

BASE PROSPECTUS



CNH Industrial N.V.

(Incorporated as a public limited liability company (*naamloze vennootschap*) under the laws of the Netherlands No. 56532474)

**as Issuer and as Guarantor, in respect of Notes issued by
CNH Industrial Finance Europe S.A. and CNH Industrial Finance North America, Inc.
and**

CNH Industrial Finance Europe S.A.

(Incorporated with limited liability under the laws of the Grand-Duchy of Luxembourg;
Registre de Commerce et des Sociétés de Luxembourg No. B-155849)

**as Issuer
and**

CNH Industrial Finance North America, Inc.

(Incorporated under the laws of the State of Delaware)

as Issuer

€10,000,000,000

Global Medium Term Note Programme

Under the €10,000,000,000 Global Medium Term Note Programme (the "Programme") described in this base prospectus (the "Base Prospectus"), CNH Industrial N.V. ("CNH Industrial"), CNH Industrial Finance Europe S.A. ("CIFE") and CNH Industrial Finance North America, Inc. ("CIFNA") (each an "Issuer" and together, the "Issuers") may from time to time issue notes (the "Notes") denominated in any currency agreed between the relevant Issuer and the relevant Dealer (as defined below). The payments of all amounts due in respect of Notes issued by CIFE and CIFNA (the "Guaranteed Notes") will be unconditionally and irrevocably guaranteed by CNH Industrial (in such capacity, the "Guarantor").

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks, see "Risk Factors" herein.

The Base Prospectus has been approved by the Central Bank of Ireland (the "Central Bank") as competent authority under Directive 2003/71/EC, as amended (the "Prospectus Directive"). The Central Bank only approves this Base Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Such approval relates only to the Notes which are to be admitted to trading on a regulated market for the purposes of Directive 2004/39/EC, as amended, and/or which are to be offered to the public in any member state of the European Economic Area. Application has been made to the Irish Stock Exchange for the Notes issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to the official list (the "Official List") and trading on its regulated market. References in the Base Prospectus to the "Irish Stock Exchange" (and all related references) shall mean the regulated market of the Irish Stock Exchange. In addition, references in the Base Prospectus to the Notes being "listed" (and all related references) shall mean that such Notes have been admitted to listing on the Official List of the Irish Stock Exchange and admitted to trading on its regulated market or, as the case may be, a MiFID Regulated Market (as defined below). The regulated market of the Irish Stock Exchange is a regulated market for the purposes of Directive 2004/39/EC, as amended (each such regulated market being a "MiFID Regulated Market"). This document may be used to list Notes on the regulated market of the Irish Stock Exchange pursuant to the Programme. The Programme provides for Notes to be listed on such other or further stock exchange(s) as may be agreed between the relevant Issuer, the Guarantor and the relevant Dealer. Each Issuer may also issue unlisted Notes. The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed €10,000,000,000 (or its equivalent in other currencies, subject to increase as provided herein). The Notes will be issued in such denominations (each, a "Specified Denomination") as may be agreed between the relevant Issuer and the relevant Dealer and as specified in the applicable Final Terms, save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant specified currency indicated in the applicable Final Terms (as defined below) (the "Specified Currency") and save that the minimum denomination of each Note admitted to trading on a regulated market situated or operating within the European Economic Area (the "EEA") and/or offered to the public in an EEA state in circumstances which require the publication of a prospectus under the Prospectus Directive will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under "Terms and Conditions of the Notes") of Notes will be set out in final terms (the "Final Terms") which, with respect to Notes to be listed on the Irish Stock Exchange, will be delivered to the Central Bank on or before the date of issue of the Notes of such Tranche. Copies of the Final Terms relating to Notes which are listed on the Irish Stock Exchange or offered in circumstances which require a prospectus to be published under the Prospectus Directive will be available free of charge, at the registered office of each of CIFE and CIFNA, at the principal office of CNH Industrial and at the specified office of each of the Paying Agents (as defined under "Terms and Conditions of the Notes"), as well as on CNH Industrial's website at <http://www.cnhindustrial.com/en-US/Pages/HomePage.aspx>. CNH Industrial's website and its content (except for any documents available at the links mentioned herein to the extent incorporated by reference herein) do not form part of the Base Prospectus.

Arrangers

BNP PARIBAS

Citigroup

Dealers

Banca IMI

Barclays

Banco Bilbao Vizcaya Argentaria, S.A.

BNP PARIBAS

BofA Merrill Lynch

Citigroup

Commerzbank

Crédit Agricole CIB

Credit Suisse

Deutsche Bank

Goldman Sachs International

J.P. Morgan

Mediobanca

Morgan Stanley

Natixis

Rabobank International

Santander Global Banking & Markets

Société Générale Corporate & Investment Banking

The Royal Bank of Scotland

UBS Investment Bank

UniCredit Bank

The date of the Base Prospectus is November 15, 2013

The Base Prospectus is a base prospectus for the purposes of Article 5.4 of the Prospectus Directive.

CNH Industrial, in its capacity as an Issuer, accepts responsibility for the information contained in this document, with the exception of any information in respect of CIFE and CIFNA. To the best of the knowledge of CNH Industrial, the information contained in this document in respect of which it accepts responsibility is in accordance with the facts and does not omit anything likely to affect the importance of such information.

CIFE accepts responsibility for the information contained in this document, with the exception of any information in respect of CIFNA and CNH Industrial when either of CIFNA or CNH Industrial is acting as an Issuer. To the best of the knowledge of CIFE, the information contained in this document in respect of which it accepts responsibility is in accordance with the facts and does not omit anything likely to affect the importance of such information.

CIFNA accepts responsibility for the information contained in this document, with the exception of any information in respect of CIFE and CNH Industrial when either of CIFE or CNH Industrial is acting as an Issuer. To the best of the knowledge of CIFNA, the information contained in this document in respect of which it accepts responsibility is in accordance with the facts and does not omit anything likely to affect the importance of such information.

CNH Industrial, in its capacity as a Guarantor, accepts responsibility only for the information contained in this document relating to itself and to the Guarantee (as defined under “*Terms and Conditions of the Notes*”). To the best of the knowledge of the Guarantor, the information contained in those parts of this document relating to itself and to the Guarantee is in accordance with the facts and does not omit anything likely to affect the importance of such information.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”) and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons unless the Notes are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available. See “*Form of the Notes*” for a description of the manner in which Notes will be issued. Registered Notes (as defined under “*Form of the Notes*”) are subject to certain restrictions on transfer, see “*Subscription and Sale, and Transfer and Selling Restrictions.*”

Copies of the Final Terms will be available at the registered office of each of CIFE and CIFNA, at the principal office of CNH Industrial, and the specified office set out below of each of the Paying Agents.

Each of the Issuers and the Guarantor has confirmed to the Dealers that the statements contained in the Base Prospectus (including all documents that are incorporated by reference herein – see “*Documents Incorporated by Reference*”) relating (in the case of each Issuer) to such Issuer and (in the case of the Guarantor) to the Guarantor and the Guarantee are in every material respect true and accurate and not misleading; any opinions, predictions or intentions expressed in the Base Prospectus on the part of any Issuer or the Guarantor (as the case may be) are honestly held or made and are not misleading in any material respect; the Base Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in such context) not misleading in any material respect; and all proper enquiries have been made to ascertain and to verify the foregoing.

The market share, ranking and other industry and market data that is discussed in this Base Prospectus, or included in sections entitled “*The CNH Industrial Group*,” “*Selected Financial and Statistical Information Relating to the CNH Industrial Group*” and “*CNH Industrial Group Financial Review*” beginning, respectively, on pages 94, 122 and 126 hereof have been extracted from a variety of official, non-official and internal sources believed by each Issuer and the Guarantor to be reliable. In particular,

- the Agricultural and Construction Equipment market estimates are generally based on: retail unit sales in North America; equipment registrations in most of Europe, in Brazil, and in other markets; customer/dealer sales data collected by central information bureaus appointed by manufacturers’ associations including the Association of Equipment Manufacturers in North America, the Committee for European Construction Equipment in Europe, the Associação Nacional dos Fabricantes de Veículos Automotores in Brazil, the Japanese Construction Equipment Manufacturers’ Association in

Japan and the Korea Construction Equipment Manufacturers' Association in Korea; other data collected by independent research firms (notably, IHS Global Insight). Not all agricultural/construction equipment is registered and data could therefore represent substantial underestimates of actual retail industry unit sales, particularly for China, Southeast Asia, Eastern Europe, Russia, Turkey, Brazil and countries where deliveries are not officially registered. In addition, there may also be a period of time between the shipment, delivery, sale and/or registration of a unit, which must be estimated in making any adjustments to the shipment, delivery, sale, or registration data to determine estimates of retail unit data in any period;

- information relating to the Trucks and Commercial Vehicles markets and market position therein has been taken from several official, non-official and internal sources, as well as elaborations of such data and internal estimates. The third-party sources used include: the European Automobile Manufacturers' Association, Brazil – *Associação Nacional dos Fabricantes de Veículos Automotores*, Italy – *Ministero delle Infrastrutture e dei Trasporti*, France – *Association Auxiliaire des Automobiles*, Germany – *Kraftfahrzeug Bundesamt*, Spain – *Dirección General de Tráfico* and the United Kingdom – Society of Motor Manufacturers and Traders.

Each Issuer and the Guarantor confirms that such third-party information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under “*Overview of the Programme*” and any additional Dealer appointed under the Programme from time to time by the Issuers (each a “Dealer” and together the “Dealers”), which appointment may be for a specific issue or on an ongoing basis.

References in the Base Prospectus to the “relevant Dealer” shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to purchase such Notes. References in the Base Prospectus to the “relevant Issuer” shall, in relation to an issue of Notes, be to the Issuer of such Notes.

The Base Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see “*Documents Incorporated by Reference*” below). The Base Prospectus shall be read and construed on the basis that such documents are incorporated and form part of the Base Prospectus.

The Dealers have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers as to the accuracy or completeness of the information contained in the Base Prospectus or any other information provided by any Issuer or the Guarantor in connection with the Programme. No Dealer accepts any liability in relation to the information contained in the Base Prospectus or any other information provided by any Issuer or the Guarantor in connection with the Programme.

No person is or has been authorised by any Issuer or by the Guarantor to give any information or to make any representation not contained in or not consistent with the Base Prospectus or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by any Issuer, the Guarantor or any of the Dealers.

Neither the Base Prospectus nor any other information supplied in connection with the Programme or any Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by any Issuer, the Guarantor or any of the Dealers that any recipient of the Base Prospectus, or of any other information supplied in connection with the Programme or any Notes, should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the relevant Issuer and/or the Guarantor.

In the absence of Final Terms, neither the Base Prospectus, nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of any of the Issuers, the Guarantor or any of the Dealers to any person to subscribe for or to purchase any Notes.

Neither the delivery of the Base Prospectus, nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuers and/or the Guarantor is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuers or the Guarantor during the life of the Programme or to advise any investor in the Notes of any information coming to their attention. Investors should review, *inter alia*, the most recently published audited annual financial statements and, if published later, the most recently published interim financial statements (if any) of the relevant Issuer and Guarantor when deciding whether or not to purchase any Notes.

The Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to United States persons, except in certain transactions permitted by U.S. tax regulations; provided, however, that CIFNA may not issue Notes in bearer form. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended (the “Code”) and the regulations promulgated thereunder.

The Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of the Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuers, the Guarantor and the Dealers do not represent that the Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering.

In particular, no action has, to date, been taken by any Issuer, the Guarantor or the Dealers which would permit a public offering of any Notes or distribution of the Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither the Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with all applicable laws and regulations. Persons into whose possession the Base Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of the Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of the Base Prospectus and the offer or sale of Notes in the United States, Canada, Japan, Hong Kong, Singapore, the PRC (as defined below) and the European Economic Area, including Italy and the United Kingdom. See “*Subscription and Sale, and Transfer and Selling Restrictions.*”

In making an investment decision, investors must rely on their own examination of the relevant Issuer and the Guarantor and the terms of the Notes being offered, including the merits and risks involved. The Notes have not been approved or disapproved by the United States Securities and Exchange Commission or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities approved the Base Prospectus or confirmed the accuracy or determined the adequacy of the information contained in the Base Prospectus. Any representation to the contrary is unlawful.

None of the Dealers, the Issuers or the Guarantor makes any representation to any investor in the Notes regarding the legality of its investment under any applicable laws.

Series of Notes (as defined under “*Terms and Conditions of the Notes*”) issued under the Programme may be rated or unrated. Where a Series of Notes is rated, such rating will not necessarily be the same as the rating assigned to the Programme. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency. The rating of certain Series of Notes to be issued under the Programme may be specified in the applicable Final Terms. Whether or not each credit rating applied for in relation to a relevant Series of Notes will be issued by a credit rating agency established in the European Union and registered under Regulation (EC) No. 1060/2009/EC, as amended (the “CRA Regulation”), will be disclosed in the Final Terms. In general, and subject to and in accordance with the provisions of the CRA Regulation, European regulated investors are restricted from using a credit rating for regulatory purposes if such credit rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation.

U.S. INFORMATION

The Base Prospectus may be distributed in the United States to a limited number of QIBs (as defined under “*Form of the Notes*”) in connection with their consideration of the purchase of Notes being offered hereby. Its use for any other purpose in the United States is not authorised. It may not be copied or reproduced in whole or in part; nor may it be distributed, or any of its contents disclosed, to anyone other than the prospective investors to whom it is originally submitted.

Registered Notes may be offered or sold within the United States only to QIBs in transactions exempt from registration under the Securities Act. Each U.S. purchaser of Registered Notes is hereby notified that the offer and sale of any Registered Notes to it is being made in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A under the Securities Act (“Rule 144A”).

Each purchaser or holder of Notes represented by a Rule 144A Global Note (as defined under “*Form of the Notes*”) or any Notes issued in registered form in exchange or substitution therefor (together “*Legended Notes*”) will be deemed, by its acceptance or purchase of any such Legended Notes, to have made certain representations and agreements intended to restrict the resale or other transfer of such Notes as set out in “*Subscription and Sale, and Transfer and Selling Restrictions*.” Unless otherwise stated, terms used in this paragraph have the meanings given to them in “*Form of the Notes*.”

NOTICE TO POTENTIAL INVESTORS IN THE UNITED KINGDOM

This communication is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”) or (iii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as “relevant persons”). The Notes are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Notes will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER CHAPTER 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

AVAILABLE INFORMATION

To permit compliance with Rule 144A in connection with any resales or other transfers of Notes that are “restricted securities” within the meaning of the Securities Act, the Issuers and the Guarantor have undertaken in a deed poll dated November 15, 2013 (the “Deed Poll”) to furnish, upon the request of a holder of such Notes or any beneficial interest therein, to such holder or to a prospective purchaser designated by him, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if, at the time of the request, the relevant Issuer is neither a reporting company under Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”), nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.

SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

CIFE and CNH Industrial are corporations incorporated under the laws of the Grand-Duchy of Luxembourg and the Netherlands, respectively. It may not be possible for investors to effect service of process outside the Grand-Duchy of Luxembourg (in the case of CIFE) or the Netherlands (in the case of CNH Industrial) or upon CIFE or CNH Industrial or to enforce judgments against them obtained in courts outside the Grand-Duchy of Luxembourg (in the case of CIFE) or the Netherlands (in the case of CNH Industrial) predicated upon civil liabilities of CIFE or CNH Industrial, as the case may be, under laws other than those of Luxembourg (in the case of CIFE) or the Netherlands (in the case of CNH Industrial), including any judgment predicated upon United States federal securities laws. There are doubts as to the enforceability in the Grand-Duchy of Luxembourg (in the case of CIFE) and the Netherlands (in the case of CNH Industrial) in original actions or in actions for enforcement of judgments of United States courts of civil liabilities predicated solely upon the federal securities laws of the United States.

As there is no treaty between the United States and the Netherlands providing for the reciprocal recognition and enforcement of judgments (other than arbitration awards in civil and commercial matters), a final judgment for the payment of money rendered by any federal or state court in the United States based on civil liability, whether or not predicated solely upon U.S. federal securities laws, would not be enforceable in the Netherlands. However, if the party in whose favour such judgment is rendered brings a new suit in a competent court in the Netherlands, that party may submit to a Dutch court the final judgment that has been rendered in the United States. If the Dutch court finds that the jurisdiction of the federal or state court in the United States has been based on grounds that are internationally acceptable, that proper legal procedures have been observed, that the judgment is final and does not contravene Dutch concepts of due process, to the extent that the Dutch court is of the opinion that reasonableness and fairness so require, the Dutch court would, in principle, under current practice, recognise the final judgment that has been rendered in the United States and generally grant the same claim without relitigation on the merits, unless the consequences of the recognition of such judgment contravene public policy in the Netherlands. It is not certain, however, that these court practices also apply to default judgments.

A valid judgment against CIFE with respect to the Notes obtained from a court of competent jurisdiction in the United States, which judgment remains in full force and effect after all appeals as may be taken in the relevant U.S. state or federal jurisdiction with respect thereto have been taken, may be entered and enforced through a court of competent jurisdiction of Luxembourg subject to compliance with the enforcement procedures (*exequatur*) set out in Article 678 *et seq.* of the Luxembourg *Nouveau Code de Procédure Civile* under the following conditions:

- the U.S. court awarding the judgment has jurisdiction to adjudicate the respective matter under its applicable laws, and such jurisdiction is recognised by Luxembourg private international and local law;
- the judgment is final and enforceable (*exécutoire*) in the jurisdiction where the decision is rendered;
- the U.S. court has applied the substantive law as designated by the Luxembourg conflict of laws rules;
- the U.S. court has acted in accordance with its own procedural laws;

- the judgment must not have been obtained by fraud (*fraude à la loi*) subsequent to an evasion of Luxembourg law and must have been granted in compliance with the rights of the defendant to appear, and if it appeared, to present a defense;
- the judgment does not contravene public policy as understood under the laws of Luxembourg or has been given in proceedings of a criminal or tax nature; and
- if an original action is brought in Luxembourg, Luxembourg courts may refuse to apply the designated law amongst others and notably if its application contravenes Luxembourg public policy. In an action brought in Luxembourg on the basis of U.S. federal or state securities laws, Luxembourg courts may not have the requisite power to grant the remedies sought.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Certain Defined Terms

The group consisting of CNH Industrial and its direct and indirect subsidiaries (the “CNH Industrial Group” or the “Group”) was formed as a result of the merger (the “Merger”) of Fiat Industrial S.p.A. (“Fiat Industrial”) and its majority-owned subsidiary, CNH Global N.V. (“CNH Global”), which was completed on September 29, 2013. The Fiat Industrial Group was formed through the demerger of Fiat S.p.A.’s capital goods activities, as further described under “*The CNH Industrial Group—Demerger of Fiat Industrial from Fiat*” herein. This demerger was completed on January 1, 2011. Accordingly, in this Base Prospectus:

- (a) references to the “Merger” are, as noted above, to the merger of Fiat Industrial and CNH Global into CNH Industrial, which includes the precedent merger of Fiat Netherlands Holding N.V. (a direct subsidiary of Fiat Industrial that held a controlling interest in CNH Global), into Fiat Industrial, pursuant to which CNH Industrial has succeeded to and assumed by operation of law all of the obligations, rights, interests and liabilities of Fiat Industrial and CNH Global, including all of the obligations, rights, interests and liabilities of Fiat Industrial and CNH Global pursuant to the guarantees such companies have issued in the past in the interests of their subsidiaries as described in more detail under “*The CNH Industrial Group—The Merger of Fiat Industrial and CNH Global*” herein;
- (b) references to the “Demerger” are to the transaction pursuant to which Fiat S.p.A. transferred a portion of its assets and liabilities to Fiat Industrial in the form of a *scissione parziale proporzionale* (in accordance with Article 2506 of the Italian Civil Code), as described in more detail under “*The CNH Industrial Group—Demerger of Fiat Industrial from Fiat*” herein;
- (c) references to “CNH Industrial” are to CNH Industrial N.V., and to the extent that such references are made to CNH Industrial prior to the Merger such references are to Fiat Industrial S.p.A., unless otherwise specified;
- (d) references to the “CNH Industrial Group” and the “Group” are, as noted above, to the group consisting of CNH Industrial and its direct and indirect subsidiaries, and to the extent that such references are made to the CNH Industrial Group or the Group prior to the Merger, such references are to Fiat Industrial S.p.A. and its direct and indirect subsidiaries, unless otherwise specified;
- (e) references to the “Fiat Group” are to Fiat S.p.A. and its direct and indirect subsidiaries;
- (f) references to the “Fiat Industrial Group” are to Fiat Industrial S.p.A. and its direct and indirect subsidiaries, prior to the Merger;
- (g) references to “CNH Global” are to CNH Global N.V., a public limited liability company formed on November 12, 1999 under the laws of the Netherlands;
- (h) references to “Agricultural and Construction Equipment,” the “CNH Segment” or “CNH” are to the business segment of the CNH Industrial Group that consists of direct and indirect subsidiaries of CNH Industrial operating in the agricultural and construction equipment businesses and, to the extent that such references are made to Agricultural and Construction Equipment, the CNH Segment or CNH prior to the Merger, such references are to the business segment of the Fiat Industrial Group that previously consisted of direct and indirect subsidiaries of Fiat Industrial operating in the agricultural and construction equipment businesses (including CNH Global), unless otherwise specified;
- (i) references to “Trucks and Commercial Vehicles,” the “Iveco Segment” or “Iveco” are to the business segment of the CNH Industrial Group that consists of direct and indirect subsidiaries of CNH Industrial operating in the trucks and commercial vehicles business (including Iveco S.p.A.) and, to the extent that such references are made to Trucks and Commercial Vehicles, the Iveco Segment or Iveco prior to the Merger, such references are to the business segment of the Fiat Industrial Group that previously consisted of direct and indirect subsidiaries of Fiat Industrial operating in the trucks and commercial vehicles business (including Iveco S.p.A.), unless otherwise specified;

- (j) references to “Powertrain,” the “FPT Industrial Segment” or “FPT Industrial” are to the business segment of the CNH Industrial Group that consists of direct and indirect subsidiaries of CNH Industrial operating in the “Industrial & Marine” powertrain components business (including FPT Industrial S.p.A.) and, to the extent that such references are made to Powertrain, the FPT Industrial Segment or FPT Industrial prior to the Merger, such references are to the business segment of the Fiat Industrial Group that previously consisted of direct and indirect subsidiaries of Fiat Industrial operating in the “Industrial & Marine” powertrain components business (including FPT Industrial S.p.A.), unless otherwise specified;
- (k) references to the “Information Document” are to the “Information Document prepared in accordance with Article 57, paragraph 1, letter (d) of CONSOB Regulation 11971 of May 14, 1999, as subsequently amended, relating to the Cross-Border Merger of Fiat Industrial S.p.A. with and into FI CBM Holdings N.V.” filed with the Italian Securities Exchange Commission (*Commissione Nazionale per le Società e la Borsa*, or CONSOB) on September 25, 2013 in connection with the admission to listing of CNH Industrial’s ordinary shares on the *Mercato Telematico Azionario*, a market organised and managed by Borsa Italiana S.p.A. (the “Italian Stock Exchange”);
- (l) references to the “Form F-4” are to Amendment No. 2 to the registration statement on Form F-4, filed by FI CBM Holdings N.V. with the United States Securities and Exchange Commission under the U.S. Securities Act of 1933 on June 7, 2013 in connection with the Merger (file No. 333-188600);
- (m) references to the “Interim Report” are to the Interim Report for the period ended September 30, 2013 of the CNH Industrial Group; and
- (n) references to (i) “NAFTA” means the United States, Canada and Mexico, (ii) “LATAM” means Central and South America and the Caribbean Islands, (iii) “APAC” means Continental Asia (including Turkey), Oceania and member countries of the Commonwealth of Independent States (excluding Ukraine), and (iv) “EMEA” means the 27 member countries of the European Union, Ukraine, Balkans, African continent and the Middle East (excluding Turkey). With reference to certain financial and market information relating to CNH Global and its subsidiaries before the Merger only, references to (a) “EAME & CIS” means Europe, the African continent, Middle East (including Turkey) and the Commonwealth of Independent States, and (b) “APAC” means continental Asia and Oceania.

Presentation of Financial Information

The financial information as of and for the financial years ended December 31, 2012, 2011 and 2010 and as of and for the nine months ended September 30, 2013 and 2012 incorporated by reference in this Base Prospectus under “*Selected Financial and Statistical Information Relating to the CNH Industrial Group*,” “*CNH Industrial Group Financial Review*” and “*Financial Information Relating to the CNH Industrial Group*” has been extracted from the audited consolidated financial statements of the predecessor to the CNH Industrial Group, the Fiat Industrial Group, as of and for the financial years ended December 31, 2012, 2011 and 2010, which are set out in the Form F-4, and from the unaudited consolidated financial statements of the CNH Industrial Group as of and for the nine months ended September 30, 2013 and 2012, which are set out in the Interim Report, in each case (except for the financial information as of and for the nine months ended September 30, 2013) as restated to reflect retrospective application of the amendments to IAS 19 – *Employee Benefits* and IAS 1 – *Presentation of Financial Statements* that became effective and were adopted by the Group from January 1, 2013. The aforementioned financial information for the years ended December 31, 2012, 2011 and 2010 has been extracted from the consolidated financial statements of the Fiat Industrial Group because the CNH Industrial Group did not exist separately from the Fiat Industrial Group prior to the Merger and, as such, no separately audited financial statements of the CNH Industrial Group are available for those years.

The audited consolidated annual financial statements of the Fiat Industrial Group as of and for the financial years ended December 31, 2012, 2011 and 2010, and the unaudited consolidated financial statements of the CNH Industrial Group as of and for the nine months ended September 30, 2013 and 2012 (in each case

restated as described above) are incorporated by reference herein, as described under “*Documents Incorporated by Reference*” below.

The audited consolidated annual financial statements of the Fiat Industrial Group as of and for the financial years ended December 31, 2012, 2011 and 2010 have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, including all interpretations issued by the IFRS Interpretations Committee (“IFRS”). The unaudited consolidated financial statements of the CNH Industrial Group as of and for the nine months ended September 30, 2013 and 2012 have been prepared in accordance with IFRS as well as IFRS as adopted by the European Union. As of the date of this Base Prospectus, as applied to the financial statements of the Fiat Industrial Group and the CNH Industrial Group incorporated by reference herein, there is no difference between IFRS and IFRS as adopted by the European Union.

Potential investors must take into account that the Guaranteed Notes will be guaranteed only by CNH Industrial and that Fiat S.p.A. and the Fiat Group will have no obligations under any Notes issued by CNH Industrial, FIFE or FIFNA, the Guaranteed Notes or the Guarantee.

Under IFRS, the Merger consisted of a reorganisation of existing legal entities that did not give rise to any change of control, and that, therefore, was outside the scope of application of IFRS 3—*Business Combinations*. Accordingly, the assets and liabilities of Fiat Industrial and CNH Global have been recognised by CNH Industrial at the carrying amounts recognised in the consolidated financial statements of Fiat Industrial prior to the completion of the Merger.

The unaudited financial statements of FI CBM Holdings N.V. (which was renamed CNH Industrial N.V. effective September 29, 2013) at December 31, 2012 included in this Base Prospectus under “*Selected Financial Information Relating to CNH Industrial N.V.*” have been prepared in accordance with IFRS.

The financial information as of and for the financial years ended December 31, 2012 and 2011 included in this Base Prospectus under “*Selected Financial Information Relating to CNH Industrial Finance Europe S.A.*” has been extracted from the audited annual financial statements for FIFE (renamed CIFE effective October 14, 2013) as of and for the financial years ended December 31, 2012 and 2011, prepared in accordance with the Luxembourg legal and regulatory requirements.

The financial information as of and for the financial years ended December 31, 2012 and 2011 included in this Base Prospectus under “*Selected Financial Information Relating to CNH Industrial Finance North America, Inc.*” has been extracted from the audited annual financial statements for FIFNA (renamed CIFNA effective October 14, 2013) as of and for the financial years ended December 31, 2012 and 2011, prepared in accordance with IFRS.

Each of FIFE’s (now CIFE’s) and FIFNA’s (now CIFNA’s) sets of financial statements are incorporated by reference herein.

All references in the Base Prospectus to “U.S. dollars,” “U.S.\$” and “\$” refer to the currency of the United States of America, references to “Sterling” and “£” refer to the currency of the United Kingdom, references to “CNY,” “RMB” and “Renminbi” refer to the lawful currency of the PRC (as defined below), and references to “euro” and “€” refer to the currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty on the Functioning of the European Union, as amended.

In this Base Prospectus, references to the “PRC” refer to the People’s Republic of China which, for the purposes of this Base Prospectus, shall exclude the Hong Kong Special Administrative Region of the PRC (“Hong Kong”), the Macau Special Administrative Region of the PRC and Taiwan.

In this Base Prospectus references to “CNY Notes” refer to Notes denominated in CNY or Renminbi deliverable in Hong Kong.

In this Base Prospectus references to “CMU Notes” refer to Notes denominated in any lawful currency which the Central Moneymarkets Unit Service (the “CMU Service”) operated by the Hong Kong Monetary

Authority (the “HKMA”) accepts for settlement from time to time that are, or are intended to be, cleared through the CMU Service.

The language of the Base Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

The Base Prospectus contains certain forward-looking statements relating to the CNH Industrial Group and its activities subsequent to the Merger, which do not represent statements of fact but are rather based on current expectations and projections of the CNH Industrial Group in relation to future events, and which, by their nature, are subject to inherent risks and uncertainties. Expectations and projections are based on specific knowledge of the sector, publicly available data, and past experience. Underlying the projections are assumptions concerning future events and trends that are subject to uncertainty and whose actual occurrence or non-occurrence could result in significant variations from the projected results. These forward-looking statements relate to events and depend on circumstances that may or may not occur or exist in the future, and, as such, undue reliance should not be placed on them. Although each Issuer and the Guarantor believes that the expectations, estimates and projections reflected in its forward-looking statements are reasonable as of the date of this Base Prospectus, actual results may differ materially from those expressed in such statements as a result of a variety of factors, including: changes in commodity prices, general economic conditions, economic growth, other business conditions, government regulation (whether in the Netherlands, the United Kingdom, Italy, the United States or abroad), and many other factors, some of which are referred to in this Base Prospectus, and most of which are outside of the control of the Issuers, the Guarantor and/or the CNH Industrial Group.

Any forward-looking statements contained in this Base Prospectus speak only as at the date of this Base Prospectus. Without prejudice to any requirements under applicable laws and regulations, each Issuer and the Guarantor expressly disclaims any obligation or undertaking to disseminate after the date of this Base Prospectus any updates or revisions to any forward-looking statements contained herein to reflect any change in expectations or any change in events, conditions or circumstances on which any such forward-looking statements are based.

STABILISATION

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the “Stabilising Manager(s)” (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment shall be conducted by the relevant Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

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OVERVIEW OF THE PROGRAMME

This general description must be read as an introduction to the Base Prospectus and any decision to invest in any Notes should be based on a consideration of the Base Prospectus as a whole, including the documents incorporated by reference therein. The following general description does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. The relevant Issuer, the Guarantor (where applicable) and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions, in which event, in the case of listed Notes only and if appropriate, a Base Prospectus supplement will be published.

This general description constitutes a general description of the Programme for the purposes of Article 22.5(3) of Commission Regulation (EC) No. 809/2004 implementing the Prospectus Directive.

Words and expressions defined in “*Form of the Notes*” and “*Terms and Conditions of the Notes*” shall have the same meanings in this general description.

Issuers:	CNH Industrial N.V. CNH Industrial Finance Europe S.A. CNH Industrial Finance North America, Inc.
Guarantor, in respect of Guaranteed Notes:	CNH Industrial N.V.
Risk Factors:	There are certain factors that may affect the ability of each of the Issuers to fulfil its obligations under Notes issued under the Programme. These are set out under “ <i>Risk Factors</i> ” below. There are also certain factors that may affect the Guarantor’s ability to fulfil its obligations under the Guarantee, where applicable. These are also set out under “ <i>Risk Factors</i> ” below. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme. These are also set out under “ <i>Risk Factors</i> ” and include the fact that the Notes may not be a suitable investment for all investors, certain risks relating to the structure of particular Series of Notes and certain market risks.
Description:	Global Medium Term Note Programme
Arranger:	BNP PARIBAS Citigroup Global Markets Limited
Dealers:	Banca IMI S.p.A. Banco Bilbao Vizcaya Argentaria, S.A. Banco Santander, S.A. BNP PARIBAS Barclays Bank PLC Citigroup Global Markets Limited Commerzbank Aktiengesellschaft Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank International) Crédit Agricole Corporate and Investment Bank Credit Suisse Securities (Europe) Limited Deutsche Bank AG, London Branch Goldman Sachs International J.P. Morgan Securities plc Mediobanca – Banca di Credito Finanziario S.p.A.

Merrill Lynch International
Morgan Stanley & Co. International plc
Natixis
Société Générale
The Royal Bank of Scotland plc
UBS Limited
UniCredit Bank AG

and any other Dealers appointed in accordance with the Programme Agreement (as defined in “*Subscription and Sale, and Transfer and Selling Restrictions*”).

Certain Restrictions:

Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see “*Subscription and Sale, and Transfer and Selling Restrictions*”) including the following restriction applicable at the date of the Base Prospectus:

Notes issued on terms such that they must be redeemed before their first anniversary will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent (see “*Subscription and Sale, and Transfer and Selling Restrictions*”).

Issuing and Principal Paying Agent:

Citibank, N.A., London Branch.

Registrar:

Citigroup Global Markets Deutschland AG

CMU Lodging and Paying Agent:

Citicorp International Limited.

Programme Size:

Up to €10,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuers and the Guarantor may increase the amount of the Programme in accordance with the terms of the Programme Agreement.

Distribution:

Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.

Currencies:

Subject to any applicable legal or regulatory restrictions, any currency agreed between the relevant Issuer and the relevant Dealer.

Maturities:

Such maturities as may be agreed between the relevant Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Issuer or the relevant Specified Currency. Notes issued by CIFNA may not have maturities of 183 days or less.

Issue Price:	Notes may be issued only on a fully-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes:	The Notes will be issued in bearer or registered form as described in “ <i>Form of the Notes</i> ”. CIFNA may not issue Bearer Notes (as defined under “ <i>Form of the Notes</i> ”). Registered Notes will not be exchangeable for Bearer Notes or vice versa.
Clearing Systems:	With respect to Notes (other than CMU Notes), Clearstream, Euroclear and/or DTC and any additional or alternative clearing system specified in the applicable Final Terms. With respect to CMU Notes, the CMU Service operated by the HKMA.
Fixed Rate Notes:	Fixed interest will be payable on such date or dates as may be agreed between the relevant Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction (as defined in the “ <i>Terms and Conditions of the Notes</i> ”) as may be agreed between the relevant Issuer and the relevant Dealer.
Floating Rate Notes:	<p>Floating Rate Notes will bear interest at a rate determined:</p> <ul style="list-style-type: none"> (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2000 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or (ii) on the basis of the reference rate set out in the applicable Final Terms. <p>The margin (if any) relating to such floating rate will be agreed between the relevant Issuer and the relevant Dealer for each Series of Floating Rate Notes.</p>
Other provisions in relation to Floating Rate Notes:	<p>Floating Rate Notes may have a maximum interest rate, a minimum interest rate or both.</p> <p>Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the relevant Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the relevant Issuer and the relevant Dealer.</p>
Zero Coupon Notes:	Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.
Redemption:	The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than for taxation reasons as described in “ <i>Terms and Conditions of the Notes—Redemption for Tax</i> ”

Reasons,” or following an Event of Default) or that such Notes will be redeemable at the option of the relevant Issuer and/or the Noteholders (as defined under “*Terms and Conditions of the Notes*”) upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the relevant Issuer and the relevant Dealer.

Notes issued on terms such that they must be redeemed before their first anniversary may be subject to restrictions on their denomination and distribution. See “*Certain Restrictions*” above.

Denomination of Notes:

Notes will be issued in such denominations as may be agreed between the relevant Issuer and the relevant Dealer, save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency and save that the minimum denomination of each Note admitted to trading on a regulated market within the EEA will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

Taxation:

All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Relevant Tax Jurisdiction, subject to Condition 8. In the event that any such deduction is made, the relevant Issuer or the Guarantor (with respect to the Guaranteed Notes) will, save in certain limited circumstances provided in Condition 8, be required to pay additional amounts to cover the amounts so deducted.

Change of Control:

If a Change of Control occurs, except in certain circumstances, the relevant Issuer will be required to offer to repurchase the Notes at a purchase price equal to 101 percent of their aggregate principal amount, plus accrued and unpaid interest, if any, to the date of purchase.

Negative Pledge:

The terms of the Notes will contain a negative pledge provision as further described in Condition 4.

Cross Default:

The terms of the Notes will contain a cross default provision as further described in Condition 10.

Status of the Notes:

The Notes and any related Coupons (each term as defined under “*Terms and Conditions of the Notes*”) are direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the relevant Issuer and (subject as aforesaid) rank and will rank *pari passu* without any preference among themselves, with all other present and future outstanding unsubordinated and unsecured obligations of the relevant Issuer (subject to mandatorily preferred obligations under applicable laws).

Guarantee:	The payment of principal and interest in respect of the Guaranteed Notes and any related Coupons has been irrevocably and unconditionally guaranteed by the Guarantor pursuant to the Guarantee. The obligations of the Guarantor under the Guarantee constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the Guarantor and (subject as aforesaid) rank and will rank <i>pari passu</i> (subject to mandatorily preferred obligations under applicable laws) with all other present and future outstanding unsecured and unsubordinated obligations of the Guarantor.
Listing and admission to trading:	<p>Application has been made to the Irish Stock Exchange for the Notes issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to the Official List and to trading on its regulated market.</p> <p>Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued.</p> <p>The applicable Final Terms will state whether or not the relevant Notes are to be listed or admitted to trading and, if so, on which stock exchange(s).</p>
Governing Law:	The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be construed in accordance with, English law.
Selling Restrictions:	There are restrictions on the offer, sale and transfer of the Notes in the United States, Canada, Japan, Hong Kong, Singapore, the PRC and the EEA (including the United Kingdom, the Netherlands and Italy) and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes. See “ <i>Subscription and Sale, and Transfer and Selling Restrictions.</i> ”

RISK FACTORS

Each of the Issuers and the Guarantor believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. Most of these factors are contingencies which may or may not occur and none of the Issuers or the Guarantor is in a position to express a view on the likelihood of any contingency occurring.

In addition, factors that are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

Each of the Issuers and the Guarantor believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of any Issuer or the Guarantor to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuers and the Guarantor based on information currently available to them or reasons which they may not currently be able to anticipate and none of the Issuers or the Guarantor represents that the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in the Base Prospectus and reach their own views prior to making any investment decision.

Risks Concerning the Ability of the Issuers and the Guarantor to Fulfil their Obligations under the Notes

Global economic conditions impact the business of CNH Industrial and its subsidiaries

The Group's earnings and financial position are and will continue to be influenced by various macroeconomic factors – including increases or decreases in gross domestic product, the level of consumer and business confidence, changes in interest rates on consumer and business credit, energy prices, and the cost of commodities or other raw materials – which exist in the various countries in which the Group operates, it being understood that such macroeconomic factors vary from time to time and their effect on the Group's earnings and financial position cannot be specifically and singularly assessed and/or isolated.

Financial conditions in several regions continue to place significant economic pressures on existing and potential customers, including the Group's dealer networks. As a result, some customers may delay or cancel plans to purchase the Group's products and services and may not be able to fulfil their obligations to the Group in a timely fashion. Further, the Group's suppliers may be impacted by economic pressures, which may adversely affect their ability to fulfil their obligations to the Group, which could result in product delays, increased accounts receivable, defaults and inventory challenges. There is particular concern about economic conditions in Europe (and potentially the long-term viability of the euro currency), which is at risk of being impacted by sovereign debt defaults and other severe pressures on the banking system in European Union countries. It is uncertain whether central bank or governmental measures will reduce or eliminate this risk. In addition, other governments may continue to implement measures designed to slow the economic growth rate in those countries (e.g., higher interest rates, reduced bank lending and other anti-inflation measures). If there is significant deterioration in the global economy or the economies of key regions, the demand for the Group's products and services would likely decrease and the Group's results of operations, financial position and cash flows could be materially and adversely affected.

In addition, a future potential decline in equity market values could cause many companies, including the Group, to carefully evaluate whether certain intangible assets have become impaired. The factors that the Group would evaluate to determine whether an impairment charge is necessary require management judgment and estimates. The estimates are impacted by a number of factors, including, but not limited to, worldwide economic factors and technological changes. Any of these factors, or other unexpected factors, may require the Group to consider whether it needs to record an impairment charge. In the event the Group is required to record an impairment charge with respect to certain intangible assets, it would have an adverse impact on the Group's financial position and results of operations.

Risks associated with the tax implications of the Merger

One of the main tax risks arising from the Merger relates to an exit tax issue and continuation of the tax consolidation in Italy. The Merger is tax-neutral with respect to CNH Industrial's assets that will remain connected with the Italian permanent establishment, but will result in the realisation of capital gains or losses on those of CNH Industrial's assets that are not connected with the Italian permanent establishment, giving rise to an exit tax. Under the proposed structure, only the Italian investments of CNH Industrial will remain connected to an Italian permanent establishment.

As a consequence of the Merger, a mandatory ruling request has been submitted by CNH Industrial to the Italian tax authorities in order to ensure continuity of the fiscal unit previously in place between Fiat Industrial and its Italian subsidiaries. It is possible that the carried-forward tax losses generated by the fiscal unit could not be used to offset any exit gain or the future taxable income of the fiscal unit. No deferred tax assets have been accrued in relation to the above carried-forward tax losses.

The Group faces risks associated with corporate transactions such as mergers, acquisitions, and joint ventures

The Group has engaged in the past, and may engage in the future, in significant corporate transactions such as mergers, acquisitions, and joint ventures, the success of which is difficult to predict. There can be no assurance that any such transaction, including the Merger, will function as intended or produce the expected benefits. For example, there can be no assurance that the Group will succeed in achieving the synergies, cost savings, expansions in its product offerings or other benefits expected from the Merger or any other such transaction. There can be no assurance that the Merger or any other such significant corporate transaction which might occur in the future will not encounter administrative, technical, industrial, operational, regulatory, political, financial or other difficulties (including difficulties related to control and coordination among different shareholders or business partners) and thus fail to produce the benefits expected of it. Any delay in completing, or failure to complete, any significant merger, acquisition, joint venture or other similar transaction may prevent full realisation, or result in delayed realisation, of any synergies and other expected benefits to the Group and could have an adverse effect on the Group's business prospects, earnings and/or financial position.

The Group operates in highly competitive industries

Substantially all of the Group's revenues are generated in the highly competitive sectors that include the production and distribution of agricultural and construction equipment, trucks and commercial vehicles, and related powertrain systems. The Group faces competition from other international manufacturers and distributors of trucks and commercial vehicles in Europe and Latin America and from global, regional and local agricultural and construction equipment manufacturers, distributors and component suppliers. These markets are highly competitive in terms of product quality, innovation, pricing, fuel economy, reliability, safety, customer service and financial services offered. Competition, particularly on pricing, has increased significantly in the Group's areas of activity in recent years. Should the Group be unable to adapt effectively to external market conditions, this could have an adverse effect on the Group's business prospects, earnings and/or financial position.

The Group's future performance depends on its ability to innovate and on market acceptance of new or existing products

The success of the Group's businesses depends on their ability to maintain or increase their share in existing markets and/or to expand into new markets through the development of innovative, high-quality products that provide adequate profitability. In particular, the failure to develop and offer innovative products that compare favourably to those of the Group's principal competitors in terms of price, quality, functionality and features, or delays in bringing strategic new products to market, could result in reduced market share, which could have a material adverse effect on the Group's business prospects, earnings and/or financial position.

The Group faces risks associated with the credit ratings of CNH Industrial

CNH Industrial is currently rated below investment grade, with ratings on its long-term debt of “BB+” (with a stable outlook) and a short-term rating of “B” from Standard & Poor’s Rating Services (“S&P”), and a “Ba1” corporate family rating with a stable outlook from Moody’s Investors Service, Inc. (“Moody’s”). The rating of certain Series of Notes (as defined under “*Terms and Conditions of the Notes*”) issued under the Programme may be lower than credit ratings.

In March 2011, FIFE (now CIFE) issued (i) €1,000,000,000 5.250 percent Notes due March 2015 and (ii) €1,200,000,000 6.250 percent Notes due March 2018 under the predecessor Programme guaranteed by Fiat Industrial. On March 8, 2011, Moody’s Deutschland GmbH assigned a “Ba2” rating to such Notes, whereas Standard & Poor’s Credit Market Services Italy S.r.l. assigned a “BB+” rating thereto on March 10, 2011. Following the completion of the Merger, such ratings were confirmed by S&P and Moody’s.

The credit ratings included in this Base Prospectus have been issued, for the purposes of the CRA Regulation, by S&P and Moody’s. S&P and Moody’s are both established in the European Union and registered under the CRA Regulation, as set out in the list of registered credit rating agencies published on the website of the European Securities and Markets Authority. The European Securities and Markets Authority’s website and its content do not form part of the Base Prospectus.

The rating of certain Series of Notes to be issued under the Programme may be specified in the applicable Final Terms. Whether or not each credit rating applied for in relation to relevant Series of Notes will be issued by a credit rating agency established in the European Union and registered under the CRA Regulation will be disclosed in the Final Terms. In general, and subject to and in accordance with the provisions of the CRA Regulation, European regulated investors are restricted from using a credit rating for regulatory purposes if such credit rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation.

The Group’s ability to access the capital markets or other forms of financing and related costs are highly dependent, among other things, on the credit ratings of the Group. Rating agencies may review their ratings, and any downgrade would increase the Group’s cost of capital, could potentially limit its access to sources of financing and could have a material adverse effect on its business prospects, earnings and/or financial position.

Risks associated with the global nature of the Group’s activities

The Group manufactures and sells its products and offers its services in several continents and numerous countries around the world. Given the global nature of the Group’s activities, the Group is naturally exposed to the usual risks affecting any worldwide markets operator, including those related to:

- (i) changes in laws, regulations and policies that affect:
 - import and export duties and quotas;
 - currency restrictions;
 - the design, manufacture and sale of the Group’s products, including, for example, engine emissions regulations;
 - interest rates and the availability of credit to the Group’s dealers and customers;
 - property and contractual rights;
 - where and to whom products may be sold; and
 - taxes;
- (ii) regulations from changing world organisation initiatives and agreements;
- (iii) changes in the dynamics of the industries and markets in which the Group operates;

- (iv) varying and unpredictable needs and desires of customers;
- (v) varying and unexpected actions of the Group's competitors;
- (vi) labour disruptions;
- (vii) disruption in supply of raw materials and components;
- (viii) changes in governmental debt relief and subsidy programme policies in certain significant markets such as Brazil; and
- (ix) war, civil unrest and terrorism.

Unfavourable developments in any one of these areas (which may vary from country to country) could have a material adverse effect on the Group's business prospects, earnings and/or financial position.

Developments in certain countries may adversely affect the Group's business

The Group's ability to grow its businesses depends to an increasing degree on its ability to increase market share, and operate profitably worldwide and in particular in emerging market countries, such as Brazil, Russia, India, China, Argentina, Turkey and South Africa. In addition, the Group could increase its use of component suppliers in international markets. The Group's implementation of these strategies will involve a significant investment of capital and other resources and entail various risks. For example, the Group may encounter difficulties in obtaining the necessary governmental approvals in a timely manner. In addition, the Group may experience delays and incur significant costs in constructing facilities, establishing supply channels, and commencing manufacturing operations. Further, customers in these markets may not readily accept the Group's products. In addition, the Group may face challenges as a result of the pervasiveness of corruption and other irregularities in business practices in certain regions. Some countries (in particular the emerging markets countries) may also be subject to a greater degree of economic and political volatility that could adversely affect the Group's financial position, results of operations and cash flow.

The Group is subject to extensive environmental and other governmental regulation

The Group's products and activities are subject to numerous environmental laws and regulations (local, national and international), which are becoming increasingly stringent in many countries in which it operates. Such regulations govern, among other things, products – with requirements on emissions of polluting gases, reduced fuel consumption and safety becoming increasingly strict – and industrial plants – with requirements for reduced emissions, treatment of waste and water and prohibitions on soil contamination also becoming increasingly strict. To comply with such laws and regulations, the Group employs considerable resources and expects it will continue to incur substantial costs in the future.

In addition, government initiatives to stimulate consumer demand for products sold by the Group, such as changes in tax treatment or purchase incentives for new vehicles, can substantially influence the timing and level of revenues. The terms, size and duration of such government measures are unpredictable and outside of the Group's control. Any adverse change in government policy relating to those measures could have a material adverse effect on the Group's business prospects, operating results and/or financial position.

The Group faces risks associated with its relationships with employees and suppliers

In many countries where the Group operates, Group employees are protected by various laws and/or collective labour agreements that guarantee them, through local and national representatives, the right of consultation on specific matters, including downsizing or closure of production activities and reductions in personnel. Laws and/or collective labour agreements applicable to the Group could impair its flexibility in reshaping and/or strategically repositioning its business activities. The Group's ability to reduce personnel or implement other permanent or temporary redundancy measures is subject to government approvals and the agreement of labour unions where such laws and agreements are applicable. Industrial action by employees could also have an adverse impact on the Group's business activities.

Furthermore, the Group purchases raw materials and components from a large number of suppliers and relies on services and products provided by companies outside the Group. Some of these companies are highly unionised. Close collaboration between a manufacturer and its suppliers is common in the industries in which the Group operates and although this offers economic benefits in terms of cost reduction, it also means that the Group is reliant on its suppliers and is exposed to the possibility that difficulties, including those of a financial or industrial relations nature, experienced by those suppliers (whether caused by internal or external factors) could have a material adverse effect on the Group's business prospects, earnings and/or financial position.

Risks associated with increases in costs, disruption of supply or shortage of raw materials

The Group relies upon key suppliers for certain raw materials, parts and components. The Group cannot guarantee that it will be able to maintain appropriate supply arrangements with these suppliers or otherwise ensure access to raw materials, parts and components. In some cases this access may be affected by factors outside of the Group's control and the control of its suppliers. Adverse financial conditions and natural disasters, such as the March 2011 earthquake and tsunami in Japan, have in the past, and could in the future, cause some of the Group's suppliers to face severe financial hardship and disrupt the Group's access to critical raw materials, parts and components. Any disruption or shortage in the supply of raw materials, parts and components could negatively impact the Group's costs of production, its ability to fulfil orders, its ability to achieve growth in product sales and the profitability of the Group's business.

Certain companies within the Group use a variety of raw materials in their businesses, including steel, aluminium, lead, resin and copper, and precious metals such as platinum, palladium and rhodium. The prices of these raw materials fluctuate and, at times in recent periods, prices have increased significantly in response to changing market conditions. The Group seeks to manage this exposure, but it may not be successful in hedging these risks. Substantial increases in the prices for raw materials would increase the Group's operating costs and could reduce profitability if the increased costs were not offset by changes in product prices.

The Group is subject to risks associated with exchange rate fluctuations, interest rate changes and other market risks

The Group, which operates in numerous markets worldwide, is naturally exposed to usual market risks stemming from potential future fluctuations in currency and interest rates. The exposure to currency risk is mainly linked to the differences in the geographic distribution between the Group's manufacturing and commercial activities, resulting in cash flows from exports denominated in currencies different from those associated with production activities.

The Group uses various forms of financing to cover the funding requirements for its industrial activities and for financing offered to customers and dealers. The Group's financial services companies operate a matching policy to offset the impact of differences in rates of interest on the financed portfolio and related liabilities. Nevertheless, future potential changes in interest rates can result in increases or decreases in revenues, finance costs and margins, which cannot be currently foreseen and quantified.

Consistent with its risk management policies, the Group seeks to manage currency and interest rate risk through the use of financial hedging instruments. Despite such hedges being in place, sudden fluctuations in currency or interest rates could have an adverse effect on the Group's business prospects, earnings and/or financial position.

The Group's financial services activities are also subject to the risk of insolvency of dealers and customers, as well as unfavourable economic conditions in markets where these activities are carried out, which the Group seeks to mitigate through credit policies applied to dealers and end customers. In addition, the Group's financial services activities are subject to government actions that may, among other things, prevent the Group's financial services subsidiaries from enforcing legal rights and remedies.

Risks associated with the termination of CNH Global's strategic alliance with Kobelco Construction Machinery Co., Ltd.

Effective December 31, 2012, CNH Global and Kobelco Construction Machinery Co., Ltd. ("Kobelco") terminated by mutual consent their global alliance (consisting of industrial arrangements and a number of jointly-owned companies) in the construction equipment sector (*macchine movimento terra*). The agreements regulating the dissolution of the alliance provide that, starting from January 1, 2013 until December 31, 2017, CNH will be entitled to purchase components and parts from the Kobelco group on a non-exclusive basis in order to continue to manufacture excavators based upon Kobelco's technology in its plants. Moreover, starting from December 31, 2012, the territorial sales and marketing restrictions limiting the right of the Kobelco group to distribute its excavators in certain significant markets (such as the Americas and Europe) expired and similar restrictions which applied to CNH expired in Asia Pacific on July 31, 2013. While the Group expects a smooth transition with respect to implemented changes, unexpected commercial issues (such as, by way of example, the weakening of the distributorship network and the subsequent loss of market quota) or industrial issues (such as, by way of example, difficulties in maintaining the qualitative standards or inability to source certain components currently provided by the Kobelco group) could have a material adverse effect upon the Group's construction product lines, construction equipment distribution network, financial position and results of operations.

The Group's success is largely dependent on the ability of its current management team to operate and manage effectively

The Group's success is largely dependent on the ability of its executive directors and other members of management to effectively manage the Group and individual areas of business. The loss of any executive director, manager or other key employees without an adequate replacement or the inability to attract and retain new, qualified personnel, including any loss of members of senior management or employees that might occur as a result of the Merger, could therefore have an adverse effect on the Group's business prospects, earnings and/or financial position.

The Group faces risks associated with the agricultural and construction equipment markets and with the trucks and commercial vehicles market

The performance of the agricultural equipment market is influenced, in particular, by factors such as:

- (i) the price of agricultural commodities and the relative level of inventories;
- (ii) the profitability of agricultural enterprises;
- (iii) the demand for food products; and
- (iv) agricultural policies, including aid and subsidies to agricultural enterprises provided by major governments and/or supranational organisations.

In addition, unfavourable climatic conditions, especially during the spring, a particularly important period for generating sales orders, could have a negative impact on the decision to buy agricultural equipment and, consequently, on the Group's revenues.

The performance of the construction equipment market is influenced, in particular, by factors such as:

- (i) public infrastructure spending; and
- (ii) new residential and non-residential construction.

The performance of the trucks and commercial vehicles market is influenced, in particular, by factors such as:

- (i) changes in global market conditions, including changes in levels of business investment and sales of commodities; and

- (ii) public infrastructure spending.

The above factors can significantly influence the demand for agricultural and construction equipment, as well as for trucks and commercial vehicles, and consequently, the Group's financial results.

Although the Group's business has not been influenced predominantly by any of the above factors individually, certain of the above factors have occurred in the past or may occur in the future (taking into account the global nature of the Group's activities).

The agricultural equipment industry is highly seasonal, which causes the Group's results of operations and levels of working capital to fluctuate

Farmers traditionally purchase agricultural equipment in the spring and fall, the main planting and harvesting seasons. The Group's agricultural equipment business net sales and results of operations have historically been highest in the second quarter, reflecting the spring selling season in the Northern hemisphere, and lowest in the third quarter, when many of the Group's production facilities experience summer shut-down periods, especially in Europe. Seasonal conditions also affect the Group's construction equipment business, but to a lesser extent than its agricultural equipment business. The Group's agricultural equipment business production levels are based upon estimated retail demand. These estimates take into account the timing of dealer shipments, which occur in advance of retail demand, dealer inventory levels, the need to retool manufacturing facilities to produce new or different models and the efficient use of manpower and facilities. However, because the Group spreads its production and wholesale shipments throughout the year, wholesale sales of agricultural equipment products in any given period may not necessarily reflect the timing of dealer orders and retail demand in that period.

Estimated retail demand may exceed or be exceeded by actual production capacity in any given calendar quarter because the Group spreads production throughout the year. If retail demand is expected to exceed production capacity for a quarter, then the Group may schedule higher production in anticipation of the expected retail demand. Often, the Group anticipates that spring-selling season demand may exceed production capacity in that period and schedules higher production, and anticipates higher inventories and wholesale shipments to dealers in the first quarter of the year. Thus, the Group's working capital and dealer inventories are generally at their highest levels during the February to May period and decline towards the end of the year, as both the Group's and its dealers' inventories are typically reduced.

To the extent the Group's production levels (and timing) do not correspond to retail demand, it may have too much or too little inventory, which could have an adverse effect on the Group's financial position and results of operations.

The Group's agricultural equipment business may be affected by unfavorable weather conditions, climate change or natural disasters that reduce agricultural production and demand for agricultural equipment.

Poor or unusual weather conditions caused by climate change or other factors, particularly during the planting and early growing season, can significantly affect the purchasing decisions of the Group's agricultural equipment customers. The timing and quantity of rainfall are two of the most important factors in agricultural production. Insufficient levels of rain prevent farmers from planting crops or may cause growing crops to die, resulting in lower yields. Excessive rain or flooding can also prevent planting or harvesting from occurring at optimal times and may cause crop loss through increased disease or mold growth. Temperature affects the rate of growth, crop maturity, crop quality and yield. Temperatures outside normal ranges can cause crop failure or decreased yields, and may also affect disease incidence. Natural disasters such as regional floods, hurricanes, storms and droughts can have a negative impact on agricultural production. The resulting negative impact on farm income can strongly affect demand for the Group's agricultural equipment in any given period.

Risks associated with the defined benefit pension plans and other post-employment obligations

At December 31, 2012, Fiat Industrial's defined benefit pension plans and other post-employment benefits were underfunded by approximately €1,857 million. Any changes in applicable law could affect the funding requirements in the future.

The funded status of CNH Industrial's defined benefit pension and post-employment benefit plans is subject to several factors, as discussed in the section "*Significant Accounting Policies—Use of Estimates*" contained in the notes to the consolidated financial statements of the Fiat Industrial Group as of and for the financial year ended December 31, 2012, incorporated by reference herein. To the extent that the Group's obligations under a plan are unfunded or underfunded, the Group will have to use cash flow from operations and other sources to fulfil its obligations as they become due. In addition, since the assets that currently fund these obligations are primarily invested in debt instruments and equity securities, the value of these assets will vary due to market factors. In recent years, these fluctuations have been significant and adverse and there is no assurance that they will not be significant and adverse in the future.

The Group faces risks associated with liability arising from the Demerger

Fiat Industrial was formed as a result of the Demerger. Under Italian law, following the Demerger, Fiat Industrial continued to be jointly liable for any liabilities of Fiat S.p.A. that arose prior to effectiveness of the Demerger and were still outstanding at that date. These potential liabilities, like all other liabilities of Fiat Industrial, were assumed by CNH Industrial in connection with the Merger. The statutory liability assumed by CNH Industrial is limited to the value of the net assets transferred to Fiat Industrial in the Demerger and survives until all the above-mentioned liabilities of Fiat S.p.A. are satisfied in full. Furthermore, CNH Industrial may be responsible jointly with Fiat S.p.A. in relation to tax liabilities, even if such liabilities exceed the value of the net assets transferred to Fiat Industrial in the Demerger.

Risks associated with pending legal proceedings

The companies within the Group are involved in various product liability, warranty, product performance, asbestos, personal injury, environmental claims and lawsuits, governmental investigations and other legal proceedings that arise in the ordinary course of its business. The Group estimates such potential claims and contingent liabilities and, where appropriate, records provisions to address these contingent liabilities. The ultimate outcome of these legal matters pending against the Group is uncertain and although such legal matters are not expected individually to have a material adverse effect on the Group's financial position or profitability, such legal matters could, in the aggregate, in the event of unfavourable resolutions thereof, have a material adverse effect on the Group's consolidated financial position, cash flows, results of operations or profitability.

Furthermore, the Group could in the future be subject to judgments or enter into settlements of lawsuits and claims that could have a material adverse effect on its results of operations in any particular period. In addition, while the Group maintains insurance coverage with respect to certain claims, it may not be able to obtain such insurance on acceptable terms in the future, if at all, and any such insurance may not provide adequate coverage against any such claims.

Risks associated with financial services

The Group offers a wide range of financial services and products to dealers and customers; in particular and by way of example, the principal financial services offered by the CNH Segment are represented by the retail financing for the purchase or lease of new and used CNH equipment and wholesale financing to dealers, while the principal financial services offered by the Iveco Segment to customers are represented by lease and retail financing for the purchase of new and used Iveco vehicles.

Receivables from financing activities totalled €16,063 million and €15,237 million as of, respectively, September 30, 2013 and December 31, 2012.

In light of the above, the following risks associated with financial services should be taken into account.

Credit risk

Fundamental to any organisation that extends credit is the credit risk associated with customers. The creditworthiness of each customer, rates of delinquency, repossessions and net losses on loans to customers are impacted by many factors, including:

- relevant industry and general economic conditions;
- the availability of capital;
- changes in interest rates;
- the experience and skills of the customer's management team;
- commodity prices;
- political events;
- the weather; and
- the value of the collateral securing the extension of credit.

Deterioration in the quality of the Group's financial assets, an increase in delinquencies or a reduction in collateral recovery rates could have an adverse impact on the performance of the Group's financial services businesses. These risks become more acute in any economic slowdown or recession due to decreased demand for (or the availability of) credit, declining asset values, changes in government subsidies, reductions in collateral to loan balance ratios, and an increase in delinquencies, foreclosures and losses. In such circumstances, the Group's loan servicing and litigation costs may also increase. In addition, governments may pass laws, or implement regulations, that modify rights and obligations under existing agreements, or which prohibit or limit the exercise of contractual rights.

When loans default and the Group's financial services businesses repossess collateral securing the repayment of a loan, its ability to recover or mitigate losses by selling the collateral is subject to the current market value of such collateral. Those values are affected by levels of new and used inventory of agricultural and construction equipment, as well as trucks and commercial vehicles, on the market. They are also dependent upon the strength or weakness of market demand for new and used agricultural and construction equipment, as well as for trucks and commercial vehicles, which is affected by the strength of the general economy. In addition, repossessed collateral may be in poor condition, which would reduce its value. Finally, relative pricing of used equipment, compared with new equipment, can affect levels of market demand and the resale of repossessed equipment. An industry-wide decrease in demand for agricultural or construction equipment, as well as for trucks and commercial vehicles, could result in lower resale values for repossessed equipment, which could increase losses on loans and leases, adversely affecting the Group's financial position and results of operations.

Funding risk

The Group's financial services business has traditionally relied upon the asset-backed securitisation ("ABS") market and committed asset-backed facilities as a primary source of funding and liquidity. Access to funding at competitive rates is essential to the Group's financial services business. From mid-2007 through 2009, events occurred in the global financial market, including the weakened financial condition of several major financial institutions, problems related to subprime mortgages and other financial assets, the devaluation of various assets in secondary markets, the forced sale of asset-backed and other securities by certain investors, and the lowering of ratings on certain ABS transactions, which caused a significant reduction in liquidity in the secondary market for ABS transactions outstanding at such time and a significant increase in funding costs. During these periods, conditions in the ABS market adversely affected the Group's ability to sell receivables on a favourable or timely basis. Similar conditions in the future would have an adverse impact on the Group's financial position and results of operations. As the Group's financial services businesses finance a significant portion of the Group's sales of equipment, to the extent such financial services

businesses are unable to access funding on acceptable terms, the Group's sales of equipment would be negatively impacted.

