

1. Discuss / resolve compliance issues / violations escalated by the Head of Compliance to the Committee.
2. The Audit Committee needs to:
  - a. Delegate the authority and responsibility to monitor and action on fraud events identified to this sub-committee.
  - b. Review the fraud management policy.
  - c. Review the report prepared by the Fraud Management Sub-Committee on resolution status of all actual / potential fraud events.
3. Ensure the adequacy of procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting control or auditing matters, including the confidential submission of complaints by employees regarding such matters.
4. Prepare the Committee report required by the rules of the appropriate authority to be included in the Company's Annual Report in the applicable format.
5. Approval or any subsequent modification of transactions of the company with related parties
6. Scrutiny of inter-corporate loans and investments
7. Valuation of undertakings or assets of the company, wherever it is necessary

In addition to the above responsibilities, the Committee will undertake such other duties as the Board of Directors delegates to it, and will report periodically to the Board regarding the Committee's examinations and recommendations.

The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, shall be binding on the Board. The chairman of the Audit Committee shall attend the annual general meetings of the Company to provide any clarification on matters relating to audit.



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	<p>While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. That is the responsibility of management and the independent auditors.</p> <p>Constitute a Fraud Management Sub-Committee comprising Head of Legal / Compliance, Head of HR and Head of Operations as its members.</p> <p>The Fraud Management Sub-Committee has the key mandate of creating a culture within in the Company for dealing with fraud events adequately and in a timely manner.</p> <p>The responsibilities of Fraud Management Sub-committee, inter alia, include:</p> <ol style="list-style-type: none"> <li>1. Develop and adopt a fraud management policy document for the Company. This policy will include a framework for detection and escalation of fraud events across the organization.</li> <li>2. Implement the fraud detection and management framework to ensure timely information flow to the Fraud Management Sub-Committee, Audit Committee and/or the Board, as appropriate.</li> <li>3. Develop and disseminate training on fraud management policy and process of the Company to all personnel.</li> <li>4. Ensure all regulatory reporting related to frauds is performed in a timely manner.</li> <li>5. Report status of fraud events and the Company's response to each such event to Audit Committee.</li> <li>6. Escalate the issues to the Audit Committee / Board as appropriate.</li> </ol>

## II. NOMINATION AND REMUNERATION COMMITTEE

The Company shall have in place a Nomination & Remuneration Committee in adherence to Section 178 of the Companies Act, 2013 read with the Rules framed there under and LODR. The Committee shall apart from other things review the appointments and removals of directors and senior management, the compensation related matters of the directors and senior management, evaluation of Directors performance, etc.

<b>Composition</b>	<ol style="list-style-type: none"> <li>1. Mr. Jyoti Kumar Pandey – Independent Director</li> <li>2. Mr. Patrick E. Mack – Independent Director</li> <li>3. Mr. Ajit Jain – Non Executive Director</li> </ol>
<b>Chairman</b>	Mr. Patrick E. Mack – Independent Director
<b>Quorum</b>	Two members or one third of the members, whichever is greater, with at least one Independent Directors.
<b>Frequency of meetings</b>	Once in a year
	The role of the Nomination & Remuneration Committee, inter-alia, shall include the following:

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- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- For every appointment of an independent director, the Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description.
- For the purpose of identifying suitable candidates, the Committee may use the services of an external agencies, if required;
- Consider candidates from a wide range of backgrounds, having due regard to diversity; and consider the time commitments of the candidates.
- To identify persons who are qualified to become Directors, Key Managerial Personnel and also who may be appointed in senior management positions in accordance with the criteria laid down and recommend to the Board their appointment and removal;
- To formulate the criteria for performance evaluation of Independent Directors and the Board;
- To carry out performance evaluation of Independent Directors along with the Board as a whole;
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- Devising a policy on diversity of board of directors
- To determine remuneration for Directors, Key Managerial Personnel, Senior Management Personnel and others employees and recommend the same to the Board of Directors.
- To recommend sitting fees for Directors.
- To evaluate the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate Directors.
- A Policy for ensuring the fit and proper criteria for appointment of Directors is forming part of the Nomination and Remuneration Committee criteria and the said Committee approves and recommends to the Board appointment and reappointment of Directors.

