

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 corporate 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

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 October 29, 2014

The Base Prospectus is a base prospectus for the purposes of Article 5.4 of the Prospectus Directive in relation to each Issuer.

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 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 Selling and Transfer Restrictions.*”

Copies of the Final Terms will be available at the registered office of each of CIFE and CIFNA, at the corporate 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, including in the 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 95, 116 and 122 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 Equipment 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; and 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 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.

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, the Netherlands and the United Kingdom. See “*Subscription and Sale, and Selling and Transfer 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 (the “SEC”) 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 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 Selling and Transfer Restrictions.*”

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 LICENCE 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 and the Netherlands 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 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 the capital goods activities of Fiat (as defined below). This demerger was completed on January 1, 2011. Accordingly, in this Base Prospectus:

- (a) references to the “Merger” are 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; references to the “Demerger” are to the transaction pursuant to which Fiat transferred a portion of its assets and liabilities in its capital goods activities to Fiat Industrial in the form of a *scissione parziale proporzionale* (in accordance with Article 2506 of the Italian Civil Code);
- (b) 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, unless otherwise specified;
- (c) 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 and its direct and indirect subsidiaries, unless otherwise specified;
- (d) references to the “Fiat Group” and “Fiat” are to Fiat S.p.A. and its direct and indirect subsidiaries (which, effective October 12, 2014, was merged into Fiat Chrysler Automobiles N.V.);
- (e) references to the “Fiat Industrial Group” are to Fiat Industrial and its direct and indirect subsidiaries, prior to the Merger;
- (f) 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;
- (g) references to “Industrial Activities” are to the operations of the Agricultural Equipment, Construction Equipment, Commercial Vehicles and Powertrain segments, unless otherwise specified;
- (h) references to “Agricultural Equipment” or to the “Agricultural Equipment segment” are to the business segment of the CNH Industrial Group operating in the agricultural equipment business;
- (i) references to “Construction Equipment” or to the “Construction Equipment segment” are to the business segment of the CNH Industrial Group operating in the construction equipment business;
- (j) references to “Commercial Vehicles” or to the “Commercial Vehicles segment” are to the business segment of the CNH Industrial Group operating in the commercial vehicles business;
- (k) references to “Powertrain” or to the “Powertrain segment” are to the business segment of the CNH Industrial Group operating in the “Industrial & Marine” powertrain components business

and, to the extent that such references are made to Powertrain prior to the Merger, such references are to the business segment of the Fiat Industrial Group that previously operated in the “Industrial & Marine” powertrain components business, unless otherwise specified;

- (l) references to “Financial Services” or to the “Financial Services segment” are to the business segment of the CNH Industrial Group operating in the financial services business, unless otherwise specified;
- (m) references to “Agricultural and Construction Equipment” or to the “Agricultural and Construction Equipment segment” are to the business segment presented under IFRS of the CNH Industrial Group or, prior to the Merger, of the Fiat Industrial Group that, prior to January 1, 2014, operated in the agricultural and construction equipment businesses inclusive of its financial services activities;
- (n) references to “Trucks and Commercial Vehicles” or to the “Trucks and Commercial Vehicles segment” are to the business segment presented under IFRS of the CNH Industrial Group or, prior to the Merger, of the Fiat Industrial Group that, prior to January 1, 2014, operated in the trucks and commercial vehicles business inclusive of its financial services activities;
- (o) references to the “Annual Report 2012” are to the annual report at December 31, 2012 and 2011 of the Fiat Industrial Group prepared in accordance with IFRS as well as IFRS as adopted by the European Union;
- (p) references to the “Annual Report 2013” are to the annual report at December 31, 2013 and 2012 of the CNH Industrial Group prepared in accordance with IFRS as well as IFRS as adopted by the European Union;
- (q) references to the “Semi-Annual Report” are to the semi-annual report at June 30, 2014 and 2013 of the CNH Industrial Group prepared in accordance with IFRS as well as IFRS as adopted by the European Union;
- (r) 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 28 member countries of the European Union, the member countries of the European Free Trade Association (EFTA), Ukraine, Balkans, African continent and the Middle East (excluding Turkey); and
- (s) references to “IFRS” are to the International Financial Reporting Standards as issued by the International Accounting Standards Board, including all interpretations issued by the IFRS Interpretations Committee.

Presentation of Financial Information

The financial information as of and for the financial years ended December 31, 2013 and 2012 and as of and for the six months ended June 30, 2014 and 2013 included 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 annual financial statements of the CNH Industrial Group as of and for the financial years ended December 31, 2013 and 2012 and from the unaudited consolidated financial statements of the CNH Industrial Group as of and for the six months ended June 30, 2014 and 2013.

Until December 31, 2013, the CNH Industrial Group’s operations were reported under IFRS in three operating segments: (i) Agricultural and Construction Equipment (including the segment’s financial services activities), (ii) Trucks and Commercial Vehicles (including the segment’s financial services activities), and (iii) Powertrain. In order to enhance its reporting under IFRS, from the first quarter ended March 31, 2014, the CNH Industrial Group expanded its reportable segments from three to five, *i.e.*, Agricultural Equipment, Construction Equipment, Commercial Vehicles, Powertrain and Financial Services. In addition, from the first quarter ended March 31, 2014, to improve comparability with its main peers, the CNH Industrial Group

changed its IFRS reporting currency from euros to U.S. dollars. As a result, the unaudited consolidated financial statements of the CNH Industrial Group as of and for the six months ended June 30, 2014 and 2013 reflect the new segmentation of the Group's operations and use U.S. dollars as the reporting currency. The comparative data as of and for the six months ended June 30, 2013 have been recast in order to be presented in accordance with the aforementioned changes.

The audited consolidated annual financial statements of the CNH Industrial Group as of and for the financial years ended December 31, 2013 and 2012 and the unaudited consolidated financial statements of the CNH Industrial Group as of and for the six months ended June 30, 2014 and 2013 are incorporated by reference herein, as described under "*Documents Incorporated by Reference*," and have been prepared in accordance with IFRS, as well as IFRS as adopted by the European Union.

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 principal accounting consequence of the Merger was the acquisition of the non-controlling interests in the profit and loss and shareholder's equity of CNH Global since the Merger's effective date, *i.e.* September 29, 2013, which consequence had an immaterial effect on CNH Industrial's consolidated profit and loss for the year ended December 31, 2013.

The financial information as of and for the financial years ended December 31, 2013 and 2012 included in this Base Prospectus under "*Financial Information Relating to CNH Industrial N.V.*" has been extracted from the audited annual statutory financial statements of CNH Industrial as of and for the financial year ended December 31, 2013. The merger between CNH Industrial (formerly FI CBM Holdings N.V.) and Fiat Industrial and Fiat Netherlands Holdings N.V., carried out in the context of the Merger, was accounted for using the "pooling of interest method." Therefore, comparative figures for the year ended December 31, 2012 were recast to reflect the Merger as if it had taken place as of such date. In contrast, the merger between CNH Industrial and CNH Global was accounted for from the effective date of the Merger, *i.e.*, September 29, 2013, due to minority shareholders that existed until that date.

The audited annual statutory financial statements of CNH Industrial (formerly FI CBM Holdings N.V.) as of and for the financial year ended December 31, 2013 are incorporated by reference herein, as described under "*Documents Incorporated by Reference*" and have been prepared in accordance with the legal requirements set forth in Title 9, Book 2 of the Dutch Civil Code. Section 362(8), Book 2 of the Dutch Civil Code allows companies that apply IFRS as adopted by the European Union in their consolidated financial statements to use the same measurement principles in their statutory financial statements. However, as allowed by applicable law, subsidiaries are accounted for using the net equity value in the statutory financial statements. For additional information on such accounting policies, please see section "*Significant accounting policies*" set forth in the audited annual statutory financial statements of CNH Industrial as of and for the financial year ended December 31, 2013, incorporated by reference in this Base Prospectus.

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

The financial information as of and for the financial years ended December 31, 2013 and 2012 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 CIFE (formerly Fiat Industrial Finance Europe S.A.) as of and for the financial years ended December 31, 2013 and 2012, prepared in accordance with the Luxembourg legal and regulatory requirements.

The financial information as of and for the financial years ended December 31, 2013 and 2012 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 CIFNA (formerly Fiat Industrial Finance North America, Inc.) as of and for the financial years ended December 31, 2013 and 2012, prepared in accordance with IFRS.

Each of CIFE's and CIFNA's sets of financial statements are incorporated by reference herein, as described under "*Documents Incorporated by Reference*".

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 other jurisdictions), 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 the Notes issued under the Programme. There are also certain factors that may affect the Guarantor’s ability to fulfil its obligations under the Guarantee, where applicable. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme, including the risk that the Notes may not be a suitable investment for all investors as well as certain risks relating to the structure of particular Series of Notes and certain other market risks. See “ <i>Risk Factors</i> ” below.
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) 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 Selling and Transfer 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 Selling and Transfer 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 Selling and Transfer 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 “*Form of the Notes*.” CIFNA may not issue Bearer Notes (as defined under “*Form of the Notes*”). 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> <p>(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</p> <p>(ii) on the basis of the reference rate set out in the applicable Final Terms.</p> <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:	<p>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 Reasons,</i>” 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 “<i>Terms and Conditions of the Notes</i>”) 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.</p> <p>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 “<i>Certain Restrictions</i>” above.</p>
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 *pari passu* (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: 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.
- 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.
- 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).
- 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 “*Subscription and Sale, and Selling and Transfer Restrictions.*”

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 Group's business

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 dealers and 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, government tax measures and spending policies adopted to face the debt burden of certain Eurozone countries, as well as other severe pressures on the banking system in some 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, the continuation of adverse market conditions in certain businesses in which the Group operates 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.

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, commercial vehicles, and related powertrain systems. The Group faces competition from other international manufacturers and distributors of commercial vehicles in Europe, Asia and Latin America and from global, regional and local agricultural and construction equipment manufacturers, distributors and component suppliers in Europe, Asia, North America and Latin America. 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. Certain of the Group's global competitors have substantial resources and may be able to provide products and services at little or no profit or even at a loss to compete with certain products offered by the Group. Aggressive pricing or other strategies pursued by competitors, unanticipated product or manufacturing delays or the Group's failure to price its products competitively could adversely affect the Group's business, results of operations and financial position. In addition, there has been a trend towards consolidation in the commercial vehicles and construction equipment industry that has resulted in larger and potentially stronger competitors in the markets where the Group operates. Should the Group be unable to adapt effectively to external market conditions, this could have an adverse effect on the Group's business prospects, results of operations 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 market share in existing markets and 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, delays in bringing strategic new products to market, or the inability to adequately protect the Group's intellectual property rights, could result in reduced market share, which could have a material adverse effect on the Group's business prospects, results of operations and/or financial position.

The Group is exposed to political, economic and other risks as a result of operating a global business

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 exposed to the risks generally affecting global business operations, including those related to:

- (i) changes in laws, regulations and policies that affect, among other things:
 - 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, including as a result of economic sanctions related to Iran, Russia and the crisis in Ukraine; 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 the supply of raw materials and components;
- (viii) changes in governmental debt relief and subsidy programme policies in certain significant markets such as Argentina and 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, results of operations and/or financial position.

The Group is subject to extensive anti-corruption and antitrust laws and regulations

The worldwide operations of the Group must comply with all applicable laws, which include the U.S. Foreign Corrupt Practices Act of 1977, as amended and the rules and regulations thereunder (FCPA), the UK Bribery Act and other anti-corruption laws, as well as antitrust laws. Anti-corruption laws prohibit companies and their intermediaries from making improper payments or providing anything of value to improperly influence government officials or other persons for the purpose of obtaining or retaining a business advantage regardless of whether those practices are legal or culturally expected in a particular jurisdiction. Antitrust laws prohibit or limit various types of conduct, agreements or other arrangements adversely affecting market competition. Recently, there has been a substantial increase in the global enforcement of anti-corruption and antitrust laws. The Group is committed to ongoing compliance with the applicable laws, and has a compliance programme in place designed to reduce the likelihood of potential violations of such laws. Violations of these laws could result in criminal or civil sanctions which, in turn, could adversely affect the Group's reputation, business prospects, results of operations and/or financial position. See also "*The CNH Industrial Group—Legal Proceedings*" for information regarding the investigation being conducted by the European Commission into certain business practices of the leading manufacturers of commercial vehicles in relation to possible anti-competitive practices.

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, Venezuela and South Africa. In addition, the Group could increase its use of suppliers in such 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 as opposed to products manufactured and commercialised by international and domestic competitors. The emerging markets economies may also be subject to a slow-down in gross domestic product expansion and/or be impacted by domestic currency volatility, potential hyperinflationary conditions and/or increase of public debt. Furthermore, the emerging markets countries may 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 flows. For example, the Group is subject to Venezuelan rules and regulations affecting its ability to exchange cash and marketable securities denominated in Venezuelan bolivars into U.S. dollars. Under these rules and regulations, foreign currency must be purchased and sold at official rates of exchange (*i.e.*, Venezuela's Complementary System of Foreign Currency Administration); in addition such transactions are subject to volume restrictions. These regulations limit the Group's ability to access and transfer liquidity out of Venezuela to meet funding requirements in other countries and may result in re-measurement charges on the Group's financial statements. For example, effective March 31, 2014, the official bolivar – U.S. dollar exchange rate used to re-measure the Group's Venezuelan Commercial Vehicles business operation was 10.7 bolivars to 1 U.S. dollar, compared to an official rate of 6.3 bolivars to 1 U.S. dollar before March 31, 2014. The rate was further adjusted to 10.6 bolivars to 1 U.S. dollar as of June 30, 2014. As a result, the Group is subject to increased risk of devaluation or other foreign exchange losses. Using an exchange rate of 10.6

Venezuelan bolivars to one U.S. dollar, as of June 30, 2014 CNH Industrial's Venezuelan subsidiary had net monetary assets of \$83 million, including \$58 million of cash and cash equivalents.

The Group is subject to extensive environmental laws and regulations

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 laws and regulations govern, among other things, products – with requirements on emissions of polluting gases, increased fuel efficiency 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 research and development resources and expects to continue to incur substantial costs in the future. Failure to comply with such laws and regulations could impact the products sold by the Group and/or the markets in which such products are sold, which in turn could adversely affect the Group's financial position, results of operations and cash flows.