To maintain competitiveness in the capital markets and to promote the efficient use of various funding sources, additional reserve support has been added to certain previously-issued ABS transactions. Such optional support may be required to maintain credit ratings assigned to transactions if loss experiences are higher than anticipated. The need to provide additional reserve support could have an adverse effect on the Group's financial position, results of operations and cash flow.

Repurchase risk

In connection with the Group's ABS transactions, the Group makes customary representations and warranties regarding the assets being securitised, as disclosed in the relevant offering documents. While no recourse provisions exist that allow holders of asset-backed securities issued by the Group's trusts to require the Group to repurchase those securities, a breach of these representations and warranties could give rise to an obligation to repurchase non-conforming receivables from the trusts. Any future repurchases could have an adverse effect on the Group's financial position, results of operations and cash flow.

Regulatory risk

The operations of the Group's financial services businesses are subject, in certain instances, to the supervision and regulation by various governmental authorities. These operations are also subject to various laws, as well as to judicial and administrative decisions and interpretations, imposing requirements and restrictions, which among other things:

- regulate credit granting activities, including establishing licensing requirements;
- establish maximum interest rates, finance and other charges;
- regulate customers' insurance coverage;
- require disclosure to customers;
- govern secured and unsecured transactions;
- set collection, foreclosure, repossession and claims handling procedures and other trade practices;
- prohibit discrimination in the extension of credit and administration of loans; and
- regulate the use and reporting of information related to a borrower.

To the extent that applicable laws are amended or construed differently, new laws are adopted to expand the scope of regulation imposed upon such financial services businesses, or applicable laws prohibit interest rates the Group charges from rising to a level commensurate with risk and market conditions, such events could adversely affect the Group's financial services businesses and the Group's financial position and results of operations.

Risks associated with the significant outstanding indebtedness of the Group

As of September 30, 2013, the Group had an aggregate of €21,273 million (including €16,539 million relating to financial services companies and €4,734 million relating to industrial activities) of consolidated gross indebtedness, and its equity was €5,553 million, including non-controlling interests. The extent of the Group's indebtedness could have important consequences on its operations and financial results, including:

- (i) the Group may not be able to secure additional funds for working capital, capital expenditures, debt service requirements or general corporate purposes;
- (ii) the Group may need to use a portion of its projected future cash flow from operations to pay principal and interest on its indebtedness, which may reduce the amount of funds available to the Group for other purposes;

- (iii) the Group may be more financially leveraged than some of its competitors, which could put it at a competitive disadvantage;
- (iv) the Group may not be able to adjust rapidly to changing market conditions, which may make it more vulnerable to a downturn in general economic conditions or its business; and
- (v) the Group may not be able to access the capital markets on favourable terms, which may adversely affect its ability to provide competitive retail and wholesale financing programmes.

These risks are exacerbated by current volatility in the financial markets resulting from perceived strains on the finances and creditworthiness of several governments and financial institutions, particularly in the Eurozone.

Among the anticipated benefits of the Merger is the expected reduction in funding costs over time due to improved debt capital markets positioning of the combined entity. However, certain of the circumstances and risks described above may delay or reduce the expected cost savings from the future funding structures and the expected cost savings may not be achieved in full or at all.

Risks associated with the Group's financing of its business and with its debt obligations

The Group's future performance will depend on, among other things, its ability to finance debt repayment obligations and planned investments from operating cash flow, available liquidity, the renewal or refinancing of existing bank loans and/or facilities and possible recourse to capital markets or other sources of financing. Although the Group has measures in place to ensure that adequate levels of working capital and liquidity are maintained, further declines in sales volumes could have a negative impact on the cash-generating capacity of its operating activities. The Group could, therefore, find itself in the position of having to seek additional financing and/or having to refinance existing debt, including in unfavourable market conditions with limited availability of funding and a general increase in funding costs. Any difficulty in obtaining financing could have a material adverse effect on the Group's business prospects, earnings and/or financial position.

The indentures governing the majority of the Group's outstanding public indebtedness, and other credit agreements to which companies within the Group are a party, contain typical negative covenants that restrict the ability of companies within the Group to, among other things:

- (i) incur additional indebtedness;
- (ii) make certain investments;
- (iii) enter into certain types of transactions with affiliates;
- (iv) sell certain assets or merge with or into other companies;
- (v) use assets as security in other transactions; and
- (vi) enter into sale and leaseback transactions.

The Group's €2.0 billion revolving credit facility, which is guaranteed by CNH Industrial as the successor to Fiat Industrial, and was renewed on February 7, 2013, replacing the three-year €2.0 billion revolving credit facility originally signed in December 2010, also contains typical covenants for contracts of this type and size, such as financial covenants (including the ratios, as adjusted and relating to industrial activities, of net debt to EBITDA and EBITDA to net interest), as well as negative pledge, *pari passu*, cross default and change of control clauses. The failure to comply with these covenants, in certain cases if not suitably remedied, could result in the unavailability of the revolving facility or the acceleration of the amounts due thereunder.

Risks associated with the capital goods sector

More than other sectors, producers in the capital goods sector, such as the CNH Segment and the Iveco Segment, are subject to:

- the condition of financial markets, in particular, the ability to access the securitisation market and prevailing interest rates in that market. In North America, in particular, the Group makes considerable use of asset-backed securitisation to fund financing offered to dealers and end customers. Negative conditions in the financial markets, and the asset-backed securitisation market in particular, could have a significant impact on the Group's business prospects, earnings and/or financial position;
- cyclicity, which can cause sudden declines in demand, with negative effects on inventory levels and product pricing, both new and used. In general, demand in the capital goods sector is highly correlated to the economic cycle and can be subject to even greater levels of volatility.

CNH Industrial is a holding company, which creates structural subordination risks for the holders of the Notes

CNH Industrial is organised as a holding company that conducts essentially all of its operations through its direct and indirect subsidiaries and depends primarily on the earnings and cash flows of, and the distribution of funds from, these subsidiaries to meet its debt obligations, including its obligations under the Notes issued by it and its guarantee obligations with respect to the Guaranteed Notes. Generally, creditors of a direct or indirect subsidiary, including trade creditors, secured creditors and creditors holding indebtedness and guarantees issued by the subsidiary, and preferred shareholders, if any, of the subsidiary, will be entitled to the assets of that subsidiary before any of those assets can be distributed to shareholders upon liquidation or winding up. As a result, CNH Industrial's obligations under the Notes issued by it and under the Guarantee of the Guaranteed Notes will effectively be subordinated to the prior payment of all the debts and other liabilities, including the right of trade creditors and preferred shareholders, if any, of CNH Industrial's direct and indirect subsidiaries. CNH Industrial's direct and indirect subsidiaries have other liabilities, including liabilities under bank financing facilities and contingent liabilities, which are substantial. See also “– *Risks Related to Notes Generally – The Notes do not restrict the amount of debt which the Issuers and the Guarantor may incur.*”

The Guarantor's Guarantee of the Notes may be limited by applicable laws or subject to certain procedures that could limit or prevent the Guarantor from making payments under the Guarantee

The Guarantee provides the holders of the Guaranteed Notes with a direct claim against the Guarantor. However, the enforcement of the Guarantee against CNH Industrial would be subject to certain defences generally available in connection with guarantees. These laws and defences include those that relate to fraudulent conveyance or transfer, bankruptcy claw-back, corporate purpose, conflicts of interest, or similar laws, regulations or defences affecting the rights of creditors generally. In addition, in order for a Guarantee to be enforceable under Dutch law, the Guarantor's directors must determine that the granting of Guarantee is in the Guarantor's best corporate interest (*vennootschappelijk belang*), that the Guarantor benefits, either directly or indirectly, from the granting of the Guarantee, and that the granting of the Guarantee is contemplated and permitted by the Guarantor's articles of association and corporate objectives.

Potential investors must take into account that the Guaranteed Notes will be guaranteed only by CNH Industrial and that Fiat S.p.A. and the Fiat Group will have no obligations under the Notes, including the Guaranteed Notes or the Guarantee.

CNH Industrial intends to operate in a manner to be treated as resident in the United Kingdom for tax purposes, but other tax authorities may treat it as also being tax resident elsewhere

CNH Industrial is not a company incorporated in the UK. Therefore, whether it is resident in the UK for tax purposes will depend on whether its central management and control is located (in whole or in part) in the UK. The test of central management and control is largely a question of fact and degree based on all the circumstances. Even if CNH Industrial's “central management and control” is in the UK, as is currently planned, it would nevertheless not be treated as UK-resident if (a) it were concurrently resident in another jurisdiction (applying the tax residence rules of that jurisdiction) which has a double tax treaty with the UK; and (b) there is a tie-breaker provision in that tax treaty which allocates exclusive residence to that other jurisdiction.

Even if CNH Industrial's central management and control is in the UK as expected, CNH Industrial will be resident in the Netherlands for Dutch corporate income tax and Dutch dividend withholding tax purposes on the basis that it is incorporated there. Nonetheless, the UK and Dutch competent authorities have agreed, following the conclusion of a mutual agreement procedure (as referred to in the Netherlands-UK tax treaty) that CNH Industrial will be regarded as solely resident in the UK for purposes of the Netherlands-UK tax treaty provided that it operates as is currently planned and provides evidence thereof to the UK and Dutch competent tax authorities. If there is a change over time to the facts upon which this ruling issued by the competent authorities is based, this ruling may be withdrawn.

If the ruling were to be withdrawn, the Netherlands would be allowed to levy corporate income tax on CNH Industrial and impose Dutch dividend withholding taxes on dividends distributed by CNH Industrial as a Dutch-tax resident taxpayer.

For Italian tax purposes, a rebuttable presumption of residence in Italy of CNH Industrial may apply under Article 73 (5-bis) of the Presidential Decree No. 917 of December 22, 1986 (the Italian Consolidated Tax Act). However, CNH Industrial intends to set up its management and organisational structure in such a manner that it should be deemed resident in the UK from its incorporation for the purposes of the Italy-UK tax treaty. Because this analysis is highly factual and may depend on future changes in CNH Industrial's management and organisational structure, there can be no assurance regarding the final determination of CNH Industrial's tax residence. Should CNH Industrial be treated as an Italian tax resident, it would be required to comply with withholding tax and/or reporting obligations provided under Italian tax law.

The application of the UK's controlled foreign companies taxation rules may have a material adverse impact on the financial position of CNH Industrial

On the basis that CNH Industrial is regarded as resident for tax purposes in the United Kingdom (and for so long as it continues to be regarded as a resident), it will be subject to the UK controlled foreign company rules (the "CFC rules"). The CFC rules have been the subject of recent reform. CNH Industrial will need to apply the new rules. Other Group companies resident for tax purposes in the UK will need to consider the old CFC rules for a transitional period in relation to their non-UK-resident subsidiaries.

In broad terms, the new CFC rules can apply to subject UK-tax-resident companies (such as CNH Industrial) to UK tax on the profits of certain companies not resident for tax purposes in the UK in which they have at least a 25% direct or indirect interest (a "controlled foreign company" or "CFC"). Interests of connected or associated persons may be aggregated with those of the UK-tax-resident company when applying this 25% threshold. For a company to be a CFC, it must be treated as directly or indirectly controlled by persons resident for tax purposes in the UK. The definition of control is broad – it includes economic rights – and captures some joint ventures.

Various exemptions from a charge under the CFC rules are available. CNH Industrial expects that the principal operating activities of the Group should fall within one or more of those exemptions. As a result, CNH Industrial does not expect the CFC rules to have a material adverse impact on its financial position. However, amendments may be made to the legislation and Her Majesty's Revenue & Customs has not yet published its final guidance on the new regime. Accordingly, the effect of the new CFC rules is not certain. CNH Industrial will continue to monitor developments in this regard and seek to mitigate any adverse UK tax implications which may arise. However, the possibility cannot be excluded that the application of the new CFC rules may have a material adverse impact on the financial position of CNH Industrial.

Risks Related to Notes Generally

The Notes may not be a suitable investment for all investors

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in the Base Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes may be complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

The terms and conditions of the Notes are subject to modification and waiver

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

Pursuant to the EU Savings Directive, payments on the Notes made or collected through certain EU member states may be subject to withholding

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "Savings Directive"), each Member State of the European Union is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or secured by such a person for, an individual beneficial owner resident in, or certain limited types of entity established in, that other Member State. However, for a transitional period, Austria and Luxembourg will (unless during such period they elect otherwise) instead operate a withholding system in relation to such payments. Under such a withholding system, the beneficial owner of the interest payment must be allowed to elect that certain provision of information procedures should be applied instead of withholding. The rate of withholding is 35%. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to exchange of information procedures relating to interest and other similar income. The Luxembourg government has announced that Luxembourg will elect out of the withholding system in favour of automatic exchange of information effective January 1, 2015.

A number of non-EU countries and certain dependent or associated territories of certain Member States have adopted similar measures to the Savings Directive.

A proposal for amendments to the Savings Directive has been published, including a number of suggested changes which, if implemented, would broaden the scope of the rules described above. Investors who are in any doubt as to their position should consult their professional advisers.

If a payment under a Note were to be made by a person in a Member State or another country or territory which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment pursuant to the Savings Directive or any law implementing or complying with, or introduced in order to conform to the Savings Directive, neither the relevant Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts under the terms of such Note as a result of the imposition of such withholding tax. The relevant Issuer and the Guarantor are, however, required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Savings Directive or any law implementing or complying with, or introduced in order to conform to the Savings Directive.

Bearer Notes may be traded in amounts that are not integral multiples of their Specified Denomination

In relation to any issue of bearer Notes which have denominations consisting of a minimum Specified Denomination and one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case, a holder who, as a result of such trading, holds an amount which is less than the minimum Specified Denomination in its account with the relevant clearing system at the relevant time may not receive a definitive bearer Note in respect of such holding (should definitive bearer Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to the minimum Specified Denomination.

If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination which is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Laws may restrict certain investments in the Notes

The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

The Notes do not restrict the amount of debt which the Issuers and the Guarantor may incur

The terms and conditions relating to the Notes do not contain any restriction on the amount of indebtedness which the Issuers and the Guarantor may from time to time incur. In the event of any insolvency or winding-up of the Issuers or the Guarantor (where applicable), the Notes will rank equally with other unsecured senior indebtedness of the relevant Issuer and the Guarantor and, accordingly, any increase in the amount of unsecured senior indebtedness of the Issuers or the Guarantor in the future may reduce the amount recoverable by Noteholders. In addition, the Notes are unsecured and, save as provided in Condition 4 (*Negative Pledge*), do not contain any restriction on the giving of security by the Issuers or the Guarantor over present and future indebtedness. Where security has been granted over assets of the Issuers or the Guarantor to secure indebtedness, in the event of any insolvency or winding-up of the Issuers or the Guarantor, such indebtedness will rank in priority over the Notes and other unsecured indebtedness of the Issuers or the Guarantor in respect of such assets. In relation to the assets and indebtedness of CNH Industrial's direct and indirect subsidiaries, see also “– *Risks Concerning the Ability of the Issuers and the Guarantor to Fulfil their Obligations under the Notes – CNH Industrial is a holding company, which creates structural subordination risks for the holders of the Notes.*”

Risks that May Be Related to Particular Series of Notes

Different types of Notes may be issued under the Programme. A number of these Notes may have features which present particular risks for potential investors. Set out below is a description of the most common such features:

Notes subject to optional redemption by the Issuer

An optional redemption feature of Notes is likely to limit their market value. During any period when the relevant Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The relevant Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes bear interest at a rate that may convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. When an Issuer has the right to effect such conversion, this will affect the secondary market and the market value of the Notes since an Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If an Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then-prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If an Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then-prevailing rates on its Notes.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Risks Related to the Market Generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

Investors may not have access to a liquid secondary market, into which to sell their Notes

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar instruments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of the Notes.

Investors will face the risks of exchange rate fluctuations and possible exchange controls

The relevant Issuer will pay principal and interest on the Notes and the Guarantor will make any payments under the Guarantee (where applicable) in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. Appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes,

(2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the relevant Issuer or the Guarantor to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Investors will face interest-rate risks

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Risks related to Notes Denominated in Renminbi

The Renminbi is not freely convertible and there are significant restrictions on the remittance of the Renminbi into and outside the PRC

The Renminbi is not freely convertible at present. The government of the PRC (the "PRC Government") continues to regulate conversion between the Renminbi and foreign currencies, despite the significant reduction over the years by the PRC Government of control over routine foreign exchange transactions under current accounts. Participating banks in Hong Kong have been permitted to engage in the settlement of Renminbi trade transactions under a pilot scheme introduced in July 2009. This represents a current account activity. The pilot scheme was extended in August 2011 to cover all provinces and cities in the PRC and to make Renminbi trade and other current account item settlement available in all countries worldwide. Subject to limited exceptions, there is currently no specific PRC regulation on the remittance of Renminbi into the PRC for settlement of capital account items. Foreign investors may only remit offshore Renminbi into the PRC for capital account purposes such as shareholders' loan or capital contribution upon obtaining specific approvals from the relevant authorities on a case by case basis. Regulations in the PRC on the remittance of Renminbi into the PRC for settlement of capital account items is developing gradually.

On October 12, 2011, the Ministry of Commerce of the PRC ("MOFCOM") promulgated the "Circular on Certain Issues Concerning Direct Investment Involving Cross border Renminbi" (商務部關於跨境人民幣直接投資有關問題的通知) (the "MOFCOM Circular"). Pursuant to the MOFCOM Circular, the appropriate office of MOFCOM and/or its local counterparts were authorised to approve Renminbi foreign direct investments ("FDI") with certain exceptions based on, amongst others, the size and industry of the investment. The MOFCOM Circular also stipulates that the proceeds of FDI may not be used towards investment in securities, financial derivatives or entrustment loans in the PRC, except for investments in domestic companies listed in the PRC through private placements or share transfers by agreement.

On October 13, 2011, the People's Bank of China (the "PBoC") promulgated the "Administrative Measures on Renminbi Settlement of Foreign Direct Investment" (外商直接投資人民幣結算業務管理辦法) (the "PBoC FDI Measures") as part of the implementation of the PBoC's detailed FDI accounts administration system. The system covers almost all aspects in relation to FDI, including capital injections, payments for the acquisition of PRC domestic enterprises, repatriation of dividends and other distributions, as well as Renminbi denominated cross-border loans. On June 14, 2012, the PBoC further issued the implementing rules for the PBoC FDI Measures. Under the PBoC FDI Measures, special approval for FDI and shareholder loans from the PBoC, which was previously required, is no longer necessary. In some cases however, post-event filing with the PBoC is still necessary.

The MOFCOM Circular and the PBoC FDI Measures will be subject to interpretation and application by the relevant authorities in the PRC.

There is no assurance that the PRC Government will continue to gradually liberalise the control over cross-border Renminbi remittances in the future, that the pilot scheme introduced in July 2009 (as amended) will not be discontinued, or that new PRC regulations will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. Further, if any new PRC regulations are promulgated in the future which have the effect of permitting or restricting (as the case may be) the remittance of Renminbi for payment of transactions categorised as capital account items, then such remittances will need to be made subject to the specific requirements or restrictions set out in such rules. In the event that any regulatory restrictions inhibit the ability of the relevant Issuer or the Guarantor, as the case may be, to repatriate funds outside the PRC to meet its obligations under the CNY Notes, the relevant Issuer or the Guarantor, as the case may be, will need to source Renminbi offshore to finance such obligations under the CNY Notes, and its ability to do so will be subject to the overall availability of Renminbi outside the PRC.

Investors may be required to provide certifications and other information (including Renminbi account information) in order to be allowed to receive payments in Renminbi in accordance with the Renminbi clearing and settlement system for participating banks in Hong Kong.

For further details in respect of the remittance of Renminbi into and outside the PRC (including the MOFCOM Circular and the PBoC FDI Measures), see “*Remittance of Renminbi into and outside the PRC*” below.

There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of the CNY Notes and the ability of the relevant Issuer or Guarantor to source Renminbi outside the PRC to service the CNY Notes

As a result of the restrictions imposed by the PRC Government on cross-border Renminbi fund flows, the availability of Renminbi outside of the PRC is limited. Since February 2004, in accordance with arrangements between the PRC Government and the Hong Kong government, licensed banks in Hong Kong may offer limited Renminbi-denominated banking services to Hong Kong residents and specified business customers. The PBoC, the central bank of the PRC, has also established a Renminbi clearing and settlement system for participating banks in Hong Kong. On July 19, 2010, further amendments were made to the Settlement Agreement on the Clearing of Renminbi Business (the “Settlement Agreement”) between the PBoC and Bank of China (Hong Kong) Limited (the “Renminbi Clearing Bank”) to further expand the scope of Renminbi business for participating banks in Hong Kong. Pursuant to the revised arrangements, all corporations are allowed to open Renminbi accounts in Hong Kong; there is no longer any limit on the ability of corporations to convert Renminbi; and there is no longer any restriction on the transfer of Renminbi funds between different accounts in Hong Kong.

However, the current size of Renminbi-denominated financial assets outside the PRC is limited. As of June 30, 2013, the total amount of Renminbi deposits held by institutions authorised to engage in Renminbi banking business in Hong Kong amounted to approximately RMB698 billion according to the HKMA. In addition, participating authorised institutions are also required by the HKMA to maintain Renminbi liquidity ratios at no less than 25 percent (computed on the same basis as the statutory liquidity ratio), which further limits the availability of Renminbi that participating banks can utilise for conversion services for their customers. Renminbi business participating banks do not have direct Renminbi liquidity support from the PBoC. They are only allowed to square their open positions with the Renminbi Clearing Bank after consolidating the Renminbi trade position of banks outside Hong Kong that are in the same bank group of the participating banks concerned with their own trade position, and the Renminbi Clearing Bank only has access to onshore liquidity support from the PBoC for the purpose of squaring open positions of participating banks for limited types of transactions, including open positions resulting from conversion services for corporations in relation to cross-border trade settlement, for Hong Kong residents of up to CNY 20,000 per person per day and for designated business customers relating to the Renminbi received in providing their services. The Renminbi Clearing Bank is not obliged to square for participating banks any open positions

resulting from other foreign exchange transactions or conversion services and participating banks will need to source Renminbi from the offshore market to square such open positions.

On June 14, 2012, the HKMA introduced a facility for providing Renminbi liquidity to authorised institutions participating in Renminbi business (“Participating AIs”) in Hong Kong. The facility will make use of the currency swap arrangement between the PBoC and the HKMA. With effect from June 15, 2012, the HKMA will, in response to requests from individual Participating AIs, provide Renminbi term funds to the Participating AIs against eligible collateral acceptable to the HKMA. The facility is intended to address short-term Renminbi liquidity tightness which may arise from time to time, for example due to capital market activities or a sudden need for Renminbi liquidity by the Participating AIs’ overseas bank customers.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that no new PRC regulations will be promulgated or the Settlement Agreement will not be terminated or amended in the future which will have the effect of restricting the availability of Renminbi offshore. The limited availability of Renminbi outside the PRC may affect the liquidity of the CNY Notes. To the extent the relevant Issuer or the Guarantor, as the case may be, is required to source Renminbi in the offshore market to service the CNY Notes, there is no assurance that it will be able to source such Renminbi on satisfactory terms, if at all. If the Renminbi is not available in certain circumstances as described in the CNY Notes, the relevant Issuer or the Guarantor, as the case may be, can make payments under the CNY Notes in U.S. dollars or another specified currency.

Investment in the CNY Notes is subject to exchange rate risks and the relevant Issuer or the Guarantor may make payments of interest and principal in U.S. dollars in certain circumstances

The value of the Renminbi against the U.S. dollar and other foreign currencies fluctuates and is affected by changes in the PRC, by international political and economic conditions and by many other factors. In addition, although the primary obligation of the relevant Issuer or the Guarantor, as the case may be, is to make all payments of interest and principal with respect to the CNY Notes in Renminbi in the event access to Renminbi deliverable in Hong Kong becomes restricted to the extent that, by reason of Inconvertibility, Non-transferability or Illiquidity (each as defined in “*Terms and Conditions of the Notes*”), the relevant Issuer or the Guarantor, as the case may be, is unable to pay interest or principal in Renminbi in Hong Kong, the terms of the CNY Notes allow the relevant Issuer or the Guarantor, as the case may be, to make payment in U.S. dollars or another specified currency at the prevailing spot rate of exchange, all as provided for in more detail in “*Terms and Conditions of the Notes – Condition 6(h) (Payments – Payment of Alternative Currency Equivalent)*”. As a result, the value of these Renminbi payments in U.S. dollar or other foreign currency terms may vary with the prevailing exchange rates in the market place. If the value of Renminbi depreciates against the U.S. dollar or other foreign currencies, the value of the investment in U.S. dollars or other applicable foreign currency terms, as the case may be, will decline.

Payments in respect of the CNY Notes will only be made to investors in the manner specified in the CNY Notes

Investors may be required to provide certification and other information (including Renminbi account information) in order to be allowed to receive payments in Renminbi in accordance with the Renminbi clearing and settlement system for participating banks in Hong Kong. Except in the limited circumstances stipulated in “*Terms and Conditions of the Notes – Condition 6(h) (Payments – Payment of Alternative Currency Equivalent)*”, all payments to investors in respect of the CNY Notes will be made solely (i) for so long as the CNY Notes are represented by a Global Note, by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing CMU Service rules and procedures, or (ii) for so long as the CNY Notes are in definitive form, by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing rules and regulations. None of the Issuers nor the Guarantor can be required to make payment by any other means (including in bank notes, by cheque or draft or by transfer to a bank account in the PRC).

DOCUMENTS INCORPORATED BY REFERENCE

The documents referred to in paragraphs (a), (b), (c), (d) and (e) below have been filed with the Central Bank and shall be deemed to be incorporated in, and to form part of, this Base Prospectus:

- (a) the audited consolidated annual financial statements (including consolidated income statements, consolidated statements of comprehensive income, consolidated statements of financial position, consolidated statements of cash flows, statements of changes in consolidated equity and notes to the consolidated financial statements) of the Fiat Industrial Group, as of and for the financial years ended December 31, 2012, 2011 and 2010, including the independent auditor's report thereon. These financial statements have been restated to reflect retrospective application of the amendments to IAS 19 – *Employee Benefits* and IAS 1 – *Presentation of Financial Statements* that became effective and were adopted by the Group from January 1, 2013.

Fiat Industrial Group's audited consolidated annual financial statements and the independent auditors' report thereon as of and for the financial years ended December 31, 2012, 2011 and 2010 are set out on pages F-4 to F-128 and F-2 to F-3, respectively, of the Form F-4, which is available on CNH Industrial's website at the link below:

http://cnhindustrial.com/en-US/investor_relations/shareholders/combination/FiatDocuments/Registration%20Statement%20on%20Form%20F-4.pdf

- (b) the unaudited consolidated financial statements (including consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, statement of changes in consolidated equity and notes to the consolidated financial statements) of the CNH Industrial Group, as of and for the nine months ended September 30, 2013 and 2012. The financial information as of and for the nine months ended September 30, 2012 has been restated to reflect retrospective application of the amendments to IAS 19 – *Employee Benefits* and IAS 1 – *Presentation of Financial Statements* that became effective and were adopted by the Group from January 1, 2013.

The CNH Industrial Group's unaudited consolidated financial statements as of and for the nine months ended September 30, 2013 and 2012 are set out on pages 25 to 52 of the Interim Report, which is available on CNH Industrial's website at the link below:

http://www.cnhindustrial.com/en-US/investor_relations/financial_information/FiatDocuments/CNHI_Interim_Report_3rdQ2013.pdf

- (c) the audited annual financial statements (including statements of financial position, statements of comprehensive income, statements of changes in stockholder's equity, statements of cash flows and notes to the financial statements) of FIFNA (now CIFNA) as of and for the financial years ended December 31, 2012 and 2011, and the independent auditors' report thereon;

FIFNA's (now CIFNA's) audited annual financial statements and the independent auditors' report thereon as of and for the financial year ended December 31, 2012 are available on CNH Industrial's website at the link below:

http://www.cnhindustrial.com/it-IT/investor_relations/shareholders/bonds/bilancio_emittenti/FiatDocuments/Bilanci%20degli%20Emittenti/FIFNA%20-%202012%20Financial%20Statements.pdf

FIFNA's (now CIFNA's) audited annual financial statements and the independent auditors' report thereon as of and for the financial year ended December 31, 2011 are available on CNH Industrial's website at the link below:

http://www.cnhindustrial.com/it-IT/investor_relations/shareholders/bonds/bilancio_emittenti/FiatDocuments/Bilanci%20degli%20Emittenti/FIFNA%20-%202011%20Financial%20Statements.pdf

- (d) the audited annual financial statements (including balance sheets, profit and loss accounts and notes to the financial statements) of FIFE (now CIFE) as of and for the financial years ended December 31, 2012 and 2011, and the independent auditors' report thereon.

FIFE's (now CIFE's) audited annual financial statements and the independent auditors' report thereon as of and for the financial year ended December 31, 2012 are available on CNH Industrial's website at the link below:

http://www.cnhindustrial.com/it-IT/investor_relations/shareholders/bonds/bilancio_emittenti/FiatDocuments/Bilanci%20degli%20Emittenti/FIFE%20-%202012%20Financial%20Statements.pdf

FIFE's (now CIFE's) audited annual financial statements and the independent auditors' report thereon as of and for the financial year ended December 31, 2011 are available on CNH Industrial's website at the link below:

http://www.cnhindustrial.com/it-IT/investor_relations/shareholders/bonds/bilancio_emittenti/FiatDocuments/Bilanci%20degli%20Emittenti/FIFE%20-%202011%20Financial%20Statements.pdf

- (e) the unaudited financial statements of FI CBM Holdings N.V. (which was renamed CNH Industrial N.V. effective September 29, 2013) at December 31, 2012 are set out on pages 527-531 of the Information Document, which is available on CNH Industrial's website at the link below:

http://www.cnhindustrial.com/en-US/investor_relations/shareholders/combination/FiatDocuments/Information_Document_Sept_25_2013.pdf

Non-incorporated parts of a document referred to in (a) to (e) above are either not relevant for an investor or are covered elsewhere in this Base Prospectus.

Each Issuer and the Guarantor will provide, without charge, to each person to whom a copy of the Base Prospectus has been delivered, upon the request of such person, a copy of any or all of the documents deemed to be incorporated herein by reference unless such documents have been modified or superseded. Requests for such documents should be directed to any Issuer or the Guarantor at its address set out at the end of the Base Prospectus. The Base Prospectus is available on CNH Industrial's website at <http://cnhindustrial.com/en-US/Pages/HomePage.aspx>. Copies of the documents incorporated by reference herein may be physically inspected at the offices of the Paying Agent in Ireland for the life of the Base Prospectus and will also be available on the website of CNH Industrial at the links referred to above. CNH Industrial's website, as well as its content (except for the documents available at the links mentioned above to the extent incorporated by reference herein), do not form part of the Base Prospectus.

Each Issuer and the Guarantor will, in connection with the listing of the Notes on the Irish Stock Exchange, so long as any Notes remain outstanding and listed on such exchange, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus, prepare a supplement to the Base Prospectus in accordance with Article 16 of the Prospectus Directive or publish a new Base Prospectus as may be required under the Prospectus Directive for use in connection with any subsequent issue of the Notes to be listed on the Irish Stock Exchange. Any statement contained in this Base Prospectus or in any information or in any of the documents incorporated by reference in, and forming part of, this Base Prospectus shall be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained in any document subsequently incorporated by reference modifies or supersedes such statement provided that such modifying or superseding statement is made by way of a supplement to this Base Prospectus pursuant to Article 16 of the Prospectus Directive.

If the terms of the Programme are modified or amended in a manner that would make the Base Prospectus, as so modified or amended, inaccurate or misleading, a new base prospectus will be prepared.

FORM OF THE NOTES

The Notes of each Series will be in either bearer form (“Bearer Notes”), with or without interest coupons (“Coupons”) attached, or registered form (“Registered Notes”), without Coupons attached; provided, however, that CIFNA may not issue Bearer Notes. Bearer Notes will be issued outside the United States in reliance on Regulation S under the Securities Act (“Regulation S”) and Registered Notes will be issued both outside the United States in reliance on the exemption from registration provided by Regulation S and within the United States in reliance on Rule 144A.

Bearer Notes

CIFNA may not issue Bearer Notes.

Each Tranche of Bearer Notes will be initially issued in the form of either a temporary bearer global note (a “Temporary Bearer Global Note”) or a permanent bearer global note (a “Permanent Bearer Global Note”) and, together with a Temporary Bearer Global Note, the “Bearer Global Notes” and each a “Bearer Global Note”) as indicated in the applicable Final Terms, which, in either case, will be delivered on or prior to the original issue date of the Tranche to a common depository (the “Common Depository”) for Euroclear Bank S.A./N.V. (“Euroclear”) and Clearstream Banking, *société anonyme* (“Clearstream”) or, in respect of Bearer Global Notes representing CMU Notes, to a sub-custodian nominated by the HKMA as operator of the CMU Service. In the case of each Tranche of Bearer Notes, the applicable Final Terms will specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) (“TEFRA C”) or United States Treasury Regulation §1.163-5(c)(2)(i)(D) (“TEFRA D”) are applicable in relation to the Notes or, if the Notes do not have a maturity of more than one year, that neither TEFRA C nor TEFRA D are applicable. Whilst any Bearer Note is represented by a Temporary Bearer Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Note due prior to the Exchange Date (as defined below) will be made against presentation of the Temporary Bearer Global Note only to the extent that a certification (in a form to be provided) to the effect that the beneficial owners of interests in such Bearer Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by (in the case of the Notes other than CMU Notes) Euroclear and/or Clearstream or (in case of CMU Notes) the CMU Lodging and Paying Agent and (in the case of a Temporary Bearer Global Note delivered to the Common Depository for Euroclear and Clearstream) Euroclear and/or Clearstream, as applicable, has given a like certification (based on the certifications it has received) to the Principal Paying Agent.

On and after the date (the “Exchange Date”) which is, in respect of each Tranche in respect of which a Temporary Bearer Global Note is issued, 40 days after the Temporary Bearer Global Note is issued, interests in such Temporary Bearer Global Note will be exchangeable (free of charge) upon a request as described therein either for (i) interests in a Permanent Bearer Global Note of the same Series or (ii) definitive Bearer Notes of the same Series with, where applicable, interest coupons and talons attached (as indicated in the applicable Final Terms and in the case of definitive Bearer Notes, subject to such notice period as is specified in the applicable Final Terms), and (iii) in each case, against certification of beneficial ownership as described above unless such certification has already been given, provided that purchasers in the United States and certain U.S. persons will not be able to receive definitive Bearer Notes. The holder of a Temporary Bearer Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Bearer Global Note for an interest in a Permanent Bearer Global Note or for definitive Bearer Notes is improperly withheld or refused. The CMU Service may require that any such exchange for a Permanent Bearer Global Note is made in whole and not in part, and in such event no such exchange will be effected until all relevant account holders (as set out in a CMU Instrument Position Report (as defined in the rules of the CMU Service) or any other relevant notification supplied to the CMU Lodging and Paying Agent by the CMU Service) have so certified. The CMU Service may require the issue and deposit of such Permanent Bearer Global Note with its sub-custodian without permitting the withdrawal of the Temporary Bearer Global Note so exchanged, although any interests exchanged thereon shall have been properly effected in its records.

Payments of principal, interest (if any) or any other amounts on a Permanent Bearer Global Note issued in exchange for a Temporary Bearer Global Note, or issued pursuant to TEFRA C, will be made through Euroclear and/or Clearstream against presentation or surrender (as the case may be) of the Permanent Bearer Global Note without any requirement for certification.

In respect of a Bearer Global Note held through the CMU Service, payments of principal, interest (if any) or any other amounts will be made to the person(s) for whose account(s) interests in the relevant Bearer Global Note are credited (as set out in a CMU Instrument Position Report or in any other relevant notification supplied to the CMU Lodging and Paying Agent by the CMU Service) and, save in the case of final payment, no presentation of the relevant Bearer Global Note shall be required for such purpose.

The applicable Final Terms will specify that a Permanent Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Notes with, where applicable, interest coupons and talons attached either (a) upon not less than 60 days' written notice from Euroclear and/or Clearstream (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) to the Principal Paying Agent as described therein and/or (in the case of CMU Notes) from the relevant accountholders therein to the CMU Lodging and Paying Agent as described therein, or (b) only upon the occurrence of an Exchange Event.

For these purposes, "Exchange Event" means that (i) an Event of Default (as defined in Condition 10) has occurred and is continuing, (ii) the relevant Issuer has been notified that both Euroclear and Clearstream and, in the case of CMU Notes, the CMU Service have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available or (iii) the relevant Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Bearer Global Note in definitive form. The relevant Issuer will promptly give notice to Noteholders in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) and/or (in the case of CMU Notes), the relevant accountholders therein, may give notice to the Principal Paying Agent or, as the case may be, the CMU Lodging and Paying Agent, requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the relevant Issuer may also give notice to the Principal Paying Agent or, as the case may be, the CMU Lodging and Paying Agent, requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent or, as the case may be, the CMU Lodging and Paying Agent.

The following legend will appear on all Bearer Notes which have an original maturity of more than one year, and on all interest coupons relating to all such Notes:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Notes or Coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes or Coupons.

Notes which are represented by a Bearer Global Note will only be transferable, and payment in respect of them will only be made, in accordance with the rules and procedures for the time being of Euroclear, Clearstream or the CMU Service, as the case may be.

Registered Notes

The Registered Notes of each Tranche offered and sold in reliance on Regulation S, which will be sold to non-U.S. persons outside the United States, will initially be represented by a global note in registered form, without Coupons (a "Regulation S Global Note"), which will (i) be deposited with the Common Depository and registered in the name of a nominee of the Common Depository for Euroclear and Clearstream or (ii) be

deposited with a sub-custodian for and registered in the name of the HKMA as operator of the CMU Service, as specified in the applicable Final Terms.

Prior to expiry of the distribution compliance period (as defined in Regulation S) applicable to each such Tranche of Notes, beneficial interests in a Regulation S Global Note of such Tranche may not be offered or sold to, or for the account or benefit of, a U.S. person save as otherwise provided in Condition 2 and may not be held otherwise than through Euroclear, Clearstream or the CMU Service and such Regulation S Global Note will bear a legend regarding such restrictions on transfer.

The Registered Notes of each Tranche may only be initially offered and sold in the United States or to U.S. persons in private transactions to “qualified institutional buyers” within the meaning of Rule 144A under the Securities Act (“QIBs”). The Registered Notes of each Tranche sold to QIBs will be represented by a global note in registered form, without Coupons, (a “Rule 144A Global Note” and, together with a Regulation S Global Note, the “Registered Global Notes”) which will be deposited with a custodian for, and registered in the name of a nominee of, The Depository Trust Company (“DTC”).

Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in fully registered form.

Each Rule 144A Global Note will be subject to certain restrictions on transfer set forth therein and will bear a legend regarding such restrictions.

Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of any provision to the contrary, be made to the person shown on the Register (as defined in Condition 6(d)) as the registered holder of the Registered Global Notes. None of the Issuers, the Guarantor, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of any provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 6(d)) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, “Exchange Event” means that (i) an Event of Default has occurred and is continuing, (ii) DTC has notified the relevant Issuer that it is unwilling or unable to continue to act as depository for the Notes and no alternative clearing system is available, (iii) DTC has ceased to constitute a clearing agency registered under the Exchange Act or the relevant Issuer has been notified that both Euroclear and Clearstream and, in the case of CMU Notes, the CMU Service have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system is available or (iv) the relevant Issuer has or will become subject to adverse tax consequences which would not be required were the Notes represented by the Registered Global Notes in definitive form. The relevant Issuer will promptly give notice to Noteholders in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, (a) DTC, Euroclear and/or Clearstream, as the case may be (acting on the instructions of any holder of an interest in such Registered Global Note) may give notice to the Registrar, or (b) in the case of CMU Notes, the relevant accountholders therein, may give notice to the CMU Lodging and Paying Agent, requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iv) above, the relevant Issuer may also give notice to the Registrar or, as the case may be, the CMU Lodging and Paying Agent, requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar or, as the case may be, the CMU Lodging and Paying Agent.

Transfer of Interests

Interests in a Registered Global Note may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Registered Global Note. No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with the applicable procedures of DTC, Euroclear, Clearstream or the CMU Service, in each case to the extent applicable. Registered Notes are also subject to the restrictions on transfer set forth therein and will bear a legend regarding such restrictions. See “*Subscription and Sale, and Transfer and Selling Restrictions.*”

General

Pursuant to the Agency Agreement (as defined under “*Terms and Conditions of the Notes*”), the Principal Paying Agent or, as the case may be, the CMU Lodging and Paying Agent shall arrange that, when a Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes, the Notes of such further Tranche shall be assigned a common code and ISIN and, where applicable, a CMU instrument number, a CUSIP and CINS number which are different from the common code, ISIN, CMU instrument number, CUSIP and CINS assigned to Notes of any other Tranche of the same Series until at least the expiry of the distribution compliance period applicable to the Notes of such Tranche.

For so long as any of the Notes is represented by a Bearer Global Note or a Regulation S Global Note held on behalf of Euroclear, Clearstream or the CMU Service each person (other than Euroclear, Clearstream or the CMU Service) who is for the time being shown in the records of Euroclear, Clearstream or the CMU Service, as applicable, as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear, Clearstream or the CMU Service, as applicable, as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the relevant Issuer, the Guarantor and their agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Regulation S Global Note shall be treated by the relevant Issuer, the Guarantor and their agents as the holder of such nominal amount of such Notes in accordance with, and subject to the terms of, the relevant Global Note (as defined under “*Terms and Conditions of the Notes*”), and the expressions “Noteholder” and “holder of Notes” and related expressions shall be construed accordingly.

Notwithstanding the above, if a Note (whether in global or definitive form) is held through the CMU Service, any payment that is made in respect of such Note shall be made at the direction of the bearer or the registered holder to the person(s) for whose account(s) interests in such Note are credited as being held through the CMU Service in accordance with prevailing CMU rules and procedures at the relevant time as notified to the CMU Lodging and Paying Agent by the CMU Service in a relevant CMU Instrument Position Report or any other relevant notification by the CMU Service (which notification, in either case, shall be conclusive evidence of the records of the CMU Service as to the identity of any accountholder and the principal amount of any Note credited to its account, save in the case of manifest error) and such payments shall discharge the obligation of the relevant Issuer in respect of that payment under such Note.

So long as DTC or its nominee is the registered owner or holder of a Rule 144A Global Note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Rule 144A Global Note for all purposes under the Agency Agreement and such Notes except to the extent that in accordance with DTC’s published rules and procedures any ownership rights may be exercised by its participants or beneficial owners through participants.

Any reference herein to Euroclear and/or Clearstream and/or DTC and/or the CMU Service shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

A Note may be accelerated automatically by the holder thereof in certain circumstances described in Condition 10. In such circumstances, if any Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of such

Notes and payment in full of the amount due has not been made in accordance with the provisions of the Global Note then, unless within the period of seven days commencing on the relevant due date, payment in full of the amount due in respect of the Global Note, is received by the bearer or the registered holder, as the case may be, in accordance with the provisions of the Global Note, holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream and/or DTC and/or the CMU Service, as the case may be, will become entitled to proceed directly against the relevant Issuer on the basis of statements of account provided by Euroclear, Clearstream, DTC and/or the CMU Service on and subject to the terms of a deed of covenant (the “Deed of Covenant”) dated November 15, 2013 and executed by the Issuers. In addition, holders of interests in such Global Note credited to their accounts with DTC may require DTC to deliver definitive Notes in registered form in exchange for their interest in such Global Note in accordance with DTC’s standard operating procedures.

APPLICABLE FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme. Text in this section appearing in italics does not form part of the form of the Final Terms but denotes directions for completing the Final Terms.

[Date]

[CNH INDUSTRIAL N.V. / CNH INDUSTRIAL FINANCE EUROPE S.A. /
CNH INDUSTRIAL FINANCE NORTH AMERICA, INC.]

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
[Guaranteed by CNH Industrial N.V.]
under the €10,000,000,000
Global Medium Term Note Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated [current date] [and the supplement[s] dated [] (together, the “Base Prospectus”) [which together constitute] [which constitutes] a base prospectus for the purposes of Directive 2003/71/EC, as amended (the “Prospectus Directive”)]†. This document constitutes the Final Terms of the Notes described herein [for the purposes of Article 5.4 of the Prospectus Directive]† and must be read in conjunction with such Base Prospectus. Full information on the Issuer [and the Guarantor] and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus and these Final Terms are available for viewing at <http://cnhindustrial.com/en-US/Pages/HomePage.aspx> and copies may be obtained from the Issuer [and the Guarantor] at [its/their respective] [principal][registered] office[s]. CNH Industrial’s website, as well as its content (except for any documents available at the links referred to in the Base Prospectus to the extent incorporated by reference therein) do not form part of the Base Prospectus or of these Final Terms.

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Final Terms.]

[If the Notes must be redeemed before the first anniversary of their date of issue, the minimum denomination may need to be £100,000 or its equivalent in any other currency.]

1. (i) Issuer: [CNH Industrial N.V. / CNH Industrial Finance Europe S.A. / CNH Industrial Finance North America, Inc.]
- (ii) Guarantor: [CNH Industrial N.V. / Not Applicable]
2. (i) Series Number: []
- (ii) Tranche Number: []
- (iii) Date on which the Notes will be consolidated and form a single Series: [The Notes will be consolidated and form a single Series with [identify earlier Tranches] on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 23 below, which is expected to occur on or about [date]]/Not Applicable]
3. Specified Currency or Currencies: []

† Delete where the Notes are neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive.

4. Aggregate Nominal Amount: []
- (i) Series: []
- (ii) Tranche: []
5. Issue Price: [] percent of the Aggregate Nominal Amount [plus accrued Interest from *[insert date]* (if applicable)]
6. (i) Specified Denominations: []
- (In the case of Registered Notes, this means the minimum integral amount in which transfers can be made)*
- (Notes must have a minimum denomination of €100,000 or equivalent. Where multiple denominations above [€100,000] or equivalent are being used the following sample wording should be followed:*
- “[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000].”)*
- (N.B. If an issue of Notes is (i) NOT admitted to trading on a European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Directive, the €100,000 minimum denomination is not required)*
- (ii) Calculation Amount: [] *(If only one Specified Denomination, insert the Specified Denomination.*
- (Applicable to Notes in definitive form)*
- If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*
7. (i) Issue Date: []
- (ii) Interest Commencement Date: [Specify/Issue Date/Not Applicable]
- (N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)*
8. Maturity Date: [Fixed rate – specify date/Floating rate – Interest Payment Date falling in or nearest to *[specify month]*]
- (N.B. for certain Fixed Rate Notes, including Notes denominated in Renminbi, where the Interest Payment Dates are subject to modification it will be necessary to use the second option.)*
9. Interest Basis: [[] percent Fixed Rate]
- [[]-month [LIBOR/EURIBOR] +/- [] percent Floating Rate] [Zero Coupon]
- (see paragraph[s] [16], [17], [18] below)
10. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 percent of their nominal amount.

11. Change of Interest Basis: [For the period from (and including) the Interest Commencement Date, up to (but excluding) [date], paragraph [16/17] applies, and for the period from (and including) [date], up to (and including) the Maturity Date, paragraph [16/17] applies/Not Applicable]
12. Alternative Currency Equivalent: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs. Where Notes are denominated in Renminbi, it is expected that this paragraph will be marked "Applicable". If so, the sub-paragraphs below should be completed.)
- (i) Alternative Currency: []
- (ii) Alternative Currency Calculation Agent: []
- (iii) Rate Calculation Jurisdiction: []
(N.B. This shall be Eurozone where the Specified Currency is Euro or Hong Kong where the Specified Currency is Renminbi)
- (iv) Rate Calculation Business Days: []
(N.B. This shall be "two" where the Specified Currency is Renminbi)
- [(v) RMB Spot Rate: [[]/Not Applicable] *[Include an RMB Spot Rate only where the Notes are denominated in Renminbi and the default RMB Spot Rate is not applicable]*
- [(vi) Spot Rate Screen Page: [] *[Delete where the Notes are denominated in Renminbi and sub-paragraphs (v) is marked "Not Applicable"]*
- [(vii) Non-deliverable Spot Rate Screen Page: [] *[Delete where the Notes are denominated in Renminbi and sub-paragraphs (v) is marked "Not Applicable"]*
- [(viii) Spot Rate Calculation Time: [] *[Delete where the Notes are denominated in Renminbi and sub-paragraphs (v) is marked "Not Applicable"]*
13. Put/Call Options: [Investor Put]
 [Issuer Call]
 (see paragraph[s] [19] and [20] below)
14. [Date [board of directors'] approval for issuance of Notes [and Guarantee] obtained]: [] [and [] respectively]
(N.B. Only relevant where board (or similar) authorisation is required for the particular tranche of Notes or related Guarantee)
15. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16. Fixed Rate Note Provisions: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Rate[(s)] of Interest: [] percent per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
- (ii) Interest Payment Date(s): [] in each year up to and including the Maturity Date/[specify other]
(N.B. This will need to be amended in the case of long or short coupons)
(N.B. For certain Renminbi denominated Fixed Rate Notes, the Interest Payment Dates are subject to modification and the following words should be added:
“provided that if any Interest Payment Date falls on a day which is not a Business Day, the Interest Payment Date will be the next succeeding Business Day unless it would thereby fall in the next calendar month in which event the Interest Payment Date shall be brought forward to the immediately preceding Business Day.”)
- (iii) Fixed Coupon Amount(s): [] per Calculation Amount
(Applicable to Notes in definitive form)
(N.B. For Renminbi denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification the following alternative wording is appropriate:
“Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01, CNY0.005 being rounded upwards in the case of Renminbi denominated Fixed Rate Notes.”)
- (iv) Broken Amount(s): [[] per Calculation Amount payable on the Interest Payment Date falling [in/on] []/Not Applicable]
(Applicable to Notes in definitive form)
- (v) Day Count Fraction: [30/360/Actual/Actual (ICMA)/[for Renminbi denominated Fixed Rate Notes - Actual/365(Fixed)]]
- (vi) Determination Date(s): [[] in each year/Not Applicable]
[Insert interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon.] (N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration.)
(N.B. Only relevant where Fixed Day Count Fraction is Actual/Actual (ICMA))
17. Floating Rate Note Provisions: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Specified Period(s)/Specified Interest Payment Date(s): []
- (ii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
- (iii) Additional Business Centre(s): []

- (iv) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination]
- (v) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): []
- (vi) Screen Rate Determination:
- Reference Rate: []-month [LIBOR/EURIBOR]
 - Interest Determination Date(s): []
(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)
 - Relevant Screen Page: []
(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)
- (vii) ISDA Determination:
- Floating Rate Option: []
 - Designated Maturity: []
 - Reset Date: []
(N.B. The first day of the Interest Period)
- (viii) Margin(s): [+/-] [] percent per annum
- (ix) Minimum Rate of Interest: [] percent per annum
- (x) Maximum Rate of Interest: [] percent per annum
- (xi) Day Count Fraction: [Actual/365 or Actual/Actual Actual/365 (Fixed) Actual/365 (Sterling) Actual/360 30/360, 360/360 or Bond Basis 30E/360 or Eurobond Basis]
18. Zero Coupon Note Provisions: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Accrual Yield: [] percent per annum
 - (ii) Reference Price: []
 - (iii) Day Count Fraction in relation to Early Redemption Amounts and late payment in accordance with Conditions 7(e)(iii) and (h): [30/360] [Actual/360] [Actual/365]

PROVISIONS RELATING TO REDEMPTION

19. Issuer Call: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount: [As set out in Condition 7(c)/[] per Calculation Amount]
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: [] per Calculation Amount
- (b) Maximum Redemption Amount: [] per Calculation Amount
20. Investor Put: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount(s): [] per Calculation Amount
21. Final Redemption Amount: [] per Calculation Amount
22. Early Redemption Amount of each note payable on redemption for taxation reasons or on event of default: [] per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

23. Form of Notes: [Bearer Notes*:
[TEFRA D:
Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event].
[Temporary Bearer Global Note exchangeable for definitive Notes on and after the Exchange Date.]]
[TEFRA C:
[Permanent Bearer Global Note exchangeable for definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]]
- (Ensure that this is consistent with the wording in the "Form of the Notes" section in the Base Prospectus and the Notes themselves. N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]." Furthermore, such Specified Denomination construction is not permitted in relation to any*

* Not applicable where CIFNA is the Issuer.

issue of Notes which is to be represented on issue by a Temporary Bearer Global Note exchangeable for definitive Notes)

[Registered Notes:

[Regulation S Global Note ([U.S.\$/ []][] nominal amount) [registered in the name of a nominee of a common depositary for Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme*/registered in the name of the Hong Kong Monetary Authority as operator of the Central Moneymarkets Unit Service]]

[Rule 144A Global Note ([U.S.\$/ []][] nominal amount) (*specify nominal amounts*)]]

24. Additional Financial Centre(s): [Not Applicable/*give details*] (*Note that this item relates to the place of payment and not Interest Period end dates to which item 17(iii) relates*)

25. Talons for future Coupons to be attached to definitive Bearer Notes (and dates on which such Talons mature): [Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made. The Talon will mature on the Specified Interest Payment Date falling on [month] [year] (*insert the [25th] Specified Interest Payment Date*)/No.]

LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required for issue and admission to trading on the regulated market of the Irish Stock Exchange of the Notes described herein pursuant to the €10,000,000,000 Global Medium Term Note Programme of CNH Industrial Finance Europe S.A. and CNH Industrial Finance North America, Inc. as Issuers and CNH Industrial N.V. as Issuer and Guarantor.

RESPONSIBILITY

[Each of the][The] Issuer [and the Guarantor] accept[s] responsibility for the information contained in these Final Terms. [[*Relevant third party information*] has been extracted from []. [Each of the][The] Issuer [and the Guarantor] confirm[s] that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

[Signed on behalf of the Guarantor:

By:
Duly authorised

By:
Duly authorised]

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing: [Irish Stock Exchange Ltd./(*specify*)/None]
- (ii) Admission to trading: [Application [has been]/[will be] made [to the Irish Stock Exchange/(*specify*)] for the Notes to be admitted [to the Official List/(*specify*) and trading on [its regulated market/(*specify*)] on [] with effect from [].]
- (iii) Estimate of total expenses related to admission to trading: [Not Applicable.]
[]

2. RATINGS

- Ratings: [The Notes to be issued [have been]/[are expected to be]/[have not been] rated:][.]
- [S&P: []]
- [Moody's: []]
- [[*EU established/EU registered CRA*] is established in the European Union and is registered under Regulation (EC) No. 1060/2009/EC, as amended (the “CRA Regulation”), and is included in the list of registered and certified credit ratings agencies published on the website of the European Securities and Markets Authority (“ESMA”) in accordance with the CRA Regulation. The ESMA’s website and its content does not form part of the Base Prospectus or of these Final Terms.]
- [[*Non-EU established/EU certified CRA*] is not established in the European Union but has been certified under the CRA Regulation and is included in the list of registered and certified credit rating agencies published on the web site of the ESMA. The ESMA’s web site and its content does not form part of the Base Prospectus or these Final Terms.]
- [[*Non-EU established CRA/non-EU certified CRA*] is not established in the European Union and is not registered or certified under the CRA Regulation.]
- In general, and subject to certain exceptions, European regulated investors are restricted from using a credit rating for regulatory purposes if such credit rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation.
- Subject to the fulfilment of the conditions set out in Article 4(3) of the CRA Regulation, a credit rating agency established in the European Union and registered in accordance with the CRA Regulation (an “EU CRA”) may endorse (for regulatory purposes in the European Union) credit ratings issued outside the European Union where (i) the credit rating activities resulting in the issuing of the credit rating are undertaken in whole or in part by a credit rating agency or credit rating agencies belonging to the same group (a “non-EU CRA”); and (ii) the EU CRA has verified and is able to demonstrate on an ongoing basis to ESMA that the conduct of the credit rating activities by the non-EU CRA resulting in the issuing of the credit rating to be endorsed

fulfils requirements which are “at least as stringent as” the requirements of the CRA Regulation.

[On *[date of decision]*, ESMA announced that it considers the regulatory framework for credit rating agencies established in *[country of non-EU established CRA/non-EU certified CRA]* to be “as stringent as” the requirements of the CRA Regulation. *[EU-established/EU-registered affiliate of non-EU established/non-EU certified CRA]* currently endorses credit ratings issued by *[non-EU established/non-EU certified CRA]* for regulatory purposes in the European Union. *[EU-established/EU-registered affiliate of non-EU established/non-EU certified CRA]* has been registered under the CRA Regulation and appears on the list of registered credit rating agencies on ESMA’s website. The ESMA’s website and its content do not form part of the Base Prospectus or of these Final Terms. There can be no assurance that *[EU-established/EU-registered affiliate of non-EU established/non-EU certified CRA]* will continue to endorse credit ratings issued by *[non-EU established/non-EU certified CRA]*.]

In addition, subject to the fulfillment of the conditions set out in Article 5 and elsewhere in the CRA Regulation, credit ratings that are related to entities established or financial instruments issued in countries outside the European Union and that are issued by a credit rating agency established in a country outside the European Union may only be used for regulatory purposes within the European Union without being endorsed under Article 4(3) of the CRA Regulation if (amongst other requirements) the European Commission has adopted an equivalence decision in accordance with Article 5(6) of the CRA Regulation, recognising the legal and supervisory framework of the relevant country as equivalent to the requirements of the CRA Regulation.

[On *[date of decision]*, the European Commission passed Implementing Decision *[decision number]* which provided that the legal and supervisory framework for credit rating agencies in *[country in which non-EU established/EU certified CRA is established]* shall be considered equivalent to the requirements of the CRA Regulation.]

(The above disclosure should be amended to reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

3. NOTIFICATION

[The *[name of competent authority in home member state]* [has been requested to provide/has provided – include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues] the *[names of competent authorities of host member states]* with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the provisions of the Prospectus Directive and Commission Regulation (EC) No. 809/2004.]

4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Need to include a description of any interest, including a conflicting interest, that is material to the issue, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

“Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer [and the Guarantor] and [its/their] affiliates in the ordinary course of business.” *[Amend as appropriate if there are other interests]*

[(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)]

5. YIELD (Fixed Rate Notes only)

Indication of yield:
The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

6. DISTRIBUTION

- (i) If syndicated, name of Managers: [Not Applicable/*give names*]
- (ii) Stabilising Manager(s) (if any): [Not Applicable/*give name(s)*]
- (iii) If non-syndicated, name of relevant Dealer: [Not Applicable/*give name*]
- (iv) U.S. selling restrictions: [Reg. S Compliance Category:]
[TEFRA D/TEFRA C/TEFRA not applicable]
[[Not] Rule 144A Eligible]

7. OPERATIONAL INFORMATION

- (i) ISIN Code:
- (ii) Common Code:
- (iii) CUSIP: [Not Applicable/[]]
- (iv) CINS:
- (v) CMU Instrument Number:
 [Not Applicable/[]]
- (vi) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme* and the relevant identification number(s):
[DTC/Not Applicable/*give name(s), address(es) and number(s)*]
[The Notes will be cleared through the Central Moneymarkets Unit Service.]
- (vii) Delivery: Delivery [against/free of] payment

- (viii) Names and addresses of additional Paying Agent(s), if any: [Not Applicable/*give name(s) and address(es)*]
- (ix) Name and address of Registrar: [Not Applicable/*give name and address*]

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange (if any) and agreed by the relevant Issuer, the Guarantor (in case of Guaranteed Notes) and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms in relation to any Tranche of Notes shall complete the following Terms and Conditions for the purpose of such Notes. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to “Applicable Final Terms” for a description of the content of the Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued pursuant to the Agency Agreement (as defined below). References herein to the “Issuer” shall be references to the party specified as such in the applicable Final Terms (as defined below).

References herein to the “Notes” shall be references to the Notes of this Series and shall mean:

- (i) in relation to any Notes represented by a global Note (a “Global Note”), units of each Specified Denomination in the Specified Currency;
- (ii) any Global Note;
- (iii) any definitive Notes in bearer form (“Bearer Notes”) issued in exchange for a Global Note in bearer form; and
- (iv) any definitive Notes in registered form (“Registered Notes”) (whether or not issued in exchange for a Global Note in registered form).

The Notes and the Coupons (as defined below) have the benefit of an Amended and Restated Agency Agreement (such Amended and Restated Agency Agreement as amended and/or supplemented and/or restated from time to time, the “Agency Agreement”) dated November 15, 2013 and made between (*inter alia*) the Issuers, CNH Industrial N.V. in its capacity as Guarantor (as defined below), Citibank, N.A., London office as issuing and principal paying agent and agent bank (the “Principal Paying Agent,” which expression shall include any successor principal paying agent) and as exchange agent (the “Exchange Agent,” which expression shall include any successor exchange agent), Citicorp International Limited as lodging and paying agent with respect to the CMU Notes (the “CMU Lodging and Paying Agent”, which expression shall include any successor lodging and paying agent), the other paying agents named therein (together with the Principal Paying Agent and the CMU Lodging and Paying Agent, the “Paying Agents,” which expression shall include any additional or successor paying agents), Citigroup Global Markets Deutschland AG, as registrar (the “Registrar,” which expression shall include any successor or alternative registrar) and as transfer agent and the other transfer agents named therein (together with the Registrar, the “Transfer Agents,” which expression shall include any additional or successor transfer agents).

For the purposes of these Terms and Conditions (the “Conditions”), all references to the Principal Paying Agent shall, with respect to a Series of Notes to be held in the CMU Service (as defined below), be deemed to be a reference to the CMU Lodging and Paying Agent (other than in relation to the determination of interest and other amounts payable in respect of the Notes) and all such references shall be construed accordingly.

Interest bearing definitive Bearer Notes have interest coupons (“Coupons”) and, in the case of Bearer Notes which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons (“Talons”) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Registered Notes and Global Notes do not have Coupons or Talons attached on issue.

The Final Terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note and complete these Conditions and, in the case of a Note which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive, may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify these Conditions for the purpose of this Note. References to the “applicable Final Terms” are, unless otherwise stated, to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note.

The payment of all amounts in respect of Notes issued by CNH Industrial Finance Europe S.A. and CNH Industrial Finance North America, Inc. (the “Guaranteed Notes”) shall be unconditionally and irrevocably guaranteed by CNH Industrial N.V. (in such capacity, the “Guarantor”) pursuant to a guarantee (such guarantee as modified and/or supplemented and/or restated from time to time, the “Guarantee”) dated November 15, 2013 executed by the Guarantor. Under the Guarantee, CNH Industrial N.V. has guaranteed the due and punctual payment of all amounts due under such Guaranteed Notes.

The original of the Guarantee is held by the Principal Paying Agent on behalf of the Noteholders and the Couponholders, in each case of the Guaranteed Notes, at its specified office. References herein to the Guarantor shall only be relevant where the Issuer is one of CNH Industrial Finance Europe S.A. or CNH Industrial Finance North America, Inc.

Any reference to “Noteholders” or “holders” in relation to any Notes shall mean (in the case of Bearer Notes) the holders of the Notes and (in the case of Registered Notes) the persons in whose name the Notes are registered and shall, in relation to any Notes represented by a Global Note, be construed as provided below.

