DEERE & CO
Form DEF 14A
January 12, 2018
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant [X]
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))**
[X]	Definitive Proxy Statement
[ ]	Definitive Additional Materials
[ ]	Soliciting Material Pursuant to §240.14a-12

DEERE & COMPANY
(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):

[X] No fee required.
[ ] 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:

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[ ] 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:

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Who we are

John Deere is a world leader in providing advanced products and services and is committed to the success of customers whose work is linked to the land — those who cultivate, harvest, transform, enrich, and build upon the land to meet the world's dramatically increasing need for food, fuel, shelter, and infrastructure.

OUR COMMITMENT

We are committed to those linked to the land. We believe that by serving them we support improving the quality of life for people around the world. Through the excellence of our products and services, we help our customers meet two of the biggest challenges in the world: feeding a population growing in size and affluence and developing the infrastructure required to support growing urbanization.

John Deere, with major agricultural and construction equipment businesses, is uniquely positioned to help our customers meet those challenges.

OUR CORE VALUES

In conducting our business, we are guided by four core values that company founder John Deere was known for — integrity, quality, commitment, and innovation.

We apply those values in creating our products and services, maintaining our relationships, and operating our factories.

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January 12, 2018

DEAR FELLOW STOCKHOLDERS,

On behalf of the Board of Directors and the senior management team, we cordially invite you to attend Deere & Company's Annual Meeting of Stockholders, which will be held on Wednesday, February 28, 2018, at 10:00 a.m. Central Standard Time at Deere & Company World Headquarters, One John Deere Place, Moline, Illinois, 61265.

At this meeting, you will have a chance to vote on the matters set forth in the accompanying Notice of Annual Meeting and Proxy Statement, and we will share a report on our operations.

Your vote is important. Even if you plan to attend the Annual Meeting, please vote by internet, telephone, or mail as soon as possible to ensure your vote is recorded promptly. The instructions set forth in the Proxy Statement and on the proxy card explain how to vote your shares.

On behalf of the Board of Directors, thank you for your ongoing support of Deere & Company.

Sincerely,

Samuel R. Allen Chairman and CEO	**Vance D. Coffman** Presiding Director

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Notice of 2018 Annual Meeting of Stockholders

Your opinion is very important. Please vote on the matters described in the accompanying Proxy Statement as soon as possible, even if you plan to attend the Annual Meeting. You can find voting instructions on page 84.

In addition to the Proxy Statement, we are also sending you our Annual Report, which includes our fiscal 2017 financial statements. If you wish to receive future proxy statements and annual reports electronically rather than receiving paper copies in the mail, please turn to the section entitled "Electronic Delivery of Proxy Statement and Annual Report" on page 84 for instructions.

DATE
Wednesday, February 28, 2018

TIME
10 a.m. Central Standard Time

PLACE
Deere & Company
World Headquarters
One John Deere Place
Moline, Illinois 61265

At the 2018 Annual Meeting of Stockholders (the "Annual Meeting"), stockholders will be asked to:

1. Elect the 12 director nominees named in the Proxy Statement (see page 7).
2. Approve the compensation of Deere's named executives on an advisory basis ("say-on-pay") (see page 26).
3. Re-approve the John Deere Long-Term Incentive Cash Plan (see page 73).
4. Ratify the appointment of Deloitte & Touche LLP as Deere's independent registered public accounting firm for fiscal 2018 (see page 76).
5. Vote on the stockholder proposal, if properly presented at the meeting (see page 79).
6. Consider any other business properly brought before the meeting.

PLEASE VOTE YOUR SHARES
If you were a Deere stockholder of record at the close of business on December 29, 2017, we encourage you to vote promptly in one of the following ways:

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDER MEETING TO BE HELD ON FEBRUARY 28, 2018:
The Proxy Statement and Annual Report are available on our website at www.deere.com/stock.

BY TELEPHONE
In the U.S. or Canada, you can vote your shares by calling 1-800-690-6903.

BY INTERNET
You can vote your shares online at www.proxyvote.com. You will need the 16-digit control number on the Notice of Internet Availability or proxy card.

BY MAIL
You can vote by mail by marking, dating, and signing your proxy card or voting instruction form and returning it in the postage-paid envelope.

IN PERSON
You can vote in person at the Annual Meeting. See page 84 for information on how to pre-register.

On behalf of the Board of Directors, I thank you for exercising your right to vote your shares.

For the Board of Directors,

Todd E. Davies, Corporate Secretary
Moline, Illinois, January 12, 2018

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This Proxy Statement is issued in connection with the solicitation of proxies by the Board of Directors of Deere & Company for use at the Annual Meeting and at any adjournment or postponement thereof. On or about January 12, 2018, we will begin distributing print or electronic materials regarding the Annual Meeting to each stockholder entitled to vote at the meeting. Shares represented by a properly executed proxy will be voted in accordance with instructions provided by the stockholder.

Appendices

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Proxy Summary

This summary highlights selected information contained in this Proxy Statement, but it does not contain all the information you should consider. We urge you to read the whole Proxy Statement before you vote. You also may wish to review Deere's AnnualReport on Form 10-K for the fiscal year ended October 29, 2017. Deere uses a 52/53 week fiscal year ending on the last Sunday in the reporting period. Deere's 2017, 2016, and 2015 fiscal years ended on October 29, 2017, October 30, 2016, and November 1, 2015, respectively. Unless otherwise stated, all information presented in this Proxy Statement is based on Deere's fiscal calendar.

Meeting Agenda and Voting Recommendations

Item	Voting Standard	Vote Recommendation	Page Reference
1. Annual election of directors	Majority of votes cast	**FOR** each nominee	7
2. Advisory vote on executive compensation	Majority of votes present in person or by proxy	**FOR**	26
3. Re-approve the John Deere Long-Term Incentive Cash Plan	Majority of votes present in person or by proxy	**FOR**	73
4. Ratification of independent registered public accounting firm	Majority of votes present in person or by proxy	**FOR**	76
5. Stockholder proposal	Majority of votes present in person or by proxy	**AGAINST** the proposal	79

Director Nominees

Every member of our Board of Directors is elected annually. You are being asked to vote on the election of these 12 nominees, all of whom currently serve as directors.

All directors other than Samuel R. Allen are INDEPENDENT.

			Committee Memberships				
Name	**Age**	**Director Since**	**Executive**	**Audit Review**	**Compensation**	**Corporate Governance**	**Finance**
Samuel R. Allen Chairman and CEO, Deere & Company	64	2009	**CHAIR**				
Vance D. Coffman Retired Chairman, Lockheed Martin	73	2004			**CHAIR**		
Alan C. Heuberger Senior Manager, BMGI	44	2016					
Charles O. Holliday, Jr. Chairman of Royal Dutch Shell plc	69	2007-2016; since 2018					
Dipak C. Jain Co-President/Global Advisor, China Europe International Business School	60	2002					
Michael O. Johanns Retired United States Senator from Nebraska	67	2015					
Clayton M. Jones Retired Chairman, Rockwell Collins	68	2007				**CHAIR**	
Brian M. Krzanich CEO, Intel	57	2016					
Gregory R. Page Retired Executive Director, Chairman and CEO, Cargill	66	2013					**CHAIR**
Sherry M. Smith Former Executive VP and CFO, Supervalu	56	2011		**CHAIR**			
Dmitri L. Stockton Retired Special Advisor to Chairman and Senior VP, GE and Former	53	2015					

Chairman, President, and CEO, GE Asset Management		
Sheila G. Talton President and CEO, Gray Matter Analytics	65	2015

Annual Meeting of Stockholders

You are entitled to vote at the meeting if you were a holder of record of our common stock at the close of business on December 29, 2017. Please see page 84 for instructions on how to vote your shares and other important Annual Meeting information. If you wish to attend the meeting in person, we encourage you to register on or prior to Tuesday, February 27, 2018, to obtain an admission ticket. See page 86 for additional instructions.

Governance and Compensation Changes

One of the things we have learned during our 180-year history is the inevitability of change, which is why we regularly assess what we do to determine how we can adapt and improve. This approach applies to our corporate governance and compensation plans as much as it does to our manufacturing processes and product innovation. Here is a summary of the changes we have made in recent years.

CORPORATE GOVERNANCE

–We adopted a bylaw in 2016 allowing stockholders meeting certain requirements to nominate directors and have such nominees included in the proxy statement, commonly referred to as “proxy access.”

–In 2017, we increased the retirement age for board members to 75 to reflect recent industry trends and to provide stability in the composition of our board.

COMPENSATION

–We raised the performance goals for our short-term incentive plan for 2017 to reflect the structural changes in the operating capabilities of our equipment operations.

–In 2017, we added two additional metrics, net sales and revenue and net income, to the short-term incentive plan to reflect the importance of near-term financial execution.

–Added total shareholder return (TSR) modifier to long-term incentive plan and added a cap on the payout for Performance Share Units to align to TSR experience.

Fiscal 2017 Performance Highlights

In 2017, our financial results staged a strong recovery. Net income jumped 42% to $2.16 billion — our fifth-best year to date — on net sales and revenues of $29.74 billion, up 12% from 2016. Investors responded positively to our performance, sending the price of Deere common stock well into record-high territory. We also introduced advanced products and made progress carrying out the ambitious strategic plan that will guide our efforts in coming years.

For more information regarding our fiscal 2017 financial performance, please see our Annual Report, which is available at www.proxyvote.com.

Deere made key acquisitions that are expected to play an important role in our future:

–Wirtgen Group, the industry leader in road-construction equipment (December 2017)

–Blue River Technologies, a leader in machine-learning technology (September 2017)

The company also:

–Generated $1.25 billion in economic profit, or Shareholder Value Added (SVA)

–Devoted almost $2 billion to research and development and capital expenditures

–Paid $764 million to investors in dividends

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NET SALES AND REVENUES
(Millions)

Worldwide net sales and revenues rose 12% in 2017 due mainly to improving market conditions and a favorable customer response to Deere products and services. Net sales of the worldwide equipment operations increased 11% for the full year compared with the same period in 2016.

NET INCOME*
(Millions)

Earnings improved 42% to $2,159 million for 2017, representing the fifth-highest total in company history. Net income surpassed the original guidance of $1,400 million provided to investors early in fiscal 2017.

SHAREHOLDER VALUE ADDED**
(Millions)

Shareholder Value Added (SVA) surges for year — up nearly 270% – as a result of higher operating profit and sound asset management. SVA represents operating profit less an implied charge for capital.

DEERE SHARE PRICE
(at fiscal year-end)

Investors acknowledged the company's ability to operate profitably under challenging conditions. Deere's share price ended the fiscal year at $133.25, up 53% from the year prior.

*Net income attributable to Deere & Company
**SVA is a non-GAAP measure. See page 15 of the Annual Report for details

CASH FLOW FROM OPERATING ACTIVITIES
(Millions)

Consolidated cash flow from operations totaled a healthy $2,200 million. Cash flow funded important strategic projects and acquisitions and paid $764 million in dividends to our investors. Since 2004, Deere has paid out more than half of its consolidated operating cash flow through dividend payments and share repurchases (net of issuances).

In 3Q 2017, the company early-adopted Financial Accounting Standard Board (FASB) Accounting Standards Update (ASU) No. 2016-09, Improvements to Employee Share-Based Payment Accounting. 2015 and 2016 were restated for this change.

PERFORMANCE IN RECENT DOWNTURNS

Deere's equipment operations are affected by economic factors such as prices for commodities and health of the housing, energy, and infrastructure sectors. In 2002, we adopted a strategy that helps management respond to changing business conditions in a more rapid and effective fashion. During the most recent downturn, the company has remained far more profitable than under similar conditions in the past.

NET SALES AND EARNINGS PER SHARE (DILUTED)

Since 2002, Deere has maintained positive diluted EPS performance despite periodic downturns in net sales and earnings. As discussed in the Compensation Discussion and Analysis (CD&A) in this proxy, the company believes its compensation program contributes to these favorable results by encouraging executives to focus on metrics that create sustained value for stockholders.

Fiscal 2017 Executive Compensation Highlights

Our compensation programs and practices are designed to create incentive opportunities for advancing our stockholders' long-term interests. We use metrics that align with our business strategy and motivate our executives to create value for stockholders at all points in the business cycle. For fiscal 2017 we had three separate variable pay components (described below) — Short-Term Incentive (STI), Mid-Term Incentive (MTI) and Long-Term Incentive (LTI) — which stimulate complementary behaviors.

This Metric	For this type of compensation	Contributes to this goal
Operating return on operating assets (OROA)*		exceptional operating performance for equipment operations
Return on equity (ROE)*		exceptional operating performance for Financial Services
Net Sales and Revenue		importance of sustainable growth in near-term decisions
Net Income	Annual cash bonus (known within Deere as STI)	importance of near-term financial execution
Shareholder Value Added (SVA)	Long-term cash (known within Deere as MTI)	sustainable, profitable growth
Revenue growth	Long-term equity (known within Deere as LTI)	sustainable growth
Total Shareholder Return (TSR)	LTI and MTI	exceptional equity appreciation

*The equipment operations OROA calculation excludes the assets from our Financial Services segment and certain Corporate assets. Corporate assets are primarily the equipment operations' retirement benefits, deferred income tax assets, marketable securities and cash and cash equivalents. ROE is based solely on the Financial Services segment. See appendix B for details.

For information about the metrics we use to measure compensation and the resulting payouts, see the Executive Summary of the CD&A on page 29.

The table below highlights the 2017 compensation for the CEO and, on average, for the named executive officers (NEOs) as disclosed in the summary compensation table on page 57. The table also shows how much compensation was delivered in cash (versus equity) and the significant portion that is performance-based, and therefore at risk.

Summary Compensation Table Elements	Salary	STI	MTI	Performance Stock Units	Restricted Stock Units and Stock Options	Retirement and Other Compensation	Total
CEO							
Compensation	$1,500,000	$3,442,313	$961,769	$3,389,608	$5,019,066	$1,739,436	$16,052,192
% of Total	9%	22%	6%	21%	31%	11%	100%
Cash vs. Equity	Total Cash 37%			Total Equity 52%		Other 11%	100%
Short-Term vs. Long-Term	Short-Term 31%		Long-Term 69%				100%
Fixed vs. Performance-Based	Fixed 9%	Performance-Based 80%				Other 11%	100%
Average NEO							
Compensation	$651,661	$1,016,926	$305,419	$695,738	$1,030,173	$603,030	$4,302,947
% of Total	15%	24%	7%	16%	24%	14%	100%
Cash vs. Equity	Total Cash 46%			Total Equity 40%		Other 14%	100%
Short-Term vs. Long-Term	Short-Term 39%		Long-Term 61%				100%
Fixed vs. Performance-Based	Fixed 15%	Performance-Based 71%				Other 14%	100%

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Election of Directors

Item 1 - Election of Directors

How We Identify and Evaluate Director Nominees

The Corporate Governance Committee of the Board is responsible for screening candidates and recommending director nominees to the full Board. The Board nominates the slate of directors for election at each Annual Meeting of stockholders and elects directors to fill vacancies or newly-created Board seats.

The Corporate Governance Committee considers candidates recommended by stockholders, directors, officers, and third-party search firms. If you wish to nominate a director, please review the procedures described under "2019 Stockholder Proposals and Nominations" on page 88 of this Proxy Statement. The Corporate Governance Committee evaluates all candidates in the same manner, regardless of the source of the recommendation.

Deere's Corporate Governance Policies, which are described in the "Corporate Governance" section of this Proxy Statement, establish the general criteria and framework for assessing director candidates. In particular, the Corporate Governance Committee considers each nominee's skills, experience, international versus domestic background, and age, as well as legal and regulatory requirements and the particular needs of the Board at the time. In addition, the Board assesses the diversity of its members and nominees as part of an annual performance evaluation by considering, among other factors, diversity in expertise, experience, background, ethnicity, and gender. We believe a Board composed of members with complementary skills, qualifications, experiences, and attributes is best equipped to satisfy its responsibilities effectively.

Any director who experiences a material change in occupation, career, or principal business activity, including retirement, must tender a resignation to the Board. Upon recommendation from the Corporate Governance Committee, the Board may decline to accept any such resignation. Directors must retire from the Board upon the first Annual Meeting of Stockholders after reaching the age of 75, except as approved by the Board under rare circumstances.

Director Nominees

The Corporate Governance Committee has recommended and the Board has nominated each of Samuel R. Allen, Vance D. Coffman, Alan C. Heuberger, Charles O. Holliday, Jr., Dipak C. Jain, Michael O. Johanns, Clayton M. Jones, Brian M. Krzanich, Gregory R. Page, Sherry M. Smith, Dmitri L. Stockton, and Sheila G. Talton to be elected for terms expiring at the Annual Meeting in 2019. All of the nominees are current members of the Board, but Deere's Certificate of Incorporation and good governance practices require all members of the Board to be elected annually.