A decrease in government incentives may adversely affect the Group's results

Government initiatives to stimulate demand for the Group's products, such as changes in tax treatment or purchase incentives for new equipment, can substantially influence the timing and level of the Group's 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 initiatives could have a material adverse effect on the Group's business prospects, results of operations and/or financial position. For example, on December 31, 2013, the additional first-year "50% bonus" depreciation and increased expensing of property under Section 179 of the U.S. Internal Revenue Code of 1986, as amended, expired, which may have an adverse effect on the Group's business prospects in the U.S.

The Group faces risks associated with its relationships with employees

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. Therefore, the Group's ability to reduce personnel or implement other permanent or temporary redundancy measures is subject to government approvals and/or 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.

The Group depends on key suppliers for certain raw materials, parts and components

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 caused, 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 and to achieve growth in product sales, as well as the profitability of the Group's business.

Certain companies within the Group use a variety of raw materials in their businesses, including steel, aluminum, 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 operates in numerous markets worldwide and is accordingly exposed to market risks stemming from 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 and related purchasing.

The Group uses various forms of financing to cover the funding requirements for its Industrial Activities and for financing offered to customers and dealers. Financial Services operates a matching policy to offset the impact of differences in rates of interest on the financed portfolio and related liabilities. Nevertheless, any future changes in interest rates can result in increases or decreases in revenues, finance costs and margins.

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, results of operations and/or financial position.

The Group is also subject to the risk of insolvency of dealers and customers, as well as unfavourable economic conditions in markets where its activities are carried out, which the Group seeks to mitigate through credit policies applied to dealers and customers. In addition, the Group's activities are subject to laws and government actions that may, among other things, prevent the Group 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 business. The agreements regulating the dissolution of the alliance provide that, starting from January 1, 2013 until December 31, 2017, the Group will be entitled to purchase components and parts from Kobelco 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 Kobelco to distribute its excavators in certain significant markets (such as the Americas and Europe) expired and similar restrictions which applied to the Group's construction equipment activities expired in Asia Pacific on July 31, 2013. While the Group expects a smooth transition with respect to implemented changes, 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 the inability to source certain components currently provided by Kobelco) might arise in connection with the termination of the alliance, which could have a material adverse effect upon the Group's construction equipment product lines, construction equipment distribution network, financial position and results of operations.

The Group's success is largely dependent on the ability of its senior management 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 could therefore have an adverse effect on the Group's business prospects, results of operations and/or financial position.

Reduced demand for the Group's agricultural and construction equipment and commercial vehicles would impact its sales and profitability

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 governments and/or supranational organisations as well as alternative fuel mandates.

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 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 commercial vehicles, and consequently, the Group's financial results.

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

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. 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. As a result, 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 business may be affected by unfavourable weather conditions, climate change or natural disasters

Poor, severe 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 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.

In addition, natural disasters, pandemic illness, equipment failures, power outages or other unexpected events could result in physical damage to, and complete or partial closure of, one or more of the Group's manufacturing facilities or distribution centres, temporary or long-term disruption in the supply of component products from some local and international suppliers, disruption in the transport of the Group's products to dealers and customers and delay in delivery of the products to distribution centres. Any of these events could negatively impact the Group's financial results. In addition, existing insurance arrangements may not provide protection for all of the costs that may arise from such events.

The Group's revenues may be affected by changes in demand for food and alternative energy sources

Changing worldwide demand for farm outputs to meet the world's growing food and alternative energy demands, driven in part by government policies and a growing world population, are likely to result in fluctuating agricultural commodity prices, which may directly affect sales of agricultural equipment. While higher commodity prices benefit the Group's customers producing crops resulting in higher demand for agricultural equipment, higher commodity prices also result in greater feed costs for livestock and poultry producers, which in turn may result in lower levels of equipment purchased by these customers. Moreover, changing alternative energy demands may cause farmers to change the types or quantities of the crops they grow, with corresponding changes in equipment demands. Finally, changes in governmental policies regulating bio-fuel utilisation could affect demand for the Group's equipment and result in higher research and development costs related to equipment fuel standards.

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

At December 31, 2013, CNH Industrial's defined benefit pension, healthcare and other post-employment benefit plans were underfunded by €1,656 million. The funded status of CNH Industrial's defined benefit pension and post-employment benefit plans is subject to several factors, as discussed in the notes to the consolidated financial statements of the CNH Industrial Group as of and for the financial years ended December 31, 2013 and 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 flows 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 fluctuations. 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.

CNH Industrial, as successor to Fiat Industrial, is jointly liable with Fiat for certain obligations

Fiat Industrial was formed as a result of the Demerger. CNH Industrial, as successor to Fiat Industrial, continues to be jointly liable with Fiat for any liabilities of Fiat that arose prior to effectiveness of the Demerger and that were still outstanding at the effective date of the Demerger. 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 the liabilities of Fiat existing as of the date of the Demerger are satisfied in full. Furthermore, CNH Industrial may be responsible jointly with Fiat in relation to tax liabilities, even if such liabilities exceed the value of the net assets transferred to Fiat Industrial in the Demerger.

CNH Industrial estimates that the liabilities of Fiat that were outstanding as of June 30, 2014 for which it may be held jointly liable, as described above, amounted to approximately \$5.6 billion.

Dealer equipment sourcing and inventory management decisions could adversely affect the Group's sales

The Group's dealers carry inventories of finished products as part of ongoing operations and adjust those inventories based on their assessment of future sales opportunities. Dealers who carry other products that compete with the Group's products may focus their inventory purchases and sales efforts on goods provided by other suppliers due to industry demand or profitability. Such inventory adjustments and sourcing decisions can adversely impact the Group's sales, financial position and results of operations.

Adverse economic conditions could place a financial strain on the Group's dealers and adversely affect the Group operating results

Global economic conditions continue to place financial stress on many of the Group's dealers. Dealers' financial difficulties may impact their equipment sourcing and inventory management decisions, as well as their ability to provide services to their customers purchasing the Group's equipment. Accordingly, additional financial strains on members of the Group's dealer network resulting from current or future economic conditions could adversely impact the Group's sales, financial position and results of operations.

The Group may not be able to realise anticipated benefits from mergers, acquisitions or joint ventures and challenges associated with strategic alliances may have an adverse impact on the Group's results of operations

A principal purpose of the Merger is to create a single class of liquid stock which, among other things, provides the Group with additional alternatives for funding future acquisitions and strategic alliances. The Group has engaged in the past, and may engage in the future, in mergers and acquisitions or enter into, expand or exit from strategic alliances which could involve risks that could prevent it from realising the expected benefits of the transactions or the achievement of strategic objectives. Such risks include:

- technological and product synergies, economies of scale and cost reductions not occurring as expected;
- unexpected liabilities;
- incompatibility in processes or systems;
- unexpected changes in laws or regulations;
- inability to retain key employees;
- inability to source certain products;
- increased financing costs and inability to fund such costs;
- significant costs associated with terminating or modifying alliances; and
- problems in retaining customers and integrating operations, services, personnel, and customer bases.

If problems or issues were to arise among the parties to one or more strategic alliances for managerial, financial, or other reasons, or if such strategic alliances or other relationships were terminated, the Group's product lines, businesses, financial position, and results of operations could be adversely affected.

The Group's business operations may be impacted by various types of claims, lawsuits and other contingent obligations

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.

Credit risk

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

- relevant industry and general economic conditions;
- the availability of capital;
- interest rates (and changes thereto);
- 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.

The Group offers a wide range of financial services and products to its dealers and customers, including retail financing for the purchase or lease of new and used equipment and vehicles and wholesale financing to dealers. Receivables from these financing activities totalled \$23,240 million as of June 30, 2014. Deterioration in the quality of the Group's financial assets (including receivables under the above-mentioned customer and dealer financing arrangements), an increase in delinquencies or defaults, or a reduction in collateral recovery rates could have an adverse impact on the performance of the Group's financial services activities. These risks become more acute in an 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, defaults, insolvencies, 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 activities 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 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 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 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 activities have 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 activities. 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 access to funding, financial position and results of operations. As the Group's financial services activities finance a significant portion of the Group's sales of equipment, to the extent it is 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, in the future, 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 flows.

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 flows.

Regulatory risk

The operations of the Group's financial services activities are subject, in certain instances, to 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 the financial services activities, 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 financial services activities and the Group's financial position and results of operations.

Risk associated with the potential impact of the Dodd-Frank Act

The various requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”), including the many implementing regulations yet to be released, may substantially affect the origination, servicing and securitisation programmes of the Group’s financial services activities. For example, the Dodd-Frank Act strengthens the regulatory oversight of these securities and capital market activities by the SEC and increases the regulation of the ABS markets through, among other things, a mandated risk retention requirement for securitisers and a direction to the SEC to regulate credit rating agencies and adopt regulations governing these organisations. While the Group will continue to monitor these developments and their impact upon its access to the ABS market, these and future SEC regulations may impact the Group’s ability to engage in these activities or increase the effective cost of ABS transactions in the future, which could adversely affect the Group’s financial position, results of operations and cash flows.

The Group has significant outstanding indebtedness, which may limit its ability to obtain additional funding and its financial and operational flexibility

As of June 30, 2014, the Group had a consolidated debt of \$31,355 million (including of \$23,903 million relating to Financial Services), and its equity was \$7,905 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; 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 were exacerbated by volatility in recent years in the financial markets resulting from perceived strains on the finances and creditworthiness of several governments and financial institutions, particularly in the Eurozone and, should such volatility arise in the future, these risks may be further exacerbated.

Among the anticipated benefits of the Merger is the expected reduction in funding costs over time due to improved debt capital markets positioning of CNH Industrial. 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.

Difficulty in obtaining financing or refinancing existing debt could impact the Group’s financial performance

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 access to capital markets or other sources of financing. Declines in revenues could have a negative impact on the cash-generating capacity of the Group’s 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, results of operations and/or financial position.

Restrictive covenants in the Group's debt agreements could limit its financial and operational flexibility

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.

Although CNH Industrial does not believe that any of these covenants materially restrict its operations, a breach of such covenants could have a negative impact on the Group's business, results of operations and financial condition. In particular, failure to comply with these covenants, in certain cases, if not suitably remedied, could trigger the acceleration of the amounts due under certain credit facilities and/or the obligation to redeem certain debt securities, or could result in the termination of existing unused commitments by the Group's lenders, their refusal to extend further credit or to enter into new facilities or to the downgrading or modification of the credit ratings of CNH Industrial or of any of its subsidiaries.

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 Financial Services LLC ("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, CIFE (formerly, Fiat Industrial Finance Europe S.A.) 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 ("Moody's Germany") assigned a "Ba2" rating to such Notes, whereas Standard & Poor's Credit Market Services Italy S.r.l. ("S&P Italy") 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.

In March 2014, CIFE issued €1,000,000,000 2.750 percent Notes due March 2019 under the Programme guaranteed by CNH Industrial. On March 13, 2014, S&P assigned a "BB+" rating to such Notes, whereas Moody's assigned a "Ba2" rating thereto on March 14, 2014.

In September 2014, CIFE issued €700,000,000 2.875 percent Notes due September 2021 under the Programme guaranteed by CNH Industrial. On September 23, 2014, S&P and Moody's assigned, respectively, a "BB+" and "Ba2" rating to such Notes.

The credit ratings included in this Base Prospectus have been issued, for the purposes of the CRA Regulation, by S&P, S&P Italy, Moody's and Moody's Germany.

Moody's Germany and S&P Italy 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 ("ESMA"). The ESMA's website and its content do not form part of the Base Prospectus.

S&P and Moody's are not established in the European Union and are not registered or certified under the CRA Regulation.

Standard & Poor's Credit Market Services Europe Limited and Moody's Investors Service Ltd. currently endorse credit ratings issued by, respectively, S&P and Moody's for regulatory purposes in the European Union. Standard & Poor's Credit Market Services Europe Limited and Moody's Investors Service Ltd. have been registered under the CRA Regulation and appear on the list of registered credit rating agencies on ESMA's website.

The Group's ability to access the capital markets or other forms of financing and related costs are highly dependent, among other things, on its credit ratings. Rating agencies may review their ratings, and any downgrade or other negative action by rating agencies affecting the Group's credit ratings may 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, results of operations and/or financial position.

The Group is subject to negative conditions in the financial markets and the cyclicity of the capital goods sector

More than other sectors, producers in the capital goods sector, such as the agricultural and construction equipment and commercial vehicles industries, are subject to:

- the condition of financial markets, in particular, the ability to access the ABS market and prevailing interest rates in that market. In North America, in particular, the Group makes considerable use of ABS transactions to fund financing offered to dealers and customers. Adverse conditions in the financial markets, and the ABS market in particular, could have a significant impact on the Group's business prospects, results of operations and/or financial position;
- cyclicity, which can cause sudden (and sometimes material) 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.

Risks related to increased information technology security threats

The Group relies upon information technology systems and networks in connection with a variety of business activities, and the Group collects and stores sensitive data. Increased information technology security threats and more sophisticated computer crime, including advanced persistent threats, pose a risk to the security of the Group's systems and networks and the confidentiality, availability and integrity of its data.

In order to manage such risks, the Group implemented an information security system, an integrated set of policies, processes, methodologies, teams and technologies aimed at ensuring appropriate protection of the Group's data. The information security system must be constantly aligned with evolving cyber threats scenarios in order for it to be effective. Recent security initiatives included in the Group's information security roadmap concern product development, data loss prevention, data classification (both structured and unstructured data) and laptop encryption. Actions are also in progress to increase the Group's capability to prevent, detect, and react to malicious data leakage attempts.

Despite the Group's efforts, a failure or breach in security could expose the Group and its customers, dealers and suppliers to risks of misuse of information or systems, the compromising of confidential information, manipulation and destruction of data, defective products, production downtimes and operations disruptions, which in turn could adversely affect the Group's reputation, competitive position, businesses and results of operations. In addition, such breaches in security could result in litigation, regulatory action and potential liability, as well as higher operational and other costs resulting from the implementation of further data protection measures.