Any reference herein to “Couponholders” shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

As used herein, “Tranche” means Notes which are identical in all respects (including as to listing) and “Series” means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

The Noteholders and the Couponholders are entitled to the benefit of the deed of covenant (such deed of covenant as modified and/or supplemented and/or restated from time to time, the “Deed of Covenant”) dated November 15, 2013 and made (*inter alia*) by the Issuer. The original of the Deed of Covenant is held by the Common Depositary for Euroclear (as defined below) and Clearstream (as defined below).

Copies of the Agency Agreement, the Guarantee, a deed poll (such deed poll as modified and/or supplemented and/or restated from time to time, the “Deed Poll”) dated November 15, 2013 and made (*inter alia*) by the Issuer and the Guarantor (where applicable) and the Deed of Covenant are available for inspection during normal business hours at the specified office of each of the Principal Paying Agent, the Registrar, the CMU Lodging and Paying Agent and the other Paying Agents and Transfer Agents (such agents and the Registrar being together referred to as the “Agents”). Copies of the applicable Final Terms are obtainable during normal business hours at the specified office of each of the Agents save that, if this Note is an unlisted Note of any Series, the applicable Final Terms will only be obtainable by a Noteholder holding one or more unlisted Notes of that Series and such Noteholder must produce evidence satisfactory to the Issuer and the relevant Agent as to its holding of such Notes and identity. The Noteholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Guarantee (where applicable), the Deed Poll, the Deed of Covenant and the applicable Final Terms which are applicable to them. The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated; provided that, in the event of inconsistency between the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

In these Conditions, “euro” means the currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty on the Functioning of the European Union, as amended.

1. FORM, DENOMINATION AND TITLE

The Notes are in bearer form or in registered form as specified in the applicable Final Terms and, in the case of definitive Notes, serially numbered, in the Specified Currency and the Specified Denomination(s). Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination and Bearer Notes may not be exchanged for Registered Notes and *vice versa*.

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note or a combination of any of the foregoing, depending upon the Interest Basis specified in the applicable Final Terms.

Definitive Bearer Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in these Conditions are not applicable.

Subject as set out below, title to the Bearer Notes and Coupons will pass by delivery and title to the Registered Notes will pass upon registration of transfers in accordance with the provisions of the Agency Agreement. The Issuer, the Guarantor (where applicable) and any Agent will (except as otherwise required by law) deem and treat the bearer of any Bearer Note or Coupon and the registered holder of any Registered Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Bearer Global Note or a Regulation S Global Note (as defined in Condition 2) held on behalf of Euroclear Bank S.A./N.V. (“Euroclear”) and/or Clearstream Banking, *société anonyme* (“Clearstream”), and/or the Hong Kong Monetary Authority (“HKMA”) as operator of the Central Moneymarkets Unit Service (the “CMU Service” or “CMU”), each person (other than Euroclear, Clearstream, or the CMU Service) who is for the time being shown in the records of Euroclear, of Clearstream or of the CMU Service as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear, Clearstream or the CMU Service as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor (where applicable) and the Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or, as the case may be, the registered holder of the relevant Regulation S Global Note shall be treated by the Issuer, the Guarantor (where applicable) and any Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions “Noteholder” and “holder of Notes” and related expressions shall be construed accordingly. Payment in respect of Notes represented by a Global Note will only be made in accordance with the rules and procedures for the time being of DTC (as defined below), Euroclear, Clearstream or the CMU Service, as the case may be.

Notwithstanding the above, if a Note (whether in global or definitive form) is held through the CMU Service, any payment that is made in respect of such Note shall be made at the direction of the bearer or the registered holder to the person(s) for whose account(s) interests in such Note are credited as being held through the CMU Service in accordance with prevailing CMU rules and procedures at the relevant time as notified to the CMU Lodging and Paying Agent by the CMU Service in a relevant “CMU Instrument Position Report” (as defined in the rules of the CMU Service) or any other relevant notification by the CMU Service (which notification, in either case, shall be conclusive evidence of the records of the CMU Service as to the identity of any accountholder and the principal amount of any Note credited to its account, save in the case of manifest error) and such payments shall discharge the obligation of the relevant Issuer in respect of that payment under such Note.

For so long as The Depository Trust Company (“DTC”) or its nominee is the registered owner or holder of a Rule 144A Global Note (as defined in Condition 2), DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Rule 144A Global Note for all purposes under the Agency Agreement and the Notes except to the extent that in accordance with DTC’s published rules and procedures any ownership rights may be exercised by its participants or beneficial owners through participants.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of DTC, Euroclear, Clearstream or the CMU Service, as the case may be. References to DTC, Euroclear, Clearstream and/or the CMU Service shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in Part B of the applicable Final Terms.

CNH Industrial Finance North America, Inc. may not issue Bearer Notes.

2. TRANSFERS OF REGISTERED NOTES

- (a) **Transfers of interests in Registered Global Notes:** Transfers of beneficial interests in Registered Global Notes will be effected by DTC, Euroclear, Clearstream or the CMU Service, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be exchangeable for Notes in definitive form or for a beneficial interest in another Registered Global Note only in the authorised denominations set out in the applicable Final Terms and only in accordance with the rules and operating procedures for the time being of DTC, Euroclear, Clearstream, or the CMU Service, as the case may be, and in accordance with the terms and conditions specified in the Agency Agreement.
- (b) **Transfers of Registered Notes in definitive form:** Subject as provided in paragraphs (e), (f) and (g) below, upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Note in definitive form may be transferred in whole or in part (in the authorised denominations set out in the applicable Final Terms). In order to effect any such transfer (i) the holder or holders must (a) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (b) complete and deposit such other certifications as may be required by the Registrar or, as the case may be, the relevant Transfer Agent and (ii) the Registrar or, as the case may be, the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request.

Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (such initial regulations being set out in Schedule 9 to the Agency Agreement). Subject as provided above, the Registrar or, as the case may be, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar or, as the case may be, the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations) authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail to such address as the transferee may request, a new Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

- (c) **Registration of transfer upon partial redemption:** In the event of a partial redemption of Notes under Condition 7, the Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.
- (d) **Costs of registration:** Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.
- (e) **Transfers of interests in Regulation S Global Notes:** Prior to the expiry of the applicable Distribution Compliance Period (as defined below), transfers by the holder of, or of a beneficial interest in, a Regulation S Global Note to a transferee in the United States or who is a U.S. person will only be made:
 - (i) upon receipt by the Registrar of a written certification substantially in the form set out in the Agency Agreement, amended as appropriate (a “Transfer Certificate”), copies of which are available from the specified office of the Registrar or any Transfer Agent, from the transferor of the Note or beneficial interest therein to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A; or
 - (ii) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States,

and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

In the case of (i) above, such transferee may take delivery through a Legended Note in global or definitive form. After expiry of the applicable Distribution Compliance Period (i) beneficial interests in Regulation S Global Notes may be held through DTC directly, by a participant in DTC, or indirectly through a participant in DTC and (ii) such certification requirements will no longer apply to such transfers.

- (f) **Transfers of interests in Legended Notes:** Transfers of Legended Notes or beneficial interests therein may be made:
 - (i) to a transferee who takes delivery of such interest through a Regulation S Global Note, upon receipt by the Registrar of a duly completed Transfer Certificate from the transferor to the effect that such transfer is being made in accordance with Regulation S and, if such transfer is being made prior to expiry of the applicable Distribution Compliance Period, that the interests in the Notes being transferred will be held immediately thereafter through Euroclear and/or Clearstream; or
 - (ii) to a transferee who takes delivery of such interest through a Legended Note where the transferee is a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, without certification; or
 - (iii) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any state of the United States,

and, in each case, in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

Upon the transfer, exchange or replacement of Legended Notes, or upon specific request for removal of the legend, the Registrar shall deliver only Legended Notes or refuse to remove such legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence as may reasonably be required by the Issuer, which may include an opinion of U.S. counsel, that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

(g) **Exchanges and transfers of Registered Notes generally:** Holders of Registered Notes in definitive form may exchange such Notes for interests in a Registered Global Note of the same type at any time.

(h) **Definitions:** In these Conditions, the following expressions shall have the following meanings:

“Distribution Compliance Period” means the period that ends 40 days after the completion of the distribution of each Tranche of Notes, as certified by the relevant Dealer (in the case of a non-syndicated issue) or the relevant Lead Manager (in the case of a syndicated issue);

“Legended Note” means Registered Notes (whether in definitive form or represented by a Registered Global Note) sold in private transactions to QIBs in accordance with the requirements of Rule 144A;

“QIB” means a “qualified institutional buyer” within the meaning of Rule 144A;

“Regulation S” means Regulation S under the Securities Act;

“Regulation S Global Note” means a Registered Global Note representing Notes sold outside the United States in reliance on Regulation S;

“Rule 144A” means Rule 144A under the Securities Act;

“Rule 144A Global Note” means a Registered Global Note representing Notes sold in private transactions to QIBs in accordance with the requirements of Rule 144A; and

“Securities Act” means the United States Securities Act of 1933, as amended.

3. STATUS OF THE NOTES AND THE GUARANTEE

(a) **Status of the Notes:** The Notes and any related Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and (subject as aforesaid) rank and will rank pari passu without any preference among themselves, with all other present and future outstanding unsubordinated and unsecured obligations of the Issuer (subject to mandatorily preferred obligations under applicable laws).

(b) **Status of the Guarantee:** The payment of principal and interest in respect of the Guaranteed Notes and any related Coupons has been irrevocably and unconditionally guaranteed by the Guarantor pursuant to the Guarantee. The obligations of the Guarantor under the Guarantee constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the Guarantor and (subject as aforesaid) rank and will rank pari passu (subject to mandatorily preferred obligations under applicable laws) with all other present and future outstanding unsecured and unsubordinated obligations of the Guarantor.

4. NEGATIVE PLEDGE

(a) **Negative Pledge:** So long as any of the Notes remains outstanding (as defined in the Agency Agreement) neither the Issuer nor the Guarantor (where applicable) will (unless previously authorised by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders) create or have outstanding any mortgage, charge, pledge, lien, encumbrance or other security interest (“Lien”) (other than a Permitted Lien) upon the whole or any part of its undertaking or assets (including uncalled capital), present or future, to secure any Quoted

Indebtedness (as defined below) or any Qualifying Guarantee of such Quoted Indebtedness, unless in any such case the same security (or such other security as may be approved by an Extraordinary Resolution of the Noteholders) shall forthwith be extended equally and rateably to the Notes (or, in the case of a Lien securing any Quoted Indebtedness that is subordinated or junior in right of payment to the Notes or the Guarantee (where applicable), secured by a Lien on such property, assets or proceeds that is senior in priority to such Lien).

For the purpose of these Conditions and the Guarantee (where applicable):

- (i) “CNH Industrial Group” means CNH Industrial N.V. and its direct and indirect subsidiaries consolidated in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, including all interpretations issued by the IFRS Interpretations Committee (“IFRS”) as adopted by the European Union (or, in the event that CNH Industrial N.V. prepares its consolidated financial statements solely in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”) rather than IFRS as adopted by the European Union, consolidated in accordance with U.S. GAAP); and
- (ii) “Financial Services Subsidiary” means a subsidiary of CNH Industrial:
 - (A) which carries on no material business other than the offer and sale of financial services products to customers of Members of the CNH Industrial Group (and other related support activities incidental to the offer and sale of such financial services products including, without limitation, input financing and the purchase and sale of equipment in connection with eqpower.com and rental business activities) in any of the following areas:
 - (1) retail financing for the purchase, contract hire or lease of new or old equipment manufactured by a Member of the CNH Industrial Group or any other manufacturer whose products are from time to time sold through the dealer network of a Member of the CNH Industrial Group;
 - (2) other retail and wholesale financing programmes reasonably related thereto, including, without limitation, financing to the dealer network of any Member of the CNH Industrial Group;
 - (3) insurance and credit card products and services reasonably related thereto, together with the underwriting, marketing, servicing and other related support activities incidental to the offer and sale of such financial services products; and
 - (4) licensed banking activities; or
 - (B) a holding company of a Financial Services Subsidiary which carries on no material business or activity other than holding shares in that Financial Services Subsidiary and/or activities described in paragraph (A) above;
- (iii) “Indebtedness” means any indebtedness (whether principal, premium or interest) for or in respect of (A) any notes, bonds, debenture stock, loan stock or other securities, (B) any Loan Financing, or (C) any liability under or in respect of any banker’s acceptance or banker’s acceptance credit; *provided*, that (x) Indebtedness of a Member of the CNH Industrial Group to any other Member of the CNH Industrial Group and (y) Indebtedness that qualifies as Non-recourse Securitisation Debt shall, in each case, not be deemed to be Indebtedness for purposes of this Condition 4(a) or any other purpose of these Conditions or the Guarantee (where applicable);
- (iv) “Industrial Subsidiary” means each subsidiary of CNH Industrial other than a Financial Services Subsidiary;

- (v) “Loan Financing” means any money borrowed from (A) a bank, financial institution, hedge fund, pension fund, or insurance company or (B) any other entity having as its principal business the lending of money and/or investing in loans, in each case other than public or quasi-public entities or international organisations with a public or quasi-public character;
- (vi) “Member of the CNH Industrial Group” means each of CNH Industrial N.V. and any direct or indirect subsidiaries it fully consolidates on a line-by-line basis in accordance with IFRS as adopted by the European Union (or U.S. GAAP, in the event that CNH Industrial N.V. prepares its consolidated financial statements solely in accordance with U.S. GAAP, rather than IFRS as adopted by the European Union);
- (vii) “Non-recourse Securitisation” means any securitisation, asset backed financing or transaction having similar effect under which an entity (or entities in related transactions) on commercially reasonable terms:
 - (A) acquires receivables for principally cash consideration or uses existing receivables; and
 - (B) issues any notes, bonds, commercial paper, loans or other securities (whether or not listed on a recognised stock exchange) to fund the purchase of or otherwise backed by those receivables and/or any shares or other interests referred to in Condition 4(a)(ix)(C)(ii) and the payment obligations in respect of such notes, bonds, commercial paper, loans or other securities:
 - (1) are secured on those receivables; and
 - (2) are not guaranteed by any Member of the CNH Industrial Group (other than as a result of any Lien which is granted by any Member of the CNH Industrial Group as permitted by Condition 4(a)(ix)(C)(ii) or as to the extent of any Standard Securitisation Undertakings);
- (viii) “Non-recourse Securitisation Debt” means any Indebtedness incurred by a Securitisation Entity pursuant to a securitisation of receivables where the recourse in respect of that Indebtedness to the Issuer or the Guarantor (where applicable) is limited to:
 - (A) those receivables and/or related insurance and/or any Standard Securitisation Undertakings; and
 - (B) if those receivables comprise all or substantially all of the business or assets of such Securitisation Entity, the shares or other interests of any Member of the CNH Industrial Group in such Securitisation Entity,

provided that any Indebtedness not qualifying as Non-recourse Securitisation Debt solely because the extent of recourse to any Member of the CNH Industrial Group with respect to such Indebtedness is greater than that provided in clauses (A) and (B) above shall only not qualify as Non-recourse Securitisation Debt with respect to the extent of such additional recourse;
- (ix) “Permitted Liens” means:
 - (A) Liens existing on the Issue Date; or
 - (B) Liens arising by operation of law, by contract having an equivalent effect, from rights of set-off arising in the ordinary course of business between either the Issuer or the Guarantor (where applicable) and any of their respective suppliers or customers, or from rights of set-off or netting arising by operation of law (or

by contract having similar effect) by virtue of the provision to the Issuer or the Guarantor (where applicable) of clearing bank facilities or overdraft facilities; or

- (C) any Lien over:
 - (1) the receivables of a Securitisation Entity (and any bank account to which such proceeds are deposited) which are subject to a Non-recourse Securitisation as security for Non-recourse Securitisation Debt raised by such Securitisation Entity in respect of such receivables; and/or
 - (2) the shares or other interests owned by any Member of the CNH Industrial Group in any Securitisation Entity as security for Non-recourse Securitisation Debt raised by such Securitisation Entity *provided* that the receivables or revenues which are the subject of the relevant Non-recourse Securitisation comprise all or substantially all of the business of such Securitisation Entity; or
- (D) any Liens on assets acquired by a Member of the CNH Industrial Group after the Issue Date, *provided* that (i) such Lien was existing or agreed to be created at or before the time the relevant asset was acquired by a Member of the CNH Industrial Group, (ii) such Lien was not created in contemplation of such acquisition, and (iii) the principal amount then secured does not exceed the principal amount of the committed financing then secured (whether or not drawn), with respect to such assets at the time the relevant asset was acquired by a Member of the CNH Industrial Group; or
- (E) any Lien created to secure all or any part of the purchase price, or to secure Quoted Indebtedness incurred or assumed to pay all or any part of the purchase price or cost of construction, of property (or any improvement thereon) acquired or constructed by the Issuer or the Guarantor (where applicable) after the Issue Date, *provided*, that (i) any such Lien shall extend solely to the item or items of property (or improvement thereon) so acquired or constructed and (ii) the principal amount of Quoted Indebtedness secured by any such Lien shall at no time exceed an amount equal to the fair market value of such property (or any improvement thereon) at the time of such acquisition or construction; or
- (F) any Lien securing Quoted Indebtedness incurred to refinance other indebtedness itself secured by a Lien included in clauses (A), (B), (D) or (E) above, but only if the principal amount of the Quoted Indebtedness is not increased and only the same assets are secured as were secured by the prior Lien; or
- (G) any Lien provided in favour of any bank or governmental (central or local), intergovernmental or supranational body, agency, department or other authority securing any Quoted Indebtedness of the Issuer or the Guarantor (where applicable) under a loan scheme operated by (or on behalf of) Banco Nacional de Desenvolvimento Economico e Social, Finame, Banco de Minas Gerais, a member country of the OECD, Argentina, Brazil, China, India, South Africa or any supranational entity (such as the European Bank for Reconstruction and Development or the International Finance Corporation) where the provision of such Lien is required for the relevant loan; or
- (H) (1) any Lien created on the shares of capital stock of a subsidiary, and (2) any Lien created on the assets of a subsidiary of the type described in Condition 4(a)(ix)(E) other than shares of capital stock of a subsidiary;
- (x) “Qualifying Guarantee” means a direct or indirectly guarantee in respect of any Indebtedness or a direct or indirect indemnity against the consequences of a default in the payment of any Indebtedness, other than, in each case, by endorsement of negotiable

instruments, letters of credit or reimbursement agreements in the ordinary course of business;

- (xi) “Quoted Indebtedness” means any indebtedness in the form of, or represented by, bonds, notes, debentures, loan stock or other securities and which at the time of issue is, or is capable of being, quoted, listed or ordinarily dealt in on any stock exchange or over-the-counter market or other securities market (whether or not initially distributed by means of a private placement);
 - (xii) “Securitisation Entity” means any special purpose vehicle created for the sole purpose of carrying out, or otherwise used solely for the purpose of carrying out a Non-recourse Securitisation or any other Industrial Subsidiary which is effecting Non-recourse Securitisations; and
 - (xiii) “Standard Securitisation Undertakings” means representations, warranties, covenants and indemnities entered into by any Member of the CNH Industrial Group from time to time which are customary in relation to Non-recourse Securitisations, including any performance undertakings with respect to servicing obligations or undertakings with respect to breaches of representations or warranties.
- (b) **Reports:** If CNH Industrial ceases to be listed on the New York Stock Exchange or any other stock exchange in the United States of America or the European Economic Area, CNH Industrial will furnish to the Noteholders so long as the Notes are outstanding, English language annual and quarterly reports containing financial information substantially similar in scope to that provided in the annual and quarterly reports published in the Netherlands in the financial year ended immediately prior to such cessation. For the avoidance of doubt, CNH Industrial shall not be required to provide any U.S. GAAP reconciled financial information in any reports it is required to provide pursuant to this Condition 4(b).

So long as the Notes are listed on the Irish Stock Exchange, any reports CNH Industrial provides pursuant to this Condition 4(b) will also be made available in Ireland through the office of the Paying Agent in Dublin.

5. INTEREST

- (a) **Interest on Fixed Rate Notes:** Each Fixed Rate Note bears interest from and including the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest payable in arrears on the Interest Payment Date(s) in each year and on the Maturity Date if that does not fall on an Interest Payment Date.

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

Except in the case of Notes in definitive form where a Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (i) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note; or
- (ii) in the case of Fixed Rate Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such

sub-unit being rounded upwards or otherwise rounded in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

In these Conditions:

“Day Count Fraction” means, in respect of the calculation of an amount of interest, in accordance with this Condition 5(a):

- (i) if “**Actual/Actual (ICMA)**” is specified in the applicable Final Terms:
 - (A) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the “Accrual Period”) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
 - (B) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; and
 - (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year;
- (ii) if “**30/360**” is specified in the applicable Final Terms, the number of days in the period from and including the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to but excluding the relevant payment date (such number of days being calculated on the basis of 12 30-day months) divided by 360; and
- (iii) if “**Actual/365 (Fixed)**” is specified in the applicable Final Terms, the actual number of days in the Fixed Interest Period divided by 365;

“Determination Period” means each period from (and including) a Determination Date to but excluding the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date);

“Fixed Interest Period” means the period from (and including) an Interest Payment Date or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date; and

“sub-unit” means with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent.

(b) **Interest on Floating Rate Notes:**

- (i) *Interest Payment Dates:* Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:
- (A) the Specified Interest Payment Date(s) (each an “Interest Payment Date”) in each year specified in the applicable Final Terms; or
 - (B) if no express Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each an “Interest Payment Date”) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall, in these Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a “Business Day Convention” is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (A) in any case where Specified Periods are specified in accordance with Condition 5(b)(i)(B) above, the “**Floating Rate Convention,**” such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis*; or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (1) such Interest Payment Date shall be brought forward to the immediately preceding Business Day; and (2) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (B) the “**Following Business Day Convention,**” such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (C) the “**Modified Following Business Day Convention,**” such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (D) the “**Preceding Business Day Convention,**” such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Conditions, “Business Day” means a day which is both:

- (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and any Additional Business Centre specified in the applicable Final Terms; and
- (B) either (1) in relation to any sum payable in a Specified Currency other than euro or Renminbi, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than London and any Additional Business Centre and which if the Specified Currency is Australian

dollars or New Zealand dollars shall be Sydney or Auckland, respectively); or (2) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the “TARGET2 System”) is open; or (3) in relation to any sum payable in Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets in Hong Kong are open for general business and settlement of payments in Renminbi.

- (ii) *Rate of Interest:* The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms.

(A) ISDA Determination for Floating Rate Notes

Where “ISDA Determination” is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this sub-paragraph (A), “ISDA Rate” for an Interest Period means a rate equal to the Floating Rate that would be determined by the Principal Paying Agent under an interest rate swap transaction if the Principal Paying Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2000 ISDA Definitions, as amended and updated as at the Issue Date of the first Tranche of the Notes, published by the International Swaps and Derivatives Association, Inc. (the “ISDA Definitions”) and under which:

- (1) the Floating Rate Option is as specified in the applicable Final Terms;
- (2) the Designated Maturity is a period specified in the applicable Final Terms; and
- (3) the relevant Reset Date is the day specified in the applicable Final Terms.

For the purposes of this sub-paragraph (A), “Floating Rate,” “Calculation Agent,” “Floating Rate Option,” “Designated Maturity” and “Reset Date” have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated in the applicable Final Terms, the Minimum Rate of Interest shall be deemed to be zero.

(B) Screen Rate Determination for Floating Rate Notes

Where “Screen Rate Determination” is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (1) the offered quotation; or
- (2) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (being either LIBOR or EURIBOR, as specified in the applicable Final Terms) which appears on the Relevant Screen Page as at 11:00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Principal Paying Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Principal Paying Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement provides that, if the Relevant Screen Page is not available or if, in the case of (1) above, no offered quotation appears or, in the case of (2) above, fewer than three offered quotations appear, in each case as at the Specified Time, the Principal Paying Agent shall request the principal London office of each of the Reference Banks to provide the Principal Paying Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Principal Paying Agent with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Principal Paying Agent.

The Agency Agreement further provides that, if on any Interest Determination Date one only or none of the Reference Banks provides the Principal Paying Agent with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Principal Paying Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Principal Paying Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the London inter-bank market (if the Reference Rate is LIBOR) or the Eurozone inter-bank market (if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Principal Paying Agent with offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the relevant Issuer suitable for the purpose) informs the Principal Paying Agent it is quoting to leading banks in the London inter-bank market (if the Reference Rate is LIBOR) or the Eurozone inter-bank market (if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

- (iii) *Minimum and/or maximum Rate of Interest:* If the applicable Final Terms specify a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specify a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

- (iv) *Determination of Rate of Interest and calculation of Interest Amounts:* The Principal Paying Agent will at or as soon as practicable after each time at which the Rate of

Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Principal Paying Agent will calculate the amount of interest (the “**Interest Amount**”) payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

- (A) in the case of Floating Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note; or
- (B) in the case of Floating Rate Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

“Day Count Fraction” means, in respect of the calculation of an amount of interest for any Interest Period:

- (A) if “**Actual/365**” or “**Actual/Actual**” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (B) if “**Actual/365 (Fixed)**” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (C) if “**Actual/365 (Sterling)**” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (D) if “**Actual/360**” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (E) if “**30/360**,” “**360/360**” or “**Bond Basis**” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and
- (F) if “**30E/360**” or “**Eurobond Basis**” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of an Interest Period ending on the Maturity Date, the Maturity Date is the

last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

- (v) *Notification of Rate of Interest and Interest Amounts:* The Principal Paying Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes are for the time being listed with notice thereof to be published in accordance with Condition 14 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 14. For the purposes of this paragraph, the expression “London Business Day” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.
- (vi) *Certificates to be final:* All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5(b) by the Principal Paying Agent shall (in the absence of wilful default, bad faith, negligence or manifest error) be binding on the Issuer, the Guarantor (where applicable), the Principal Paying Agent, the other Agents and all Noteholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Guarantor (where applicable), the Noteholders or the Couponholders shall attach to the Principal Paying Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.
- (c) **Accrual of interest:** Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:
 - (i) the date on which all amounts due in respect of such Note have been paid; and
 - (ii) the date on which the full amount of the monies payable in respect of such Note has been received by the Principal Paying Agent or the Registrar, as the case may be, and notice to that effect has been given to the Noteholders in accordance with Condition 14.

6. PAYMENTS

(a) Method of payment

Subject as provided below:

- (i) payments in a Specified Currency other than euro and Renminbi will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland, respectively);
- (ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque; and
- (iii) payments in Renminbi will be made by a transfer to a Renminbi account maintained by or on behalf of the payee with a bank in Hong Kong.

Without prejudice to the provisions of Condition 8, payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in any jurisdiction, including (without limitation) any obligations pursuant to such laws or regulations to make a withholding or deduction for or on account of any taxes, duties or assessments of whatever nature, including, for the avoidance of doubt, any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “Code”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, the regulations thereunder, any official interpretations thereof, or any agreement, law, regulation or other official guidance implementing an intergovernmental approach thereto, and neither the Issuer nor the Guarantor (where applicable) will be liable to pay any additional amounts in the event of any such withholding or deduction.

- (b) **Presentation of definitive Bearer Notes and Coupons:** Payments of principal in respect of definitive Bearer Notes will (subject as provided below) be made in the manner provided in paragraph (a) above only (i) in the case of a definitive Bearer Note not held in the CMU Service, against presentation and surrender of definitive Bearer Notes, and payments of interest in respect of definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America or its possessions) or (ii) in the case of a definitive Bearer Note held in the CMU Service, to the person(s) for whose account(s) interest in the relevant definitive Bearer Note are credited as being held with the CMU Service in accordance with the prevailing CMU rules and procedures at the relevant time as notified to the CMU Lodging and Paying Agent by the CMU Service in a relevant CMU Instrument Position Report or any relevant notification by the CMU Service, which notification shall be conclusive evidence of the records of the CMU Service (save in the case of manifest error) and payment made in accordance thereof shall discharge the obligations of the Issuer in respect of that payment.

Fixed Rate Notes in definitive bearer form not held in the CMU Service (other than Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 8) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note or Long Maturity Note in definitive bearer form not held in the CMU Service becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A “Long Maturity Note” is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Bearer Note.

- (c) **Payments in respect of Bearer Global Notes:** Payments of principal and interest (if any) in respect of Notes represented by any Global Note in bearer form will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Notes and otherwise in the manner specified in the relevant Global Note (i) in the case of a Bearer Global Note lodged with the CMU Service, to the person(s) for whose account(s) interests in the relevant Bearer Global Note are credited as being held by the CMU Service in accordance with the prevailing CMU rules and procedures at the relevant time as notified to the CMU Lodging and Paying Agent by the CMU Service in a relevant CMU Instrument Position Report or any relevant notification by the CMU, which notification shall be conclusive evidence of the records of the CMU Service (save in the case of manifest error) and payment made in accordance thereof shall discharge the obligations of the Issuer in respect of that payment, or (ii) in the case of a Bearer Global Note not lodged with the CMU Service, against presentation or surrender, as the case may be, of such Bearer Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made against presentation or surrender of any Global Note in bearer form, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note by the Paying Agent to which it was presented and such record shall be prima facie evidence that the payment in question has been made.
- (d) **Payments in respect of Registered Notes:** Payments of principal in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the “Register”) (i) where in global form, at the close of the business day (being for this purpose, in respect of Notes clearing through Euroclear and Clearstream, a day on which Euroclear and Clearstream are open for business and, in respect of Notes clearing through the CMU Service, a day on which the CMU Service is open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date (the “Principal Record Date”). Notwithstanding the previous sentence, if (i) a holder does not have a Designated Account or (ii) the principal amount of the Notes held by a holder is less than U.S.\$250,000 (or its approximate equivalent in any other Specified Currency), payment will instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, “Designated Account” means the account (which, in the case of a payment in Japanese Yen to a non-resident of Japan, shall be a non-resident account and, in the case of a payment in Renminbi, means the Renminbi account maintained by or on behalf of the payee with a bank in Hong Kong, details of which appear on the Register at the close of business on the fifth business day before the due date for payment) maintained by a holder with a Designated Bank and identified as such in the Register and “Designated Bank” means (in the case of payment in a Specified Currency other than euro and Renminbi) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland, respectively), (in the case of a payment in euro) any bank which processes payments in euro, and (in the case of a payment in Renminbi) a bank in Hong Kong that settles payments in Renminbi.

Payments of interest in respect of each Registered Note (whether or not in global form) will be made (A) in the case of payments of interest in a Specified Currency other than Renminbi, by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail

on the relevant due date (or, if the relevant due date is not a business day in the city where the specified office of the Registrar is located, on the following such business day) to the holder (or the first named of joint holders) of the Registered Note appearing in the Register at his address shown in the Register on the Interest Record Date (as defined below) and at his risk; or (B) in the case of payments of interest in Renminbi, by transfer to the registered account of the payee, in each case (i) where in global form, at the close of the business day (being for this purpose, in respect of Notes clearing through Euroclear and Clearstream, a day on which Euroclear and Clearstream are open for business and, in respect of Notes clearing through the CMU Service, a day on which the CMU Service is open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the fifth day (in the case of Renminbi) or on the fifteenth day (in the case of a Specified Currency other than Renminbi, whether or not such fifteenth day is a business day) before the relevant due date (the “Interest Record Date” and each of the Principal Record Date and the Interest Record Date, a “Record Date”). Upon application of the holder to the specified office of the Registrar (1) not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest in respect of a Registered Note, or (2) where such Registered Note is in global form, on the Interest Record Date, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) in respect of the Registered Notes which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the interest due in respect of each Registered Note on redemption will be made in the same manner as payment of the principal amount of such Registered Note.

In the case of definitive Registered Notes or Registered Notes in global form held through the CMU Service, payments of principal and interest in respect of such Notes will be made at the direction of the registered holder to the person(s) for whose account(s) interests in such Registered Note are credited as being held through the CMU Service in accordance with prevailing CMU rules and procedures at the relevant time as notified to the CMU Lodging and Paying Agent by the CMU Service in a relevant CMU Instrument Position Report or any other relevant notification by the CMU Service (which notification, in either case, shall be conclusive evidence of the records of the CMU Service as to the identity of any accountholder and the principal amount of any Note credited to its account, save in the case of manifest error) and such payments shall discharge the obligation of the relevant Issuer in respect of that payment under such Note.

Holders of Registered Notes will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Note as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments of principal or interest in respect of the Registered Notes.

All amounts payable to DTC or its nominee as registered holder of a Registered Global Note in respect of Notes denominated in a Specified Currency other than U.S. dollars shall be paid by transfer by the Registrar to an account in the relevant Specified Currency of the Exchange Agent on behalf of DTC or its nominee for payment in such Specified Currency for conversion into U.S. dollars in accordance with the provisions of the Agency Agreement.

None of the Issuer, the Guarantor (where applicable) or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

- (e) **General provisions applicable to payments:** The holder of a Global Note (if the Global Note is not lodged with the CMU Service) or (if the Global Note is lodged with the CMU Service)

the person(s) for whose account(s) interests in such Global Note are credited as being held through the CMU in accordance with the prevailing CMU rules and procedures as notified to the CMU Lodging and Paying Agent by the CMU in a relevant CMU Instrument Position Report or any other relevant notification by CMU (which notification, in either case, shall be conclusive evidence of the records of the CMU save in the case of manifest error) shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer or, as the case may be, the Guarantor (where applicable) will be discharged by payment to, or to the order of, the holder of such Global Note or such other person(s) for whose account(s) interests in such Global Note are credited as being held in the CMU Service, as the case may be, in respect of each amount so paid. Each of the persons shown in the records of Euroclear, Clearstream, DTC or the CMU Service as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear, Clearstream, DTC, or the CMU Service, as the case may be, for his share of each payment so made by the Issuer or, as the case may be, the Guarantor (where applicable) to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Bearer Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if: (i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Bearer Notes in the manner provided above when due; (ii) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer and the Guarantor (where applicable), adverse tax consequences to the Issuer or the Guarantor (where applicable).

- (f) **Payment Day:** If the date for payment of any amount in respect of any Note or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, "Payment Day" means any day which (subject to Condition 9) is:
- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
 - (A) in the case of Notes in definitive form only, the relevant place of presentation;
 - (B) in the case of CMU Notes, Hong Kong;
 - (C) any Additional Financial Centre specified in the applicable Final Terms; and
 - (D) *where the Issuer is CNH Industrial, London, where the Issuer is CIFE, Luxembourg, and where the Issuer is CIFNA, New York City;*
 - (ii) either (1) in relation to any sum payable in a Specified Currency other than euro or Renminbi, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland, respectively; (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open; or (3) in relation to any sum payable in Renminbi, a day on which (i) commercial banks and foreign exchange

markets in Hong Kong are open for general business and settlement of payments in Renminbi; and (ii) if a Registered Note representing the Notes is lodged with the CMU Service, the CMU Service is operating; and

(iii) in the case of any payment in respect of a Registered Global Note denominated in a Specified Currency other than U.S. dollars and registered in the name of DTC or its nominee and in respect of which an accountholder of DTC (with an interest in such Registered Global Note) has elected to receive any part of such payment in U.S. dollars, a day on which commercial banks are not authorised or required by law or regulation to be closed in New York City.

(g) **Interpretation of principal and interest:** Any reference in these Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (i) any additional amounts which may be payable with respect to principal under Condition 8;
- (ii) the Final Redemption Amount of the Notes;
- (iii) the Early Redemption Amount of the Notes;
- (iv) the Optional Redemption Amount(s) (if any) of the Notes;
- (v) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 7(e)); and
- (vi) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 8.

(h) **Payment of Alternative Currency Equivalent:** Notwithstanding the foregoing, where Alternative Currency Equivalent is specified in the applicable Final Terms as being applicable to a Series of Notes, if by reason of Inconvertibility, Non-transferability or Illiquidity the relevant Issuer or, in the case of Guaranteed Notes, the Guarantor, as the case may be, is unable to satisfy payments of principal or interest in respect of Notes when due in the Specified Currency, the relevant Issuer or, in the case of Guaranteed Notes, the Guarantor, as the case may be, shall, on giving to Noteholders, in accordance with Condition 14, not less than five nor more than 30 days' irrevocable notice prior to the due date for payment that it will make payment in the Alternative Currency, settle any such payment in the Alternative Currency on the due date at the Alternative Currency Equivalent of any such amount. Any payment made in the Alternative Currency under such circumstances will constitute valid payment in satisfaction of the relevant Issuer's or Guarantor's (as the case may be) obligations for such payment, and will not constitute a default in respect of the Notes. Notwithstanding the foregoing, if the relevant Inconvertibility, Non-transferability or Illiquidity event occurs within five days before the relevant due date for payment then such notice shall be given as soon as practicable and whether on or prior to the due date for payment.

As used herein:

“Alternative Currency” means the currency specified as such in the applicable Final Terms (or any lawful successor currency to that currency);

“Alternative Currency Calculation Agent” means (i) in the case of CMU Notes denominated in Renminbi, Citicorp International Limited (or any lawful successor thereto) unless otherwise specified in the applicable Final Terms; and (ii) in the case of all other Notes, the Alternative

Currency Calculation Agent specified in the applicable Final Terms (or any lawful successor thereto);

“Alternative Currency Equivalent” means in respect of an amount denominated in the Specified Currency such amount converted into the Alternative Currency using the Spot Rate or, where the Specified Currency is Renminbi and the Alternative Currency is U.S. dollars, the RMB Spot Rate, in each case for the relevant Rate Calculation Date, all as determined by the Alternative Currency Calculation Agent;

“Governmental Authority” means any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of the Specified Currency Jurisdiction;

“Illiquidity” means, with respect to the payment of any sum, foreign exchange markets for the Specified Currency becoming illiquid as a result of which it is impossible (as determined by the relevant Issuer or, in the case of Guaranteed Notes, the Guarantor, acting in good faith and in a commercially reasonable manner (and in the case of Notes denominated in Renminbi, following consultation with two independent foreign exchange dealers of international repute active in the Renminbi exchange market in Hong Kong reasonably selected by the relevant Issuer or (in the case of Guaranteed Notes) the Guarantor, as the case may be)), or commercially impracticable for the relevant Issuer or (in the case of Guaranteed Notes) the Guarantor, as the case may be, to obtain a sufficient amount of the Specified Currency in order to satisfy its obligation to pay such sum in respect of the Notes or (in the case of Guaranteed Notes) under the Guarantee, as the case may be;

“Inconvertibility” means, with respect to the payment of any sum, the occurrence of any event that makes it impossible or commercially impracticable for the relevant Issuer, or (in the case of Guaranteed Notes) the Guarantor, as the case may be, to convert any amount due in the foreign exchange markets for the Specified Currency, other than where such impossibility or impracticability is due solely to the failure of the relevant Issuer, or (in the case of Guaranteed Notes) the Guarantor, as the case may be, to comply with any law, rule or regulation enacted by any relevant Governmental Authority (unless such law, rule or regulation becomes effective on or after the date on which agreement is reached to issue the first Tranche of a Series of Notes and it is impossible or commercially impracticable for the relevant Issuer, or (in the case of Guaranteed Notes) the Guarantor, as the case may be, due to an event beyond its control, to comply with such law, rule or regulation);

“Non-deliverable Spot Rate Screen Page” means the relevant screen page specified as such in the applicable Final Terms;

“Non-transferability” means, with respect to the payment of any sum, the occurrence of any event that makes it impossible or commercially impracticable for the relevant Issuer or (in the case of Guaranteed Notes) the Guarantor, as the case may be, to transfer the Specified Currency in respect of such sum between accounts inside the Specified Currency Jurisdiction or between an account inside the Specified Currency Jurisdiction and an account outside the Specified Currency Jurisdiction, other than where such impossibility or impracticability is due solely to the failure of the relevant Issuer or (in the case of Guaranteed Notes) the Guarantor, as the case may be, to comply with any law, rule or regulation enacted by any relevant Governmental Authority (unless such law, rule or regulation becomes effective on or after the date on which agreement is reached to issue the first Tranche of a Series of Notes) and it is impossible or commercially impracticable for the relevant Issuer, or (in the case of Guaranteed Notes) the Guarantor, as the case may be, due to an event beyond its control, to comply with such law, rule or regulation;

“Rate Calculation Business Day” means a day (other than a Saturday, Sunday or public holiday) on which commercial banks are open for general business (including dealings in foreign exchange) in the Rate Calculation Jurisdiction;

“Rate Calculation Date” means (i) the day which is the number of Rate Calculation Business Days specified in the applicable Final Terms (which shall be two Rate Calculation Business Days where the Specified Currency is Renminbi) before the due date of the relevant amount under these Conditions or (ii) if the relevant Spot Rate is not available on such day, the last preceding Rate Calculation Business Day on which the relevant Spot Rate was most recently available, as determined by the Alternative Currency Calculation Agent;

“Rate Calculation Jurisdiction” means the jurisdiction(s) specified in the applicable Final Terms, which shall be the Eurozone where the Specified Currency is euro or Hong Kong where the Specified Currency is Renminbi;

“RMB Spot Rate” means for a Rate Calculation Date, means the spot Renminbi/U.S. dollar exchange rate for the purchase of U.S. dollars with Renminbi in the over-the-counter Renminbi exchange market in Hong Kong for settlement on the due date for payment, as determined by the Alternative Currency Calculation Agent at or around 11.00 a.m. (Hong Kong time) on a deliverable basis by reference to Reuters Screen Page TRADCNY3, or if no such rate is available, on a non-deliverable basis by reference to Reuters Screen Page TRADNDF. If neither rate is available, the Alternative Currency Calculation Agent will determine the spot rate at or around 11.00 a.m. (Hong Kong time) on the Rate Calculation Date as the most recently available Renminbi/U.S. dollar official fixing rate for settlement on the due date for payment reported by The State Administration of Foreign Exchange of the PRC, which is reported on the Reuters Screen Page CNY=SAEC. Reference to a page on the Reuters Screen means the display page so designated on the Reuter Monitor Money Rates Service (or any successor service) or such other page as may replace that page for the purpose of displaying a comparable currency exchange rate;

“Specified Currency Jurisdiction” means (i) other than in the case of euro or Renminbi, the primary jurisdiction for which the Specified Currency is the lawful currency, (ii) in the case of euro, the Eurozone or (iii) in the case of Renminbi, Hong Kong;

“Spot Rate”, for a Rate Calculation Date, means the spot exchange rate for the purchase of the Alternative Currency with the Specified Currency in the over-the-counter foreign exchange market for the Specified Currency for settlement on the due date for payment in the Specified Currency Jurisdiction for settlement as a “spot” foreign exchange transaction in such market, as determined by the Alternative Currency Calculation Agent at or around the Spot Rate Calculation Time specified in the applicable Final Terms (Specified Currency Jurisdiction time or, in the case of euro, Central European time) on a deliverable basis by reference to the Spot Rate Screen Page (the “Spot Rate Screen Page”) as specified in the applicable Final Terms, or if no such rate is available, on a non-deliverable basis by reference to the Non-deliverable Spot Rate Screen Page (the “Non-deliverable Spot Rate Screen Page”) as specified in the applicable Final Terms. Unless specified otherwise in the applicable Final Terms, if neither rate is available, the Alternative Currency Calculation Agent will determine the Spot Rate in its discretion on the Rate Calculation Date at or around the Spot Rate Calculation Time (Specified Currency Jurisdiction time or, in the case of euro, Central European time) taking into consideration all available information which the Alternative Currency Calculation Agent deems relevant, including, without limitation, pricing information obtained from any other deliverable or non-deliverable foreign exchange market for the purchase of the Alternative Currency with the Specified Currency for settlement on the due date for payment as a “spot” foreign exchange transaction in or in relation to the relevant market; and

“Spot Rate Screen Page” means the relevant screen page specified as such in the applicable Final Terms.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6(h) by the relevant Issuer, the Guarantor (where applicable) or the Alternative Currency Calculation Agent, as the case may be, will (in the absence of wilful default, bad faith or manifest error) be binding on the relevant Issuer, the Guarantor (where applicable), the Agents and all Noteholders and (in the absence of wilful default or bad faith) no liability to the relevant Issuer, the Guarantor (where applicable), the Agents and all Noteholders shall attach to the Alternative Adjudication Currency Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

7. REDEMPTION AND PURCHASE

(a) **Redemption at maturity:** Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in the applicable Final Terms in the relevant Specified Currency on the Maturity Date.

(b) **Redemption for tax reasons:**

(i) The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than 30 nor more than 60 days' notice to the Principal Paying Agent and, in accordance with Condition 14, the Noteholders (which notice shall be irrevocable), if:

(A) either the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 or the Guarantor (where applicable) would be unable for reasons outside its control to procure payment by the Issuer and in making payment itself would be required to pay such additional amounts, in each case as a result of any change in, or amendment to, the laws, regulations or rulings of the Relevant Tax Jurisdiction or any change in the application or official interpretation of such laws, regulations or rulings, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and

(B) such obligation cannot be avoided by the Issuer or, as the case may be, the Guarantor (where applicable) taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, as the case may be, the Guarantor (in the case of Guaranteed Notes) would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition 7(b), the Issuer or, as the case may be, the Guarantor (where applicable) shall deliver to the Principal Paying Agent (i) a certificate signed by one director of the Issuer or, as the case may be, one director of the Guarantor (where applicable) stating that the Issuer or, as the case may be, the Guarantor (where applicable) is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer or, as the case may be, the Guarantor (where applicable) so to redeem have occurred, and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer or, as the case may be, the Guarantor (where applicable) has or will become obliged to pay such additional amounts as a result of such change or amendment.

Notes redeemed pursuant to this Condition 7(b) will be redeemed at their Early Redemption Amount referred to in paragraph (e) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

“Relevant Tax Jurisdiction” shall mean the Netherlands and the United Kingdom (*where the Issuer is CNH Industrial*), the Grand-Duchy of Luxembourg (*where the Issuer is CIFE*) or the United States of America (*where the Issuer is CIFNA*) or any political subdivision or any authority thereof or therein having power to tax and, in the case of Guaranteed Notes, shall also include the Netherlands and the United Kingdom and any political subdivision or any authority thereof or therein having power to tax.

- (c) **Redemption at the option of the Issuer (“Issuer Call”)**: If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may, having given:
- (i) not less than 15 nor more than 30 days’ notice to the Noteholders in accordance with Condition 14; and
 - (ii) not less than 15 days before the giving of the notice referred to in (i), notice to the Principal Paying Agent and, in the case of a redemption of Registered Notes, the Registrar,

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) described below or as otherwise specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount at least equal to the Minimum Redemption Amount and not greater than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of Notes, the Notes to be redeemed (“Redeemed Notes”) will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/ or Clearstream and/or DTC and/or the CMU Service, as the case may be, in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the “Selection Date”). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 14 not less than 15 days prior to the date fixed for redemption. The aggregate nominal amount of Redeemed Notes represented by definitive Notes or represented by a Global Note shall in each case bear the same proportion to the aggregate nominal amount of all Redeemed Notes as the aggregate nominal amount of definitive Notes outstanding and Notes outstanding represented by such Global Note, respectively, bears to the aggregate nominal amount of the Notes outstanding, in each case on the Selection Date, provided that, if necessary, appropriate adjustments shall be made to such nominal amounts to ensure that each represents an integral multiple of the Specified Denomination. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this paragraph (c) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 14 at least five days prior to the Selection Date.

The Optional Redemption Amount will either be the amount specified in the applicable Final Terms or, if “As set out in Condition 7(c)” is specified as being applicable in the applicable Final Terms, an amount equal to 100 percent of the principal amount of such Notes together (if appropriate) with interest accrued to (but excluding) the date of redemption, plus the Applicable Premium.

In these Conditions:

“Applicable Premium” means, with respect to the relevant Note(s) on any redemption date, the greater of:

- (i) 1.0 percent of the principal amount of such Note(s); or
- (ii) the excess of:

- (A) the present value at such redemption date of (i) the principal amount of such Note(s) at maturity plus (ii) all required interest payments due on such Note(s) through the Maturity Date indicated in the relevant Final Terms, (excluding accrued but unpaid interest to the redemption date), computed using a discount rate equal to the Bund Rate as of such redemption date plus 0.50 percent; over
- (B) the principal amount of such Note(s), if greater.

“Bund Rate” means, with respect to any relevant date, the rate per annum equal to the equivalent yield to maturity as of such date of the Comparable German Bund Issue, (expressed as a percentage of its principal amount) equal to the Comparable German Bund Price for such relevant date, where:

- (i) **“Comparable German Bund Issue”** means the German Bundesanleihe security selected by any Reference German Bund Dealer as having a fixed maturity most nearly equal to the period from such redemption date to the Maturity Date indicated in the relevant Final Terms, and that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of euro-denominated corporate debt securities in a principal amount approximately equal to the then outstanding principal amount of the Notes, and of a maturity most nearly equal to the Maturity Date indicated in the relevant Final Terms; provided, however, that, if the period from such redemption date to the Maturity Date indicated in the relevant Final Terms is less than one year, a fixed maturity of one year shall be used;
 - (ii) **“Comparable German Bund Price”** means, with respect to any relevant date, the average of all Reference German Bund Dealer Quotations for such date (which, in any event, must include at least two such quotations), after excluding the highest and lowest such Reference German Bund Dealer Quotations or, if the Issuer obtains fewer than four such Reference German Bund Dealer Quotations, the average of all such quotations;
 - (iii) **“Reference German Bund Dealer”** means any dealer of German Bundesanleihe securities appointed by the Issuer; and
 - (iv) **“Reference German Bund Dealer Quotations”** means, with respect to each Reference German Bund Dealer and any relevant date, the average as determined by the Issuer of the bid and offered prices for the Comparable German Bund Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Issuer by such Reference German Bund Dealer at or about 3.30 p.m. Frankfurt time, on the third business day (being for this purpose a day on which banks are open for business in Frankfurt and London) preceding the relevant date.
- (d) **Redemption at the option of the Noteholders (“Investor Put”):** If Investor Put is specified as being applicable in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 14 not less than 15 nor more than 30 days’ notice the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, in whole (but not, in the case of a Bearer Note in definitive form, in part), such Note on the Optional Redemption Date and at the Optional Redemption Amount (each as specified in the applicable Final Terms) together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. Registered Notes may be redeemed under this Condition 7(d) in any multiple of their lowest Specified Denomination.

If this Note is in definitive form, to exercise the right to require redemption of this Note, the holder of this Note must deliver this Note at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar falling within the notice period, accompanied by a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the

case may be, the Registrar (a “Put Notice”) and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2(b).

Any Put Notice given by a holder of any Note pursuant to this Condition 7(d) shall be irrevocable except where prior to the due date for redemption an Event of Default shall have occurred and be continuing in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 7(d) and instead to declare such Note forthwith due and payable pursuant to Condition 10.

(e) **Early Redemption Amounts:** For the purpose of paragraph (b) above and Condition 10, each Note will be redeemed at its Early Redemption Amount calculated as follows:

- (i) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;
- (ii) in the case of a Note (other than a Zero Coupon Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price, at the amount specified in the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its nominal amount; or
- (iii) in the case of a Zero Coupon Note, at an amount (the “Amortised Face Amount”) calculated in accordance with the following formula:

Early Redemption Amount = $RP \times (1 + AY)^y$ where:

“*RP*” means the Reference Price;

“*AY*” means the Accrual Yield expressed as a decimal; and

“*y*” is the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360); or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360); or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365).

(f) **Purchases:** The Issuer, the Guarantor (where applicable) or any of their respective subsidiaries may at any time purchase Notes (provided that, in the case of definitive Bearer Notes, all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. If purchases are made by tender, tenders must be available to all Noteholders alike. Such Notes may be held, reissued, resold or, at the option of the Issuer or the Guarantor (where applicable), surrendered to any Paying Agent and/or the Registrar for cancellation.

(g) **Cancellation:** All Notes which are redeemed will forthwith be cancelled (together with all unmatured Coupons and Talons attached thereto or surrendered therewith at the time of

redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to paragraph (f) above (together with all unmatured Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be reissued or resold.

- (h) **Late payment on Zero Coupon Notes:** If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraph (a), (b), (c) or (d) above or upon its becoming due and repayable as provided in Condition 10 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph (e)(iii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:
- (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
 - (ii) the date on which the full amount of the monies payable in respect of such Zero Coupon Notes has been received by the Principal Paying Agent or the Registrar and notice to that effect has been given to the Noteholders in accordance with Condition 14.
- (i) **Repurchase at the Option of Noteholders—Change of Control:** If a Change of Control occurs, the holder of any Note will have the right to require the Issuer thereof to repurchase all (but not, in the case of a Bearer Note in definitive form, any part) of such Note pursuant to a Change of Control Offer. Registered Notes may be repurchased under this Condition 7(i) in any multiple of their lowest Specified Denomination. In the Change of Control Offer, the relevant Issuer will offer a payment in cash equal to 101 percent of the aggregate principal amount of Notes repurchased plus accrued and unpaid interest, if any, to the date of purchase (the “Change of Control Payment”). Within thirty (30) days following any Change of Control, the Issuer will give notice to each holder describing the transaction or transactions that constitute the Change of Control and offering to repurchase Notes on the payment date specified in the notice (the “Change of Control Payment Date”), which date will be no earlier than 30 days and no later than 60 days from the date such notice is given to Noteholders in accordance with Condition 14.

The Issuer will comply with any applicable securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the Notes as a result of a Change of Control. To the extent that the provisions of any securities laws or regulations conflict with this provision, the relevant Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this provision by virtue of such compliance.

On the Change of Control Payment Date, the relevant Issuer will, to the extent lawful:

- (i) accept for payment all Notes or portions of Notes properly tendered pursuant to the Change of Control Offer;
- (ii) deposit with the Principal Paying Agent an amount equal to the Change of Control Payment in respect of all Notes or portions of Notes properly tendered; and
- (iii) deliver or cause to be delivered for cancellation the Notes properly accepted together with an officers’ certificate of the relevant Issuer stating the aggregate principal amount of Notes or portions of Notes being purchased by the relevant Issuer.

If the Note is in definitive form, to exercise the right to require repurchase of the Note the holder of the Note must deliver this Note at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar, within the notice period, accompanied by a duly completed and signed acceptance notice in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case

may be, the Registrar (an “Acceptance Notice”) and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2(b).

Any Acceptance Notice given by a holder of any Note pursuant to this paragraph shall be irrevocable except where prior to the due date for redemption an Event of Default shall have occurred and be continuing in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph and instead declare such Note forthwith due and payable pursuant to Condition 10.

The Issuer will not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth herein applicable to a Change of Control Offer made by the Issuer and purchases all Notes properly tendered and not withdrawn under the Change of Control Offer.

In these Conditions, the following expressions shall have the following meanings:

“Change of Control” means the occurrence of both (i) an event described in clauses (A) or (B) below and (ii) a Rating Decline:

- (A) the consummation of any transaction (including, without limitation, any merger or consolidation), the result of which is that any “person” (as that term is used in Section 13(d) of the Exchange Act), other than one or more Related Parties, becomes the beneficial owner, directly or indirectly, of more than 50 percent of the Voting Stock of CNH Industrial measured by voting power rather than number of shares; or
- (B) the stockholders of the Guarantor (where applicable) or the Issuer approve any plan of liquidation or dissolution of the Guarantor (where applicable) or the Issuer, as the case may be, other than in connection with a merger, consolidation or other form of combination while the Issuer or Guarantor (where applicable) is solvent with another company where such company, in the case of the Issuer, assumes all obligations of the Issuer under the Notes and, in the case of the Guarantor (where applicable), assumes all obligations of the Guarantor under the Guarantee and where such merger, consolidation or other combination does not have the effect of or result in an event described in paragraph (A) above,

“Change of Control Offer” means the offer to repurchase the Notes following a Change of Control as further described above;

“Person” means any individual, group, company, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organisation, limited liability company or government or other entity;

“Rating Date” means (i) the date one business day (being for this purpose a day on which banks are open for business in London) prior to the occurrence of an event specified in clause (A) or (B) of the definition of Change of Control or, if applicable, and only with respect to the type of transaction specified in clause (A) of the definition of Change of Control, the date one business day before the first public announcement of a definitive agreement with respect to such transaction and (ii) in the event that a Rating Agency has announced a Rating Decline of the Notes within 90 days prior to the occurrence of an event specified in clause (A) or (B) of the definition of Change of Control or, if applicable, and only with respect to the type of transaction specified in clause (A) of the definition of Change of Control, within 90 days before the first public announcement of a definitive agreement with respect to such transaction, and

the official statement issued by a Rating Agency announcing the Rating Decline refers to such event or transaction as a reason for such downgrade, the date one business day prior to such announcement by a Rating Agency;

“Rating Agency” means Moody’s or Standard & Poor’s (each as herein defined), or, if either such entity ceases to rate the Notes for reasons outside of the control of the Guarantor (where applicable) or the relevant Issuer, the equivalent investment grade credit rating from any other “nationally recognised statistical rating organisation” within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the Exchange Act;

“Rating Decline” means the occurrence on any date within the 60-day period following the occurrence of the event specified in clauses (A) or (B) of the definition of a Change of Control (which period shall be extended so long as during such period any rating of the Notes is under publicly announced consideration for possible downgrade by a Rating Agency, provided that such extension shall not be for more than 30 days) of: (i) in the event the Notes are rated by any Rating Agency on the Rating Date below investment grade, the rating of the Notes by such Rating Agency within such period being at least one rating category below the rating of the Notes by such Rating Agency on the Rating Date, (ii) in the event the Notes are rated by any Rating Agency on the Rating Date as investment grade, the rating of the Notes within such period by such Rating Agency being (1) at least two rating categories below the rating of the Notes by such Rating Agency on the Rating Date or (2) below investment grade or (iii) the Notes not being rated by any Rating Agency. In determining how many rating categories the rating of the Notes has decreased, gradation will be taken in account (e.g., with respect to Standard & Poor’s, a decline in a rating from BB+ to BB, or from BB to BB-, will constitute a decrease of one rating category);

“Related Party” means (i) each of the owners and beneficial holders of interests in Giovanni Agnelli & C. S.A.p.A. (at the Issue Date and each of their spouses, heirs, legatees, descendants and blood relatives to the third degree, (ii) Giovanni Agnelli & C. S.A.p.A. or (iii) any Person directly or indirectly under the Control of Giovanni Agnelli & C. S.A.p.A. For the purposes of this definition, the term “Control” means (1) the direct or indirect ownership (beneficial or otherwise) of more than 50 percent of the Voting Stock of a Person measured by voting power rather than number of shares or (2) the power to appoint or remove all or the majority of the directors or other equivalent officers of a Person; and

“Voting Stock” of any Person as of any date means the capital stock of such Person that is at the time entitled to vote in the election of the board of directors of such Person.

8. TAXATION

All amounts payable in respect of the Notes and Coupons by the Issuer or the Guarantor (where applicable), as the case may be, will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed, withheld or levied by or on behalf of the Relevant Tax Jurisdiction (as defined in Condition 7(b)), unless such withholding or deduction is required by law. In such event, the Issuer or, as the case may be, the Guarantor (where applicable) will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes or Coupons after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in respect of the Notes or Coupons, as the case may be, in the absence of such withholding or deduction except as follows:

- (a) **Where the Issuer is CNH Industrial, or where payment is made pursuant to the Guarantee (in which case no additional amounts shall be paid in circumstances where the conditions set forth in (i) to (vii) of this Condition 8(a) apply nor in circumstances where the conditions related to the relevant Issuer in this Condition 8 apply):**

No such additional amounts shall be payable with respect to any Note or Coupon:

- (i) presented for payment in the Netherlands or the United Kingdom; or
- (ii) presented for payment by, or by a third party on behalf of, a holder who is liable to those taxes or duties in respect of that Note or Coupon by reason of his having some connection with the Relevant Tax Jurisdiction other than the mere holding of the Note or Coupon or the receipt of principal or interest in respect of it; or
- (iii) presented for payment by a holder who is able to avoid the withholding by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority; or
- (iv) presented for payment more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to additional amounts on presenting it for payment on the last day of such 30-day period assuming that day to have been a Payment Day; or
- (v) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC (as the same may be amended from time to time) or any law implementing or complying with, or introduced in order to conform to or as a consequence of, such Directive; or
- (vi) presented for payment by or on behalf of a holder who would be able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a member state of the European Union; or
- (vii) presented for payment for or on account of any tax, assessment or other governmental charge that would not have been imposed but for a failure by the holder or beneficial owner, or any financial institution (other than any Paying Agent) through which the holder or beneficial owner holds any Note or through which payment on the Note is made, to enter into or comply with an agreement described in Section 1471(b)(1) of the Code and the regulations thereunder or otherwise comply with Sections 1471 through 1474 of the Code, the regulations thereunder, any official interpretations thereof or any agreement, law, regulation, or other official guidance implementing an intergovernmental approach thereto.

(b) Where the Issuer is CIFE:

No such additional amounts shall be payable with respect to any Note or Coupon:

- (i) presented for payment in Luxembourg; or
- (ii) presented for payment by, or by a third party on behalf of, a holder who is liable to those taxes or duties in respect of that Note or Coupon by reason of his having some connection with the Relevant Tax Jurisdiction other than the mere holding of the Note or Coupon or the receipt of principal or interest in respect of it; or
- (iii) presented for payment by a holder who is able to avoid the withholding by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority; or
- (iv) presented for payment more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to additional amounts on presenting it for payment on the last day of such 30-day period assuming that day to have been a Payment Day; or
- (v) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC (as the same may be amended from time to time) or any law implementing or complying with, or introduced in order to conform to or as a consequence of, such Directive; or

- (vi) presented for payment by or on behalf of a holder who would be able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a member state of the European Union; or
- (vii) presented for payment for or on account of any tax, assessment or other governmental charge that would not have been imposed but for a failure by the holder or beneficial owner, or any financial institution (other than any Paying Agent) through which the holder or beneficial owner holds any Note or through which payment on the Note is made, to enter into or comply with an agreement described in Section 1471(b)(1) of the Code and the regulations thereunder or otherwise comply with Sections 1471 through 1474 of the Code, the regulations thereunder, any official interpretations thereof, or any agreement, law, regulation, or other official guidance implementing an intergovernmental approach thereto.

(c) **Where the Issuer is CIFNA:**

No such additional amounts shall be payable with respect to any Note:

- (i) presented for payment for or on account of any tax assessment or other governmental charge that would not have been imposed but for (x) the existence of any present or former connection between such holder (or between a fiduciary, settlor or beneficiary of, or a person holding a power over, such holder, if such holder is an estate or a trust, or a member or shareholder of such holder, if such holder is a partnership or a corporation) and the Relevant Tax Jurisdiction (other than the mere receipt of such payment or the holding of such Note), including, without limitation, such holder (or such fiduciary, settlor, beneficiary, person holding a power, member or shareholder) being or having been a citizen or resident thereof or being or having been engaged in trade or business or present therein or having or having had a permanent establishment therein or (y) (where the Relevant Tax Jurisdiction is the United States) such holder's past or present status as a personal holding company or private foundation or other tax-exempt organisation with respect to the United States or as a corporation that accumulates earnings to avoid United States federal income tax;
- (ii) presented for payment for or on account of any estate, inheritance, gift, sales, transfer or personal property tax or any similar tax, assessment or other governmental charge;
- (iii) presented for payment for or on account of any tax, assessment or other governmental charge that would not have been imposed but for the presentation by the holder of a Note for payment more than 30 days after the Relevant Date;
- (iv) presented for payment for or on account of any tax, assessment or other governmental charge that is payable otherwise than by deduction or withholding from a payment on a Note;
- (v) presented for payment for or on account of any tax, assessment or other governmental charge required to be deducted or withheld by any Paying Agent from a payment on a Note, if such payment can be made without such deduction or withholding by any other Paying Agent;
- (vi) presented for payment for or on account of any tax, assessment or other governmental charge that would not have been imposed but for a failure to comply with any applicable certification, documentation, information or other reporting requirement concerning the nationality, residence, identity or connection with the United States of the holder or beneficial owner of a Note if, without regard to any tax treaty, such compliance is required by statute or regulation of the United States as a precondition to relief or exemption from such tax, assessment or other governmental charge;

- (vii) presented for payment for or on account of any tax, assessment or other governmental charge that would not have been imposed but for a failure by the holder or beneficial owner, or any financial institution (other than any Paying Agent) through which the holder or beneficial owner holds any Note or through which payment on the Note is made, to enter into or comply with an agreement described in Section 1471(b)(1) of the Code and the regulations thereunder or otherwise comply with Sections 1471 through 1474 of the Code, the regulations thereunder, any official interpretation thereof, or any agreement, law, regulation, or other official guidance implementing an intergovernmental approach thereto;
- (viii) presented for payment for or on account of any tax, assessment or other governmental charge imposed on a holder that actually or constructively owns 10 percent or more of the combined voting power of all classes of stock of the Issuer or that is a controlled foreign corporation related to the Issuer through stock ownership; or
- (ix) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC (as amended from time to time) or any law implementing or complying with, or introduced in order to conform to, such Directive;

nor shall such additional amounts be paid with respect to a payment on a Note to a holder that is a fiduciary or partnership or other than the sole beneficial owner of such payment to the extent a beneficiary or settlor with respect to such fiduciary or a member of such partnership or a beneficial owner would not have been entitled to the additional amounts had such beneficiary, settlor, member or beneficial owner been the holder of such Note.