We have confidence that this talented slate of nominees will lead Deere capably in the year ahead. We discuss the nominees' professional backgrounds and qualifications in the short biographies that follow.

The board of directors recommends that you vote **"FOR"** all 12 nominees.

Board Diversity

The Corporate Governance Committee believes that our Board is most effective when it embodies a diverse set of viewpoints and practical experiences. To maintain an effective Board, the Corporate Governance Committee considers how each nominee's particular background, experience, qualifications, attributes, and skills will contribute to Deere's success. As shown below, the independent members of our Board have a range of viewpoints, backgrounds, and expertise.

BOARD MEMBER SKILLS

	Executive	Manufacturing	International	Academic	Government	Agriculture	Finance	Risk Management	Corporate Governance
Samuel R. Allen									
Vance D. Coffman									
Alan C. Heuberger									
Charles O. Holliday, Jr.									
Dipak C. Jain									
Michael O. Johanns									
Clayton M. Jones									
Brian M. Krzanich									
Gregory R. Page									
Sherry M. Smith									
Dmitri L. Stockton									
Sheila G. Talton									

Audit committee financial expert under Securities and Exchange Commission (SEC) rules

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Samuel R. Allen

AGE:

DIRECTOR SINCE:

COMMITTEES:

Current and Past Positions

Positions at Deere:

– Chairman and Chief Executive Officer since February 2010

– President and Chief Executive Officer — August 2009 to February 2010

– President and Chief Operating Officer — June 2009 to August 2009

– President, Worldwide Construction & Forestry Division and John Deere Power Systems — March 2005 to June 2009

– President, Global Financial Services, John Deere Power Systems, and Corporate Human Resources — November 2003 to March 2005

Other Current Directorships

– Whirlpool Corporation (since 2010)

Key Qualifications, Experiences, and Attributes

Based on his professional background and prior Deere Board experience, the following qualifications led the Board to conclude that Mr. Allen should serve on Deere's Board of Directors: his leadership experience as an officer of Deere since 2001; the breadth of his management experiences within, and knowledge of, each of Deere's major global operations; and his subject matter knowledge in the areas of engineering, manufacturing, and industrial management.

Vance D. Coffman

AGE:

DIRECTOR SINCE:

COMMITTEES:

PRESIDING DIRECTOR SINCE 2016

Current and Past Positions

Positions at Lockheed Martin Corporation (aerospace, defense, and information technology):

– Chairman — April 1998 to April 2005

– Chief Executive Officer — August 1997 to August 2004

Other Current Directorships

Key Qualifications, Experiences, and Attributes

Based on his professional background and prior Deere Board experience, the following qualifications led the Board to conclude that Mr. Coffman should serve on Deere's Board of Directors: his leadership qualities developed from his service as Chairman and Chief Executive Officer of Lockheed Martin; the breadth of his experiences in corporate governance and other areas of oversight while serving as a member of the boards of directors of other global corporations; and his subject matter knowledge in the areas of engineering, manufacturing, and finance.

–3M Company (since 2002)

Previous Directorships

–Amgen Inc. (2007 to 2016)

Alan C. Heuberger

AGE:

DIRECTOR SINCE:

COMMITTEES:

Current and Past Positions

Positions at BMGI (private investment management):

–Senior Manager — since 2004

–Investment Analyst — 1996 to 2004

Previous Directorships

–GAMCO Investors, Inc. (2004 to 2006)

Key Qualifications, Experiences, and Attributes

Based on his professional background and prior Deere Board experience, the following qualifications led the Board to conclude that Mr. Heuberger should serve on Deere's Board of Directors: his leadership qualities developed from his service as Senior Manager of BMGI; the breadth of his experience in governance, strategy, and other areas of oversight while serving as a member of the board of directors and advisors of various asset management entities and privately-held corporations; and his subject matter knowledge in the areas of agriculture industry investments, asset management, finance, and economics.

Charles O. Holliday, Jr.

AGE:

DIRECTOR SINCE:

COMMITTEES:

Current and Past Positions

–Chairman of Royal Dutch Shell plc (oil and natural gas exploration, refining, and product sales) — since May 2015

–Chairman of the National Academy of Engineering (nonprofit engineering institution) — July 2012 to July 2016

–Chairman of Bank of America Corporation (banking, investing, and asset management) — April 2010 to October 2014)

–Chairman from January 1999 to December 2009 and Chief Executive Officer from 1998 through 2008 of DuPont (agricultural, electronics, material science, safety and security, and biotechnology)

Other Current Directorships

–HCA Holdings, Inc. (since 2016)

Key Qualifications, Experiences, and Attributes

Based on his professional background and prior Deere Board experience, the following qualifications led the Board to conclude that Mr. Holliday should serve on Deere's Board of Directors: his leadership qualities developed from his experiences while serving as Chairman of Royal Dutch Shell, Chairman of the National Academy of Engineering, Chairman of Bank of America Corporation, and Chairman and Chief Executive Officer of DuPont; the breadth of his experiences in auditing, compensation, and other areas of oversight while serving as a member of the boards of directors of other global corporations; and his subject matter knowledge in the areas of engineering, finance, business development, and corporate responsibility.

–Royal Dutch Shell plc (since 2010)

Previous Directorships

–Bank of America Corporation (2009 to 2014)

–CH2M HILL Companies, Ltd. (2009 to 2017)

–E. I. du Pont de Nemours and Company (1998 to 2009)

Dipak C. Jain

AGE:

DIRECTOR SINCE:

COMMITTEES:

Current and Past Positions

– Co-President/Global Advisor, China Europe International Business School — since December 2017

– Director, Sasin Graduate Institute of Business Administration (international graduate business school) — August 2014 to August 2017

– Chaired Professor of Marketing, INSEAD (international graduate business school) — March 2013 to August 2014

– Dean, INSEAD — May 2011 to March 2013

– Dean, Kellogg School of Management, Northwestern University — July 2001 to September 2009

– Associate Dean for Academic Affairs, Kellogg School of Management, Northwestern University — 1996 to 2001

– Sandy and Morton Goldman Professor of Entrepreneurial Studies and Professor of Marketing, Kellogg School of Management, Northwestern University — 1994 to 2001 and since 2009

Other Current Directorships

– Reliance Industries Limited, India (since 2005)

– Global Logistics Properties Limited, Singapore (since 2010)

Previous Directorships

– Northern Trust Corporation (2004 to 2017)

Key Qualifications, Experiences, and Attributes

Based on his professional background and prior Deere Board experience, the following qualifications led the Board to conclude that Mr. Jain should serve on Deere's Board of Directors: his leadership qualities developed from his experiences while serving as Director or Dean at several prominent graduate business schools and as a foreign affairs advisor for the Prime Minister of Thailand; the breadth of his experiences in compensation, corporate governance, and other areas of oversight while serving as a member of the boards of directors of other global corporations; and his subject matter knowledge in the areas of marketing, global product diffusion, and new product forecasting and development.

Michael O. Johanns

AGE:

DIRECTOR SINCE:

COMMITTEES:

Current and Past Positions

–United States Senator from Nebraska — January 2009 to January 2015

–United States Secretary of Agriculture — January 2005 to September 2007

–Governor of Nebraska — 1999 to 2005

Other Current Directorships

–Burlington Capital, LLC. (since 2016)

Key Qualifications, Experiences, and Attributes

Based on his professional background and prior Deere Board experience, the following qualifications led the Board to conclude that Mr. Johanns should serve on Deere's Board of Directors: his leadership qualities developed from his service in state and federal government, including serving as Governor of Nebraska; the breadth of his experiences in law, governance, and other areas of oversight while serving as a partner of a law firm and a member of the U.S. Senate and various Senate committees; and his subject matter knowledge in the areas of agriculture, banking, commerce, and foreign trade.

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Clayton M. Jones

AGE:

DIRECTOR SINCE:

COMMITTEES:

Current and Past Positions

Positions at Rockwell Collins, Inc. (aviation electronics and communications):

– Chairman - July 2013 to July 2014

– Chairman and Chief Executive Officer — September 2012 to July 2013

– Chairman, President, and Chief Executive Officer — June 2002 to September 2012

Other Current Directorships

– Cardinal Health, Inc. (since 2012)

– Motorola Solutions, Inc. (since 2015)

Previous Directorships

– Rockwell Collins, Inc. (2001 to 2014)

Key Qualifications, Experiences, and Attributes

Based on his professional background and prior Deere Board experience, the following qualifications led the Board to conclude that Mr. Jones should serve on Deere's Board of Directors: his leadership qualities developed from his service as Chairman and Chief Executive Officer of Rockwell Collins; the breadth of his experiences in finance, compensation, and other areas of oversight while serving as a member of the boards of directors of other global corporations; and his subject matter knowledge in the areas of government affairs and marketing.

Brian M. Krzanich

AGE:

DIRECTOR SINCE:

COMMITTEES:

Current and Past Positions

Positions at Intel Corporation (advanced integrated digital technology platforms):

– Chief Executive Officer since May 2013

– Executive Vice President and Chief Operating Officer — 2012 to May 2013

Key Qualifications, Experiences, and Attributes

Based on his professional background and prior Deere Board experience, the following qualifications led the Board to conclude that Mr. Krzanich should serve on Deere's Board of Directors: his leadership qualities developed from his service as Chief Executive Officer and Chief Operating Officer of Intel; the breadth of his experiences in corporate governance, strategy, and other areas of oversight while serving as a member of the boards of directors of Intel and the Semiconductor Industry Association; and his subject matter knowledge in the areas of manufacturing, operations, information technology, human resources, and supply chain management.

– Senior Vice President and General Manager of Manufacturing and Supply Chain — 2010 to 2012

– Vice President and General Manager of Worldwide Manufacturing and Systems — 2007 to 2010

Other Current Directorships

– Intel Corporation (since 2013)

Gregory R. Page

AGE:

DIRECTOR SINCE:

COMMITTEES:

Current and Past Positions

Positions at Cargill, Incorporated (agricultural, food, financial, and industrial products and services):

–Executive Director — September 2015 to August 2016

–Executive Chairman — December 2013 to September 2015

–Chairman and Chief Executive Officer — 2011 to December 2013

–Chairman, Chief Executive Officer, and President — 2007 to 2011

–President and Chief Operating Officer — 2000 to 2007

Other Current Directorships

–Eaton Corporation plc (since 2003)

–3M Company (since 2016)

Previous Directorships

–Carlson, Inc. (2010 to 2015)

–Cargill, Incorporated (2007 to 2016)

Key Qualifications, Experiences, and Attributes

Based on his professional background and prior Deere Board experience, the following qualifications led the Board to conclude that Mr. Page should serve on Deere's Board of Directors: his leadership qualities developed from his experiences while serving as Chairman and Chief Executive Officer of Cargill; the breadth of his experiences in auditing, corporate governance, and other areas of oversight while serving as a member of the boards of directors of other global corporations; and his subject matter knowledge in the areas of commodities, agriculture, operating processes, finance, and economics.

Sherry M. Smith

AGE:

Current and Past Positions

Key Qualifications, Experiences, and Attributes

DIRECTOR SINCE:

COMMITTEES:

Positions at Supervalu Inc. (retail and wholesale grocery and retail general merchandise products):

– Executive Vice President and Chief Financial Officer — December 2010 to August 2013

– Senior Vice President, Finance — 2005 to 2010

– Senior Vice President, Finance and Treasurer — 2002 to 2005

Other Current Directorships

– Piper Jaffray Companies (since 2016)

– Realogy Holdings Corp. (since 2014)

– Tuesday Morning Corporation (since 2014)

Based on her professional background and prior Deere Board experience, the following qualifications led the Board to conclude that Ms. Smith should serve on Deere's Board of Directors: her leadership qualities developed from her experience while serving as a senior executive and as Chief Financial Officer of Supervalu; the breadth of her experiences in auditing, finance, accounting, compensation, strategic planning, and other areas of oversight while serving as a member of the boards of directors of other public corporations; her family farming background; and her subject matter knowledge in the areas of finance, accounting, and food and supply chain management.

Dmitri L. Stockton

AGE:

DIRECTOR SINCE:

COMMITTEES:

Past Positions

–Special Advisor to the Chairman and Senior Vice President of General Electric Company (power and water, aviation, oil and gas, healthcare, appliances and lighting, energy management, transportation and financial services) - July 2016 to March 2017

–Chairman, President, and Chief Executive Officer of GE Asset Management Incorporated (global investments) and Senior Vice President of General Electric Company — May 2011 to December 2016

–President and Chief Executive Officer of GE Capital Global Banking and Senior Vice President of GE London — December 2008 to April 2011

–President and Chief Executive Officer of GE Consumer Finance, Central & Eastern Europe - October 2004 to December 2008

Previous Directorships

–GE Asset Management Incorporated (2011 to 2016)

–GE RSP U.S. Equity Fund and GE RSP Income Fund (2011 to 2016)

–Elfun Funds (six directorships) (2011 to 2016)

–Synchrony Financial (2014 to 2015)

Key Qualifications, Experiences, and Attributes

Based on his professional background and prior Deere Board experience, the following qualifications led the Board to conclude that Mr. Stockton should serve on Deere's Board of Directors: his leadership qualities developed from his service as Chairman, President, and Chief Executive Officer of GE Asset Management and as a Senior Officer of other global operations; the breadth of his experiences in risk management, governance, regulatory compliance, and other areas of oversight while serving as a member of the boards of directors and trustees of global asset management, investment, and employee benefit entities; and his subject matter knowledge in the areas of finance, banking, and asset management.

Sheila G. Talton

AGE:

Current and Past Positions

–President and Chief Executive Officer of Gray

Key Qualifications, Experiences, and Attributes

DIRECTOR SINCE:

COMMITTEES:

Matter Analytics (data analytics consulting services for financial services and healthcare industries) since 2013

–President and Chief Executive Officer of SGT Ltd. (strategy and technology consulting services) — 2011 to 2013

–Vice President of Cisco Systems, Inc. (information technology and solutions) — 2008 to 2011

Other Current Directorships

–OGE Energy Corporation (since 2013)

–Sysco Corporation (since 2017)

–Wintrust Financial Corporation (since 2012)

Previous Directorships

–Acco Brands Corporation (2010 to 2015)

Based on her professional background and prior Deere Board experience, the following qualifications led the Board to conclude that Ms. Talton should serve on Deere's Board of Directors: her leadership qualities developed from her service as President and Chief Executive Officer of Gray Matter Analytics and as an officer of other global technology and consulting firms; the breadth of her experiences in compensation, governance, risk management, and other areas of oversight while serving as a member of the boards of directors of other public corporations; and her subject matter knowledge in the areas of technology, data analytics, and global strategies.

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Corporate Governance

Corporate Governance Highlights

At Deere, we recognize that strong corporate governance contributes to long-term stockholder value. We are committed to sound governance practices, including those described below:

INDEPENDENCE

- All of our director nominees, except our CEO, are independent
- The independent Presiding Director has a role with significant governance responsibilities
- All standing Board committees other than the Executive Committee are composed wholly of independent directors
- Independent directors meet regularly in executive session without management present

ACCOUNTABILITY

- All directors are elected annually
- In uncontested elections, directors are elected by majority vote
- The Board and each Board committee conducts an annual performance self-evaluation
- Stockholders have the ability to include nominees in our proxy statement (so-called proxy access rights)

BEST PRACTICES

- Directors may not stand for reelection after their 75th birthdays, absent Board approval under rare circumstances
- Our recoupment policy requires an executive to return any incentive compensation found to have been awarded erroneously due to accounting misconduct
- Directors and executives are subject to stock ownership requirements
- Directors and executives are prohibited from hedging or pledging their Deere stock

RISK OVERSIGHT

- The Board oversees Deere's overall risk-management structure
- Individual Board committees oversee certain risks related to their specific areas of responsibility
- We have robust risk management processes throughout the company

Our Values

At Deere, our actions are guided by our core values: integrity, quality, commitment, and innovation. We strive to live up to these values in everything we do not just because it is good business, but because it is the right thing to do. We are committed to strong corporate governance as a means of upholding these values and ensuring that we are accountable to our stockholders.

Director Independence

The Board has adopted categorical standards (see Appendix A) that help us evaluate each director's independence. Specifically, these standards are intended to assist the Board in determining whether certain relationships between our directors and Deere or its affiliates are "material relationships" for purposes of the New York Stock Exchange (NYSE) independence standards. The categorical standards establish thresholds, short of which any such relationship is deemed not to be material. In addition, each director's independence is evaluated under our Related Person Transactions Approval Policy, as discussed in the "Review and Approval of Related Person Transactions" section below. Deere's independence standards meet or exceed the NYSE's independence requirements.