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 the 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 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, in order for it to be resident in the UK for tax purposes, its central management and control must be located (in whole or in part) in the UK. The test of central management and control is largely a question of fact based on all the circumstances. Even if CNH Industrial's “central management and control” is in the UK, 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) such tax treaty allocates exclusive residence to that other jurisdiction. Nevertheless, the decisions of the UK courts and the published practice of Her Majesty's Revenue & Customs (“HMRC”) suggest that CNH Industrial has been, and will be, treated as UK-resident from the date of its incorporation onwards.

Even if CNH Industrial's central management and control is in the UK, 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, provided that it operates as planned and provides appropriate evidence thereof, as may be required, 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 withholding taxes on dividends distributed by CNH Industrial.

Residence of CNH Industrial for Italian tax purposes is also largely a question of fact based on all the circumstances. For Italian tax purposes, a rebuttable presumption of residence of CNH Industrial in Italy may apply under Italian tax legislation. However, CNH Industrial has 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 by the relevant tax authorities. Should CNH Industrial be treated as an Italian tax resident, it would be subject to corporate income tax in Italy and may be required to comply with withholding tax on dividends and other distributions (currently at a withholding rate of 26%, subject to any benefits from double taxation treaties or other reliefs or exemptions that may be available to shareholders) and/or reporting obligations under Italian law, which could result in additional costs and expenses.

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.

On March 24, 2014 the Council of the European Union adopted a directive amending the Savings Directive (the “Amending Directive”) which, when implemented, will broaden the scope of the rules described above. The member states will have until January 1, 2016 to adopt national legislation necessary to comply with the Amending Directive (which national legislation must apply from January 1, 2017). The changes made under the Amending Directive include extending the scope of the Savings Directive to payments made to, or secured for, certain other entities and legal arrangements (including trusts and partnerships), where certain conditions are satisfied. They also broaden the definition of “interest payment” to cover income that is equivalent to interest.

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.

Investors who are in any doubt as to their position should consult their professional advisers.

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 significant reduction in control by it in recent years over trade transactions involving import and export of goods and services as well as other frequent routine foreign exchange transactions. These transactions are known as current account items. Participating banks in Hong Kong, Singapore and Taiwan have been permitted to engage in the settlement of current account trade transactions in Renminbi.

On October 13, 2011, the People's Bank of China (the "PBoC") promulgated the "Administrative Rules on Settlement of RMB-denominated Foreign Direct Investment" (外商直接投资人民币结算业务管理办法) (the "PBoC FDI Measures") as part of the implementation of the PBoC's detailed foreign direct investment ("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.

On December 3, 2013, the Ministry of Commerce of the PRC ("MOFCOM") promulgated the "Circular on Issues Concerning Cross-border RMB Direct Investment" (商务部关于跨境人民币直接投资有关问题的公告) (the "MOFCOM Circular"), which became effective on January 1, 2014. The MOFCOM Circular replaced the "Notice on Issues Concerning Cross-border Direct

Investment in RMB” (商务部关于跨境人民币直接投资有关问题的通知) promulgated by MOFCOM on October 12, 2011 (the “2011 MOFCOM Notice”). Pursuant to the MOFCOM Circular, written approval from the appropriate office of MOFCOM and/or its local counterparts specifying “Renminbi Foreign Direct Investment” and the amount of capital contribution is required for each FDI. The MOFCOM Circular also clearly prohibits FDI funds from being used for any investments in securities and financial derivatives (except for investments in PRC listed companies by strategic investors) or for entrustment loans in the PRC.

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 control over cross-border remittance of Renminbi in the future, that the pilot schemes introduced in Hong Kong, Singapore and Taiwan will not be discontinued, or that new regulations in the PRC 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. Currently, licensed banks in Singapore and Hong Kong may offer limited Renminbi-denominated banking services to Singapore residents, Hong Kong residents and specified business customers. The PBoC, the central bank of the PRC, has also established Renminbi clearing and settlement mechanisms for participating banks in Hong Kong, Singapore, Taiwan, London, Frankfurt, Seoul, Paris and Luxembourg through settlement agreements on the clearing of Renminbi business (the “Settlement Agreements”) with Bank of China (Hong Kong) Limited in Hong Kong, Industrial and Commercial Bank of China, Singapore Branch in Singapore, Bank of China, Taipei Branch in Taiwan, China Construction Bank (London) Limited in London, Bank of China, Frankfurt Branch in Frankfurt, Bank of Communications, Seoul Branch in Seoul, Bank of China, Paris Branch in Paris, and Industrial and Commercial Bank of China Limited, Luxembourg Branch in Luxembourg (each, a “Renminbi Clearing Bank”).

However, the current size of Renminbi-denominated financial assets outside the PRC is limited. 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 relevant Renminbi Clearing Bank after consolidating the Renminbi trade position of banks outside Hong Kong, Singapore and Taiwan that are in the same bank group of the participating banks concerned with their own trade position, and the relevant 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. The relevant Renminbi Clearing Bank is not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In each case, the participating banks will need to source Renminbi from outside the PRC to square such open positions.

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 new PRC regulations will not be promulgated or the Settlement Agreements will not be terminated or amended in the future so as to have the effect of restricting the availability of Renminbi outside the PRC. 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 outside the PRC 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 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 rules and procedures of the relevant clearing systems, 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. Other than as described in the “*Terms and Conditions of the Notes*,” 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), (e), (f) and (g) 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 statement, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity and notes to the consolidated financial statements) of the CNH Industrial Group, as of and for the financial years ended December 31, 2013 and 2012.

The CNH Industrial Group's audited consolidated annual financial statements as of and for the financial years ended December 31, 2013 and 2012 are set out on pages 115 to 195 of the Annual Report 2013 which is available on CNH Industrial's website at the link below:

http://www.cnhindustrial.com/en-US/investor_relations/financial_information/annual_reports/FiatDocuments/CNHI_2013_Annual_Report.pdf

the audited consolidated annual 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 Fiat Industrial Group, as of and for the financial years ended December 31, 2012 and 2011, including the independent auditor's report thereon.

The 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 and 2011 are set out on pages 134 to 236 and 306 to 307, respectively, of the Annual Report 2012, which is available on CNH Industrial's website at the link below:

http://www.cnhindustrial.com/en-US/investor_relations/financial_information/Fiat_Documents/FI_2012_Annual_Report.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, consolidated statement of changes in equity and notes to the consolidated financial statements) of the CNH Industrial Group, as of and for the six months ended June 30, 2014 and 2013.

The CNH Industrial Group's unaudited consolidated financial statements as of and for the six months ended June 30, 2014 and 2013 are set out on pages 25 to 58 of the Semi-Annual Report, which is available on CNH Industrial's website at the link below:

http://www.cnhindustrial.com/en-US/investor_relations/financial_information/semi_annual_reports/Documents/CNHI_Semi_Annual_Report_2014_IFRS.pdf

- (c) the audited annual statutory financial statements (including income statement, statement of financial position, and notes to the statutory financial statements) of CNH Industrial (formerly, FI CBM Holdings N.V.) as of and for the financial year ended December 31, 2013.

The audited annual statutory financial statements of CNH Industrial (formerly, FI CBM Holdings N.V.) as of and for the financial year ended December 31, 2013 are set out on pages 197 to 214 of the Annual Report 2013, which is available on CNH Industrial's website at the link below:

http://www.cnhindustrial.com/en-US/investor_relations/financial_information/annual_reports/FiatDocuments/CNHI_2013_Annual_Report.pdf

- (d) the independent auditors' report on (i) the audited consolidated annual financial statements of the CNH Industrial Group as of and for the financial year ended December 31, 2013, and (ii) the audited annual statutory financial statements of CNH Industrial (formerly, FI CBM

Holdings N.V.) as of and for the financial year ended December 31, 2013 is set out on pages 228 and 229 of the Annual Report 2013, which is available on CNH Industrial's website at the link below:

http://www.cnhindustrial.com/en-US/investor_relations/financial_information/annual_reports/FiatDocuments/CNHI_2013_Annual_Report.pdf

- (e) 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 CIFNA (formerly Fiat Industrial Finance North America, Inc.) as of and for the financial years ended December 31, 2013 and 2012, and the independent auditors' report thereon.

The audited annual financial statements of CIFNA (formerly Fiat Industrial Finance North America, Inc.) and the independent auditors' report thereon as of and for the financial years ended December 31, 2013 and 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/CNH_INDUSTRIAL_FINANCE_NORTH_AMERICA_2013.pdf

The audited annual financial statements of CIFNA (formerly Fiat Industrial Finance North America, Inc.) and the independent auditors' report thereon as of and for the financial years ended December 31, 2012 and 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-%202012%20Financial%20Statements.pdf

- (f) the audited annual financial statements (including balance sheets, profit and loss accounts and notes to the annual accounts) of CIFE (formerly Fiat Industrial Finance Europe S.A.) as of and for the financial years ended December 31, 2013 and 2012, and the independent auditors' report thereon.

The audited annual financial statements of CIFE (formerly Fiat Industrial Finance Europe S.A.) and the independent auditors' report thereon as of and for the financial years ended December 31, 2013 and 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/CIFE-AR311213-signed_report.pdf

The audited annual financial statements of CIFE (formerly Fiat Industrial Finance Europe S.A.) and the independent auditors' report thereon as of and for the financial years ended December 31, 2012 and 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-%202012%20Financial%20Statements.pdf

- (g) the terms and conditions set out on pages 44 to 82 of the base prospectus dated November 15, 2013 relating to the Programme under the heading "*Terms and Conditions of the Notes*" available on CNH Industrial's website at the link below:

http://www.cnhindustrial.com/en-US/investor_relations/fixed_income_investors/Pages/programme.aspx

Non-incorporated parts of a document referred to in (a) to (g) 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 is 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 Depositary and registered in the name of a nominee of the Common Depositary 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 Selling and Transfer 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] [corporate][and][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.

[The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.]

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated November 15, 2013 which are incorporated by reference in the Base Prospectus dated [current date]. This document constitutes the Final Terms of the Notes described herein [for the purposes of Article 5.4 of Directive 2003/71/EC, as amended (the “Prospectus Directive”)][†] and must be read in conjunction with 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 the Prospectus Directive][†], including the Conditions incorporated by reference in the 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, including the Conditions incorporated by reference in the Base Prospectus. The Base Prospectus and the Final Terms are available for viewing at <http://cnhindustrial.com/en-US/Pages/HomePage.aspx> copies may be obtained from the Issuer [and the Guarantor] at [its/their respective] [corporate][and][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.]

[†] 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.

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: []
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.*
- 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 and year]]*
(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/CNH HIBOR] +/- [] 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/CNH HIBOR]
 - 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, the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR or the second Hong Kong business day prior to the start of each Interest Period if CNH HIBOR)]
 - 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) Linear Interpolation [Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
- (ix) Margin(s): [+/-] [] percent per annum
- (x) Minimum Rate of Interest: [] percent per annum
- (xi) Maximum Rate of Interest: [] percent per annum
- (xii) 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 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 depository 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.]

* Not applicable where CIFNA is the Issuer.

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 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 do 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 website and its content do 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 (i) the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating; and/or (ii) the credit rating agency issuing the credit rating, in each case in accordance with the applicable requirements of the CRA Regulation.)

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: [Not Applicable/[]]

(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 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 (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 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 (i) are expressed to be consolidated and form a single series and (ii) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

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 Depository 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 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 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);
- (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 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 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 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) or at 11:15 a.m. (Hong Kong time) or if, at or around that time it is notified that the fixing will be published at 2:30 p.m. (Hong Kong time), then as of 2:30 p.m. (Hong Kong time) (in the case of CNH HIBOR) (such time, the **Specified Time**) 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 in the London inter-bank market (in the case of a determination of LIBOR), the principal Euro-zone office of each of the Reference Banks in the Euro-zone inter-bank market (in the case of a determination of EURIBOR), or the principal Hong Kong office of four major banks in the Hong Kong inter-bank market (in the case of a determination of CNH HIBOR) 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), the Eurozone inter-bank market (if the Reference Rate is EURIBOR) or leading banks dealing in Renminbi in the Hong Kong inter-bank market (if the Reference Rate is CNH HIBOR), 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 of 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), the Eurozone inter-bank market (if the Reference Rate is EURIBOR) or leading banks dealing in Renminbi in the Hong Kong inter-bank market (if the Reference Rate is CNH HIBOR), 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) *Linear Interpolation:* Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Principal Paying Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.
- As used herein:
- “Designated Maturity” means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.
- (vi) *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.
- (vii) *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”, 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 or in addition to (i) the jurisdiction in which the relevant Issuer or the Guarantor (in the case of Guaranteed Notes) is incorporated, and (ii) where CNH Industrial is the Issuer or Guarantor in respect of an issuance of Notes, the United Kingdom.

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 the date from which interest starts to accrue 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 (formerly 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 (关于扩大跨境贸易人民币结算试点有关问题的通知) (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. Currently, participating banks in Hong Kong, Singapore, Taiwan, London, Frankfurt, Seoul, Paris and Luxembourg have been permitted to engage in the settlement of Renminbi trade transactions.

On July 5, 2013, the PBOC issued the Circular on the Simplification of Renminbi Cross-border Business Processes and the Improvement of Relevant Policies (关于简化跨境人民币业务流程和完善有关政策的通知) (the “2013 PBOC Circular”), pursuant to which on the basis of three principles of “know your customer”, “know your business” and “due diligence”, PRC banks can directly handle the cross-border settlement upon the PRC enterprises presenting the payment instruction (except for enterprises on the key regulatory list of regulating Renminbi cross-border settlement in export goods trade). PRC banks may also allow PRC enterprises to make/receive payments under current account items prior to the relevant PRC bank’s verification of underlying transactions (noting that verification of underlying transactions is usually a precondition for cross-border remittance).

The Renminbi Settlement Circular and the 2013 PBOC 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 the 2013 PBOC Circular and impose conditions for settlement of current account items. 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 use of Renminbi for payment of transactions categorised as current account items, then such settlement will need to be made subject to the specific requirements or restrictions set out in such regulations.