As used in these Conditions, "Relevant Date," in respect of any payment, means the date on which that payment first becomes due but, if the full amount of the monies payable has not been received by the Principal Paying Agent on or before the due date, it means the date on which, the full amount of those monies having been so received, notice to that effect has been duly given to the relevant Noteholders in accordance with Condition 14.

9. PRESCRIPTION

The Notes (whether in bearer or registered form) and Coupons will become void unless presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 8) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 6(b) or any Talon which would be void pursuant to Condition 6(b).

10. EVENTS OF DEFAULT

If any of the following events (each an "Event of Default") shall occur:

- (i) there is a default for more than 14 days after the date when due in the payment of principal or interest (if any) due in respect of the Notes; or
- (ii) there is default in the performance of any other obligation under the Agency Agreement, the Notes or the Guarantee (where applicable) (a) which is incapable of remedy or (b) which, being a default capable of remedy, continues for 30 days after written notice of such default has been given through the Principal Paying Agent by the holder of any Note to the Issuer and the Guarantor (where applicable); or
- (iii) any final order shall be made by any competent court or other authority or resolution passed by the Issuer or the Guarantor (where applicable) for the dissolution or winding-up of the Issuer or the Guarantor (where applicable) or for the appointment of a liquidator, receiver or trustee

of the Issuer or the Guarantor (where applicable) or of all or a substantial part of their respective assets, provided that there shall be no Event of Default in the case of an order or resolution passed for the liquidation or dissolution of the Issuer or the Guarantor (where applicable), as the case may be, to the extent that (a) such an order or resolution is in connection with a merger, consolidation or any other form of combination while the Issuer or Guarantor (where applicable) is solvent with another company and such company, in the case of the Issuer, assumes all obligations of the Issuer under the Notes and, in the case of the Guarantor (where applicable), assumes all obligations of the Guarantor under the Guarantee, or (b) the Issuer has made a Change of Control Offer and repurchased the Notes from Noteholders following a Change of Control; or

- (iv) the Issuer or the Guarantor (where applicable) shall stop payment or shall be unable to, or shall admit to creditors generally its inability to pay its debts as they fall due, or shall be finally adjudicated or found bankrupt or insolvent, or shall enter into any composition or other arrangement with its creditors generally or, where CIFE is the Issuer, the Issuer shall apply for controlled management (*gestion contrôlée*) or reprieve from payment (*sursis de paiement*); or
- (v) the Issuer or the Guarantor (where applicable) ceases, or threatens to cease, to carry on business unless such cessation, or threatened cessation, is in connection with a merger, consolidation or any other form of combination with another company and such company, in the case of the Issuer, assumes all obligations of the Issuer under the Notes and, in the case of the Guarantor (where applicable), assumes all obligations of the Guarantor under the Guarantee; or
- (vi) in the case of Guaranteed Notes only, the Issuer ceases to be controlled directly or indirectly by the Guarantor, for which purpose the Guarantor shall be deemed to control the Issuer only if the Guarantor directly or indirectly, through one or more companies controlled by it within the meaning of this definition, (a) owns more than 50 percent of the voting share capital of the Issuer; or (b) has power to appoint or remove more than 50 percent of the board of directors (or other similar senior supervisory body) of the Issuer; or
- (vii) there shall have occurred a default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness of the relevant Issuer, the Guarantor (where applicable) or any Material Subsidiary (as defined below in this Condition 10) (or the payment of which is guaranteed by the relevant Issuer, the Guarantor (where applicable) or any such Material Subsidiary) which default (A) is caused by a failure to pay the principal, interest or premium, if any, of any such Indebtedness (including without limitation a such failure under any called but unpaid guarantee issued or given by the Issuer, the Guarantor (where applicable) or any such Material Subsidiary in respect of any such Indebtedness) whether in the case of a repayment at maturity, a mandatory prepayment or otherwise, in each case after any applicable grace period provided in such Indebtedness or guarantee on the date of such failure (each such failure being a “payment default”), which payment default has not been validly waived in accordance with the terms of such Indebtedness or guarantee and applicable law, provided that the amount unpaid pursuant to such payment default, together with the amount unpaid pursuant to any other such payment default that has not been so waived or has not been otherwise validly cured aggregates €100,000,000 or (B) results in the acceleration of such Indebtedness prior to its express maturity, and such acceleration has not been validly waived in accordance with the terms of such Indebtedness and applicable law, provided that the principal amount of such Indebtedness so accelerated, together with the principal amount of any such other Indebtedness the maturity of which has been so accelerated and has not been waived or otherwise validly cured, aggregates €250,000,000; or
- (viii) in the case of Guaranteed Notes only, the Guarantee shall be held in any judicial proceeding (in each case being a judgment or order from which no further appeal or judicial review is permissible under applicable law) to be unenforceable or invalid or shall cease for any reason

to be in full force and effect or the Guarantor shall deny or disaffirm its obligations under the Guarantee, as the case may be,

then any holder of a Note may, by written notice to the Issuer at the specified office of the Principal Paying Agent, effective upon the date of receipt thereof by the Principal Paying Agent, declare any Notes held by the holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount (as described in Condition 7(e)), together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

For the purposes of this Condition 10, the term “Material Subsidiary” means (A) any Member of the CNH Industrial Group the total assets of which on a stand-alone basis (excluding intra-Group items and as determined from the entity’s most recent financial data used by CNH Industrial in the preparation of its most recent audited consolidated financial statements, prepared in accordance with IFRS as adopted by the European Union or, in the event that the CNH Industrial Group prepares its consolidated financial statements solely in accordance with U.S. GAAP, in accordance with U.S. GAAP) constitutes five percent or more of the consolidated total assets of the CNH Industrial Group (as determined from CNH Industrial’s most recent audited consolidated financial statements, prepared either in accordance with IFRS as adopted by the European Union or, in the event that the CNH Industrial Group prepares its consolidated financial statements solely in accordance with U.S. GAAP, in accordance with U.S. GAAP); (B) any Treasury Subsidiary or (C) any entity under the direct or indirect Control of CNH Industrial that directly or indirectly Controls a subsidiary that meets the requirements of the preceding clauses (A) or (B), *provided* that if any such entity Controls such a subsidiary only pursuant to the aggregate ownership test specified in the provisions to clause (1) of the definition of “Control,” “Controls” or “Controlled” below, then, and only then, the Issuer and CNH Industrial shall have the right to designate which such entities shall be deemed to so Control such a subsidiary *provided* that, in each case, such designated entities Control in the aggregate more than 50 percent of the relevant subsidiary’s Voting Stock. For purposes of this definition of “Material Subsidiary,” (i) the term “Control,” “Controls” or “Controlled” means (1) the direct or indirect ownership (beneficial or otherwise) of more than 50 percent of the Voting Stock of a Person measured by voting power rather than number of shares, *provided* that to the extent that no single entity directly owns more than 50 percent of the Voting Stock of a Person, entities with aggregate direct or indirect ownership of more than 50 percent of the Voting Stock of a Person will be deemed to Control such Person or (2) the power to appoint or remove all or the majority of the directors or other equivalent officers of a Person and (ii) no Financial Services Subsidiary shall be considered or deemed to be a Material Subsidiary. Notwithstanding the foregoing, a subsidiary shall be considered or deemed to be a Material Subsidiary only to the extent that such is located or domiciled in an OECD Country (or, to the extent that the Organisation for Economic Co-operation and Development or a successor organisation no longer exists, the countries that were members of the relevant organisation on the date such organisation ceased to exist).

For purposes of this Condition 10, the term “OECD Country” means a country that is member of the Organisation for Economic Co-operation and Development or any successor organisation at the time of the occurrence of a payment default or acceleration specified in clause (vii) of this Condition 10 (or, to the extent that the Organisation for Economic Co-operation and Development or a successor organisation no longer exists, at the time the relevant organisation ceased to exist).

For purposes of this Condition 10, “Treasury Subsidiary” means (A) each of CNH Industrial Finance Europe S.A. and CNH Industrial Finance North America, Inc. and (B) any other subsidiary of CNH Industrial the primary purpose of which is borrowing funds, issuing securities or incurring Indebtedness. For the avoidance of doubt, “Treasury Subsidiary” does not, and shall not be deemed to, include any Financial Services Subsidiary.

11. REPLACEMENT OF NOTES, COUPONS AND TALONS

Should any Note, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent (in the case of Bearer Notes or Coupons) or the Registrar (in the case of Registered Notes) upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

12. AGENTS

The names of the initial Agents and their initial specified offices are set out below. If any additional Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Final Terms.

The Issuer and/or the Guarantor (where applicable) is/are entitled to vary or terminate the appointment of any Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts, provided that:

- (a) there will at all times be a Principal Paying Agent, a Registrar and, in the case of CMU Notes, a CMU Lodging and Paying Agent;
- (b) so long as the Notes are listed on any stock exchange, there will at all times be a Paying Agent, which may be the Principal Paying Agent (in the case of Bearer Notes) or, in the case of CMU Notes, a CMU Lodging and Paying Agent and a Transfer Agent, which may be the Registrar (in the case of Registered Notes), with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange;
- (c) each of the Issuer and the Guarantor (where applicable) will ensure that it maintains a Paying Agent in an EU member state that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC (as amended from time to time) or any law implementing or complying with, or introduced in order to conform to such Directive; and
- (d) there will at all times be a Paying Agent in a jurisdiction within Europe, other than the jurisdiction in which the relevant Issuer or the Guarantor (in the case of Guaranteed Notes) is incorporated.

In addition, the Issuer and/or the Guarantor (in the case of Guaranteed Notes) shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 6(e). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency or where an Agent is an FFI and does not become, or ceases to be, a Participating FFI or a Registered Deemed-Compliant FFI, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 14.

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and the Guarantor (where applicable) and do not assume any obligation to, or relationship of agency or trust with, any Noteholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

As used herein:

“FFI” (a “foreign financial institution”) means an FFI as defined in U.S. Treasury Regulations section 1.1471-1(b)(42);

“Participating FFI” means a participating FFI as defined in U.S. Treasury Regulations section 1.1471-1(b)(85); and

“Registered Deemed-Compliant FFI” means a registered deemed-compliant FFI as described in U.S. Treasury Regulations section 1.1471-5(f)(1).

13. EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Principal Paying Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 9.

14. NOTICES

All notices regarding the Bearer Notes will be deemed to be validly given if published in a leading English language daily newspaper of general circulation in London; provided, however that in the case of Bearer Notes cleared through the CMU Service, notices will be deemed to be validly given if published in a leading daily newspaper of general circulation in Hong Kong. It is expected that such publication will be made in the Financial Times in London or, in the case of Bearer Notes cleared through the CMU Service, either The Standard or the South China Morning Post in Hong Kong. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange on which the Bearer Notes are for the time being listed. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

All notices regarding the Registered Notes will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Registered Notes are listed on a stock exchange and the rules of that stock exchange so require, such notice will be published in a daily newspaper of general circulation in the place or places required by the rules of that stock exchange.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of (i) Euroclear and/or Clearstream and/or DTC, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream and/or DTC for communication by them to the holders of the Notes or (ii) the CMU Service, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to the persons shown in a CMU Instrument Position Report issued by the CMU Service on the first business day preceding the date of despatch of such notice as holding interests in the relevant Global Note. In addition, for so long as any Notes are listed or admitted to trading on a stock exchange and the rules of that stock exchange so require, such notice will be published in a daily newspaper of general circulation in the place or places required by the rules of that stock exchange. Any such notice shall be deemed to have been given to the holders of the Notes on the seventh day after the day on which the said notice was given to Euroclear and/or Clearstream and/or DTC and/or the CMU Service.

All notices to the Noteholders will be deemed to be validly given if filed with the Companies Announcements Office of the Irish Stock Exchange.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes). Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Principal Paying Agent or the Registrar through Euroclear and/or Clearstream and/or DTC and/or in the case of Notes lodged with the CMU Service, by delivery by such holder or such notice to the CMU Lodging and Paying Agent in Hong Kong, as the case may be, in such manner as the Principal Paying

Agent, the Registrar and Euroclear and/or Clearstream and/or DTC, and/or the CMU Service, as the case may be, may approve for this purpose.

15. MEETINGS OF NOTEHOLDERS, MODIFICATION AND WAIVER

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Coupons or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer or Noteholders holding not less than five percent in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes or the Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes or the Coupons), the quorum shall be one or more persons holding or representing not less than three-quarters in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than a clear majority in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Couponholders.

The Principal Paying Agent and the Issuer may agree, without the consent of the Noteholders or Couponholders, to:

- (a) any modification (except such modifications in respect of which an increased quorum is required as mentioned above) of the Notes, the Coupons or the Agency Agreement which is not prejudicial to the interests of the Noteholders; or
- (b) any modification of the Notes, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law.

Any such modification shall be binding on the Noteholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 14 as soon as practicable thereafter.

Where the Issuer is CIFE, the provisions of articles 86 to 94-8 of the Luxembourg law of August 10, 1915 on commercial companies, as amended, are hereby excluded.

16. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes.

17. RIGHTS OF THIRD PARTIES

The Notes confer no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Notes, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

18. GOVERNING LAW AND SUBMISSION TO JURISDICTION

- (a) **Governing law:** The Agency Agreement, the Guarantee (where applicable), the Deed of Covenant, the Deed Poll, the Notes and the Coupons and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Guarantee (where applicable), the Deed of Covenant, the Deed Poll, the Notes and the Coupons are governed by, and shall be construed in accordance with, English law.
- (b) **Submission to jurisdiction:** Subject to Condition 18(d), the courts of England have jurisdiction to settle any disputes which may arise out of or in connection with the Notes and/or the Coupons, including a dispute relating to any non-contractual obligations arising out of or in connection with the Notes and/or the Coupons (a “Dispute”) and, accordingly, each of the Issuer and any Noteholders and Couponholders in relation to any Dispute submits to the jurisdiction of such courts.
- (c) For the purposes of this Condition 18, the Issuer hereby irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any suit, action or proceedings (together referred to as “Proceedings”) in any such court and any claim that any such Proceedings have been brought in an inconvenient forum and hereby further irrevocably agrees that a judgment in any such Proceedings brought in the English courts shall be conclusive and binding upon it and may be enforced in the courts of any jurisdiction.
- (d) To the extent allowed by law, the Noteholders and the Couponholders may, in respect of any Dispute or Disputes, take (i) Proceedings against the Issuer in any other court of competent jurisdiction, and (ii) concurrent Proceedings in one or more jurisdictions.
- (e) **Appointment of Process Agent:** The Issuer appoints CNH Industrial Finance Europe S.A., UK branch (previously named Fiat Industrial Finance Europe S.A., UK branch), at its registered office for the time being in England, as its agent for service of process, and undertakes that, in the event of CNH Industrial Finance Europe S.A., UK branch ceasing so to act or ceasing to be registered in England, it will appoint another person as its agent for service of process in England in respect of any Proceedings. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

USE OF PROCEEDS

The net proceeds from each issue of Notes will be used to finance the activities of the CNH Industrial Group.

REMITTANCE OF RENMINBI INTO AND OUTSIDE THE PRC

The following is a general description of certain currency controls in the PRC and is based on the law and relevant interpretations thereof in effect as at the date of this Base Prospectus, all of which are subject to change, and does not constitute legal advice. It does not purport to be a complete analysis of all applicable currency controls in the PRC relating to the Notes. Prospective holders of the Notes who are in any doubt as to PRC currency controls are advised to consult their own professional advisers.

Renminbi is not a freely convertible currency. The remittance of Renminbi into and outside the PRC is subject to controls imposed under PRC law.

Current Account Items

Under PRC foreign exchange control regulations, current account item refers to any transaction for international receipts and payments involving goods, services, earnings and other frequent transfers.

Since July 2009, the PRC has commenced a pilot scheme pursuant to which Renminbi may be used for settlement of imports and exports of goods between approved pilot enterprises in five designated cities in the PRC including Shanghai, Guangzhou, Dongguan, Shenzhen and Zhuhai and enterprises in designated offshore jurisdictions including Hong Kong and the Macau Special Administrative Regions of China (“Macau”). On June 17, 2010, the PRC Government promulgated the Circular on Issues concerning the Expansion of the Scope of the Pilot Program of Renminbi Settlement of Cross-Border Trades (關於擴大跨境貿易人民幣結算試點有關問題的通) (the “Renminbi Settlement Circular”), pursuant to which (i) Renminbi settlement of imports and exports of goods and of services and other current account items became permissible, (ii) the list of designated pilot districts was expanded to cover 20 provinces and cities and (iii) the restriction on designated offshore districts was lifted. Accordingly, any enterprises in the designated pilot districts and offshore enterprises are entitled to use Renminbi to settle imports and exports of goods and services and other current account items between them. Renminbi remittance for exports of goods from the PRC may only be effected by approved pilot enterprises in designated pilot districts in the PRC. In August 2011, the PRC Government further expanded Renminbi cross-border trade settlement nationwide.

As a new regulation, the Renminbi Settlement Circular will be subject to interpretation and application by the relevant PRC authorities. Local authorities may adopt different practices in applying the Renminbi Settlement Circular and impose conditions for settlement of current account items.

Capital Account Items

Under PRC foreign exchange control regulations, capital account items include cross-border transfers of capital, direct investments, securities investments, derivative products and loans. Capital account payments are generally subject to approval of the relevant PRC authorities.

Settlements for capital account items are generally required to be made in foreign currencies. For instance, foreign investors (including any Hong Kong investors) are generally required to make any capital contribution to foreign invested enterprises in a foreign currency in accordance with the terms set out in the relevant joint venture contracts and/or articles of association as approved by the relevant authorities. Foreign invested enterprises or any other relevant PRC parties are also generally required to make capital item payments including proceeds from liquidation, transfer of shares, reduction of capital, interest and principal repayment to foreign investors in a foreign currency. That said, the relevant PRC authorities may approve a foreign entity to make a capital contribution or a shareholder’s loan to a foreign invested enterprise with Renminbi lawfully obtained by it outside the PRC and for the foreign invested enterprise to service interest and principal repayment to its foreign investors outside the PRC in Renminbi on a trial basis. The foreign invested enterprise may also be required to complete a registration and verification process with the relevant PRC authorities before such Renminbi remittances.

On April 7, 2011, the State Administration of Foreign Exchange (“SAFE”) promulgated the Circular on Issues Concerning the Capital Account Items in connection with Cross-Border Renminbi (the “SAFE

Circular”), which became effective on May 1, 2011. According to the SAFE Circular, in the event that foreign investors intend to use cross-border Renminbi (including offshore Renminbi and onshore Renminbi held in the capital accounts of non-PRC residents) to make a contribution to an onshore enterprise or make payment for the transfer of an equity interest of an onshore enterprise by a PRC resident, such onshore enterprise shall be required to submit the relevant prior written consent of the MOFCOM to the relevant local branches of SAFE of such onshore enterprise and register for a foreign invested enterprise status. Further, the SAFE Circular clarifies that the foreign debts borrowed, and the external guarantee provided, by an onshore entity (including a financial institution) in Renminbi shall, in principle, be regulated under the current PRC foreign debt and external guarantee regime.

On October 12, 2011, MOFCOM promulgated the MOFCOM Circular. In accordance with the MOFCOM Circular, MOFCOM and its local counterparts are authorised to approve RMB FDI in accordance with existing PRC laws and regulations regarding foreign investment, with the following exceptions which require the preliminary approval by the provincial counterpart of MOFCOM and the consent of MOFCOM: (i) RMB FDI with the capital contribution in Renminbi of CNY300 million or more; (ii) RMB FDI in financing guarantee, financing lease, micro financing or auction industries; (iii) RMB FDI in foreign invested investment companies, venture capital or equity investment enterprises; or (iv) RMB FDI in the cement, iron and steel, electrolytic aluminium, shipbuilding or other policy sensitive sectors. In addition, RMB FDI in the real estate sector is allowed following the existing rules and regulations of foreign investment in real estate, although Renminbi foreign debt remains unavailable to foreign invested real estate enterprises. The proceeds of RMB FDI may not be used towards investment in securities, financial derivatives or entrustment loans in the PRC, except for investments in PRC domestic listed companies through private placements or share transfers by agreement under the PRC strategic investment regime.

On October 13, 2011, PBoC promulgated the PBoC FDI Measures, pursuant to which, PBoC special approval for RMB FDI and shareholder loans which is required by an earlier circular of PBoC is no longer necessary. The PBoC FDI Measures provide that, among others, foreign invested enterprises are required to conduct registrations with the local branch of PBoC within ten working days after obtaining the business licences for the purpose of Renminbi settlement, and a foreign investor is allowed to open Renminbi special accounts for designated usage in relation to making equity investment in a PRC enterprise or receiving Renminbi proceeds from distribution (dividends or otherwise) by its PRC subsidiaries. The PBoC FDI Measures also state that the foreign debt quota of a foreign invested enterprise constitutes its Renminbi debt and foreign currency debt from its offshore shareholders, offshore affiliates and offshore financial institutions, and a foreign invested enterprise may open a Renminbi account (人民幣一般存款戶口) to receive its Renminbi proceeds borrowed offshore by submitting the Renminbi loan contract to the commercial bank and make repayments of principal of and interest on such debt in Renminbi by submitting certain documents as required to the commercial bank.

CNH INDUSTRIAL FINANCE EUROPE S.A.

Business and Incorporation

CNH Industrial Finance Europe S.A. (“CIFE”) was formed as a company with limited liability (*société anonyme*) under the laws of the Grand-Duchy of Luxembourg on September 29, 2010, for an unlimited duration. CIFE was originally named Fiat Industrial Finance Europe S.A., but its name was changed effective October 14, 2013. Its registered office is at 24, Boulevard Royal, L-2449 Luxembourg, Grand-Duchy of Luxembourg, its telephone number is +352 26 73 211, and it is registered in the Luxembourg trade and company register (*Registre de Commerce et des Sociétés de Luxembourg*) under number B-155849. The articles of incorporation of CIFE have been published in the *Mémorial C, Journal Officiel du Grand-Duché de Luxembourg, Recueil des Sociétés et Associations* under number C. 2185 of October 15, 2010. The articles of incorporation of CIFE were amended on December 17, 2010. Such amendment has been published in the *Mémorial C, Journal Officiel du Grand-Duché de Luxembourg, Recueil des Sociétés et Associations* under number 546 of March 23, 2011. The articles of incorporation of CIFE were amended on October 14, 2013 to reflect the change of the name of CIFE from “Fiat Industrial Finance Europe S.A.” to “CNH Industrial Finance Europe S.A.” Such amendment and the coordinated articles of incorporation of CIFE have been filed with the Luxembourg trade and company register. Such amendment has been published in the *Mémorial C, Journal Officiel du Grand-Duché de Luxembourg, Recueil des Sociétés et Associations* under number 2623 of October 22, 2013.

CIFE, which is wholly owned by CNH Industrial Finance S.p.A. (previously named Fiat Industrial Finance S.p.A.), which in turn is a wholly owned subsidiary of CNH Industrial, provides cash management and treasury services to the CNH Industrial Group’s companies and serves as the central treasury vehicle for the CNH Industrial Group in the international financial markets. Its object, according to Article 3 of its articles of incorporation, is the holding of shares in other companies and/or enterprises and the direct and/or indirect financing of the companies and/or enterprises in which it holds interests, or which are members of the Group.

The issued share capital of CIFE is €50,000,000, represented by 10,000 shares without par value.

Directors

CIFE is managed by a board of directors comprising three members. The names of the directors are listed below:

<u>Name</u>	<u>Position on Board</u>
Stefania Saini	Chairman
Alessandro Meinero	Director
Tom Loesch	Director

The business address for the board of directors is 24, Boulevard Royal, L-2449 Luxembourg, Grand-Duchy of Luxembourg.

The directors of CIFE do not hold any relevant positions outside CIFE and/or the CNH Industrial Group that are significant with respect to CIFE, and there are no potential conflicts of interest of the members of the board of directors between their duties to CIFE and their private interests and/or other duties.

CIFE’s independent auditors are Ernst & Young S.A. – Cabinet de révision agréé.

There are no recent events particular to CIFE which are to a material extent relevant to the evaluation of CIFE’s solvency.

CIFE is in compliance with those corporate governance laws of the Grand-Duchy of Luxembourg to which it may be subject, if any.

**SELECTED FINANCIAL INFORMATION RELATING TO
CNH INDUSTRIAL FINANCE EUROPE S.A.**

The following financial information has been extracted from the audited annual financial statements of FIFE (which has been renamed and is also referred to herein as CIFE) as of December 31, 2012 and 2011 and for the financial years then ended. Both sets of financial statements have been prepared in accordance with the Luxembourg legal and regulatory requirements.

BALANCE SHEETS

	As at December 31,	
	2012	2011
(in Euro)	(Audited)	
Assets		
Fixed assets		
Intangible assets.....	343,416	156,061
Tangible assets		
Other fixtures and fittings, tools and equipment	147,851	129,027
Current assets		
Debtors		
Amounts owed by affiliated undertakings		
Becoming due and payable after less than one year	6,547,126,542	6,002,916,492
Becoming due and payable after more than one year.....	415,036,930	235,738,672
	<u>6,962,163,472</u>	<u>6,238,655,164</u>
Other debtors		
Becoming due and payable after less than one year	37,456	4,898
Cash at bank and in hand	1,054,179,719	977,789,986
Prepayments	48,160,630	72,748,320
Total assets	<u>8,065,032,544</u>	<u>7,289,483,456</u>
Liabilities		
Capital and reserves		
Subscribed capital	50,000,000	50,000,000
Reserves		
Legal reserve	243,000	–
Other reserves	1,215,600	–
Profit or loss brought forward	2,012,345	(1,375,910)
Result for the financial year	1,775,486	4,846,855
Total shareholders' equity	<u>55,246,431</u>	<u>53,470,945</u>
Provisions		
Provisions for taxation.....	2,139,418	1,415,956

(in Euro)	As at December 31,	
	2012	2011
	(Audited)	
Non subordinated debts		
Debenture loans		
Non-convertible loans		
Becoming due and payable after less than one year	103,458,904	102,766,393
Becoming due and payable after more than one year.....	2,200,000,000	2,200,000,000
	2,303,458,904	2,302,766,393
Amounts owed to credit institutions		
Becoming due and payable after less than one year	1,496,769,871	890,750,494
Amounts owed to affiliated undertakings		
Becoming due and payable after less than one year	4,157,080,035	3,973,262,876
Other creditors		
Becoming due and payable after less than one year	228,780	971,151
Deferred income	50,109,105	66,845,641
Total liabilities and shareholders' equity	8,065,032,544	7,289,483,456

PROFIT AND LOSS ACCOUNTS

(in Euro)	Year ended December 31,	
	2012	2011
	(Audited)	
Charges		
Staff costs		
Wages and salaries.....	602,035	398,556
Social security costs	89,969	54,347
	692,004	452,903
Value adjustments		
On formation expenses and on tangible and intangible fixed assets.....	116,713	55,763
Other operating charges	1,267,933	1,450,466
Interest payable and similar charges		
Concerning affiliated undertakings	54,071,804	51,760,731
Other interest payable and similar charges	189,890,945	180,956,339
	243,962,749	232,717,070
Tax on profit or loss	769,789	1,433,616
Profit for the financial year	1,775,486	4,846,855
Total charges	248,584,674	240,956,673
Income		
Income from financial current assets		
Derived from affiliated undertakings.....	221,846,254	215,652,515
Other income	1,258,003	3,490,041
	223,104,257	219,142,556
Other interests and other financial income		
Derived from affiliated undertakings.....	16,781,857	152,835
Other interest receivable and similar income	8,698,560	21,661,282
	25,480,417	21,814,117
Total income	248,584,674	240,956,673

CNH INDUSTRIAL FINANCE NORTH AMERICA, INC.

Business and Incorporation

CNH Industrial Finance North America (“CIFNA”) was incorporated in the State of Delaware on October 12, 2010 and has a perpetual duration. CIFNA was originally incorporated as Fiat Industrial Finance North America, Inc., but its name was changed effective October 14, 2013. Its taxpayer identification number is 36-4679957 and its registered office is at 1209 Orange Street, Wilmington, County of New Castle, Delaware, United States of America and its telephone number is +1 212 207-0910.

CIFNA is a wholly owned subsidiary of CNH Industrial Finance S.p.A. (previously named Fiat Industrial Finance S.p.A.), which is in turn a wholly owned subsidiary of CNH Industrial. CIFNA provides cash management and treasury services to the CNH Industrial Group’s companies in the United States.

The authorised share capital of CIFNA is represented by 5,000 common shares without par value. The issued capital consists of 2,500 common shares without par value.

Directors

CIFNA is managed by a board of directors comprising three members. The names of the directors are set out below:

<u>Name</u>	<u>Position on Board</u>
Andrea Paulis	Director
Douglas Scott MacLeod	Director
Mario Bruni	Director

The business address of the board of directors is 7, Times Square Tower, Suite 4306, New York, NY 10036, United States of America.

The directors of CIFNA do not hold any relevant positions outside CIFNA and/or the CNH Industrial Group that are significant with respect to CIFNA, and there are no potential conflicts of interest of the members of the board of directors between their duties to CIFNA and their private interests and/or other duties.

CIFNA’s independent auditors are Ernst & Young LLP.

There are no recent events particular to CIFNA which are to a material extent relevant to the evaluation of CIFNA’s solvency.

CIFNA is in compliance with those corporate governance laws of the State of Delaware to which it may be subject, if any.

**SELECTED FINANCIAL INFORMATION RELATING TO
CNH INDUSTRIAL FINANCE NORTH AMERICA, INC.**

The following financial information has been extracted from the audited annual financial statements of FIFNA (which has been renamed and is also referred to herein as CIFNA) as of December 31, 2012 and 2011 and for the financial years then ended. Both sets of financial statements have been prepared in accordance with IFRS.

STATEMENTS OF FINANCIAL POSITION

	As at December 31,	
	2012	2011
(in thousands of U.S. dollars)	(Audited)	
Assets		
Cash and cash equivalents	298,377	803,785
Amounts owed by affiliated companies	1,301,341	816,048
Prepaid expenses and other assets	693	1,540
Total assets	1,600,411	1,621,373
Liabilities and stockholder's equity		
Liabilities:		
Bank borrowings	182,028	474,206
Borrowings from affiliated companies	1,388,353	1,113,370
Financial derivatives – at fair value	414	6,636
Accrued expenses and other liabilities	1,571	688
Total liabilities	1,572,366	1,594,900
Stockholder's equity:		
Capital stock (no par value; authorized 5,000 shares; 2,500 shares outstanding)	25,000	25,000
Retained earnings	3,045	1,473
Total stockholder's equity	28,045	26,473
Total liabilities and stockholder's equity	1,600,411	1,621,373

STATEMENTS OF COMPREHENSIVE INCOME

	Year ended December 31,	
	2012	2011
(in thousands of U.S. dollars)	(Audited)	
Revenues:		
Interest income	20,189	29,865
Other income	242	100
Total revenues	20,431	29,965
Expenses:		
Interest expense	11,117	21,880
General and administrative expenses	959	984
Other expenses.....	5,451	4,380
Total expenses	17,527	27,244
Income before provision for income taxes	2,904	2,721
Provision for income taxes	1,332	1,248
Net income	1,572	1,473

STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY

(in thousands of U.S. dollars, except share information)

	Capital Stock		Retained Earnings	Total Stockholder's Equity
	Shares	Amount		
Balance – January 1, 2011	2,500	25,000	–	25,000
Net income	–	–	1,473	1,473
Balance – December 31, 2011	2,500	25,000	1,473	26,473
Net income	–	–	1,572	1,572
Balance – December 31, 2012	2,500	25,000	3,045	28,045

STATEMENTS OF CASH FLOWS

	Year ended December 31,	
	2012	2011
(in thousands of U.S. dollars)	(Audited)	
Cash flows from operating activities		
Net income.....	1,572	1,473
<i>Adjustments to reconcile net income to cash flows (used in) / provided by operating activities</i>		
Net increase / decrease in operating assets:		
Increase in amounts owed by affiliated companies.....	(492,856)	(782,908)
Increase in borrowings from affiliated companies	275,236	1,112,748
Accrued interest, net	996	(753)
Change in other assets and liabilities	1,730	(860)
Net cash flow (used in) / provided by operating activities	(213,322)	329,700
Cash flows from financing activities		
Net (decrease) / increase in bank borrowings	(292,086)	474,085
Net cash flow (used in) / provided by financing activities	(292,086)	474,085
Net (decrease) / increase in cash and cash equivalents	(505,408)	803,785
Cash and cash equivalents at beginning of the year	803,785	—
Cash and cash equivalents at end of the year	298,377	803,785
Operational cash flows from interest		
Interest paid	11,395	17,964
Interest received.....	21,449	25,025
Income taxes	335	1,272

THE CNH INDUSTRIAL GROUP

The group consisting of CNH Industrial and its direct and indirect subsidiaries (the “CNH Industrial Group” or the “Group”) is a global leader in the capital goods sector with a significant industrial base, technological excellence in customer solutions, an extensive product range and a worldwide presence. The Group is engaged in the design, production, marketing, sale and financing of agricultural and construction equipment, trucks, commercial vehicles, buses and specialised vehicles for firefighting, defense and other uses, as well as engines and transmissions for those vehicles and engines for marine and power generation applications. The Group was formed as a result of the Merger of Fiat Industrial S.p.A. (“Fiat Industrial”) and its majority-owned subsidiary, CNH Global N.V. (“CNH Global”), which was completed on September 29, 2013. The Fiat Industrial Group was formed through the demerger of Fiat S.p.A.’s capital goods activities, as further described under “ – *Demerger of Fiat Industrial from Fiat*” below.

CNH Industrial was incorporated as a public limited liability company (*naamloze vennootschap*) under the laws of the Netherlands on November 23, 2012 for the purpose of facilitating the closing of the Merger, and CNH Industrial is the successor entity to Fiat Industrial and CNH Global. CNH Industrial was originally named FI CBM Holdings N.V. but its name was changed effective September 29, 2013. Under its current Articles of Association, CNH Industrial has an unlimited duration. CNH Industrial’s corporate seat (*statutaire zetel*) is in Amsterdam, the Netherlands, and its principal office is located at Cranes Farm Road, Basildon, Essex SS14 3AD, United Kingdom. Its telephone number is +44 1268295359 and it is registered in the Amsterdam Chamber of Commerce (*Kamer van Koophandel*) under number 56532474.

The ordinary shares of CNH Industrial have been admitted to listing on the New York Stock Exchange and on the *Mercato Telematico Azionario* since September 30, 2013. Beneficial interests in CNH Industrial ordinary shares that are traded on the New York Stock Exchange are held through the book-entry system provided by The Depository Trust Company (“DTC”) and are registered in the register of shareholders in the name of Cede & Co., as DTC’s nominee. Beneficial interests in CNH Industrial ordinary shares that are traded on the Italian Stock Exchange’s *Mercato Telematico Azionario* are held through Monte Titoli S.p.A., the Italian central clearing and settlement system, as a participant in DTC.

The Group’s business is organised into the following segments:

- *Agricultural and Construction Equipment* (referred to herein as “Agricultural and Construction Equipment,” the “CNH Segment” or “CNH”), producing agricultural equipment such as tractors and combine harvesters under the Case IH Agriculture, New Holland Agriculture and Steyr brands and construction equipment such as excavators, loaders and backhoes under the Case Construction and New Holland Construction brands. The CNH Segment also provides financial services to its customers and dealers.
- *Trucks and Commercial Vehicles* (referred to herein as “Trucks and Commercial Vehicles,” the “Iveco Segment” or “Iveco”), offering a range of commercial vehicles under the Iveco brand, buses under the Iveco Bus (previously Iveco Irisbus) and the Heuliez Bus brands and firefighting and special purpose vehicles under the Magirus, Iveco Astra and Iveco Defence Vehicles brands. The Iveco Segment also provides financial services to its customers and dealers.
- *Powertrain* (referred to herein as “Powertrain,” the “FPT Industrial Segment” or “FPT Industrial”), producing engines and transmissions for commercial vehicles, agricultural and construction equipment and for marine and other industrial applications.

Sources of information relating to competition issues

The market share, ranking and other industry and market data discussed below, or included in sections entitled “*Selected Financial and Statistical Information Relating to the CNH Industrial Group*” and “*CNH Industrial Group Financial Review*” herein, have been extracted from a variety of official, non-official and internal sources believed by each Issuer and the Guarantor to be reliable. In particular:

- the Agricultural and Construction Equipment market estimates are generally based on: retail unit sales in North America; equipment registrations in most of Europe, in Brazil, and in other markets; customer/dealer sales data collected by central information bureaus appointed by manufacturers' associations including the Association of Equipment Manufacturers in North America, the Committee for European Construction Equipment in Europe, the *Associação Nacional dos Fabricantes de Veículos Automotores* in Brazil, the Japanese Construction Equipment Manufacturers' Association in Japan and the Korea Construction Equipment Manufacturers' Association in Korea; other data collected by independent research firms (notably, IHS Global Insight). Not all agricultural/construction equipment is registered and data could therefore represent substantial underestimates of actual retail industry unit sales, particularly for China, Southeast Asia, Eastern Europe, Russia, Turkey, Brazil and countries where deliveries are not officially registered. In addition, there may also be a period of time between the shipment, delivery, sale and/or registration of a unit, which must be estimated in making any adjustments to the shipment, delivery, sale, or registration data to determine estimates of retail unit data in any period;
- information relating to the Trucks and Commercial Vehicles markets and market position therein has been taken from several official, non-official and internal sources, as well as elaborations of such data and internal estimates. The third-party sources used include: the European Automobile Manufacturers' Association, Brazil-*Associação Nacional dos Fabricantes de Veículos Automotores*, Italy-*Ministero delle Infrastrutture e dei Trasporti*, France-*Association Auxiliaire des Automobiles*, Germany-*Kraftfahrzeug Bundesamt*, Spain-*Dirección General de Tráfico* and the United Kingdom-*Society of Motor Manufacturers and Traders*.

DEMERGER OF FIAT INDUSTRIAL FROM FIAT

Effective January 1, 2011, Fiat S.p.A. ("Fiat") completed the demerger of a portion of its assets and liabilities to Fiat Industrial (the "Demerger"), as further described below.

The Demerger consisted of the transfer by Fiat of a portion of its assets and liabilities to Fiat Industrial in the form of a *scissione parziale proporzionale* (in accordance with Article 2506 of the Italian Civil Code). More specifically, under the Demerger, Fiat transferred its shareholdings in companies operating in the agricultural and construction equipment as well as in the trucks and commercial vehicles segments, together with FPT Powertrain Technologies' "Industrial & Marine" business line, along with certain liabilities, to Fiat Industrial, which was incorporated on July 15, 2010 as a preliminary step to the transaction.

THE MERGER OF FIAT INDUSTRIAL AND CNH GLOBAL

On May 30, 2012, Fiat Industrial invited the board of directors of CNH Global, in which Fiat Industrial held an approximately 87% stake, to explore the benefits of a merger of the two companies into a newly-incorporated holding company organised in the Netherlands, or a similar structure, at exchange ratios to be established at market and determined based upon the undisturbed market prices of the shares of each of Fiat Industrial and CNH Global (identified as the period in March/April 2012 before the matter was first raised publicly). The objective of the proposed transaction was to simplify the Group's capital structure by creating a single class of liquid stock, listed in New York and in Europe (subsequently identified as the Italian Stock Exchange in Milan), and to enable full integration of the businesses represented by CNH Global, Iveco and FPT Industrial, thereby establishing a true peer to the major North American-based capital goods players in both scale and capital markets appeal.

On November 25, 2012, following completion of negotiations between Fiat Industrial and the special committee of CNH Global formed by independent and unconflicted members of the board of directors of CNH Global, Fiat Industrial and CNH Global entered into a definitive merger agreement (the "Merger Agreement") to combine their respective businesses in the Merger. The Merger Agreement provided that (i) each of Fiat Industrial and CNH Global would merge into a newly-formed company organised under the laws of the Netherlands (*i.e.*, CNH Industrial), and (ii) in the Merger, the shareholders of Fiat Industrial would receive one share of CNH Industrial for each share of Fiat Industrial held and the shareholders of CNH Global would receive 3.828 CNH Industrial shares for each share of CNH Global held.

Pursuant to the Merger Agreement, the Merger would be carried out through the completion of three mergers, as described below:

- (i) a cross-border merger of Fiat Netherlands Holding N.V. (“FNH”), a wholly-owned subsidiary of Fiat Industrial incorporated under Dutch law with and into Fiat Industrial, prior to the completion of the Merger (the “FNH Merger”);
- (ii) a cross-border reverse merger of Fiat Industrial with and into FI CBM Holdings N.V. (which was renamed CNH Industrial effective September 29, 2013) a company incorporated under Dutch law (the “FI Merger”); and
- (iii) a domestic Dutch merger of CNH Global with and into FI CBM Holdings N.V. (which was renamed CNH Industrial effective September 29, 2013) (the “CNH Merger”).

All the companies (*i.e.*, Fiat Industrial, FI CBM Holdings N.V., FNH and CNH Global) involved in the reorganisation process contemplated by the Merger Agreement were part of the Fiat Industrial Group. In particular: (i) FNH was a wholly-owned direct subsidiary of Fiat Industrial; (ii) FI CBM Holdings N.V. was a wholly-owned direct subsidiary of Fiat Industrial; and (iii) CNH Global was a direct subsidiary of Fiat Industrial (which owned approximately 87% of CNH Global’s capital stock).

In accordance with the Merger Agreement, on December 28, 2012, CNH Global paid a cash dividend of US\$10.00 per share of CNH Global to the minority shareholders of CNH Global.

In accordance with the Merger Agreement, CNH Industrial implemented a loyalty voting structure, pursuant to which the shareholders of each of Fiat Industrial and CNH Global that were present or represented by proxy at the respective shareholders’ meetings to consider the Merger, and that continued to hold their shares until completion of the Merger, were able to elect to receive one CNH Industrial special voting share for each CNH Industrial common share they were entitled to receive in the Merger. For additional information, see “*Management and Corporate Governance – Loyalty Voting Structure.*”

On February 21, 2013, the board of directors of Fiat Industrial approved the merger plans (i) relating to the FNH Merger, and (ii) relating to the FI Merger, after having reviewed the merger plan relating to the CNH Merger. On February 25, 2013, the board of directors of CNH Global approved the merger plan relating to the CNH Merger.

The Merger was approved by the shareholders of each of Fiat Industrial and CNH Global at extraordinary general shareholders’ meetings held on July 9, 2013 and July 23, 2013, respectively. The Fiat Industrial shareholders who did not vote in favour of the Merger were entitled to exercise cash exit rights pursuant to applicable Italian laws and regulations, including Article 2437, paragraph 1, letter (c) of the Italian Civil Code. However, Fiat Industrial did not pay any amounts to shareholders exercising their exit rights in connection with the Merger as all of their shares were purchased by other holders who voted in favor of the Merger.

On July 30, 2013, Fiat Industrial executed a deed of merger in relation to the FNH Merger, whereby FNH was merged into Fiat Industrial effective August 1, 2013. The Merger was completed on September 29, 2013, following the effectiveness of the deed of merger relating to the reverse merger of Fiat Industrial with and into CNH Industrial and the execution of the deed of merger relating to the merger of CNH Global with and into CNH Industrial, respectively, on September 28, 2013 and on September 29, 2013.

Upon the closing of the Merger, CNH Industrial issued 1,348,867,772 common shares to the shareholders of Fiat Industrial and of CNH Global on the basis of the relevant exchange ratios. In particular, as set forth in the Merger Agreement, the shareholders of Fiat Industrial received one common share of CNH Industrial for each ordinary share of Fiat Industrial held and the shareholders of CNH Global received 3.828 CNH Industrial common shares for each common share of CNH Global held.

Furthermore, upon completion of the Merger, CNH Industrial issued overall 474,474,276 special voting shares to the shareholders of Fiat Industrial and CNH Global who, having duly elected to receive such special voting shares, were eligible to receive them.

As a result of the Merger, CNH Industrial, under universal succession, has succeeded to and assumed by operation of law all of the obligations, rights, interests and liabilities of Fiat Industrial (including the obligations, rights, interests and liabilities of FNH assumed by Fiat Industrial upon consummation of the FNH Merger) and CNH Global, including all of the obligations, rights, interests and liabilities of Fiat Industrial and CNH Global pursuant to the guarantees such companies have issued in the past in the interests of their subsidiaries (including guarantees issued by Fiat Industrial under its global medium-term note programme).

INDUSTRY OVERVIEW – AGRICULTURAL AND CONSTRUCTION EQUIPMENT

Agricultural Equipment

The operators of food, livestock and grain producing farms, as well as independent contractors that provide services to such farms, purchase most agricultural equipment. The key factors influencing sales of agricultural equipment are the level of net farm income and, to a lesser extent, general economic conditions, interest rates and the availability of financing. Net farm income is primarily impacted by the volume of acreage planted, commodity and/or livestock prices and stock levels, the impacts of fuel ethanol demand, crop yields, farm operating expenses (including fuel and fertilizer costs), fluctuations in currency exchange rates, and government subsidies. Farmers tend to postpone the purchase of equipment when the farm economy is declining and to increase their purchases when economic conditions improve. Weather conditions are a major determinant of crop yields and therefore also affect equipment buying decisions. In addition, geographical variations in weather from season to season may affect sales volumes differently in different markets. Government policies may affect the market for CNH Segment's agricultural equipment by regulating the levels of acreage planted, with direct subsidies affecting specific commodity prices, or with other payments made directly to farmers. Global organisation initiatives, such as those of the World Trade Organization, also can affect the market with demands for changes in governmental policies and practices regarding agricultural subsidies, tariffs and acceptance of genetically modified organisms such as seed, feed and animals.

Demand for agricultural equipment also varies seasonally by region and product, primarily due to differing climates and farming calendars. Peak retail demand for tractors and tillage machines occurs in March through June in the Northern hemisphere and in September through December in the Southern hemisphere. Dealers generally order harvesting equipment in the Northern hemisphere in the late fall and winter so they can receive inventory prior to the peak retail selling season, which generally extends from March through June. In the Southern hemisphere, dealers generally order between August and October so they can receive inventory prior to the peak retail selling season, which extends from November through February. The CNH Segment's production levels are based upon estimated retail demand which takes into account, among other things, the timing of dealer shipments (which occur in advance of retail demand), dealer inventory levels, the need to retool manufacturing facilities to produce new or different models and the efficient use of manpower and facilities. Production levels are adjusted to reflect changes in estimated demand and dealer inventory levels. However, because production and wholesale shipments adjust throughout the year to take into account the factors described above, wholesale sales of agricultural equipment products in any given period may not reflect the timing of dealer orders and retail demand for that period.

Customer preferences regarding farming practices, and thus product types and features, vary by region. In North America, Australia and other areas where soil conditions, climate, economic factors and population density allow for intensive mechanised agriculture, farmers demand high capacity, sophisticated machines equipped with the current technology. In Europe, where farms are generally smaller than those in North America and Australia, there is greater demand for somewhat smaller, yet equally sophisticated, machines. In the developing regions of the world where labour is more abundant and infrastructure, soil conditions and/or climate are not conducive to intensive agriculture, customers prefer simple, robust and durable machines with lower acquisition and operating costs. In many developing countries, tractors are the primary, if not the sole, type of agricultural equipment used, and much of the agricultural work in such countries that cannot be performed by tractors is carried out by hand. A growing number of part-time farmers, hobby farmers and customers engaged in landscaping, municipality and park maintenance, golf course and roadside mowing in Western Europe and North America also prefer simple, low-cost agricultural equipment. The

CNH Segment's position as a geographically diversified manufacturer of agricultural equipment and its broad geographic network of dealers allow it to provide customers in each significant market with equipment that meets their specific requirements. Major trends in the North American and Western European agricultural industries include a reduction in number but growth in size of farms, supporting increased demand for higher capacity agricultural equipment. In Latin America and in other emerging markets, the number of farms is growing and mechanisation is replacing manual labour. Government subsidies are a key income driver for farmers raising certain commodity crops in the United States and Western Europe. The level of support can range from 10% to over 30% of the annual income for these farmers in years of low global commodity prices or natural disasters. The existence of a high level of subsidies in these markets for agricultural equipment reduces the effects of cyclicity in the agricultural equipment business. The effect of these subsidies on agricultural equipment demand depends to a large extent on the U.S. Farm Bill and programmes administered by the United States Department of Agriculture, the Common Agricultural Policy of the European Union and World Trade Organization negotiations. Additionally, the Brazilian government subsidises the purchase of agricultural equipment through low-rate financing programmes administered by *Banco Nacional de Desenvolvimento Economico e Social* (BNDES). These programmes can greatly influence sales.

Global demand for renewable fuels increased considerably in recent years driven by consumer preference, government renewable fuel mandates, renewable fuel tax and production incentives. Biofuels, which include fuels such as ethanol and biodiesel, have become one of the most prevalent types of renewable fuels. The primary type of biofuel supported by government mandates and incentives varies somewhat by region. North America and Brazil are promoting ethanol first and then biodiesel, while Europe is primarily focused on biodiesel.

The demand for biofuels has created an associated demand for agriculturally based feedstocks which are used to produce biofuels. Currently, most of the ethanol in the U.S. and Europe is extracted from corn, while in Brazil it is extracted from sugar cane. Biodiesel is typically extracted from soybeans and rape oil in the U.S. and Brazil, and from rapeseed and other oil seeds as well as food waste by-products in Europe. The use of corn and soybeans for biofuel has been one of the main factors impacting the supply and demand relationships for these crops, resulting in higher crop prices. The economic feasibility of biofuels is significantly impacted by the price of oil. As the price of oil rises, biofuels become a more attractive alternative energy source. The demand for biofuels and efforts to produce such fuels more efficiently increased in 2007 and 2008 as oil prices increased. Although oil prices temporarily declined during 2009, oil prices continued to escalate through 2010, 2011 and 2012, continuing to make biofuels an attractive alternative energy source. This relationship will, however, be impacted by government policy and mandates as governments around the world consider ways to combat global warming and potential energy crises in the future.

The increase in crop production for biofuels has also driven changes in the type of crops grown and in crop rotations. The most significant change in U.S. crop production was the increase in acreage devoted to corn, typically using land previously planted with soybeans and cotton. In addition, a change in crop rotation resulted in more acres of corn being planted. As a result, agricultural producers are faced with new challenges for managing crop residues and are changing the type of equipment they use and how they use it.

In the agricultural equipment market, full-year 2013 demand for tractors is expected to be up 5.0% to 10.0% and demand for combines is expected to be up 10.0% to 15.0%, as compared to 2012.

Agricultural demand trends in 2013 are expected to vary by segment and geographic location:

- for the tractor segment, NAFTA region demand is expected to be up 5.0% to 10.0%; demand in EMEA is expected to be flat to down 5.0%; demand in LATAM is expected to be up 15.0% to 20.0%; and demand in the APAC region is expected to be up 5.0% to 10.0%;
- for the combines, NAFTA region demand is expected to be up 5.0% to 10.0% compared with 2012, while demand in EMEA is expected to be flat to down 5.0%; LATAM demand is expected to be up 40.0% to 45.0%; and APAC demand is expected to be up 10.0% to 15.0%.

Construction Equipment

The construction equipment market served by the Group operating through the CNH Segment consists principally of two business lines: heavy construction equipment (the CNH Segment does not operate in the mining and the specialised forestry equipment markets), generally weighing over 12 metric tons, and light construction equipment, generally weighing under 12 metric tons.

In developed markets, customers tend to prefer more sophisticated machines equipped with the latest technology and features to improve operator productivity. In developing markets, customers tend to prefer equipment that is less costly and has greater perceived durability. In North America and Europe, where the cost of machine operators is higher relative to fuel costs and machine depreciation, customers emphasise productivity, performance and reliability. In other markets, where the relative costs for machine operators is lower, customers often continue to use equipment after its performance and efficiency have begun to diminish.

Customer demand for power capacity does not vary significantly from market to market. However, in many countries, restrictions on weight or dimensions, as well as road regulations or job site constraints can limit demand for larger machines.

Heavy Construction Equipment

Heavy construction equipment generally includes large wheel loaders and excavators, graders and dozers. Purchasers of heavy construction equipment include construction companies, municipalities, local governments, rental fleet owners, quarrying and mining companies, waste management companies and forestry-related concerns.

Sales of heavy construction equipment depend particularly on the expected volume of major infrastructure construction and repair projects such as highway, tunnel, dam and harbour projects, which depend on government spending and economic growth. Demand for aggregate mining and quarrying equipment is more closely linked to the general economy and commodity prices, while growing demand for environmental equipment is becoming less sensitive to the economic cycle. In North America, a portion of heavy equipment demand is linked to the development of new housing subdivisions, where the entire infrastructure needs to be created, thus linking demand for both heavy and light construction equipment. The heavy equipment industry generally follows macroeconomic cyclicalities, linked to GDP growth.

Light Construction Equipment

Light construction equipment includes skid-steer loaders, backhoe loaders and small wheel loaders and excavators. Purchasers of light construction equipment include contractors, residential builders, utilities, road construction companies, rental fleet owners, landscapers, logistics companies and farmers. The principal factor influencing sales of light construction equipment is the level of residential and commercial construction, remodelling and renovation, which is influenced in turn by interest rates and the availability of financing. Other major factors include the construction of light infrastructure, such as utilities, cabling and piping and maintenance expenditure. The principal use of light construction equipment is to replace relatively high-cost, slower manual work. Product demand in the United States and Europe has generally tended to mirror housing starts, but with lags of six to twelve months. In areas where labour is abundant and the cost of labour is inexpensive relative to other inputs, such as in Africa and Latin America, the light construction equipment market is generally small. These regions represent potential areas of growth for light construction equipment in the medium to long-term as labour costs rise relative to the cost of equipment.

Equipment rental is a significant element of the construction equipment market. Compared to the United Kingdom and Japan, where there is an established market for long-term equipment rentals as a result of favourable tax treatment, the rental market in North America and Western Europe (except for the U.K.) consists mainly of short-term rentals of light equipment to individuals or small contractors for which the purchase of equipment is not cost-effective or that need specialised equipment for specific jobs. In North America, the main rental product has traditionally been the backhoe loader and, in Western Europe, it has been the mini-excavator. As the market has evolved, a greater variety of light and heavy equipment products

have become available to rent. In addition, rental companies have allowed contractors to rent machines for longer periods instead of purchasing the equipment, enabling contractors to complete specific job requirements with greater flexibility and cost control. Large national rental companies can impact the market significantly, with purchase volumes being driven by their decisions to increase or decrease the sizes of their rental fleets based on rental utilisation rates.

As noted above, seasonal demand for construction equipment fluctuates somewhat less than for agricultural equipment. Nevertheless, in North America and Western Europe, housing construction generally slows during the winter months. North American and European industry retail demand for construction equipment is generally strongest in the second and fourth quarters.

In markets outside of North America, Western Europe and Japan, equipment demand may also be partially satisfied by importing used equipment. Used heavy construction equipment from North America may fulfil demand in the Latin American market and equipment from Western Europe may be sold to Central and Eastern European, North African and Middle Eastern markets. Used heavy and light equipment from Japan is mostly sold to other Southeast Asian markets, while used excavators from Japan are sold to almost every other market in the world. This flow of used equipment is highly influenced by exchange rates, the weight and dimensions of the equipment and the different local regulations in terms of safety and/or emissions.

The construction equipment industry has seen an increase in the use of hydraulic excavators and wheel loaders in excavation and material handling applications. In addition, the light equipment sector has grown as more manual labour is being replaced on construction sites by machines with a variety of attachments for specialised applications, such as skid steer loaders, mini-crawler excavators and telehandlers.

General economic conditions, infrastructure spending rates, housing starts, commercial construction and governmental policies on taxes, spending on roads, utilities and construction projects can have a dramatic effect on sales of construction equipment.

In the construction equipment market, full-year 2013 demand for light equipment is expected to be flat to down 5.0% and demand for heavy equipment is expected to be flat to down 5.0%, as compared to 2012.

Construction demand trends in 2013 are expected to vary by segment and geographic location:

- for the light equipment segment, demand in the NAFTA region is expected to be flat to up 5.0%; demand in EMEA is expected to be down 5.0% to 10.0%; demand in LATAM is expected to be up 5.0% to 10.0%; and demand in the APAC region is expected to be flat to down 5.0%;
- for the heavy equipment segment, in the NAFTA region demand is expected to be down 5.0% to 10.0%; in EMEA demand is expected to be down 5.0% to 10.0%; in LATAM demand is expected to be up approximately 5.0%, and demand in APAC is expected to be flat to down 5.0%.

INDUSTRY OVERVIEW – TRUCKS AND COMMERCIAL VEHICLES

Truck and Commercial Vehicles

The world truck market is generally divided into three segments: light (GVW up to 6 metric tons), medium (GVW 6 to 16 metric tons) and heavy (GVW of 16 metric tons and above). The technologies and production systems utilised in the heavy and medium segments of the market require more specialised engineering than those used in the light segment of the market (which has many engineering and design characteristics in common with the automobile industry). In addition, operators of heavy trucks often require vehicles with a higher degree of customisation than the more standardised products that serve the light and medium commercial vehicle market. Customers generally purchase heavy trucks for one of three primary uses: long distance haulage, construction haulage or distribution.

The regional variation in demand for commercial vehicles is influenced by differing economic conditions, levels of infrastructure development and geographical region, all of which lead to differing transport requirements.

Medium and heavy truck demand tends to be closely aligned with the general economic cycle and the capital investment cycle, particularly in more developed markets such as Europe, North America and Japan, as economic growth provides increased demand for haulage services and an incentive for transporters to invest in higher capacity vehicles and renew vehicle fleets. The product life cycle for medium and heavy trucks typically covers a seven to ten-year period.

Although economic cycles have a significant influence on demand for medium and heavy vehicles in emerging economies, the processes of industrialisation and infrastructure development have generally driven long-term growth trends in these countries. As a country's economy becomes more industrialised and its infrastructure develops, transport requirements tend to grow in response to increases in production and consumption. Developing economies, however, tend to display volatility in short-term demand resulting from government intervention, changes in the availability of financial resources and protectionist trade policies. In developing markets, demand for medium and heavy trucks increases when it becomes more cost-effective to transport heavier loads, especially as the infrastructure—primarily roads and bridges—becomes capable of supporting heavier trucks. At the same time, distribution requirements tend to grow in these markets, resulting in increased demand for light vehicles.

Demand for services and service-related products, including parts, is a function of the number of vehicles in use. Although that demand tends to decrease during periods of economic stagnation or recession, the after-sales market historically fluctuates less than the new vehicle market, helping reduce the impact of declines in new truck sales on the operating performance of full-line manufacturers, such as the Group's Iveco Segment.

In relation to forecasts on the trend of future demand for transportation of goods by road, it is the general view that this mode of transport, currently the predominant mode, will remain so in the future. Demand for services and service-related products, including parts, is a function of the number of vehicles in use. Although that demand tends to decrease during periods of economic stagnation or recession, the after-sales market is historically less volatile than the new vehicle market and, therefore, helps reduce the impact of declines in new vehicle sales on the operating results of full-line manufacturers.

Commercial vehicle markets are subject to intense competition based on initial sales price, cost and performance of vehicles over their life cycle (*i.e.*, purchase price, operating and maintenance costs and residual value of the vehicle at the end of its useful life), services and service-related products and the availability of financing options. High reliability and low variable costs contribute to customer profitability over the life of the vehicle and are important factors in an operator's purchase decision. Additional competitive factors include the manufacturer's ability to address customer transport requirements, driver safety, comfort and brand loyalty through the vehicle design.

In addition to its traditional European markets, the Iveco Segment has placed particular focus on development in Latin America, particularly Brazil – set to play an increasingly important role in the region's economic development due to its economic fundamentals – where Iveco intends to expand its presence through an increasingly extensive and technologically advanced product offering.

For 2013, demand for trucks and commercial vehicles is expected to be flat to down 5.0% in Europe. Demand in Latin America is expected to be up 5.0% to 10.0% compared to 2012. This increase is expected to be driven primarily by market recovery in Brazil, which began in the second half of 2012 in connection with a stimulus programme for the capital goods and is expected to continue throughout 2013, and the completion of Euro V regulation requirements.

Buses

The global bus market is segmented by number of seats, from a minimum of seven (small) to over 50 (heavy). The target market of the Iveco Segment includes urban and intercity buses and long-distance touring coaches. Operators in this market include three types of manufacturers: those specialised in providing chassis to bodybuilders, those that build bodies on chassis produced by third parties, and those like the Iveco Segment that produce the entire vehicle. However, the trend is for larger chassis manufacturers to

consolidate the two phases of production through acquisitions or local agreements with major body manufacturers.

The Iveco Segment's key customers in the heavy bus segment are tour and intercity bus service operators, whereas its principal customers in the city bus segment are the transport authorities in small and large urban areas.

Deregulation and privatisation of transport services in many markets has favoured concentration towards large private companies operating in one country, in more than one neighbouring countries or at an international level. Demand has increased for highly standardised, high-use products for large fleets, with financing and maintenance agreements or kilometric pricing. Deregulation and privatisation have also increased competition between large transport service companies, raising the level of vehicle use and increasing the choice of brands for operators in the sector.

Sales for urban and intercity buses are generally higher in the second half of the year, due to public entities budgeting process, tenders rules and buses production lead time.

INDUSTRY OVERVIEW – POWERTRAIN

The dynamics of the industrial powertrain business vary across the different market segments in which the various propulsion systems are used, and in many cases are particularly influenced by emission requirements. For vehicle applications, product development is driven by regulatory factors (*i.e.*, legislation on polluting emissions and, increasingly, CO₂ emissions), as well as the need to reduce total operating costs.

This, in turn, translates into customers seeking increasingly lighter and more efficient propulsion systems that enable increased load capacities and lower total cost of ownership.

For on-road applications in fully developed markets, where economy and infrastructure drive demand for local and haulage transportation, light duty engines (below 3.9 litres) and heavy duty engines (above 8 litres in displacement) constitute the majority of demand, while medium engines (3.9-6.7 litres in displacement) cover the majority of needs in developing markets. Demand for heavy engines is driven by general economic conditions, capital investments, industrialisation and infrastructure development.