In November 2017, we reviewed the independence of each then-sitting director, applying the independence standards set forth in our Corporate Governance Policies. The reviews considered relationships and transactions between each director (and the director's immediate family and affiliates) and Deere, Deere's management, and Deere's independent registered public accounting firm. Based on this review, the Board affirmatively determined at its regular December 2017 meeting that no director other than Mr. Allen has a material relationship with Deere and its affiliates and that each director other than Mr. Allen is independent as defined in our Corporate Governance Policies and the NYSE's listing standards. Mr. Allen is not an independent director because of his employment relationship with Deere.

Board Leadership Structure

The Chairman of the Board also serves as Deere's Chief Executive Officer. The Board believes that combining the Chairman and Chief Executive Officer roles is the most appropriate structure for Deere at this time for three reasons:

1. This structure has served our stockholders well through many economic cycles, business challenges, and leadership successions.

2. The Board's governance processes preserve Board independence by ensuring discussion among independent directors and independent evaluation of and communication with members of senior management.

3. The enhanced role of the independent Presiding Director provides a strong counterbalance to the combined Chairman and Chief Executive Officer roles.

Presiding Director

Vance D. Coffman has served as our independent Presiding Director since the 2016 Annual Meeting.

The Presiding Director is elected by a majority of the independent directors upon a recommendation from the Corporate Governance Committee. The Presiding Director is appointed for a one-year term beginning upon election and expiring upon the selection of a successor.

The Board has assigned the Presiding Director the following duties and responsibilities:

– Preside at all meetings of the Board at which the Chairman is not present, including executive sessions of the independent directors;

– Serve as liaison between the Chairman and the independent directors;

– In consultation with the Chairman, review and approve the schedule of meetings of the Board, the proposed agendas, and the materials to be sent to the Board;

– Call meetings of the independent directors when necessary; and

– Remain available for consultation and direct communication with Deere's stockholders.

The Board believes the role of the Presiding Director exemplifies Deere's continuing commitment to strong corporate governance and Board independence.

Board Meetings

Under Deere's bylaws, regular meetings of the Board are held at least quarterly. Our typical practice is to schedule at least one Board meeting per year at a company location other than our World Headquarters so directors have an opportunity to observe different aspects of our business first-hand. The Board met five times during fiscal 2017.

Directors are expected to attend Board meetings, meetings of committees on which they serve, and stockholder meetings. More to the point, directors are expected to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities. During fiscal 2017, all incumbent directors attended 75% or more of the meetings of the Board and committees on which they served. Overall attendance at Board and committee meetings was 99%. All directors then in office attended the Annual Meeting of Stockholders in February 2017.

Each Board meeting normally begins or ends with a session between the CEO and the independent directors. This provides a platform for discussions outside the presence of the non-Board management attendees. The independent directors may meet in executive session, without the CEO, at any time, but such non-management executive sessions are scheduled and typically occur at each regular Board meeting. The Presiding Director presides over these executive sessions.

Board Committees

The Board has delegated some of its authority to five committees: the Executive Committee, the Audit Review Committee, the Compensation Committee, the Corporate Governance Committee, and the Finance Committee.

The Board approved the rotation of certain directors' committee memberships effective February 2016. The Board believes that committee rotation is generally desirable to ensure that committees regularly benefit from new perspectives.

Each of our Board committees has adopted a charter that complies with current NYSE rules relating to corporate governance matters. Copies of the committee charters are available at www.deere.com/corpgov and may also be obtained upon request to the Deere & Company Stockholder Relations Department. Each committee (other than the Executive Committee, which did not meet in 2017 and of which Mr. Allen serves as chair) is composed solely of independent directors.

The committee structure and memberships described below reflect the changes that became effective in February 2017. Every committee other than the Executive Committee regularly reports on its activities to the full Board.

EXECUTIVE COMMITTEE

2017 meetings: 0
Members:
Samuel R. Allen *(Chair)*
Vance D. Coffman
Clayton M. Jones
Gregory R. Page
Sherry M. Smith

–Acts on matters requiring Board action between meetings of the full Board

–Has authority to act on certain significant matters, limited by our bylaws and applicable law

–All members, other than Mr. Allen, are independent

AUDIT REVIEW COMMITTEE

2017 meetings: 5
Members:
Sherry M. Smith *(Chair)*
Alan C. Heuberger
Dipak C. Jain
Michael O. Johanns
Gregory R. Page
Sheila G. Talton

–Oversees the independent registered public accounting firm's qualifications, independence, and performance

–Assists the Board in overseeing the integrity of our financial statements, compliance with legal requirements, and the performance of our internal auditors

–Pre-approves all audit and allowable non-audit services by the independent registered public accounting firm

–With the assistance of management, approves the selection of the independent registered public accounting firm's lead engagement partner

–All members have been determined to be independent and financially literate under current NYSE listing standards

–The Board has determined that Ms. Smith, Mr. Heuberger, and Mr. Page are "audit committee financial experts" as defined by the SEC and that each has accounting or related financial management expertise as required by NYSE listing standards

COMPENSATION COMMITTEE

2017 meetings: 6
Members:
Vance D. Coffman *(Chair)*
Charles O. Holliday, Jr.
Clayton M. Jones
Brian M. Krzanich
Dmitri L. Stockton

–Makes recommendations to the Board regarding incentive and equity-based compensation plans

–Evaluates and approves the compensation of our executive officers (except for the compensation of our CEO, which is approved by the full Board), including reviewing and approving the performance goals and objectives that will affect that compensation

–Evaluates and approves compensation granted pursuant to Deere's equity-based and incentive compensation plans, policies, and programs

–Retains, oversees, and assesses the independence of compensation consultants and other advisors

–Oversees our policies on structuring compensation programs for executive officers to preserve tax deductibility

–Reviews and discusses the CD&A with management and determines whether to recommend to the Board that the CD&A be included in our filings with the SEC

–All members have been determined to be independent under current NYSE listing standards, including those standards applicable specifically to compensation committee members

CORPORATE GOVERNANCE COMMITTEE

2017 meetings: 4
Members:
Clayton M. Jones *(Chair)*
Vance D. Coffman
Charles O. Holliday, Jr.
Michael O. Johanns
Brian M. Krzanich

–Monitors corporate governance policies and oversees our Center for Global Business Conduct

–Reviews senior management succession plans and identifies and recommends to the Board individuals to be nominated as directors

–Makes recommendations concerning the size, composition, committee structure, and fees for the Board

–Reviews and reports to the Board on the performance and effectiveness of the Board

–Oversees the evaluation of our management

–All members have been determined to be independent under current NYSE listing standards

FINANCE COMMITTEE

2017 meetings: 3
Members:
Gregory R. Page *(Chair)*
Alan C. Heuberger
Dipak C. Jain
Sherry M. Smith
Dmitri L. Stockton
Sheila G. Talton

–Reviews the policies, practices, strategies, and risks relating to Deere's financial affairs

–Exercises oversight of the business of Deere's Financial Services segment

–Formulates our pension funding policies

–Oversees our pension plans

–All members have been determined to be independent under current NYSE listing standards

Board Oversight of Risk Management

The Board believes that strong and effective internal controls and risk management processes are essential for achieving long-term stockholder value. The Board, directly and through its committees, is responsible for monitoring risks that may affect Deere.

RISK MANAGEMENT APPROACH

We maintain a structured risk management approach to facilitate our strategic business objectives. To that end, we identify and categorize risks and then escalate them as needed. Our internal risk management structure is administered by a Management Risk Committee consisting of the CEO and his direct reports. This committee provides periodic reports to the Board regarding Deere's risk management processes and reviews with the Board high-priority areas of enterprise risk.

Dedicated risk management reports typically take place at regularly scheduled Board meetings each February and August, and risk management topics are discussed as needed at other Board and committee meetings.

BOARD AND COMMITTEE RISK OVERSIGHT RESPONSIBILITIES

Each Board committee is responsible for oversight of risk categories related to the committee's specific area of focus, while the full Board exercises ultimate responsibility for overseeing the risk management function as a whole.

The areas of risk oversight exercised by the Board and its committees are:

Who is responsible?	Primary areas of risk oversight
Full Board	Oversees overall risk management function and regularly receives and evaluates reports and presentations from the chairs of the individual Board committees on risk-related matters falling within each committee's oversight responsibilities. Monitors operational, strategic, and legal and regulatory risks by regularly reviewing reports and presentations given by management, including our Senior Vice President and General Counsel, Senior Vice President and Chief Financial Officer, and Vice President, Internal Audit, as well as other operational personnel.
Audit Review Committee	Regularly reviews our risk management practices and risk-related policies (for example, Deere's risk management and insurance portfolio, and legal and regulatory reviews) and evaluates potential risks related to internal control over financial reporting.
Compensation Committee	Monitors potential risks related to the design and administration of our compensation plans, policies, and programs, including our performance-based compensation programs, to promote appropriate incentives that do not encourage executive officers or employees to take unnecessary and/or excessive risks.
Corporate Governance Committee	Monitors potential risks related to our governance practices by, among other things, reviewing succession plans and performance evaluations of the Board and CEO, monitoring legal developments and trends regarding corporate governance practices, monitoring the Code of Business Conduct, and evaluating potential related person transactions. Monitors risks relating to environmental factors, as well as product safety and other compliance matters.
Finance Committee	Monitors operational and strategic risks related to Deere's financial affairs, including capital structure and liquidity risks, and reviews the policies and strategies for managing financial exposure and contingent liabilities. Monitors potential risks related to funding our U.S. qualified pension plans (other than the defined contribution savings and investment plans) and monitors compliance with applicable laws and internal policies and objectives.

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Stockholder Outreach

To ensure the continued delivery of sustainable, long-term value to our stockholders, we engage in regular dialogue with them. During 2017, we discussed governance, executive compensation, and other issues with stockholders representing more than 43% of our outstanding shares. The Board considers feedback from these conversations during its deliberations, and we regularly review and adjust our corporate governance structure and executive compensation policies and practices in response to comments from our stockholders.

Communication with the Board

If you wish to communicate with the Board, you may send correspondence to: Corporate Secretary, Deere & Company, One John Deere Place, Moline, Illinois 61265-8098. The Corporate Secretary will submit your correspondence to the Board or the appropriate committee, as applicable.

You may communicate directly with the Presiding Director by sending correspondence to: Presiding Director, Board of Directors, Deere & Company, Department A, One John Deere Place, Moline, Illinois 61265-8098.

Corporate Governance Policies

Because we believe corporate governance is integral to creating long-term stockholder value, our Board of Directors has adopted company-wide Corporate Governance Policies, which are periodically reviewed and revised as appropriate to ensure that they reflect the Board's corporate governance objectives.

Please visit the Corporate Governance section of our website (www.deere.com/corpgov) to learn more about our corporate governance practices and to access the following materials:

–Corporate Governance Policies

–Code of Ethics

–Guiding Principles

–Global Conflict Minerals Policy

–Charters for our Board Committees

–Code of Business Conduct

–Supplier Code of Conduct

Political Contributions

To promote transparency and good corporate citizenship, since 2012 we have provided voluntary disclosure relating to the political contributions of Deere and its political action committee. This information is publicly available at www.deere.com/politicalcontributions.

Compensation of Directors

We have structured the compensation of our non-employee directors with the following objectives in mind:

- Recognize the substantial investment of time and expertise necessary for the directors to discharge their duties to oversee Deere's global affairs
- Align the directors' interests with the long-term interests of our stockholders
- Ensure that compensation is easy to understand and is regarded positively by our stockholders and employees

We pay non-employee directors an annual retainer. In addition, committee chairpersons and the Presiding Director receive fees for assuming those responsibilities. Directors who are employees receive no additional compensation for serving on the Board. We do not pay committee member retainers or meeting fees, but we do reimburse directors for expenses related to meeting attendance.

To supplement their cash compensation and align their interests with those of our stockholders, non-employee directors are awarded restricted stock units (RSUs) after each Annual Meeting. A person who serves a partial term as a non-employee director will receive a prorated retainer and a prorated RSU award.

Compensation for non-employee directors is reviewed annually by the Corporate Governance Committee. At its December 2016 meeting, the Board approved compensation as noted below for non-employee directors as recommended by the Corporate Governance Committee.

The following chart describes amounts we pay and the value of awards we grant to non-employee directors:

Date Approved by Corporate Governance Committee:	August 2013	December 2016
Effective Date of Annual Amounts:	January 2014	January & March 2017
Retainer	$ 120,000	$ 125,000
Equity Award	$ 120,000	$ 145,000
Presiding Director Fee	$ 20,000	$ 25,000
Audit Review Committee Chair Fee	$ 20,000	$ 25,000
Compensation Committee Chair Fee	$ 20,000	$ 20,000
Corporate Governance Committee Chair Fee	$ 15,000	$ 15,000
Finance Committee Chair Fee	$ 15,000	$ 15,000

Under our Non-employee Director Deferred Compensation Plan, directors may choose to defer some or all of their annual retainers until they retire from the Board. For deferrals through December 2016, a director could elect to have these deferrals invested in either an interest-bearing account or an account with a return equivalent to an investment in Deere common stock. For deferrals effective in January 2017 and later, directors may choose from a list of investment options, none of which yield an above-market earnings rate.

Our stock ownership guidelines require each non-employee director to own Deere common stock equivalent in value to at least three times the director's annual cash retainer. This ownership level must be achieved within five years of the date the director joins the Board. Restricted shares (regularly granted to non-employee directors prior to 2008), RSUs, and any common stock held personally by the non-employee director are included in determining whether the applicable ownership threshold has been reached. Other than Mr. Krzanich and Mr. Heuberger, who were first elected to the Board in January and December of 2016, respectively, each non-employee director has achieved stockholdings in excess of the applicable multiple as of the date of this Proxy Statement.

We require non-employee directors to hold all equity awards until the occurrence of one of the following triggering events: retirement from the Board, total and permanent disability, death, or a change in control of Deere combined with a qualifying termination of the director. Directors may not sell, gift, or otherwise dispose of their equity awards before the occurrence of a triggering event. While the restrictions are in effect, non-employee directors may vote their restricted shares (but not shares underlying RSUs) and receive dividends on the restricted shares and dividend equivalents on the RSUs.

In fiscal 2017, we provided the following compensation to our nonemployee directors:

Name	Fees Earned or Paid in Cash (1)	Stock Awards (2)	Non-Qualified Deferred Compensation Earnings (3)	Total
Crandall C. Bowles (4)	$ 139,167	$ 144,952	$ –	$ 284,119
Vance D. Coffman	$ 168,334	$ 144,952	$ –	$ 313,286
Alan C. Heuberger (5)	$ 104,167	$ 171,678	$ –	$ 275,845
Dipak C. Jain	$ 124,167	$ 144,952	$ 28,570	$ 297,689
Michael O. Johanns	$ 124,167	$ 144,952	$ –	$ 269,119
Clayton M. Jones	$ 124,167	$ 144,952	$ –	$ 269,119
Brian M. Krzanich	$ 124,167	$ 144,952	$ 1,256	$ 270,375
Gregory R. Page	$ 139,167	$ 144,952	$ 683	$ 284,802
Sherry M. Smith	$ 148,333	$ 144,952	$ 1,898	$ 295,183
Dmitri L. Stockton	$ 124,167	$ 144,952	$ –	$ 269,119
Sheila G. Talton	$ 124,167	$ 144,952	$ –	$ 269,119

(1) All fees earned in fiscal 2017 for services as a director, including committee chairperson and Presiding Director fees, whether paid in cash or deferred under the Non-employee Director Deferred Compensation Plan, are included in this column.

(2) Represents the aggregate grant date fair value of RSUs computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation – Stock Compensation and does not correspond to the actual value that will be realized by the non-employee directors. The values in this column exclude the effect of estimated forfeitures. All grants are fully expensed in the fiscal year granted based on the grant price (the average of the high and low price for Deere common stock on the grant date). For fiscal 2017, the grant date was March 1, 2017, and the grant price was $111.25.