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 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 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 grant approval for 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 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 Renminbi inside and outside the PRC 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. Furthermore, according to the 2013 PBOC Circular, upon enforcement of external guarantees in Renminbi provided by non-financial enterprises in the PRC, PRC banks may provide RMB settlement services (*i.e.* remittance of enforcement proceeds) directly. Non-financial enterprises in the PRC can (through PRC banks) extend loans in Renminbi to entities within the same group outside the PRC under Renminbi cash pooling arrangements. However, SAFE has not amended its positions under the SAFE Circular, nor has it issued any regulations to confirm the positions in the 2013 PBOC Circular. Therefore, there remain potential inconsistencies between the provisions of the SAFE Circular and the provisions of the 2013 PBOC Circular and it is unclear how SAFE will deal with such inconsistencies in practice.

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 an 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 (人民币一般存款户口) 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.

The SAFE Circular and the PBOC FDI Measures will be subject to interpretation and application by the relevant PRC authorities. 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.

CNH INDUSTRIAL FINANCE EUROPE S.A.

Business and Incorporation

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 (published in the *Mémorial C, Journal Officiel du Grand-Duché de Luxembourg, Recueil des Sociétés et Associations* under number 546 of March 23, 2011) and on October 14, 2013 (published in the *Mémorial C, Journal Officiel du Grand-Duché de Luxembourg, Recueil des Sociétés et Associations* under number 2623 of October 22, 2013) to reflect the change of the name of CIFE from Fiat Industrial Finance Europe S.A. to CNH Industrial Finance Europe S.A.

CIFE, which is 60% owned by CNH Industrial and 40% 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 CIFE (formerly Fiat Industrial Finance Europe S.A.) as of December 31, 2013 and 2012 and for the financial years then ended. The comparative data as of and for the financial year ended December 31, 2012 set forth in such financial information have been reclassified for comparability purposes. The above-mentioned financial statements have been prepared in accordance with the Luxembourg legal and regulatory requirements.

BALANCE SHEET

	As at December 31,	
	2013	2012
(in euro)	(Audited)	
Assets		
Fixed assets		
Intangible fixed assets	788,103	343,416
Tangible fixed assets		
Other fixtures and fittings, tools and equipment	73,858	147,851
Current assets		
Debtors		
Amounts owed by affiliated undertakings		
Becoming due and payable within one year	6,856,846,370	6,547,126,542
Becoming due and payable after more than one year	434,859,271	415,036,930
	<u>7,291,705,641</u>	<u>6,962,163,472</u>
Other receivables		
Becoming due and payable within one year	749,682	37,456
Cash at bank, cash in postal cheque accounts, cheques and cash in hand ..	906,752,141	1,054,179,719
Prepayments	55,822,419	48,160,630
Total assets	<u>8,255,891,844</u>	<u>8,065,032,544</u>

	As at December 31,	
	2013	2012
(in euro)	(Audited)	
Liabilities		
Capital and reserves		
Subscribed capital	50,000,000	50,000,000
Reserves		
Legal reserve	332,000	243,000
Other reserves.....	2,553,600	1,215,600
Profit or loss brought forward	2,360,831	2,012,345
Profit or loss for the financial year	2,140,133	1,775,486
Total shareholders' equity	57,386,564	55,246,431
Provisions		
Provisions for taxation.....	854,694	2,139,418
Non subordinated debts		
Debenture loans		
Non-convertible loans		
Becoming due and payable within one year	103,458,904	103,458,904
Becoming due and payable after more than one year	2,200,000,000	2,200,000,000
	2,303,458,904	2,303,458,904
Amounts owed to credit institutions		
Becoming due and payable within one year	1,106,081,108	1,496,795,650
Becoming due and payable after more than one year	199,319,639	—
	1,305,400,747	1,496,795,650
Amounts owed to affiliated undertakings		
Becoming due and payable within one year	4,549,966,473	4,157,080,035
Tax and social security debts.....	97,119	159,078
Other Creditors		
Becoming due and payable within one year	191,375	43,923
Deferred income.....	38,535,968	50,109,105
Total liabilities and shareholders' equity	8,255,891,844	8,065,032,544

PROFIT AND LOSS ACCOUNT

	Year ended December 31,	
	2013	2012
(in euro)	(Audited)	
Charges		
Other external charges	1,146,707	1,100,172
Staff costs		
Salaries and wages.....	698,663	596,035
Social security on salaries and wages	105,936	89,969
	804,599	686,004
Value adjustments		
On formation expenses and on tangible and intangible fixed assets	218,630	116,713
Other operating charges	266,666	173,761
Interest and other financial charges		
Concerning affiliated undertakings	22,562,829	54,071,804
Other interest and similar financial charges	221,215,199	189,890,945
	243,778,028	243,962,749
Income tax	824,477	769,789
Profit for the financial year	2,140,133	1,775,486
Total charges	249,179,240	248,584,674
Income		
Income from financial current assets		
Derived from affiliated undertakings.....	234,218,065	221,846,254
Other income from financial current assets.....	465,504	1,258,003
	234,683,569	223,104,257
Other interest and other financial income		
Derived from affiliated undertakings.....	1,071,447	16,781,857
Other interest and similar financial income	13,424,224	8,698,560
	14,495,671	25,480,417
Total income	249,179,240	248,584,674

CNH INDUSTRIAL FINANCE NORTH AMERICA, INC.

Business and Incorporation

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 60% owned by CNH Industrial and 40% owned by 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 and Canada.

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 CIFNA (formerly Fiat Industrial Finance North America, Inc.) as of December 31, 2013 and 2012 and for the financial years then ended. Both sets of financial statements have been prepared in accordance with IFRS.

STATEMENTS OF FINANCIAL POSITION

	As of December 31,	
	2013	2012
(in thousands of U.S. dollars)	(Audited)	
Assets		
Cash and cash equivalents	525,122	298,377
Amounts owed by affiliated companies	1,632,741	1,301,341
Financial derivatives – at fair value	3	—
Property, plant and equipment	2	—
Prepaid expenses and other assets	2,236	693
Total assets	2,160,104	1,600,411
Liabilities and stockholder's equity		
Liabilities:		
Bank borrowings	100,007	182,028
Borrowings from affiliated companies	2,028,077	1,388,353
Financial derivatives – at fair value	537	414
Deferred tax liabilities	1	—
Accrued expenses and other liabilities	1,436	1,571
Total liabilities	2,130,058	1,572,366
Stockholder's equity:		
Capital stock (no par value; authorized 5,000 shares; 2,500 shares outstanding)	25,000	25,000
Retained earnings	5,046	3,045
Total stockholder's equity	30,046	28,045
Total liabilities and stockholder's equity	2,160,104	1,600,411

STATEMENTS OF COMPREHENSIVE INCOME

	Year ended December 31,	
	2013	2012
(in thousands of U.S. dollars)	(Audited)	
Revenues:		
Interest income	18,691	18,700
Other financial income	2,952	1,631
Other income	100	100
Total revenues	21,743	20,431
Expenses:		
Interest expense	9,063	9,703
General and administrative expenses	1,015	959
Other financial expenses	6,019	6,865
Net result on hedging and trading activities	1,949	—
Total expenses	18,046	17,527
Income before provision for income taxes	3,697	2,904
Provision for income taxes	1,696	1,332
Net income	2,001	1,572

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, 2012	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
Net income.....	—	—	2,001	2,001
Balance – December 31, 2013	2,500	25,000	5,046	30,046

STATEMENTS OF CASH FLOWS

	Year ended December 31,	
	2013	2012
(in thousands of U.S. dollars)	(Audited)	
Operating activities		
Net income.....	2,001	1,572
<i>Adjustments to reconcile net income to cash flows provided by / (used in) operating activities</i>		
Net increase / (decrease) in operating assets:		
(Increase) in amounts owed by affiliated companies.....	(331,295)	(492,856)
Increase in borrowings from affiliated companies.....	639,412	275,236
Accrued interest, net.....	308	996
Change in other assets and liabilities.....	(1,678)	1,730
Net cash flow provided by / (used in) operating activities	308,748	(213,322)
Investing activities		
Purchases of property, plant and equipment	2	—
Net cash flow provided by investing activities	2	—
Financing activities		
Net decrease in bank borrowings	(82,001)	(292,086)
Net cash flow used in financing activities.....	(82,001)	(292,086)
Net increase/(decrease) in cash and cash equivalents	226,745	(505,408)
Cash and cash equivalents at beginning of the year	298,377	803,785
Cash and cash equivalents at end of the year	525,122	298,377
Operational cash flows from interest		
Interest, net of refunds.....	9,457	10,054
Income taxes	1,661	355

THE CNH INDUSTRIAL GROUP

The CNH Industrial 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, defence 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 and its majority-owned subsidiary, CNH Global, which was completed on September 29, 2013. The Fiat Industrial Group was formed through the demerger of Fiat's capital goods activities.

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 corporate office is located at Cranes Farm Road, Basildon, Essex SS14 3AD, United Kingdom. Its telephone number is +44-1268-292468 and it is registered in the Amsterdam Chamber of Commerce (*Kamer van Koophandel*) under number 56532474 and in the Companies House in the United Kingdom under number FC031116BR016181.

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

The Group carries out industrial and financial services activities in the capital goods business through companies located in 44 countries and has a commercial presence in approximately 190 countries.

Until December 31, 2013, the CNH Industrial Group maintained three operating segments under IFRS: (i) Agricultural and Construction Equipment (including the segment's financial services activities) (ii) Trucks and Commercial Vehicles (including the segment's financial services activities) and (iii) Powertrain. From the first quarter ended March 31, 2014, the CNH Industrial Group expanded its reportable segments under IFRS from three to the following five segments, which are directly managed by CNH Industrial:

- *Agricultural Equipment*, which designs, manufactures and distributes a full line of farm machinery and implements, including two-wheel and four-wheel drive tractors, crawler tractors (Quadtrac®), combines, cotton pickers, grape and sugar cane harvesters, hay and forage equipment, planting and seeding equipment, soil preparation and cultivation implements and material handling equipment. Agricultural equipment is sold under the New Holland Agriculture and Case IH Agriculture brands, and, in Europe, under the Steyr brand.
- *Construction Equipment*, which designs, manufactures and distributes a full line of construction equipment including excavators, crawler dozers, graders, wheel loaders, backhoe loaders, skid steer loaders, telehandlers and trenchers. Construction equipment is sold under the New Holland Construction and Case Construction brands.
- *Commercial Vehicles*, which designs, produces and sells a full range of light, medium and heavy vehicles for the transportation and distribution of goods under the Iveco brand, quarry and mining equipment through Iveco Astra, commuter buses and touring coaches under the Iveco Bus (previously Iveco Irisbus) and the Heuliez Bus brands, firefighting vehicles under the Magirus brand and vehicles for civil defence and peacekeeping missions under the Iveco Defence Vehicles brand.

- *Powertrain*, which designs, manufactures and offers a range of propulsion and transmission systems for on- and off-road applications, as well as engines for marine application and power generation under the FPT Industrial brand.
- *Financial Services*, which offers a range of financial services to dealers and customers. Financial Services provides and administers retail financing to customers for the purchase or lease of new and used industrial equipment or vehicles and other equipment sold by CNH Industrial dealers. In addition, the Financial Services segment provides wholesale financing to CNH Industrial dealers. Wholesale financing consists primarily of floor plan financing and allows the dealers to purchase and maintain a representative inventory of products.

Sources of information relating to competition issues

The market share, ranking and other industry and market data discussed below, including in the 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 Equipment 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 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.

THE MERGER OF FIAT INDUSTRIAL AND CNH GLOBAL

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. Pursuant to the Merger Agreement, the Merger was 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”), effective August 1, 2013;
- (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”) effective September 28, 2013; 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”) effective September 29, 2013.

In connection with the FI Merger, Fiat Industrial shareholders received one newly allotted common share in CNH Industrial (having a nominal value of €0.01 each) for each ordinary share held in Fiat Industrial (having a nominal value of €1.57 each). In connection with the CNH Merger, CNH Global shareholders received 3.828 newly allotted CNH Industrial common shares (having a nominal value of €0.01 each) for each common share held in CNH Global (having a nominal value of €2.25 each). At closing, CNH Industrial issued 1,348,867,772 common shares which were allotted to Fiat Industrial and CNH Global shareholders on the basis of the established exchange ratios described above. CNH Industrial also issued special voting shares (non-tradable) which were allotted to eligible Fiat Industrial and CNH Global shareholders who had elected to receive special voting shares. On the basis of the requests received, CNH Industrial issued a total of 474,474,276 special voting shares. On September 30, CNH Industrial common shares began trading on the New York Stock Exchange (“NYSE”) and the MTA.

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.

The main 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 its businesses, thereby establishing a true peer to the major North American-based capital goods players in both scale and capital markets appeal.

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 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, government subsidies, and tax incentives. 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 fertiliser 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 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 typically 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 production levels of Agricultural Equipment 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 and CNH Industrial 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, as well as genetically modified organism production, allow for intensive mechanised agriculture, farmers demand high capacity, sophisticated machines equipped with the most advanced technology. In Europe, where farms are generally smaller in size 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 generally 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. Agricultural Equipment'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 addition, the use of technology and other precision farming solutions to increase crop yield is becoming more common. In Latin America and in other emerging markets, the number of farms is growing and mechanisation is replacing manual labour. Government subsidies (including crop insurance) are a key income driver for farmers growing certain commodity crops in the United States and Western Europe. The level of government 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). In Argentina, subsidised financing is granted by Banco de la Nacion. These programmes have a significant influence on 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 United States and Europe is extracted from

corn, while in Brazil it is extracted from sugar cane. Biodiesel is typically extracted from soybeans and rapeseed oil in the United States 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. Although oil prices temporarily declined during 2009, oil prices generally continued to escalate through 2010, 2011 and 2012 and leveled in 2013 and the first nine months of 2014, 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 avoid potential energy resource issues 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 American 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.

Construction Equipment

The construction equipment market consists of two principal business lines: heavy construction equipment (CNH Industrial does not operate in the mining and the specialised forestry equipment markets), generally weighing more than 12 metric tonnes, and light construction equipment, generally weighing less than 12 metric tonnes.

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

Heavy Construction Equipment

Heavy construction equipment typically 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 has historically been 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 growth in gross domestic product.

Light Construction Equipment

Light construction equipment includes skid-steer loaders, backhoe loaders, small wheel loaders, excavators, and telehandlers. 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, remodeling 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 expenditures. 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 mirrored 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 smaller. 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 UK) consists mainly of short-term rentals of light construction 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 construction equipment 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 engine emissions.