In the bus market, demand is increasingly influenced by the environmental policies of governments and local authorities (*i.e.*, requirements for natural gas and hybrid solutions).

For the off-road market, engines in the 50 hp to 300 hp output range are dominant in all major markets worldwide, with demand for high-power engines predominantly in the European and American markets. Demand for off-road applications in the construction business is driven by general economic factors and the level of public investments in infrastructure, which affects the need for replacement of old equipment and investments in more innovative solutions to boost productivity. The demand for off-road applications in the agricultural business is affected by similar drivers as the construction business, and is in addition dependent on the level of net farm income.

CNH Industrial believes that the evolution in emission regulations in Europe, the U.S. and Asia (Euro VI, Stage IV and Tier 4 full) presents an opportunity for FPT Industrial to gain competitive advantage through top level performance derived from technological solutions developed for engines and after-treatment systems (such as its High Efficiency SCR technology). The increasing trend among middle-sized original equipment manufacturers (“OEMs”) to outsource engine development as a result of the significant R&D expenditures required to meet the new emission requirements, presents an opportunity for FPT Industrial to increase sales to third-party customers. This is furthermore strengthened by the need of engine manufacturers to supplement their available range with certain engines sourced from third-party suppliers.

The on-road market has some minimal local fluctuation during the year, tempered by the geographical distribution of FPT's customer base, while the off-road market usually has a seasonal decline between November and January.

AGRICULTURAL AND CONSTRUCTION EQUIPMENT

The Group operating through the CNH Segment is a global, full-line leader in both the agricultural and construction equipment industries, with leading positions in many significant geographic and product categories in both of these industries. The CNH Segment's global scope and scale includes integrated engineering, manufacturing, marketing and distribution of equipment on five continents.

The CNH Segment markets its products globally through two highly recognised brand families, Case and New Holland. Case IH Agriculture (along with Steyr in Europe) and New Holland Agriculture make up the agricultural equipment brand family. Case and New Holland Construction make up the construction equipment brand family.

The CNH Segment also offers a range of financial products and services to dealers and customers in North America, Brazil, Australia and Western Europe. The principal products offered are retail financing for the purchase or lease of new and used CNH equipment and wholesale financing to dealers.

As of December 31, 2012, the CNH Segment had approximately 33,800 employees and 37 manufacturing plants (including three operated under joint ventures) and distributed its products in approximately 170 countries through a network of approximately 11,500 dealers and distributors.

Businesses

A discussion of the business operations and product lines of the CNH Segment follows:

Agricultural Equipment

The CNH Segment's agricultural equipment product lines are sold primarily under the Case IH and New Holland brands and, in Europe, under the Steyr brand. In addition, a large number of light construction equipment products are sold to agricultural equipment customers.

In order to capitalise on customer loyalty to dealers and the CNH Segment's brands, relative distribution strengths and historical brand identities, CNH Industrial continues to use the Case IH (and Steyr for tractors in Europe only) and New Holland brands. CNH Industrial believes that these brands enjoy high levels of brand identification and loyalty among both customers and dealers. Although the CNH Segment's new generation tractors have a high percentage of common mechanical components, each brand and product remains differentiated by features, colour, interior and exterior styling and model designation. Flagship products such as row crop tractors and large combine harvesters may have significantly greater differentiation. Distinctive features that are specific to a particular brand such as the Supersteer® axle for New Holland, the Case IH tracked four wheel drive tractor, Quadtrac®, and front axle mounted hitch for Steyr remain an important part of each brand's unique identity.

The CNH Segment's agricultural equipment product lines include tractors, combine harvesters, hay and forage equipment, seeding and planting equipment, tillage equipment and sprayers. The CNH Segment also specialises in other key market segments like cotton picker packagers and sugar cane harvesters, where Case IH is a worldwide leader, and in self-propelled grape harvesters, where New Holland is a worldwide leader. The CNH Segment's brands each offer a complete range of parts and support services for all of their product lines. The CNH Segment's agricultural equipment is sold with a limited warranty that typically runs from one to three years.

Construction Equipment

The CNH Segment's construction equipment product lines are sold primarily under the Case and New Holland Construction brands. Case provides a wide range of products on a global scale, including a crawler excavator that utilises technology from Sumitomo. The New Holland Construction brand family also markets a full product line of construction equipment in most regions.

The CNH Segment's products often share common components to achieve economies of scale in manufacturing, purchasing and development. The CNH Segment differentiates these products based on the

relative product value and volume in areas such as technology, design concept, productivity, product serviceability, colour and styling to preserve the unique identity of each brand.

The CNH Segment's heavy construction equipment product lines include crawler and wheeled excavators, wheel loaders, graders and dozers for all applications. Light construction equipment product lines include backhoe loaders, skid steer and tracked loaders, mini and midi excavators, compact wheel loaders and telehandlers. The CNH Segment's brands each offer a complete range of parts and support services for all of their product lines. The CNH Segment's construction equipment is sold with a limited warranty that typically runs from one to two years.

In May 2010, CNH Global sold its interest in LBX Company LLC to S.C.M. (America), Inc., an affiliate of Sumitomo (S.H.I.) Construction Machinery Co., Ltd., to concentrate efforts on its key construction brands. In March 2011, CNH Global acquired full ownership of L&T Case Equipment Private Limited, an unconsolidated joint venture established in 1999 to manufacture and sell construction and building equipment in India. The company operates a production facility in Pithampur, India, and currently builds backhoe loaders and vibratory compactors. Effective December 31, 2012, the initial term of CNH Global's global alliance with Kobelco Construction Machinery Co., Ltd. ("Kobelco") and Kobe Steel Ltd. ("KSL") expired and CNH entered a new phase of non-exclusive licensing and supply agreements. Subject to the terms of existing agreements, CNH Industrial, operating through the CNH Segment, will continue to manufacture excavators, based on current Kobelco technology, in the CNH Segment's plants and purchase select models of whole goods from Kobelco as well as component parts until at least December 31, 2017. With the end of the initial term of the global alliance, CNH sold its 20% ownership interest in Kobelco to KSL and has unwound its co-ownership with Kobelco of certain companies formed in connection with the global alliance. In addition, the territory and marketing restrictions in the Americas and EAME & CIS expired on December 31, 2012 and such restrictions expired in APAC on July 31, 2013. CNH Industrial, operating through the CNH Segment, continues to evaluate its construction equipment business with a view toward increasing efficiencies and profitability as well as evaluating its strategic alliances to leverage its position in key markets.

Financial Services

The CNH Segment's financial service business ("Financial Services") offers a range of financial products and services to dealers and customers in North America, Brazil, Australia and Europe. The principal products offered are retail financing for the purchase or lease of new and used CNH Segment equipment and wholesale financing to dealers. Wholesale financing consists primarily of floor plan financing and allows dealers to purchase and maintain a representative inventory of products. In addition, Financial Services provides financing to dealers for equipment used in dealer-owned rental yards, parts inventory, working capital and other financing needs. In addition, Financial Services purchases equipment from dealers that is leased to retail customers under operating lease agreements. As a captive finance company, Financial Services is reliant on the operations of the CNH Segment, its dealers, and end-use customers. As of December 31, 2012, Financial Services managed a portfolio of receivables of approximately \$18.9 billion. North America accounts for 62.0% of the managed portfolio, Western Europe 20.0%, Brazil 12.0% and Australia 6.0%. In some regions, Financial Services also provides insurance, commercial revolving accounts and other financial products and services to end-use customers and the CNH Segment dealer network.

Financial Services supports the growth of the CNH Segment equipment sales and builds dealer and end-user loyalty. The CNH Segment's strategy is to grow a core financing business to support the sale of its equipment by improving its portfolio credit quality, service levels, operational effectiveness and customer satisfaction. The CNH Segment works to develop and structure financial products with the objective of increasing equipment sales and generating Financial Services' income. Financial Services also offers products to finance non-CNH equipment sold through the CNH Segment's dealer network or within the core businesses of agricultural or construction equipment. Financed non-CNH equipment includes used equipment taken in trade on the CNH Segment's products or equipment used in conjunction with or attached to the CNH Segment's equipment.

Customer Financing

Financial Services has certain retail underwriting and portfolio management policies and procedures that are specific to the agricultural equipment and construction equipment businesses. This distinction allows the CNH Segment to reduce risk by deploying industry-specific expertise in each of these businesses. The CNH Segment provides retail financial products primarily through the CNH Segment dealers, who are trained in the use of the various financial products. Dedicated credit analysis teams perform retail credit underwriting. The terms for financing equipment retail sales (other than smaller items financed with unsecured revolving charge accounts) typically provide for retention of a security interest in the equipment financed. Financial Services' guidelines for minimum down payments for both agricultural and construction equipment generally range from 15% to 30% of the actual sales price, depending on equipment types, repayment terms and customer credit quality. Finance charges are sometimes waived for specified periods or reduced on certain equipment sold or leased in advance of the season of use or in other sales promotions. Financial Services generally receives compensation from the applicable CNH Segment equipment business equal to a competitive interest rate for periods during which finance charges are waived or reduced on the retail notes or leases. The cost is accounted for as a deduction in arriving at net sales for the equipment business.

Dealer Financing

Financial Services provides wholesale floor plan financing for nearly all of the CNH Segment's dealers, which allows them to acquire and maintain a representative inventory of products. It also provides some working capital and real estate loans on a limited basis. For floor plan financing, the CNH Segment's equipment businesses generally provide a fixed period of "interest-free" financing to their dealers. This practice helps to level fluctuations in factory demand and provides a buffer from the impact of sales seasonality. After the "interest-free" period, if the equipment remains in dealer inventory, the dealer pays interest costs. Financial Services generally receives compensation from the CNH Segment's equipment businesses equal to a competitive interest rate for the "interest-free" period.

A wholesale underwriting group reviews dealer financial information and payment performance to establish credit lines for each dealer. In setting these credit lines, Financial Services seeks to meet the reasonable requirements of each dealer while managing its exposure to any one dealer. The credit lines are secured by the equipment financed. Dealer credit agreements generally include a requirement to repay the particular loan at the time of the retail sale. Financial Services employees or third-party contractors conduct periodic stock audits at each dealership to confirm that financed equipment is still in inventory. These audits are unannounced and the frequency of these audits varies by dealer and depends on the dealer's financial strength, payment history and prior performance.

Sources of Funding

The long-term profitability of Financial Services' activities largely depends on the cyclical nature of the agricultural and construction equipment industries, interest rate volatility and the ability to access funding on competitive terms. Financial Services funds its operations and lending activity through a combination of term receivable securitisations, committed asset-backed and unsecured facilities, secured and unsecured borrowings asset sales, affiliated financing and retained earnings. CNH Industrial, through the CNH Segment, will continue to evaluate alternative funding sources to help ensure that Financial Services maintains access to capital on favourable terms in support of this business, including through new funding arrangements, joint venture opportunities, vendor programmes or a combination of the foregoing.

Sales and Distribution

The CNH Segment sells and distributes its products through approximately 11,500 full-line dealers and distributors in approximately 170 countries. The CNH Segment's dealers are almost all independently owned and operated. Dealers typically sell either agricultural equipment or construction equipment, although some dealers sell both. Construction equipment dealers tend to be fewer in number and larger in size than agricultural equipment dealers. In the United States, Canada, Mexico, most of Western Europe, Brazil and Australia, the CNH Segment's products are generally distributed directly through the independent dealer

network. In the rest of the world, products are initially sold to independent distributors who then resell them to dealers, in order to take advantage of their knowledge of the market and minimize marketing costs.

Consistent with its brand promotion programme, the CNH Segment generally seeks to have dealers sell a full product range (such as tractors, combines, hay and forage equipment, crop production equipment and parts). Typically, greater market penetration is achieved where each dealer sells the full line of products from only one of the brands. Although appointing dealers to sell more than one brand is not part of the CNH Segment's business model, some joint dealers exist, either for historic reasons or in limited markets where it is not feasible to have a separate dealer for each brand. In some cases, dealerships are operated under common ownership but with separate points of sale for each brand.

Exclusive, dedicated dealers generally provide a higher level of market penetration. Some dealers in the United States, Germany and Australia may sell more than one brand of equipment, including models manufactured by the Group's competitors. Elsewhere, dealers generally do not sell products that compete with CNH products, but may sell complementary products manufactured by other suppliers in order to complete their product offerings, or where there was a historical relationship with another product line that existed before that product was available through the CNH Segment, or to satisfy local demand for a particular specialty product.

A strong dealer network with wide geographic coverage is a critical element in the CNH Segment's success. The CNH Segment works to enhance its dealer network through the expansion of its product lines and customer services, including enhanced financial services offerings, and an increased focus on dealer support. To assist dealers in building rewarding relationships with their customers, focused customer satisfaction programmes were introduced and it is expected that customer input will be incorporated into the relevant product development and service delivery processes.

As the equipment rental business becomes a more significant factor in both agricultural and construction equipment markets, the CNH Segment is continuing to support its dealer network by facilitating sales of equipment to the local, regional and national rental companies through its dealers as well as by encouraging dealers to develop their own rental activities. A strong dealer service network is required to maintain the rental equipment and to help ensure that the equipment remains at peak performance levels both during its life as rental equipment and afterward when resold into the used equipment market. The CNH Segment has launched several programmes to support its dealer service and rental operations, including training, improved dealer standards, financing, and advertising. As the rental market is a capital-intensive sector and sensitive to cyclical variations, the CNH Segment expands such activities gradually, with special attention to managing the resale of rental units into the used equipment market by its dealers, who can utilise this opportunity to improve their customer base and generate additional parts business.

CNH Industrial believes that it is generally more cost-effective to distribute its products through independent dealers, although the CNH Segment maintains a limited number of company-owned dealerships in some markets. As of December 31, 2012, 12 company-owned dealerships, primarily in North America and Europe were operated by the CNH Segment. The CNH Segment also operates a selective dealer development programme in territories with growth potential but underdeveloped CNH brand representation that typically involves a transfer of ownership to a qualified operator through a buy-out or private investments after a few years.

Parts and Services

The quality and timely availability of parts and services are important competitive factors for the CNH Segment's business, as they are significant elements in overall dealer and customer satisfaction and important considerations in a customer's original equipment purchase decision. The CNH Segment supplies a complete range of parts, many of which are proprietary, to support items in its current product line as well as for products sold in the past. As many of the products the CNH Segment sells have economically productive lives of up to 20 years when properly maintained, each unit sold has the potential to produce a long-term parts and services revenue stream for both the CNH Segment and its dealers.

As of December 31, 2012, 22 parts depots worldwide, either directly or through arrangements with warehouse service providers were operated and administered by the CNH Segment. This network includes 10 parts depots in North America, 7 in Europe, 3 in Latin America and 2 in Australia. In addition, the CNH Segment's EAME & CIS and APAC regions' operations are supported by 9 depots, of which 4 are in China, 3 in India, 1 in Russia and 1 in Uzbekistan. These depots supply parts to dealers and distributors, which are responsible for sales to retail customers. These parts depots and the CNH Segment's parts delivery systems provide customers with access to substantially all of the parts required to support the products the CNH Segment sells.

In December 2009, a 50-50 joint venture, CNH Reman LLC, was formed for full-scale remanufacturing and service operations in the United States. The joint venture primarily remanufactures engine, engine components, driveline, hydraulic, rotating electrical and electronic products. The joint venture is focused on serving the North American agricultural and construction equipment industries. Remanufacturing is a way to support sustainable development and gives customers the opportunity to purchase high quality replacement assemblies and components at reduced prices.

Joint Ventures

As part of a strategy to enter and expand in new markets, the Group is also involved in several commercial joint ventures, including the following:

- the Group owns 50% of New Holland HFT Japan Inc. ("HFT"), which distributes its products in Japan. HFT imports and sells the full range of New Holland agricultural equipment;
- in Russia, the Group owns 50% of CNH-Kamaz Industrial B.V., which manufactures certain New Holland agricultural and construction equipment;
- the Group owns 51% of CNH-Kamaz Commercial B.V., which distributes and services agricultural and construction equipment for the Russian market;
- in Pakistan, the Group owns 43% of Al Ghazi Tractors Ltd., which manufactures and distributes New Holland tractors;
- in Turkey, the Group owns 37% of Turk Traktor ve Ziraat Makineleri A.S., which manufactures and distributes various models of both New Holland and Case IH tractors; and
- in Mexico, the Group owns 50% of CNH de Mexico S.A. de C.V., which manufactures New Holland agricultural equipment and distributes equipment for all of the CNH Segment's major brands through one or more of its wholly-owned subsidiaries.

Effective December 31, 2012, the initial term of CNH Global's global alliance with Kobelco expired.

Product Innovation

The CNH Segment continuously reviews opportunities for the expansion of its product lines and the geographic range of its activities. The CNH Segment is committed to improving product quality and reliability using a "Customer Driven Product Definition" process to create solutions based on customer needs and to delivering the greatest competitive advantage. These improvements include continuing engine development, combining the introduction of new engines to meet stricter emissions requirements with additional innovations anticipated to refresh its product line. In addition, the CNH Segment's enhanced product innovations coupled with its initiatives to improve dealer and customer support should enable the CNH Segment to more fully capitalise on its market leadership positions in significant geographic markets and product categories.

Competition

The agricultural and construction equipment industries are highly competitive. The CNH Segment's agricultural and construction equipment competes with: (i) large global full-line suppliers with a presence in

every market and a broad range of products that cover most customer's needs, (ii) manufacturers who are product specialists focused on particular industry segments on either a global or regional basis, (iii) regional full-line manufacturers that are expanding worldwide to build a global presence, and (iv) local, low-cost manufacturers in individual markets, particularly in emerging markets such as Eastern Europe, India and China.

The Group believes that it has a number of competitive strengths that enable it to improve its position in markets where it is already well established while it directs additional resources to markets and products with high growth potential. The CNH Segment's competitive strengths include well-recognised brands, a full range of competitive products, a strong global presence and distribution network, and dedicated financial services capabilities. The Group believes that multiple factors influence a buyer's choice of equipment. These factors include the strength and quality of the distribution network, brand loyalty, product features and performance, availability of a full product range, the quality and pricing of products, technological innovations, product availability, financing terms, parts and warranty programmes, resale value and customer service and satisfaction. The CNH Segment continually seeks to improve in each of these areas, but focuses primarily on providing high-quality and high-value products and supporting those products through its dealer networks. In both the agricultural and construction equipment industries, buyers tend to favour brands based on experience with the product and the dealer. Customers' perceptions of product value in terms of productivity, reliability, resale value and dealer support are formed over many years.

The efficiency of the CNH Segment's manufacturing, logistics and scheduling systems depends on forecasts of industry volumes and its share of industry sales, which is predicated on its ability to compete successfully with others in the marketplace. The CNH Segment competes on the basis of product performance, customer service, quality and price. The environment remains competitive from a pricing standpoint, but actions taken to maintain its competitive position in the current difficult economic environment could result in lower than anticipated price realisation.

The financial services industry is highly competitive. Financial Services competes primarily with banks, finance companies and other financial institutions. Typically, this competition is based upon the financial products and services offered, customer service, financial terms and interest rates charged. Financial Services' ability to compete successfully depends upon, among other things, the availability and competitiveness of funding resources, developing competitive financial products and services, and licensing or other governmental regulations.

The CNH Segment's principal competitors in the agricultural equipment segment are John Deere, AGCO (including the Massey Ferguson, Fendt, Valtra and Challenger brands), Claas, the Argo Group (including the Landini, McCormick and Valpadana brands), the Same Deutz Fahr Group (including the Same, Lamborghini, Hurlimann and Deutz brands) and Kubota. The CNH Segment's principal competitors in the construction equipment segment are Caterpillar, Komatsu, JCB, Hitachi, Volvo, Terex, Liebherr, Doosan and John Deere.

TRUCKS AND COMMERCIAL VEHICLES

The Iveco Segment designs, produces and sells a full range of light, medium and heavy trucks and commercial vehicles to meet a wide array of professional needs. The Iveco Segment sells trucks for the transportation and distribution of goods under the Iveco brand, commuter buses and touring coaches under the Iveco Bus (previously Iveco Irisbus) and the Heuliez Bus brands, quarry and mining equipment under the Iveco Astra brand, fire-fighting vehicles under the Iveco brand and vehicles for civil defence and peace-keeping missions under the Iveco Defence Vehicles brand. The Iveco Segment offers customers worldwide after-sales support and advanced financial services solutions for the purchase, lease or rental of its vehicles.

The Iveco Segment has a long tradition of innovation for both vehicles and engines (being the first company to introduce turbo on its entire range of diesel engines, the first to use common-rail technology and the first to launch Euro V-compliant vehicles). The Iveco Segment vehicles offer the latest technologies from the FPT Industrial Segment, applied to a comprehensive range of diesel and alternative engines, including compressed natural gas ("CNG"), biofuel and hybrid technologies and electric propulsion engines.

As of December 31, 2012, the Iveco Segment had approximately 26,300 employees, operated 20 manufacturing plants in 10 countries (primarily in Europe, Latin America and Australia), and had 18 R&D centres. The Iveco Segment products are also manufactured at 12 other plants (mainly in China and Russia) operated by joint ventures. Through approximately 5,000 sales and service centres in over 160 countries, the business can provide support in any geographic area where Iveco vehicles are at work.

In addition to its traditional European markets, the Iveco Segment has placed particular focus on development in Latin America, and in particular Brazil, where Iveco intends to expand its presence through an increasingly extensive and technologically advanced product offering. In China, Iveco has focused on expansion of its product range to increase its presence in the domestic market, with an offer of high quality products, as well as exporting production from its local joint ventures to other markets.

Businesses

A discussion of the business operations and product lines of the Iveco Segment is as follows:

Trucks and Commercial Vehicles

Under the Iveco brand, the trucks and commercial vehicles business offers a range of light (with gross vehicle weights (“GVW”), of 2.8 to 6 metric tons), medium (with GVWs of 6 to 16 metric tons), and heavy (with GVWs of 16 metric tons and above) trucks and commercial vehicles for both on-road and off-road use. The portfolio of products is complemented by a range of after-sales and used vehicles services.

Light vehicles include on-road vans and chassis cabs used for short and medium distance transportation and distribution of goods, off-road trucks for use in quarries and other work sites. Iveco also offers shuttle vehicles used by public transportation authorities, tourist operators, hotels and sports clubs and campers for holiday travel.

The medium and heavy vehicles product lines include on-road chassis cabs designed for medium and long distance hauling and distribution. Medium GVW off-road models are typically used for building roads, winter road maintenance, construction, transportation, maintenance of power lines and other installations in off-road areas, civil protection and roadside emergency service. Heavy GVW off-road models are designed to operate in any climate and on any terrain and are typically used to transport construction plant and materials, transport and mix concrete, maintain roads in winter and transport exceptionally heavy loads.

Iveco is the only manufacturer to offer eco-performing diesel and natural gas engines across its entire range. From light segment vehicles such as the Daily, to medium vehicles such as the Eurocargo, to heavy vehicles such as the Stralis and the Trakker, all Iveco vehicles are available with engines that meet the Enhanced Environmentally-friendly Vehicle standard, or EEV, the strictest emissions standard currently in effect in Europe.

Buses

Under the Iveco Bus and the Heuliez Bus brands, the buses business offers a complete range of local and inter-city commuter buses, minibuses, school buses and luxury and economy touring coaches, with around 8,800 units sold in 2012.

Iveco Bus is one of the major European manufacturers in the passenger transport sector. In addition, Iveco Bus is also steadily expanding its operations globally and now sells its products in more than 40 countries around the world, leveraging its continuous investment in research and development and the use of cutting-edge technology in its production processes. Iveco Bus works in cooperation with operators of public transport to test new fuels and vehicle design concepts, focusing in particular on environmental impact, passenger comfort and running costs.

Founded more than 90 years ago by Louis Heuliez, Heuliez Bus started by manufacturing coaches, and in the 1970s began producing buses for urban transport. Since then, Heuliez Bus has continued to grow, becoming a leader in France for the urban bus market. Today, it is a premium brand in the sector. With its

headquarters in France, Heuliez Bus is also present in Spain, Switzerland, Belgium, Luxembourg and the Netherlands.

Fire-Fighting and Other Special Vehicles

Magirus

For over 148 years, Magirus has manufactured vehicles designed to respond to natural disasters and civil emergencies, such as fires, floods, earthquakes and explosions. Magirus was established in 1864 by Conrad Magirus, commander of the fire brigade in Ulm, Germany and inventor of the first-ever fire-fighting ladder.

Today Magirus is one of the major groups in the global fire-fighting and emergency-response vehicles. Magirus collaborates actively with fire fighters and emergency workers around the world, seeking to develop the most advanced and reliable technological solutions.

Iveco Astra

Founded in 1946, the Astra brand has been owned by Iveco since 1986. Iveco Astra builds vehicles that can enter the most inaccessible quarries and mines and move large quantities of material, such as rock or mud, and perform heavy-duty tasks in extreme climatic conditions. The product range includes mining and construction vehicles, rigid and articulated dump trucks, and special vehicles.

Iveco Defence Vehicles

Iveco Defence Vehicles produces and sells purpose-built vehicles for defence and civil protection applications. The Lince, Iveco's flagship armoured vehicle, and the Freccia, a medium-weight armoured vehicle, are sold to armed forces around the world.

Financial Services

Iveco Capital offers a range of financial services to dealers and end-customers in the various regions in which it operates.

The principal products offered are lease and retail financing for the purchase of new and used Iveco vehicles. Moreover, Iveco Capital purchases vehicles from dealers that are leased to retail customers under operating lease agreements. In some jurisdictions, Iveco Capital also provides insurance and other financial products and services to end-use customers and its dealer network.

Additionally, Iveco Capital offers wholesale financing to dealers. Wholesale financing consists primarily of floor plan financing and allows dealers to purchase and maintain a representative inventory of products, and parts inventory.

As a captive finance company, Iveco Capital is reliant on the operations of the Iveco Segment, its dealers, and end-use customers. As of December 31, 2012, Iveco Capital managed a portfolio of receivables of approximately €4.2 billion, concentrated in Europe.

The financial services business supports the growth of Iveco vehicle sales and builds dealer and end-user loyalty. The Iveco Segment's strategy is to grow a core financing business to support the sale of its vehicles by improving its portfolio credit quality, service levels, operational effectiveness and customer satisfaction. Iveco Capital works to develop and structure financial products with the objective of increasing vehicle sales and generating financial services income.

Iveco Capital also offers on a limited basis products to finance non-Iveco vehicles and equipment sold through the Iveco Segment's dealer network. Financed non-Iveco vehicles and equipment includes used vehicles taken in trade on Iveco products or equipment used in conjunction with Iveco vehicles.

Customer Financing

Iveco Capital has certain retail underwriting and portfolio management policies and procedures that are specific to the trucks and commercial vehicles business. This distinction allows Iveco Capital to reduce risk by deploying industry-specific expertise in its business.

Iveco Capital provides retail financial products primarily through Iveco dealers, who are trained in the use of the various financial products. Dedicated credit analysis teams perform retail credit underwriting. The terms for financing vehicles retail sales typically provide for retention of a security interest in the vehicles financed.

Dealer Financing

Iveco Capital provides wholesale floor plan financing for nearly all of its dealers, which allows them to acquire and maintain a representative inventory of products. For floor plan financing, the trucks and commercial vehicles business generally provides a fixed period of “interest-free” financing to the dealer. This practice helps to level fluctuations in factory demand and provides a buffer from the impact of sales seasonality. After the “interest-free” period, if the equipment remains in dealer inventory, the dealer pays interest costs. Iveco Capital generally receives compensation from the trucks and commercial business equal to a competitive interest rate for the “interest-free” period.

A wholesale underwriting group reviews dealer financials and payment performance to establish credit lines for each dealer. In setting these credit lines, Iveco Capital seeks to meet the reasonable requirements of each dealer while managing its exposure to any one dealer. The credit lines are secured by the equipment financed or by other collateral. Dealer credit agreements generally include a requirement to repay the particular loan at the time of the retail sale. Iveco Capital employees or third-party contractors conduct periodic stock audits at each dealership to confirm that financed equipment is still in inventory. The frequency of these audits varies by dealer and depends on the dealer’s financial strength, payment history and prior performance.

Sources of Funding

The long-term profitability of Iveco Capital’s activities largely depends on the cyclical nature of the trucks and commercial vehicles industries, interest rate volatility and the ability to access funding on competitive terms. Iveco Capital continues to evaluate funding sources to help ensure that financial services maintains access to capital on favourable terms in support of this business, including through new funding arrangements, joint venture opportunities, vendor programmes or a combination of the foregoing.

Since 2005, in Italy, Germany, France, the United Kingdom and Switzerland, financial services activities for both end-customers and dealers have been managed by Iveco Finance Holdings Limited (“IFHL”), a joint venture with Barclays Group (accounted for under the equity method up to year-end 2011), in which Iveco held a 49% stake and Barclays Group a 51% stake. At the end of December 2011, Iveco and Barclays agreed to terminate the IFHL arrangements. Pursuant to those agreements, in May 2012 Iveco purchased the interest held by Barclays at a contractually agreed price (approximately €119.5 million). With regard to retail financing activities, the retail portfolio existing as of December 31, 2011 (with the exception of the Swiss market) had been funded by Barclays on a secured basis. In addition, since January 2012, the financial services activities for end-customers in Germany and France are performed through a vendor programme agreement with BNP Paribas, whereas part of the new retail portfolio in Italy is funded through an arrangement with Intesa Sanpaolo; the residual Italian portfolio as well as the United Kingdom and the Swiss ones are funded by the Group.

For the wholesale financing, funding is provided through a three-year pan-European securitisation programme arranged with Barclays.

In Spain, Iveco’s financing activities are managed by Transolver Finance Est. Financiero de Credito S.A., a joint venture with the Santander Group in which Iveco holds a 50% stake. The company offers both dealer and end-customer financing. Iveco Capital also provides medium and long-term rental services in Spain through Transolver Service S.A., a wholly-owned subsidiary.

In markets where Iveco Capital is not present with its own subsidiaries, the support to Iveco's sales and dealer network is provided through a number of vendor programmes.

Sales and Distribution

The Iveco Segment's worldwide distribution strategy is based on a network of independent dealers, in addition to its own dealerships and branches, aimed at providing high quality service combined with a widespread local presence. As of December 31, 2012, Iveco had 684 dealers globally (of which 25 were directly owned by Iveco), including 325 in Western Europe, 135 in Eastern Europe, 114 in Africa and the Middle East, 71 in Latin America and 39 in the Asia-Pacific region. 504 of those dealers sell trucks and commercial vehicles, 110 sell buses and 70 sell special vehicles. All of these dealers sell spare parts for the relevant vehicles. Iveco bolsters its distribution strategy by offering incentives to its dealers based on target achievements for sales of new vehicles and parts and providing high quality after-sales services.

Continuous strengthening of the sales network is a key element of the Iveco Segment's growth strategy. In Western Europe, Eastern Europe and Latin America, continued consolidation of the network is aimed at improving service to customers, increasing profitability and reducing overall distribution costs. In Africa and the Middle East, the distribution network is being expanded in order to fully exploit growth in these markets.

In the United Kingdom the rental market also contributes to Iveco's sales, as the Iveco Segment is one of selected OEM selling trucks and commercial vehicles to certain companies which offer rental and contract hire solutions, such as Ryder, Fraikin and Burntree, among the others.

In accordance with European legislation, dealers distribution contracts cover a specific reference area (but without any exclusivity in terms of territory) and are conditioned to qualitative standards compliance. Under the existing contracts, according to applicable law, multi-branding is allowed, even if, as matter of fact, their corporate identity is in general 100% Iveco.

Parts and Services

The quality and timely availability of parts and services are important competitive factors for the Iveco Segment's business. Iveco's after-sales services contribute to overall dealer and customer satisfaction and are important considerations in a customer's original equipment purchase decision. Iveco supplies a complete range of parts, many of which are proprietary, to support items in its current product line as well as for discontinued products. As of December 31, 2012, the Iveco Segment had 3,711 service outlets (2,536 of which were in Western Europe).

In addition to Iveco's standard one-year full vehicle warranty and two-year Powertrain warranty, which are extended in certain jurisdictions including the United Kingdom and Germany to match competitors' practices, Iveco offers personalised after-sales customer assistance programmes under its "Elements" programme. "Elements" provides a wide range of modular and flexible maintenance and repair contracts as well as warranty extension services to meet a variety of customers' needs and to support the vehicle's value over time. "Elements" maintenance and repair contracts are typically for a period of three to five years and subject to a mileage cap. Benefits of this service include the guaranteed use of original spare parts and the know-how and expertise of Iveco's professional network. Iveco also offers the Assistance Non-Stop service, which provides customers with access to multilingual professionals 24 hours a day.

At its service centres, Iveco uses advanced diagnostic tools, such as Easy Skite (a sophisticated endoscopic analysis system, that, by means of a small probe, inspects the most inaccessible parts of the vehicle and transmits images in real time, which can also be used remotely by Iveco specialists) and Easy Scope (a powerful, latest generation digital oscilloscope that displays changes in variables such as current and voltage over time).

Joint Ventures

In addition to its dealer network, the Iveco Segment is involved in several production and commercial joint ventures, as part of a strategy to enter and expand in emerging markets. These joint ventures include Naveco,

a well-established player in the Chinese light and medium truck and commercial vehicle market. Naveco is a 50/50 Chinese joint-venture of Iveco and the Nanjing Automotive Corporation, a subsidiary of the SAIC Group, which designs, produces and sells daily model and light trucks. A second and more recent Chinese joint-venture is SAIC Iveco Hongyan Commercial Vehicle, which designs, produces and sells heavy vehicles. Iveco also holds an interest in SAIC Fiat Powertrain Hongyan Ltd, a Chinese engine producer controlled by FPT Industrial (see “—Powertrain—Joint Ventures”) through a joint venture with SAIC Group.

Product Innovation

Product development is based on a series of structured processes, aimed at ensuring that design, development and production methods are oriented toward sustainable mobility, safe and ecological production processes and customer satisfaction. Product innovation is organised around four strategic priorities: the environment, safety, productivity and performance. Process innovation focuses on product development processes, virtual analysis, performance measurement and testing, and product-process integration. A commitment to product development, sustainable mobility and innovation are all key pillars in Iveco’s strategy. During 2012, Iveco continued development of new technologies and products that can make a significant contribution to the achievement of sustainable mobility. In 2012, Iveco also continued research into innovative technological solutions that will expand its range of eco-friendly, energy-efficient vehicles.

In 2012, Iveco and FPT Industrial presented the exclusive new High Efficiency SCR (Selective Catalytic Reduction) technology, designed to meet Euro VI standards in Europe (effective from January 1, 2014) and customer requirements in terms of reduced fuel consumption and operating costs. This patented technology developed by FPT Industrial enables vehicles to achieve strict Euro VI standards for nitrogen oxide emissions without resorting to exhaust gas recirculation. At the IAA in Hanover, Iveco showcased the “Iveco Dual Energy”, a hybrid diesel/electric LCV chassis prototype capable of switching energy source to adapt to the requirements of each individual mission. This vehicle is a further demonstration of Iveco’s commitment to the development of innovative solutions for sustainable mobility. This extremely flexible technology offers a choice between electric only propulsion—with almost zero local emissions and low noise levels—or hybrid (thermoelectric) propulsion which is suitable for long-distance and intercity travel and enables reductions in fuel consumption and CO₂ emissions of up to 25%.

At the end of February 2013, at the Transpotec Logitec 2013, the integrated logistics and transport expo held in Verona, Iveco showcased the new Euro VI version of the Stralis Hi-Way. The latest generation of Iveco’s on-road heavy truck range, the vehicle provides customers a number of major advantages including reduced fuel consumption, lower maintenance costs and enhancements in quality and reliability. The Stralis Hi-Way also features an all-new cab which offers enhanced driving comfort, the latest integrated telematic systems, improved customer service tools and innovative electronic safety systems. The vehicle is available with Euro V and VI Cursor diesel engines from FPT Industrial. The Euro VI engines incorporate FPT Industrial’s patented High Efficiency SCR technology, which conforms them to Euro VI emissions standards without sacrificing fuel efficiency. At the IAA in Hanover, where the vehicle was officially presented in 2012, the Stralis Hi-Way was named “International Truck of the Year 2013,” awarded on the basis of the evaluation of a group of journalists from 25 specialist commercial vehicle magazines across Europe. During 2013, the new Stralis Hi-Way was also presented at the CTT 2013, the construction equipment trade show in Moscow, as well as in Turkey and at the Brisbane Truck Show (BTS) in Australia.

In May 2013, at the UITP World Congress and Mobility & City Transport Exhibition in Geneva, Iveco officially presented the new URBANWAY city bus, the first Euro VI passenger vehicle.

Competition

In the Iveco Segment’s businesses, factors that influence a customer’s decision to buy a vehicle include product, parts and after-sales service availability, which is supported by the depth of the distribution network, price, features and performance of products; brand loyalty; technological innovations; availability and terms of financing; and resale value. The ability to meet or exceed applicable vehicle emissions standards as they take effect is also a key competitive factor, particularly in those markets where such standards are the subject of frequent legislative or regulatory scrutiny, such as Europe and North America.

The Iveco Segment business competes on the basis of product features and performance, customer service, quality and price. The Group believes that the Iveco Segment's competitive strengths include well-recognised brands, competitively priced products, technological innovations, a strong distribution and customer service network and dedicated financing for customers and dealers.

The financial services industry is highly competitive. Iveco Capital competes primarily with banks, finance companies and other financial institutions. Typically, this competition is based upon the financial products and services offered, customer service, financial terms and interest rates charged. Iveco Capital's ability to compete successfully depends upon, among other things, funding resources, developing competitive financial products and services and licensing or other governmental regulations.

In the trucks and commercial vehicles business, Iveco principally competes with major manufacturers that have similar product offerings such as:

- Daimler, whose brands include Mercedes-Benz, Mitsubishi Fuso, Freightliner, Western Star and Bharat-Benz (India);
- MAN, which sells products under the MAN brand;
- Paccar, whose brands include DAF, Kenworth, Ken Mex and Peterbilt;
- Scania, which sells products under the Scania brand; and
- The Volvo Group, which sells products under the Volvo, Renault, MACK and UD Trucks brands.

In the buses segment, Iveco Bus's and Heuliez Bus's principal competitors are Daimler (the Mercedes-Benz and Setra brands), Man (the Man and Neoplan brands), Scania and The Volvo Group.

In the firefighting business, Magirus's principal competitor in Europe is Rosenbauer International AG.

In the defence business, Iveco Defence Vehicles' principal competitors are Krauss-Maffei Wegmann GmbH & Co., Rheinmetall Defence, BAE Systems and General Dynamics.

In the heavy duty equipment business, Iveco's and Iveco Astra's principal competitors are Caterpillar Inc. and The Volvo Group.

POWERTRAIN

The FPT Industrial Segment is engaged in the development, production and distribution of propulsion systems for commercial and industrial applications, both on- and off-road, as well as engines for marine applications and power generation. The FPT Industrial Segment's strategy is focused on achieving technological excellence through continuous research and development of new technologies, reducing emissions and fuel consumption, and expanding sales to non-CNH Industrial Group customers.

The FPT Industrial Segment has 10 manufacturing sites and 6 R&D centres worldwide. In recent years it has developed a significant presence in the emerging markets, particularly in Brazil, Argentina and China. The FPT Industrial Segment offers a complete range of products worldwide. As of December 31, 2012, the FPT Industrial Segment had approximately 8,000 employees.

Products

Engines

The FPT Industrial Segment's product portfolio includes engines for buses and for light, medium and heavy commercial vehicles, engines for industrial machinery including construction, agricultural and irrigation equipment, engines for special-purpose vehicles and engines for power generation units and marine applications.

The FPT Industrial Segment's families of diesel engines, ranging in output from 15 hp to 1,006 hp, incorporate technological solutions including innovative architecture, multi-valve feed, electronically

controlled high pressure injection systems (common-rail systems, and, for some versions, injector pumps), efficient air handling systems, for example, variable and fixed-geometry turbochargers (including double-stage turbochargers) and sophisticated emission-control systems.

Beginning at the lower end of the range, the F5C family, with two different displacement (3.2 and 3.4 litres) has an output of up to 117 hp for industrial applications and power generation units. The F1 family, designed primarily for application on light commercial vehicles, has an output of up to 205 hp. For medium commercial vehicles and industrial applications, in both structural and non-structural versions, the NEF family, with 4 and 6 cylinders in 4 different displacements (from 3.9 to 6.7 litres), ranges in output from 76 hp to 300 hp. For heavy commercial vehicles and high-power industrial applications, the six cylinder CURSOR family, in five different displacements (from 7.8 to 12.9 litres), ranges in output from 245 hp to 675 hp. Completing FPT Industrial Segment's engines portfolio is the V8 cylinder VECTOR family, with outputs of up to 824 hp for agricultural applications and special purpose equipment.

Applying advanced technologies to achieve maximum performance with the minimum possible operating costs and environmental impacts, FPT Industrial engines are tailored to meet the needs of the broadest range of customers in each market.

Furthermore, the FPT Industrial Segment's engines match the growing worldwide demand for renewable and alternative fuels with a wide range of engines available in CNG, ethanol and hybrid versions, for light commercial vehicles employed in urban areas.

Emission regulations are becoming increasingly strict for both on-road (Euro VI and EPA 13) and off-road vehicles (Stage IV and Tier 4 full), particularly in relation to limits for nitrous oxides and particulate emissions, which are to be reduced 80% from current limits by the end of 2013 in Europe for on-road vehicles and 2014 for off-road vehicles. To meet these limits, the FPT Industrial Segment's technological solutions strive to provide enhanced results in terms of cost, packaging and fuel consumption for each segment of the market.

For example, the FPT Industrial Segment offers an external exhaust gas recirculation system combined with a diesel particulate filter for engines up to 205 hp for application on light commercial vehicles. For heavy-duty commercial applications, the FPT Industrial Segment has developed a selective catalyst reduction system (SCR), which processes exhaust gases using a catalysing liquid, lowering operating and maintenance costs.

This unique SCR solution is capable of meeting required emissions levels without the cost and bulk of an exhaust gas recirculation valve, and, in particular, for the off-road market, this solution is maintenance-free (no DPF).

The FPT Industrial Segment has a product range for leisure and professional marine engines that includes four product families and 28 models ranging in output from 15 hp to 825 hp. All engines benefit from advanced production technologies such as high-pressure common-rail and unit-injector ignition systems, complete electronic management with power and fuel consumption optimisation, low emissions, engine protection, diagnosis and safety programmes. FPT Industrial marine engines are manufactured to standards that include high specific output, reduced weight/power and volume/power ratios and low noise and exhaust gas emissions.

The FPT Industrial Segment is also active in the power generation field. A diverse array of technological solutions is capable of responding to a large number of different needs and can be adapted for applications ranging from emergency response to self-generation and rental units. The FPT Industrial Segment's engines for power generation applications are capable of outputs ranging from 44 hp to 1,006 hp and may be customised to the needs of customers such as banks, hospitals, shopping malls, public work and industrial sites and households. The new range of soundproof generator setups (self-contained and dedicated electrical generation systems for both rental and fixed installation) offer fuel efficiency, minimum maintenance requirements and low operating costs.

Transmissions and Axles

The FPT Industrial Segment currently produces a wide range of manual transmissions for light commercial vehicles, having either five or six gears, and ranging from 320 to 500 Nm. These transmissions are designed with power take-off that enables them to be used for applications requiring hydraulic power to drive specialised equipment, including compactors and cranes. Two new transmissions launched for the Euro 5/V (2835 and 2850), which both have six gears with double overdrive, were specifically designed to reduce weight and further enhance smoothness while shifting gears.

Furthermore, the FPT Industrial Segment boasts an extensive range of axle products to meet all customer requirements, including axle products for light commercial vehicles, such as the Daily, and axle products for heavy mining, construction and special vehicles designed by Iveco for military and fire-fighting use. The range includes single-reduction axles – in both single and twin-wheel versions – for loads of up to nine metric tons and double-reduction axles – in both single and tandem versions – for total loads on the tandem of up to 32 metric tons. The FPT Industrial's ongoing development of the range of axle products is focused on improving efficiency and upgrading the vehicle constraints, particularly in relation to the application of new braking systems (availability of both drum and disc brakes).

Sales and Distribution

In addition to the Group's captive customers, including the CNH Segment and the Iveco Segment, FPT Industrial's commercial strategy and business model are focused on the development of a portfolio of medium-to-large OEM customers. The FPT Industrial Segment has entered into long-term supply agreements with Claas, Perkins, Komatsu, Merlo, Carraro, LS Mtron, Argo Tractors and Dieci for off-road applications; Daimler-Fuso, VDL, Ford, Tata Daewoo, Hyundai Motors and Karsan for on-road applications; and Generac, Himoina and Greenpower for power generation applications.

In 2012, 31% of the engines sold by the FPT Industrial Segment were supplied to the Iveco Segment, 27% to the CNH Segment, and 42% to external customers (including Sevel, a light commercial vehicles joint venture of Fiat).

The FPT Industrial Segment has a network of 100 sales points and 1,300 service centres in 100 countries that cover its entire product range and related market sectors. Large OEMs use their own internal networks to obtain parts and services for purchased equipment, while small OEMs frequently rely on the FPT Industrial Segment for delivery of parts and services through the FPT Industrial Segment worldwide network.

Joint Ventures

CNH Industrial, through the FPT Industrial Segment, owns 30% (and, through the Iveco Segment, controls 60%) of SAIC Fiat Powertrain Hongyan Ltd ("SFH"), a manufacturing company located in Chongqing.

SFH produces diesel engines under license from FPT Industrial to be sold in the Chinese market (mainly to SIH and to be exported to Europe, USA and Latin America.)

Competition

Product competition is driven to a significant extent by developments in emission regulations in the various markets in which the FPT Industrial Segment's products are used.

The principal engine and transmission manufacturers with which FPT Industrial competes are:

- Cummins, which has a global manufacturing presence and a broad product portfolio, particularly in the on-road and construction equipment segments;
- Deutz, which is principally focused on off-road applications;
- Perkins (part of the Caterpillar group), which has a global manufacturing presence and service network and offers a comprehensive range of products;

- John Deere, which is principally focused on the off-road segment;
- Volvo Penta, which is principally focused on the marine engine and power generation segments;
- Weichai, the leader in the Chinese market; and
- Isuzu, which has a principal focus on the excavator market.

PROPERTY, PLANTS AND EQUIPMENT

As of December 31, 2012, the Group owned 64 manufacturing facilities, of which 14 were located in Italy. The remaining facilities are located principally in the United States, France, Brazil, Spain, Germany, Belgium, the United Kingdom, Poland, Canada, Argentina, China and India. The Group also owns other significant properties including spare parts centres, research laboratories, test tracks, warehouses and office buildings.

A number of the Group's manufacturing facilities (land and industrial buildings) are subject to mortgages and other security interests granted to secure indebtedness to certain financial institutions. This indebtedness equalled approximately €67 million at December 31, 2012, as compared to €45 million at the end of 2011.

The Group makes capital investments in the regions in which it operates principally related to initiatives to introduce new products, enhance manufacturing efficiency, improve capacity, and for maintenance and engineering. In 2012, the Group's total capital expenditures were €1,349 million, of which 24.1% was spent in North America, 17.2% in Latin America, and 58.7% in EAME & CIS and APAC. These capital expenditures were funded through a combination of cash generated from operating activities and borrowings under short-term facilities. In 2011, the Group's total capital expenditures were €993 million. The Group continually analyses the allocation of its industrial resources taking into account such things as relative currency values, existing and anticipated industry and product demand, the location of suppliers, the cost of goods and labour, and plant utilisation levels.

ENVIRONMENTAL AND OTHER REGULATORY MATTERS

The Group manufactures and sells its products and offers its services in several continents and numerous countries around the world. The Group's manufacturing facilities are subject to a variety of laws designed to protect the environment, particularly with respect to solid and liquid wastes, air emissions, energy usage and water consumption. The vehicles that the Group manufactures, and the engines that power them, must also comply with extensive regional (e.g., European Union), national and local laws and regulations, industry self-regulations (e.g., those of the European Automobile Manufacturers Association—ACEA), including those that regulate vehicle safety, end-of-life vehicles, emissions and noise.

The Group regularly monitors such requirements and adjusts affected operations. For additional information on the Group's policies on sustainability and environmental matters, see "*Management and Corporate Governance—Sustainability Practices.*"

Emissions

The Group has made, and expects that it may make additional, significant capital and research expenditures to comply with emission standards now and in the future. The Group anticipates that these costs are likely to increase as emission limits become more stringent. To the extent the timing and terms and conditions of laws and regulations governing air emissions (and the Group's relevant obligations) are clear, the Group has budgeted or otherwise made available funds that it believes will be necessary to comply with such laws and regulations. To the extent the timing and terms and conditions of such laws and regulations (and the Group's corresponding obligations) are uncertain, the Group is unable to quantify the amount of potential future expenditures and has not budgeted or otherwise made funds available.

Regulatory compliance of non-road equipment and engines in the United States is driven mainly by the U.S. Clean Air Act Amendments of 1990. In the European Union, certain directives regulate non-road mobile machinery and tractors. In various territories in Asia and Latin America, governments have either adopted

regulations concerning the emissions output of diesel engines and/or equipment or are contemplating regulations.

The regulations in these regions are generally less stringent than applicable United States or European Union regulations. The Group is actively developing vehicles propelled with alternative fuels (non-fossil fuels), in particular biofuels derived from biomass (*e.g.*, methane, ethanol). These investments are intended to prepare the Group to further reduce engine emissions in response to possible future evolution of the emissions legislation, particularly in Europe and North America. The use of biofuels will allow the Group to significantly reduce the emission of particulate matter as well as the net emission of CO₂ (the CO₂ released in the atmosphere while burning biofuels is partially offset by the CO₂ absorbed from the atmosphere by plants used as energy biomass).

Industry Certifications

Most of the Group's manufacturing operations voluntarily participate in the ISO 14001 certification process. Receipt of an ISO 14001 certification confirms that an organisation has a management system capable of keeping the environmental impact of its operations under control, and that it systematically seeks to improve this system in a way that is coherent, effective and, above all, sustainable. As of December 31, 2012, 36 of the Group's sites in Europe and 20 out of 22 of its sites elsewhere in the world had ISO 14001 certifications.

Government Stimulus Programmes for the Group's Products

Following the global financial crisis of 2008-2009 and the related economic downturn in many countries in which the Group operates, several governments established programmes designed to stimulate demand for certain categories of products, including products sold by the Group. Such stimulus programmes provided rebate or other purchase incentives or favourable tax treatment for the purchase of new vehicles or equipment and were also designed to promote the sale of new, more environmentally-friendly and fuel-efficient vehicles while removing less fuel-efficient vehicles from circulation. In addition, in 2012 both Brazil and China announced important infrastructure development programmes, which are resulting indirectly in increased demand for the Group's products in those countries. The duration of the programmes that remain in effect and the introduction, if any, of new programmes or government policies intended to stimulate the market for the Group's products or that indirectly stimulate demand for the Group's products and the effect of such policies on the Group's revenue generation are unpredictable.

Ergonomics and Safety

The Group focuses a relevant portion of its research and development resources on further improving the safety of its products, in compliance with regulation as it becomes applicable over time (*e.g.*, new EU Machinery Directive and new agricultural tractors regulation in Europe). Particular effort is devoted to protecting the health and safety of the machine operator and creating a friendly and ergonomic environment around him or her (vibration reduction through vehicle, air filtration, cab and seat suspensions, noise reduction, optimal visibility, easy to use and precise controls, complete and accurate information on large displays, automation of complex operations, braking electronic controls, rollover and falling objects protection structures, etc.).

Applicability of Banking Law and Regulation to Financing Services

Iveco Finanziaria S.p.A., Transolver Finance S.A., Iveco Finance GmbH, Iveco Capital Leasing IFN S.A., Afin Bulgaria EAD and Banco CNH Capital S.A., which provide financing services to the Group's customers, are regulated as banking institutions in the jurisdictions in which they operate. Iveco Finanziaria S.p.A., incorporated in Italy, is subject to the Bank of Italy's supervision. Transolver Finance S.A., incorporated in France, is subject to the supervision of the ACP (*Autorité de Contrôle Prudentiel*). CNH Financial Services S.a.s., incorporated in France, is subject to *Banque de France's* supervision. CNH Capital Europe S.a.s., incorporated in France, is subject to *Banque de France's* supervision. Iveco Finance GmbH, incorporated in Germany, is subject to the supervision of BAFIN, the German financial supervisory authority. Iveco Capital Leasing IFN S.A., incorporated in Romania, is subject to the National Bank of

Romania's supervision. Afin Bulgaria EAD, incorporated in Bulgaria, is subject to the National Bank of Bulgaria's supervision. Banco CNH Capital S.A., incorporated in Brazil, is subject to the Brazilian Central Bank's supervision. As a result, those companies are subject to regulation in a wide range of areas including solvency and capital requirements, reporting, customer protection and account administration, and other matters.

RESEARCH AND DEVELOPMENT

In a competitive environment characterised by continuous and rapid change, research activities are a vital component of the Group's strategy and its expansion programmes. The Group promotes reduced research and development periods to accelerate time-to-market while taking advantage of specialisations and experience in different markets. Synergies of skills and expertise and rapid technical communications form the basis of the Group's system of research and development.

The Group's expenditures on research and development in 2012 (including capitalised development costs and costs charged directly to operations during the year) totalled €895 million, or 3.6% of net revenues attributable to industrial operations. These research and development activities involved approximately 5,800 employees across 49 sites around the world.

The following table shows the Group's research and development expenditures, including capitalised development costs and costs charged directly to operations during the year, by business segment in the years ended December 31, 2012 and 2011:

(in millions of Euro)	Year ended December 31,	
	2012	2011
CNH	520	384
Iveco	289	254
FPT Industrial	86	0.1
Total	895	742

The Group owns a significant number of patents, trade secrets, licenses and trademarks related to its products and services, and expects the number to grow as the Group continues to pursue technological innovations. The Group files patent applications in Europe, the United States and around the world to protect technology and improvements considered important to the business. Certain trademarks contribute to the Group's identity and the recognition of its products and services and are an integral part of the Group's business, and their loss could have a material adverse effect on the Group.

EMPLOYEES

The Group's business is by nature labour intensive and this is reflected in the high number of blue-collar workers the Group employs. A large number of the Group's blue collar employees are based in European jurisdictions, and Italy in particular, where almost 30% of the Group's employees are based. In Italy, the workforce is subject to Law No. 300 of May 20, 1970, commonly referred to as the *Statuto dei Lavoratori* (or Workers' Charter), and related laws and regulations.

The following tables show the breakdown of the number of employees by segment and by region:

	At December 31,	
	2012	2011
CNH	33,826	32,693
Iveco	26,307	26,202
FPT Industrial.....	8,029	8,008
Other Activities.....	25	95
Total	68,257	66,998
	At December 31,	
	2012	2011
Italy.....	18,574	18,645
Europe (excluding Italy).....	23,578	22,875
North America	11,500	10,976
Mercosur ⁽¹⁾	9,663	9,655
Other regions	4,942	4,847
Total	68,257	66,998

(1) "MERCOSUR" means Argentina, Brazil, Paraguay, Uruguay and Venezuela.

At September 30, 2013, the Group had 70,644 employees, an increase of 2,387 over the 68,257 figures at year-end 2012. The change was attributable to an increase in permanent and fixed term workers for manufacturing activities mainly in Latin America, associated with higher production levels for both the agricultural equipment business and the trucks and commercial vehicle business. Other minor increases included net new hiring for the R&D and brand/commercial organisations. In addition, the change in scope of operations accounted for an increase of about 300 employees relating to the acquisitions of Trucks and Commercial Vehicles dealers mainly in Romania and in the UK.

At December 31, 2012, the Fiat Industrial Group had 68,257 employees, an increase of 1,259 over the 66,998 figure at year-end 2011. The change was partially attributable to the difference between new hires (approximately 8,100) and departures (approximately 7,150) during the year. The change in scope of operations accounted for an increase of around 300 employees, of which about 170 was attributable to the consolidation - from January 1, 2012 - of Iveco dealers acquired in France during 2011. The remaining increase over year-end 2011 was mainly due to net new hiring of white-collar employees, primarily in R&D, as well as in India and China, and in the brand/commercial activities. In the CNH Segment, manufacturing also registered an increase, particularly for the agricultural equipment business, both in Europe and in North America. Those increases were partially offset by a decrease in manufacturing employees at Iveco both in Latin America, mainly associated with weaker market conditions and affecting temporary workers, and in Europe, following the restructuring announced in May 2012.

LEGAL PROCEEDINGS

As a global company with a diverse business portfolio, CNH Industrial is exposed to numerous legal risks, particularly in the areas of product liability, competition and antitrust law, environmental risks and tax matters. The outcome of any current or future proceedings cannot be predicted with certainty. It is therefore possible that legal judgments could give rise to expenses that are not covered, or not fully covered, by insurers' compensation payments and could affect the Group's financial position and results.

As of December 31, 2012, contingent liabilities estimated by the Group amounted to approximately €39 million (compared to approximately €41 million as of December 31, 2011), for which no provisions have been recognised since an outflow of resources is not considered probable as of that date. Instead, when it is probable that an outflow of resources embodying economic benefits will be required to settle obligations and this amount can be reliably estimated, the Group recognises specific provision for this purpose.

Since January 2011, Iveco, together with certain of its competitors, has been subject to an investigation being conducted by the European Commission into certain business practices of the leading manufacturers of commercial vehicles in the European Union in relation to possible anti-competitive practices. It is not possible at the present moment to predict when and in what way these investigations will be concluded.

**SELECTED FINANCIAL AND STATISTICAL INFORMATION RELATING
TO THE CNH INDUSTRIAL GROUP**

The following tables set forth certain key financial and operating data for the CNH Industrial Group's predecessor, the Fiat Industrial Group, as of and for the financial years ended December 31, 2012 and 2011 and for the CNH Industrial Group as of and for the nine month periods ended September 30, 2013 and 2012, in each case (except for the financial information as of and for the nine months ended September 30, 2013) as restated to reflect retrospective application of the amendments to IAS 19 – *Employee Benefits* and IAS 1 – *Presentation of Financial Statements* that became effective and were adopted by the Group from January 1, 2013.

The financial information presented below has been extracted from the audited consolidated annual financial statements of the Fiat Industrial Group as of and for the financial years ended December 31, 2012 and 2011 and the unaudited consolidated financial statements of the CNH Industrial Group as of and for the nine month periods ended September 30, 2013 and 2012. Each of these financial statements are incorporated by reference herein.

The audited consolidated annual financial statements of the Fiat Industrial Group as of and for the financial years ended December 31, 2012, 2011 and 2010 have been prepared in accordance with IFRS. The unaudited consolidated financial statements of the CNH Industrial Group as of and for the nine months ended September 30, 2013 and 2012 have been prepared in accordance with IFRS as well as IFRS as adopted by the European Union. As of the date of this Base Prospectus, as applied to the financial statements of the Fiat Industrial Group and the CNH Industrial Group incorporated by reference herein, there is no difference between IFRS and IFRS as adopted by the European Union.

Investors are advised to review the full financial statements before making any investment decision.

	Nine months ended September 30,		Year ended December 31,	
	2013	2012⁽³⁾	2012⁽³⁾	2011⁽³⁾
(in millions of Euro, except employees numbers and earnings/(loss) per share)				
	(Unaudited)		(Audited)	
Net revenues	18,844	18,771	25,785	24,289
Trading profit/(loss).....	1,549	1,628	2,063	1,690
Operating profit/(loss).....	1,480	1,488	1,846	1,633
Profit/(loss) before taxes	1,207	1,220	1,460	1,162
Profit/(loss)	747	744	900	694
Attributable to:				
<i>Owners of the parent</i>	616	648	791	618
<i>Non-controlling interests</i>	131	96	109	76
Basic earnings/(loss) per common share (€) ⁽¹⁾	0.504	0.530		
Diluted earnings/(loss) per common share (€) ⁽¹⁾	0.504	0.530		
Basic and diluted earnings/(loss) per ordinary share (€) ⁽¹⁾			0.647	0.482
Basic and diluted earnings/(loss) per preference share (€) ⁽¹⁾				0.482
Basic and diluted earnings/(loss) per savings share (€) ⁽¹⁾				0.528
Investments in tangible and intangible assets	845	801	1,349	993
<i>of which: capitalised R&D costs</i>	356	367	533	400
R&D expenditure ⁽²⁾	640	627	895	742

	As of September 30, 2013	As of December 31, 2012⁽³⁾	2011⁽³⁾
	(Unaudited)	(Audited)	
Total assets	40,013	38,861	38,572
Net (debt)/cash	(17,855)	(15,994)	(14,549)
<i>of which: net industrial (debt)/cash</i>	(2,502)	(1,642)	(1,239)
Total equity	5,553	5,376	5,252
Equity attributable to owners of the parent	5,489	4,628	4,414
Employees (number).....	70,644	68,257	66,998

- (1) For the nine months ended September 30, 2013, basic earnings per share is presented separately from diluted earnings per share, because CNH Industrial has some equity instruments with dilutive effects; for this period, however, those effects have been immaterial. Before the Merger, Fiat Industrial did not have equity instruments with dilutive effects, and therefore there was no difference between basic earnings per share and diluted earnings per share.
- (2) The item includes capitalised R&D costs and R&D costs charged directly to the income statement.
- (3) Following the retrospective application of the amendment to IAS 19 from January 1, 2013, as required by IAS 1, the figures reported for the nine month period ended September 30, 2012 and the years 2012 and 2011 have been restated for comparative purposes. For additional information, see the section "Accounting standards, amendments and interpretations adopted from 1st January 2013" set forth in the Notes to the Interim Report.

Selected Data by Region

	Number of Companies		Number of Employees		Number of Plants		Number of R&D Centres		Revenues by Destination (in millions of Euro)	
	As of December 31,		As of December 31,		As of December 31,		As of December 31,		Year ended December 31,	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Italy	26	28	18,574	18,645	14	14	10	11	2,045	2,465
Europe (excluding Italy)....	133	138	23,578	22,875	23	24	18	19	8,204	7,971
North America.....	45	49	11,500	10,976	10	10	13	13	7,339	6,049
Mercosur ⁽¹⁾	10	9	9,663	9,655	9	8	5	4	3,850	4,106
Other regions.....	43	42	4,942	4,847	8	8	3	4	4,347	3,698
Total	257	266	68,257	66,998	64	64	49	51	25,785	24,289

(1) "MERCOSUR" means Argentina, Brazil, Paraguay, Uruguay and Venezuela.

Highlights by Sector

Operating	Net Revenues		Trading Profit/(Loss)		Operating Profit/(Loss)		Total Operating Assets		Total Liabilities	
	Year ended December 31,		Year ended December 31,		Year ended December 31,		As of December 31,		As of December 31,	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
(in millions of Euro)										
Agricultural and Construction Equipment (CNH)	16,056	13,896	1,554	1,153	1,517	1,180	22,448	21,079	18,255	17,094
Trucks and Commerical Vehicles (Iveco) ..	8,924	9,562	466	495	285	413	10,273	9,718	9,211	8,859
Powertrain (FPT Industrial)	2,933	3,220	141	107	141	106	1,911	1,954	1,226	1,390
Other Businesses and Eliminations	(2,128)	(2,389)	(98)	(65)	(97)	(66)	(528)	(604)	(428)	(488)
Total	25,785	24,289	2,063	1,690	1,846	1,633	34,104	32,147	28,264	26,855

	<u>Capital Expenditure⁽¹⁾</u>		<u>R&D Expenditure⁽²⁾</u>		<u>Number of Employees</u>	
	<u>Year ended December 31,</u>		<u>Year ended December 31,</u>		<u>As of December 31,</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
(in millions of Euro except employee numbers)						
Agricultural and Construction						
Equipment (CNH).....	758	494	520	384	33,826	32,693
Trucks and Commercial						
Vehicles (Iveco)	439	343	289	254	26,307	26,202
Powertrain (FPT Industrial) ..	151	155	86	104	8,029	8,008
Other Businesses and						
Eliminations	1	1	–	–	95	95
Total	1,349	993	895	742	68,257	66,998

(1) Expenditure on tangible and intangible assets (net of vehicles sold under buy-back commitments and leased).