### III. RISK MANAGEMENT COMMITTEE

The Company shall have in place a Risk Management Committee in adherence to Regulation 21 of SEBI LODR. The risk management framework is perhaps one of the most important parameters that define the success of a financial services organization. A risk management programme establishes a process of identifying and assessing the major risks covering all areas of the institution's activities risk. The board of directors is responsible to ensure that management has implemented a risk management programme, that resources are allocated

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for risk management and internal controls, and that there is adequate oversight of the audit function as one of the board of director's responsibilities.

<b>Composition</b>	<ol style="list-style-type: none"> <li>1. Managing Director</li> <li>2. Three Non-Executive Director</li> <li>3. Jyoti Kumar Pandey</li> <li>4. Chief Financial Officer</li> <li>5. Head Legal</li> <li>6. Head Risk and Compliance</li> <li>7. Head Retail Credit</li> </ol>
<b>Chairman</b>	Managing Director
<b>Quorum</b>	Two members or one third of the members, whichever is greater, with at least one Director.
<b>Frequency of meetings</b>	Once in a quarter
<b>Roles and Responsibilities</b>	<p>The Risk Management Committee shall in co-ordination with the Asset Liability Management Committee (ALCO) oversee the establishment and operation of the risk management system, including reviewing the adequacy of risk management practices for the material risks, such as credit, market, liquidity, legal compliance regulatory and operational risks, on a regular basis.</p> <p>Depending on the scale, nature and complexity of its business, the Board or the Risk Management Committee should evaluate a need to establish a separate risk management function responsible for monitoring and managing the risks that the Company faces.</p> <p>The overall responsibilities of the Risk Management Committee are, inter alia, as follows:</p> <ul style="list-style-type: none"> <li>▪ Assist the Board in setting risk strategy policies in liaison with management and in the discharge of its duties relating to corporate accountability and associated risk in terms of management assurance and reporting.</li> <li>▪ Formulate policy on risk identification, assessment and minimization procedures and ensure that executive management controls risk through means of a properly defined framework. The policy will cover all the areas in relation to inter alia, market risk, competition risk, credit risk, interest rate risk, human resource risk, operation risk, economic risk.</li> <li>▪ Ensure that appropriate systems are in place for early identification and appropriate management of all risks facing Company's exposures.</li> <li>▪ Review and assess the quality, integrity and effectiveness of the risk management systems and internal control processes and ensure that the risk policies and strategies are effectively managed, risks are mitigated and that the Company's objectives are attained.</li> <li>▪ Review the risk bearing capacity of the Company in light of its reserves, insurance coverage, guarantee funds or other such financial structures. Review and establish Asset Writing Strategies for the Company, focusing on product strengths and capabilities and capitalizing on niche opportunities.</li> <li>▪ Review the asset classification and provisions made for the overall portfolio.</li> </ul>

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	<ul style="list-style-type: none"> <li>▪ Review all regulatory non-compliances and anti-money laundering violation issues.</li> <li>▪ Review reports by the Audit Committee to the Board on all categories of identified risks facing the Company.</li> <li>▪ Maintain records of all its meetings, in particular records of discussions on key deliberations and decisions taken.</li> </ul>
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#### IV. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Company shall have in place Stakeholders Relationship Committee of the Company constituted in accordance with the provisions of the Section 178 of the Companies Act, 2013 read with Rules framed there under, Regulation 20 of SEBI LODR and applicable provisions of the RBI Directions.

<b>Composition</b>	<ol style="list-style-type: none"> <li>1. Mr. Ajit Jain – Non-Executive Director</li> <li>2. Ms. Pranjali Patil – Non-Executive Director</li> <li>3. Mr. Patrick E. Mack - Independent Director</li> </ol>
<b>Chairperson</b>	Mr. Ajit Jain – Non-Executive Director
<b>Quorum</b>	Two members or one third of the members, whichever is greater.
<b>Frequency of meetings</b>	Once in a year
<b>Roles and Responsibilities</b>	<p>The role of the committee shall inter-alia include the following:</p> <ol style="list-style-type: none"> <li>(1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.</li> <li>(2) Review of measures taken for effective exercise of voting rights by shareholders.</li> <li>(3) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar &amp; Share Transfer Agent.</li> <li>(4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.</li> </ol>

#### V. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Board shall constitute a Corporate Social Responsibility ("CSR") Committee in adherence to the provisions of Section 135 of the Companies Act, 2013 read with rules made thereunder. The Committee will be vested with necessary powers, as laid down in its policy to achieve its objectives.