The construction equipment industry has seen an increase in the use of hydraulic excavators and wheel loaders in earth-moving 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.

Commercial Vehicles

The world truck market is generally divided into three segments: light (gross vehicle weight (“GVW”) up to 6 metric tonnes), medium (GVW 6 to 16 metric tonnes) and heavy (GVW of 16 metric tonnes 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.

Industry forecasts on the trend of future demand for transportation of goods by road indicate 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 the demand for new commercial vehicles 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 limit the impact of declines in new vehicle sales on the operating results of full-line manufacturers, such as the Commercial Vehicles segment.

Commercial vehicles 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.

Buses

The global bus market is organised by missions, from city and inter-city transport to tourism purposes, with a capacity ranging from seven up to 150 seating/standing passengers. The target market of Iveco Bus (previously Iveco Irisbus) 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 Iveco Bus that produce the entire vehicle.

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 country or on 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, tender rules and buses production lead time.

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 engine emission requirements. For vehicle and equipment applications, product development is driven by regulatory factors (i.e., legislation on emissions and, increasingly, CO₂ emissions), as well as the need to reduce total operating costs. This, in turn, translates into customers seeking more efficient propulsion systems that enable lower total cost of ownership and higher productivity.

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 (3.9-8 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, engine 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.

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

Competition

The industries in which the CNH Industrial Group operates are highly competitive. Both Agricultural Equipment and Construction Equipment compete with: (i) large global full-line suppliers with a presence in every market and a broad range of products that cover most customer needs, (ii) manufacturers who are product specialists focused on particular industry segments on either a global or regional basis, (iii) regional full-line manufacturers, some of which 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 competitive strengths of Agricultural Equipment and Construction Equipment include well-recognised brands, a full range of competitive products, a strong global presence and distribution network, and dedicated financial services capabilities. There are multiple factors which influence a buyer's choice of agricultural and construction 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. Agricultural Equipment and Construction Equipment continually seek to improve in each of these areas, but focus primarily on providing high-quality and high-value agricultural and construction equipment products and supporting those products through their 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 manufacturing, logistic and scheduling systems of the Agricultural Equipment and Construction Equipment segments depends on forecasts of industry volumes and the anticipated share of their industry sales, which is predicated on their ability to compete successfully with others in the marketplace. These segments compete on the basis of product performance, customer service, quality and price. The environment remains competitive from a pricing standpoint, but actions taken to maintain their

competitive position in the current difficult economic environment could result in lower than anticipated price realisation.

In the commercial vehicles business, 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 and change, such as Europe and North America.

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

In the powertrain business, product competition is driven to a significant extent by developments in emission regulations in the various markets in which Powertrain's products are used.

The CNH Industrial Group's principal competitors in the agricultural equipment market 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, Gregoire and Deutz brands) and Kubota.

The CNH Industrial Group's principal competitors in the construction equipment market are Caterpillar, Komatsu, JCB, Hitachi, Volvo, Terex, Liebherr, Doosan and John Deere.

In the commercial vehicles business, the Iveco brand principally competes with major manufacturers that have similar product offerings such as: Daimler (including the Mercedes-Benz, Mitsubishi Fuso, Freightliner, Western Star and Bharat-Benz (India) brands), MAN, Paccar (including the DAF, Kenworth, Ken Mex and Peterbilt brands), Scania, and the Volvo Group (including the Volvo, Renault, MACK and UD Trucks brands). In the bus business, Iveco Bus and Heuliez Bus' main competitors are Daimler Buses (Mercedes-Benz and Setra brands), Volvo Bus Corporation, MAN (MAN and Neoplan brands) and Scania. In the firefighting business, Magirus' principal competitor worldwide is Rosenbauer International AG. Iveco Defence Vehicles' principal competitors are Rheinmetall, Oshkosh, Navistar, Nexter, General Dynamics, BAE Systems for defense; Mercedes Benz, and MAN in the trucks business. In the heavy duty equipment business, Iveco and Iveco Astra's principal competitors are Caterpillar and the Volvo Group.

The principal competitors of Powertrain include Cummins, Deutz, Perkins (part of the Caterpillar group), John Deere, Volvo Penta, Weichai, and Isuzu.

Products and Markets

Agricultural Equipment

The product lines of Agricultural Equipment are sold primarily under the Case IH and New Holland Agriculture brands and, in Europe, under the Steyr brand. In order to capitalise on customer loyalty to dealers and the Agricultural Equipment segment's brands, relative distribution strengths and historical brand identities, the segment will continue to use the Case IH (and Steyr for tractors in Europe only) and New Holland Agriculture brands. The CNH Industrial Group believes that these brands enjoy high levels of brand identification and loyalty among both customers and dealers.

Although Agricultural Equipment'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 Agriculture, 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.

Agricultural Equipment's product lines include tractors, combine harvesters, hay and forage equipment, seeding and planting equipment, tillage equipment and sprayers. Agricultural Equipment 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 Agriculture is a worldwide leader. Each of these brands offers parts and support services for all of its product lines. The segment's agricultural equipment is sold with a limited warranty that typically runs from one to three years.

On May 8, 2014, CNH Industrial and The Climate Corporation, a division of Monsanto Company, signed a non-exclusive, licensing agreement for Precision Planting technology. The agreement allows CNH Industrial and The Climate Corporation to integrate selected Precision Planting technology into CNH Industrial agricultural planters, including the Case IH Early Riser® Planters.

Construction Equipment

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

The products of Construction Equipment often share common components to achieve economies of scale in manufacturing, purchasing and development. Construction Equipment 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 heavy construction equipment product lines of the Construction Equipment segment 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. Construction equipment brands offers parts and support services for all of its product lines. The Construction Equipment segment's construction equipment is generally sold with a limited warranty that typically runs from one to two years.

Effective December 31, 2012, the initial term of the CNH Industrial Group's global alliance with Kobelco Construction Machinery Co., Ltd. ("Kobelco") and Kobe Steel Ltd. ("KSL") expired and the CNH Industrial Group entered a new phase of non-exclusive licensing and supply agreements. Subject to the terms of existing agreements, the CNH Industrial Group will continue to manufacture excavators, based on current Kobelco technology, in its 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, the CNH Industrial Group sold its 20% ownership interest in Kobelco to KSL and 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 Europe, Africa, Middle East and the Commonwealth of Independent States expired on December 31, 2012 and such restrictions expired in Asia Pacific on July 31, 2013.

On April 28, 2014, CNH Industrial and Sumitomo (S.H.I.) Construction Machinery Co. Ltd. ("Sumitomo"), a wholly-owned subsidiary of Sumitomo Heavy Industries, Ltd., signed a new technology licence and component supply agreement pursuant to which CNH Industrial is to manufacture Sumitomo-designed crawler excavators (models ranging from 13 to 35 tonnes) at designated plants within its manufacturing network. Production is expected to commence in 2016.

In April 2014, CNH Industrial announced a new strategic long-term partnership with Leica Geosystems, a leading global provider of design, measurement and visualisation technologies, specialising in machine control solutions for construction equipment. As part of this partnership, Leica Geosystems is to provide CNH Industrial's brands Case Construction and New Holland Construction with machine control solutions for excavators, dozers and graders for both factory fit and aftermarket applications.

The CNH Industrial Group continues to evaluate the Construction Equipment segment's business with a view toward increasing efficiencies and profitability as well as evaluating its strategic alliances to leverage its position in key markets.

Commercial Vehicles

Trucks and Commercial Vehicles

Under the Iveco brand, Commercial Vehicles produces a series of light, medium and heavy transport vehicles for urban, intercity and off-road use. The portfolio of products is complemented by a range of after-sale and used vehicles services.

Light vehicles include on-road vans and chassis cabs used for short and medium distance transportation and distribution of goods, as well as 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.

The key players in Iveco's product line-up are the Daily with GVW available from 2.8 to 7 tonnes, the Eurocargo from 6 to 16 tonnes and the Trakker (dedicated to off-road missions) and the Stralis, both over 16 tonnes.

The Commercial Vehicles segment offers ecological diesel and natural gas engines on its entire range of vehicles, developing engines with specific components and configurations optimised for use with compressed natural gas ("CNG") and liquefied natural gas (LNG).

Under the Iveco Astra brand, Commercial Vehicles produces 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 segment's product range for Iveco Astra includes mining and construction vehicles, rigid and articulated dump trucks and other special vehicles.

Buses

Under the Iveco Bus and Heuliez Bus brands, the buses business offers local and inter-city commuter buses, minibuses, school buses and tourism coaches.

Iveco Bus is one of the major European manufactures in the passenger transport sector and is steadily expanding its operations globally. Heuliez Bus produces city buses for public transportation and is a leader in France for the urban bus market.

Specialty Vehicles

Under the Magirus brand, the Commercial Vehicles segment manufactures vehicles designed to respond to natural disasters and civil emergencies, such as fires, floods, earthquakes and explosions. Iveco Defence Vehicles develops and manufactures specialised vehicles for defence missions and civil protection. The Lince, the Commercial Vehicle segment's flagship armored vehicle, and the Freccia, a medium-weight armored vehicle, are sold to armed forces around the world.

Powertrain

Powertrain is engaged in the design, development, manufacture and sale of engines, transmissions and axles under the FPT Industrial brand.

Powertrain's product range is extensive, featuring engines ranging from 2.2 to 20 litres with an output of 15 to 1,006 hp. The 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 range is completed by engine versions which use alternative fuels, including those running on natural gas and engines compatible with biodiesel up to 20%.

To meet the increasingly strict emission regulations for both on-road (Euro VI and EPA 13) and off-road vehicles (Stage IV and Tier 4B), Powertrain's technological solutions strive to provide enhanced results in terms of cost, packaging and fuel consumption for each segment of the market. For example, Powertrain 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, Powertrain has developed a high efficiency selective catalyst reduction system (HI eSCR), which processes exhaust gases using a catalysing liquid, lowering operating and maintenance costs. This unique SCR-only 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 diesel particulate filter).

Additionally, Powertrain produces a wide range of manual transmissions for light commercial vehicles, having either five or six gears, and ranging from 320 to 500 Nm. The segment boasts an extensive range of axle products to meet all customer requirements, including axle products for commercial vehicles, such as the Daily, and axle products for heavy mining, construction and specialty vehicles (for military and fire-fighting purpose) designed by the Commercial Vehicles segment.

Sales and Distribution

Agricultural Equipment and Construction Equipment

Agricultural Equipment and Construction Equipment sell and distribute their products through approximately 9,400 full-line dealers and distributors in approximately 170 countries. Agricultural Equipment and Construction Equipment dealers are almost all independently owned and operated. Dealers typically sell either agricultural 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, Agricultural Equipment and Construction Equipment's products are generally distributed through the independent dealer network. In the rest of the world, products are generally sold to independent distributors who then resell them to dealers, in order to take advantage of their knowledge of the market and minimise marketing costs.

Consistent with their brand promotion programme, Agricultural Equipment and Construction Equipment generally seek to have dealers sell a full range of products (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 Agricultural Equipment and Construction Equipment's business models, 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 CNH Industrial Group's competitors. Elsewhere, dealers generally do not sell products that compete with Agricultural Equipment and Construction Equipment's 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 Agricultural Equipment and Construction Equipment, or to satisfy local demand for a particular specialty product.

A strong dealer network with wide geographic coverage is a critical element in the success of Agricultural Equipment and Construction Equipment's businesses. These segments work to enhance their dealer networks through the expansion of their 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, Agricultural Equipment and Construction Equipment are continuing to support their dealer network by facilitating sales of equipment to the local, regional and national rental companies through their 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. Agricultural Equipment and Construction Equipment have launched several programmes to support their 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, Agricultural Equipment and Construction Equipment expand such activities gradually, with special attention to managing the resale of rental units into the used equipment market by their dealers, who can utilise this opportunity to improve their customer base and generate additional parts and services business.

The CNH Industrial Group believes that it is generally more cost-effective to distribute its agricultural and construction equipment products through independent dealers, although Agricultural Equipment and Construction Equipment maintain a limited number of company-owned dealerships in some markets. As of December 31, 2013, the Agricultural Equipment and Construction Equipment segments operated a total of 12 company-owned dealerships, primarily in North America and Europe. The Agricultural Equipment and Construction Equipment segments also operate a selective dealer development programme in territories with growth potential but underdeveloped representation by their agricultural and construction equipment brands that typically involve a transfer of ownership to a qualified operator through a buy-out or private investment after a few years.

Commercial Vehicles

Commercial Vehicles 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, 2013, Commercial Vehicles had 688 dealers globally (of which 20 were directly owned by the segment and 11 were branches), including 303 in Western Europe, 83 in Eastern Europe, 117 in Africa and the Middle East, 65 in Latin America and 120 in the Asia-Pacific region. 532 of those dealers sell commercial vehicles, 97 sell buses and 59 sell specialty vehicles. All of these dealers sell spare parts for the relevant vehicles. The Commercial Vehicles segment 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 Commercial Vehicles' growth strategy. In Western Europe, Eastern Europe and Latin America, continued consolidation of the distribution 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 segment is one of the few original equipment manufacturers ("OEM") selling commercial vehicles to companies which offer commercial vehicle rental solutions, such as Ryder, Fraikin and Burntree, among others.

In accordance with European legislation, distribution contracts of Commercial Vehicles dealers 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 100% the Commercial Vehicles segment's brands.

Powertrain

Powertrain provides propulsion solution products for the Agricultural Equipment, Construction Equipment and Commercial Vehicles segments. Additionally, Powertrain's commercial strategy and business model are

focused on the development of a portfolio of medium-to-large OEM customers. Powertrain has entered into long-term supply agreements with Claas, Perkins, Komatsu, Tigercat, 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.

Powertrain 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 Powertrain for delivery of parts and services through the segment's worldwide network.

On April 16, 2014, Powertrain allied with Cascade Engine Center, LLC, a diesel engine test and development centre specialising in engine integration packaging for OEMs, for the distribution of its marine engines across the western U.S. and British Columbia, Canada. The partnership is expected to strengthen CNH Industrial's distribution capability in the marine sector in North America.