The nonemployee director grant date is seven calendar days after the Annual Meeting. The assumptions made in valuing the RSUs reported in this column are discussed in Note 24, "Stock Option and Restricted Stock Awards," of our consolidated financial statements filed with the SEC as part of our annual report on Form 10-K for the fiscal year 2017. The following table lists the cumulative restricted shares and RSUs held by the non-employee directors as of October 31, 2017:

Director Name*	Restricted Stock	RSUs	Director Name	Restricted Stock	RSUs
Crandall C. Bowles (4)	19,916	16,027	Brian M. Krzanich	—	2,959
Vance D. Coffman	6,532	16,027	Gregory R. Page	—	6,479
Alan C. Heuberger (5)	—	1,562	Sherry M. Smith	—	8,629
Dipak C. Jain	13,234	16,027	Dmitri L. Stockton	—	3,773
Michael O. Johanns	—	4,289	Sheila G. Talton	—	3,773
Clayton M. Jones	824	16,027			

(3) Directors are eligible to participate in the Non-employee Director Deferred Compensation Plan. Under this plan, participants may defer part or all of their annual cash compensation. Through December 2016, two investment choices were available for these deferrals:

- an interest-bearing alternative that pays interest at the end of each calendar quarter (i) for amounts deferred between fiscal 2010 and fiscal 2016, at a rate based on the Moody's "A"-rated Corporate Bond Rate and (ii) for amounts deferred prior to fiscal 2010, at a rate based on the prime rate as determined by the Federal Reserve Statistical Release plus 2%
- an equity alternative denominated in units of Deere common stock that earns additional shares each quarter at the quarterly dividend rate on Deere common stock

Amounts included in this column represent the above-market earnings on any amounts deferred under the Non-employee Director Deferred Compensation Plan. Above-market earnings represent the difference between the interest rate used to calculate earnings under the applicable investment choice and 120% of the applicable federal long-term rate.

(4) Ms. Bowles retired from the Board effective December 4, 2017. The compensation amounts reflect a pro-rated retainer fee covering the portion of fiscal 2017 during which she served as director.

(5) Mr. Heuberger was elected to the Board effective December 20, 2016. His compensation amounts reflect a pro-rated retainer fee for the period from December 2016 through October 2017, a pro-rated RSU award for the period from December 2016 through the February 2017 Annual Meeting, and a full RSU award granted in March 2017.

Security Ownership of Certain Beneficial Owners and Management

The following table shows the number of shares of Deere common stock beneficially owned as of December 31, 2017, (unless otherwise indicated) by:

- each person who, to our knowledge, beneficially owns more than 5% of our common stock
- each individual who was serving as a non-employee director as of December 31, 2017
- each of the named executive officers listed in the Summary Compensation Table of this Proxy Statement
- all individuals who served as directors or executive officers on December 31, 2017, as a group

A beneficial owner of stock (represented in column (a)) is a person who has sole or shared voting power (meaning the power to control voting decisions) or sole or shared investment power (meaning the power to cause the sale or other disposition of the stock). A person also is considered the beneficial owner of shares to which that person has the right to acquire beneficial ownership (within the meaning of the preceding sentence) within 60 days. For this reason, the following table includes exercisable stock options (represented in column (b)), restricted shares, and RSUs that could become exercisable or be settled within 60 days of December 31, 2017, at the discretion of an individual identified in the table (represented in column (c)).

All individuals listed in the table have sole voting and investment power over the shares unless otherwise noted.

As of December 31, 2017, Deere had no preferred stock issued or outstanding.

	Shares Beneficially Owned And Held (a)	Exercisable Options (b)	Options, Restricted Shares, and RSUs Available Within 60 Days (c)	Total	Percent of Shares Outstanding
Greater Than 5% Owners					
Cascade Investment, L.L.C. (1) 2365 Carillon Point Kirkland, WA 98033	31,423,573	—	—	31,423,573	9.7%
The Vanguard Group, Inc. (2) 100 Vanguard Blvd. Malvern, PA 19355	18,899,274	—	—	18,899,274	5.9%
Non-Employee Directors (3)					
Vance D. Coffman	—	—	22,559	22,559	*
Alan C. Heuberger	100	—	1,562	1,662	*
Dipak C. Jain	—	—	29,261	29,261	*
Michael O. Johanns	—	—	4,289	4,289	*
Clayton M. Jones	—	—	16,851	16,851	*
Brian M. Krzanich	—	—	2,959	2,959	*
Gregory R. Page	1,100	—	6,479	7,579	*
Sherry M. Smith	—	—	8,629	8,629	*
Dmitri L. Stockton	—	—	3,773	3,773	*
Sheila G. Talton	—	—	3,773	3,773	*

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	Shares Beneficially Owned And Held [(a)]	Exercisable Options [(b)]	Options, Restricted Shares, and RSUs Available Within 60 Days [(c)]	Total	Percent of Shares Outstanding
Named Executive Officers [(4)]					
Samuel R. Allen	205,625	1,064,164	136,246	1,406,035	*
Rajesh Kalathur	24,140	140,686	–	164,826	*
James M. Field	38,539	77,426	–	115,965	*
Jean H. Gilles	36,634	127,629	26,718	190,981	*
John C. May	21,257	8,357	–	29,614	*
All directors and executive officers as a group					
(21 persons) [(5)]	407,725	1,668,804	326,189	2,402,718	*

* Less than 1% of the outstanding shares of Deere common stock.

(1) The ownership information for Cascade Investment, L.L.C. is based on information supplied by Cascade in a statement on Form 4 filed with the SEC on August 16, 2016. All shares of common stock held by Cascade may be deemed beneficially owned by William H. Gates III as the sole member of Cascade. Cascade has sole voting power and sole dispositive power over 31,423,573 shares owned.

(2) The ownership information for The Vanguard Group, Inc. is based on information supplied by Vanguard in a statement on Amendment No. 2 to Schedule 13G filed with the SEC on February 9, 2017. Vanguard holds the shares in its capacity as a registered investment advisor on behalf of numerous investment advisory clients, none of which is known to own more than 5 percent of Deere's shares. Vanguard has sole voting power over 455,326 shares owned and sole dispositive power over 18,399,618 shares owned.

(3) The table includes restricted shares and RSUs awarded to directors under the Deere & Company Non-employee Director Stock Ownership Plan (see footnote (2) to the Fiscal 2017 Director Compensation Table). Restricted shares and RSUs may not be transferred prior to retirement as a director. RSUs are payable only in Deere common stock following retirement and have no voting rights until they are settled in shares of stock. In addition, directors own the following number of deferred stock units, which are payable solely in cash under the terms of the Non-employee Director Deferred Compensation Plan:

Director	Deferred Units
Vance D. Coffman	25,568
Dipak C. Jain	8,490
Michael O. Johanns	2,927
Gregory R. Page	3,818
Dmitri L. Stockton	2,352

(4) See the Outstanding Equity Awards table (page 60) for additional information regarding equity ownership for NEOs.

(5) The number of shares shown for all directors and executive officers as a group includes 112,184 shares owned jointly with family members over which the directors and executive officers share voting and investment power.

Review and Approval of Related Person Transactions

The Board has adopted a Related Person Transactions Approval Policy, which assigns our Corporate Governance Committee the responsibility for reviewing, approving, or ratifying all related person transactions.

The Related Person Transactions Approval Policy is concerned with three types of "related persons":

1. executive officers and directors of Deere

2. any holder of 5% or more of Deere's voting securities

3. immediate family members of anyone in category (1) or (2)

Each year, our directors and executive officers complete questionnaires designed to elicit information about potential related person transactions. In addition, the directors and officers must promptly advise our Corporate Secretary if there are any changes to the information they previously provided. After consultation with our General Counsel, management, and outside counsel, as appropriate, our Corporate Secretary determines whether any transaction is reasonably likely to be a related person transaction. Transactions deemed reasonably likely to be related person transactions are submitted to the Corporate Governance Committee for consideration at its next meeting, unless action is required sooner. In such a case, the transaction would be submitted to the Chairperson of the Corporate Governance Committee, whose determination would be reported to the full committee at its next meeting.

When evaluating potential related person transactions, the Corporate Governance Committee or its Chairperson, as applicable, considers all reasonably available relevant facts and circumstances and approves only those related person transactions determined in good faith to be in compliance with or not inconsistent with our Code of Ethics and Code of Business Conduct and in the best interests of our stockholders.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 (the Exchange Act) and related regulations require our directors, certain of our officers, and persons who own more than 10% of a registered class of our equity securities to file reports of ownership and changes in ownership with the SEC and to provide copies of those reports to Deere.

To assist with these required reports, we have established procedures whereby directors and officers provide us with the relevant information regarding their transactions in Deere shares and we prepare and file the ownership reports on their behalf. In addition, our directors and officers have provided written statements regarding their Deere stock ownership and reports. Based solely upon a review of these statements and reports, we believe that all Section 16(a) filing requirements applicable to our insiders were complied with during fiscal 2017 except for the following: due to a miscommunication, a statement of changes in beneficial ownership of securities on Form 4 for Marc A. Howze was not timely filed for his transfer out of units in the company stock fund of Deere's 401(k) Savings and Investment Plan on November 30, 2016. The Form 4 for Mr. Howze was filed on December 6, 2016. A Form 3 for Cory J. Reed, filed on November 2, 2016, omitted shares received from a settlement of restricted stock units. An amendement to the Form 3 was filed on January 3, 2018.

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Advisory Vote on
Executive Compensation

Item 2 – Advisory Vote on Executive Compensation

In accordance with Section 14A of the Exchange Act, we are asking our stockholders to approve, on an advisory basis, the compensation of the executives named in the Summary Compensation Table of this Proxy Statement. Deere's practice, which was approved by our stockholders at the 2017 Annual Meeting, is to conduct this non-binding vote annually.

Supporting Statement

PAY FOR PERFORMANCE

Deere's compensation philosophy is to pay for performance, support Deere's business strategies, and offer competitive compensation. Our compensation programs consist of complementary elements that reward achievement of both short-term and long-term objectives. The metrics used for our incentive programs are either associated with operating performance or are based on a function of Deere's stock price with linkage to revenue growth and Total Shareholder Return (TSR). See "Review of Pay for Performance Relative to Peer Group" (see page 35) in the CD&A, which highlights our success inconnecting executive compensation with Deere's financial performance.

PROGRAM DESIGN

The CD&A offers a detailed description of our compensation programs and philosophy. Our compensation approach is supported by the following principles, among others, as fully described in the CD&A:

- We strive to attract, retain, and motivate high-caliber executives
- As executives assume more responsibility, we increase the portion of their total compensation that is at-risk and that is tied to long-term incentives
- We recognize the cyclical nature of our equipment businesses and the need to manage value throughout the business cycle
- We provide opportunities for NEOs to be long-term stockholders of Deere
- We structure our compensation program to be regarded positively by our stockholders and employees

At our 2017 Annual Meeting, we held a stockholder advisory vote on executive compensation in which stockholders approved the advisory vote on the compensation of our NEOs.

The Board believes that the executive compensation as disclosed in the CD&A, the accompanying tables, and other disclosures in this Proxy Statement is consistent with our compensation philosophy and aligns with the pay practices of our peer group.

FOR THE REASONS STATED, THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE **"FOR"** THE FOLLOWING NON-BINDING RESOLUTION:

"RESOLVED, that the stockholders approve the compensation of the NEOs as disclosed in this Proxy Statement pursuant to the compensation disclosure rules of the SEC, including the CD&A, tabular disclosures, and other narrative executive compensation disclosures."

Effect of Proposal

The say-on-pay resolution is non-binding, but the Board values your opinion as expressed through your votes and other communications. Therefore, the Board and the Compensation Committee will carefully consider the outcome of the advisory vote and those opinions when making future compensation decisions. However, the Board believes that the Compensation Committee is in the best position to consider the extensive information and factors necessary to make independent, objective, and competitive compensation recommendations and decisions that are in the best interests of Deere and its stockholders. Therefore, the final decision regarding the compensation and benefits of our executive officers and whether and how to address stockholder concerns remains with the Board and the Compensation Committee.

Compensation Discussion & Analysis

In this section, we provide a detailed description of our compensation programs, including the underlying philosophy and strategy, the individual elements, the methodology and processes used by the Board and the Compensation Committee (the Committee) to make compensation decisions, and the relationship between Deere's performance and compensation delivered in fiscal 2017. The discussion in this CD&A focuses on the compensation of our CEO, CFO, and the next three most highly compensated executive officers for the fiscal year 2017. These individuals, referred to as Deere's named executive officers (or NEOs), were:

Name	Title
Samuel R. Allen	Chairman and Chief Executive Officer
Rajesh Kalathur	Senior Vice President and Chief Financial Officer
James M. Field	President, Agricultural Equipment Operations
Jean H. Gilles	Senior Vice President John Deere Power Systems, Worldwide Parts Services, Advanced Technology & Engineering, and Global Supply Management & Logistics
John C. May	President, Agricultural Solutions and Chief Information Officer

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Executive Summary

Our business strategy emphasizes achieving superior operating and financial performance throughout the business cycle. This includes maintaining aggressive goals for operating margin and asset turns while realizing sustainable Shareholder Value Added growth through disciplined expansion. Deere's compensation program is designed to motivate NEOs to execute this strategy. In 2017, net sales and revenues ($29,738 million) and net income ($2,159 million) were the fifth-highest in company history. Business conditions, while improved, remained generally below what we consider mid-cycle levels, based on sales.

These results reflect the success of our strategy. Again in 2017, our employees controlled costs and increased the productivity of our assets, while also producing award-winning advanced products and services and investing in future growth. Deere's results also reflect the benefits of a broad business lineup — including small tractors, turf equipment, forestry products, and service parts, as well as financial services — which helps offset weakness in core agricultural and construction markets.

Since aligning the metrics of our compensation program with our strategy in 2002, Deere has shown an ability to operate profitably throughout the business cycle.

Snapshot of Compensation Elements

The components of our 2017 compensation program are:

Total Direct Compensation				Total Indirect Compensation
		Long-Term Compensation		
Base Salary	**STI**	**MTI**	**LTI**	
Fixed cash component	Annual cash award for profitability and efficient operations during the fiscal year	Cash award for sustained profitable growth during a three-year period	Equity award for creating stockholder value as reflected by Deere's stock price, revenue growth, and TSR	Perquisites, retirement benefits, deferred compensation benefits, additional benefits payable upon a change in control
	Metrics: Operating Return on Operating Assets (OROA), Return On Equity (ROE)*, Net sales and revenue and net income in current-year performance	Metric: Shareholder Value Added (SVA)	Metrics: Revenue Growth & Total Shareholder Return	

* The Equipment Operations OROA calculation excludes the assets from our Financial Services segment and certain Corporate assets. Corporate assets are primarily the equipment operations' retirement benefits, deferred income tax assets, marketable securities and cash and cash equivalents. ROE is based solely on the Financial Services segment. See appendix B for details.

Our incentive program reflects the long-term, cyclical nature of our industry and provides a framework for both executive and broad-based, non-executive programs to ensure that all employees pursue the same financial and operational goals. The STI drives focus on near-term results, while a two-tiered long-term incentive program — MTI and LTI — reward growth and sustainable profitability over a longer period. Introduced in 2004, the cash-based MTI rewards sustained profitable growth and replaced an equity program that was costly and dilutive to stockholders. MTI differs from LTI in that it motivates actionable behavior for long-term profitability and asset management. Given the long-term, cyclical nature of our industry, the STI and MTI metrics create different, yet complementary, incentives. In the years since the Board adopted these two incentive plans, we have demonstrated the ability to manage through various business and market conditions more profitably and to consistently generate operating cash flow, (especially compared to peer group companies (see the OROA chart on page 40 and the Return on Invested Capital (ROIC) chart on page 48). The current combination of cash- and equity-based long-term compensation reflects the current peer group practice, with about 50% maintaining a similar mix.

Advisory Vote on Executive Compensation
Executive Summary

To align compensation with our business strategy of **exceptional operating performance**, we historically have used OROA and ROE as the metrics for our STI plan. These metrics are designed to inspire the efficient use of assets and capital. STI goals are determined each year based on where we are in the business cycle to ensure that goals are uniformly challenging in all economic conditions. In fiscal 2017, we used two additional metrics — net sales and revenue and net income — to determine STI awards. These new metrics reflect the importance of excellent near-term financial execution.

To align compensation with **disciplined growth**, we use SVA as the metric for our MTI plan. SVA measures our success in delivering sustained growth in economic profitability over a three-year performance period.

To align compensation with **exceptional equity appreciation** and to motivate and reward sustained outperformance, our Long-Term Incentive (LTI) plan uses stock options and restricted stock units (RSUs), whose ultimate values are tied to Deere's stock price, and performance stock units (PSUs), which are earned (or not) based on Deere's relative revenue growth and TSR as compared to the S&P Industrial Sector.

Here are some of the key drivers that affect the STI, MTI, and LTI metrics on a short- and long-term basis.

DRIVERS OF ONE-YEAR OROA AND ROE (STI)

Operating cost management

Disciplined asset management

Efficient use of equity

Near-term business execution

DRIVERS OF THREE-YEAR SVA (MTI)

Cost management decisions with a long-term focus

Efficient use of long-term assets

Long-term investment decisions for capital and Research and Development (R&D)

World-class distribution systems

Technology innovation

DRIVERS OF REVENUE GROWTH AND TSR (LTI)

Market conditions

Market share

Successful execution of business strategy

Stock price appreciation over the long-term

Financial Performance and Compensation Metrics

As outlined above, the metrics Deere uses to measure success in its business strategy are the same used in our compensation programs to ensure that employees are working in aligned, high-performance teams. Further details below illustrate how the company's compensation plans are sensitive to fluctuations in business conditions. Deere's goals for OROA remain above those of its major competitors.

