

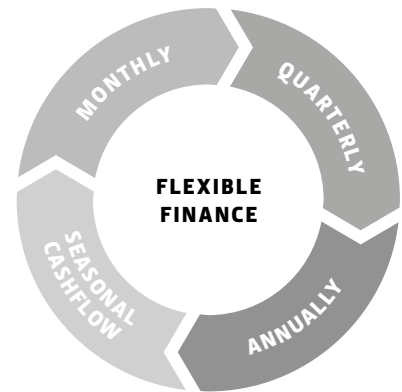
**WORKING WITH YOU**

**TODAY, TOMORROW AND FOR GENERATIONS**



# FINANCIAL SOLUTIONS OVERVIEW

John Deere Financial offers you financial solutions that help you and your business succeed. Because of our focus and knowledge about John Deere machines, we understand your requirements around financing solutions better than anyone else. Learn more here: [www.JohnDeereFinancial.co.uk](http://www.JohnDeereFinancial.co.uk)



| FUNDING FEATURES – FREQUENTLY ASKED QUESTIONS                                  | HIRE PURCHASE | FINANCE LEASE | OPERATING LEASE CONTRACT HIRE |
|--|---------------|---------------|-------------------------------|
| Will I be able to own the asset?   | ✓             | -             | -                             |
| Can I benefit from 100% of sale proceeds at the end of the primary period?     | -             | ✓             | -                             |
| Do I need to pay the VAT upfront?  | ✓             | -             | -                             |
| Can I pay the VAT with each rental?  | -             | ✓             | ✓                             |
| Can VAT on the cost of the asset be reclaimed?                                 | ✓             | -             | -                             |
| Can VAT on repayments be reclaimed?  | -             | ✓             | ✓                             |
| Are the payments and charges fixed?  | ✓             | ✓             | ✓                             |
| Is the asset on balance sheet?   | ✓             | ✓             | ✓**                           |
| Is the asset off balance sheet?  | -             | -             | ✓                             |
| Can I claim Capital or Annual Investments Allowance?                           | ✓             | -             | -                             |
| Are rentals tax deductible?  | -             | ✓*            | ✓*                            |
| Full Repayment?  | ✓             | ✓             | -                             |
| Parital Repayment?   | -             | -             | ✓                             |
| Can I use over term and return subject to agreed useage and return conditions? | -             | -             | ✓                             |
| Can I benefit from Sale Proceeds / Trade in?                                   | ✓             | ✓             | -                             |
| Does this funding help to preserve capital?                                    | ✓             | ✓             | ✓                             |

\*Refer to your accountant for tax planning guidance  
 \*\*Dependant on customer's trading style (IFRS16)



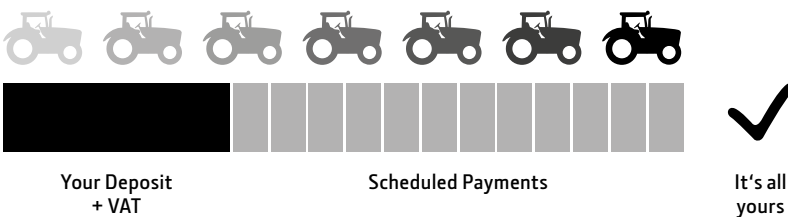
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# HIRE PURCHASE

## OWNING MADE EASY

Ownership is easier than you thought. You pay a deposit plus the whole VAT amount at the beginning. What is left to pay, plus interest and fees, is simply split into easy to manage payments – typically over 1-5 years. After you make the last payment, you own the machine. And because you own the machine, the hire purchase option allows you to claim capital allowances. Enjoy the privileges of ownership with a repayment structure that meets your needs now.

It does not get more straightforward than this: fixed scheduled payments, no surprises, and you will own your machine by end of the contract period.



## KEY BENEFITS OF HIRE PURCHASE

- Straightforward – fixed payments, fixed interest rate along the whole life of the contract
- Flexible – choose a seasonal repayment option if your business requires it
- Ownership benefits – you can claim available capital allowances
- Freedom – hire purchase imposes no usage restrictions





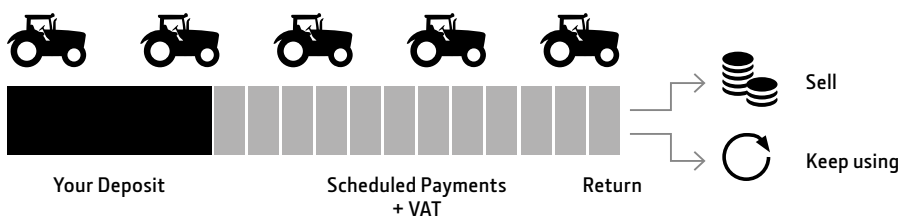
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## FINANCE LEASE

### AFFORDABLE, QUICK START

It's an attractive leasing option with fixed repayments. Since VAT is payable on each lease payment rather than in full at the outset, this is an easy start. The finance lease starts with a primary lease period, typically 2-5 years – which covers the full cost of the equipment. At the end of it, you may request the equipment to be sold to a third party – the proceeds from the sale are yours to keep. Or you can opt for a secondary lease period, continue to use the equipment in exchange for prearranged annual fee. Start using your new machine quickly, with a low deposit and easily budgeted fixed payments.

Finance lease requires low initial capital outlay and features fixed payments, fixed interest and no usage restrictions.



### KEY BENEFITS OF FINANCE LEASE

- Easy start – lower initial cash outlay, VAT is spread over the lease payments
- Tax benefit – your lease repayments are business expenses; you may be able to offset them against taxable profits
- Easy budgeting – fixed interest rates
- Control – you are entitled to 100% of the proceeds from the sale



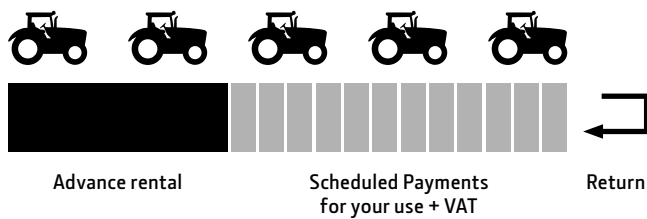
# OPERATING LEASE AND CONTRACT HIRE

## OPERATING LEASE

Think of this as your minimum commitment, low payments option. In an operating lease, you only pay for the use of the machine. That lowers your monthly payments. At the beginning, you pay an upfront rental fee, and your rental payments include VAT. At the end of the agreement you simply give the machine back to John Deere, subject to return conditions. Though you cannot claim capital allowances, you can offset the rental payments against taxable profits as a business expense.

## CONTRACT HIRE

The straightforward all-inclusive rental option with minimal commitment, lower monthly payments and a worry-free maintenance package. It combines all the advantages of an operating lease with comprehensive maintenance packages in one fixed price agreement. After an upfront rental fee, you enjoy lower fixed monthly payments, and return the machine at the end of the term of the agreement. You can offset the rental fees against taxable profits, since they are a business expense.



## TOTAL COST CONTROL

Pay only for what you use, with low payments and no ownership commitment. The contract hire option also includes maintenance packages for ultimate peace of mind.

## KEY BENEFITS OF OPERATING LEASE AND CONTRACT HIRE

- Easy on your budget – low rental payments
- Attractive pricing – lower upfront costs
- Predictable – fixed term, fixed interest
- Tax benefits – offset rental fees as a business expense
- Accurate budgeting – contract hire includes maintenance for predictable running costs