<b>Composition</b>	<ol style="list-style-type: none"> <li>1. Mr. Abhay Dhokte – Managing Director</li> <li>2. Mrs. Pranjali Patil – Non-Executive Director</li> <li>3. Mr. Jyoti Kumar Pandey - Independent Director</li> </ol>
<b>Chairperson</b>	Mr. Abhay Dhokte – Managing Director

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<b>Quorum</b>	Two members or one third of the members, whichever is greater.
<b>Frequency of meetings</b>	Once in a quarter
<b>Roles and Responsibilities</b>	<ul style="list-style-type: none"> <li>➤ Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;</li> <li>➤ Recommend the amount of expenditure to be incurred on the CSR activities</li> <li>➤ Monitor the CSR Policy of the Company from time to time;</li> <li>➤ Formulation of Annual Action Plan in accordance with CSR Policy.</li> <li>➤ Any other activities mentioned in the CSR Policy.</li> </ul>

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## VI. ASSET-LIABILITY MANAGEMENT COMMITTEE (ALCO)

Asset Liability Management Committee is constituted to monitor the asset liability gap, strategize action to mitigate the risk associated, ensuring adherence to the limits set by the Board as well as for deciding the business strategy of the Company (on the assets and liabilities sides) in line with the Company's budget and decided risk management objectives.

<b>Composition</b>	Managing Director Chief Financial Officer Head Retail Credit - A&T Manager Treasury & Payroll, JDI (Treasury) Business Head – Wirtgen Retail
<b>Chairperson</b>	Chief Financial Officer
<b>Quorum</b>	Two members or one third of the members, whichever is greater.
<b>Frequency of meetings</b>	Once in a quarter
<b>Roles and Responsibilities</b>	<p>The responsibilities of the ALCO are, inter alia, as follows:</p> <ul style="list-style-type: none"> <li>▪ Manage regulatory capital to ensure that the Company is adequately capitalized to cover its material risks and exposures in an efficient and effective manner.</li> <li>▪ Prepare forecasts (simulations) showing the effects of various possible changes in market conditions related to the balance sheet and recommend the action needed to adhere to Company's internal limits.</li> <li>▪ Manage and Monitor set limits for Liquidity risk and Interest rate risk.</li> <li>▪ Responsible for balance sheet planning from risk-return perspective including the strategic management of interest rate and liquidity risks.</li> <li>▪ Manage the Asset Liability Gap and interest rate structures to address liquidity and interest rate risks.</li> <li>▪ Review the results of and progress in implementation of the decisions made in the previous meetings.</li> <li>▪ Discuss/approve, inter alia, the following reports in its meetings:             <ul style="list-style-type: none"> <li>○ Statement of Short-Term Dynamic Liquidity (ALM-1)</li> <li>○ Statement of Structural Liquidity (ALM-2)</li> <li>○ Statement of Interest Rate Sensitivity (ALM-3).</li> </ul> </li> <li>▪ Constitute a Pricing Sub-Committee comprising             <ul style="list-style-type: none"> <li>○ Managing Director,</li> <li>○ Head Retail Finance – A&amp;T</li> <li>○ Regional S&amp;M Director</li> <li>○ Regional Finance Director</li> <li>○ Head Retail Credit – A&amp;T</li> <li>○ CFO</li> <li>○ Business Head Wirtgen</li> </ul> </li> </ul> <p>Invitee</p> <ul style="list-style-type: none"> <li>○ Head Legal</li> </ul> <li>▪ The ALCO needs to:</li>

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	<ul style="list-style-type: none"> <li>○ Delegate the authority and responsibility for developing new products and pricing within the purview of the approved credit policy framework.</li> </ul>
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#### VII. INFORMATION TECHNOLOGY STRATEGY COMMITTEE

The constitution and the terms of reference of the IT Strategy Committee shall be in compliance with the Master Direction DNBS.PPD.No.04/66.15.001/2016-17 dated June 08, 2017 on Information Technology Framework for the NBFC Sector, issued by Reserve Bank of India.