Parts and Services

The quality and timely availability of parts and services are important competitive factors for each of the CNH Industrial Group's segments, as they are significant elements in overall dealer and customer satisfaction and important considerations in a customer's original equipment purchase decision. The CNH Industrial Group supplies parts, many of which are proprietary, to support items in the current product line as well as for products sold in the past. In certain markets, the CNH Industrial Group also offers personalised after-sales customer assistance programmes which provide 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 vehicles' value over time. Many of the CNH Industrial Group's products sold can have economically productive lives of up to 20 years when properly maintained, and each unit sold has the potential to produce a long-term parts and services revenue stream for the Group and its dealers.

As of December 31, 2013, the Group operated and administered 57 parts depots worldwide either directly, through a joint venture, or through arrangements with warehouse service providers. This network included 11 parts depots in NAFTA, 20 in EMEA, 5 in LATAM, and 21 in APAC. These depots supply parts to dealers and distributors, which are responsible for sales to retail customers. These parts depots and parts delivery systems provide customers with access to substantially all of the parts required to support the segments' products.

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. CNH Reman LLC 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.

In 2013 Case Construction launched the ProCare maintenance and support programme for the North American market. ProCare is a programme specific to heavy equipment and includes a three-year Advanced Case SiteWatch telematics subscription, a three-year/3,000-hour full-machine factory warranty, and a three-year/3,000-hour planned maintenance contract. ProCare offers customers the highest level of support in the industry for increased uptime, lower operating expenses and improved life cycle costs.

With regard to the after-sales assistance provided by Commercial Vehicles, as of December 31, 2013, Commercial Vehicles had 4,800 service outlets (approximately 2,000 of which were in Europe). In addition to Commercial Vehicles 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, Commercial Vehicles offers personalised after-sales customer assistance programmes under its "Elements" programme which 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.

Commercial Vehicles also offers the Assistance Non-Stop service, which provides customers with access to multilingual professionals 24 hours a day.

At its service centres, the Commercial Vehicles segment 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 the segment's specialists) and Easy Scope (a powerful, latest generation digital oscilloscope that displays changes in variables such as current and voltage over time).

Joint Ventures

As part of its strategy to enter and expand in new markets, the CNH Industrial Group is also involved in several commercial and/or manufacturing joint ventures, including the following:

- in Japan, the CNH Industrial 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 Agriculture agricultural equipment;
- in Pakistan, the CNH Industrial Group owns 43.2% of Al Ghazi Tractors Ltd., which manufactures and distributes New Holland Agriculture tractors;
- in Turkey, the CNH Industrial Group owns 37.5% of Turk Traktor ve Ziraat Makineleri A.S., which manufactures and distributes various models of both New Holland Agriculture and Case IH tractors. In June 2014, the joint venture opened its second manufacturing plant in Erenler (Turkey) in order to produce Case IH and New Holland Agriculture tractors for both local and foreign markets;
- in Mexico, the CNH Industrial Group owns 50% of CNH de Mexico S.A. de C.V., which manufactures New Holland Agriculture agricultural equipment and distributes equipment for all of Agricultural Equipment's major brands through one or more of its wholly-owned subsidiaries;
- in China, the CNH Industrial Group owns 50% of Naveco (Nanjing Iveco Motor Co.) Ltd., a well-established player in the Chinese light and medium truck and commercial vehicle market;
- in China, the CNH Industrial Group owns 33.5% of SAIC Iveco Hongyan Commercial Vehicle (SIH), which designs, produces and sells heavy vehicles; and
- in China, the CNH Industrial Group controls 60% of SAIC Fiat Powertrain Hongyan Ltd. ("SFH"), a manufacturing company located in Chongqing: 30% directly through Powertrain, while a 50/50 joint venture between the Commercial Vehicles segment and the SAIC group owns 60%. SFH produces diesel engines under licence from Powertrain to be sold in the Chinese market (mainly to SIH) and to be exported to Europe, the United States and Latin America.

In December 2013, the CNH Industrial Group acquired full ownership of CNH-Kamaz Industrial B.V. and CNH-Kamaz Commercial B.V., two consolidated joint ventures formed in 2010 in Russia that, through their wholly-owned subsidiaries, manufacture, distribute and service certain New Holland Agriculture agricultural equipment for the Russian market. Before the completion of the acquisition, the CNH Industrial Group owned 50% of CNH-Kamaz Industrial B.V. and 51% of CNH-Kamaz Commercial B.V.

In October 2013, the CNH Industrial Group established Iveco South Africa Works (Pty) Ltd., a joint venture (in which the Group holds a 60% stake) with the LARIMAR Group, a leading South African public transport operator and bus manufacturer. The joint venture manufactures medium and heavy-duty commercial vehicles and buses in Rosslyn, South Africa.

Suppliers

The CNH Industrial Group purchases materials, parts, and components from third-party suppliers. The Group had approximately 6,150 global direct suppliers to its manufacturing facilities at December 31, 2013. The CNH Industrial Group's focus on quality improvement, cost reduction, product innovation and production flexibility requires it to rely upon suppliers with a focus on quality, reliability and the ability to provide cost reductions. The CNH Industrial Group views its relationships with suppliers as critical to its

operational effectiveness, and in recent years, it has established closer ties with a significantly reduced number of suppliers, selecting those that enjoy a leading position in the relevant markets.

The CNH Industrial Group relies on numerous suppliers. The sudden or unexpected interruption in the availability of certain of its suppliers' raw materials, parts and components could result in delays or in increases in the costs of production.

Financial Services

Financial Services offers a range of financial products and services to dealers and customers in the various regions in which it operates. The principal products offered are retail financing for the purchase or lease of new and used equipment and vehicles 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. Financial Services also provides financing to dealers for equipment used in dealer-owned rental yards, parts inventory, working capital and other financing needs. Additionally, Financial Services purchases equipment and vehicles from dealers that are leased to retail customers under operating lease agreements. As a captive finance business, Financial Services is reliant on the operations of Agricultural Equipment, Construction Equipment and Commercial Vehicles, their dealers and customers.

Financial Services supports the growth of Industrial Activities' sales and builds dealer and customer loyalty. Financial Services' strategy is to grow a core financing business to support the sale of the CNH Industrial Group's equipment and vehicles by improving its portfolio credit quality, service levels, operational effectiveness and customer satisfaction. The segment works to develop and structure financial products with the objective of increasing equipment and vehicle sales as well as profitability. Financial Services also offers products to finance third party equipment and vehicles sold through the CNH Industrial Group's dealer network or within its core businesses. Financed third party equipment and vehicles include used equipment and vehicles taken in trade on the CNH Industrial Group's products or equipment used in conjunction with or attached to the Group's products.

In North America, Financial Services' activity is carried out through wholly-owned financial services companies of the CNH Industrial Group that support sales through dealer and customer financing, as well as operating leases.

In Europe, financing for customers of Agricultural Equipment and Construction Equipment is primarily managed through CNH Industrial Capital Europe S.a.S. (formerly, CNH Capital Europe), a joint venture with BNP Paribas Group (49.9% owned by CNH Industrial and accounted for under the equity method) that operates in Italy, France, Germany, Belgium, the Netherlands, Luxembourg, the UK, Spain and Austria. Vendor programmes with banking partners are also in place in France, Portugal, Denmark and Poland. Dealer financing and customer financing activities not managed by the joint venture with BNP Paribas or the vendor programmes are managed through CNH Industrial Group's captive financial services subsidiaries.

In January 2014, CNH Industrial and BNP Paribas Leasing Solutions, the shareholders of CNH Industrial Capital Europe S.a.S., reached an agreement to extend the business operations of the joint venture – which, since 1997, has provided leasing and financing to the customers of the Agricultural Equipment and Construction Equipment segments in Europe – to the Commercial Vehicles segment in Italy, Germany, France, the UK and other major European markets. As a result of this increase in scope, CNH Industrial Capital Europe S.a.S. is now the captive finance company for all CNH Industrial Group current businesses in major European countries, other than Powertrain.

In Brazil, Banco CNH Capital S.A., a Group captive financial services company, offers both dealer and customer financing for customers of Agricultural Equipment and Construction Equipment. For customer financing, the company mainly acts as an intermediary for funding provided by the Banco Nacional de Desenvolvimento Economico e Social (BNDES), a federally-owned company linked to the Brazilian Ministry of Development, Industry and Foreign Trade. Vendor programmes have also been established with bank partners.

In Australia, Financial Services offers financing to Agricultural Equipment and Construction Equipment's dealer and customers through a captive financial services company.

In China and Latin America, financial services were historically provided to dealers and customers of Commercial Vehicles through the Fiat Group. Starting from January 2014, financial services for the dealers and customers in Latin America are provided directly by Banco CNH Capital S.A., whereas in China such services are still provided through the Fiat Group.

In Spain, financial services related to the Commercial Vehicles segment are managed by Transolver Finance Establecimiento Financiero de Credito S.A., a joint venture with the Santander Group (50% owned by CNH Industrial and accounted for under the equity method) which offers retail and dealer financing services.

In Eastern Europe, financial services for customers of Commercial Vehicles are managed by fully-consolidated captive financial services companies.

Customer Financing

Financial Services has certain retail underwriting and portfolio management policies and procedures that are specific to Agricultural Equipment, Construction Equipment and Commercial Vehicles' businesses. This distinction allows the Financial Services segment to reduce risk by deploying industry-specific expertise in its business. Financial Services provides retail financial products primarily through the dealers of the CNH Industrial Group, who are trained in the use of the various financial products. Dedicated credit analysis teams perform retail credit underwriting. The terms for financing equipment and vehicles retail sales (other than smaller items financed with unsecured revolving charge accounts) typically provide for retention of a security interest in the equipment or vehicles financed.

Financial Services' guidelines for minimum down payments for equipment and vehicles generally range from 5% 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 connection with other sales promotions. Financial Services generally receives compensation from the relevant Industrial Activities' 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 relevant Industrial Activities' business.

Dealer Financing

Financial Services provides wholesale floor plan financing for nearly all of the dealers of the CNH Industrial Group, which allows them to acquire and maintain a representative inventory of products. Financial Services also provides some working capital and real estate loans on a limited basis. For floor plan financing, Financial Services generally provides a fixed period of "interest-free" financing to the CNH Industrial Group's 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 or the vehicles remain in dealer inventory, the dealer pays interest costs. Financial Services generally receives compensation from the relevant Industrial Activities' business 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 or the vehicles 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 the equipment or vehicles financed are still in inventory. These audits are unannounced and their frequency 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 industries in which the CNH Industrial Group's Industrial Activities operate, 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. The CNH

Industrial Group will continue to evaluate alternative funding sources to help ensure that Financial Services maintains access to capital on favourable terms in support of its business, including through new funding arrangements, joint venture opportunities, vendor programmes or a combination of the foregoing.

Financial Services periodically accesses the public financial markets and asset-backed securities markets in the United States, Canada and Australia, as part of its wholesale, retail and revolving charge account financing programmes when those markets offer funding opportunities on competitive terms. The Financial Services segment's ability to access these markets will depend, in part, upon general economic conditions, legislative changes and the segment's financial condition and portfolio performance. These factors can be negatively affected by cyclical swings in the industries in which the CNH Industrial Group's Industrial Activities operate.

In December 2013, as scheduled, Financial Services paid the residual debt under the secured financing provided by Barclays in 2012, at the termination of CNH Industrial Group's joint venture with the Barclays group. The payment was financed by new secured borrowings.

Competition

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, the development of competitive financial products and services, licensing and governmental regulations.

PROPERTY, PLANTS AND EQUIPMENT

As of December 31, 2013, the CNH Industrial Group owned 62 manufacturing facilities. The Group also owns other significant properties including spare parts centres, research laboratories, test tracks, warehouses and office buildings.

A number of the CNH Industrial 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 equaled approximately €73 million and €67 million at December 31, 2013 and 2012, respectively.

The CNH Industrial 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 2013, the CNH Industrial Group's total capital expenditures in long lived assets, excluding assets sold with buy-back commitments and equipment on operating leases, were €1,495 million, of which 20% was spent in NAFTA, 14% in LATAM, and 58% in EMEA and 8% in APAC. These capital expenditures were funded through a combination of cash generated from operating activities and borrowings under short-term facilities. In the six months ended June 30, 2014, the CNH Industrial Group's total capital expenditures were \$691 million.

In April 2014, due to increasing difficulties in connection with the import into Venezuela of key components and materials, the Commercial Vehicles segment suspended, with immediate effect, its manufacturing operations in the country. The segment will consider resuming manufacturing at its factory in La Victoria, Venezuela, should market conditions improve.

ENVIRONMENTAL MATTERS

The CNH Industrial Group manufactures and sells its products and offers its services in several continents and numerous countries around the world. The CNH Industrial 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 CNH Industrial 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 CNH Industrial Group regularly monitors such requirements and adjusts affected operations. For additional information on the CNH Industrial Group's policies on sustainability and environmental matters, see "*Management and Corporate Governance—Sustainability Practices.*"

The CNH Industrial Group's expenditure on environmental protection measures totalled approximately €37 million in 2013 (up 5.0% over 2012) and included €23 million on waste disposal and emissions treatment and €14 million for prevention and environmental management.

For additional information, see "Risk Factors—The Group is subject to extensive environmental laws and regulations."

Emissions

Since the use phase of its products can generate up to 85% of the CO₂ emissions of their entire life cycle, the CNH Industrial Group strives to ensure a portfolio of products ever more eco-designed, performant and environmentally friendly, by increasing efficiency and by reducing consumptions and polluting emissions. The latest regulations in force (Tier final and Stage IV) have reduced polluting emissions to the minimum measurable levels. Hence, the CNH Industrial Group's challenge for the future is to reduce CO₂ emissions by optimising management of the energy produced by vehicles through the following strategies:

- optimising consumption and energy efficiency;
- increasing the use of alternative fuels;
- developing non-conventional propulsion systems;
- offering telematics systems that improve productivity; and
- helping customers to use vehicles as efficiently as possible.