(2) The item includes capitalised R&D costs and R&D costs charged directly to the income statement.

	<u>Net Revenues</u>		<u>Trading Profit/(Loss)</u>		<u>Operating Profit/(Loss)</u>	
	<u>Nine months ended September 30,</u>		<u>Nine months ended September 30,</u>		<u>Nine months ended September 30,</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
(in millions of Euro)						
Agricultural and						
Construction Equipment						
(CNH)	12,107	12,004	1,485	1,290	1,481	1,290
Trucks and Commercial						
Vehicles (Iveco)	6,063	6,226	7	299	(55)	158
Powertrain (FPT Industrial) ..	2,346	2,106	87	77	84	77
Other Businesses and						
Eliminations	(1,672)	(1,565)	(30)	(38)	(30)	(37)
Total	18,844	18,771	1,549	1,628	1,480	1,488

	<u>Total Operating Assets</u>		<u>Total Operating Liabilities</u>	
	<u>As of September 30, 2013</u>	<u>As of December 31, 2012</u>	<u>As of September 30, 2013</u>	<u>As of December 31, 2012</u>
	(in millions of Euro)			
Agricultural and Construction				
Equipment (CNH)	24,012	22,448	19,389	18,255
Trucks and Commercial Vehicles (Iveco)	10,599	10,273	8,651	9,211
Powertrain (FPT Industrial)	1,919	1,911	1,248	1,226
Other Businesses and Eliminations	(485)	(528)	(309)	(428)
Total	36,045	34,104	28,979	28,264

(in millions of Euro)

Agricultural and Construction				
Equipment (CNH)	24,012	22,448	19,389	18,255
Trucks and Commercial Vehicles (Iveco)	10,599	10,273	8,651	9,211
Powertrain (FPT Industrial)	1,919	1,911	1,248	1,226
Other Businesses and Eliminations	(485)	(528)	(309)	(428)
Total	36,045	34,104	28,979	28,264

CNH INDUSTRIAL GROUP FINANCIAL REVIEW

The following discussion and analysis of the CNH Industrial Group's predecessor, the Fiat Industrial Group, should be read in conjunction with the consolidated financial statements of Fiat Industrial for the years ended December 31, 2012 and 2011, as restated to reflect retrospective application of the amendments to IAS 19 – *Employee Benefits* and IAS 1 – *Presentation of Financial Statements* that became effective and were adopted by the Group from January 1, 2013. In addition, this discussion and analysis should be read in conjunction with the Interim Report. See “*Documents Incorporated by Reference*.”

On September 29, 2013, the Merger of Fiat Industrial and CNH Global with and into CNH Industrial was completed. Prior to the Merger, CNH Global was a majority-owned subsidiary of Fiat Industrial, the financial results of which were consolidated in Fiat Industrial's financial statements. The consolidated financial statements of Fiat Industrial reflect the financial results and operations for all of the entities that currently form part of CNH Industrial. All references in this discussion and analysis to CNH Industrial prior to the completion of the Merger refer to Fiat Industrial and its consolidated subsidiaries, except as otherwise indicated.

This discussion includes forward-looking statements, which, although based on assumptions that CNH Industrial considers reasonable, are subject to risks and uncertainties which could cause actual events or conditions to differ materially from those expressed or implied by the forward-looking statements. See “*Cautionary Statement Regarding Forward-Looking Statements*” and, for a discussion of risks and uncertainties facing the Group, also see “*Risk Factors*.”

Overview

CNH Industrial is a leading global capital goods company engaged in the design, production, marketing, sale and financing of agricultural and construction equipment, trucks, commercial vehicles, buses and specialised vehicles for firefighting, defence and other uses, as well as engines and transmissions for those vehicles and engines for marine and power generation applications.

CNH Industrial's business is organised into three segments: (i) Agricultural and Construction Equipment (referred to herein as “Agricultural and Construction Equipment,” the “CNH Segment” or “CNH”); (ii) Trucks and Commercial Vehicles (referred to herein as “Trucks and Commercial Vehicles,” the “Iveco Segment” or “Iveco”); and (iii) Powertrain (referred to herein as “Powertrain,” the “FPT Industrial Segment” or “FPT Industrial”).

CNH Industrial generates revenues and cash flows principally from the sale of equipment and vehicles to the CNH Segment's and the Iveco Segment's dealers and distributors. CNH Industrial's financial services operations provide a range of financial products which mainly finance sales and leases of equipment and vehicles by dealers and their customers.

In addition, CNH Industrial believes that because of the different nature of its Industrial Activities (as defined below), such as manufacturing and distribution, compared to its Financial Services, certain supplemental disclosures providing a separate presentation of the results of each such group of activities is helpful in order to better understand CNH Industrial's consolidated results of operations. However, Industrial Activities and Financial Services do not constitute segments in accordance with IFRS and, accordingly, are not presented separately in CNH Industrial's financial statements included elsewhere in this Base Prospectus.

Revenues of Industrial Activities are presented net of discounts, allowances, settlement discounts and rebates, as well as costs for sales incentive programmes, determined on the basis of historical costs, country by country, and charged against profit for the period in which the corresponding sales are recognised. The Group's sales incentive programmes include the granting of retail financing at discounts to market interest rates. The corresponding cost to the Industrial Activities is recognised at the time of the initial sale and the revenues on Financial Services are recognised on a pro rata basis in order to match the cost of funding.

Principal Factors Affecting Results

The operating performance of CNH Industrial, and its predecessor Fiat Industrial, is highly correlated to sales volumes, which are influenced by several different factors that vary across the Group's three segments.

For agricultural equipment, the key factors influencing sales are the level of net farm income which is influenced by commodity prices, and, to a lesser extent, general economic conditions, interest rates and the availability of financing. Variations by region and product are also attributable to differences in typical climate and farming calendars, as well as extraordinary weather conditions. For additional discussion regarding the principal factors affecting results for agricultural equipment, see *“The CNH Industrial Group—Industry Overview—Agricultural and Construction Equipment—Agricultural Equipment.”*

For construction equipment, segmentation varies by regional market: in developed markets, demand is oriented toward more sophisticated machines that boost operator productivity, while in developing markets, demand is oriented toward more utilitarian models with greater perceived durability. Sales levels for heavy construction equipment are particularly dependent on the expected level of major infrastructure construction and repair projects, which is a function of expected economic growth and government spending. For light construction equipment, the principal factor influencing demand is the level of residential and commercial construction, remodelling and renovation, which is influenced in turn by interest rates and availability of financing, as well as, in the residential sector, levels of disposable incomes and, in the commercial sector, the broader economic cycle. For additional discussion regarding the principal factors affecting results for construction equipment, see *“The CNH Industrial Group—Industry Overview—Agricultural and Construction Equipment—Construction Equipment.”*

Regional variations in demand for trucks and commercial vehicles are influenced by differences in economic conditions, levels of infrastructure development and physical geography, all of which lead to differing transport requirements. Demand for medium and heavy trucks tends to be closely aligned with the economic and capital investment cycle, particularly in more developed markets. In developing countries, the processes of industrialisation and infrastructure development generally drive long-term growth trends. Growth in local distribution requirements influences increases in demand for light vehicles. In the short term, however, demand for light vehicles is closely correlated to the level of economic activity which drives levels of vehicle utilisation and, accordingly, the need for new vehicles. For additional discussion regarding the principal factors affecting results for the trucks and commercial vehicles business, see *“The CNH Industrial Group—Industry Overview—Trucks and Commercial Vehicles.”*

The industrial powertrain business is, naturally, highly dependent on the market segments in which its propulsion systems are used, with developments in emissions regulations playing a significant role. For vehicle applications, product development is driven by regulatory considerations, as well as the need of customers to reduce operating costs. For additional discussion regarding the principal factors affecting results for the industrial powertrain business, see *“The CNH Industrial Group—Industry Overview—Powertrain.”*

Demand for services and service-related products, including parts, is a function of the number of vehicles in use and the nature and extent of their use. The after-sales market is historically less volatile than the new vehicle market and, therefore, helps reduce the impact on operating results of fluctuations in new vehicle sales.

The Group’s segments (or the Group’s principal businesses) have a different geographic mix. As a result, the performance of the CNH Segment correlates more closely to the U.S. economic cycle, while the performance of the Iveco Segment is more directly tied to the European economic cycle.

The Group’s cost base principally comprises the cost of raw materials and personnel costs.

Raw material costs are closely linked to commodities markets and largely outside of the Group’s control, although the Group is making a targeted effort to increase production efficiencies. Historically, the Group has been able to pass on to its customers most of the increase in the cost of raw materials through increases in product pricing. Nevertheless, even when the Group is able to do so, there is usually a time lag between an increase in materials cost and a realised increase in product prices and, accordingly, the Group’s results are typically adversely affected at least in the short term until price increases are accepted in the market.

Personnel costs change over time reflecting clauses in collective bargaining agreements, inflation and average number of employees. A significant proportion of the Group’s employees are based in countries where labour laws impose significant restrictions on employers’ rights and, accordingly, the Group has limited ability to downsize its personnel in response to a decrease in production during periods of market downturn.

The Group's results are also affected by changes in foreign exchange rates from period to period, mainly due to the difference in geographic distribution between the Group's manufacturing activities and its commercial activities, resulting in cash flows from exports denominated in currencies that differ from those associated with production costs. In addition, the Group's consolidated financial statements are expressed in Euro and are therefore subject to movements in exchange rates upon translation of the financial statements of subsidiaries whose operational currency is not the Euro. Generally, a strengthening of the U.S. dollar against the Euro benefits the consolidated results of the Group because a significant portion of the Group's profits arise from U.S. operations, particularly the operations of the CNH Segment, and the CNH Segment's financial statements, which are denominated in U.S. dollars, are translated into Euro with a more favourable impact when the U.S. dollar is stronger. The reverse occurs with a weakening of the U.S. dollar against the Euro. For additional information regarding the effect on the Group of changes in interest rates and exchange rates, see "Risk Factors—The Group is subject to risks associated with exchange rate fluctuations, interest rate changes and other market risks."

Changes in the Scope of Consolidation

Since January 1, 2012, the Group has consolidated the results of Iveco Finance Holdings Limited (renamed Iveco Capital Limited in 2012) on a line-by-line basis. The balance sheet was fully consolidated on December 31, 2011, following the agreement for orderly termination of the joint venture. Iveco Capital Limited became a wholly-owned subsidiary in May 2012 following acquisition of the remaining 51% from Barclays.

Since January 1, 2012, the Group has fully consolidated Iveco Provence, an Iveco dealer in which a 100% interest was acquired during the second quarter of 2011. In the 2011 consolidated financial statements of the Fiat Industrial Group, the holding was accounted for under the equity method.

In December 2012, CNH sold its 20% stake in Kobelco Construction Machinery Co. Ltd. ("Kobelco"), an associate company previously accounted for under the equity method.

Results of Operations – 2012 Compared to 2011

	<u>2012</u> ^(*)	<u>2011</u> ^(*)
(in millions of Euro)		
Net revenues	25,785	24,289
Cost of sales	20,931	20,041
Selling, general and administrative costs	2,187	1,998
Research and development costs	560	505
Other income/(expenses)	(44)	(55)
Trading Profit/(Loss)	2,063	1,690
Gains/(losses) on disposal of investments	(38)	26
Restructuring costs	166	95
Other unusual income/(expenses)	(13)	12
Operating Profit/(Loss)	1,846	1,633
Financial income/(expenses)	(467)	(557)
Result from investments	81	86
– Share of profit/(loss) of investees accounted for using the equity method	86	97
– Other income/(expenses) from investments	(5)	(11)
Profit/(Loss) Before Taxes	1,460	1,162
Income taxes	560	468
Profit/(Loss)	900	694
Profit/(Loss) Attributable to:		
Owners of the parent	791	618
Non-controlling interests	109	76

(*) Following the retrospective application of the amendment to IAS 19 from January 1, 2013 the figures reported for the years 2012 and 2011 have been restated for comparative purposes as required by IAS 1.

Net revenues

Fiat Industrial recorded net revenues of €25,785 million in 2012, an increase of 6.2% compared to 2011 with strong revenue growth for the CNH Segment more than offsetting declines for the Iveco Segment and FPT Industrial Segment. The CNH Segment reported net revenues of €16,056 million for 2012, a 15.5% increase over 2011 (+6.7% in U.S. dollar terms) as solid global demand for the agricultural equipment more than offset the negative effects of more difficult trading conditions in the construction equipment segment. The Iveco Segment posted revenues of €8,924 million for 2012, a 6.7% decline over 2011, reflecting a further deterioration in economic conditions in several major European markets and weakening demand in Latin America. The FPT Industrial Segment reported revenues of €2,933 million for 2012, an 8.9% decrease compared with 2011, primarily attributable to lower market demand in the road diesel engines.

Cost of sales

Cost of sales were €20,931 million in 2012 compared with €20,041 million in 2011. The increase of 4.4% was driven by increased volume at CNH partially offset by lower volumes at Iveco and FPT Industrial.

Selling, general and administrative costs

Selling costs amounted to €1,002 million in 2012 (3.9% of net revenues), an increase of 5.8% over the €947 million recorded in 2011 (3.9% of net revenues), and comprise mainly marketing, advertising and sales personnel costs.

General and administrative costs amounted to €1,185 million in 2012 (4.6% of net revenues), a 12.7% increase compared with the €1,051 million recorded in 2011 (4.3% of net revenues) and comprise mainly expenses for administration which are not attributable to sales, production, and research and development functions.

Selling, general and administrative costs increased largely reflecting the growth of the business in the CNH Segment, while savings from cost containment efforts in the Iveco Segment were less effective due to the decline in sales, which resulted in an increase in those costs as a percentage of sales.

Research and development costs

In 2012, research and development costs of €560 million (compared to €505 million in 2011) comprise all research and development costs not capitalised, amounting to €362 million (€342 million in 2011), and the amortisation of previously capitalised research and development costs of €198 million (€163 million in 2011). During 2012, the Group capitalised new expenditure for research and development in the amount of €533 million (€400 million in 2011). The increase is mainly attributable to CNH and Iveco as a result of continued investment in new products and engine emissions compliance programmes.

Other income/(expenses)

Other income (expenses) amounted to a €44 million expense in 2012 as compared to a €55 million expense in 2011 and consists of trading income which is not attributable to the typical sales and services operations of the Group net of miscellaneous operating costs not attributable to specific functional areas, such as post-employment benefits, principally health care costs for former employees, indirect taxes and duties, accruals for various provisions and gains on fixed assets disposal. Lower net other expenses in 2012 were principally due to higher gains on the disposal of fixed assets compared to 2011.

Trading profit/(loss)

Trading profit was €2,063 million, or 8.0% of net revenues, in 2012. Trading profit increased 22.1% compared to a trading profit of €1,690 million, or 7.0% of net revenues, in 2011. The increase in trading profit was primarily attributable to higher volumes for CNH and efficiency gains for both Iveco and FPT Industrial, partially offset by lower sales for Iveco and FPT.

For CNH, trading profit was €1,554 million, or 9.7% of net revenues in 2012, compared to €1,153 million in trading profit, or 8.3% of net revenues, in 2011, as higher revenues and positive net pricing compensated for increased selling, general and administrative costs and research and development costs, primarily related to significant investments in new products and Tier 4 engine emissions compliance programmes. Iveco recorded a trading profit of €466 million (5.2% of net revenues) in 2012, compared to €495 million for 2011 (5.2% of net revenues). FPT Industrial recorded a trading profit of €141 million in 2012 (4.8% of net revenues), compared to a trading profit of €107 million (3.3% of net revenues) for 2011. The improvement reflects the absence of costs recognised in 2011 in relation to production start-ups and efficiencies achieved during 2012.

Gains/(losses) on the disposal of investments

Gains (losses) on disposals were a €38 million net loss in 2012, compared to a €26 million net gain in 2011. The net loss primarily relates to the sale of the 20% stake in Kobelco. The net gain in 2011 primarily arose from the accounting effects of the acquisition of the remaining 50% in Case New Holland Construction Equipment India Pvt. Ltd. in the three months ended March 31, 2011.

Restructuring costs

Restructuring costs were €166 million in 2012 compared to €95 million in the same period in 2011. For both periods, the costs were mainly related to the Iveco Segment as a consequence of the actions taken to rationalise the heavy truck and firefighting businesses in 2012 and the manufacturing footprint for the buses business in 2011.

In 2012, the costs were principally attributable to the reorganisation of Iveco's manufacturing activities in Europe, specifically the concentration of heavy truck production at the plant in Madrid (which already produced heavy trucks) and termination of those activities in Ulm. At the same time four other European fire-fighting vehicle plants were closed and the production transferred to Ulm. The 2012 restructuring costs related to one-time termination benefits payable to employees for €145 million and other exit costs, including asset write-downs, for € 21 million related to the closures completed in the year. As at December 31, 2012 a balance of €117 million is accrued and is expected to be paid out over the next 5 years (66% of which is expected to be paid over the next 2 years). As a result of these transfers and closures, annual cost savings of approximately €55 million, primarily in the form of reduced employee compensation and to a lesser extent asset depreciation, are expected to be achieved starting from 2013. It is expected that this will reduce the Group's costs of sales and to a lesser extent general and administrative expenses.

In 2011, restructuring costs of €95 million principally related to the closure of two of the Iveco Segment's bus assembly plants (located in Spain and Italy) and related mainly to employee terminations and related costs. Cost savings, principally reduced employee costs, deriving from these actions have been quantified at €32 million per annum, starting from 2012. The effects of this restructuring have reduced the Group's costs of sales and to a lesser extent general and administrative expenses.

Other unusual income/(expenses)

Other unusual expenses were €13 million in 2012, mainly arising from costs for the rationalisation of strategic suppliers. In 2011, there was unusual income of €12 million, which arose mainly from the reversal of a provision for risks in connection with a minor investee that was sold in 2011.

Operating profit/(loss)

The Group recorded an operating profit of €1,846 million (or 7.2% of net revenues) in 2012, a €213 million or 13.0% increase over the €1,633 million (or 6.7% of net revenues) recorded for 2011. The €373 million increase in trading profit was partially offset by higher net unusual expense (€217 million compared to €57 million for 2011), which primarily related to restructuring costs for the Iveco Segment and losses on the disposal of investments for the CNH Segment.

Non-operating items

Net financial expenses were €467 million in 2012, compared to €557 million for 2011. The reduction in net financial expense was primarily attributable to a reduction in average interest rates on short term debt and lower foreign exchange losses, as well as the one-off charges for break funding costs incurred in 2011 in connection with the Demerger, partly offset by higher average gross debt outstanding.

Result from investments was a net gain of €81 million in 2012 (compared to a net gain of €86 million in 2011), mainly due to lower earnings from Chinese joint ventures.

Income taxes were €560 million in 2012 compared to €468 million in 2011, and was mainly related to taxable income of companies operating in jurisdictions outside Italy. The effective tax rate decreased from 40.0% to 38.0% (36.0% excluding current and deferred IRAP), due mainly to a better utilisation of the Group's foreign tax credits and recognising deferred tax assets in certain jurisdictions.

Profit/(loss) for the year

Net profit was €900 million in 2012, compared to €694 million for 2011. Profit attributable to owners of the parent was €791 million, compared to €618 million for 2011.

Business Segments

The following is a discussion of net revenues and trading profit for each segment.

Revenues by segment:

	<u>2012</u>	<u>2011</u>	<u>% Change</u>
(in millions of Euro)			
CNH	16,056	13,896	15.5
Iveco	8,924	9,562	(6.7)
FPT Industrial	2,933	3,220	(8.9)
Eliminations and Other	(2,128)	(2,389)	–
Total for the Group.....	<u>25,785</u>	<u>24,289</u>	<u>6.2</u>

Trading profit/(loss) by segment:

	<u>2012</u>	<u>2011</u>	<u>% Change</u>
(in millions of Euro)			
CNH	1,554	1,153	401
Iveco	466	495	(29)
FPT Industrial	141	107	34
Eliminations and Other	(98)	(65)	(33)
Total for the Group.....	<u>2,063</u>	<u>1,690</u>	<u>373</u>
Trading margin (%) ^(*)	8.0%	7.0%	

(*) Trading margin (%) is defined as Trading profit divided by Net revenues.

Agricultural and Construction Equipment

Net Revenues

CNH revenues were €16,056 million in 2012, an increase of 15.5% over 2011 (+6.7% in U.S. dollar terms). Solid global demand for the agricultural equipment more than offset the negative effects of more difficult trading conditions for the construction equipment.

The following tables show agricultural equipment revenues and construction equipment revenues broken down by geographic region in 2012 compared to 2011:

Agricultural Equipment Operations Sales—by geographic region:

	<u>2012</u>	<u>2011</u>	<u>% Change</u>
(in millions of Euro)			
North America	5,426	4,359	24.5
EAME & CIS	4,073	3,525	15.5
Latin America.....	1,507	1,318	14.3
APAC	1,178	987	19.4
Total	<u>12,184</u>	<u>10,189</u>	<u>19.6</u>

Construction Equipment Sales—by geographic region:

	<u>2012</u>	<u>2011</u>	<u>% Change</u>
(in millions of Euro)			
North America	1,252	1,039	20.5
EAME & CIS	626	649	(3.5)
Latin America.....	759	769	(1.3)
APAC	297	327	(9.2)
Total	<u>2,934</u>	<u>2,784</u>	<u>5.4</u>

Net revenues for the agricultural equipment business were €12,184 million in 2012, a 19.6% increase compared to 2011 (+10.4% in U.S. dollar terms). The increase was primarily driven by increased volumes, positive net pricing and favourable product mix. All of the regions reported increases in revenue on a constant currency basis, with the greatest increase coming from North America reflecting industry growth.

Worldwide agricultural equipment industry unit sales were flat compared to 2011, with global demand flat for tractors and up 3.0% for combines. North American tractor sales were up 9.0%, with the under 40 hp segment up 8.0% and the over 40 hp segment up 10.0%, and combine sales were down 1.0%. Latin American tractor sales increased 4.0% and combine sales increased 3.0%. EAME & CIS markets were down 3.0% despite combine sales being up 9.0%. APAC markets decreased 2.0% for tractors and 19.0% for combines. Worldwide agricultural equipment's market share performance was in line with the market for both tractors and combines. For tractors, CNH market share was down in the Latin America region but flat in all other regions. For combines, CNH market share was up in the APAC region, and flat in all other regions.

Net revenues for the construction equipment business were €2,934, a 5.4% increase compared to 2011 (-2.7% in U.S. dollar terms) as industry recovery in North America and Eastern Europe was only partly offset by the continuing slowdown in demand in other regions.

Global construction equipment industry unit sales declined 6.0% over the prior year, with light equipment up 8.0% and heavy equipment down 18.0%. North American demand was up 27.0% and EAME & CIS markets 3.0%. In Latin America, the market was down 2.0%, driven by a 6.0% decline in the heavy line. In APAC markets, industry sales were down 22.0% for the year, with light equipment demand almost flat year-on-year. CNH's worldwide construction equipment market share for 2012 was flat for both heavy and light

construction equipment. For heavy construction equipment, CNH market share was flat except in the Latin America region where it increased slightly. For light construction equipment, CNH market share was up in the Latin America but down in the North America region.

Trading profit

CNH trading profit was €1,554 million (trading margin 9.7%), up €401 million from €1,153 million trading profit for 2011 (trading margin 8.3%), as higher revenues and positive pricing effects were only partly offset by increased selling, general and administrative costs and research and development costs. The higher trading profit is mainly attributable to increased volumes, better mix for the agricultural equipment and positive pricing for both the agricultural and the construction equipment as well as higher trading profit for financial services. These factors were partly offset by higher production costs for the agricultural equipment, increased selling, general and administrative expenses, and sustained levels of R&D spending as CNH is investing in new products and its engine emissions compliance programmes.

Trucks and Commercial Vehicles

Net Revenues

The Iveco Segment's net revenues were €8,924 million in 2012, a 6.7% decline from 2011. Significant volume declines, reflecting further deterioration in economic conditions in several major European markets as well as weaker demand in Latin America, were partially offset by a more favourable product mix.

A total of 137,028 vehicles were delivered in 2012, including buses and special vehicles, representing a 10.7% year-over-year decrease with light vehicles down 11.8%, medium vehicles down 21.6% and heavy vehicles down 6.0%. In Western Europe, Iveco delivered a total of 69,414 vehicles (-21.1%), with declines in all major markets: Germany -16.1%, France -17.7%, the UK -15.3%, Italy -37.1% and Spain -24.3%. Deliveries were also down 21.8% in Latin America. By contrast, deliveries in Eastern Europe were up 21.9% and, in the rest of the world, deliveries were up 36.4%.

The Western European truck market (GVW >3.5 tons) contracted by 7.4% in 2012 with trading conditions deteriorating throughout the year. Southern Europe experienced the largest decrease with the gap between Northern and Southern European markets continuing to widen. Registrations were down 29.0% in Italy, 21.2% in Spain, 37.6% in Portugal and 60.2% in Greece. France and Germany posted more modest decreases of 6.3% and 6.0%, respectively. The light segment of the market (GVW 3.5-6 tons) was down 6.3% overall, reflecting a 29.2% decrease for Southern Europe compared with a more modest 1.5% decrease for the rest of Western Europe, where performance was varied. In the medium segment of the market (GVW 6.1-15.9 tons), registrations were down 7.3% compared to the prior year, with the UK being the only market to post a year-on-year increase (+16.2%). The heavy segment of the market (GVW >16 tons) was down 9.5%, with declines in all markets except Norway, Denmark, Finland and Ireland. Southern Europe experienced the most significant contraction also in the heavy segment, with registrations down 23.8% over the prior year.

Demand for buses in Western Europe was down 2.1% over 2011 to 29,700 units. All segments registered declines with the exception of the Minibus & Truck Derived segment (+17.5%) which accounts for 30.0% of the total market. Performance was uneven across the major markets, with the UK and Germany increasing 32.7% and 2.1%, respectively, while Italy, France and Spain registering significant contractions (-30.4%, -10.7% and -38.9%, respectively).

In Latin America, overall demand in 2012 decreased by 14.3% compared to 2011. The Venezuelan market recorded growth of 10.2%, while Argentina was down 4.4% over the prior year and Brazil contracted 18.3%. The year-on-year comparison for Brazil reflects higher purchase activity in the latter part of 2011 associated with the introduction of new emissions regulations. Demand was lower in all segments, with light vehicles (GVW 3.5-7.9 tons) down 15.2%, medium (GVW 8-31 tons) down 13.8% and heavy (GVW >31 tons) down 14.2%.

The Iveco Segment's estimated market share in Western Europe (GVW >3.5 tons) was 11.3% for 2012, down 0.8 percentage point over 2011. The decrease reflects the heightened level of competition resulting from the

drop in demand, further compounded by unfavourable conditions in Iveco's core geographic markets. Although the Iveco Segment increased share in Italy by 2.1 percentage points to 33.1%, the gain was not sufficient to offset share losses in other major markets, including France (-0.6 p.p. to 13.2%), Germany (-0.5 p.p. to 8.0%), Spain (-0.4 p.p. to 19.9%) and the UK (-0.2 p.p. to 6.4%).

In the light segment of the market, share was down 1.3 percentage points to 11.7%, (-0.7 p.p. assuming comparable market mix). That result primarily reflected the crisis in the construction sector, which is an important market for Iveco, as well as the continuing shift in demand towards car-based models. Despite a gain in Italy (+0.5 p.p. to 28.6%), share in the European light segment was negatively affected by performance in France (-1.0 p.p. to 15.0%), Germany (-1.2 p.p. to 7.4%), Spain (-1.9 p.p. to 18.0%) and the UK (-0.4 p.p. to 5.7%).

Share in the medium segment of the market was estimated at 22.8%, representing a contraction of 0.8 percentage points (-0.1 p.p. assuming comparable market mix). Gains were achieved in several markets, the most significant of which was in Italy (+6.3 p.p. to 67.3%). However, share was down in Spain (-3.6 p.p. to 44.0%) and the UK (-4.8 p.p. to 18.3%), where the year-on-year comparison reflected several large deliveries to major customers in 2011.

Share of the European heavy segment of the market was up 0.2 percentage points to 7.5%. Assuming a comparable market mix, the increase would have been 0.8 percentage points. Gains were recorded across markets particularly Italy (+4.2 p.p. to 35.5%), Spain (+2.7 p.p. to 17.9%), the UK (+0.9 p.p. to 4.0%) and Germany (+0.2 p.p. to 5.1%).

Iveco Irisbus (now Iveco Bus)'s and the Heuliez Bus's share of the Western European passenger transport market (GVW >3.5 tons) was down 1.5 percentage points over the previous year to 16.0%. Share decreased in all segments with the exception of the Intercity & Coach segment, where it closed the year up 0.7 percentage points to 7.4%. Results were positive in Italy (+10.3 p.p. to 43.6%), France (+1.2 p.p. to 42.9%) and Germany (+1.4 p.p. to 5.7%).

In Latin America, the Iveco Segment registered an 11.6% share of the market (GVW >3.5 tons) in 2012, a 0.1 percentage point increase compared to 2011. Iveco strengthened its leadership in the light segment of the market in Brazil by 5.3 percentage points to 25.6%, and in the heavy segment in Argentina, with share up 4.7 percentage points to 26.9%.

In China, Iveco is a party to two joint ventures, Naveco and SAIC Iveco Hongyan Commercial Vehicles Co. Ltd, both accounted for using the equity method. Naveco – the 50/50 joint venture with Nanjing Automotive Corporation (controlled by the SAIC Group) – sold 40,006 light vehicles in the Power Daily range (up 2.6% over 2011) and 74,772 medium vehicles in the Yuejin range (up 19.7% over 2011). SAIC Iveco Hongyan Commercial Vehicles Co. Ltd. (33.5% owned by Iveco) sold 17,008 heavy commercial vehicles for the year, a 46.0% decrease compared to the previous year.

Including low-speed vehicles for agricultural use, the two joint ventures sold a total of 147,747 units, up from 143,015 in 2011 (+3.3%).

The following tables show Iveco's unit sales by geographic area and by product in 2012 compared to 2011:

Trucks and Commercial Vehicle Sales – by geographic area

	<u>2012</u>	<u>2011</u>	<u>% Change</u>
(units in thousands)			
France	17.8	21.6	-17.7
Germany	14.1	16.8	-16.1
UK	7.0	8.3	-15.3
Italy	13.9	22.1	-37.1
Spain.....	5.4	7.1	-24.3
Rest of Western Europe	11.2	12.1	-6.9
Western Europe	<u>69.4</u>	<u>88.0</u>	<u>-21.1</u>
Eastern Europe	18.1	14.4	21.9
Latin America.....	26.1	33.4	-21.8
Rest of the world	23.4	17.6	36.4
Total Sales	<u>137.0</u>	<u>153.4</u>	<u>-10.7</u>
Naveco	114.8	101.5	13.1
SAIC Iveco Hongyan.....	<u>17.0</u>	<u>31.5</u>	<u>-46.0</u>
Total	<u><u>268.8</u></u>	<u><u>286.4</u></u>	<u><u>-6.1</u></u>

Trucks and Commercial Vehicle Sales – by product

	<u>2012</u>	<u>2011^(**)</u>	<u>% Change</u>
(units in thousands)			
Heavy	33.3	35.4	-6.0
Medium	17.5	22.3	-21.6
Light.....	73.7	83.5	-11.8
Buses	8.8	9.5	-6.8
Special vehicles ^(*)	3.7	2.7	40.1
Total	<u>137.0</u>	<u>153.4</u>	<u>-10.7</u>

(*) Defence and firefighting vehicles.

(**) For the purpose of comparability with 2012, data for 2011 has been reclassified. Changes include recognition of Astra brand special vehicles under "heavy" and truck-derived buses, still recognised under "light" in 2011, under "buses".

Trading profit

In 2012, the Iveco Segment recorded a trading profit of €466 million (trading margin 5.2%), compared to €495 million in 2011 (trading margin 5.2%) as a result of lower sales largely mitigated by benefits derived from cost reduction measures. Lower trading profit largely resulted from lower volumes and, to a lesser extent, lower pricing, partly offset by industrial efficiencies and by improved performance at Iveco Financial Services: during 2011 Iveco Financial Services performance was impacted by certain non-recurring provisions due to the deterioration of the portfolio in Eastern Europe. In the last quarter of 2012, the decline in demand for trucks and commercial vehicles, especially in Europe, accelerated and idle capacity of several manufacturers led to further pressure on pricing.

Powertrain

Net revenues

The FPT Industrial Segment net revenues were €2,933 million in 2012, a decrease of 8.9% compared to 2011. The decrease was primarily attributable to lower volumes, to both Group companies and external customers. Sales to external customers accounted for 34.0% of total net revenues compared to 33.0% in 2011.

FPT Industrial delivered a total of 476,786 engines in 2012, a decrease of 15.0% compared with 2011. Of the engines sold, 31.0% were supplied to Iveco and 27.0% to CNH, while the remaining 42.0% were sold to external customers (including Sevel – the joint venture between Fiat Group Automobiles S.p.A. and PSA Peugeot Citroën in the light commercial vehicles sector – which accounted for 24.0% of FPT Industrial's engines sold). In addition, 64,154 transmissions (-14.0%) and 154,958 axles (-9.0%) were delivered.

Trading profit

For 2012, FPT Industrial recorded a trading profit of €141 million (trading margin 4.8%), compared to €107 million (trading margin 3.3%) in 2011. The improvement reflects the absence of costs recognised in 2011 in relation to production start-ups as well as efficiencies achieved during 2012.

Industrial Activities and Financial Services

The following provides a breakdown of the operating performance between Industrial Activities and Financial Services. Financial Services includes subsidiaries of the Group, including subsidiaries of Iveco, engaged in retail and dealer finance, leasing and rental activities.

Prior to the end of 2011, Iveco Finance Holdings Limited (“IFHL”), renamed Iveco Capital Limited during 2012, was accounted for under the equity method. Following the agreement entered into in December 2011 for the orderly termination of the joint venture, the assets and liabilities of IFHL were consolidated on a line-by-line basis as of December 31, 2011. From January 1, 2012, the Group has also consolidated IFHL's profit and loss on a line-by-line basis. In May 2012, Iveco acquired the remaining 51% in IFHL from Barclays, making it a wholly-owned subsidiary.

	2012			2011		
	Consolidated	Industrial Activities	Financial Services	Consolidated	Industrial Activities	Financial Services
(in millions of Euro)						
Net revenues.....	25,785	24,682	1,508	24,289	23,291	1,307
Cost of sales.....	20,931	20,287	1,049	20,041	19,242	1,108
Selling, general and administrative costs	2,187	2,020	167	1,998	1,856	142
Research and development costs	560	560	–	505	505	–
Other income/(expenses) ..	(44)	(45)	1	(55)	(75)	20
Trading profit/(loss)	2,063	1,770	293	1,690	1,613	77
Gains/(losses) on disposal of investments	(38)	(38)	–	26	26	–
Restructuring costs.....	166	166	–	95	95	–
Other unusual income/ (expenses).....	(13)	(13)	–	12	12	–
Operating profit/(loss)	1,846	1,553	293	1,633	1,556	77
Financial income/ (expenses).....	(467)	(467)	–	(557)	(557)	–
Result from investments ^(*) ..	81	71	10	86	85	1
Profit/(loss) before taxes	1,460	1,157	303	1,162	1,084	78
Income taxes	560	434	126	468	389	79
Profit/(loss)	900	723	177	694	695	(1)
Result from intersegment investments.....	–	177	–	–	(1)	2
Profit/(loss)	900	900	177	694	694	1

(*) Includes income from investments as well as impairment (losses)/reversals on non-intersegment investments accounted for under the equity method.

The presentation of Industrial Activities and Financial Services is the result of a sub-consolidation prepared on the basis of the core business activities carried out by each Group company.

Investments held by companies belonging to one activity in companies included in the other activities are accounted for under the equity method. To provide a more meaningful presentation of net profit, the results of investments accounted for in this manner are classified as result from intersegment investments.

The holding companies (Fiat Industrial and Fiat Netherlands Holding N.V., each of which was merged with and into CNH Industrial during the Merger) are included under Industrial Activities. The sub-consolidation of Industrial Activities also includes companies that perform centralised treasury activities (*i.e.*, raising funding in the market and financing Group companies). These activities do not, however, include the offer of financing to third parties.

Industrial Activities

In 2012, revenues were up 6.0% to €24,682 million, with the increase for CNH more than offsetting declines for Iveco and FPT Industrial. For CNH, revenues were up 16.6% (+7.6% in U.S. dollar terms), primarily reflecting higher volumes, better pricing and a more favourable product mix for the agricultural equipment business. The construction equipment sales grew at a slower pace (declining in U.S. dollar terms), as a result of the difficult trading conditions. Revenues for Iveco were down 7.5%, with deliveries down as a result of further deterioration in economic conditions in several major European markets and weaker demand in Latin America. Revenues were down 8.9% for FPT Industrial, mainly because of lower demand for diesel engines for on-road applications.

Trading profit in 2012 was €1,770 million, compared to €1,613 million in 2011. Higher business volumes for CNH more than compensated for the decrease in trading profit for Iveco, where the impact of lower volumes was only partially offset by efficiency gains. FPT Industrial also recorded an improvement, which is mainly attributable to the absence of costs recognised in 2011 in relation to production start-ups as well as efficiencies achieved during 2012.

Operating profit in 2012 was €1,553 million, compared to €1,556 million in 2011. The €157 million improvement in trading profit was offset by a €160 million increase in net unusual expense, which primarily related to restructuring costs for Iveco and net losses on disposals (compared with a net gain in 2011) resulting from the termination of CNH's strategic alliance with Kobelco.

Financial Services

In 2012, Financial Services generated net revenues of €1,508 million (up 15.4% compared to 2011). The increase was attributable to the change in scope of consolidation for Iveco Financial Services.

	<u>2012</u>	<u>2011</u>	<u>% Change</u>
(in millions of Euro)			
CNH	1,197	1,170	2.3
Iveco	311	137	127.0
Total	<u>1,508</u>	<u>1,307</u>	<u>15.4</u>

CNH Financial Services reported revenues of €1,197 million, up 2.3% over 2011 (-5.6% in U.S. dollar terms). The reduction in interest income reflecting a general reduction in market rates of interest was partly offset by an increase in the average value of the portfolio, driven by higher volumes for Industrial Activities.

Iveco Financial Services reported revenues of €311 million. The increase over 2011 was attributable to the line-by-line consolidation of Iveco Capital Limited, as described at the beginning of this section. On a like-for-like basis, revenues were down 13.0% over 2011, primarily due to lower average value of the managed portfolio in Eastern Europe.

Trading profit for Financial Services totaled €293 million, an increase of €216 million compared with €77 million for 2011.

	<u>2012</u>	<u>2011</u>	<u>% Change</u>
(in millions of Euro)			
CNH	330	227	103
Iveco	(37)	(151)	114
Eliminations and Other	-	1	(1)
Total	<u>293</u>	<u>77</u>	<u>216</u>

CNH Financial Services trading profit of €330 million, up from €227 million for 2011, is due to growth in the average size of the portfolio, lower selling, general and administrative costs and lower credit loss provisions, partially offset by lower margins.

Iveco's Financial Services reported a trading loss of €37 million, representing a significant improvement over the €151 million loss in 2011 attributable to lower credit loss provisions, as well as a reduction in losses for Eastern Europe and for the rental business in Spain. The consolidation of Iveco Capital Limited contributed a loss of €2 million.

Effect of Inflation

Management believes that the impact of inflation was not material to Fiat Industrial's results of operations in the years ended December 31, 2012 and 2011.

Liquidity and Capital Resources

The following discussion of liquidity and capital resources principally focuses on Fiat Industrial's consolidated statements of cash flows and Fiat Industrial's consolidated statement of financial position. Fiat Industrial's operations were – and CNH Industrial's operations are – capital intensive and subject to seasonal variations in financing requirements for dealer receivables and dealer and company inventories.

Fiat Industrial financed – and CNH Industrial finances – its operations through cash flows generated by operations, issuance of bonds and other medium-term borrowings, as well as securitisation transactions which principally provide funding and liquidity for its Financial Services activities.

In 2012, operating activities generated €1,698 million in cash. Investing activities absorbed a total of €2,974 million of cash to fund capital expenditures, which amounted to €1,349 million, and changes in financial receivables of €1,749 million primarily as a result of higher levels of financing provided to the CNH dealer network. Financing activities generated a total of €327 million in cash. See “—Cash Flow Analysis” below for additional information.

Fiat Industrial's principal sources of liquidity in 2012 were cash provided by operations, which totalled €1,698 million, bonds issued, which totalled €584 million and the issuance of other medium-term borrowings, which totalled €2,113 million. Fiat Industrial used these sources of liquidity primarily to fund its capital expenditures, which amounted to €1,349 million and changes in financial receivables of €1,749 million primarily due to an increase in the loan portfolio of financial services companies. See “—Cash Flow Analysis” below for additional information.

Fiat Industrial's principal sources of liquidity in 2011 were cash provided by operations, which totalled €2,326 million, bonds issued totalled €2,557 million (including €2.2 billion issued by Fiat Industrial Finance Europe S.A. (renamed CNH Industrial Finance Europe S.A. effective October 14, 2013) and \$500 million issued by CNH Capital LLC, a financial subsidiary of CNH) and issuance of other medium-term borrowings totalled €1,974 million. Fiat Industrial used these sources of liquidity primarily to fund its capital expenditures, which amounted to €993 million and changes in financial receivables of €1,152 million primarily due to an increase in the loan portfolio of financial services companies. See “—Cash Flow Analysis” below for additional information.

At December 31, 2012, Fiat Industrial's total debt was €20,633 million, compared to €20,217 million at the end of 2011. Of the total debt at December 31, 2012, €9,708 million (€9,479 million at December 31, 2011) related to asset-backed financing operations that are treated as debt under IFRS. Of the remaining €10,925 million of debt at December 31, 2012 (€10,738 million at the end of 2011), bonds accounted for €5,424 million (€4,886 million at the end of 2011), bank loans accounted for €5,174 million (€5,548 million at the end of 2011), and other indebtedness accounted for the remaining €327 million (€304 million at the end of 2011). In addition, at December 31, 2012, Fiat Industrial had approximately €1.6 billion in available committed credit lines expiring after December 31, 2013. See Note 27 to the Fiat Industrial annual financial statements incorporated by reference in this Base Prospectus for additional information on Fiat Industrial's indebtedness at December 31, 2012, including a table summarising the maturity profile and interest rates payable on its outstanding bonds at that date.

At December 31, 2012, Fiat Industrial's net debt (a non-GAAP measure which is calculated as debt plus other financial liabilities, net of cash, cash equivalents, current securities and other financial assets, all as recorded in Fiat Industrial's balance sheet) was €15,994 million, an increase of €1,445 million, or 9.9%, compared with the €14,549 million recorded at the end of 2011. This increase resulted from increases in the loan portfolios of financial services companies. The increase of net industrial debt (€403 million) is mainly due to the payment of dividends (€480 million), including the CNH dividend paid to minority shareholders of CNH Global in accordance with the Merger Agreement (€237 million). The cash from operating activities (including changes in working capital) was mainly offset by investments in fixed assets.

The following table details Fiat Industrial's net debt at December 31, 2012 and 2011, and provides a reconciliation of this non-GAAP measure to debt, the most directly comparable measure included in Fiat Industrial's consolidated balance sheet. Net debt is one of the management's primary measures for analysing

Fiat Industrial's debt and managing its liquidity, because Fiat Industrial believed – and CNH Industrial believes – this measure illustrates how much indebtedness would remain if all of Fiat Industrial's available liquid resources were applied to the repayment of debt. In particular, for the Fiat Industrial Group (and now, the CNH Industrial Group), Net Industrial Debt (*i.e.*, Net Debt of Industrial Activities) is the principal indicator of changes in financial structure and, as such, is one of the key targets used to measure Group performance.

The division between Industrial Activities and Financial Services represents a sub-consolidation based on the core business activities (industrial or financial services) of each Group company. The sub-consolidation for Industrial Activities also includes companies that perform centralised treasury activities (*i.e.*, raising funding in the market and financing Group companies), but do not, however, provide financing to third parties.

	At December 31,					
	2012			2011		
	Consolidated	Industrial Activities	Financial Services	Consolidated	Industrial Activities	Financial Services
<i>(in millions of Euro)</i>						
Debt:.....	(20,633)	(9,238)	(17,191)	(20,217)	(8,637)	(16,089)
<i>Asset-backed financing ..</i>	(9,708)	(149)	(9,597)	(9,479)	(215)	(9,424)
<i>Debt payable to Fiat</i>						
<i>Group post-Demerger ..</i>	–	–	–	–	–	–
<i>Other debt</i>	(10,925)	(9,089)	(7,594)	(10,738)	(8,422)	(6,665)
Financial receivables from Fiat Group post-Demerger	–	–	–	–	–	–
Intersegment financial receivables	–	4,605	1,191	–	3,185	1,324
Other financial assets ⁽¹⁾	121	121	2	118	117	3
Other financial liabilities ⁽¹⁾	(97)	(78)	(21)	(157)	(140)	(19)
Current securities ⁽²⁾	4	–	4	68	–	68
Cash and cash equivalents	4,611	2,948	1,663	5,639	4,236	1,403
Net (Debt)/Cash	(15,994)	(1,642)	(14,352)	(14,549)	(1,239)	(13,310)

(1) Other financial liabilities and other financial assets include, respectively, the negative and positive fair values of derivative financial instruments.

(2) Current securities include short-term or marketable securities held as temporary investments of available funds which do not satisfy the requirements for being classified as cash equivalents under IFRS.

At December 31, 2012, cash and cash equivalents included approximately €670 million (€728 million at December 31, 2011) of restricted cash the use of which is primarily limited to the repayment of the debt relating to securitisations classified as asset-backed financing.

Historically, CNH has relied significantly on the securitisation market for funding and CNH Industrial may continue to do so in the future. CNH carried out term securitisations for a total amount of €2,913 million in 2012, and €3,006 million in 2011. It also established or renewed wholesale securitised credit facilities for a total commitment amount of €2,279 in 2012, and €1,457 million in 2011 and retail securitised credit facilities for a total commitment amount of €1,870 in 2012, and €1,443 million in 2011.

During the fourth quarter of 2011, Fiat Industrial and Barclays terminated their joint venture, IFHL, which managed the financial services activities (end-customers and dealers) of Iveco in Italy, Germany, France, United Kingdom and Switzerland. Accordingly, as of January 1, 2012, Iveco has arranged for the financing of its financial services business in the following manner: secured funding with Barclays of the outstanding portfolio at December 31, 2011 for Italy, France, Germany and the United Kingdom; vendor programme

agreements with BNP-Paribas in Germany and in France for the new retail portfolio originating on or after January 1, 2012; an agreement in Italy with Intesa Sanpaolo for financing part of the new retail portfolio; direct financing of the new retail portfolio in Switzerland and in the United Kingdom and of part of the new retail portfolio in Italy. The funding of dealer financing activities is ensured through a pan-European securitisation programme.

Cash Flow Analysis

At December 31, 2012, Fiat Industrial had cash and cash equivalents of €4,611 million, a decrease of €1,028 million, or 18.2%, from the €5,639 million at December 31, 2011. Of the amount at December 31, 2012, €670 million (€728 million at December 31, 2011) was reserved principally for the servicing of securitisation-related debt included in the line item “Asset-backed financing” in the table above and in Fiat Industrial’s statement of financial position. CNH Industrial’s current securities (originally issued by Fiat Industrial), which include short-term or marketable securities held as temporary investments of its liquidity but not satisfying the requirements for being classified as cash equivalents, decreased by €64 million (from €68 million at year-end 2011 to €4 million on December 31, 2012). The aggregate of cash, cash equivalents and current securities, which management considers constituted Fiat Industrial’s principal liquid assets, totalled €4,615 million at December 31, 2012, a decrease of €1,092 million or 19.1% from the total at the end of year 2011 (which totalled €5,707 million).

The following table summarises the changes to cash flows from operating, investing and financing activities for each of the years ended December 31, 2012 and 2011. Full statements of cash flow are presented in the financial statements that are incorporated by reference in this Base Prospectus.

	<u>2012</u>	<u>2011</u>
(in millions of Euro)		
Cash provided by (used in):		
<i>Operating activities</i>	1,698	2,326
<i>Investing activities</i>	(2,974)	(2,266)
<i>Financing activities</i>	327	1,862
Translation exchange differences	(79)	31
Net increase (decrease) in Cash and cash equivalents	<u>(1,028)</u>	<u>1,953</u>

Net Cash from Operating Activities

Cash provided by operating activities in 2012 totalled €1,698 million, compared to €2,326 million in 2011, and comprised the following elements:

- €900 million in net income Fiat Industrial recorded in 2012;
- plus €719 million in non-cash charges for depreciation and amortisation (net of vehicles sold under buy-back commitments and operating leases);
- plus €243 million in (gains)/losses on disposal and other non-cash items;
- plus €80 million in dividends received, changes in provisions of €73 million change in deferred income taxes of €103 million; and
- minus changes in items due to buy-back commitments of €117 million and a €214 million change in working capital, and €89 million for changes in operating lease items. Changes in working capital (minus €214 millions) is principally due to the slowdown in business activities for Iveco in Latin America and Europe.

In 2011, €1,993 million of the €2,326 million in cash generated by operating activities during the year was from income-related cash inflows (calculated as net profit plus amortisation and depreciation, dividends, changes in provisions and various items related to sales with buy-back commitments and operating leases,

net of gains/losses on disposals and other non-cash items) with €333 million resulting from a decrease in working capital (calculated on a comparable scope of operations and at constant exchange rates).

Net Cash from Investing Activities

In 2012, investing activities absorbed €2,974 million in cash (compared to €2,266 million in cash used by investing activities in 2011). The negative flows were generated by:

- €1,749 million increase in receivables from financing activities, primarily as a result of higher levels of financing provided by CNH to both dealers and customers; and
- investments in tangible and intangible assets that used €1,349 million in cash (compared to €993 million in 2011). Investments in tangible and intangible assets are net of investments in vehicles for Fiat Industrial's long-term rental operations and of investments relating to vehicles sold under buy-back commitments, which are reflected in cash flows relating to operating activities.

In 2011, cash used in investing activities totalled €2,266 million. Expenditure on tangible and intangible assets (including €400 million in capitalised development costs) totalled €993 million; investments in subsidiaries and associates totalled €104 million mainly due to the acquisition of a 49% interest in Iveco Latin America, Ltda for €80 million. The increase in receivables from financing activities, which accounts for cash absorption of €1,152 million, related primarily to dealer financing for CNH.

The following table summarises Fiat Industrial's investments in tangible and intangible assets by segment for each of the years ended December 31, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
(in millions of Euro)		
CNH.....	758	494
Iveco	439	343
FPT Industrial	151	155
Other companies and Eliminations	1	1
Total	<u>1,349</u>	<u>993</u>

The Group incurred these capital expenditures to acquire property, plant and equipment necessary to introduce and manufacture new products, enhance Fiat Industrial's manufacturing efficiency and implement further environmental and safety programmes.

Net Cash from Financing Activities

Cash generated from financing activities totalled €327 million in 2012 (compared to a total of €1,862 million cash generated in 2011). Dividend payments of €480 million, which included an approximately €237 million payment of the extraordinary dividend to CNH non-controlling interests, and repayment by the group consisting of IFHL and its subsidiaries of debt outstanding with Barclays Group at year-end 2011 were offset by increased utilisation of bank lines and the €584 million in cash proceeds from new bond issues.

In 2011, cash generated by financing activities totalled €1,862 million, with cash proceeds from new bond issues (totalling €2.6 billion) and bank loans being offset by repayment to the Fiat Group post-Demerger of net debt outstanding at December 31, 2010 (totalling €2.8 billion).

Capital Resources

The cash flows, funding requirements and liquidity of the Group's companies are managed on a standard and centralised basis, under the control of CNH Industrial's central treasury (previously Fiat Industrial's central treasury). This centralised system is aimed at optimising the efficiency and effectiveness of CNH Industrial's

management of capital resources. It also aims to ensure the efficiency and security of treasury management processes.

Group companies participate in a Group-wide cash management system, which CNH Industrial operates in a number of jurisdictions. Under this system, the cash balances of all CNH Industrial companies are aggregated at the end of each business day to central pooling accounts. The central treasury offers CNH Industrial high levels of professional financial and systems expertise, as well as providing related services and consulting to its business segments.

In the continuing environment of uncertainty in the financial markets, CNH Industrial's policy is to keep a high degree of flexibility with its funding and investment options in order to maintain its desired level of liquidity. In managing its liquidity requirements, CNH Industrial is pursuing a financing strategy that includes open access to a variety of financing sources, including capital markets, bank credit lines and asset-backed securitisations.

At December 31, 2012, CNH Industrial's predecessor, Fiat Industrial, had an aggregate amount of €5,424 million in bonds outstanding. Net of hedge accounting effect and amortised cost valuation of €189 million, the principal amount of bonds outstanding amounted to €5,235 million. For information on the terms and conditions of the bonds, including applicable financial covenants, see Note 27 to Fiat Industrial's annual financial statements incorporated by reference in this Base Prospectus.

Global Medium Term Note (GMTN) Programme. CNH Industrial has a global medium-term note programme that is the subject of this Base Prospectus allowing for the placement of debt securities with institutional investors for a total authorised amount of €10 billion. A predecessor global medium-term note programme was established by Fiat Industrial and its subsidiaries in February 2011. At December 31, 2012, €2,200 million was outstanding under the predecessor programme, all such debt having been issued prior to the Merger by Fiat Industrial Finance Europe S.A. (renamed CNH Industrial Finance Europe S.A. effective October 14, 2013) and guaranteed by Fiat Industrial. CNH Industrial is now the guarantor of these issuances.

Euro 2.0 billion Revolving Credit Facility. The Group's €2.0 billion revolving credit facility, which is guaranteed by the Guarantor and was renewed on February 7, 2013, replacing the three-year €2.0 billion revolving credit facility originally signed in December 2010, also contains typical covenants for contracts of this type and size, such as financial covenants (including the ratios, as adjusted and relating to industrial activities, of net debt to EBITDA and EBITDA to net interest), as well as negative pledge, pari passu, cross default and change of control clauses. The failure to comply with these covenants, in certain cases if not suitably remedied, could result in the unavailability of the revolving facility or the acceleration of the amounts due thereunder.

For more information on Fiat Industrial's outstanding indebtedness, see Note 27 to the Fiat Industrial annual financial statements incorporated by reference in this Base Prospectus.

During 2012, CNH Capital LLC continued to diversify its funding sources by entering into a \$250 million unsecured three-year revolving credit facility. Also during 2012, CNH Capital LLC issued \$750 million of unsecured three-year notes with registration rights (which were exchanged in February 2013 for \$750 million of publicly registered notes with the same original terms). During 2011, CNH Capital LLC, entered into a \$250 million five-year unsecured credit facility consisting of a \$150 million term loan facility and a \$100 million revolving credit facility, and issued \$500 million of unsecured five-year notes with registration rights (which were exchanged in December 2012 for \$500 million of publicly registered notes with the same original terms).

CNH Industrial also sells certain of its finance, trade and tax receivables to third parties in order to improve liquidity, to take advantage of market opportunities and, in certain circumstances, to reduce credit and concentration risk in accordance with its risk management objectives. See "*—Credit Risk*" below.

The sale of financial receivables is executed primarily through securitisation transactions and involves mainly accounts receivable from final (retail) customers and from the network of dealers to CNH Industrial's financial services companies.

At December 31, 2012, Fiat Industrial's current receivables included receivables sold and financed through both securitisation and factoring transactions of €10,286 million (€8,377 million at December 31, 2011), which do not meet IAS 39 derecognition requirements and therefore must be recorded on Fiat Industrial's statement of financial position. These receivables are recognised as such in Fiat Industrial's financial statements even though they have been legally sold; a corresponding financial liability is recorded in the consolidated statement of financial position as Asset-backed financing, as described above (see Note 19 to the Fiat Industrial annual financial statements incorporated by reference in this Base Prospectus).

At December 31, 2012, the Group had discounted receivables and bills without recourse having due dates after December 31, 2012 (and meeting IAS 39 requirements for de-recognition) amounting to €763 million (€980 million at December 31, 2011, with due dates after that date), which refer to trade receivables and other receivables for €708 million (€897 million at December 31, 2011) and receivables from financing activities for €55 million (€83 million at December 31, 2011).

Future Liquidity

CNH Industrial has adopted formal policies and decision-making processes aimed at optimising its overall financial situation and the allocation of financial funds, cash management processes and financial risk management. CNH Industrial's liquidity needs could increase in the event of an extended economic slowdown or recession that would reduce its cash flow from operations and impair the ability of its dealers and retail customers to meet their payment obligations. Any reduction of CNH Industrial's credit ratings would increase its cost of funding and potentially limit its access to the capital markets and other sources of financing.

Management believes that funds available under CNH Industrial's current liquidity facilities (including the approximately €1.6 billion available under committed lines of credit lines expiring after December 31, 2013), those realised under existing and planned asset-backed securitisation programmes and issuances of debt securities and those expected from ordinary course refinancing of existing credit facilities, together with cash provided by operating activities, will allow CNH Industrial to satisfy its debt service requirements for the coming year.

CNH Capital's securitised debt is repaid with the cash generated by the underlying amortising receivables. Accordingly, additional liquidity is not normally necessary for the repayment of such debt. CNH Capital has traditionally relied upon the term asset-backed securities market and committed asset-backed facilities as a primary source of funding and liquidity.

If CNH Capital were unable to obtain asset-backed securities funding at competitive rates, CNH's ability to conduct its financing business would be limited.

Off-Balance Sheet Arrangements

CNH Industrial uses certain off-balance sheet arrangements with unconsolidated third parties in the ordinary course of business, including financial guarantees. CNH Industrial's arrangements are described in more detail below. For additional information, see Note 30 to the Fiat Industrial annual financial statements incorporated by reference in this Base Prospectus.

Financial Guarantees

CNH Industrial's financial guarantees require it to make contingent payments upon the occurrence of certain events or changes in an underlying instrument that is related to an asset, a liability or the equity of the guaranteed party. These guarantees include arrangements that are direct obligations, giving the party receiving the guarantee a direct claim against CNH Industrial, as well as indirect obligations, under which CNH Industrial has agreed to provide the funds necessary for another party to satisfy an obligation.

At December 31, 2012, Fiat Industrial had granted guarantees on the debt or commitments of third parties or associated entities totalling €486 million (€612 million at December 31, 2011). These guarantees consist of obligations of certain CNH companies in favour of certain dealers in relation to bank financings and Iveco

performance guarantees on behalf of a joint venture in relation to commercial commitments for military vehicles.

Contractual Obligations

The following table sets forth Fiat Industrial's contractual obligations and commercial commitments with definitive payment terms that will require significant cash outlays in the future, as of December 31, 2012:

	<u>Total</u>	<u>Less than 1 year</u>	<u>1-3 years</u>	<u>3-5 years</u>	<u>After 5 years</u>
(in millions of Euro)					
Contractual Obligations*					
Long-Term Debt Obligations*					
Bonds	5,424	883	1,568	1,773	1,200
Borrowings from banks	4,313	1,627	1,834	491	361
Asset-backed financing	9,708	5,159	3,566	952	31
Other debt	125	39	12	30	44
Total Long-Term Debt Obligations	19,570	7,708	6,980	3,246	1,636
Capital (Finance) Lease Obligations	49	6	8	8	27
Operating Lease Obligations	229	56	76	48	49
Purchase Obligations	1,027	531	381	97	18
Uncertain tax positions ⁽¹⁾	42	42	—	—	—
Total	20,917	8,343	7,445	3,399	1,730

(*) Amounts presented exclude the related interest expense that will be paid when due. The table above does not include short term debt obligations; furthermore, it does not include obligations for pensions, post-retirement benefits and health care plans. CNH Industrial's best estimate of expected contributions in 2013 to pension plans and health care plans is €89 million and €63 million, respectively. Potential outflows in the years after 2013 are subject to a number of uncertainties, including future asset performance and changes in assumptions, and therefore CNH Industrial is unable to make sufficiently reliable estimates of future contributions beyond that period.

(1) The total amount of Fiat Industrial's tax contingencies was €186 million at December 31, 2012. Payment of these liabilities would result from settlements with tax authorities. CNH Industrial estimates that settlements with tax authorities may result in payment of €42 million of these liabilities in 2013. Because of the high degree of uncertainty relating to the timing of future cash outflows associated with these liabilities, CNH Industrial is unable to reasonably estimate the timing of any settlement with tax authorities after 2013.

Long-Term Debt Obligations

For information on CNH Industrial's long-term debt obligations, see “—Capital Resources” above and Note 27 to the Fiat Industrial annual financial statements incorporated by reference in this Base Prospectus.

The Long-term debt obligations reflected in the table above can be reconciled to the amount in the December 31, 2012 statement of financial position as follows:

	<u>Ref.</u>	<u>Amount</u>
(in millions of Euro)		
Debt reflected in the December 31, 2012 statement of financial position	Note 27	20,633
<i>Less:</i>		
Capital (Finance) lease obligations	Note 27	(49)
Total debt obligations		<u>20,584</u>
<i>Less:</i>		
Short-term debt obligations		(1,014)
Long-term debt obligations as reported		<u>19,570</u>

The amount reported as Long-term debt obligations in the table above is that of CNH Industrial's bonds, borrowings from banks, asset-backed financing and other debt (excluding finance lease obligations, which are reported in a separate line item in the table above), that at inception had a contractual maturity greater than one year.

Capital (Finance) Lease Obligations

CNH Industrial's capital leases consist mainly of industrial buildings and plant, machinery and equipment used in CNH Industrial's business. The amounts reported above include the minimum future lease payments and payment commitments due under such leases. For information on CNH Industrial's capital leases, see Note 27 to the Fiat Industrial annual financial statements incorporated by reference in this Base Prospectus.

Operating Lease Obligations

CNH Industrial's operating leases consist mainly of leases for commercial and industrial properties used in carrying out CNH Industrial's businesses. The amounts reported above under "Operating Lease Obligations" include the minimal rental and payment commitments due under such leases.

Purchase Obligations

Fiat Industrial's purchase obligations at December 31, 2012, included the following:

- the repurchase price guaranteed to certain customers on sales with a buy-back commitment which is included in the line item "other payables" in Fiat Industrial's consolidated statement of financial position in an aggregate amount of €788 million; and
- commitments to purchase tangible fixed assets, largely in connection with planned capital expenditures of various Group companies, in an aggregate amount of approximately €239 million.

Pension and other post-employment benefits

Pension plans

Pension plans obligations primarily comprise the obligations of CNH Industrial Group companies operating in the United States and in the United Kingdom and the obligations of Group companies operating in Germany (with respect to certain employees and former employees of the Group) and in the United Kingdom.

Under these plans, contributions are made to a separate fund (trust) which independently administers the plan assets. The Group's funding policy is to contribute amounts to the plan equal to the amounts required to satisfy the minimum funding requirements pursuant to the laws and regulations of the applicable jurisdictions. In addition, the Group makes discretionary contributions in addition to the funding requirements. To the extent that a fund is overfunded, *i.e.*, if it presents a surplus compared to the requirements of law, the Group companies concerned are not required to make further contributions to the plan in respect of minimum performance requirements so long as the fund is in surplus.