<b>Composition</b>	<ol style="list-style-type: none"> <li>1. Managing Director</li> <li>2. Women Director</li> <li>3. Mr. Jyoti Kumar Pandey - Independent Director</li> <li>4. Head Operations</li> <li>5. Head Retail Finance -A&amp;T</li> <li>6. Business Head Wirtgen</li> <li>7. Head HR</li> <li>8. Head Legal</li> <li>9. Chief Financial Officer</li> <li>10. Rakhi Chandak- Chief Information Officer</li> <li>11. Amar Gehani - Chief Technology Officer</li> </ol>
<b>Chairperson</b>	Mr. Jyoti Kumar Pandey - Independent Director
<b>Quorum</b>	Two members or one third of the members, whichever is greater.
<b>Frequency of meetings</b>	Once in a quarter
<b>Roles and Responsibilities</b>	<p>The responsibilities of the Information technology committee are, inter alia, as follows:</p> <ul style="list-style-type: none"> <li>▪ Ensuring formulation and implementation of a clearly articulated IT strategy and policies</li> <li>▪ Ensuring that the IT policies are adequately communicated to the stake holders.</li> <li>▪ Ensuring that IT investments represent a balance of risk and benefits and that budgets are acceptable</li> <li>▪ Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high level directions for sourcing and use of IT resources</li> <li>▪ Ensuring proper balances of IT investments for sustaining NBFC growth and becoming aware about exposure towards IT risk and controls</li> <li>▪ Ensuring confidentiality, integrity, availability, authenticity of the data through the information security policy.</li> </ul>

#### VIII. CUSTOMER SERVICE COMMITTEE CHARTER

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Company has constituted the Customer Service Committee Charter to ensure formulation and implementation of various customer service guidelines (like establishing the customer grievance redressal mechanism) as mandated by Reserve Bank of India from time to time.

<b>Composition</b>	<ol style="list-style-type: none"> <li>1. Head Operations</li> <li>2. Head Retail Finance A&amp;T</li> <li>3. Business Head Wirtgen</li> <li>4. Head HR</li> <li>5. Head Legal</li> <li>6. Head Risk &amp; Compliance</li> </ol>
<b>Chairperson</b>	Head Operations
<b>Quorum</b>	Two members or one third of the members, whichever is greater.
<b>Frequency of meetings</b>	Monthly
<b>Roles and Responsibilities</b>	<p>The responsibilities of the Customer Service Committee are, inter alia, as follows:</p> <ul style="list-style-type: none"> <li>▪ Ensuring formulation and implementation of a clearly articulated Fair Practice Code for the Company.</li> <li>▪ Ensuring that the Fair Practice Code is adequately communicated to the customers of the Company.</li> <li>▪ Reviewing any modifications to the Fair Practice Code and present the same to the Board for timely approval.</li> <li>▪ Ensuring that an effective and efficient grievance redressal mechanism is established in the Company. Such a mechanism will ensure that all disputes arising out of the decisions of the Company's functionaries are heard and disposed of at least at the next higher level.</li> <li>▪ Review status of internal complaints received, resolved and pending with root cause analysis and action steps to reduce complaints.</li> <li>▪ Formulating customer service policy and getting it approved by the Board.</li> <li>▪ Proactively formulating customer focused programs.</li> <li>▪ Prepare and submit a report to the Board on the status of all customer related issues/complaints.</li> </ul>

C. Other important provisions for Board and committee meetings:

i. Notice:

a. Board meeting:

Meetings of Board of Directors can be scheduled by providing at least 7 days notice in advance, unless otherwise provided under any statutory provisions or Articles or Association of the company.

b. Meetings of Committees:



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Meetings of any committee can be scheduled by providing at least 3 days notice in advance, unless otherwise provided under any statutory provisions or Articles or Association of the company.

ii. Chairperson:

a. Board meetings:

The Chairman of the Board shall take the Chair and conduct the Board Meeting. If the Chairman is not present to the meeting, Directors present at the Meeting shall elect one of themselves to be the Chairperson of the Meeting.

b. Committees:

The Chairperson of the respective committee shall take the Chair and conduct the meeting of the committee. If the Chairperson is not present or appointed for the committee, committee members present in the meeting shall elect one of themselves to be the Chairperson of the meeting and conduct the meeting.

iii. Secretary:

Company Secretary of the Company shall act as Secretary to the Board of Directors and all committees constituted by the Board.

iv. Invitees:

It shall be allowed to invite the invitees to any Board or committee meetings by invitation unless objected by the Chairperson of the meeting. However, presence of invitee shall not be considered for counting towards Quorum nor should be allowed to vote on any items. Invitee may, however, speak at the meeting and contribute views and expertise unless objected by the Chairperson.