		2016	2017	% Change
	OROA	14.41%	21.18%	47%
	ROE	10.43%	10.61%	2%
	Net Sales and Revenue	n/a	$29,363M[(1)]	n/a
	Net Income	n/a	$1,923M[(1)]	n/a
STI	Payout	137%	184%	34%
	3-Year Accumulated SVA	$3,812M	$2,382M	-38%
MTI	Payout	106%	53%	-50%
LTI-Revenue	Deere Growth Rate	(11.08)%	(6.23)%	+4.85 pts
Growth	PSU Payout	0%	0%	n/a
	Stock Price as of 31 Oct.	$88.30	$132.88	50%
	3-Year TSR as of 31 Oct.	5.43%	18.87%	248%
LTI-TSR	PSU Payout	67%	200%	199%

(1) Net Sales and Revenue and Net Income adjusted due to non-compensation related activities.

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Stockholder Outreach

In September and October of 2017, we invited our top 20 stockholders to participate in discussions regarding executive compensation and governance issues. We met with 17 of our top 20 stockholders, representing about 43% of our outstanding shares to ensure changes to our program were understood and aligned to their expectations. We discussed our approach to executive compensation programs, stockholder views on the program design and the most recent revisions to our compensation plans.

Our learnings included:

- Our stockholders understand how OROA, ROE, and SVA are linked to successful operating performance
- OROA has successfully driven the right behavior especially evident during the business downturn
- The STI and MTI programs contribute to successful operating performance, drive the right employee behavior, and promote the creation of long-term value
- We believe this success is due to our employees' deep understanding of OROA, ROE, and SVA, which will continue to be the primary metrics for our STI and MTI/LTI programs
- Deere has strong alignment between business strategy and compensation design, and the proxy statements now better demonstrate the connection

We regularly analyze our practices to ensure we remain a leader in executive compensation best practices and remain aware of stockholder concerns. We will continue regular stockholder engagement activities to gain their perspective firsthand.

Additional Changes to Deere's Executive Compensation Plans in 2018

The Committee regularly reviews our compensation programs and strives to enhance the connection between both company performance and stockholder interests. To that end, based on feedback from our stockholders (obtained in outreach meetings) and in consultation with our independent compensation consultant, the Committee has approved several changes to Deere's executive compensation program that will simplify and enhance the program. The table below summarizes those changes and indicates where you can find a complete discussion.

Compensation Element	Description of change	More information on page:
STI	Fiscal 2018: Significant increase to OROA goals. Simplified metrics — eliminate net income due to overlap with margin focus of OROA and SVA. Net sales and revenue will remain a metric with OROA/ROE. Alignment to market on STI targets.	43
MTI	Fiscal 2018: Renamed MTI as Long-Term Incentive Cash — LTIC. Continue to focus on SVA growth. TSR Modifier adjusted to be multiplicative and will include an adjustment to increase payouts when company performance is at the higher quartile. There is also alignment to a new peer group.	48
LTI	Fiscal 2018: For employees receiving PSUs, 100% will be based on revenue growth. LTI will also be aligned to a new peer group.	51

2017 Compensation Overview

Deere is committed to a longstanding compensation philosophy that incorporates the principles of paying for performance, supporting business strategies, and paying competitively. The Committee believes this philosophy continues to drive our NEOs and salaried employees to produce sustainable, positive results for Deere and our stockholders.

Snapshot of Compensation Governance

To ensure that our compensation program meets Deere's business objectives without compromising our core values, we regularly compare our compensation practices and governance against market best practices. Here are some of the best practices we have implemented.

WE DO:

- use a combination of short-term and long-term incentives to ensure a strong connection between Deere's operating performance and actual compensation delivered
- regularly evaluate our peer group and pay positioning under a range of performance scenarios
- annually review all our compensation plans, policies, and significant practices
- annually review risks associated with compensation
- include a "double-trigger" change in control provision provision in our executive Change in Control Severance Program, as well as our current equity plan, so participants will receive severance benefits only if both a change in control and a qualifying termination occur
- annually review and limit executive perquisites
- retain an independent compensation consultant who does not perform other significant services for Deere
- have an Executive Incentive Compensation Recoupment Policy to ensure accountability in the presentation of our financial statements
- enforce stock ownership requirements to ensure that directors and executives have interests in common with our stockholders
- provide executive officers with benefits (such as health care insurance, life insurance, disability, and retirement plans) on the same basis as other full-time Deere employees

WE DON'T:

- offer employment agreements to our U.S.-based executives
- provide tax gross-ups for executives, except for those available to all employees generally
- provide excise tax gross-ups upon a change in control to any employees
- offer above-market earnings on new contributions to deferred compensation accounts
- grant stock options with an exercise price less than the fair market value of Deere's common stock on the date of grant
- re-price stock options without the prior approval of our stockholders
- cash out underwater stock options
- include reload provisions in any stock option grant
- permit directors or employees, or their respective related persons, to engage in short sales of Deere's stock or to trade in instruments designed to hedge against price declines in Deere's stock
- permit directors or officers to hold Deere securities in margin accounts or to pledge Deere securities as collateral for loans or other obligations

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Compensation Elements

The primary elements of our compensation program are summarized below:

Component	Purpose	Characteristics	Fiscal 2017 Actions and Results
Base salary	Based on level of responsibility, experience, and sustained individual performance	Fixed cash component generally targeted at the peer group median	Mr. Allen did not receive an increase to base salary for fiscal 2017; the other NEOs received increases of 2%-6% for 2017 based on market median
Short-Term Incentive (STI)	Reward for achieving higher profitability through operating efficiencies and asset management during the fiscal year	Awarded in cash, a target STI award is designed to contribute to annual cash compensation and overall compensation at the peer group median	Due to continued strong OROA and ROE results, along with the two new financial metrics, the STI payout was 184% of target, resulting in an award of $3.4 million for the CEO and awards ranging from $1 million to $1.1 million for the other NEOs
Mid-Term Incentive (MTI)	Reward for achieving sustained profitable growth over a three-year performance period	Awarded in cash, a target MTI award is designed to contribute to overall compensation at the peer group median	The MTI payout declined from 106% in fiscal 2016 to 53% of target in fiscal 2017, resulting in an MTI award of $1 million for the CEO and awards of approximately $0.3 million each for the other NEOs
Long-Term Incentive (LTI)	Reward for creating stockholder value	Awarded in a combination of PSUs, RSUs, and stock options, a base-level LTI award is designed to contribute to overall compensation at the peer group median; LTI awards can be increased by up to 20% to recognize individual performance	In December 2016, the CEO received an LTI award valued at $8.4 million, a 10% increase over the base-level award; LTI awards for the other NEOs were increased an average of 10%, valued at $1.7 million; adjustments reflect strong operating performance and rapid response to challenging business conditions
Perquisites	Provide our executives with benefits comparable to those provided to executives at our peer group companies	Benefits such as medical exams and financial planning services that personally benefit the employee are not related to job performance and are available to a select group of employees	There were no changes to perquisites in fiscal 2017. We modified the investment options available under deferred compensation plans to ensure participants cannot earn above-market returns on new deferrals
Retirement benefits	Provide income upon retirement	Defined benefit pension plans plus a 401(k) plan with a variable company match	There were no changes to retirement benefits in fiscal 2017

As this table suggests, we compare each component of compensation to the median level for that component awarded by our peers. In addition, we strive to have each NEO’s total annual cash compensation and overall compensation at target compare favorably to the median levels for comparable executives. For example, in fiscal 2017, our CEO’s base salary and STI were 26% of his overall compensation, compared to an average of 22% for CEOs in our peer group.

2017 Target Direct Compensation Mix

Pay for performance is an essential element of our compensation philosophy. We believe compensation should motivate our executives to substantially contribute — both individually and collaboratively — to Deere's long-term, sustainable growth. To that end, our performance-based compensation program consists of three components (STI, MTI, and LTI), all driven by metrics that align with Deere's business strategy and reflect the cyclical nature of the industries in which Deere operates.

To enhance the connection between pay and performance, as our NEOs assume greater responsibility, we award a larger portion of their total compensation in the form of "at risk" incentive awards and a larger portion of their incentive awards in the form of equity. This practice is apparent in the following charts, which illustrate the allocation of all fiscal 2017 Direct Compensation components at target for our CEO and for our other NEOs as a group.

CEO TARGET COMPENSATION MIX

NEO TARGET COMPENSATION MIX

* "at risk" implies awards that are subject to performance conditions and stock price performance

Compensation Methodology and Process

Independent Review and Approval of Executive Compensation

The Committee is responsible for reviewing and approving goals and objectives related to incentive compensation for the majority of salaried employees. In particular, the Committee evaluates the NEOs' performance in relation to established goals and ultimately approves compensation for the NEOs (except for the CEO). All substantive responsibilities related to the determination of compensation of the NEOs are undertaken exclusively by the members of the Committee, all of whom are independent under current NYSE listing standards.

The Committee periodically reviews the components of our compensation program to ensure the program is aligned with our business strategy, Deere's performance, and the interests of our employees and stockholders. In addition, the Committee regularly reviews market practices for all significant elements of executive compensation and approves necessary adjustments to ensure Deere's compensation remains competitive.

Generally, at the Board meeting in August, the full Board (in executive session without the CEO present) evaluates the CEO's performance. The Committee considers the results of that evaluation when providing recommendations to the independent members of the Board for the CEO's compensation, which they then approve. The CEO does not play a role in and is not present during discussions regarding his own compensation.

The CEO plays a significant role in setting the compensation for the other NEOs. At the Committee meeting in December, the CEO evaluates each NEO's individual performance and recommends changes to the NEOs' base salaries and LTI awards. (The CEO is not involved in setting the STI and MTI awards because they are calculated using predetermined factors.) The Committee has the discretion to accept, reject, or modify the CEO's recommendations.

The Role of the Compensation Consultant

The Committee has retained Pearl Meyer, LLC (Pearl Meyer) as its compensation consultant. Pearl Meyer reviews our executive compensation program design and assesses our compensation approach relative to our performance and the market. The Committee has sole responsibility for setting and modifying the fees paid to Pearl Meyer, determining the nature and scope of its services, and evaluating its performance and can terminate Pearl Meyer's engagement or hire another compensation consultant at any time.

Pearl Meyer periodically meets independently with the Chair of the Committee and regularly participates in executive sessions with the Committee (without any executives or other Deere personnel present) to review compensation data and discuss compensation matters. While the Committee values this expert advice, ultimately the Committee's decisions reflect many factors and considerations. Management works with Pearl Meyer at the Committee's direction to develop materials and analysis, such as competitive market assessments and summaries of current legal and regulatory developments, which are essential to the Committee's compensation determinations.

During fiscal 2017, Pearl Meyer performed the following specific services:

- Provided information on executive compensation trends and external developments, including regulatory changes
- Provided a competitive evaluation of total compensation for the NEOs, as well as overall compensation program share usage, dilution, and LTI expense
- Reviewed the peer group used for market analyses
- Reviewed the competitiveness of actual pay delivered in relation to performance as compared to the peer group, as further discussed below
- Provided recommendations on CEO total compensation
- Reviewed recommendations for our CEO's compensation in relation to the other NEOs
- Reviewed Committee agendas and supporting materials in advance of each meeting and raised questions or issues with management and the Committee Chair, as appropriate
- Provided guidance and recommendations on incentive plan design, including rigor of metrics and goals
- Reviewed drafts and commented on this CD&A and the related compensation tables

Pearl Meyer does not provide other significant services to Deere and has no other direct or indirect business relationships with Deere or any of its affiliates. Taking these and other factors into account, the Committee has determined that the work performed by Pearl Meyer does not raise any conflicts of interest. Additionally, based on its analysis of the factors identified in the Committee's charter as being relevant to compensation consultant independence, the Committee has concluded that Pearl Meyer is independent of Deere's management.

Market Analysis

PEER GROUP

The companies in the peer group for our fiscal 2017 market analysis process, listed in the chart below, are similar to Deere in terms of sales volume, products, services, market capitalization, and global presence.

Company	Fiscal year	Employees*	Revenue* (MM)	Market Value 10/31/17 (MM)
3M Company	Dec '16	91,584	$30,109	$ 137,370
Arconic	Dec '15	41,500	$12,394	$ 12,090
Boeing Company	Dec '16	150,500	$94,571	$ 153,647
Caterpillar Inc.	Dec '16	95,400	$38,537	$ 80,792
Cummins Inc.	Dec '16	55,400	$17,537	$ 29,649
Danaher	Dec '16	62,000	$16,882	$ 64,183
E. I. du Pont de Nemours and Company (1)	Dec '16	46,000	$24,764	$ 169,205
Eaton Corp. Plc	Dec '16	95,000	$19,747	$ 35,593
Emerson Electric Co.	Sep '17	76,500	$15,264	$ 41,372
General Dynamics Corporation	Dec '16	98,800	$31,353	$ 60,606
Honeywell International Inc.	Dec '16	131,000	$39,302	$ 109,824
Illinois Tool Works Inc.	Dec '16	50,000	$13,599	$ 53,624
Johnson Controls International plc	Sep '17	121,000	$30,172	$ 38,304
Lockheed Martin Corporation	Dec '16	97,000	$47,248	$ 88,360
PACCAR Inc	Dec '16	23,000	$17,033	$ 25,204
United Technologies Corporation	Dec '16	201,600	$57,428	$ 95,637
Whirlpool Corporation	Dec '16	93,000	$ 20,718	$ 11,781
75th Percentile		98,350	$ 36,741	$ 93,818
Median		92,292	$ 27,251	$ 57,115
25th Percentile		56,675	$ 17,159	$ 36,271
Deere & Company	Oct '17	60,500	$29,738	$ 42,503
Deere Percentile		29th	53rd	41st

Source: Factset Research Systems, Inc.

* Reflects employees and revenues for most recent reported fiscal year

(1) Revenue and employment for E. I. du Pont de Nemours and Company are representative of December 2016 reported results. The market value as of October 31, 2017, represents the combined corporation of DowDuPont (DWDP) following the merger as of September 1, 2017.

Compensation paid by our peer group is representative of the compensation we believe is required to attract, retain, and motivate executive talent. The Committee, in consultation with Pearl Meyer, periodically reviews the peer group to confirm that it remains an appropriate point of reference for NEO compensation.

REVIEW OF PAY FOR PERFORMANCE RELATIVE TO PEER GROUP

To ensure that total compensation for our NEOs aligns with the market, we compared our compensation and performance against the companies in our peer group. As part of this comparison, we evaluate our peers' mix of cash versus equity and short-term versus long-term components.

In addition, we reviewed the relationship between total realizable compensation and our performance for the three fiscal years ended October 31, 2016 — the most recent fiscal year-end for which we can obtain corresponding compensation information for our peer companies. This review helps the Committee understand whether total compensation delivered to our NEOs aligns with our performance relative to our peer group. For purposes of this review, we use TSR to measure performance.

The analysis, as shown in the following graphs, reveals that realizable pay for Deere's CEO and other NEOs was reasonably aligned with Deere's relative TSR over the relevant time period. The 2014-2016 period is the first time in several cycles during which TSR and realizable pay were within the inter-quartile range. Based on these results and the results of similar past comparisons of pay and performance alignment, we believe our pay programs ensure that compensation for our executives is aligned with performance and market norms.

DEERE 3-YEAR PAY FOR PERFORMANCE REALIZABLE PAY VS. TOTAL SHAREHOLDER RETURN

CEO

OTHER NEOS

"Total realizable pay" for Deere's NEOs is defined as the sum of the following components:

1. Actual base salaries paid over the three-year period from 2015 to 2017
2. Actual STI awards paid over the three-year period
3. Actual MTI awards paid over the three-year period
4. The Black-Scholes value as of October 31, 2016, of any stock options granted over the three-year period
5. The value as of October 31, 2016, of RSUs granted over the three-year period
6. The value as of October 31, 2016, of PSUs (reflecting actual performance for the 2014-2016 performance cycle and the in-process 2015-2017 and 2016-2018 performance cycles)

For peer companies, total realizable pay includes cash- and equity-based long-term incentive plan and performance share plan payouts for performance cycles that are completed within the three-year period. Award values are then multiplied by a factor that reflects grant frequency and long-term incentive pay mix.

Direct Compensation Elements

The following information describes each direct compensation element, including the applicable performance metrics.

Base Salary

In determining salary levels for each of our NEOs, the Committee considers factors such as the financial and operational performance, leadership, development of people, time in position, internal equity, and potential. The Committee also considers each NEO's current salary as compared to the salary range and median salary practices of our peer group.