The investment strategy for the plan assets depends on the features of the plan and on the maturity of the obligations. Typically, less mature plan benefit obligations are funded by using more equity securities as they are expected to achieve long-term growth while exceeding inflation. More mature plan benefit obligations are funded using more fixed income securities as they are expected to produce current income with limited volatility. Risk management practices include the use of multiple asset classes and investment managers within each asset class for diversification purposes. Specific guidelines for each asset class and investment manager are implemented and monitored.

At December 31, 2012 and 2011, the difference between the present value of the pension plan obligations and the fair value of the related plan assets was a deficit of €654 million and €572 million, respectively.

During 2012, benefits paid by Fiat Industrial to pension plans amounted to €150 million. Contribution to pension plans for 2013 is estimated to be €89 million.

Health care plans

Health care plans obligations comprise obligations for health care and insurance plans granted to employees of the Group working in the United States and Canada (relating to CNH). These plans generally cover employees retiring on or after reaching the age of 55 who have completed at least 10 years of employment. CNH United States salaried and non-represented hourly employees and Canadian employees hired after January 1, 2001 and January 1, 2002, respectively, are not eligible for-postretirement health care and life insurance benefits under the CNH plans. Until December 31, 2006 these plans were wholly unfunded. Beginning in 2007, the Group made contributions on a voluntary basis to a separate and independently managed fund established to finance the North American health care plans.

At December 31, 2012 and 2011, the difference between the present value of the health care plan obligations and the fair value of the related plan assets was a deficit of €834 million and €836 million, respectively. During 2012, benefits paid by Fiat Industrial under health care plans amounted to €60 million. Contribution to health care plans for 2013 is estimated to be €63 million.

Reserve for Employee leaving entitlements in Italy (TFR)

The reserve for TFR (*Trattamento di Fine Rapporto*) consists of the residual obligation for employee leaving entitlements, to be paid to employees of Italian companies with more than 50 employees when leaving the company, and accrued over the employee's working life for other companies, which was required until December 31, 2006 under Italian legislation. Such provisions are paid to retiring employees and may be partially paid in advance if certain conditions are met. This is an unfunded defined benefit post-employment plan.

At December 31, 2012 and 2011, the present value of the obligation for employee leaving entitlements in Italy (TFR) (unfunded) amounted to €197 million and €191 million, respectively.

During 2012, benefits paid by Fiat Industrial for employee leaving entitlements amounted to €14 million.

Other post-employment benefits

Other post-employment benefits include loyalty bonuses, which are due to employees who reach a specified seniority and are usually settled when an employee leaves the company; and other various post-employment benefits.

At December 31, 2012 and 2011, the present value of the obligation for other post-employment benefits (unfunded) amounted to €179 million and €147 million, respectively.

During 2012, benefits paid by Fiat Industrial for other post-employment benefits amounted to €15 million.

For further information on pension and other post-employment benefits, see Note 25 to the Fiat Industrial annual financial statements incorporated by reference in this Base Prospectus.

Joint Liability for Certain Obligations of Fiat

Under Italian law, as a consequence of the Demerger, Fiat Industrial (and its successor, CNH Industrial) continued to be liable jointly with Fiat for debts of Fiat S.p.A. that arose prior to effective date of the Demerger and were still outstanding at that date. This statutory liability is limited to the value of the net assets attributed to Fiat Industrial in the Demerger and will survive until such liabilities of Fiat existing as of the Demerger will be satisfied. At the time of the Demerger (January 1, 2011) Fiat S.p.A. had outstanding liabilities for bonds and others totalling approximately €15 billion, €9 billion of which related to bonds. At the date of the approval of the consolidated financial statements of Fiat Industrial for the year ended December 31, 2012 (February 21, 2013) by the Board of Directors, those liabilities decreased to approximately €4.6 billion, €3.8 billion of which related to bonds. Furthermore, CNH Industrial may be

responsible jointly with Fiat in relation to tax payables, even if such liabilities exceed the value of the net assets transferred to Fiat Industrial in the Demerger. Such potential liabilities, like all other liabilities of Fiat Industrial, have been assumed by CNH Industrial as the successor to Fiat Industrial as of the date of the Merger. CNH Industrial views the risk of Fiat S.p.A.'s insolvency as remote, and, therefore, at December 31, 2012, no provision has been accrued in respect of the above mentioned joint liabilities.

Quantitative and Qualitative Disclosures About Risk

The Group is exposed to the following financial risks connected with its operations:

- credit risk, regarding its normal business relations with customers and dealers, and its financing activities;
- liquidity risk, with particular reference to the availability of funds and access to the credit markets and to financial instruments in general; and
- market risk (principally relating to exchange rates and interest rates), since the Group operates at an international level in different currencies and uses financial instruments which generate interest.

The Group constantly monitors the financial risks to which it is exposed, in order to detect those risks in advance and take the necessary actions to mitigate them. The following section provides qualitative and quantitative disclosures on the effect that these risks may have upon the Group.

The quantitative data reported in the following section do not have any predictive value. In particular, the sensitivity analysis on market risks does not reflect the complexity of the market or the reaction which may result from any changes that are assumed to take place.

Credit risk

The maximum credit risk to which the Group was theoretically exposed at December 31, 2012 is represented by the carrying amounts stated for financial assets in the statement of financial position and the nominal value of the guarantees provided on liabilities or commitments to third parties.

Dealers and final customers are subject to specific assessments of their creditworthiness under a detailed scoring system; in addition to carrying out this screening process, the Group also obtains financial and non-financial guarantees for risks arising from credit granted for the sale of commercial vehicles and agricultural and construction equipment. These guarantees are further strengthened where possible by reserve of title clauses or specific guarantees on financed vehicle sales to the sales network and on vehicles assigned under finance leasing agreements.

Balances which are objectively uncollectible either in part or for the whole amount are written down on a specific basis if they are individually significant. The amount of the write-down takes into account an estimate of the recoverable cash flows and the date of receipt, the costs of recovery and the fair value of any guarantees received. Impairment losses are recognised for receivables which are not written down on a specific basis, determined on the basis of historical experience and statistical information.

Receivables for financing activities amounting to €15,237 million at December 31, 2012 (€13,946 million at December 31, 2011) containing balances totalling €54 million (€54 million at December 31, 2011) have been written down on an individual basis. Of the remainder, balances totalling €355 million (€320 million at December 31, 2011) were past due by up to one month, while balances totalling €566 million were past due by more than one month (€510 million at December 31, 2011). In the event of instalment payments, even if only one instalment is overdue, the whole amount of the receivable is classified as such.

Trade receivables and other receivables totalling €2,406 million at December 31, 2012 (€2,464 million at December 31, 2011) contains balances totalling €58 million (€56 million at December 31, 2011) have been written down on an individual basis. Of the remainder, balances totalling €168 million (€145 million at

December 31, 2011) were past due by up to one month, while balances totalling €126 million (€151 million at December 31, 2011) were past due by more than one month.

The significant decrease in the past due component in receivables from financing activities is partially attributable to the gradual collection of loans granted by Banco CNH Capital S.A. as part of the development/subsidised loans programme for agriculture of the Brazilian development agency managed through *Banco Nacional de Desenvolvimento Economico e Social* (“BNDES”). These receivables fell under the scope of the general debt relief programs that were implemented from time to time by the Brazilian government between 2005 and 2008 to support an agricultural industry going through a difficult period. With the rescheduling programmes now at an end, the company has taken all the measures necessary to collect instalments falling due, adjusting the level of its loan allowances in relation to the extent to which the overdue balances are being repaid.

Total rescheduled outstanding loans issued by Banco CNH Capital S.A. amounted to approximately 0.3 billion Reais (approximately €0.1 billion) at December 31, 2012, representing a decrease of approximately 0.2 billion Reais over December 31, 2011; Banco CNH Capital S.A. had a net overdue balance with its customers of approximately 0.1 billion Reais (approximately €0.05 billion), representing a decrease of approximately 0.2 billion Reais over December 31, 2011. During the year, approximately 0.1 billion Reais (approximately €0.05 billion) were written off by Banco CNH Capital S.A. Although the continual rescheduling of the recent past has contributed to an increase in the uncertainty as to the timing and means by which customers will make repayment, the amounts provided are considered sufficient to cover the residual credit risk. In the meantime, BNDES has continued its financial support for the company and the subsidised loan programmes.

Liquidity risk

Liquidity risk arises if the Group is unable to obtain the funds needed to carry out its operations under economic conditions. The two main factors that determine the Group’s liquidity situation are on the one hand the funds generated by or used in operating and investing activities and on the other the debt lending period and its renewal features or the liquidity of the funds employed and market terms and conditions.

Continuing the process applied for years by the Fiat Group, CNH Industrial has adopted a series of policies and procedures whose purpose is to optimise the management of funds and to reduce liquidity risk, as follows:

- centralising the management of receipts and payments, where it may be economical in the context of the local civil, currency and fiscal regulations of the countries in which the Group is present;
- maintaining an adequate level of available liquidity;
- diversifying the means by which funds are obtained and maintaining a continuous and active presence in the capital markets;
- obtaining adequate credit lines; and
- monitoring future liquidity on the basis of business planning.

Management believes that the funds currently available, in addition to those funds that will be generated from operating and financing activities, will enable the Group to satisfy its requirements resulting from its investing activities and its working capital needs and to fulfil its obligations to repay its debts at their natural due dates.

For further information on the repayment structure of the Group’s financial assets and debt, see Note 19 and Note 27 to the Fiat Industrial annual financial statements incorporated by reference in this Base Prospectus. For further information on the repayment structure of derivative financial instruments, see Note 21 to the Fiat Industrial annual financial statements incorporated by reference in this Base Prospectus.

Currency risk

The Group is exposed to risk resulting from changes in exchange rates, which can affect its earnings and equity.

Where a Group company incurs costs in a currency different from that of its revenues, any change in exchange rates can affect the operating profit/(loss) of that company. In 2012, the total trade flows exposed to currency risk amounted to the equivalent of 18.0% of the Group's turnover (18.0% in 2011). The principal exchange rates to which the Group is exposed are the following:

- EUR/USD, in relation to the production/purchases of the CNH segment in the Euro area and to sales in dollars made by Iveco;
- EUR/GBP, predominantly in relation to sales made by Iveco in the U.K. market and purchases made by the CNH segment in the Euro area;
- USD/BRL and EUR/BRL, in relation to production in Brazil and the respective import/export flows;
- USD/AUD, mainly in relation to sales made by the CNH segment in Australia; and
- USD/GBP, in relation to the production/purchases of the CNH segment in the UK.

Taken overall, trade flows exposed to changes in these exchange rates in 2011 made up approximately 70.0% of the exposure to currency risk from trade transactions.

It is the Group's policy to use derivative financial instruments to hedge a certain percentage, on average between 55.0% and 85.0%, of the forecast trading transaction exchange risk exposure for the coming 12 months (including such risk beyond that date where it is believed to be appropriate in relation to the characteristics of the business) and to hedge completely the exposure resulting from firm commitments.

Group companies may find themselves with trade receivables or payables denominated in a currency different from the company's functional currency. In addition, in a limited number of cases, it may be convenient from an economic point of view, or it may be required under local market conditions, for companies to obtain finance or use funds in a currency different from their functional currency. Changes in exchange rates may result in exchange gains or losses arising from these situations. It is the Group's policy to hedge fully, whenever possible, the exposure resulting from receivables, payables and securities denominated in foreign currencies different from the company's functional currency.

Certain of the Group's subsidiaries are located in countries which are not members of the European monetary union, in particular the United States, the United Kingdom, Brazil, Australia, Canada, India, China, Argentina and Poland. As the Group's reporting currency is the Euro, the income statements of those countries are converted into Euro using the average exchange rate for the period, and while revenues and margins are unchanged in local currency, changes in exchange rates may lead to effects on the converted balances of revenues, costs and the results in Euro.

The assets and liabilities of consolidated companies whose functional currency is different from the Euro may acquire converted values in Euro which differ as a function of the fluctuation in exchange rates.

The Group monitors its principal exposure to conversion exchange risk, although there was no specific hedging in this respect at the statement of financial position date. There were no substantial changes in 2012 in the nature or structure of exposure to currency risk or in the Group's hedging policies.

Sensitivity analysis

The potential loss in fair value of derivative financial instruments held for currency risk management (currency swaps/forwards, currency options, interest rate and currency swaps) at December 31, 2012 resulting from a hypothetical, unfavourable and instantaneous change of 10% in the exchange rates of the leading foreign currencies with the Euro, amounts to approximately €184 million (€175 million at December

31, 2011). The valuation model for currency options assumes that market volatility at year-end remains unchanged.

Receivables, payables and future trade flows whose hedging transactions have been analysed were not considered in this analysis. It is reasonable to assume that changes in exchange rates will produce the opposite effect, of an equal or greater amount, on the underlying transactions that have been hedged.

Interest rate risk

The manufacturing companies and treasuries of the Group make use of external funds obtained in the form of financing and invest in monetary and financial market instruments. In addition, Group companies make sales of receivables resulting from their trading activities on a continuing basis. Changes in market interest rates can affect the cost of the various forms of financing, including the sale of receivables, or the return on investments and the employment of funds, causing an impact on the level of net financial expenses incurred by the Group.

In addition, the financial services companies provide loans (mainly to customers and dealers), financing themselves using various forms of direct debt or asset-backed financing (e.g., securitisation of receivables). Where the characteristics of the variability of the interest rate applied to loans granted differ from those of the variability of the cost of the financing obtained, changes in the current level of interest rates can affect the operating profit/(loss) of those companies and the Group as a whole.

In order to manage these risks, the Group uses interest rate derivative financial instruments, mainly interest rate swaps and forward rate agreements, with the object of mitigating, under economically acceptable conditions, the potential variability of interest rates on net profit/(loss).

Sensitivity analysis

In assessing the potential impact of changes in interest rates, the Group separates out fixed rate financial instruments (for which the impact is assessed in terms of fair value) from floating rate financial instruments (for which the impact is assessed in terms of cash flows).

The fixed rate financial instruments used by the Group consist principally of part of the portfolio of the financial services companies (basically customer financing and financial leases) and part of its debt (including subsidised loans and bonds).

The potential loss in fair value of fixed rate financial instruments (including the effect of interest rate derivative financial instruments) held at December 31, 2012, resulting from a hypothetical, unfavourable and instantaneous change of 10% in market interest rates, would have been approximately €7 million (approximately €9 million at December 31, 2011). The reduced effect compared to 2011 is due to a decrease in the reference rates taken for the analysis.

Floating rate financial instruments consist principally of cash and cash equivalents, loans provided by the financial services companies to the sales network and part of its debt. The effect of the sale of receivables is also considered in the sensitivity analysis as well as the effect of hedging derivative instruments.

A hypothetical, unfavourable and instantaneous change of 10% in short-term interest rates at December 31, 2012, applied to floating rate financial assets and liabilities, operations for the sale of receivables and derivative financial instruments, would have caused increased net expenses before taxes, on an annual basis, of approximately €1 million (approximately €4 million at December 31, 2011). The decrease over 2011 reflects the lower level of interest rates used in the analysis.

This analysis is based on the assumption that there is a general and instantaneous change of 10% in interest rates across homogeneous categories. A homogeneous category is defined on the basis of the currency in which the financial assets and liabilities are denominated.

Other risks on derivative financial instruments

The Group has entered derivative contracts linked to commodity prices to hedge specific exposures on supply contracts.

Sensitivity analysis

In the event of a hypothetical, unfavourable and instantaneous change of 10% in the underlying raw materials prices, the potential loss in fair value of outstanding derivative financial instruments at December 31, 2012 linked to commodity prices would have been not significant (€2 million at December 31, 2011).

Critical Accounting Policies

The audited consolidated annual financial statements of the Fiat Industrial Group as of and for the financial years ended December 31, 2012, 2011 and 2010 incorporated by reference in this Base Prospectus and related disclosures have been prepared in accordance with IFRS. The unaudited consolidated financial statements of the CNH Industrial Group as of and for the nine months ended September 30, 2013 and 2012 incorporated by reference in this Base Prospectus and related disclosures have been prepared in accordance with IFRS as well as IFRS as adopted by the European Union. As of the date of this Base Prospectus, as applied to the financial statements of the Fiat Industrial Group and the CNH Industrial Group incorporated by reference herein, there is no difference between IFRS and IFRS as adopted by the European Union.

These accounting standards require management to make judgments, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. The estimates and related assumptions are based on available information at the date of preparation of the financial statements, on historical experience and other relevant factors. Actual results may differ from the estimates.

Particularly in light of the current economic uncertainty, developments occurring during 2012 and following years may differ from the Group's estimates and assumptions, and therefore might require significant adjustments to the carrying amount of certain items, which as of the date of this prospectus cannot be accurately estimated or predicted. The principal items affected by estimates are the allowances for doubtful accounts receivable and inventories, non-current assets (tangible and intangible assets), the residual values of vehicles leased out under operating lease arrangements or sold with buy-back clauses, sales allowances, product warranties, pension and other post-retirement benefits, deferred tax assets and contingent liabilities.

Estimates and assumptions are reviewed periodically and the effects of any changes are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. In relation to the nine month period ended September 30, 2013, such revisions, in particular those of a more complex nature regarding matters such as the impairment of non-current assets, are only carried out in full during the preparation of the annual financial statements, when all the information required is available, other than in the event that there are indications of impairment, when an immediate assessment is necessary. In the same way, the actuarial valuations that are required for the determination of employee benefit provisions are carried out during the preparation of the annual financial statements.

The following are the critical judgments and the key assumptions concerning the future that management has made in the process of applying the Group's accounting policies and that may have the most significant effect on the amounts recognised in the Fiat Industrial financial statements incorporated by reference in this Base Prospectus or that represent a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Allowance for doubtful accounts

The allowance for doubtful accounts reflects management's estimate of losses inherent in the wholesale and retail credit portfolio. This allowance is based on the Group's estimate of the losses to be incurred, which derives from past experience with similar receivables, current and historical past due amounts, dealer

termination rates, write-offs and collections, the careful monitoring of portfolio credit quality and current and projected economic and market conditions. Should the present economic and financial situation persist or worsen, there could be a further deterioration in the financial situation of the Group's debtors compared to that taken into consideration in calculating the allowances recognised in the financial statements.

Allowance for obsolete and slow-moving inventory

The allowance for obsolete and slow-moving inventory reflects management's estimate of the expected loss in value, and has been determined on the basis of past experience and historical and expected future trends in the used vehicle market. A worsening of the economic and financial situation could cause a further deterioration in conditions in the used vehicle market compared to that taken into consideration in calculating the allowances recognised in the financial statements.

Recoverability of non-current assets (including goodwill)

Non-current assets include property, plant and equipment, intangible assets (including goodwill), investments and other financial assets. Management reviews the carrying value of non-current assets held and used and that of assets to be disposed of when events and circumstances warrant such a review. Management performs this review using estimates of future cash flows from the use or disposal of the asset and an appropriate discount rate in order to calculate present value. If the carrying amount of a non-current asset is deemed to be impaired, the Group records an impairment loss for the amount by which the carrying amount of the asset exceeds its estimated recoverable amount from use or disposal determined by reference to its most recent business forecasts.

In preparing figures for the Fiat Industrial financial statements incorporated by reference in this Base Prospectus for the year ended December 31, 2012 and specifically when carrying out impairment testing of tangible and intangible assets, Fiat Industrial took into account its expected performance in 2013, as forecast in its budget. In relation to the nine month period ended September 30, 2013 for the CNH Industrial Group, there were no indicators of impairment requiring immediate consideration to be made as to the existence of any impairment losses.

Should the assumptions underlying these forecasts deteriorate further the following is noted:

- the Group's tangible assets and intangible assets with a finite useful life (mostly development costs) relate to models or products having a high technological content in line with the latest environmental laws and regulations, which consequently renders them competitive in the present economic situation, especially in the more mature economies in which particular attention is placed on the environmental impact of those types of products. Consequently, despite the fact that the capital goods sector (in particular, commercial vehicles and construction equipment in certain specific geographical areas) is one of the markets most affected by the crisis in the immediate term, management considers that it is highly probable that the life cycle of these products can be lengthened to extend over the period of time involved in a slower economic recovery, allowing the Group to achieve sufficient earnings flows to cover the investments, albeit over a longer timescale; and
- approximately 96% of capitalised goodwill relates to CNH and amounted to €1,840 million at December 31, 2012. Detailed analyses using various methodologies were carried out to test its recoverability and the underlying considerations are described in Note 14 to the Fiat Industrial annual financial statements, incorporated by reference in this Base Prospectus.

Residual values of assets leased out under operating lease arrangements or sold with a buy-back commitment

Fiat Industrial recorded—and CNH Industrial records—assets rented to customers or leased to them under operating leases as tangible assets. Furthermore, new vehicle sales with a buy-back commitment are not recognised as sales at the time of delivery but are accounted for as operating leases if it is probable that the vehicle will be bought back. Income from such operating leases is recognised on a straight-line basis over

the term of the lease. Depreciation expense for assets subject to operating leases is recognised on a straight-line basis over the lease term in amounts necessary to reduce the cost of an asset to its estimated residual value at the end of the lease term. The estimated residual value of leased assets is calculated at the lease commencement date on the basis of published industry information and historical experience.

Realisation of the residual values is dependent on CNH Industrial's future ability to market the assets under then-prevailing market conditions. CNH Industrial continually evaluates whether events and circumstances have occurred which impact the estimated residual values of the assets on operating leases. The used vehicle market was carefully monitored throughout 2012 to ensure that write-downs were properly determined. However, it cannot be dismissed that additional write-downs may be required if market conditions should deteriorate further.

Sales allowances

At the later of the time of sale or the time an incentive is announced to dealers, Fiat Industrial recorded—and CNH Industrial records—the estimated impact of sales allowances in the form of dealer and customer incentives as a reduction of revenue. There may be numerous types of incentives available at any particular time. The determination of sales allowances requires management to make estimates based on various factors.

Product warranties

Fiat Industrial made—and CNH Industrial makes—provisions for estimated expenses related to product warranties at the time products are sold. Management establishes these estimates based on historical information on the nature, frequency and average cost of warranty claims. Fiat Industrial sought—and CNH Industrial seeks—to improve vehicle quality and minimise warranty expenses arising from claims. Warranty costs may differ from those estimated if actual claim rates are higher or lower than historical rates.

Pension and other post-retirement benefits

Group companies sponsor pension and other post-retirement benefits in various countries, mainly in the United States, the United Kingdom and Germany. Employee benefit liabilities and the related assets and the costs and net interest expense connected with them are measured on an actuarial basis which requires the use of estimates and assumptions to determine the net defined benefit liability asset for the Group. The actuarial method takes into consideration parameters of a financial nature such as the discount rate, the growth rate of salaries and the growth rate of health care costs and takes into consideration the likelihood of potential future events by using certain demographic parameters such as mortality rates and dismissal or retirement rates. The discount rates selected are based on yields or yield curves of high quality corporate bonds in the relevant market. Trends in health care costs are developed on the basis of historical experience, the near-term outlook for costs and likely long-term trends. Salary growth rates reflect the Group's long-term actual expectations in the reference market and inflation trends. Changes in any of these assumptions may have an effect on future contributions to the plans.

The effects resulting from revising the estimates for the above parameters ("re-measurements") are recognised directly in other comprehensive income without reclassification to profit or loss in subsequent years; further details may be found under "Significant accounting policies," in the notes to the Fiat Industrial financial statements incorporated by reference in this Base Prospectus.

Significant future changes in the yields of corporate bonds, other actuarial assumptions referred to above and returns on plan assets may significantly impact the net liability.

Realisation of deferred tax assets

At December 31, 2012, Fiat Industrial had deferred tax assets and theoretical tax benefits arising from tax loss carry forwards of €1,414 million, of which €498 million is not recognised in the financial statements. The corresponding totals at December 31, 2011 were €1,558 million and €502 million, respectively. Management has recorded deferred tax assets at the amount that it believes is more likely than not to be

recovered. In making such adjustments, management has taken into consideration figures from budgets and forecasts consistent with those used for impairment testing and discussed in “—*Recoverability of non-current assets (including goodwill)*” above. Management believes that the adjustments that have been recognised are sufficient to protect against the risk of a further deterioration of the assumptions in these forecasts, taking into account that the net deferred assets accordingly recognised relate to temporary differences and tax losses which, to a significant extent, may be recovered over a very long period, and are therefore consistent with a scenario in which duration of the crisis extends beyond the term assumed in the above-mentioned estimates.

Contingent liabilities

CNH Industrial is the subject of legal proceedings and tax issues covering a range of matters, which are pending in various jurisdictions. Due to the uncertainty inherent in such matters, it is difficult to predict the final outcome of such matters. The cases and claims against CNH Industrial often raise difficult and complex factual and legal issues, which are subject to many uncertainties, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business, management consults with legal counsel and certain other experts on matters related to litigation and taxes. CNH Industrial accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated. In the event an adverse outcome is possible or an estimate is not determinable, the matter is disclosed.

Significant Recent Events:

On October 8, 2013, CNH Capital LLC, a wholly-owned subsidiary of CNH Industrial, completed an offering of \$500 million of 3.250% unsecured notes due in 2017, which were issued at par, pay interest semi-annually and are guaranteed by CNH Capital America LLC and New Holland Credit Company, LLC, two wholly-owned subsidiaries of CNH Capital LLC.

Also during 2013, CNH Capital LLC issued \$600 million of unsecured five-year notes with registration rights (which were exchanged in August of 2013 for \$600 million of publicly registered notes with the same original terms).

MANAGEMENT AND CORPORATE GOVERNANCE

Overview of Corporate Governance

CNH Industrial is a company organised under the laws of the Netherlands and qualifies as a foreign private issuer under the New York Stock Exchange (“NYSE”) listing standards. In accordance with the NYSE Listed Company Manual, CNH Industrial is permitted to follow home country practice with regard to certain corporate governance standards. CNH Industrial has adopted, except as discussed below, the best practice provisions of the Dutch corporate governance code issued by the Dutch Corporate Governance Code Committee, which entered into force on January 1, 2009 (the “Dutch Corporate Governance Code”) and contains principles and best practice provisions that regulate relations between the board of directors of a company and its shareholders. CNH Industrial anticipates disclosing any departure from the best practice provisions of the Dutch Corporate Governance Code in its future annual reports.

CNH Industrial’s board of directors (the “Board of Directors”) has established an Audit Committee, a Compensation Committee and a Governance and Sustainability Committee, and has approved and adopted a set of regulations on meetings of the board of directors (the “Board Regulations”), and rules on general shareholders’ meetings.

On certain operational matters the Board of Directors is advised by the Group Executive Council.

The Group’s corporate governance structure comprises the Group’s code of conduct and insider trading policy. Furthermore, CNH Industrial has in place a system of internal controls.

While CNH Industrial endorses the principles and best practice provisions of the Dutch Corporate Governance Code, it is not in compliance with or has not implemented, and in the future may not be in compliance with or implement, the following best practice provisions:

- CNH Industrial will not be in compliance with best practice provision III.2.1, which requires that all non-executive members of the Board of Directors, with the exception of not more than one, shall be independent, as two out of nine non-executive members of the Board of Directors may be qualified as non-independent directors within the meaning of the Dutch Corporate Governance Code.
- CNH Industrial will not be in compliance with best practice provisions III.3.3 and III.6.2, which require that a board member may not take part in any discussion or decision-making that involves a subject or transaction in relation to which he may appear to have a conflict of interest with CNH Industrial, as the definition of conflict of interest set forth in the Board Regulations of CNH Industrial is geared towards an actual conflict of interest, as referred to in the Dutch Civil Code, and does not include the reference to the *appearance* of a conflict of interest. Nevertheless, the Board Regulations of CNH Industrial stipulate that the Board of Directors as a whole may, on an *ad hoc* basis, resolve that there is such a strong appearance of a conflict of interest of an individual director in relation to a specific matter, that it is deemed in the best interest of proper decision making process that such individual director be recused from participation in the decision making process with respect to such matter even though such director may not have an actual conflict of interest.
- CNH Industrial will not be in compliance with best practice provision III.5.1, which requires that the terms of reference of the various committees may provide that a maximum of one member of each committee may not be independent as the terms of reference of the Governance and Sustainability Committee state that a maximum of two members of that committee may not be independent and the initial composition of the Governance and Sustainability Committee is such that two out of the three members will not be independent.
- CNH Industrial will not be in compliance with best practice provision III.5.11, which requires that the Compensation Committee may not be chaired by a member of the management board of another listed company. The initial composition of the Compensation Committee is such that its chairman is also an executive director of the board of directors of another listed company (which, however, operates in an industrial sector which is different from the one where CNH Industrial operates).

Board of Directors

Pursuant to CNH Industrial's Articles of Association, the Board of Directors may have three or more members. At the general meeting of the shareholders held on September 9, 2013, CNH Industrial's shareholders set the number of the members of the Board of Directors at eleven, and elected the Board of Directors. The term of office of the current Board of Directors will expire on the date of the first CNH Industrial annual general meeting of shareholders to be held in 2014.

At the date of this Base Prospectus, the Board of Directors was composed of two executive directors (*i.e.*, the Chairman and the Chief Executive Officer), having responsibility for the day-to-day management of the company, and nine non-executive directors, who do not have such day-to-day responsibility within CNH Industrial or the Group. The Board of Directors was composed of seven members who qualified as independent (representing a majority) for purposes of NYSE rules, Rule 10A-3 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and the Dutch Corporate Governance Code.

At the date of this Base Prospectus, the members of the Board of Directors are as follows:

<u>Name</u>	<u>Position</u>
Sergio Marchionne	Chairman
John P. Elkann ⁽²⁾⁽³⁾	Director
Mina Gerowin ⁽²⁾	Director
Maria Patrizia Grieco ⁽³⁾	Director
Léo W. Houle ⁽³⁾	Director
Peter Kalantzis ⁽¹⁾⁽³⁾	Director
John B. Lanaway ⁽¹⁾	Director
Guido Tabellini ⁽¹⁾	Director
Jacqueline A. Tammenoms Bakker ⁽²⁾	Director
Jacques Theurillat ⁽¹⁾	Director
Richard J. Tobin	Director

(1) Member of the Audit Committee

(2) Member of the Governance and Sustainability Committee

(3) Member of the Compensation Committee

The Chairman is an executive director. He also serves as chairman of CNH Industrial's principal subsidiaries, such as Iveco S.p.A. and FPT Industrial S.p.A., but has no operational powers with regard to those companies.

Some Directors also hold positions at other companies. Excluding the positions held by the executive directors within the CNH Industrial Group, the most significant are as follows:

- (iv) Sergio Marchionne: chairman and CEO of Chrysler Group LLC, CEO of Fiat S.p.A., chairman of SGS S.A., chairman and CEO of Fiat Group Automobiles S.p.A., president of the board of directors of the European Automobile Manufacturers Association, and director of EXOR S.p.A. and Philip Morris International Inc.;
- (v) John P. Elkann: chairman and CEO of EXOR S.p.A., chairman of Fiat S.p.A. and Editrice La Stampa S.p.A., director of News Corporation, Banca Leonardo and The Economist Group and partner of Dicembre società semplice;
- (vi) Mina Gerowin: director of EXOR S.p.A.;
- (vii) Maria Patrizia Grieco: executive chairman of Olivetti S.p.A. and director of Italgas S.p.A. and Save the Children Italia;
- (viii) Léo W. Houle: director of Chrysler Group LLC;

- (ix) Peter Kalantzis: chairman and director of Movenpick-Holding Ltd., Von Roll Holding Ltd. and Lamda Development Ltd., chairman of Clair Ltd., Elpe-Thraki S.A., Zuricher Goldhandel AG and Deussa Sonne/Mond Goldhandel AG, director of Paneuropean Oil and Industrial Holdings, Lamda Consolidated Holdings, Transbalkan Pipeline B.V., SGS Ltd. and Hardstone Services S.A.;
- (x) John B. Lanaway: director of Chrysler Group LLC;
- (xi) Guido Tabellini: director of CIR S.p.A.;
- (xii) Jacqueline A. Tammenoms Bakker: director of Tesco PLC and Vivendi S.A., chairman of the Van Leer Group Foundation and vice chairman of the advisory board of the Rotterdam School of Management; and
- (xiii) Jacques Theurillat: partner of Ares Life Sciences.

At the date of this Base Prospectus, the senior managers of CNH Industrial are as follows:

<u>Name</u>	<u>Position</u>
Sergio Marchionne	Chairman
Richard J. Tobin	Chief Executive Officer
Massimiliano Chiara	Chief Financial Officer

Mr. Chiara is also an alternate director of Fiat Auto Argentina S.A.

The Board of Directors will appoint among its members a Senior Non-Executive Director.

The business address of the Board of Directors and the senior managers is c/o CNH Industrial N.V., Cranes Farm Road, Basildon, Essex, SS143AD, United Kingdom.

Save as disclosed in this Base Prospectus and/or in the audited consolidated annual financial statements of the Fiat Industrial Group as of and for the financial years ended December 31, 2012 and 2011 or the unaudited consolidated financial statements of CNH Industrial Group as of and for the nine months ended September 30, 2013 and 2012, at the date of this Base Prospectus, as far as CNH Industrial is aware, neither the Directors nor the senior managers of CNH Industrial have any potential conflicts of interest between any duties to CNH Industrial and private interests or other duties.

Under Article 16 of CNH Industrial's Articles of Association, the general authority to represent CNH Industrial shall be vested in the Board of Directors, as well as in each of the executive directors to whom the title Chairman or Chief Executive Officer has been granted.

In addition, CNH Industrial's corporate governance structure provides for the formation of committees with responsibility for issues relating to internal control, governance and compensation, as established in the Dutch Corporate Governance Code, as well as the adoption of the Board Regulations and rules on general shareholders' meetings. The charters of the Audit Committee, Compensation Committee and Governance and Sustainability Committee as well as the Board Regulations and the rules on general shareholders' meetings are all available on the Governance section of the Group's website at: http://cnhindustrial.com/en-US/governance/corporate_regulations/Pages/default.aspx.

The Audit Committee

The Audit Committee is responsible for assisting the Board of Directors' oversight of: (i) the integrity of the company's financial statements, (ii) the company's policy on tax planning, (iii) the company's financing, (iv) the company's applications of information and communication technology, (v) the systems of internal controls that management and the Board of Directors have established, (vi) the company's compliance with legal and regulatory requirements, (vii) the company's compliance with recommendations and observations of internal and external auditors, (viii) the company's policies and procedures for addressing certain actual or perceived conflicts of interest, (ix) the independent auditors' qualifications, independence, remuneration and any non-audit services for the company, (x) the performance of the company's internal audit function

and of the independent auditors, (xi) risk management guidelines and policies, and (xii) the implementation and effectiveness of the company's ethics and compliance program.

The Audit Committee currently consists of Messrs. Theurillat (Chairman), Kalantzis, Lanaway and Tabellini. The Audit Committee is elected by the Board of Directors and is comprised of at least three members who may be appointed for terms of up to two years, each of whom must be a non-executive director. Audit Committee members are also required (i) not to have any material relationship with the company or to serve as auditors or accountants for the company, (ii) to be "independent", for purposes of NYSE rules, Rule 10A-3 of the Exchange Act and the Dutch Corporate Governance Code, and (iii) to be "financially literate" and have "accounting or selected financial management expertise" (as determined by the Board of Directors). At least one member of the Audit Committee shall be a "financial expert" as defined in the Sarbanes-Oxley Act and the rules of the U.S. Securities and Exchange Commission and best practice provision III.5.7 of the Dutch Corporate Governance Code. No Audit Committee member may serve on more than four audit committees for other public companies, absent a waiver from the Board of Directors, which must be disclosed in the annual report on Form 20-F. Unless decided otherwise by the Audit Committee, the independent auditors of the company, as well as the Chief Executive Officer and Chief Financial Officer attend its meetings.

The Compensation Committee

The Compensation Committee is responsible for, among other things, assisting the Board of Directors in: (i) determining executive compensation, (ii) submitting a proposal to the Board on the remunerative policy to be pursued, (iii) preparing the remuneration report contemplated by Section II.2.12 of the Dutch Corporate Governance Code, (iv) reviewing and recommending for approval the remuneration structure of the compensation of executive directors, (v) preparing an annual performance review of the Compensation Committee, (vi) overseeing the implementation of the remuneration policy concerning executive officers and other senior officers reporting directly to the executive officers of the company, (vii) administering equity incentive plans and deferred compensation benefit plans and (viii) discussing with management the company's policies and practices related to compensation and issuing recommendations thereon.

The Compensation Committee currently consists of Mr. Elkann (Chairman), Ms. Grieco and Messrs. Houle and Kalantzis. The Compensation Committee is elected by the Board of Directors and is comprised of at least three directors. No more than one member may be non-independent under the Dutch Corporate Governance Code. The members of the Governance and Sustainability Committee are appointed for terms of up to two years. Unless decided otherwise by the Compensation Committee, the Head of Human Resources for the company attends its meetings.

The Governance and Sustainability Committee

The Governance and Sustainability Committee is responsible for, among other things, assisting the Board of Directors with the determination of: (i) the identification of the criteria, professional and personal qualifications for candidates to serve as directors of the company, (ii) periodical assessment of the size and composition of the board of directors, (iii) proposals for appointment of executive and non-executive directors, (iv) supervision of the selection criteria and appointment procedure for senior management, (v) monitoring and evaluating reports on the Group's sustainable development policies and practices, management standards, strategy, performance and governance globally, and (vi) reviewing, assessing and making recommendations as to strategic guidelines for sustainability-related issues, and reviewing the annual Sustainability Report.

The Governance and Sustainability Committee currently consists of Mr. Elkann (Chairman), Ms. Gerowin and Ms. Tammenoms Bakker. The Governance and Sustainability Committee is elected by the Board of Directors and is comprised of at least three directors. No more than two members may be non-independent, and none of the members may be executive directors. The members of the Governance and Sustainability Committee are appointed for terms of up to two years.

The Group Executive Council

The Group Executive Council (“GEC”) was formed on September 29, 2013. The GEC is an operational decision-making body of the CNH Industrial Group, which is responsible for reviewing the operating performance of the businesses, making decisions on certain operational matters and providing advice to the Board of Directors on certain key industrial matters.

The GEC currently consists of Mr. Marchionne (Chairman), Mr. Tobin (Chief Executive Officer), the leaders of the four regions (EMEA, APAC, LATAM and NAFTA (whose current leader is Mr. Tobin, who is also the Chief Executive Officer)), the leaders of Iveco and FPT Industrial, the leaders of the brands Case IH Agricultural Equipment, New Holland Agricultural Equipment, Case Construction Equipment and New Holland Construction, Iveco, and Parts and Service, the chief technical officer, the chief manufacturing officer, the chief quality officer, the chief purchasing officer, the president of the specialty business unit, the president of financial services, the chief financial officer and the chief human resources officer.

Major Shareholders

As of November 13, 2013, on the basis of the information published on the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten* or AFM)’s website, CNH Industrial is indirectly controlled by Giovanni Agnelli & C. S.a.p.az through Exor S.p.A. – which owns 733,855,800 CNH Industrial shares (*i.e.*, 40.25% of the issued shares) – and through Fiat S.p.A. – which owns an additional 67,910,804 CNH Industrial shares (*i.e.*, 3.72% of the issued shares). Accordingly, Giovanni Agnelli & C. S.a.p.az indirectly owns 801,766,604 CNH Industrial shares, *i.e.*, 43.97% of the issued shares. Furthermore, on the basis of the information published on the above-mentioned website, the shareholders who own more than 3% of the shares of CNH Industrial are (i) Harris Associates L.P., which indirectly owns 116,989,065 CNH Industrial shares (*i.e.*, 6.42% of the issued shares), and (ii) BlackRock Inc., which owns 52,878,297 CNH Industrial shares (*i.e.*, 2.90% of the issued shares) indirectly through its subsidiaries*. BlackRock Inc., acting through BlackRock (Luxembourg) S.A., BlackRock Advisors (UK) Limited and BlackRock Institutional Trust Company, National Association, has entered into contracts for difference to potentially be able to purchase an additional 1,798,491 CNH Industrial shares.

With regard to the voting rights in CNH Industrial held by the company’s shareholders, as of November 13, 2013, on the basis of the information published on the above-mentioned website, Giovanni Agnelli & C. S.a.p.az. holds 40.25% of the voting rights in CNH Industrial through Exor S.p.A. and it holds an additional 3.72% of the voting rights in CNH Industrial through Fiat S.p.A. As a result, Giovanni Agnelli & C. S.a.p.az indirectly holds 43.97% of the voting rights in CNH Industrial. In addition to Giovanni Agnelli & C. S.a.p.az, the shareholders who hold more than 3% of the voting rights in CNH Industrial are (i) Harris Associates L.P., which indirectly holds 6.42% of the voting rights in CNH Industrial, and (ii) BlackRock Inc., which indirectly through its subsidiaries holds 3.21% of the voting rights in CNH Industrial.

CNH Industrial has approximately 180,000 shareholders.

CNH Industrial has in place certain measures to prevent the abuse of control of majority shareholders.

On September 9, 2013, CNH Industrial’s shareholders elected seven out of eleven Directors who qualify as independent for purposes of NYSE rules, Rule 10A-3 of the Exchange Act and the Dutch Corporate Governance Code. The independent Directors therefore represent a majority of the members of the Board of Directors.

In addition, as described above, the charters of the Audit Committee, Compensation Committee and Governance and Sustainability Committee set forth independence requirements for their members for

* On the basis of the information published on the AFM’s website, the relevant BlackRock Inc.’s subsidiaries are: BlackRock (Luxembourg) S.A., BlackRock Advisors (UK) Limited, BlackRock Advisors, LLC, BlackRock Asset Management Australia Limited, BlackRock Asset Management Canada Limited, BlackRock Asset Management Deutschland AG, BlackRock Asset Management Ireland Limited, BlackRock Fund Advisors, BlackRock Fund Management Company (Ireland) Limited, BlackRock Fund Managers Limited, BlackRock Institutional Trust Company, National Association, BlackRock Investment Management (Australia) Limited, BlackRock Investment Management (UK) Limited, BlackRock Japan Co., Ltd., BlackRock Life Limited and iShares (DE) I InvAG mit Teilgesellschaftsvermoegen.

purposes of the Dutch Corporate Governance Code. Audit Committee members are also required to qualify as independent for purposes of NYSE rules and Rule 10A-3 of the Exchange Act.

Loyalty Voting Structure

In accordance with the Merger Agreement, CNH Industrial implemented a loyalty voting structure, pursuant to which the former shareholders of each of Fiat Industrial and CNH Global were able to elect to receive one CNH Industrial special voting share with a nominal value of €0.01 per share for each CNH Industrial common share they were entitled to receive in the Merger, provided that they fulfilled the requirements described in the terms and conditions of the special voting shares. Such shareholders had their CNH Industrial common shares registered in a separate register (the “Loyalty Register”) of CNH Industrial’s share register. Following this registration, a corresponding number of special voting shares were allocated to the above-mentioned shareholders, and the additional voting rights could be exercised at the first CNH Industrial shareholders’ meeting which followed the registration. By signing an election form, whose execution was necessary to elect to receive special voting shares, shareholders also agreed to be bound by the terms and conditions thereof, including the transfer restrictions described below.

Following the completion of the Merger, new shareholders of CNH Industrial may at any time elect to participate in the loyalty voting structure by requesting that CNH Industrial registers all or some of their CNH Industrial common shares in the Loyalty Register. If these CNH Industrial common shares have been registered in the Loyalty Register (and thus blocked from trading in the regular trading system) for an uninterrupted period of three years in the name of the same shareholder, such shares become eligible to receive special voting shares (the “Qualifying Common Shares”) and the relevant shareholder will be entitled to receive one special voting share for each such Qualifying Common Share. If at any time such CNH Industrial common shares are de-registered from the Loyalty Register for whatever reason, the relevant shareholder shall lose its entitlement to hold a corresponding number of special voting shares.

A holder of Qualifying Common Shares may at any time request the de-registration of some or all such shares from the Loyalty Register, which will allow such shareholder to freely trade its CNH Industrial common shares. From the moment of such request, the holder of Qualifying Common Shares shall be considered to have waived her or his rights to cast any votes associated with such Qualifying Common Shares. Upon the de-registration from the Loyalty Register, the relevant shares will therefore cease to be Qualifying Common Shares. Any de-registration request would automatically trigger a mandatory transfer requirement pursuant to which the special voting shares will be acquired by CNH Industrial for no consideration (*om niet*) in accordance with the terms and conditions of the special voting shares.

CNH Industrial’s common shares are freely transferable. However, any transfer or disposal of CNH Industrial’s common shares with which special voting shares are associated would trigger the de-registration of such common shares from the Loyalty Register and the transfer of all relevant special voting shares to CNH Industrial. Special voting shares are not admitted to listing and are transferable only in very limited circumstances. In particular, no shareholder shall, directly or indirectly: (a) sell, dispose of or transfer any special voting share or otherwise grant any right or interest therein; or (b) create or permit to exist any pledge, lien, fixed or floating charge or other encumbrance over any special voting share or any interest in any special voting share.

The purpose of the loyalty voting structure is to grant long-term CNH Industrial shareholders an extra voting right by means of granting a special voting share (shareholders holding special voting shares are entitled to exercise one vote for each special voting share held and one vote for each CNH Industrial common share held), without entitling such shareholders to any economic rights, other than those pertaining to the CNH Industrial common shares. However, under Dutch law, the special voting shares cannot be excluded from economic entitlements. As a result, in accordance with CNH Industrial’s Articles of Association, holders of special voting shares are entitled to a minimum dividend, which is allocated to a separate special dividend reserve (the “Special Dividend Reserve”). The distribution of dividends from the Special Dividend Reserve can only be approved by the general meeting of the holders of special voting shares upon proposal of the board of directors of CNH Industrial. The power to vote upon the distribution from the Special Dividend Reserve is the only power that is granted to that meeting, which can only be convened by the board of

directors of CNH Industrial as it deems necessary. The special voting shares do not have any other economic entitlement.

Section 10 of the terms and conditions of the special voting shares include liquidated damages provisions intended to discourage any attempt by holders to violate the terms thereof. These liquidated damages provisions may be enforced by CNH Industrial by means of a legal action brought by the company in the courts of the Netherlands. In particular, a violation of the provisions of the above-mentioned terms and condition concerning the transfer of special voting shares may lead to the imposition of liquidated damages.

Pursuant to Section 12 of the terms and conditions of the special voting shares, any amendment to the terms and conditions (other than merely technical, non-material amendments) may only be made with the approval of the general meeting of shareholders of CNH Industrial.

A shareholder must promptly notify CNH Industrial upon the occurrence of a change of control, which is defined in Article 4(1)(n) of CNH Industrial's Articles of Association as including any direct or indirect transfer, carried out through one or a series of related transactions, by a CNH Industrial shareholder that is not an individual (*natuurlijk persoon*) of (i) the ownership or control of 50% or more of the voting rights of such shareholder, (ii) the *de facto* ability to direct the casting of 50% or more of the votes which may be expressed at the general meetings of such shareholder, or (iii) the ability to appoint or remove half or more of the directors, executive directors or board members or executive officers of such shareholder or to direct the casting of 50% or more of the voting rights at meetings of the board, governing body or executive committee of such shareholder. In accordance with Article 4(1)(n) of CNH Industrial's Articles of Association, no change of control shall be deemed to have occurred if (i) the transfer of ownership and/or control is the result of the succession or the liquidation of assets between spouses or the inheritance, *inter vivos* donation or other transfer to a spouse or a relative up to and including the fourth degree or (ii) the fair market value of the Qualifying Common Shares held by the relevant CNH Industrial's shareholder represents less than 20% of the total assets of the Transferred Group at the time of the transfer and the Qualifying Common Shares, in the sole judgment of CNH Industrial, are not otherwise material to the Transferred Group or the change of control transaction. Article 4(1)(n) of CNH Industrial's Articles of Association defines "Transferred Group" as comprising the relevant shareholder together with its affiliates, if any, over which control was transferred as part of the same change of control transaction, as such term is defined in Article 4(1)(n) of CNH Industrial's Articles of Association. A change of control will trigger the de-registration of the relevant Qualifying Common Shares from the Loyalty Register and the suspension of the special voting rights attached to the Qualifying Common Shares.

If CNH Industrial were to be dissolved and liquidated, after all the debts of the company have been paid, any remaining balances would be distributed in the following order of priority: (i) first, to satisfy the aggregate balance of share premium reserves and other reserves to the holders of CNH Industrial common shares in proportion to the number of common shares held by each of them; (ii) second, an amount equal to the aggregate amount of the nominal value of the CNH Industrial common shares to the holders thereof in proportion to the number of common shares held by each of them; (iii) third, an amount equal to the aggregate amount of the Special Dividend Reserve to the holders of special voting shares in proportion to the number of special voting shares held by each of them; and (iv) fourth, the aggregate amount of the nominal value of the special voting shares to the holders thereof in proportion to the number of special voting shares held by each of them.

Internal Control System

The Group has in place an internal control system (the "System"), based on the model provided by the COSO Report (Committee of Sponsoring Organizations of the Treadway Commission Report) and the principles of the Dutch Corporate Governance Code, which consists of a set of policies, procedures and organisational structures aimed at identifying, measuring, managing and monitoring the principal risks to which CNH Industrial is exposed. The System is integrated within the organisational and corporate governance framework adopted by CNH Industrial and contributes to the protection of corporate assets, as well as to ensuring the efficiency and effectiveness of business processes, reliability of financial information and compliance with laws, regulations, the Articles of Association and internal procedures.

The System, which has been developed on the basis of international best practices, consists of the following three levels of control:

- Level 1: operating areas, which identify and assess risk and establish specific actions for management of such risk;
- Level 2: central functions responsible for risk control, which define methodologies and instruments for managing risk and monitoring such risk;
- Level 3: internal audit, which conducts independent evaluations of the System in its entirety.

Principal Characteristics of the Internal Control System and Internal Control over Financial Reporting

CNH Industrial has in place a system of risk management and internal control over financial reporting based on the model provided in the COSO Report, according to which the internal control system is defined as a set of rules, procedures and tools designed to provide reasonable assurance of the achievement of corporate objectives. In relation to the financial reporting process, reliability, accuracy, completeness and timeliness of the information contribute to the achievement of such corporate objectives. Risk management is an integral part of the internal control system. A periodic evaluation of the system of internal control over financial reporting is designed to ensure the overall effectiveness of the components of the COSO Framework (control environment, risk assessment, control activities, information and communication, and monitoring) in achieving those objectives.

CNH Industrial – which is listed on the NYSE and, consequently, is subject to Section 404 of the United States Sarbanes-Oxley Act – has a system of administrative and accounting procedures in place that seeks to ensure a highly reliable system of internal control over financial reporting.

The approach adopted by CNH Industrial for the evaluation, monitoring and continuous updating of the system of internal control over financial reporting, is based on a ‘top-down, risk-based’ process consistent with the COSO Framework. This enables focus on areas of higher risk and/or materiality, where there is risk of significant errors, including those attributable to fraud, in the elements of the financial statements and related documents. The key components of the process are:

- identification and evaluation of the source and probability of significant errors in elements of financial reporting;
- assessment of the adequacy of key controls in enabling *ex-ante* or *ex-post* identification of potential misstatements in elements of financial reporting; and
- verification of the operating effectiveness of controls based on the assessment of the risk of misstatement in financial reporting, with testing focused on areas of higher risk.

Identification and evaluation of the risk of misstatements which could have material effects on financial reporting is carried out through a risk assessment process that uses a top-down approach to identify the organisational entities, processes and the related accounts, in addition to specific activities, which could potentially generate significant errors. Under the methodology adopted by CNH Industrial, risks and related controls are associated with the accounting and business processes upon which accounting information is based.

Significant risks identified through the assessment process require definition and evaluation of key controls that address those risks, thereby mitigating the possibility that financial reporting will contain any material misstatements.

In accordance with international best practices, the CNH Industrial Group has two principal types of control in place:

- controls that operate at Group or subsidiary level, such as the delegation of authorities and responsibilities, separation of duties, and assignment of access rights for IT systems; and

- controls that operate at process level, such as authorisations, reconciliations, verification of consistencies, etc. This category includes controls for operating processes, controls for closing processes and cross-sector controls carried out by service providers that are part of the Fiat Group. These controls can be preventive (*i.e.*, designed to prevent errors or fraud that could result in misstatements in financial reporting) or detective (*i.e.*, designed to reveal errors or fraud that have already occurred). They may also be defined as manual or automatic, such as application-based controls relating to the technical characteristics and configuration of IT systems supporting business activities.

An assessment of the design and operating effectiveness of key controls is carried out through tests performed by dedicated departments at subsidiary level and by the internal audit function, using sampling techniques based on international best practices. The internal audit function also conducts a qualitative review of the tests performed by subsidiary companies.

The assessment of the controls may require the definition of compensating controls and plans for remediation and improvement. The results of monitoring are subject to periodic review by the manager responsible for preparation of CNH Industrial's financial reporting and communicated to senior management and to the Audit Committee (which in turn reports to the Board of Directors).

Code of Conduct

On September 28, 2013, the Board of Directors adopted a code of conduct (the "Code of Conduct"), which forms an integral part of the internal control system and sets out the principles of business ethics to which CNH Industrial adheres and which directors, employees, consultants and partners are required to observe. In particular, the Code of Conduct includes specific guidelines on issues relating to the environment, health and safety, business ethics and anti-corruption, suppliers, management of human resources and the respect of human rights.

The CNH Industrial Group uses its best endeavors to ensure that suppliers, consultants and any third party with whom the CNH Industrial Group has a business relationship be informed of the adoption of the principles set forth in the Code of Conduct.

The Code of Conduct is available on the Governance section of the Group's website (http://cnhindustrial.com/en-US/governance/FiatDocuments/CodeofConduct_CNHIndustrial_2809.pdf).

Insider Trading Policy

On September 9, 2013, the Board of Directors adopted an insider trading policy setting forth guidelines and recommendations to all directors, officers and employees of the CNH Industrial Group with respect to transactions in CNH Industrial's securities. This policy, which also applies to immediate family members and members of the households of persons covered by the recommendations, is designed to prevent insider trading or allegations of insider trading, and to protect CNH Industrial's reputation for integrity and ethical conduct.

Sustainability Practices

The CNH Industrial Group is committed to operating in an environmentally and socially-responsible manner.

As discussed above, the Governance and Sustainability Committee was assigned responsibility for strategic oversight of sustainability-related issues and reviews the annual Sustainability Report. The GEC defines the strategic approach, evaluates the congruity of the Sustainability Plan with business objectives and is regularly updated on the Group's sustainability performance.

The Sustainability Unit, which is part of the Group's financial organisation, has operational responsibility for promoting a culture of sustainability throughout the Group, it facilitates the process of continuous improvement, and contributes to managing risks and strengthening the relationship with and perceptions of stakeholders, in addition to managing sustainability reporting and communications.

The Group's Code of Conduct includes guidelines aimed at ensuring the Group's activities are conducted in a consistent and responsible manner. In addition, the Group has also adopted "Sustainability Guidelines for Suppliers," setting forth expectations for suppliers and sub-suppliers of the Group worldwide, "Environmental Guidelines," which provide clear indications on how to establish and update environmental targets, develop new products and execute daily activities worldwide, and "Green Logistics Principles" setting forth principles for ensuring respect for the environment in the Group's logistical and supply chain operations.

The Group also produces a Sustainability Plan, which reports on the progress of existing projects and new targets to drive continuous improvement in the Group's sustainability performance. It is updated annually to report the status of existing projects and establish new targets to ensure continuous improvement to support long-term growth. The Sustainability Plan is incorporated in the Sustainability Report, which is prepared on a voluntary basis applying the Global Reporting Initiative's G3.1 guidelines (GRI – G3.1) with an A+ application level (which represents the maximum level).

The Group has placed particular emphasis on the reduction of polluting emissions, fuel consumption and greenhouse gas emissions by means of:

- powertrain technologies and associated components which are compliant with new emissions regulations, and their application on industrial, commercial and agricultural vehicles;
- engine and transmission technologies and alternative fuels for commercial vehicles;
- innovative architecture to deliver improvements in aerodynamics and reductions in vehicle weight; and
- following the promotion of the use of alternative fuels and renewable energy sources and the managing of recovery, recycling and reuse rates.

In the Group's manufacturing processes, priority continues to be placed on reducing our environmental impact and optimising our energy performance.

CNH Industrial's achievements in improving its sustainability performance have been recognised through inclusion in several leading sustainability indices. In particular, in September 2013, CNH Industrial was included in the Dow Jones Sustainability World, World Enlarged and Europe Indices.

FINANCIAL INFORMATION RELATING TO CNH INDUSTRIAL N.V.

The following financial information has been extracted from the unaudited financial statements of FI CBM Holdings N.V., which was renamed CNH Industrial N.V. effective September 29, 2013, at December 31, 2012, but which did not have any independent operations. This set of financial information has been prepared in accordance with IFRS.

FINANCIAL STATEMENTS

	As of December 31, 2012
PROFIT AND LOSS ACCOUNT	
<hr/>	
(in Euro)	(Unaudited)
Interest income	15
Bank charges.....	(82)
Profit/(Loss) for the period	(67)
BALANCE SHEET	
<hr/>	
Current assets and liabilities	
Cash and cash equivalents	212
Intercompany financial receivable	49,804
Accruals	(83)
Net current assets	49,933
<hr/>	
EQUITY AND LIABILITIES	
<hr/>	
Equity	
Share capital	50,000
Profit and Loss Account for the period	(67)
Total equity	49,933
TOTAL EQUITY AND LIABILITIES	49,933

FINANCIAL INFORMATION RELATING TO THE CNH INDUSTRIAL GROUP

The following financial information has been extracted from the audited consolidated annual financial statements of the CNH Industrial Group's predecessor, the Fiat Industrial Group, as of and for the financial years ended December 31, 2012 and 2011, as set forth in the Form F-4, and the unaudited consolidated financial statements of the CNH Industrial Group, as of and for the nine months ended September 30, 2013 and 2012, as set forth in the Interim Report, in each case (except for the financial information as of and for the nine months ended September 30, 2013), as restated to reflect retrospective application of the amendments to IAS 19 – *Employee Benefits* and IAS 1 – *Presentation of Financial Statements* that became effective and were adopted by the Group from January 1, 2013. Each of these financial statements are incorporated by reference herein.

The audited consolidated annual financial statements of the Fiat Industrial Group as of and for the financial years ended December 31, 2012, 2011 and 2010 have been prepared in accordance with IFRS. The unaudited consolidated financial statements of the CNH Industrial Group as of and for the nine months ended September 30, 2013 and 2012 have been prepared in accordance with IFRS as well as IFRS as adopted by the European Union. As of the date of this Base Prospectus, as applied to the financial statements of the Fiat Industrial Group and the CNH Industrial Group incorporated by reference herein, there is no difference between IFRS and IFRS as adopted by the European Union.

Investors are advised to review the full financial statements before making any investment decision.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As of September 30, 2013	As of December 31, 2012 2011	
(in millions of Euro)	(Unaudited)	(Audited)	
Assets			
Intangible assets	4,269	4,174	3,909
Property, plant and equipment	4,727	4,572	4,177
Investments and other financial assets:.....	537	531	666
<i>Investments accounted for using the equity method</i>	473	464	614
<i>Other investments and financial assets</i>	64	67	52
Leased assets.....	716	622	558
Defined benefit plan assets	8	38	27
Deferred tax assets	1,327	1,228	1,284
Total non-current assets	11,584	11,165	10,621
Inventories.....	6,007	4,843	4,865
Trade receivables	1,272	1,436	1,562
Receivables from financing activities.....	16,063	15,237	13,946
Current tax receivables	189	302	685
Other current assets.....	1,376	1,117	1,053
Current financial assets:	178	125	186
<i>Current securities</i>	-	4	68
<i>Other financial assets</i>	178	121	118
Cash and cash equivalents	3,319	4,611	5,639
Total current assets	28,404	27,671	27,936
Assets held for sale.....	25	25	15
Total assets	40,013	38,861	38,572

	As of September 30, 2013	As of December 31, 2012 2011	
(in millions of Euro)	(Unaudited)	(Audited)	
Equity and liabilities			
Issued capital and reserves attributable to owners of the parent	5,489	4,628	4,414
Non-controlling interests	64	748	838
Total equity	5,553	5,376	5,252
Provisions:.....	4,899	4,861	4,628
<i>Employee benefits</i>	2,070	2,213	2,158
<i>Other provisions</i>	2,829	2,648	2,470
Debt:	21,273	20,633	20,217
<i>Asset-backed financing</i>	10,121	9,708	9,479
<i>Other debt</i>	11,152	10,925	10,738
Other financial liabilities	79	97	157
Trade payables	4,858	4,843	5,052
Current taxes payable	352	217	660
Deferred tax liabilities	178	168	111
Other current liabilities	2,821	2,666	2,495
Liabilities held for sale	–	–	–
Total liabilities	34,460	33,485	33,320
Total equity and liabilities	40,013	38,861	38,572

CONSOLIDATED INCOME STATEMENTS

	For the nine months ended September 30,		For the years ended December 31,	
	2013	2012	2012	2011
(in millions of Euro)	(Unaudited)		(Audited)	
Net revenues	18,844	18,771	25,785	24,289
Cost of sales	15,152	15,131	20,931	20,041
Selling, general and administrative costs	1,627	1,598	2,187	1,998
Research and development costs.....	457	400	560	505
Other income/(expenses).....	(59)	(14)	(44)	(55)
Trading profit/(loss).....	1,549	1,628	2,063	1,690
Gains/(losses) on the disposal of investments.....	–	–	(38)	26
Restructuring costs	20	140	166	95
Other unusual income/(expenses)	(49)	–	(13)	12
Operating profit/(loss).....	1,480	1,488	1,846	1,633
Financial income/(expenses)	(344)	(334)	(467)	(557)
Result from investments:.....	71	66	81	86
<i>Share of the profit/(loss) of investees accounted for using the equity method.....</i>	70	66	86	97
<i>Other income/(expenses) from investments.....</i>	1	–	(5)	(11)
Profit/(loss) before taxes	1,207	1,220	1,460	1,162
Income taxes	460	476	560	468
Profit/(loss) from continuing operations	747	744	900	694
Profit/(loss) from discontinued operations	–	–	–	–
Profit/(loss)	747	744	900	694
Profit/(loss) attributable to:				
Owners of the parent.....	616	648	791	618
Non-controlling interests.....	131	96	109	76
	For the nine months ended September 30,		For the years ended December 31,	
	2013	2012	2012	2011

(in Euro)	(Unaudited)		(Audited)	
Basic earnings/(loss) per common share (€) ⁽¹⁾	0.504	0.530		
Diluted earnings/(loss) per common share (€) ⁽¹⁾	0.504	0.530		
Basic and diluted earnings/(loss) per ordinary share ⁽¹⁾	–	–	0.647	0.482
Basic and diluted earnings/(loss) per preference share ⁽¹⁾	–	–	–	0.482
Basic and diluted earnings/(loss) per savings share ⁽¹⁾	–	–	–	0.528

(1) For the nine months ended September 30, 2013, basic earnings per share is presented separately from diluted earnings per share, because CNH Industrial has some equity instruments with dilutive effects; for this period, however, those effects have been immaterial. Before the Merger, Fiat Industrial did not have equity instruments with dilutive effects, and therefore there was no difference between basic earnings per share and diluted earnings per share.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	For the nine months ended September 30,		For the years ended December 31,	
	2013	2012	2012	2011
(in millions of Euro)	(Unaudited)		(Audited)	
Profit/(loss) (A)	747	744	900	694
Other comprehensive income that will not be reclassified subsequently to profit or loss:				
Remeasurements of defined benefits plans	–	–	(196)	32
Income tax relating to Other comprehensive income that will not be reclassified subsequently to profit or loss	–	–	25	17
Total Other comprehensive income that will not be reclassified subsequently to profit or loss, net of tax (B1)	–	–	(171)	49
Other comprehensive income that will be reclassified subsequently to profit or loss:				
Gains/(losses) on cash flow hedges	76	22	45	(43)
Gains/(losses) on fair value of available-for-sale financial assets.....	–	–	–	–
Gains/(losses) on exchange differences on translating foreign operations	(386)	(67)	(223)	(58)
Share of other comprehensive income of entities consolidated using the equity method.....	(25)	6	(47)	21
Income tax relating to Other comprehensive income that will be reclassified subsequently to profit or loss	(21)	(6)	(10)	6
Total Other comprehensive income that will be reclassified subsequently to profit or loss, net of tax (B2)	(356)	(45)	(235)	(74)
Total Other comprehensive income, net of tax (B) = (B1) + (B2)	(356)	(45)	(406)	(25)
Total comprehensive income (A) + (B)	391	699	494	669
Total comprehensive income attributable to:				
Owners of the parent.....	296	605	421	597
Non-controlling interests.....	95	94	73	72

BOOK-ENTRY CLEARANCE SYSTEMS

The information set out below is subject to any change in or reinterpretation of, the rules, regulations and procedures of DTC, Euroclear, Clearstream and the CMU Service (together, the “Clearing Systems”) currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuers and the Guarantor believe to be reliable, but none of the Issuers, the Guarantor or any Dealer takes any responsibility for the accuracy thereof. Each Issuer and the Guarantor confirms that this information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuers, the Guarantor or any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Book-Entry Systems

DTC

DTC has advised the Issuers that it is a limited purpose trust company organised under the New York Banking Law, a “banking organisation” within the meaning of the New York Banking Law, a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to Section 17A of the Exchange Act. DTC holds securities that its participants (“Direct Participants”) deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerised book-entry changes in Direct Participants’ accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. DTC is owned by a number of its Direct Participants and by certain U.S. stock exchanges and other self-regulatory organisations. Access to the DTC system is also available to others such as securities brokers, dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants,” and together with Direct Participants, “Participants”).