**10. CALENDAR OF MEETINGS**

Forum	Frequency	Tentative calendar of meetings			
		Q1	Q2	Q3	Q4
Board of Directors	Quarterly	April	July	October	January
Audit Committee	Quarterly	April	July	October	January
Nomination Committee	Once in a year	April			
Risk Management Committee	Quarterly	June	September	December	March
Stakeholder Relationship Committee	Once in a year	April			
Corporate Social Responsibility	Quarterly	June	September	December	March
Assets Liability Committee	Quarterly	May	August	November	February
Information Technology Committee	Quarterly	April	July	October	January

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Customer Service Charter Committee	Monthly	April, May, June	July, August, September	October, November, December	January, February , March
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Above given calendar is tentative and meeting of any forum may be called at any time with prior notice to the members as and when required.

**11. Records Management and Retention.**

Finance Department shall assist in ensuring that all the matters enumerated in here are complied with. Any deviations to this policy shall need approval of Board of Directors through resolution passed in meeting or by circular resolution

There is no requirement for retention of records.

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a. Document Change Records

Document Change Records				
Sr. No.	Revision no./ date	Section Revised/ Page No.	Reason For change	Change Description
1	01/ 24 <sup>th</sup> December 2012	Clause 3	Conflict with Credit Policy	The Company shall finance non- John Deere Equipment only in situation where equipment finance will provide a benefit to John Deere and/or the John Deere Dealers.
2	02/24 <sup>th</sup> September 2014	Clause 3	Change in law	Reference made to the new Companies Act, 2013
3	02/ 24 <sup>th</sup> September, 2014	Clause 3.5.1.2	More clarity	Miscellaneous charges recognized on accrual basis on Non Performing assets
4	02/24 <sup>th</sup> September, 2014	Clause 3.8.2	Change in regional structure	<ul style="list-style-type: none"> <li>Sr. VP International Finance Region 1(Deere &amp; Co) is replaced with Sr. VP international Finance</li> <li>VP-Region 1(Deere &amp; Co) International Finance Asia, Sub Saharan Africa(Deere &amp; Co) was substituted in place of VP- International Finance Asia, Sub Saharan Africa(Deere &amp; Co)</li> <li>Vice President Finance(JDIPL) is substituted with Director Finance JDIPL</li> <li>VP International Finance Region 3(Deere &amp; Co) is deleted</li> </ul>
5	02/24 <sup>th</sup> September, 2014	Clause 3.8.7.6	Change in responsibilities of ALCO	<ul style="list-style-type: none"> <li>Added: Delegate the authority and responsibility for developing new products and pricing within the purview of the approved credit policy framework.</li> <li>Deleted: Review and endorse new product proposals prepared by the pricing sub committee and put them forward for Board Approval</li> </ul>
6	02/24 <sup>th</sup> September, 2014	Clause 3.8.9.2	Change in Applicability	<ul style="list-style-type: none"> <li>Deleted: Section 292A of the Companies Act, 1956 and the</li> <li>One director replaced with Two directors</li> <li>Included Head of legal</li> </ul>
7	02/24 <sup>th</sup> September, 2014	Clause 3.8.9.6	Change in Law	<ul style="list-style-type: none"> <li>Approval or any subsequent modification of transactions of the company with related parties</li> <li>Scrutiny of inter-corporate loans and investments</li> <li>Valuation of undertakings or assets of the company, wherever it is necessary</li> </ul>
8	02/24 <sup>th</sup> September, 2014	Clause 3.8.10.1	Change in composition	<ul style="list-style-type: none"> <li>Finance controller 19substituted with Finance controller and Company Secretary</li> <li>Risk and Compliance Manager included</li> </ul>