As regards the use of alternative fuels, the main constituent of natural gas is methane (between 83% and 99%) and its immediate usability makes it a promising alternative fuel. Whether in the form of gas (CNG) or liquefied (LNG), the basic fuel is the same; what changes is the method of storage, distribution, and use in vehicles. Furthermore, the current availability of technologies enabling independent production of biomethane makes natural gas engines an attractive option for tractors as well. In fact, biogas from waste agricultural biomass can easily be exploited to produce 98-99% pure methane. As regards alternative drives, the CNH Industrial Group oversees hybrid and electric technologies mainly in the EMEA market, where the European Commission is urging their spread. Telematics systems, especially when applied to agriculture, help optimise vehicle use and therefore productivity. This also brings positive environmental impacts: from lower polluting emissions, to the accurate dosing of fertilisers, pesticides, and irrigation.

RESEARCH AND DEVELOPMENT

In a competitive environment characterised by continuous and rapid change, research activities are a vital component of the CNH Industrial Group's strategy and its expansion programmes. The CNH Industrial 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 CNH Industrial Group's system of research and development.

The CNH Industrial Group's expenditures on research and development in 2013 (including capitalised development costs and costs charged directly to operations during the year) totalled €934 million, or 3.8% of net revenues attributable to Industrial Activities. These research and development activities involved approximately 6,300 employees across 48 sites around the world.

The following table shows the CNH Industrial 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, 2013 and 2012:

(in millions of euro)	Year ended December 31,	
	2013	2012
Agricultural and Construction Equipment	538	520
Trucks and Commercial Vehicles	298	289
Powertrain	98	86
Total	934	895

The CNH Industrial 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 CNH Industrial Group continues to pursue technological innovations. The CNH Industrial Group files patent applications in Europe, the United States and around the world to protect technology and improvements considered important to the business. At December 31, 2013, the CNH Industrial Group had 7,710 active patents, including 1,036 new patents registered during the year (in addition to 2,242 applications pending). Certain trademarks contribute to the CNH Industrial Group's identity and the recognition of its products and services and are an integral part of Group's business, and their loss could have a material adverse effect on the CNH Industrial Group.

EMPLOYEES

The CNH Industrial 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 CNH Industrial Group's blue collar employees are based in European jurisdictions.

The following tables show the breakdown of the number of employees by segment and by region:

	At December 31,	
	2013	2012
Agricultural and Construction Equipment	35,605	33,826
Trucks and Commercial Vehicles	27,246	26,307
Powertrain	8,232	8,029
Other Activities	109	95
Total	71,192	68,257

	At December 31,	
	2013	2012
EMEA	41,961	42,063
NAFTA	11,948	11,734
LATAM	12,081	9,663
APAC	5,202	4,797
Total	71,192	68,257

At December 31, 2013, the CNH Industrial Group had 71,192 employees, an increase of 2,935 over the 68,257 figures at year-end 2012. The change was partially attributable to the difference between new hires (approximately 8,800) and departures (approximately 7,000) during the year. The change in scope of operations accounted for an increase of around 1,100 employees, of which (i) about 300 was attributable to the acquisitions of certain of the Trucks and Commercial Vehicles segment's dealership activities in Romania, Portugal and the UK, and (ii) approximately 800 was due to the insourcing of certain manufacturing logistics activities in the plant located in Sete Lagoas, Brazil. The remaining increase over year-end 2012 was mainly attributable to a growth in permanent and fixed term workers for manufacturing activities mainly in Latin America, associated with higher production levels for both the agricultural equipment and the trucks and commercial vehicle businesses. Other minor increases included net new hiring for the R&D and brand/commercial organisations, as well as several functions in emerging markets.

As of June 30, 2014, CNH Industrial had 70,687 employees, a decrease of 505 from the 71,192 employees at year-end 2013. This change is mainly attributable to a decrease of fixed term workers for manufacturing activities in LATAM due to both lower seasonal demand and volumes. This was partially offset by an increase in the change of scope of operations (about 100 employees) mainly for insourcing of financial services activities in LATAM and purchasing activities in LATAM and APAC. Other minor increases included hiring in the new plant of the joint venture Iveco South Africa Works in Rosslyn (South Africa) and new hiring for various functions in the emerging countries.

LEGAL PROCEEDINGS

As a global company with a diverse business portfolio, the CNH Industrial Group is exposed to numerous legal risks, particularly in the areas of product liability (including asbestos related liability), product performance, retail and wholesale credit, competition and antitrust law, intellectual property matters (including patent infringement), disputes with dealers, suppliers and service providers, environmental risks, as well as tax and employment 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 CNH Industrial Group's financial position and results of operations. Although the ultimate outcome of legal matters pending against CNH Industrial and its subsidiaries cannot be predicted, the Group believes that the reasonable possible range of losses for these unresolved legal actions in addition to the amounts accrued would not have a material effect on its financial statements.

Since January 2011, Commercial Vehicles (formerly 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 anticompetitive 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 (i) as of and for the financial years ended December 31, 2013 and 2012, and (ii) as of and for the six months ended June 30, 2014 and 2013.

The financial information presented below has been extracted from the audited consolidated annual financial statements of the CNH Industrial Group as of and for the financial years ended December 31, 2013 and 2012 and the unaudited consolidated financial statements of the CNH Industrial Group as of and for the six months ended June 30, 2014 and 2013. Each of these financial statements have been prepared in accordance with IFRS as well as IFRS as adopted by the European Union, and are incorporated by reference herein.

The comparative data as of and for the financial year ended December 31, 2012 have been recast 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 unaudited consolidated financial statements of the CNH Industrial Group as of and for the six months ended June 30, 2014 and 2013 reflect the organisation of the CNH Industrial Group’s business into five operating segments and use U.S. dollars as the reporting currency, effective, under IFRS, the first quarter ended March 31, 2014 (as described under “*Presentation of Financial and Other Information – Presentation of Financial Information*” and “*The CNH Industrial Group*”). The comparative data as of and for the six months ended June 30, 2013 have been recast in order to be presented in accordance with the aforementioned changes.

Investors are advised to review the full financial statements before making any investment decision.

	Six months ended June 30, 2014	Six months ended June 30, 2013⁽³⁾
<hr style="border: 0.5px solid black;"/>		
(in millions of U.S. dollars)		
Net revenues	16,652	16,580
Trading profit/(loss)	1,311	1,366
Operating profit/(loss)	1,236	1,290
Profit/(loss) before taxes	898	1,057
Profit/(loss)	549	655
Attributable to:		
<i>Owners of the parent</i>	544	538
<i>Non-controlling interests</i>	5	117
Basic earnings/(loss) per common share (\$) ⁽¹⁾	0.40	0.44
Diluted earnings/(loss) per common share (\$) ⁽¹⁾	0.40	0.44
Investments in tangible and intangible assets	691	717
<i>of which: capitalised R&D costs</i>	338	316
R&D expenditure ⁽²⁾	570	563

(1) See Note 12 to the unaudited consolidated financial statements of the CNH Industrial Group as of and for the six months ended June 30, 2014 and 2013 incorporated by reference in this Base Prospectus.

(2) Includes capitalised R&D and R&D charged directly to the income statement.

(3) Following the change of the reporting currency from euro to U.S. dollar, the figures reported for the six months ended June 30, 2013 have been recast for comparative purposes. For additional information, see the section “Significant accounting policies,” paragraph “Changes in presentation currency” set forth in the notes to the unaudited consolidated financial statements of the CNH Industrial Group as of and for the six months ended June 30, 2014 and 2013 incorporated by reference in this Base Prospectus.

	As of June 30, 2014	As of December 31, 2013 ⁽¹⁾
(in millions of U.S. dollars, except employees numbers)		
Total assets	58,139	56,462
Net (debt)/cash	(26,052)	(23,290)
<i>of which: net industrial (debt)/cash</i>	(3,804)	(2,195)
Total equity	7,905	7,662
Equity attributable to owners of the parent	7,846	7,591
Employees at period end (number)	70,687	71,192

- (1) Following the change of the reporting currency from euro to U.S. dollar, the figures reported for the full-year 2013 have been recast for comparative purposes. For additional information, see the section "Significant accounting policies," paragraph "Changes in presentation currency" set forth in the notes to the unaudited consolidated financial statements of the CNH Industrial Group as of and for the six months ended June 30, 2014 and 2013 incorporated by reference in this Base Prospectus.

	Year ended December 31,	
	2013	2012 ⁽³⁾
(in millions of euro, except earnings/(loss) per share)		
Net revenues	25,778	25,785
Trading profit/(loss)	1,985	2,063
Operating profit/(loss)	1,868	1,846
Profit/(loss) before taxes	1,507	1,460
Profit/(loss)	917	900
Attributable to:		
<i>Owners of the parent</i>	789	791
<i>Non-controlling interests</i>	128	109
Basic earnings/(loss) per common share (€) ⁽¹⁾	0.63	0.65
Diluted earnings/(loss) per common share (€) ⁽¹⁾	0.63	0.65
Investments in tangible and intangible assets	1,495	1,349
<i>of which: capitalised R&D costs</i>	572	533
R&D expenditure ⁽²⁾	934	895

- (1) As a result of completion of the Merger, full-year 2013 basic earnings per share has been calculated on approximately 1,255 million of weighted average number of common shares outstanding. For 2012, earnings per share calculation is based on the average number of Fiat Industrial ordinary shares outstanding after taking into account the effect of the conversion of preference and savings shares that occurred on May 21, 2012. For additional information on the calculation of basic and diluted earnings per share, see Note 13 to the consolidated annual financial statements of the CNH Industrial Group as of and for the financial years ended December 31, 2013 and 2012 incorporated by reference in this Base Prospectus.

- (2) Includes capitalised R&D and R&D charged directly to the income statement.

- (3) Following the retrospective application of the amendment to IAS 19 from January 1, 2013, the figures reported for the financial year 2012 have been recast for comparative purposes. There was no significant impact for any individual line item.

	As of December 31,	
	2013	2012⁽³⁾
<hr/>		
(in millions of euro, except employees numbers)		
Total assets	40,941	38,861
Net (debt)/cash	(16,888)	(15,994)
<i>of which:</i> net industrial (debt)/cash.....	(1,592)	(1,642)
Total equity	5,556	5,376
Equity attributable to owners of the parent	5,504	4,628
Employees at year end (number)	71,192	68,257

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- (1) As a result of completion of the Merger, full-year 2013 basic earnings per share has been calculated on approximately 1,255 million of weighted average number of common shares outstanding. For 2012, earnings per share calculation is based on the average number of Fiat Industrial ordinary shares outstanding after taking into account the effect of the conversion of preference and savings shares that occurred on May 21, 2012. For additional information on the calculation of basic and diluted earnings per share, see Note 13 to the consolidated annual financial statements of the CNH Industrial Group as of and for the financial years ended December 31, 2013 and 2012 incorporated by reference in this Base Prospectus.
- (2) Includes capitalised R&D and R&D charged directly to the income statement.
- (3) Following the retrospective application of the amendment to IAS 19 from January 1, 2013, the figures reported for the financial year 2012 have been recast for comparative purposes. There was no significant impact for any individual line item.

Selected Data by Region

	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,		Year ended December 31,	
	2013	2012	2013	2012	2013	2012	2013	2012
EMEA	41,961	42,063	33	36	26	28	10,823	10,870
NAFTA	11,948	11,734	11	11	13	13	7,336	7,417
LATAM	12,081	9,663	10	9	5	5	4,813	4,200
APAC.....	5,202	4,797	8	8	4	3	2,806	3,298
Total	71,192	68,257	62	64	48	49	25,778	25,785

Highlights by Segment

	Net Revenues ⁽¹⁾		Trading Profit/(Loss) ⁽¹⁾		Operating Profit/(Loss) ⁽¹⁾	
	Six months ended June 30,		Six months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013	2014	2013
(in millions of U.S. dollars)						
Agricultural Equipment	8,142	8,483	1,053	1,073	1,053	1,078
Construction Equipment	1,705	1,693	35	(16)	(7)	(16)
Commercial Vehicles	5,110	5,123	(113)	(15)	(141)	(49)
Powertrain.....	2,457	2,080	95	68	95	65
Financial Services.....	1,037	965	276	279	276	238
Eliminations and Other.....	(1,799)	(1,764)	(35)	(23)	(40)	(26)
Total	16,652	16,580	1,311	1,366	1,236	1,290

	Net Revenues		Trading Profit/(Loss) ⁽²⁾		Operating Profit/(Loss) ⁽²⁾		Total Operating Assets ⁽²⁾		Total Operating Liabilities ⁽²⁾	
	Year ended December 31,		Year ended December 31,		Year ended December 31,		As of December 31,		As of December 31,	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
(in millions of euro)										
Agricultural and Construction Equipment..	16,006	16,056	1,783	1,554	1,752	1,517	23,761	22,448	19,236	18,255
Trucks and Commercial Vehicles	8,752	8,924	101	466	16	285	11,058	10,273	9,859	9,211
Powertrain	3,331	2,933	158	141	157	141	2,040	1,911	1,385	1,226
Eliminations and Other	(2,311)	(2,128)	(57)	(98)	(57)	(97)	(636)	(528)	(529)	(428)
Total	25,778	25,785	1,985	2,063	1,868	1,846	36,223	34,104	29,951	28,264

	Capital Expenditure ⁽³⁾		Of which capitalised R&D costs		R&D Expense ⁽⁴⁾		Number of Employees	
	Year ended December 31,		Year ended December 31,		Year ended December 31,		As of December 31,	
	2013	2012	2013	2012	2013	2012	2013	2012
(in millions of euro except employee numbers)								
Agricultural and Construction Equipment....	784	758	319	286	538	520	35,605	33,826
Trucks and Commercial Vehicles	552	439	207	208	298	289	27,246	26,307
Powertrain	158	151	46	39	98	86	8,232	8,029
Eliminations and Other	1	1	—	—	—	—	109	95
Total	1,495	1,349	572	533	934	895	71,192	68,257

(1) The figures reported for the six months ended June 30, 2013 have been recast for comparative purposes to reflect the change of the reporting currency from euro to U.S. dollar and the organisation of the CNH Industrial Group's operations into five reporting segments effective the first quarter ended March 31, 2014.

(2) Following the retrospective application of the amendment to IAS 19 from January 1, 2013, the figures reported for the financial year 2012 have been recast for comparative purposes. There was no significant impact for any individual line item.

(3) Investments in tangible and intangible assets (net of vehicles sold under buy-back commitments and leased out).