After considering all relevant information, the Board determined that the CEO's base salary for fiscal 2017 should remain unchanged. The other NEOs received increases ranging from 2% to 6%. The NEOs' salary levels remain below the market median for similar positions.

Officer	Base Salary as of Dec. 1, 2016	Salary Increase %	Base Salary as of Dec. 1, 2017
Samuel R. Allen	$ 1,500,000	0%	$ 1,500,000
Rajesh Kalathur	$ 633,276	4%	$ 658,608
James M. Field	$ 701,700	3.5%	$ 726,264
Jean H. Gilles	$ 654,312	4%	$ 680,496
John C. May	$ 622,116	4%	$ 647,004

Short-Term Incentive (STI)

PERFORMANCE METRICS FOR STI

The Committee believes that operating margins and efficient deployment of Deere's assets (both fixed and working capital) are key drivers in creating long-term stockholder value. For this reason, the Committee has designed the STI program to motivate Deere's executives and most other salaried employees to focus on reducing costs and optimizing asset and capital efficiency no matter where we are in the business cycle each fiscal year. By consistently managing OROA results through all points in the business cycle, Deere has been able to pay out more than half of cash flow from our operations to investors through dividends and net share repurchases since 2004.

In fiscal 2017, we used two distinct metrics to motivate employees; reflecting key differences between our manufacturing and financing businesses. For the two businesses that make up our Equipment Operations segment — Agriculture and Turf Operations and Construction and Forestry Operations — the metric is OROA. For our Financial Services segment, the metric is ROE. As described below, the performance results for these metrics are combined to determine STI awards.

For fiscal 2017, the various business results were weighted to calculate STI as follows:

Equipment Operations OROA	50%
Agriculture & Turf Operations OROA	25%
Construction & Forestry Operations OROA	15%
Financial Services ROE	10%

The emphasis on the OROA performance of the Equipment Operations and its constituent divisions in calculating STI reflects the critical position these operations have as drivers of Deere's business: Equipment Operations' net sales accounted for 87% of Deere's net sales and revenues in fiscal 2017. The 50% weighting for the combined Equipment Operations reflects the importance of employees' aligning with the overall business strategies and not optimizing within a business segment.

We explain the metrics and the reasons behind them in this section. You can see how OROA and ROE were calculated for fiscal 2017 in Appendix B, "Deere & Company Reconciliation of Non-GAAP Measures."

OROA

Deere is primarily a manufacturing company with high investment in fixed assets, such as buildings and machinery, and significant expenses with longer term payoffs, such as research and development. Over the past few decades, Deere s Equipment Operations businesses have weathered many business downturns. Among other things, this segment is affected by economic factors such as prices for commodities (such as corn and other crops) and the health of the housing and infrastructure sectors because we make the equipment that farmers and contractors rely on. When commodity prices are low or the housing and infrastructure sectors are weak, our customers delay equipment purchases and upgrades.

In 2004, Deere adopted a strategy designed to enable management to respond quickly and purposefully to changing business conditions to drive sustained operational results across volatile business cycles. A focus on OROA performance was and continues to be a key component of this strategy. The Committee believes OROA effectively measures the efficient use of the Equipment Operations assets and the ability to manage operating margins under varying business conditions and is an appropriate metric for STI awards. Using OROA as an STI performance metric aligns employee decisions with our strategic approach to sound investment of capital and asset utilization. Because business conditions can quickly change, the Committee sets a range of OROA goals for a range of potential conditions rather than for a static forecast. This allows us to be agile and encourages us to prepare in advance for a variety of business conditions.

Foundational to understanding how we determine the OROA goals for a given fiscal year is the concept of mid-cycle sales. We calculate mid-cycle sales annually by gathering historical information on the size of the industry (for example, the total number of tractors sold in the U.S. market) and Deere s market share for every product line (in this example, the number of tractors sold by Deere). This information helps us understand the cyclical nature, from peak to trough, of our business. Mid-cycle sales are determined for each product line, which could be in varying business cycles within the same performance period. This allows us to set meaningful operating performance goals at the product line level while maintaining a unified incentive program for the salaried employee population. For most of our Agriculture & Turf products, a typical business cycle is around seven years. For the Construction & Forestry products, the cycle tends to be a bit shorter. As shown in the graph below, we use that historical information to determine mid-cycle sales essentially our best estimate of what normal looks like.

WHAT IS MID-CYCLE?

Generally speaking, at the peak of a typical business cycle, actual sales constitute 120% of mid-cycle sales; at the trough, actual sales constitute 80% of mid-cycle sales. OROA goals vary each year to reflect where we are on this spectrum. We have relied on the process of analyzing mid-cycle sales for decades to make decisions related to measuring the achievement of long-term business strategies, allocating manufacturing capacity and workforce, and determining standard costs.

Mid-cycle goals. The Committee first established OROA goals for STI purposes by comparing Deere s OROA performance to that of the companies in the peer group. The median OROA for the peer group is in the range of 10%-15% (see OROA Deere vs. Peers 1997-2017 on page 40). Accordingly, Deere s original target OROA at mid-cycle (the normal part of a business cycle) was set at 12%. That goal provided a reasonable approximation of Deere s cost of capital and aligned with our compensation strategy of awarding median pay for median performance. The Committee then set OROA goals for threshold and maximum

STI payouts at mid-cycle to approximate 25th and 75th percentile performance, respectively, relative to the peer group. The Committee has reviewed and approved the goals each year, but because peer group OROA performance has essentially remained consistent, the OROA goals at mid-cycle also remained unchanged until recently, as discussed below. The OROA goals are the same for Equipment Operations, Agriculture & Turf Operations, and Construction & Forestry Operations.

Goals for peak and trough conditions. To maintain the rigor of the program, the Committee cannot just set goals for mid-cycle, "normal" conditions. If OROA goals were consistent regardless of where we are in a business cycle, our employees would be unduly rewarded when the economy is strong and penalized for poor economic conditions that have a negative effect on our sales. Therefore, the Committee fixes threshold, target, and maximum OROA goals that are more ambitious at the peak of a business cycle, when it is easier to cover fixed costs and achieve a high asset turnover (and thus a better OROA), and less ambitious at the trough. This model encourages us to quickly make necessary structural changes, such as those related to cost reduction, capacity, and assets (especially inventory) as business conditions change during the year.

As shown in the following graph, the goals for a given year are determined based on where we are in the business cycle.

How do OROA goals work?
For an example of how our multi-tiered OROA goals work in practice, assume we determined that mid-cycle sales are $30 billion. If actual sales for the year are $27 billion, that means we are at 90% of mid-cycle (27 ÷ 30 = .90). In that case, OROA goals would be lower than the goals for mid-cycle. On the other hand, if actual sales are $33 billion, that means we are at 110% of mid-cycle (33 ÷ 30 =1.1). In that case, OROA goals would be greater than the goals for mid-cycle. Both scenarios are illustrated below:

EXAMPLE

Recent changes in the OROA goals. In the years since we adopted OROA as an enterprise-wide performance metric, Deere has significantly restructured its Equipment Operations to enable more rapid responses to changing business conditions. As a result, for over a decade Deere's OROA results have consistently outpaced the peer group, as depicted in the following graph.

OROA DEERE VS. PEERS 1997–2017*

*Peer group data for 2017 is not yet available. OROA calculations for Deere and the peers exclude assets for any captive financial services (if applicable).

The products we sell are subject to cycles that differ from our peers'. To put these cycles in perspective, the table shows our OROA and net sales over this same period of time. Note that since the adoption of OROA as an enterprise-wide metric in 2004, our OROA performance has exceeded the peer group's even when we experienced volatile business conditions (as reflected by net sales):

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
OROA	18%	17%	3%	8%	-1%	6%	10%	26%	22%	22%	25%	27%	13%	28%	30%	29%	32%	28%	16%	14%	21%
Net Sales (billions)	$11	$12	$10	$11	$11	$12	$13	$18	$19	$20	$21	$26	$21	$24	$29	$34	$35	$33	$26	$23	$26

Deere's sustained success in delivering OROA performance under varying business conditions has resulted in maximum or near-maximum STI payouts in recent fiscal years. To continue to improve operational performance and seize the benefits of Deere's structural transformation, the Committee recently raised OROA goals for STI purposes. In making this decision, the Committee determined that Deere should be measured relative to its own capabilities and aspirations in addition to its performance relative to the peer group. For this reason, the OROA goals in effect beginning with fiscal 2016 were significantly more rigorous at mid-cycle and peak than they have been, as shown in the chart on the following page.

The following graph displays the significant cumulative OROA goal increases since fiscal 2015:

OROA GOAL INCREASES

ROE

ROE is the STI performance metric for Financial Services. The Financial Services business is a key differentiator for how Deere delivers value to our dealers and customers, so we think it is important to consider Financial Services' performance as part of STI. The Committee believes ROE effectively measures the efficient use of the segment's equity, and ROE is commonly used in the financial services industry for that purpose. We have two distinct business models within Financial Services and we use different ROE goals for each.

Historically, approximately 65% of Financial Services' business is subsidized. Under the "subsidized business" model, the Equipment Operations provide subsidies to Financial Services to reduce the interest rates that our customers and dealers would otherwise pay on financial products. These subsidies were created to facilitate sales by the Equipment Operations, not to maximize Financial Services' profitability. For this reason, the ROE goal for the subsidized business — 10% — is the same regardless of the business cycle and is based on the implied after-tax cost of equity for Financial Services. Analysis shows that our threshold ROE goal of 10% represents upper-quartile performance compared to other financial institutions.

The remaining Financial Services offerings are referred to as the "non-subsidized business." The objective of the non-subsidized business is to efficiently utilize equity to earn a profitable return. Consequently, this business has more traditional (and progressively more challenging) goals for threshold, target, and maximum ROE. The Committee establishes goal levels by benchmarking against ROEs attained by similar financial services businesses with similar debt-to-equity ratios and by evaluating cost of equity financial models. The threshold goal equals the implied after-tax cost of equity for Financial Services; the target and maximum ROE goals are set at progressively higher levels to encourage management and employees to efficiently utilize equity relative to industry norms and market conditions while facilitating sales by the Equipment Operations. The ROE goals of 13% at target and 16% at maximum represent an even greater level of stretch, raising the difficulty of attaining target payouts. We regularly review the ROE of other financial institutions to ensure the appropriate level of stretch.

ROE goals are weighted based on the actual mix of subsidized versus non-subsidized business in a fiscal year. The Committee approved the following ROE goals at the beginning of fiscal 2017:

Fiscal 2017 ROE Goals	Subsidized business	Non-subsidized business	Weighted Goals
% of Business	68%	32%	
Maximum		16%	12%
Target		13%	11%
Threshold	10%	10%	10%

ANNUAL FINANCIAL METRICS

Since in fiscal 2017, we have added two financial metrics — net sales and revenue and net income — to encourage executives (representing approximately 120 top-level employees) to focus on near-term financial execution and foster accountability for short-term results.

The Committee set target goals for net sales and revenue and net income at the beginning of fiscal 2017 based on input from management regarding our expected performance in the upcoming year. The goal for a target payout for each metric will match the number established in our annual operating budget forecast — what we call the Original Budget. Net sales and revenue that falls more than 10% below target and net income that falls more than 15% below target will result in no payout for those metrics. Conversely, net sales and revenue that exceeds target by at least 10% and net income that exceeds target by at least 15% will result in a maximum (200%) payout for those metrics. The metric spread for net income is wider because there are more factors that affect net income than there were for net sales and revenue.

APPROVAL OF STI AWARD RATES

At the beginning of the fiscal year, after review and consideration of Deere's peer group data for target cash bonuses, the Committee approves target STI rates as a percentage of each NEO's base salary. The target STI rates for fiscal 2017were as follows:

	Target Rate
CEO	125%
Other NEOs	85%

Regardless of the award amount reached by applying this formula, no individual award under the STI plan may exceed $5 million or 200% of target. Payouts at 200% of target can be achieved only when our businesses meet or exceed the maximum performance goal for each component of the weighted STI performance formula.

FISCAL 2017 PERFORMANCE RESULTS FOR STI

The chart below shows OROA results for the Agriculture and Turf Operations, the Construction and Forestry Operations, and Equipment Operations as a whole, based on actual sales volumes:

Equipment Operations	**Construction & Forestry**	**Agriculture & Turf**
OROA: **21.2%**	OROA: **9.9%**	OROA: **25.0%**
Percent of Mid-Cycle: 83%	Percent of Mid-Cycle: 85%	Percent of Mid-Cycle: 83%
Result: **Maximum** (200% of Target)	Result: **Between Minimum and Target** (60%)	Result: **Maximum** (200% of Target)

Those results, together with ROE for Financial Services, are weighted to determine STI, as follows:

Fiscal 2017 Performance Results for STI	Fiscal 2017 Performance Results	Performance as % of Target	Fiscal 2017 Award Weighting	Weighted Award Results
Equipment Operations OROA	21.2%	200%	25%	50%
Agriculture and Turf Operations OROA	25.0%	200%	12.5%	25%
Construction and Forestry Operations OROA	9.9%	60%	7.5%	4%
Financial Services ROE	10.6%	82%	5%	4%
Net Sales and Revenue	$ 29,363	200%	25%	50%
Net Income	$ 1,923	200%	25%	50%
Actual Performance as % of Target 184%				

The Equipment Operations OROA calculation excludes the assets from our captive financial services. ROE is based solely on the Financial Services segment. See appendix B for details.

The amount of the STI award paid to an NEO is calculated as follows:

STI AWARD CALCULATIONS

Base salary for the fiscal year	Target STI rate	Actual performance as a percent of target	=	**STI award amount**

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Actual STI awards paid to NEOs are shown in the table to the right and detailed in the Fiscal 2017 Summary Compensation Table under footnote (4).

The STI plan and the results for fiscal 2017 described above, except for the net sales and revenue and net income components, are also used to determine the STI awards paid to most other salaried employees worldwide. For fiscal 2017, STI awards paid to the NEOs consisted of approximately 1.8% of the total amount of STI awards paid to all eligible employees.

Officer	Fiscal 2017 STI award	
Samuel R. Allen	$	3,442,313
Rajesh Kalathur	$	986,622
James M. Field	$	1,093,224
Jean H. Gilles	$	1,019,394
John C. May	$	968,465

The STI plan is periodically approved by our stockholders and was last approved at the Annual Meeting in February 2015.

REVISED PERFORMANCE METRICS STARTING IN FISCAL 2018

As we continue to drive exceptional OROA performance across the business cycle, we will increase the 2018 compensation OROA goals significantly to recognize this transformation. The table below highlights this journey. The compensation goals may be adjusted every 3 years to align to significant changes in the business, up or down, and will align with the enterprise strategy.

				2016 OROA Goals								
				Trough	**Mid-Cycle**	**Peak**						
Maximum	12%	20%	28%	13%	24%	36%	16%	26%	36%	17%	35%	48%
Target	8%	12%	20%	10%	18%	26%	12%	19%	26%	14%	29%	40%
Threshold	4%	8%	12%	8%	12%	16%	8%	12%	16%	12%	20%	28%

Additional metrics, net sales and revenue and net income, were added in fiscal 2017 as a way to incorporate a growth factor into the incentive calculation. Between OROA and net sales and revenue, there is significant overlap with the net income measure. To simplify the calculation, the Net Income metric will be removed. This will simplify the mix but still retain a balanced focus between margin and growth. STI weighting will include two-thirds OROA and one-third net sales and revenue. The metric spread for net sales and revenue will also be adjusted from 10% to 15%.

Management also conducted an analysis of STI values against current market data, and the Committee approved an increase to the STI target rates for senior officers for fiscal 2018 to align to market target payouts.

Mid-Term Incentive (MTI)

MTI is a long-term cash award based on Deere's performance against ambitious goals for Shareholder Value Added (SVA) over a three-year performance period.

SHAREHOLDER VALUE ADDED PERFORMANCE METRIC

The MTI plan is designed to motivate executives and other salaried employees to consistently create lasting value. To that end, since the MTI plan was first implemented, the performance metric has been Deere's SVA, which essentially measures earnings in excess of our cost of capital.

SVA was selected as the MTI performance metric because the Committee believes Deere should:

- earn, at a minimum, its weighted average cost of capital each year

ensure that investments in capital and research and development earn their cost of capital
ensure that acquisitions do not erode stockholder value

Put another way, we believe Deere can realize sustainable improvement in SVA through a combination of revenue growth and high returns on invested capital. SVA incorporates both of these concepts and therefore serves as a barometer of long-term value.

SVA is measured on an enterprise-wide level. As a result, the MTI plan encourages teamwork across all of our business units. In fiscal years 1994 through 2003 (the 10 years before we implemented the MTI plan), accumulated SVA was negative $1.4 billion. In the ten most recent fiscal years, accumulated SVA rose to $17.1 billion. This demonstrates that management has become adept at investing for the future while still delivering consistent stockholder returns.