Under the rules, regulations and procedures creating and affecting DTC and its operations (the “Rules”), DTC makes book-entry transfers of Registered Notes among Direct Participants on whose behalf it acts with respect to Notes accepted into DTC’s book-entry settlement system (“DTC Notes”) as described below and receives and transmits distributions of principal and interest on DTC Notes. Direct Participants and Indirect Participants with which beneficial owners of DTC Notes (“Owners”) have accounts with respect to the DTC Notes similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their respective Owners. Accordingly, although Owners who hold DTC Notes through Direct Participants or Indirect Participants will not possess Registered Notes, the Rules, by virtue of the requirements described above, provide a mechanism by which Direct Participants will receive payments and will be able to transfer their interests in the DTC Notes.

Purchases of DTC Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Notes on DTC’s records. The ownership interest of each actual purchaser of each DTC Note (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the DTC Notes are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in DTC Notes, except in the event that use of the book-entry system for the DTC Notes is discontinued.

To facilitate subsequent transfers, all DTC Notes deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of DTC Notes with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the DTC Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such DTC Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to Cede & Co. If less than all of the DTC Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to DTC Notes. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the DTC Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the DTC Notes will be made to DTC. DTC's practice is to credit Direct Participants' accounts on the due date for payment in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the due date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the relevant Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the relevant Issuer, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

Under certain circumstances, including if there is an Event of Default under the Notes, DTC will exchange the DTC Notes for definitive Registered Notes, which it will distribute to its Participants in accordance with their proportionate entitlements and which, if representing interests in a Rule 144A Global Note, will be legended as set forth under "*Subscription and Sale, and Transfer and Selling Restrictions.*"

Since DTC may only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, any Owner desiring to pledge DTC Notes to persons or entities that do not participate in DTC, or otherwise take actions with respect to such DTC Notes, will be required to withdraw its Registered Notes from DTC as described below.

Euroclear and Clearstream

Euroclear and Clearstream each hold securities for their customers and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream also deal with domestic securities markets in several countries through established depository and custodial relationships.

Euroclear and Clearstream have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream customers are worldwide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

CMU Service

The CMU is a central depository service provided by the HKMA for the custody and electronic clearing and settlement between the members of this service (“CMU Members”) of capital markets instruments (“CMU Instruments”) which are specified in the CMU Service Reference Manual as capable of being held within the CMU Service. The CMU Service is only available for CMU Instruments issued by a CMU Member or by a person for whom a CMU Member acts as agent for the purposes of lodging instruments issued by such persons. Membership of the CMU Service is open to all members of the Hong Kong Capital Markets Association, “authorised institutions” under the Banking Ordinance (Cap. 155) of Hong Kong and other domestic and overseas financial institutions at the discretion of the HKMA.

Compared to clearing services provided by Euroclear and Clearstream, the standard custody and clearing service provided by the CMU Service is limited. In particular (and unlike the European clearing systems), the HKMA does not as part of this service provide any facilities for the dissemination to the relevant CMU Members of payments (of interest or principal) under, or notices pursuant to the notice provisions of, CMU Instruments. Instead, the HKMA advises the CMU Lodging and Paying Agent (or a designated paying agent) of the identities of the CMU Members to whose accounts payments in respect of the relevant CMU Instruments are credited, whereupon the CMU Lodging and Paying Agent (or the designated paying agent) will make the necessary payments of interest or principal or send notices directly to the relevant CMU Members.

Similarly, the HKMA will not obtain certificates of non-U.S. beneficial ownership from CMU Members or provide any such certificates on behalf of CMU Members. The CMU Lodging and Paying Agent will collect such certificates from the relevant CMU Members identified from an instrument position report obtained by request from the HKMA for this purpose.

An investor holding an interest through an account with either Euroclear or Clearstream in any Notes held in the CMU will hold that interest through the respective accounts which Euroclear and Clearstream have with the CMU.

Book-Entry Ownership of and Payments in Respect of DTC Notes

The Issuers will apply to DTC in order to have each Tranche of Notes represented by Rule 144A Global Notes accepted in its book-entry settlement system. Upon the issue of any Rule 144A Global Notes, DTC or its custodian will credit, on its internal book-entry system, the respective nominal amounts of the individual beneficial interests represented by such Rule 144A Global Notes to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the relevant Dealer. Ownership of beneficial interests in a Rule 144A Global Note will be limited to Direct Participants or Indirect Participants. Ownership of beneficial interests in a Rule 144A Global Note will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee (with respect to the interests of Direct Participants) and the records of Direct Participants (with respect to interests of Indirect Participants).

Payments in U.S. dollars of principal and interest in respect of a Rule 144A Global Note registered in the name of DTC’s nominee will be made to the order of such nominee as the registered holder of such Note. In the case of any payment in a currency other than U.S. dollars, payment will be made to the Exchange Agent on behalf of DTC’s nominee and the Exchange Agent will (in accordance with instructions received by it) remit all or a portion of such payment for credit directly to the beneficial holders of interests in the Registered Global Notes in the currency in which such payment was made and/or cause all or a portion of such payment to be converted into U.S. dollars and credited to the applicable Participants’ account.

The Issuers expect DTC to credit accounts of Direct Participants on the applicable payment date in accordance with their respective holdings as shown in the records of DTC unless DTC has reason to believe that it will not receive payment on such payment date. The Issuers also expect that payments by Participants to beneficial owners of Notes will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and

not the responsibility of DTC, the Principal Paying Agent, the Registrar or the Issuer. Payments of principal, premium, if any, and interest, if any, on Notes to DTC is the responsibility of the Issuer.

Transfers of Notes Represented by Registered Global Notes

Transfers of any interests in Notes represented by a Registered Global Note within DTC, Euroclear, Clearstream and the CMU Service will be effected in accordance with the customary rules and operating procedures of the relevant clearing system. The laws in some states within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Notes represented by a Registered Global Note to such persons may depend upon the ability to exchange such Notes for Notes in definitive form.

Similarly, because DTC can only act on behalf of Direct Participants in the DTC system who in turn act on behalf of Indirect Participants, the ability of a person having an interest in Notes represented by a Registered Global Note to pledge such Notes to persons or entities that do not participate in the DTC system or to otherwise take action in respect of such Notes may depend upon the ability to exchange such Notes for Notes in definitive form. The ability of any holder of Notes represented by a Registered Global Note to resell, pledge or otherwise transfer such Notes may be impaired if the proposed transferee of such Notes is not eligible to hold such Notes through a direct or indirect participant in the DTC system.

Subject to compliance with the transfer restrictions applicable to the Registered Notes described under “*Subscription and Sale, and Transfer and Selling Restrictions*,” cross-market transfers between DTC, on the one hand, and directly or indirectly through Clearstream or Euroclear or the CMU Service accountholders, on the other, will be effected by the relevant clearing system in accordance with its rules and through action taken by the Registrar, the Principal Paying Agent and any custodian (“Custodian”) with whom the relevant Registered Global Notes have been deposited.

On or after the Issue Date for any Series, transfers of Notes of such Series between accountholders in Clearstream and Euroclear and transfers of Notes of such Series between participants in DTC will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in Clearstream or Euroclear and DTC participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Clearstream and Euroclear, on the other, transfers of interests in the relevant Registered Global Notes will be effected through the Registrar, the Principal Paying Agent and the Custodian receiving instructions (and where appropriate certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. In the case of cross-market transfers, settlement between Euroclear or Clearstream accountholders and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately.

DTC, Clearstream, Euroclear and the CMU Service have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Registered Global Notes among participants and accountholders of DTC, Clearstream, Euroclear and the CMU Service. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Issuer, the Guarantor, the Agents or any Dealer will be responsible for any performance by DTC, Clearstream, Euroclear or the CMU Service or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Notes represented by Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial interests.

TAXATION

The following is a general summary of certain tax consequences of acquiring, holding and disposing of the Notes. It does not purport to be a complete analysis of all tax considerations that may be relevant to the decision to purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of prospective beneficial owners of the Notes, some of which may be subject to special rules, nor with Notes that are not held and accounted for as financial assets.

This summary is based upon the tax laws and/or practice at the date of this offering, subject to any changes in law and/or practice occurring after such date, which could be made on a retroactive basis. This summary will not be updated to reflect changes in law or practice and, if any such change occurs, the information in this summary could be superseded.

Prospective purchasers of the Notes should consult their tax advisers as to the overall tax consequences of acquiring, holding and disposing of the Notes.

United Kingdom Taxation

The following comments are of a general nature, based on current UK tax law and published practice of Her Majesty's Revenue & Customs ("HMRC") as at the date of this Base Prospectus, all of which are subject to change, possibly with retrospective effect. The following is a general summary only of the UK withholding tax treatment of payments of and in respect of interest on the Notes together with some general statements about certain information reporting requirements and stamp duty and stamp duty reserve tax. The comments are not exhaustive, and do not deal with other UK tax aspects of acquiring, holding, disposing of or dealing in the Notes. The comments below only apply to persons who are beneficial owners of the Notes and do not necessarily apply where any payment on the Notes is deemed for tax purposes to be the income of any other person. Any prospective purchasers of any Notes who are in doubt as to their own tax position, or who may be subject to tax in a jurisdiction other than the UK, should consult their own professional adviser.

Withholding or deduction of UK tax on payments of interest by the Issuer or under the Guarantee

References to "interest" under this heading "United Kingdom Taxation" mean interest as understood under UK tax law. For example, any redemption premium may be "interest" for UK withholding tax purposes, depending upon the particular terms and conditions of the relevant Notes.

(i) Payments of interest by the Issuer

If the interest on the Notes does not have a UK source, interest on the Notes may be paid by the relevant Issuer without withholding or deduction for or on account of UK income tax. The source of a payment is a complex matter. It is necessary to have regard to case law and HMRC practice. Case law has established that in determining the source of interest, all relevant factors must be taken into account. HMRC consider the most important factor in deciding whether interest has a UK source is the residence of the debtor (which, in this context, broadly means the place where the courts may have jurisdiction to enforce the debt against the debtor) and the location of the debtor's assets. Where the Issuer is CNH Industrial, payments of interest made in respect of Notes issued by it are likely to be regarded by HMRC as having a UK source. Where the Issuer is CIFE or CIFNA, the source of the interest payment would need to be analysed in light of the particular facts and circumstances of the relevant issuance.

If the interest on the Notes is regarded as having a UK source, it may be paid by the relevant Issuer without withholding or deduction for or on account of UK tax if the Notes are and continue to be "quoted Eurobonds" as defined in section 987 of the Income Tax Act 2007. The Notes will constitute "quoted Eurobonds" if they carry a right to interest and are listed on a "recognised stock exchange" within the meaning of section 1005 of the Income Tax Act 2007. The Irish Stock Exchange is a recognised stock exchange for these purposes. The Notes will be treated as listed on the Irish Stock Exchange if they are both officially listed in Ireland in accordance with provisions corresponding to those generally applicable in EEA states and admitted to trading on the Main Securities Market of the Irish Stock Exchange.

If the Notes are not or cease to be so listed, interest on the Notes regarded as having a UK source will generally be paid by the relevant Issuer under deduction of UK income tax at the basic rate (currently 20%) unless (i) any other relief applies, or (ii) the relevant Issuer have received a direction to the contrary from HMRC in respect of such relief as may be available pursuant to the provisions of any applicable double taxation treaty. However this withholding will not apply if the relevant interest is paid on Notes with a maturity date of less than one year from the date of issue and which are not issued under arrangements the effect of which is to render such Notes part of a borrowing intended to be capable of remaining outstanding for a year or more. If interest on the Notes regarded as having a UK source were paid under deduction of UK income tax, holders of Notes who are not resident in the UK may be able to recover all or part of the tax deducted if there is an appropriate provision in an applicable double taxation treaty.

If a payment in respect of interest on the Notes has a UK source, it may accordingly be chargeable to UK tax by direct assessment, even where paid without withholding or deduction. Where interest on the Notes regarded as having a UK source is paid without withholding or deduction, such interest will generally not be assessed to UK tax in the hands of holders of the Notes (other than certain trustees) who are not resident in the UK, except where the holder of Notes carries on a trade, profession or vocation through a branch or agency in the UK, or, in the case of a corporate holder, carries on a trade through a permanent establishment in the UK, in connection with which the interest is received or to which the Notes are attributable, in which case (subject to exemptions for interest received by certain categories of agent) tax may be levied on the UK branch or agency, or permanent establishment. Holders of Notes should note that, if HMRC sought to assess UK tax directly against the person entitled to the relevant interest, the provisions relating to additional amounts referred to in “*Terms and Condition of the Notes—Taxation*” above would not apply. However, exemption from, or reduction of, such UK tax liability might be available under an applicable double tax treaty.

(ii) *Payments under the guarantee*

If CNH Industrial, as Guarantor, makes any payments in respect of interest on Notes issued by CIFE or CIFNA, it is possible that such payments may be subject to UK withholding tax at the basic rate (currently 20%). Any such withholding would be subject to any relief that may be available and claimed under any applicable double tax treaty, or to any other exemption which may apply. Such payments by a guarantor may not be eligible for the exemption described above in respect of the Notes being listed on a recognised stock exchange.

UK Provision of information requirements

HMRC has powers to obtain information and documents relating to securities in certain circumstances. This may include details of the beneficial owners of the Notes (or the persons for whom the Notes are held), details of the persons to whom payments derived from the Notes are or may be paid and information and documents in connection with transactions relating to the Notes. Information may be required to be provided by, amongst others, the holders of the Notes, persons by or through whom payments derived from the Notes are made or who receive such payments (or who would be entitled to receive such payments if they were made), persons who effect or are a party to transactions relating to the Notes on behalf of others and certain registrars or administrators. In certain circumstances, the information obtained by HMRC may be exchanged with tax authorities in other countries.

Stamp duty and stamp duty reserve tax (“SDRT”)

If no register of the Notes is maintained in the UK, no stamp duty or SDRT will be payable in the United Kingdom on (i) the issue and delivery into Euroclear, Clearstream, DTC or CMU (as applicable) of Registered Notes or Bearer Notes that constitute loan capital for UK stamp duty purposes, or (ii) an electronic book-entry transfer of Notes in accordance with the normal rules and procedures of Euroclear, Clearstream, DTC or CMU (as applicable).

The Netherlands

This is a general summary and the tax consequences as described here may not apply to a holder of Notes. Any potential investors should consult their own tax advisers for more information about the tax consequences of acquiring, owning and disposing of Notes in their particular circumstances.

This taxation summary solely addresses the principal Netherlands tax consequences of the acquisition, the ownership and disposition of Notes issued by CNH Industrial and the payments made by CNH Industrial under the Guarantee after the date hereof held by a holder of Notes who is not a resident of the Netherlands. It does not consider every aspect of taxation that may be relevant to a particular holder of Notes under special circumstances or who is subject to special treatment under applicable law. Where in this summary English terms and expressions are used to refer to Netherlands concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Netherlands concepts under Netherlands tax law.

This summary is based on the tax laws of the Netherlands as they are in force and in effect on the date of this Base Prospectus. The Netherlands means the part of the Kingdom of the Netherlands located in Europe. The laws upon which this summary is based are subject to change, potentially with retroactive effect. A change to such laws may invalidate the contents of this summary, which will not be updated to reflect any such change. This summary assumes that each transaction with respect to Notes is at arm's length.

Withholding Tax

All payments by CNH Industrial under the Notes and the Guarantee can be made free of withholding or deduction of any taxes of whatever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

Taxes on Income and Capital Gains

A holder of Notes will not be subject to any Netherlands taxes on income or capital gains in respect of Notes issued by CNH Industrial, including such tax on any payment under such Notes or in respect of any gain realised on the disposal, deemed disposal or exchange of such Notes, provided that:

- (i) such holder is neither a resident nor deemed to be a resident of the Netherlands, nor, if such holder is an individual, has elected to be taxed as a resident of the Netherlands;
- (ii) such holder does not have an enterprise or an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands and to which enterprise or part of an enterprise, as the case may be, Notes are attributable;
- (iii) if such holder is an individual, neither such holder nor any of the holder's spouse, partner, a person deemed to be the holder's partner, or other persons sharing such holder's house or household, or certain other of such holder's relatives (including foster children), whether directly and/or indirectly as (deemed) settlor, grantor or similar originator (the "Settlor"), or upon the death of the Settlor, the Settlor's beneficiaries (the "Beneficiaries") in proportion to their entitlement to the estate of the Settlor, of a trust, foundation or similar arrangement (a "Trust"), (a) indirectly has control of the proceeds of the Notes in the Netherlands, nor (b) has a substantial interest in CNH Industrial and/or any other entity that legally or *de facto*, directly or indirectly, has control of the proceeds of the Notes in the Netherlands. For purposes of this clause (iii), a substantial interest is generally not present if a holder does not hold, alone or together with the holder's spouse, partner, a person deemed to be such holder's partner, other persons sharing such holder's house or household, certain other of such holder's relatives (including foster children), or a Trust of which the holder or any of the aforementioned persons is a Settlor or a Beneficiary, whether directly or indirectly, (a) the ownership of, certain other rights, such as usufruct, over, or rights to acquire (whether or not already issued), shares representing five percent or more of the total issued and outstanding capital (or the issued and

outstanding capital of any class of shares) of a company; (b) the ownership of, or certain other rights, such as usufruct, over profit participating certificates (*winstbewijzen*), or membership rights in a co-operative association, that relate to five percent or more of the annual profit of a company or co-operative association or to five percent or more of the liquidation proceeds of a company or co-operative association; or (c) membership rights representing five percent or more of the voting rights in a co-operative association's general meeting;

- (iv) if such holder is a company, such holder (a) has no (deemed) substantial interest in CNH Industrial, or (b) has a (deemed) substantial interest in CNH Industrial that is not held with the avoidance of Netherlands income tax or dividend withholding tax as (one of) the main purpose(s), or (c) has a (deemed) substantial interest in CNH Industrial that can be allocated to its business assets. For purposes of this clause (iv), a substantial interest is generally not present if a holder does not hold, whether directly or indirectly, (a) the ownership of, certain other rights, such as usufruct, over, or rights to acquire (whether or not already issued) shares representing five percent or more of the total issued and outstanding capital (or of the issued and outstanding capital of any class of shares) of a company; or (b) the ownership of, or certain other rights, such as usufruct, over profit participating certificates (*winstbewijzen*) that relate to five percent or more of the annual profit of a company or to five percent or more of the liquidation proceeds of a company. A holder of Notes will generally have a deemed substantial interest if such holder has the ownership of, or other rights over, shares in, or profit certificates issued by, a company that represent less than 5 percent of the relevant aggregate that either (a) qualified as part of a substantial interest as set forth above and where shares, profit certificates and/or rights thereover have been, or are deemed to have been, partially disposed of, or (b) have been acquired as part of a transaction that qualified for non-recognition of gain treatment; and
- (v) if such holder is an individual, such income or capital gain does not form a “benefit from miscellaneous activities” in the Netherlands (*resultaat uit overige werkzaamheden*) which, for instance, would be the case if the activities in the Netherlands with respect to the Notes exceed “normal active asset management” (*normaal, actief vermogensbeheer*) or if income and gains are derived from the holding, whether directly or indirectly, of (a combination of) shares, debt claims or other rights (together, a *lucratief belang*) that the holder thereof has acquired under such circumstances that such income and gains are intended to be remuneration for work or services performed by such holder (or a related person) in the Netherlands, whether within or outside an employment relation, where such lucrative interest provides the holder thereof, economically speaking, with certain benefits that have a relation to the relevant work or services.

A holder of Notes will not be subject to taxation in the Netherlands by reason only of the execution, delivery and/or enforcement of the documents relating to an issue of Notes or the performance by CNH Industrial of its obligations thereunder or under the Notes.

Gift, Estate or Inheritance Taxes

No gift, estate or inheritance taxes will arise in the Netherlands with respect to an acquisition of Notes by way of a gift by, or on the death of, a holder who is neither resident nor deemed to be resident in the Netherlands for Netherlands inheritance and gift tax purposes, unless in the case of a gift of Notes by an individual who at the date of the gift was neither resident nor deemed to be resident in the Netherlands, such individual dies within 180 days after the date of the gift, while being resident or deemed to be resident in the Netherlands.

For purposes of Netherlands gift and inheritance tax, an individual with the Netherlands nationality will be deemed to be resident in the Netherlands if such individual has been resident in the Netherlands at any time during the ten years preceding the date of the gift or the individual's death.

For purposes of Netherlands gift tax, an individual not holding the Netherlands nationality will be deemed to be resident in the Netherlands if such individual has been resident in the Netherlands at any time during the twelve months preceding the date of the gift.

For purposes of Netherlands gift and inheritance tax, a gift that is made under a condition precedent is deemed to have been made at the moment such condition precedent is satisfied. If the condition precedent is fulfilled after the death of the donor, the gift is deemed to be made upon the death of the donor.

For purposes of Netherlands gift, estate and inheritance taxes, (i) a gift by a Trust, will be construed as a gift by the Settlor, and (ii) upon the death of the Settlor, as a rule, the Settlor's Beneficiaries, will be deemed to have inherited directly from the Settlor. Subsequently, the Beneficiaries will be deemed the Settlor of the Trust for purposes of the Netherlands gift, estate and inheritance tax in case of subsequent gifts or inheritances.

Value Added Tax

There is no Netherlands value added tax payable in respect of payments in consideration for the issue of Notes, in respect of the payment of interest or principal under the Notes, or the transfer of Notes.

Other Taxes and Duties

There is no Netherlands registration tax, capital tax, stamp duty or any other similar tax or duty payable in the Netherlands by a holder of Notes in respect of or in connection with the execution, delivery and/or enforcement by legal proceedings (including any foreign judgment in the courts of the Netherlands) of the Notes or the performance of the obligations of CNH Industrial under the Notes.

Residence

A holder of Notes will not be treated as a resident of the Netherlands by reason only of the holding of Notes or the execution, performance, delivery and/or enforcement of Notes.

Luxembourg

The following discussion is a summary of the Luxembourg tax consequences to potential purchasers or holders of Notes, based on current law and practice in Luxembourg. This discussion is for general information purposes only and does not purport to be a comprehensive description of all possible tax consequences that may be relevant. Potential purchasers of Notes should consult their own professional advisers as to the consequences of making an investment in, holding or disposing of the Notes and the receipt of any amount in connection with the Notes and Coupons.

Withholding Tax

Under Luxembourg tax laws currently in effect and with the possible exception of interest paid to individuals and to certain residual entities (as described below), there is no Luxembourg withholding tax on payments of interest, including accrued but unpaid interest. There is also no Luxembourg withholding tax, with the possible exception of payments made to individuals and to certain residual entities (as described below), upon repayment of principal in case of reimbursement, redemption, repurchase or exchange of the Notes.

Luxembourg Non-Residents

Under the Luxembourg laws dated June 21, 2005, as amended (the "Laws") implementing the Savings Directive and several agreements concluded between Luxembourg and certain dependent or associated territories of the European Union ("EU"), a Luxembourg based paying agent (within the meaning of the Laws) is required since July 1, 2005 to withhold tax on interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an individual or certain residual entities resident or established in another EU member state or in certain EU dependent or associated territories, unless the beneficiary of the interest payments elects for an exchange of information or, in case of an individual beneficiary, for the

tax certificate procedure. Residual entities within the meaning of Article 4.2 of the Savings Directive are entities established in an EU member state or in certain EU dependent or associated territories which are not legal persons (the Finnish and Swedish companies listed in Article 4.5 of the Savings Directive are not considered as legal persons for this purpose), whose profits are not taxed under the general arrangements for business taxation, which are not and have not opted to be treated as a UCITS recognised in accordance with Council Directive 85/611/EEC as replaced by Council Directive 2009/65/EC or a similar collective investment fund located in Jersey, Guernsey, the Isle of Man, the Turks and Caicos Islands, the Cayman Islands, Montserrat or the British Virgin Islands.

The current withholding tax rate is 35 percent. Responsibility for the withholding tax will be assumed by the Luxembourg paying agent. The withholding tax system will only apply during a transitional period, the ending of which depends on the conclusion of certain agreements relating to information exchange with certain third countries.

The European Commission has proposed certain amendments to the Savings Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

The Luxembourg government has announced its intention to elect out of the withholding system in favour of an automatic exchange of information with effect as from January 1, 2015.

Luxembourg Residents

In accordance with the law of December 23, 2005, as amended, on the introduction of a withholding tax on certain interest payments on saving income, a 10 percent withholding tax (the “10 percent Luxembourg Withholding Tax”) is levied on interest payments made by Luxembourg paying agents (defined in the same way as in the Savings Directive) to Luxembourg individual residents or to certain residual entities that secure interest payments on behalf of such individuals (unless such entities have opted either to be treated as UCITS recognised in accordance with the Council Directive 85/611/EEC, as replaced by the Council Directive 2009/65/EC or for the exchange of information regime).

Taxes on Income and Capital Gains

Holders of Notes will not become residents, or be deemed to be residents, in Luxembourg by reason only of the holding of the Notes.

Holders of Notes who are non-residents of Luxembourg and who do not hold the Notes through a permanent establishment, a permanent representative or a fixed base of business in Luxembourg with which the holding of the Notes is connected are not liable for Luxembourg income tax on payments of principal or interest (including accrued but unpaid interest), payments received upon redemption, repurchase or exchange of the Notes or the realisation of capital gains on the sale or exchange of any Notes.

Interest received by Luxembourg resident individuals is, in principle, reportable and taxable at the progressive rate unless the interest has been subject to withholding tax (see above “Withholding Tax” – “Luxembourg Residents”) or to the self-applied tax, if applicable. Indeed, pursuant to the Law, Luxembourg resident individuals, acting in the framework of their private wealth, can opt to self-declare and pay a 10 percent tax (the “10 percent Tax”) on interest payments made after December 31, 2007 by paying agents (defined in the same way as in the Savings Directive) located in an EU member state other than Luxembourg, a member state of the European Economic Area or in a state or territory which has concluded an international agreement directly related to the Savings Directive. The 10 percent Luxembourg Withholding Tax or the 10 percent Tax represents the final tax liability on interest received for the Luxembourg resident individuals receiving the interest payment in the course of their private wealth.

Individual holders of Notes resident in Luxembourg and receiving the interest as business income must for income tax purposes include any interest received (or accrued) in their taxable income; if applicable, the 10 percent Luxembourg Withholding Tax levied will be credited against their final income tax liability. Holders of Notes will not be liable to any Luxembourg taxation on income on repayment of principal of the Notes.

Individual Luxembourg resident holders of Notes are not subject to taxation on capital gains upon the disposition of the Notes owned in the course of their private wealth, unless the disposition of the Notes precedes the acquisition of the Notes or the Notes are disposed of within six months as of the date of acquisition of these Notes. The portion of the sale, repurchase, redemption or exchange price corresponding to capitalised or accrued but unpaid interest will, however, be subject to the 10 percent Luxembourg Withholding Tax or, upon option by the Luxembourg resident holder of Notes, to the 10 percent Tax. Individual Luxembourg resident holders of Notes receiving the interest as business income must include the portion of the sale, repurchase, redemption or exchange price corresponding to accrued but unpaid interest in their taxable income. The 10 percent Luxembourg Withholding Tax levied will be credited against their final income tax liability, if applicable.

A corporate entity (“*organisme à caractère collectif*”), which is a Luxembourg resident holder of Notes and which is subject to corporate taxes in Luxembourg without the benefit of a special tax regime in Luxembourg or a foreign entity of the same type which has a Luxembourg permanent establishment or a permanent representative in Luxembourg with which the holding of Notes is connected, will need to include in its taxable income any interest (including accrued but unpaid interest) and in case of sale, repurchase, redemption or exchange, the difference between the sale, repurchase, redemption or exchange price (including accrued but unpaid interest) and the lower of cost or book value of the Notes sold, repurchased, redeemed or exchanged. These holders of Notes should not be liable for any Luxembourg income tax on repayment of principal upon repurchase, redemption or exchange of the Notes.

Luxembourg resident corporate entities holders of Notes and which are benefiting from a special tax regime (such as family wealth management companies subject to the law of May 11, 2007, as amended, undertakings for collective investment subject to the law of December 17, 2010, as amended or specialised investment funds subject to the law of February 13, 2007, as amended) are tax exempt entities in Luxembourg, and are thus not subject to any Luxembourg tax (*i.e.*, corporate income tax, municipal business tax and net wealth tax) other than the annual subscription tax calculated on their (paid up) share capital (and share premium) or net asset value.

Other Taxes

There is no Luxembourg registration tax, stamp duty or any other similar tax or duty payable in Luxembourg by a holder of Notes as a consequence of the issuance of the Notes, nor will any of these taxes be payable as a consequence of a subsequent transfer, exchange or redemption or repurchase of the Notes, unless the documents relating to the Notes are voluntarily registered in Luxembourg.

Luxembourg net wealth tax will not be levied on a corporate holder of Notes, unless (a) such holder of Notes is a Luxembourg resident other than a holder of Notes governed by (i) the law of December 17, 2010 on undertakings for collective investment, as amended, (ii) the law of February 13, 2007 on specialised investment funds, as amended; (iii) the law of March 22, 2004 on securitisation, as amended; (iv) the law of June 15, 2004 on the investment company in risk capital, as amended; or (v) the law of May 11, 2007 on family wealth management companies, as amended or (b) the Notes are attributable to an enterprise or part thereof which is carried on in Luxembourg through a permanent establishment or a permanent representative.

No Luxembourg estate or inheritance taxes are levied on the transfer of the Notes upon the death of a holder of Notes in cases where the deceased was not a resident of Luxembourg for inheritance law purposes.

No Luxembourg gift tax will be levied on the transfer of the Notes by way of gift unless the gift is registered in Luxembourg.

Taxation of CIFE

CIFE is a company subject to corporate income tax and municipal business tax in Luxembourg at the standard rate.

CIFE will not be subject to VAT in Luxembourg in respect of payments in consideration for the issue of the Notes or in respect of payments of interest or principal under the Notes or the transfer of the Notes.

Luxembourg VAT may however be payable in respect of fees charged for certain services rendered to CIFE if, for Luxembourg VAT purposes, such services are rendered or are deemed to be rendered in Luxembourg and an exemption from Luxembourg VAT does not apply with respect to such services.

United States

The following is a summary of certain United States federal tax considerations that may be relevant to a holder which is a beneficial owner of Notes issued by CIFNA and is a non-resident alien individual, a foreign corporation, or any other person, other than a partnership or a partner therein, that is not subject to U.S. federal income tax on a net income basis in respect of such Notes (any such holder, a “United States Alien Holder”). This summary is based on laws, regulations, rulings and decisions now in effect, all of which are subject to change. The information provided below does not purport to be a complete summary of United States tax law and practice currently applicable.

TO ENSURE COMPLIANCE WITH U.S. TREASURY DEPARTMENT CIRCULAR 230, INVESTORS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF U.S. FEDERAL INCOME TAX ISSUES IN THIS BASE PROSPECTUS IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY INVESTORS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED UNDER THE INTERNAL REVENUE CODE OF 1986, AS AMENDED; (B) SUCH DISCUSSION IS INCLUDED HEREIN IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) BY THE ISSUERS OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) INVESTORS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

Under current United States federal income and estate tax law:

- (i) payment on a Note by CIFNA, the Guarantor, or any Paying Agent to a holder that is a United States Alien Holder will not be subject to withholding of United States federal income tax, provided that, with respect to payments of interest or original issue discount, (a) the holder does not actually or constructively own 10 percent or more of the combined voting power of all classes of stock and is not a controlled foreign corporation related to CIFNA through stock ownership, (b) the interest is not contingent interest described in section 871(h)(4) of the Code (very generally, interest based on or determined by reference to income, profits, cash flow or other comparable attributes of CIFNA or a related person), (c) the beneficial owner provides a statement signed under penalties of perjury that includes its name and address and certifies that it is a United States Alien Holder in compliance with applicable requirements (or satisfies certain documentary evidence requirements for establishing that it is a United States Alien Holder), and (d) in the case of Notes issued after June 30, 2014, the holder has provided any required information with respect to its direct and indirect U.S. owners and, if the Notes are held through (or any payment is made through) a foreign financial institution, the institution has entered into and is in compliance with an agreement, described in Section 1471(b)(1) of the Code and the regulations promulgated thereunder, with the U.S. government to collect and provide to the U.S. tax authorities information about its direct and indirect United States accounts (or is entitled to the benefits of an intergovernmental agreement between a jurisdiction and the United States and is in compliance with relevant implementing legislation);
- (ii) a holder of a Note that is a United States Alien Holder will not be subject to United States federal income tax on gain realized on the sale, exchange or redemption of the Note, unless (x) such gain is effectively connected with the conduct by the holder of a trade or business in the United States or (y) in the case of gain realized by an individual holder, the holder is present in the United States for 183 days or more in the taxable year of the sale and either (A) such gain or income is attributable to an office or other fixed place of business maintained in the United States by such holder or (B) such holder has a tax home in the United States; and provided

further that, in the case of a sale, exchange, redemption or other taxable disposition effected after December 31, 2016 of a Note issued after June 30, 2014, such holder has provided any required information with respect to its direct and indirect U.S. owners, if any, and, if the Notes are held through (or any payment is made through) a foreign financial institution, the institution has entered into and is in compliance with an agreement, described in Section 1471(b)(1) of the Code and the regulations promulgated thereunder, with the U.S. government to collect and provide to the U.S. tax authorities information about its direct and indirect United States accounts (or is entitled to the benefits of an intergovernmental agreement between a jurisdiction and the United States and is in compliance with relevant implementing legislation); and

- (iii) a Note will not be subject to United States federal estate tax as a result of the death of a holder who is not a citizen or resident of the United States at the time of death, provided that such holder did not at the time of death actually or constructively own 10 percent or more of the combined voting power of all classes of stock of CIFNA and, at the time of such holder's death, payments of interest on such Note (A) would not have been effectively connected with the conduct by such holder of a trade or business in the United States and (B) are not contingent interest described in section 871(h)(4) of the Code.

Pursuant to Sections 1471 through 1474 of the Code, the regulations promulgated thereunder, and any agreements thereunder, official interpretations thereof, or law implementing an intergovernmental approach thereto ("FATCA"), CIFNA may be required, with respect to Notes issued after June 30, 2014, to withhold U.S. tax at a rate of 30% on payments of (i) interest on the Notes or (ii) the gross proceeds from the sale, exchange, redemption or other taxable disposition of the Notes effected after December 31, 2016, made to United States Alien Holders or non-U.S. financial institutions (including financial institutions through which payments on the Notes are made) that fail to comply with certain requirements and information-reporting obligations (as set out in more detail above). If an amount is so withheld pursuant to FATCA, neither CIFNA nor any other person would, pursuant to the Conditions of the Notes, be required to pay additional amounts as a result of such withholding. United States Alien Holders should consult their own tax advisors regarding FATCA and its relevance to their investment.

Information returns may be required to be filed and backup withholding may apply with respect to payments on a Note. The beneficial owners of a Note may be required to comply with applicable certification procedures to establish, under penalties of perjury, their non-U.S. status (or an otherwise applicable exemption) in order to avoid the application of such information reporting requirements and backup withholding.

For the purposes of applying the rules set forth under this heading "*Taxation—United States*" to an entity that is treated as fiscally transparent (e.g. a partnership) for U.S. federal income tax purposes, the beneficial owner means each of the ultimate beneficial owners of the entity.

European Union Directive on Taxation of Savings Income

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "Savings Directive"), each Member State of the European Union is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or secured by such a person for, an individual beneficial owner resident in, or certain limited types of entity established in, that other Member State. However, for a transitional period, Austria and Luxembourg will (unless during such period they elect otherwise) instead operate a withholding system in relation to such payments. Under such a withholding system, the beneficial owner of the interest payment must be allowed to elect that certain provision of information procedures should be applied instead of withholding. The rate of withholding is 35%. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to exchange of information procedures relating to interest and other similar income. The Luxembourg government has announced that Luxembourg will elect out of the withholding system in favour of automatic exchange of information effective January 1, 2015.

A number of non-EU countries and certain dependent or associated territories of certain Member States have adopted similar measures to the Savings Directive.

A proposal for amendments to the Savings Directive has been published, including a number of suggested changes which, if implemented, would broaden the scope of the rules described above. Investors who are in any doubt as to their position should consult their professional advisers.

If a payment under a Note were to be made by a person in a Member State or another country or territory which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment pursuant to the Savings Directive or any law implementing or complying with, or introduced in order to conform to the Savings Directive, neither the relevant Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts under the terms of such Note as a result of the imposition of such withholding tax. The relevant Issuer and the Guarantor are, however, required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Savings Directive or any law implementing or complying with, or introduced in order to conform to the Savings Directive.

The proposed European Union financial transactions tax (“FTT”)

The European Commission has published a proposal for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “Participating Member States”).

The proposed FTT has very broad scope and could, if introduced in its current form, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances.

Under current proposals, the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a Participating Member State. A financial institution may be, or be deemed to be, “established” in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating Member State, or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

The FTT proposal remains subject to negotiation between the Participating Member States and is the subject of legal challenge. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional European Member States may decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

Hong Kong

The following is a general description of certain tax considerations relating to the Notes and is based on law and relevant interpretations thereof in effect as at the date of this Base Prospectus, all of which are subject to change, and does not constitute legal or taxation advice. It does not purport to be a complete analysis of all tax considerations relating to the Notes. Prospective holders of Notes who are in any doubt as to their tax position or who may be subject to tax in a jurisdiction are advised to consult their own professional advisers.

Withholding tax

Under the existing Hong Kong law, no withholding tax in Hong Kong is payable on payments of principal or interest with respect to the Notes.

Profits tax

Profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of assessable profits arising in or derived from Hong Kong from such trade, profession or business.

Under the Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong) (the “Inland Revenue Ordinance”) as it is currently applied, interest on the Notes may be deemed to be profits arising in or derived

from Hong Kong from a trade, profession or business carried on in Hong Kong in the following circumstances:

- (i) interest on the Notes is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance) and arises through or from the carrying on by the financial institution of its business in Hong Kong; or
- (ii) interest on the Notes is derived from Hong Kong and is received by or accrues to a company (other than a financial institution) carrying on a trade, profession or business in Hong Kong; or
- (iii) interest on the Notes is derived from Hong Kong and is received by or accrues to a person (other than a company) carrying on a trade, profession or business in Hong Kong and is in respect of the funds of the trade, profession or business.

Sums derived from the sale, disposal or redemption of the Notes will be subject to Hong Kong profits tax where received by or accrued to a person who carries on a trade, profession or business in Hong Kong and the sum has a Hong Kong source.

Stamp duty

No Hong Kong stamp duty will be chargeable upon the issue or transfer of a Note.

People's Republic of China

The holders of the Notes who are not residents in the PRC for PRC tax purposes and who do not hold the Notes in connection with a permanent establishment or a fixed base in the PRC will not be subject to withholding tax, income tax or any other taxes or duties imposed by any governmental authority in the PRC in respect of their. Notes or any repayment of principal and payment of interest made thereon.

SUBSCRIPTION AND SALE, AND SELLING AND TRANSFER RESTRICTIONS

The Dealers have, in an amended and restated programme agreement (the “Programme Agreement”) dated November 15, 2013, agreed with the Issuers and the Guarantor a basis upon which they or any of them may from time to time agree to purchase Notes and resell such Notes. Any such agreement will extend to those matters stated under “*Form of the Notes*” and “*Terms and Conditions of the Notes.*” In the Programme Agreement, each of the Issuers (including the Guarantor) has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

In order to facilitate the offering of any Tranche of the Notes, certain persons participating in the offering of the Tranche may engage in transactions that stabilise, maintain or otherwise affect the market price of the relevant Notes during and after the offering of the Tranche. Specifically such persons may over-allot or create a short position in the Notes for their own account by selling more Notes than have been sold to them by the relevant Issuer. Such persons may also elect to cover any such short position by purchasing Notes in the open market. In addition, such persons may stabilise or maintain the price of the Notes by bidding for or purchasing Notes in the open market and may impose penalty bids, under which selling concessions allowed to syndicate members or other broker-dealers participating in the offering of the Notes are reclaimed if Notes previously distributed in the offering are repurchased in connection with stabilisation transactions or otherwise. The effect of these transactions may be to stabilise or maintain the market price of the Notes at a level above that which might otherwise prevail in the open market. The imposition of a penalty bid may also affect the price of the Notes to the extent that it discourages resales thereof. No representation is made as to the magnitude or effect of any such stabilising or other transactions. Such transactions, if commenced, may be discontinued at any time. Under U.K. laws and regulations stabilising activities may only be carried on by the Stabilising Manager named in the applicable Final Terms and only for a period of 30 days following the Issue Date of the relevant Tranche of Notes.

Transfer Restrictions

As a result of the following restrictions, purchasers of Notes in the United States are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such Notes.

Each purchaser of Registered Notes (other than a person purchasing an interest in a Registered Global Note with a view to holding it in the form of an interest in the same Global Note) or person wishing to transfer an interest from one Registered Global Note to another or from global to definitive form or vice versa, will be required to acknowledge, represent and agree as follows (terms used in this paragraph that are defined in Rule 144A or in Regulation S are used herein as defined therein):

- (i) that either: (a) it is a QIB, purchasing (or holding) the Notes for its own account or for the account of one or more QIBs and it is aware that any sale to it is being made in reliance on Rule 144A or (b) it is outside the United States and is not a U.S. person;
- (ii) that the Notes are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the Securities Act, and that the Notes have not been and will not be registered under the Securities Act or any other applicable U.S. state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below;
- (iii) that, unless it holds an interest in a Regulation S Global Note and either is a person located outside the United States or is not a U.S. person, if in the future it decides to resell, pledge or otherwise transfer the Notes or any beneficial interests in the Notes, it will do so, prior to the date which is one year after the later of the last Issue Date for the Series and the last date on which the relevant Issuer or an affiliate of the relevant Issuer was the owner of such Notes, only (a) to the Issuer or any affiliate thereof, (b) inside the United States to a person whom the seller reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A, (c) outside the United States in compliance with Rule 903 or Rule 904 under the

Securities Act, (d) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available) or (e) pursuant to an effective registration statement under the Securities Act, in each case in accordance with all applicable U.S. State securities laws;

- (iv) that it will, and will require each subsequent holder to, notify any purchaser of the Notes from it of the resale restrictions referred to in paragraph (iii) above, if then applicable;
- (v) that Notes initially offered in the United States to QIBs will be represented by one or more Rule 144A Global Notes and that Notes offered outside the United States in reliance on Regulation S will be represented by one or more Regulation S Global Notes;
- (vi) that the Notes, other than the Regulation S Global Notes, will bear a legend to the following effect unless otherwise agreed to by the relevant Issuer:

“THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (A) REPRESENTS THAT IT IS A “QUALIFIED INSTITUTIONAL BUYER” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING THE SECURITIES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS; (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THE SECURITIES EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT REFERRED TO HEREIN AND, PRIOR TO THE DATE WHICH IS ONE YEAR AFTER THE LATER OF THE LAST ISSUE DATE FOR THE SERIES AND THE LAST DATE ON WHICH THE ISSUER OR AN AFFILIATE OF THE ISSUER WAS THE OWNER OF SUCH SECURITIES OTHER THAN (1) TO THE ISSUER OR ANY AFFILIATE THEREOF, (2) INSIDE THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (3) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES ACT, (4) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION; AND (C) IT AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

THIS SECURITY AND RELATED DOCUMENTATION (INCLUDING, WITHOUT LIMITATION, THE AGENCY AGREEMENT) MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, WITHOUT THE CONSENT OF, BUT UPON NOTICE TO, THE HOLDERS OF SUCH SECURITIES SENT TO THEIR REGISTERED ADDRESSES, TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR REALES AND OTHER TRANSFERS OF THIS SECURITY TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO REALES OR OTHER TRANSFERS OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS SECURITY SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THIS SECURITY AND ANY SECURITIES ISSUED IN EXCHANGE OR SUBSTITUTION THEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON).”;

- (vii) if it is outside the United States and is not a U.S. person, that if it should resell or otherwise transfer the Notes prior to the expiration of the distribution compliance period (defined as 40 days after the later of the commencement of the offering and the closing date with respect to the Tranche of which such Registered Notes form part), it will do so only (a)(i) outside the United States in compliance with Rule 903 or 904 under the Securities Act or (ii) to a QIB in compliance with Rule 144A and (b) in accordance with all applicable U.S. State securities laws; and it acknowledges that the Regulation S Global Notes will bear a legend to the following effect unless otherwise agreed to by the relevant Issuer:

“THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT. THIS LEGEND SHALL CEASE TO APPLY UPON THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE NOTES OF THE TRANCHE OF WHICH THIS NOTE FORMS PART.”; and

- (viii) that the relevant Issuer and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements, and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify the relevant Issuer; and if it is acquiring any Notes as a fiduciary or agent for one or more accounts it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

No sale of Legended Notes in the United States to any one purchaser will be for less than U.S.\$250,000 (or its foreign currency equivalent) principal amount and no Legended Note will be issued in connection with such a sale in a smaller principal amount. If the purchaser is a non-bank fiduciary acting on behalf of others, each person for whom it is acting must purchase at least U.S.\$250,000 (or its foreign currency equivalent) of Registered Notes.

Selling Restrictions

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Unless otherwise indicated herein, terms used in this section that are defined in Rule 144A or in Regulation S are used herein as defined therein.

The Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations; provided, however, that CIFNA may not issue Notes in bearer form. Terms used in this paragraph and the following two paragraphs have the meanings given to them by the Code and regulations thereunder. The applicable Final Terms will identify whether TEFRA C rules or TEFRA D rules (each as defined under “*Form of the Notes — Bearer Notes*”) apply or whether TEFRA is not applicable.

In connection with any Notes which are offered or sold outside the United States in reliance on an exemption from the registration requirements of the Securities Act provided under Regulation S (“Regulation S Notes”), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver such Regulation S Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Regulation S Notes are a part or (iii) in the

event of a distribution of a Tranche that is fungible therewith, until 40 days after the completion of the distribution of such fungible Tranche, as determined by the parties described in clause (ii), within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Regulation S Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Regulation S Notes within the United States or to, or for the account or benefit of, U.S. persons.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Dealers may arrange for the resale of Notes to QIBs pursuant to Rule 144A and each such purchaser of Notes is hereby notified that the Dealers may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A. The minimum aggregate principal amount of Notes which may be purchased by a QIB pursuant to Rule 144A is U.S.\$100,000 (or the approximate equivalent thereof in any other currency). To the extent that the relevant Issuer is not subject to or does not comply with the reporting requirements of Section 13 or 15(d) of the Exchange Act or the information furnishing requirements of Rule 12g3-2(b) thereunder, the relevant Issuer has agreed to furnish to holders of Notes and to prospective purchasers designated by such holders, upon request, such information as may be required by Rule 144A(d)(4).

Public Offer Selling Restriction under the Prospectus Directive

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “Relevant Implementation Date”) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in that Relevant Member State (the “Securities”), except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Securities to the public in that Relevant Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the relevant Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Securities referred to in (a) to (c) above shall require the relevant Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer to the public” in relation to any Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities, as the same may be varied in that member state by any measure implementing the Prospectus Directive in that member state and the expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

The European Economic Area selling restriction is in addition to any other selling restrictions set out below.

Canada

The Notes have not been, and will not be, qualified for sale under the securities laws of any province or territory of Canada. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or delivered, and that it will not offer, sell or deliver, any Notes, directly or indirectly, in Canada or to, or for the benefit of, any resident thereof in contravention of the securities laws of any province or territory of Canada. If the Notes may be offered, sold or distributed in Canada, the issue of the Notes will be subject to such additional selling restrictions as the relevant Issuer and the relevant Dealer may agree. Each Dealer will be required to agree that it will offer, sell and distribute such Notes only in compliance with such additional Canadian selling restrictions.

Italy

The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the Base Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy, except:

- (i) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree No. 58 of February 24, 1998, as amended (the “Financial Services Act”) and Article 34-ter, first paragraph, letter b) of CONSOB Regulation No. 11971 of May 14, 1999, as amended from time to time (“Regulation No. 11971”); or
- (ii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Regulation No. 11971.

Any offer, sale or delivery of the Notes or distribution of copies of the Base Prospectus or any other document relating to the Notes in the Republic of Italy under (i) or (ii) above must be:

- (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of October 29, 2007, as amended from time to time, and Legislative Decree No. 385 of September 1, 1993, as amended (the “Banking Act”);
- (b) in compliance with Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy; and
- (c) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or other Italian authority.

United Kingdom

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that:

- (i) in relation to any Notes which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their business where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (“FSMA”) by the relevant Issuer;
- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in

circumstances in which Section 21(1) of the FSMA does not apply to the relevant Issuer or the Guarantor; and

- (iii) it has complied and will comply with all applicable provisions of the FSMA, with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

The Netherlands

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that unless the applicable Final Terms specify that Article 5:20(5) of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) is not applicable, it will not make an offer of Notes to the public in the Netherlands in reliance on Article 3(2) of the Prospectus Directive (as defined under “*Public Offer Selling Restriction under the Prospectus Directive*” above) unless (i) such offer is made exclusively to persons or entities which are qualified investors as defined in the Dutch Financial Supervision Act or (ii) standard exemption wording is disclosed as required by Article 5:20(5) of the Dutch Financial Supervision Act, provided that no such offer of Notes shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

Zero Coupon Notes (as defined below) in definitive form of any Issuer may only be transferred and accepted, directly or indirectly, within, from or into the Netherlands through the mediation of either such Issuer or a member firm of Euronext Amsterdam N.V. in full compliance with the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*) of May 21, 1985 (as amended) and its implementing regulations. No such mediation is required: (a) in respect of the transfer and acceptance of rights representing an interest in a Zero Coupon Note in global form, or (b) in respect of the initial issue of Zero Coupon Notes in definitive form to the first holders thereof, or (c) in respect of the transfer and acceptance of Zero Coupon Notes in definitive form between individuals not acting in the conduct of a business or profession, or (d) in respect of the transfer and acceptance of such Zero Coupon Notes within, from or into the Netherlands if all Zero Coupon Notes (either in definitive form or as rights representing an interest in a Zero Coupon Note in global form) of any particular Series are issued outside the Netherlands and are not distributed into the Netherlands in the course of initial distribution or immediately thereafter. As used herein Zero Coupon Notes are Notes that are in bearer form and that constitute a claim for a fixed sum against the relevant Issuer and on which interest does not become due during their tenure but only at maturity or on which no interest is due whatsoever.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended (the “FIEA”)) and each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan in effect at the relevant time.

Hong Kong

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that: (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (“SFO”) and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document

relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under that Ordinance.

People’s Republic of China

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that the Notes are not being offered or sold and may not be offered or sold, directly or indirectly, in the PRC (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by the securities laws of the PRC.

Singapore

This Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore, and the Notes will be offered pursuant to exemptions under the Securities and Futures Act, Chapter 289 of Singapore (the “Securities and Futures Act”). Accordingly, the Notes may not be offered or sold or made the subject of an invitation for subscription or purchase nor may this Base Prospectus or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any Notes be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor pursuant to Section 274 of the Securities and Futures Act, (b) to a relevant person under Section 275(1) of the Securities and Futures Act or to any person pursuant to Section 275(1A) of the Securities and Futures Act and in accordance with the conditions specified in Section 275 of the Securities and Futures Act, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

Where the Notes are subscribed or purchased under Section 275 of the Securities and Futures Act by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the Securities and Futures Act)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the Securities and Futures Act) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the Notes pursuant to an offer under Section 275 of the Securities and Futures Act except:

- (i) to an institutional investor or to a relevant person defined in Section 275(2) of the Securities and Futures Act or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the Securities and Futures Act; or
- (ii) where no consideration is or will be given for the transfer; or
- (iii) where the transfer is by operation of law; or
- (iv) pursuant to Section 276(7) of the Securities and Futures Act or Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations.

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes the Base Prospectus and will obtain any consent, approval or permission required by it for the purchase,

offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Issuers, the Guarantor nor any of the other Dealers shall have any responsibility therefor.

None of the Issuers, the Guarantor or the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with such other restrictions as the relevant Issuer and the relevant Dealer shall agree.

GENERAL INFORMATION

Authorisation

The amendment and restatement of the Programme, as well as the issue and the guarantee of Notes, as the case may be, have been duly authorised by resolutions of the board of directors of each of CNH Industrial, CIFE and CIFNA, dated, respectively, September 9, 2013, October 25, 2013 and October 31, 2013.

Listing of Notes on the Irish Stock Exchange

The Base Prospectus has been approved by the Central Bank of Ireland (the “Central Bank”), as competent authority under the Prospectus Directive. The Central Bank only approves this Base Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Such approval relates only to the Notes which are to be admitted to trading on a regulated market for the purposes of Directive 2004/39/EC, as amended and/or which are to be offered to the public in any member state of the European Economic Area. Application has been made to the Irish Stock Exchange for the Notes issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to the official list (the “Official List”) and trading on its regulated market.

However, Notes may be issued pursuant to the Programme which will not be listed on the Irish Stock Exchange or any other stock exchange or which will be listed on such stock exchange as the relevant Issuer and the relevant Dealer(s) may agree.

Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuers in relation to the Notes and is not itself seeking admission of the Notes to the Official List of the Irish Stock Exchange or to trading on the regulated market of the Irish Stock Exchange for the purposes of the Prospectus Directive.

Documents Available

Copies of the following documents may be physically inspected at the offices of the Paying Agent in Ireland for the life of the Base Prospectus:

- (i) the constitutional documents (in the case of CIFE, with an English translation thereof) of each Issuer and the Articles of Association (with an English translation thereof) of CNH Industrial;
- (ii) the unconsolidated audited annual financial statements of each of FIFE (now CIFE) and FIFNA (now CIFNA) as of and for the financial years ended December 31, 2012 and 2011 prepared in accordance with, respectively, Luxembourg legal and regulatory requirements and IFRS and the independent auditors’ report thereon;
- (iii) the audited consolidated annual financial statements of the Fiat Industrial Group as of and for the financial years ended December 31, 2012, 2011 and 2010, prepared in accordance with IFRS, including the independent auditors’ report thereon, as set forth in the Form F-4;
- (iv) the unaudited financial statements of FI CBM Holdings N.V. (which has been renamed CNH Industrial N.V. effective September 29, 2013) at December 31, 2012, prepared in accordance with IFRS, as set forth in the Information Document;
- (v) the unaudited consolidated financial statements of the CNH Industrial Group as of and for the nine months ended September 30, 2013 and 2012, prepared in accordance with IFRS as well as IFRS as adopted by the European Union (with an English translation thereof) as set forth in the Interim Report;
- (vi) the Information Document prepared in accordance with Article 57, paragraph 1, letter (d) of CONSOB Regulation 11971 of May 14, 1999, as subsequently amended, relating to the Cross-Border Merger of Fiat Industrial S.p.A. with and into FI CBM Holdings N.V., filed with the CONSOB on September 25, 2013;

- (vii) Amendment No. 2 to the registration statement on Form F-4, filed by FI CBM Holdings N.V. on June 7, 2013 with the United States Securities and Exchange Commission under the U.S. Securities Act of 1933 in connection with the Merger (file No. 333-188600);
- (viii) the Programme Agreement, the Agency Agreement, the Guarantee, the Deed of Covenant, the Deed Poll and the forms of the Global Notes, the Notes in definitive form, the Coupons and the Talons;
- (ix) a copy of the Base Prospectus;
- (x) any future prospectuses, information memoranda and supplements to the Base Prospectus and any other documents incorporated herein or therein by reference, including Final Terms (save for Final Terms relating to unlisted Notes, which will only be available for inspection by holders of the relevant Notes upon the production of evidence satisfactory to the relevant Issuer and the Paying Agent as to its holding of such Notes and identity); and
- (xi) in the case of each issue of listed Notes subscribed pursuant to a subscription agreement, the subscription agreement (or equivalent document).

Clearing Systems

Notes, other than CMU Notes, in bearer form have been accepted for clearance through Euroclear and Clearstream. The appropriate Common Code and ISIN for each Tranche of Bearer Notes allocated by Euroclear and Clearstream will be specified in the applicable Final Terms.

CMU Notes have been accepted for clearance through the CMU Service. The appropriate CMU instrument number for each Tranche of CMU Notes will be specified in the applicable Final Terms.

In addition, the relevant Issuer may make an application for any Notes in registered form to be accepted for trading in book-entry form by DTC. The CUSIP and/or CINS numbers for each Tranche of Registered Notes, together with the relevant ISIN and Common Code, will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank S.A./N.V., 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream is Clearstream Banking, 42, Avenue John F. Kennedy, L-1855 Luxembourg, Grand-Duchy of Luxembourg. The address of CMU Service is 55th Floor, Two International Finance Centre, 8 Finance Street, Central, Hong Kong.

Conditions for Determining Price

The price and amount of Notes to be issued under the Programme will be determined by the relevant Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

Significant or Material Change

Except as disclosed in the sections “*CNH Industrial Group Financial Review*” and “*The CNH Industrial Group—The Merger of Fiat Industrial and CNH Global*” above, there has been no significant change in the financial or trading position of (i) each of CIFNA and CIFE since December 31, 2012, or (ii) CNH Industrial or the Group since September 30, 2013.

Except as disclosed in the aforementioned sections, there has been no material adverse change in the prospects of the Issuers or of the Guarantor since December 31, 2012.

Litigation

Except as disclosed in the sections “*Risk Factors—Risks associated with pending legal proceedings*” and “*The CNH Industrial Group—Legal Proceedings*” above, none of the Issuers nor the Guarantor nor any other member of the Group is or has been involved in any legal, governmental or arbitration proceedings

(including any proceedings which are pending or threatened of which the Issuers or the Guarantor are aware) which is reasonably likely to have or have had in the 12 months preceding the date of this document a significant effect on the financial position or profitability of the Issuers, the Guarantor or the Group.

Material Contracts

None of the Issuers nor the Guarantor nor any other member of the Group has entered into any material contracts outside the ordinary course of business which could result in its being under an obligation or entitlement which is, or may be, material to the ability of the Issuers, the Guarantor or any member of the Group to meet its obligations in respect of the Notes.

Auditors

The independent auditors of FIFNA (now CIFNA) as of and for the financial years ended December 31, 2012 and 2011 are Ernst & Young LLP of 5 Times Square, New York, NY, 10036, United States of America.

Ernst & Young LLP are independent auditors with respect to CIFNA under Rule 101 of the American Institute of Certified Public Accountants' Code of Professional Conduct, and its interpretations and rulings.

The independent auditors of FIFE (now CIFE) as of and for the financial years ended December 31, 2012 and 2011 are Ernst & Young S.A. – Cabinet de révision agréé.

Ernst & Young S.A. – Cabinet de révision agréé is a public limited liability company (*société anonyme*) incorporated under the laws of Luxembourg, with its registered office at 7, rue Gabriel Lippmann, Parc d'Activité Syrdall 2, L-5365 Munsbach, Luxembourg, Grand-Duchy of Luxembourg, and registered with the Luxembourg Trade and Companies Register under number B-47.771 (*réviseur d'entreprises agréé*). Ernst & Young S.A. – Cabinet de révision agréé is a member of the Institute of Registered Auditors ("*Institut des Réviseurs d'Entreprises*") which is the Luxembourg member of the International Federation of Accountants and is registered in the public register of approved audit firms held by the *Commission de Surveillance du Secteur Financier* ("CSSF") as competent authority for public oversight of approved statutory auditors and audit firms.

The independent auditors of Fiat Industrial as of and for the financial years ended December 31, 2012 and 2011 are Reconta Ernst & Young S.p.A., Corso Vittorio Emanuele II 83, 10128, Turin, Italy. The independent auditors of Fiat, of which the Fiat Industrial Group was a part until December 31, 2010, as of and for the financial year ended December 31, 2010 are Deloitte & Touche S.p.A., Galleria San Federico 54, 10121, Turin, Italy. Deloitte & Touche S.p.A. is authorised and regulated by the Italian Minister of Economic Affairs and Finance and is registered in the Special Register (*Albo Speciale*) maintained by CONSOB and in the Register of Certified Independent Auditors (*Registro dei Revisori Contabili*) maintained by the Italian Ministry of Justice, as per Legislative Decree No. 88 of January 27, 1992.

Reconta Ernst & Young S.p.A. is authorised and regulated by the Italian Minister of Economic Affairs and Finance and is registered in the Special Register (*Albo Speciale*) maintained by CONSOB and in the Register of Certified Independent Auditors (*Registro dei Revisori Contabili*) maintained by the Italian Ministry of Justice, as per Legislative Decree No. 88 of January 27, 1992.

From September 9, 2013, the independent auditors of the CNH Industrial Group are Ernst & Young LLP of 155 North Wacker Drive, Chicago, Illinois 60606, United States of America.

Ernst & Young LLP are independent auditors with respect to the CNH Industrial Group under Rule 101 of the American Institute of Certified Public Accountants' Code of Professional Conduct, and its interpretations and rulings.

Issues by CIFNA

Notes issued by CIFNA may not have maturities of 183 days or less.

CIFNA may not issue Notes in bearer form.

Dealers Transacting with any of the Issuers and the Guarantor

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer its affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. For the purposes of this paragraph, the term "affiliates" also includes parent companies.

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