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Document Change Records				
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9	03/07 <sup>th</sup> October, 2015	Clause 1	Change in Scope	<ul style="list-style-type: none"> <li>In view of the recent guidelines issued by Reserve Bank of India to facilitate ease of doing business, it has done away with the compliances for the NBFC's which have not attained the asset size of Rs.5 Billion, in lieu of this guidelines except the board meeting requirements and RBI prudential norms, all other corporate governance compliance shall not be needed to be complied with.</li> <li>Post reaching portfolio of Rs 5 Billion, all committee meetings stated in this policy need to be complied with.</li> </ul>
10	03/07 <sup>th</sup> October, 2015	Clause 3.2	Change in Law	<ul style="list-style-type: none"> <li>Reference made to the new Companies Act, 2013</li> </ul>
11	03/07 <sup>th</sup> October, 2015	Clause 3.7(a)	Change in Reserve Bank of India prudential norms	<ul style="list-style-type: none"> <li>Deleted: 0.25% on outstanding standard asset</li> <li>Added: 0.30% on outstanding standard asset for the financial year ending 2016, 0.35% for the financial year ending 2017 and 0.40% for the financial year ending 2018.</li> </ul>
12	03/07 <sup>th</sup> October, 2015	Clause 3.8.2	Change in composition	Deleted: Director Finance (John Deere India Private Limited) VP Sales – Equipment Division (John Deere India Private Limited)
13	4/21 <sup>st</sup> September 2018	Section 1 page 1	Increase in asset size beyon 5 Billion	Deleted: In view of the recent guidelines issued by Reserve Bank of India to facilitate ease of doing business, it has done away with the compliances for the NBFC's which have not attained the asset size of Rs.5 Billion, in lieu of this guidelines except the board meeting requirements and RBI prudential norms, all other corporate governance compliance shall not be needed to be complied with. Post reaching portfolio of Rs 5 Billion, all committee meetings stated in this policy need to be complied with
14	4/21 <sup>st</sup> September 2018	Section 3.6/ page 3	Change in RBI guideline	Replaced 18 months with 12 months
15	4/21 <sup>st</sup> September 2018	Section 3.7/ page 4	Change in RBI guideline	Replaced six months with three months
16	4/21 <sup>st</sup> September 2018	Section 3.8.12/ page 14	As required RBI guideline	Added the Information Technology committee
17.	17 April 2019	Section 3.7/ Page5	Added local GAAP provisioning	Added table reflecting provision done as per local GAAP.

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<b>Sr. No.</b>	<b>Revision no./ date</b>	<b>Section Revised/ Page No.</b>	<b>Reason For change</b>	<b>Change Description</b>
18.	30 August 2019	3.8.2/page 5	Update in Board composition	Modified based on existing board composition
19.	30 August 2019	3.8.7.2/page6	Change in Composition of ALCO	Replaced Operations Head with Business Head Wirtgen
20.	30 August 2019	3.8.9.2/page 10	Change in composition of Audit Committee	Business Head Wirtgen added, Head of Internal Audit renamed to Head of Risk & Compliance, Head of Operations replaced by Head of Retail Finance, Finance Directed changed to Finance Director, JDI
21	30 August 2019	3.8.12.2/page 15	Update to IT Committee	Added Business Head Wirtgen
22	16 July 2020	3.8.9.2/page 10	Audit Committee	Change in composition – excluded MD, FC, Head RC and Wirtgen, added JDF R1 FD
23	24 July 2020	3.4/Page 2	Investment policy	Numbering aligned, point 3 deleted
24	24 July 2020	3.5.1/Page 3	Income recognition	Income recognition as per Ind AS added for NPA contracts
25	24 July 2020	3.7.1/Page 3	Provisioning	Reference to ECL updated before RBI provisions
26	24 July 2020	3.7.2/Page 3	Provisioning	Erstwhile percentages as per RBI deleted.
27	24 July 2020	3.7.2/Page 4	Provisioning	Deleted erstwhile IGAAP table on provisioning
28	21 Oct 2021			Permanent chairman updated to all the committees
29	20 Oct 2022	Para 4 added	Scale Based Regulations	Calendar of meeting added as per requirement of RBI-Scale Based regulations
30	17 Nov 2022	Reframing	Reframing	1. Change in Title 2. Serial Numbers are changed 3. Reframed the Board Composition 4. Reconstituted various committees 5. Constitution of Stakeholder Relationship Committee 6. Included CSR committee constitution 7. Added reference of latest regulations
31	10 <sup>th</sup> March 23	Reconstitution of Committee	Reconstitution of Committee	Reconstitution of Committees to include two Independent Director.
32	26 <sup>th</sup> Oct 2023	Para 2 & 9.VIII	Reframing	1. References of Deere policies is replaced with standard wording that will be applicable across all policies. 2. IT strategy committee – CIO & CTO names removed and only designations kept.

End of document