We demonstrate how SVA is calculated in Appendix B, “Deere & Company Reconciliation of Non-GAAP Measures.”

MODIFICATION OF AWARDS BASED ON RELATIVE TSR

In an effort to further align executive compensation with stockholder interests, the Committee added a relative TSR modifier to potential MTI payouts for our NEOs and certain other executive officers. Starting with the performance period that began in fiscal 2015, we compare Deere’s TSR to TSR for the S&P Industrial Sector during the same time frame. The Committee chose the S&P Industrial Sector as a benchmark because it is an independently selected comparator group that includes a majority of our peer group companies. This index is also used to measure relative performance for PSUs under our long-term incentive plan. If Deere’s TSR is at or below the 25th percentile of the index, the final MTI payout for our senior executives will be reduced by 25%. If Deere’s TSR is between the 25th and 50th percentiles, the final MTI payout for our senior executives will be reduced by up to 25%, as shown in the graph below. The TSR modifier ensures that senior executives will not get the full MTI award unless Deere’s TSR is at least at the median of the index. There is no upside for outperforming the 50th percentile.

TSR MODIFIER FOR MTI PAYMENTS

THREE-YEAR PERFORMANCE PERIODS

The Committee approved three-year performance periods for MTI awards to emphasize the importance of consistent, sustained operating performance. We believe employees are motivated to achieve consistently strong SVA results because, as we illustrate below under “Historical Accumulated SVA, MTI Goals, and MTI Payouts,” each year affects award calculations in three separate rolling performance periods. Whether positive or negative, SVA results for each year become part of the MTI award calculation for that year and the next two years. Consequently, negative SVA in one year can offset positive SVA in another. A single year of strong performance will not result in a high MTI payout if it follows one or two years of weak performance. Conversely, MTI payouts will not necessarily be low after a year of weak performance if results in the two preceding years were strong.

SETTING SVA GOALS

Each year, two principles guide the Committee in fixing the accumulated maximum SVA goal for the next three-year performance period. First, the goal for a maximum payout reflects return on invested capital performance in the top 25% relative to our peer group. Second, the goal for a maximum payout is calculated based on estimated enterprise SVA at mid-cycle sales levels (described above under "Performance Metrics for STI") for the first year of the performance period. We cannot confidently forecast SVA for the second and third years of the performance period. Instead, we assume a compounded 7% annual growth rate (a number that corresponds to Deere's historical sales growth rate) for each of the remaining two yearsto arrive at a cumulative three-year SVA goal. Once set, the goal is a fixed amount for the performance period.

As mentioned above, the maximum SVA goal represents top-quartile invested capital performance, which is an aggressive stretch under "normal" business conditions. Accordingly, the target SVA goal is set at half of that amount. A threshold MTI award for the performance period that just ended required $1 million of accumulated SVA. The threshold accumulated SVA goal was raised to $5 million starting with the performance period that began in fiscal 2015. The threshold goal was increased to avoid nominal payouts to eligible participants.

The chart below details the threshold, target, and maximum accumulated SVA goals for each performance period that includes fiscal 2017. The SVA goals grew significantly more challenging for the performance periods ending in 2016 through 2019: sales volumes for agricultural equipment increased in recent years, which led to a substantial increase in mid-cycle sales and increased expectations for SVA. As the recent business downturn became part of the business cycle, mid-cycle volumes decreased, resulting in slightly lower mid-cycle SVA for the performance periods ending in 2018 and 2019. Although the SVA goals have decreased, the same level of goal rigor exists due to the downturn in business conditions. The SVA goals have increased at a compounded annual growth rate of 14% since the MTI plan was introduced in 2004.

SVA Goals for MTI	Fiscal 2015 through Fiscal 2017	Fiscal 2016 through Fiscal 2018	Fiscal 2017 through Fiscal 2019
Threshold SVA Required for Payout	$5 million	$5 million	$5 million
SVA Goal for Target Payout	$4,495 million	$4,200 million	$4,010 million
SVA Goal for Maximum Payout	$8,990 million	$8,400 million	$8,020 million

APPROVAL OF MTI AWARD RATES

At the beginning of each performance period, after considering data for our peer group, the Committee approves target MTI award rates as a percentage of the median salary for each NEO's salary grade. The following table shows the target payout rates approved by the Committee for the performance period ended in 2017:

	Target Rate
CEO	121%
Other NEOs	93%

Regardless of the amount calculated for each award using these payout rates, no employee can receive an award under the MTI plan that exceeds $4.5 million or 200% of target.

FISCAL 2017 PERFORMANCE RESULTS FOR MTI

The following table shows Deere's accumulated SVA, calculated as described in Appendix B, for the three-year performance period ended in 2017, which resulted in a payout of 53%.

The payout percentage for fiscal 2017 was calculated as follows:

Fiscal Year	**SVA (in millions)**
2015	$ 774
2016	$ 344
2017	$ 1,264
Accumulated SVA for 2015–2017 performance period	$ 2,382
SVA Goal for Target Payout	$ 4,495
TSR Modifier (if below 50th percentile)	no modifier applied
Actual Performance as % of Target	**53%**

The following table shows historical MTI information and how SVA for fiscal 2017 will affect MTI awards for the performance periods ending in 2018, 2019, and 2020.

HISTORICAL ACCUMULATED SVA, MTI GOALS, AND MTI PAYOUTS

As noted above, a maximum MTI payout requires Deere to achieve superior return on invested capital performance relative to our peer group over a three-year period. The payout awarded to our employees for the performance period that just ended adheres to that requirement. As the graph below demonstrates, Deere's ROIC results have consistently exceeded 75th percentile performance relative to our peers.

ROIC DEERE VS. PEERS 1997–2016

*Peer group data for 2017 is not yet available. ROIC is adjusted for captive financial services for Deere and peers.

CALCULATION OF MTI AWARDS

The amount of the MTI award paid to an NEO is calculated as follows:

Median of actual salaries for the relevant salary grade [(a)]	×	Target MTI rate	×	Actual performance as a percent of target	=	**MTI award amount**

(a) Median (or midpoint) is the basis of the MTI calculation for all employees so that within a given salary structure and level, the employees receive the same MTI payout.

Actual MTI awards paid to the NEOs are shown in the table to the right and detailed in the Fiscal 2017 Summary Compensation Table under footnote (4).

The results for the performance period ended in 2017 are also used to determine the MTI awards for other eligible employees worldwide. MTI awards paid to the NEOs for fiscal 2017 consisted of approximately 4.5% of the total amount of MTI awards paid to all eligible employees.

Officer	Fiscal 2017 MTI award
Samuel R. Allen	$961,769
Rajesh Kalathur	$305,419
James M. Field	$305,419
Jean H. Gilles	$305,419
John C. May	$305,419

The MTI plan is periodically approved by our stockholders, most recently at the Annual Meeting in February 2013. The MTI plan will be considered for re-approval at the February 2018 Annual Meeting.

REVISED MTI PERFORMANCE METRICS STARTING IN FISCAL 2018

Deere’s Mid-Term Incentive Plan (MTI) is being renamed the John Deere Long-Term Incentive Cash Plan (LTIC) beginning in fiscal 2018. Like MTI, LTIC is a cash award measured over a three-year performance period. There is no change to the nature of the award; it will remain designed to motivate executives and other salaried employees to consistently create lasting value and be measured by SVA. The maximum individual payout under the LTIC Plan is being increased to $6 million for a performance period.

The addition of a TSR modifier in 2015 adjusts the MTI award from SVA performance to align upper quartile peer goals with shareholder expectations. The Compensation Committee approved changing the TSR modifier from additive to multiplicative beginning in fiscal 2018 and will include an upside when performance is between the 50th and 75th percentile and create a steeper reduction when TSR performance is below the 50th percentile.

There is also a market shift driving an increase to LTIC target awards to align closer to peers and market changes.

Long-Term Incentive (LTI)

The LTI is designed to reward the NEOs for creating sustained stockholder value, to encourage ownership of Deere stock, to foster teamwork, and to retain and motivate high-caliber executives while aligning their interests with those of our stockholders. LTI awards consist of three components: restricted stock units (RSUs), market-priced stock options, and performance stock units (PSUs), all awarded annually under the John Deere Omnibus Equity and Incentive Plan (Omnibus Plan). The Omnibus Plan is periodically approved by our stockholders and was last approved at the Annual Meeting in February 2015.

FISCAL YEAR 2017 LTI AWARD OVERVIEW FOR NEOS

	PSUs	**RSUs**	**Stock Options**
LTI Mix			
Performance measurements	50% revenue growth* and 50% TSR relative to the S&P Industrial Sector over a three-year performance period	Stock price appreciation	Stock price appreciation
Vesting period	Cliff vest on the third anniversary of the grant date	Cliff vest on the third anniversary of the grant date	Vest in approximately equal annual installments over three years
Conversion/expiration	Converted to Deere common stock upon vesting	Converted to Deere common stock upon vesting	Expire 10 years from the grant date
Objective	Motivate and reward relative outperformance	Encourage ownership and retention while providing immediate alignment with stockholders	Reward for stock price appreciation

*Based on Deere's compound annual growth rate

APPROVAL OF LTI AWARD VALUES

The Committee established LTI grants for the NEOs based on the following criteria: level of responsibility, individual performance, current market practice, peer group data, and the number of shares available under the Omnibus Plan. Awards granted in previous years are not a factor in determining the current year's LTI award; nor is potential accumulated wealth.

At the first Committee meeting of each fiscal year, after consideration of peer group data on median values for long-term incentives, the Committee approves a dollar value for a base-level LTI award and the mix of awards to be delivered. The grant price for all LTI awards prior to February 25, 2015, is the average of the high and low common stock prices on the grant date as reported on the NYSE. For awards made thereafter, the grant price is the closing price of Deere common stock on the NYSE on the grant date. The grant price is used to determine the number of PSUs, RSUs, and stock options to be awarded.

As has been the practice for several years, the Committee can increase (up to 20%) or decrease (down to $0) an individual NEO's base-level award to distinguish that executive's performance, deliver a particular LTI value, or reflect other adjustments as the Committee deems appropriate. For fiscal 2017, the Committee approved adjustments to base-level award values ranging up to 20% to recognize the accomplishments of the individual NEOs. LTI awards were approved for the NEOs as follows:

	Adjusted Award Values*
Samuel R. Allen	$ 8,360,000
Rajesh Kalathur	$ 1,716,000
James M. Field	$ 1,716,000
Jean H. Gilles	$ 1,716,000
John C. May	$ 1,716,000

*The amounts shown include PSUs valued at the grant price on the date of grant. These amounts differ from the value of equity awards shown in the Fiscal Year 2017 Summary Compensation Table and Grants of Plan-Based Awards table because those tables reflect the probable outcome of the performance metrics for PSUs.

See the Fiscal 2017 Grants of Plan-Based Awards table and footnotes for more information on LTI awards delivered, as well as the terms of the awards.

For fiscal 2017, the number of RSUs and PSUs granted to the NEOs represented 8% and 53%, respectively, of the total RSUs and PSUs granted to all eligible salaried employees; stock options granted to the NEOs represented 30% of the total stock options granted to eligible salaried employees.

CONVERSION OF PSUs TO DEERE STOCK

For PSUs granted in fiscal 2017, the actual number of shares to be issued upon conversion will be based equally on Deere's revenue growth and TSR for the three-year performance period ending in 2020. Deere's performance will be measured relative to the companies in the S&P Industrial Sector as of the end of the performance period. The Committee chose the S&P Industrial Sector as a benchmark because it is an independently selected comparator group that includes a majority of our peer group companies.

PERFORMANCE TARGETS (PERFORMANCE PERIOD ENDING IN 2019)

Revenue Growth Payout % × 50% of PSUs Awarded	**+**	TSR Payout % × 50% of PSUs Awarded	**=**	**Final Award**

The number of PSUs that vest and convert to shares can range from 0% to 200% of the number of PSUs awarded, depending on Deere's relative performance during the performance period, as illustrated in the following table:

Deere's Revenue Growth and TSR Relative to the S&P Industrial Sector	% of Target Shares Earned (Payout %) *
Below 25th percentile	0%
At 25th percentile	25%
At 50th percentile	100%
At or above 75th percentile	200%

* Interim points are interpolated

These performance targets reflect the Committee's belief that median levels of relative performance should lead to median levels of compensation.

PAYOUT CAP ON PSUs

In response to stockholder concerns, beginning with the PSUs that vest at the end of fiscal 2019, the payout will be capped at target if Deere's TSR is negative, regardless of how Deere compares to its peers.

2015-2017 PSUs

The performance period for PSUs granted in fiscal year 2015 ended on October 31, 2017. The final number of shares earned was based on Deere's revenue growth and TSR relative to the S&P Industrial Sector over the three-year performance period. The Committee made its final payout determination in December 2017 following a review of the relative performances of Deere and the S&P Industrial Sector. Deere's revenue growth and TSR were comparable to the 9th and 77th percentiles, respectively. This resulted in an overall payout of 100% of target.

Deere's Revenue Growth and TSR Relative to the S&P Industrial Sector	3rd Year Results	Performance Results for Performance Period Relative to S&P Industrial Sector	% of Target Shares Earned	Award Weighting
Revenue Growth	-6.23%	9th percentile	0%	50%
TSR	18.9%	77th percentile	200%	50%
			Final Payout as % of Target	

LTI REPORTED VERSUS REALIZABLE VALUE

The values for Stock and Option Awards included on the Summary Compensation Table on page 57 are presented in accordance with SEC requirements. Although this allows for comparison across companies, the Committee feels the prescribed calculation does not fully represent the Committee's annual decision and does not support a valid CEO pay-for-performance assessment. The following chart compares the LTI values reported on the Summary Compensation Table to Mr. Allen's realizable LTI value for each of the grants in 2015, 2016, and 2017. The three-year TSR as of October 31, 2017, is 18.9%.

REPORTED VS. REALIZABLE LTI VALUE

(a) See footnotes (2) and (3) to the Summary Compensation Table for an explanation of these valuations.
(b) Realizable LTI is calculated as:
– The Black-Scholes value as of October 31, 2017, of the stock options granted in 2015, 2016, and 2017
– The value as of October 31, 2017, of RSUs granted in 2015, 2016, and 2017
– The value as of October 31, 2017, of PSUs granted in 2015, 2016, and 2017 (reflecting actual performance for the 2015–2017 performance cycle and the in-process 2016–2018 and 2017–2019 performance cycles)

2018 CHANGES TO LONG-TERM COMPENSATION

Changes to the Deere LTI program will impact the Performance Share Units (PSU) award. Effective in 2018, PSU awards will be measured solely on revenue growth. TSR as a standalone measure will no longer apply. TSR will continue as a modifier on the LTIC award. As noted above for LTIC, the performance peer group is being changed to a subset of the S&P 500 Industrial Group and will include approximately 40 companies.

Summary of Direct Compensation

The Committee believes each pay element included in Direct Compensation is consistent with our compensation philosophy. The Committee reviews Direct Compensation for the NEOs in the aggregate (excluding the CEO) as well as for each NEO individually, and compares this compensation to the market position data of our peer group. This market position data takes into account the level of responsibility (including the level of sales volume) for each NEO's respective operations.

A key element of these individual performance evaluations is a careful analysis of each NEO's collaboration and contribution to the success of a high-performing team. Thus, while the market data for each position is a factor in reviewing Direct Compensation, the Committee also considers individual fulfillment of duties, teamwork, development, time in position, experience, and internal equity among NEOs (other than the CEO). The Committee recognizes individual performance through adjustments to base salary and LTI.

Direct Compensation for the CEO is higher than for the other NEOs due to the CEO's breadth of executive and operating responsibilities for the entire global enterprise. The Committee does not target CEO compensation as a certain multiple of the compensation of the other NEOs. The relationship between the CEO's compensation and that of the other NEOs is influenced by our organizational structure, which does not currently include a chief operating officer. The ratio of Mr. Allen's Direct Compensation to that of the other NEOs is generally comparable to that found among the companies in our peer group.

Other Compensation Matters

RULES RELATED TO STOCK OWNERSHIP, HOLDING REQUIREMENTS, AND ANTI-HEDGING AND ANTI-PLEDGING POLICIES

NEOs are required to hold a certain amount of Deere stock. The CEO is expected to hold stock equivalent to 6 times base salary and the other NEOs are expected to hold stock equivalent to 3.5 times base salary. These ownership levels must be achieved within five years of the date the NEO is first appointed as CEO or as an executive officer. NEOs who have not achieved the requisite ownership level may not transfer any of the stock they acquire through our equity incentive plan. Only vested RSUs and any common stock held personally by an NEO are included in determining whether the applicable ownership requirement has been met. Once an NEO achieves the appropriate ownership level, the number of shares held at that time becomes that individual's fixed stock ownership requirement for three years, even if base salary increases or Deere's stock price decreases.

Our Insider Trading Policy precludes all directors and employees, including our NEOs, and their related persons from engaging in short sales of Deere's stock or trading in instruments designed to hedge against or offset price declines by any Deere securities. Our Insider Trading Policy also prohibits our directors and officers from holding Deere stock in margin accounts or pledging Deere stock as collateral for loans or other obligations.

LIMITATIONS ON DEDUCTIBILITY OF COMPENSATION

Prior to the Tax Cuts and Jobs Act ("Tax Reform") that was signed into law December 22, 2017, Section 162(m) of the Internal Revenue Code generally limited to $1 million the U.S. federal income tax deductibility of compensation paid in one year to a company's CEO or any of its three next-highest-paid executive officers (other than its Chief Financial Officer). Grandfathered performance-based compensation is not subject to this limit on deductibility so long as such compensation meets certain requirements, including stockholder approval of material terms. The Committee strived to provide the NEOs with incentive compensation programs that preserved the tax deductibility of compensation paid by Deere, to the extent reasonably practicable and consistent with Deere's other compensation objectives and the Tax Reform. The Committee believes, however, that stockholder interests are best served by not restricting the Committee's discretion and flexibility in structuring compensation programs, even though such programs may result in non-deductible compensation expenses. The Tax Reform includes a major overhaul to Section 162(m), which takes effect for tax years beginning after December 31, 2017. In 2018, the Committee will be reviewing the Tax Reform and its application and impact, if any, on Deere's compensation programs.

RECOUPMENT OF PREVIOUSLY PAID INCENTIVE COMPENSATION

Deere's Executive Incentive Compensation Recoupment Policy authorizes the Committee to determine whether to require recoupment of cash and equity incentive compensation paid to or deferred by certain executives under certain conditions. Under the policy, the Committee may require recoupment if the Committee determines an executive received incentive compensation that was artificially inflated because the executive engaged in misconduct that:

– contributed to the need for a restatement of all or a portion of Deere's financial statements filed with the SEC or
– contributed to an incorrect calculation of operating metrics that are used to determine incentive plan payouts

The Committee is closely monitoring the proposed rules and rule amendments issued by the SEC to implement provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act relating to recoupment of incentive-based compensation and will amend the Recoupment Policy if necessary when the final rules are adopted.

Indirect Compensation Elements

Perquisites

We offer our NEOs various perquisites that the Committee believes are reasonable in order to remain competitive. These perquisites, which are described in footnote (6) to the Fiscal 2017 Summary Compensation Table, constitute a small percentage of the NEOs' total compensation. The Committee conducts an annual review of the perquisites offered to the NEOs.

In addition to the items listed in footnote (6), NEOs, as well as other selected employees, are provided indoor parking and access to Deere-sponsored skyboxes at local venues for personal use when not occupied for business purposes, both at no incremental cost to Deere.

The Board requires the CEO to use company-owned aircraft for all business and personal travel because the ability to travel safely and efficiently provides substantial benefits that justify the cost. The geographic location of Deere's headquarters in the Midwest, outside of a major metropolitan area, makes personal and business travel challenging. Moreover, traveling by company aircraft allows the CEO to conduct business confidentially while in transit. Personal use of company aircraft by other NEOs is minimal and must be approved by the CEO. The Committee has limited the CEO's annual personal usage of company aircraft to approximately 100 hours.

Retirement Benefits

All NEOs are covered by the same defined benefit pension plans, which include the same plan terms that apply to most qualifying U.S. salaried employees. We also maintain two additional defined benefit pension plans in which NEOs may participate: the Senior Supplementary Pension Benefit Plan (the "Senior Supplementary Plan") and the John Deere Supplemental Pension Benefit Plan (the "Deere Supplemental Plan").

The tax-qualified defined benefit pension plans have compensation limits imposed by the Internal Revenue Code. The Senior Supplementary Plan provides participants with the same benefit they would have received without those limits. This avoids the relative disadvantage that participants would experience compared to other qualified plan participants. The Deere Supplemental Plan is designed to reward career service at Deere above a specified grade level by utilizing a formula that takes into account only years of service above that grade level. We believe the defined benefit plans serve as important retention tools, provide a level of competitive income upon retirement, and reward long-term employment and service as an officer of Deere. In addition, the fact that the Senior Supplementary and Deere Supplemental Plans are unfunded (with benefit payments under these plans being made out of the general assets of Deere) and therefore at-risk (if Deere were to seek bankruptcy protection), creates a strong incentive for the NEOs to minimize risks that could jeopardize Deere's long-term financial health. For additional information, see the Fiscal 2017 Pension Benefits Table, along with the accompanying narrative and footnotes.

We also maintain a tax-qualified defined contribution plan, the John Deere Savings and Investment Plan (SIP), which is available to most of our U.S. employees, including the NEOs. We make matching contributions to participating SIP accounts on up to six percent of an employee's pay. The actual amount of the company match varies based on two factors: the STI results for the most recently completed fiscal year (see the "Fiscal 2017 Performance Results for STI" section above) and the pension option in which the employee participates (see the narrative preceding the Fiscal 2017 Pension Benefits Table). The following table illustrates Deere's match for calendar 2017, which is reported for our NEOs under the "All Other Compensation" column of the Fiscal 2017 Summary Compensation Table:

Contemporary Option match on first 2% of eligible earnings:	**288%**
Contemporary Option match on next 4% of eligible earnings:	**96%**

Deferred Compensation Benefits

We also maintain certain deferred compensation plans that provide the NEOs with longer-term savings opportunities on a tax-efficient basis. Similar deferred compensation benefits are commonly offered by companies with which we compete for talent.

As of November 1, 2015, for the Defined Contribution Restoration Plan and as of November 1, 2016, for the Deferred Plan, the investment options now parallel the investment options offered under our 401(k) plan (with certain limited exceptions). Funds deferred prior to these effective dates may remain invested under the previous options, although participants also may move these funds into the new options. Additionally, participants may change investment options at any time. These changes effectively ensure that participants cannot earn above-market interest on new deferrals.

See the "Nonqualified Deferred Compensation" section below for additional details.

Potential Payments upon Change in Control

Deere's Change in Control Severance Program (the "CIC Program") covers certain executives, including each of the NEOs, and is intended to facilitate continuity of management in the event of a change in control. The Committee believes the CIC Program:

- encourages executives to act in the best interests of stockholders when evaluating transactions that, without a change in control arrangement, could be personally detrimental
- keeps executives focused on running the business in the face of real or rumored transactions
- protects Deere's value by retaining key talent despite potential corporate changes
- protects Deere's value after a change in control by including restrictive covenants (such as non-compete provisions) and a general release of claims in favor of Deere
- helps Deere attract and retain executives as a competitive practice

For more information, see "Fiscal 2017 Potential Payments upon Change in Control" and the corresponding table.

Other Potential Post-Employment Payments

Deere's various plans and policies provide payments to NEOs upon certain types of employment terminations that are not related to a change in control. These events and amounts are explained in the section under Executive Compensation Tables entitled "Fiscal 2017 Potential Payments upon Termination of Employment Other than Following a Change in Control."

Risk Assessment of Compensation Policies and Practices

As shown in the adjacent diagram, management conducted a comprehensive risk assessment of Deere's compensation policies and practices, as we have done each year since 2010.

The inquiries in the risk assessment questionnaire focus on: pay-for-performance comparison against our peer group, balance of compensation components, program design and pay leverage, program governance, and mitigating factors that offset program risks.

Based on its most recent review, the Risk Assessment Team concluded that Deere's compensation policies and practices do not create risks that are reasonably likely to have a material adverse effect on the company. The Committee, along with its independent compensation consultant, reviewed the risk assessment and concurred with that conclusion. The Committee believes the following key factors support the Risk Assessment Team's conclusion:

- the performance metrics for our STI and MTI incentive plans are based on enterprise publicly reported metrics with only minor adjustments and, therefore, are not easily susceptible to manipulation
- the metrics for our STI and MTI compensation, and the related potential payouts, are capped to reduce the risk that executives might be motivated to attain excessively high "stretch" goals in order to maximize payouts

In addition, Deere maintains stock ownership requirements that are designed to motivate our management team to focus on Deere's long-term sustainable growth and a Recoupment Policy designed to prevent misconduct relating to financial reporting.

Convened a Risk Assessment Team comprising management personnel representing relevant areas of oversight.

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Completed an inventory of Deere's compensation programs globally for both executive and non-executive employees.

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Updated our existing detailed risk assessment questionnaire to take account of any relevant changes in our compensation structure or philosophy.

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Applied the updated questionnaire to the compensation programs that, due to their size, potential payout, or structure, could potentially have a material adverse effect on Deere.

The reports of the Compensation Committee and the Audit Review Committee that follow do not constitute soliciting material and will not be deemed filed or incorporated by reference by any general statement incorporating by reference this Proxy Statement or future filings into any filing under the Securities Act of 1933 or under the Securities Exchange Act of 1934, except to the extent that Deere specifically incorporates the information by reference, and will not otherwise be deemed filed under these statutes.

Compensation Committee Report

The Compensation Committee of the Board of Directors has reviewed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K and discussed it with Deere’s management. Based on the Compensation Committee’s review and discussions with management, the Compensation Committee recommends to the Board of Directors that the Compensation Discussion and Analysis be included in Deere’s Proxy Statement.

Vance D. Coffman, Chair
Clayton M. Jones
Brian M. Krzanich
Dmitri L. Stockton

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Executive Compensation Tables

In this section, we provide tabular and narrative information regarding the compensation of our NEOs for the fiscal year 2017. Fiscal year 2016 is the first year John C. May met the criteria for inclusion. Therefore data for only fiscal 2016 and 2017 is included for Mr. May.

FISCAL 2017 SUMMARY COMPENSATION TABLE

Name and Position	Fiscal Year	Salary (1)	Stock Awards(2)	Option Awards(3)	Non-Equity Incentive Plan Compensation(4)	Change in Pension Value and Nonqualified Deferred Compensation Earnings(5)	All Other Compensation
Samuel R. Allen	2017	$1,500,000	$5,479,540	$2,929,134	$4,404,082	$1,270,046	$469,390
Chairman and	2016	$1,500,000	$6,246,874	$2,926,317	$4,492,426	$3,005,568	$471,686
Chief Executive Officer	2015	$1,500,000	$5,612,187	$2,660,623	$5,519,363	$2,931,274	$477,883
Rajesh Kalathur	2017	$632,241	$1,124,684	$601,227	$1,292,041	$271,898	$141,307
Senior Vice President and	2016	$615,312	$1,167,110	$546,760	$1,269,406	$352,821	$155,296
Chief Financial Officer	2015	$552,128	$1,153,349	$546,826	$1,953,632	$284,820	$146,875
James M. Field	2017	$700,553	$1,124,684	$601,227	$1,398,643	$418,443	$165,166
President, Agricultural	2016	$686,266	$1,167,110	$546,760	$1,352,171	$632,142	$185,457
Equipment Operations	2015	$666,274	$1,048,459	$497,120	$2,146,607	$506,345	$180,826
Jean H. Gilles	2017	$653,242	$1,124,684	$601,227	$1,324,813	$841,531	$150,536
Senior Vice President, John Deere Power Systems, Worldwide Parts Services, Advanced Technology & Engineering, and Global Supply Management & Logistics	2016	$639,416	$1,145,793	$536,818	$1,297,522	$1,197,119	$182,664
	2015	$614,823	$1,153,349	$546,826	$2,059,624	$992,519	$162,684
John C. May	2017	$620,606	$1,124,684	$601,227	$1,273,884	$275,458	$149,905
President and Ag Solutions Chief Information Officer	2016	$599,840	$1,273,139	$596,455	$1,251,358	$388,506	$162,727

(1) Includes amounts deferred by the NEO under the John Deere Voluntary Deferred Compensation Plan. Salary amounts deferred in fiscal 2017 are included in the first column of the Fiscal 2017 Nonqualified Deferred Compensation Table.

(2) Represents the aggregate grant date fair value of PSUs and RSUs computed in accordance with FASB ASC Topic 718. The values in this column exclude the effect of estimated forfeitures. Assumptions made in the calculation of these amounts are included in Note 24, "Stock Option and Restricted Stock Awards," of our consolidated financial statements filed with the SEC on Form 10-K for the fiscal year ended October 31, 2017 ("2017 Form 10-K"). For PSUs, the value at the grant date is based upon the probable outcome of the performance metrics over the three-year performance period. If the highest level of payout was achieved, the value of the PSU awards as of the grant date would be as follows: $6,779,216 (Allen); $1,391,476 (Kalathur); $1,391,476 (Field); $1,391,476 (Gilles); and $1,391,476 (May). RSUs will vest three years after the grant date, at which time they may be settled in Deere common stock. Refer to the Fiscal 2016 Grants of Plan-Based Awards table and footnote (7) for a detailed description of the grant date fair value of stock awards.

(3) Represents the aggregate grant date fair value of stock options computed in accordance with FASB ASC Topic 718. The values in this column exclude the effect of estimated forfeitures. The assumptions made in valuing option awards reported in this column and a more detailed discussion of the binomial lattice option pricing model appear in Note 24, "Stock Option and Restricted Stock Awards," of our consolidated financial statements filed with the SEC in the 2017 Form 10-K. Refer to the Fiscal 2017 Grants of Plan-Based Awards table and footnote (7) for a detailed description of the grant date fair value of option awards.

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(4) Non-equity incentive plan compensation includes cash awards under the STI and MTI plans. Cash awards earned under the STI and MTI plans for the performance period ended in fiscal 2017 were paid to the NEOs on December 15, 2017, unless deferred under the Voluntary Deferred Compensation Plan. Deferred STI and MTI amounts are included in the first column of the Fiscal 2017 Nonqualified Deferred Compensation Table.
The following table shows the awards earned under the STI and MTI plans:

Name	STI (a) Target Award as % of Salary	Actual Performance as % of Target	Award Amount	MTI (b) Target Award as % of Salary	Actual Performance as % of Target	Award Amount	Total Non-Equity Incentive Plan Compensation
Samuel R. Allen	125%	184%	$3,442,313	121%	53%	$961,769	$4,404,0
Rajesh Kalathur	85%	184%	$ 986,622	93%	53%	$305,419	$1,292,0
James M. Field	85%	184%	$1,093,224	93%	53%	$305,419	$1,398,6
Jean H. Gilles	85%	184%	$1,019,394	93%	53%	$305,419	$1,324,8
John C. May	85%	184%	$968,465	93%	53%	$305,419	$ 1,273,8

(a) Based on actual performance, as discussed in the CD&A under “Fiscal 2017 Performance Results for STI,” the NEOs earned an STI award equal to 184% of the target opportunity.

(b) Based on actual performance, as discussed in the CD&A under “Fiscal 2017 Performance Results for MTI,” the NEOs earned an MTI award equal to 53% of the target opportunity.

(5) The following table shows the change in pension value and above-market earnings on nonqualified deferred compensation during fiscal 2017.

Name	Change in Pension Value (a)	Nonqualified Deferred Compensation Earnings (b)	Total
Samuel R. Allen	$1,270,046	$ -	$1,270,046
Rajesh Kalathur	$ 271,898	$ -	$ 271,898
James M. Field	$ 418,443	$ -	$ 418,443
Jean H. Gilles	$ 778,102	$63,429	$ 841,531
John C. May	$ 275,458	$ -	$ 275,458

(a) Represents the change in the actuarial present value of each NEO’s accumulated benefit under all defined benefit plans year over year. The pension value calculations include the same assumptions as used in the pension plan valuations for financial reporting purposes. For more information on the assumptions, see footnote (4) under the Fiscal 2017 Pension Benefits Table.

(b) Represents above-market earnings on compensation that is deferred by the NEOs under our nonqualified deferred compensation plans. Above-market earnings represent the difference between the interest rate used to calculate earnings under the applicable plan and 120% of the applicable federal long-term rate prescribed by the Internal Revenue Code. See the Fiscal 2017 Nonqualified Deferred Compensation Table for additional information.
Over the past two years, modifications have been made for the investment options available under the Nonemployee Director Deferred Compensation Plan and the Voluntary Deferred Compensation Plan for employees to ensure that participants cannot earn above-market returns on new deferrals. Minimal amounts may be reported in future years for prior years’ deferrals.

(6) The following table provides details about each component of the “All Other Compensation” column in the Fiscal 2017 Summary Compensation Table:

Name		Personal Use of Company Aircraft (a)	Financial Planning (b)	Medical Exams (c)	Misc Perquisites (d)	Company Contributions to Defined Contribution Plans (e)	Total All Other Compensation
Samuel R. Allen							