(4) The item includes capitalised R&D costs and R&D costs charged directly to the income statement.

CNH INDUSTRIAL GROUP FINANCIAL REVIEW

The following discussion and analysis of the CNH Industrial Group should be read in conjunction with the consolidated financial statements of CNH Industrial for the years ended December 31, 2013 and 2012; the statements for the year ended December 31, 2012 were recast 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 Semi-Annual 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 presented herein for the period on and after September 29, 2013 reflect the Merger. The Merger had no impact on the consolidated activities of the CNH Industrial Group’s predecessor, the Fiat Industrial Group, and therefore the financial results presented herein relating to the period before the closing date of the Merger represent the results of Fiat Industrial. However, starting from September 29, 2013, the closing date of the Merger, net profit and net equity that previously would have been attributed to the minority shareholders of CNH Global have been included in the profit and net equity attributable to the shareholders of CNH Industrial. For additional information on the Merger and the accounting impact thereof, see the notes to the consolidated annual financial statements of the CNH Industrial Group as of and for the financial years ended December 31, 2013 and 2012 incorporated by reference in this Base Prospectus.

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.

Until December 31, 2013, the CNH Industrial Group’s operations were reported in three operating segments: (i) Agricultural and Construction Equipment; (ii) Trucks and Commercial Vehicles; and (iii) Powertrain.

Beginning the first quarter ended March 31, 2014, the Group realigned its reportable segments under IFRS to reflect the five businesses now directly managed by CNH Industrial, consisting of: (i) Agricultural Equipment, (ii) Construction Equipment, (iii) Commercial Vehicles, (iv) Powertrain, and (v) Financial Services. Segment information for prior years has been recast to conform to the current presentation. In addition, beginning the first quarter ended March 31, 2014, to improve comparability with its main peers, the Group changed its reporting currency reporting under IFRS from euros to U.S. dollars. As a result, the unaudited consolidated financial statements of the CNH Industrial Group as of and for the six months ended June 30, 2014 and 2013 reflect the new segmentation of the Group’s operations and use U.S. dollars as the reporting currency.

CNH Industrial generates revenues and cash flows principally from the sale of equipment and vehicles to dealers and distributors. The Financial Services segment provides a range of financial products which mainly finance the sale and lease of equipment and vehicles by dealers and their customers.

In addition, CNH Industrial believes that because of the different nature of the activities of its Industrial Activities (as defined below), such as manufacturing and distribution, compared to the activities of its Financial Services (as defined below), 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.

OPERATING PERFORMANCE OF THE CNH INDUSTRIAL GROUP

The discussion below is based on CNH Industrial's reporting methodology that was in effect in the years ended December 31, 2013 and 2012, namely, three operating segments and the euro as reporting currency. As discussed above, beginning the first quarter ended March 31, 2014, CNH Industrial realigned its reporting methodology to reflect five segments and replaced the euro with the U.S. dollar as reporting currency. For additional information on the adoption of the U.S. dollar as the reporting currency and on the change in the reportable segments refer to the following section, see "*Changes in presentation currency*" and "*Change in reportable segments*" set forth in the notes to the unaudited consolidated financial statements of the CNH Industrial Group as of and for the six months ended June 30, 2014 and 2013 incorporated by reference in this Base Prospectus.

Results of Operations – 2013 Compared to 2012

	2013	2012 ⁽¹⁾
(in millions of euro)		
Net revenues	25,778	25,785
Cost of sales	20,897	20,931
Selling, general and administrative costs	2,230	2,187
Research and development costs	600	560
Other income/(expenses)	(66)	(44)
Trading profit/(loss)	1,985	2,063
Gains/(losses) on disposal of investments	(19)	(38)
Restructuring costs	40	166
Other unusual income/(expenses)	(58)	(13)
Operating profit/(loss)	1,868	1,846
Financial income/(expenses)	(463)	(467)
Result from investments	102	81
<i>Share of profit/(loss) of investees accounted for using the equity method</i>	101	86
<i>Other income/(expenses) from investments</i>	1	(5)
Profit/(loss) before taxes	1,507	1,460
Income taxes	590	560
Profit/(loss) from continuing operations	917	900
Profit/(loss) from discontinued operations	—	—
Profit/(loss)	917	900
Profit/(loss) attributable to:		
<i>Owners of the parent</i>	789	791
<i>Non-controlling interests</i>	128	109

(1) The figures reported for the year 2012 have been recast following the retrospective application of the amendment to IAS 19 from January 1, 2013. There was no significant impact for any individual line item.

Net revenues

The Group recorded net revenues of €25,778 million in 2013, in line with 2012 (on a constant currency basis revenues increased of 4.3%). Revenues from the Agricultural and Construction Equipment segment were in line with the prior year at €16,006 million as solid demand for agricultural equipment was offset by the challenges faced by the construction equipment business and the unfavourable impact of currency translation (on a constant currency basis, revenues increased of 4.7%). The Trucks and Commercial Vehicles segment posted revenues of €8,752 million for 2013, a 1.9% decline over 2012 (+1.5% on a constant currency basis), as a result of a recovery in demand in Europe, largely due to the Euro V pre-buy effect mainly in the last quarter of 2013, and increased volumes in LATAM, offset by the unfavourable impact of currency translation. Powertrain reported revenues of €3,331 million for 2013, a 13.6% increase compared to 2012 (+14.6% on a constant currency basis), attributable to higher volumes for both internal and external customers.

Cost of sales

Cost of sales were €20,897 million in 2013 (81.1% of net revenues), substantially in line with the costs of €20,931 million reported in 2012 (81.2% of net revenues). The Agricultural and Construction Equipment segment's cost of sales as a percentage of revenues decreased primarily due to manufacturing efficiencies from higher volumes in the agricultural equipment business, which resulted in an improvement in production cost absorption. Cost of sales increased for the Trucks and Commercial Vehicles segment, mainly due to improved economic conditions in Latin America and negative transaction exchange rates in Brazil, Russia and Turkey. With regard to Powertrain, the increase in the cost of sales is attributable to higher volumes.

Selling, general and administrative costs

Selling costs amounted to €1,033 million in 2013 (4.0% of net revenues), an increase of 3.1% over the €1,002 million recorded in 2012 (3.9% of net revenues), and comprise mainly marketing, advertising and sales personnel costs.

General and administrative costs amounted to €1,197 million in 2013 (4.6% of net revenues), a 1.0% increase compared with the €1,185 million recorded in 2012 (4.6% 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 as a result of an increase in costs associated with advertising and promotional activities implemented to support the growth in the agricultural equipment's business, increased labour costs and additional bad debt provisions related to economic uncertainty in Southern Europe for the Trucks and Commercial Vehicles segment, which were partially offset by the favourable impact of currency translation.

Research and development costs

In 2013, research and development costs of €600 million (compared to €560 million in 2012) comprised research and development costs not capitalised, amounting to €362 million (€362 million in 2012), and the amortisation of previously capitalised research and development costs of €238 million (€198 million in 2012). During 2013, the Group capitalised new expenditures for research and development in the amount of €572 million (€533 million in 2012). The increase is attributable to the Agricultural and Construction Equipment and the Trucks and Commercial Vehicles segments, as well as Powertrain as a result of continued investment in new products and engine emissions compliance programmes.

Other income/(expenses)

This item consists of miscellaneous operating costs which cannot be allocated to specific functional areas, such as indirect taxes and duties, and accruals for various provisions not attributable to other items of cost of sales or selling, general and administrative costs, net of income arising from trading operations which is not attributable to the sale of goods and services. Higher net other expenses in 2013 were principally due to lower gains on the disposal of fixed assets compared to 2012.

Trading profit/(loss)

Trading profit was €1,985 million, or 7.7% of net revenues, in 2013. Trading profit decreased €78 million compared to a trading profit of €2,063 million, or 8.0% of net revenues, in 2012. The decrease in trading profit was primarily attributable to negative exchange rates. Higher volumes and a favourable product mix in the Agricultural and Construction Equipment segment, higher revenues and better capacity utilisation for Powertrain were more than offset by Euro VI transitional costs and a less favourable product mix and pricing environment for the Trucks and Commercial Vehicles segment, as well as by the unfavourable impact of currency translation.

For the Agricultural and Construction Equipment segment, trading profit for 2013 was €1,783 million, up €229 million (+14.7%) from the prior year. The Agricultural and Construction Equipment segment recorded a trading margin of 11.1%, compared with 9.7% in 2012, as a result of positive pricing, a favourable product mix and industrial productivity. The Trucks and Commercial Vehicles segment posted a full year's trading profit of €101 million (1.2% of net revenues), compared with €466 million (5.2% of net revenues) for 2012.

The decline reflects a negative market and product mix, as well as tight price competition which continued to affect margins primarily in Southern Europe. In LATAM, new product launch costs and unfavourable foreign exchange rate impacts more than offset positive market trends and pricing. Powertrain recorded a trading profit of €158 million (with a trading margin of 4.7%) in 2013, up 12.0% from the trading profit of €141 million (4.8% trading margin) for 2012. The increase is primarily attributable to higher revenues and better capacity utilisation, which was partially offset by an increase in R&D costs.

Gains/(losses) on the disposal of investments

In 2013, net losses on the disposal of investments amounted to €19 million, mainly related to the sale of the 20% stake held in Kobelco Construction Machinery Co., Ltd. following an adverse ruling issued by the arbitrator on the price of the transaction. In 2012, the Group recorded net losses of €38 million, mainly due to the above-mentioned sale.

Restructuring costs

Restructuring costs were €40 million in 2013 compared to €166 million in 2012. For both periods, the costs were mainly related to the Trucks and Commercial Vehicles segment as a consequence of the actions taken to rationalise the heavy truck and firefighting businesses in 2012.

The reorganisation of the Trucks and Commercial Vehicles segment's manufacturing activities in Europe consisted of 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, certain other European fire-fighting vehicle plants were closed and the production transferred to Ulm.

Other unusual income/(expenses)

Other unusual expenses were €58 million in 2013, mainly reflecting expenses related to the dissolution of the joint venture previously existing with Barclays group and its consolidation into the Financial Services of the Group (€31 million) and costs for the rationalisation of strategic suppliers. In 2012, unusual expenses were €13 million, primarily arising from costs for the rationalisation of strategic suppliers.

Operating profit/(loss)

The Group recorded an operating profit of €1,868 million (or 7.2% of net revenues) in 2013, a €22 million increase over the €1,846 million (or 7.2% of net revenues) recorded in 2012. The €78 million decrease in trading profit was more than offset by lower net unusual expenses (€117 million compared to €217 million for 2012), as a result of reduced restructuring costs from the prior year.

Following is a summary of the principal components of operating profit, broken down by segment:

Operating profit by segment

	Trading profit/(loss)		Gains/(losses) on disposal of investments		Restructuring costs		Other unusual income/(expense)		Operating profit/(loss)	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
(in millions of euro)										
Agricultural and Construction										
Equipment	1,783	1,554	(20)	(38)	(2)	(1)	(13)	—	1,752	1,517
Trucks and Commercial Vehicles ..	101	466	1	—	41	167	(45)	(14)	16	285
Powertrain	158	141	—	—	1	—	—	—	157	141
Eliminations and Other	(57)	(98)	—	—	—	—	—	1	(57)	(97)
Total for the Group	1,985	2,063	(19)	(38)	40	166	(58)	(13)	1,868	1,846

Non-operating items

Net financial expenses were €463 million in 2013, compared to €467 million for 2012. The reduction in net financial expenses was primarily attributable to lower interest costs on employee benefits.

Result from investments recorded a net gain of €102 million in 2013 (compared to a net gain of €81 million in 2012), mainly due to higher earnings from the Chinese joint ventures.

Income taxes totalled €590 million in 2013 compared to €560 million in 2012. The effective tax rate increased from 38.0% to 39.0%, mainly due to one-time merger related impacts. For additional information regarding the Merger, see “*The CNH Industrial Group—The Merger of Fiat Industrial and CNH Global.*”

Profit/(loss) for the year

Net profit was €917 million in 2013, compared to €900 million for 2012. Profit attributable to owners of the parent was €789 million, compared to €791 million for 2012.

Business Segments

The following is a discussion of net revenues and trading profit for each segment.

Revenues by segment:

	<u>2013</u>	<u>2012</u>	<u>% Change</u>
(in millions of euro)			
Agricultural and Construction Equipment	16,006	16,056	(0.3)
Trucks and Commercial Vehicles	8,752	8,924	(1.9)
Powertrain	3,331	2,933	13.6
Eliminations and Other	<u>(2,311)</u>	<u>(2,128)</u>	—
Total for the Group	<u>25,778</u>	<u>25,785</u>	<u>0.0</u>

Trading profit/(loss) by segment:

	<u>2013</u>	<u>2012</u>	<u>Change</u>
(in millions of euro)			
Agricultural and Construction Equipment	1,783	1,554	229
Trucks and Commercial Vehicles	101	466	(365)
Powertrain	158	141	17
Eliminations and Other	<u>(57)</u>	<u>(98)</u>	41
Total for the Group	<u>1,985</u>	<u>2,063</u>	<u>(78)</u>
Trading margin (%)	7.7%	8.0%	

Agricultural and Construction Equipment

Net revenues

In 2013 the Agricultural and Construction Equipment segment reported revenues of €16,006 million, in line with 2012 (+4.7% on a constant currency basis) as strong demand for agricultural equipment continued to offset a decline in sales in the construction equipment business as well as the unfavourable impact of currency translation. The geographic distribution of industrial net revenues posted by the Agricultural and Construction Equipment segment for the year was 43.0% for NAFTA, 28.0% for EMEA, 18.0% for LATAM, and 11.0% for APAC. For the financial year ended December 31, 2013, sales of agricultural equipment and construction equipment represented, respectively, 79.0% and 15.0% of the Agricultural and Construction Equipment segment’s revenues, whereas the financial service business for Agricultural and Construction Equipment represented 6.0% of the segment’s revenues.

The following tables show agricultural equipment revenues and construction equipment revenues broken down by geographic region in 2013 compared to 2012:

Agricultural equipment net revenues—by geographic region:

	<u>2013</u>	<u>2012</u>	<u>% Change</u>
(in millions of euro)			
NAFTA	5,618	5,429	3.5
EMEA	3,681	3,726	(1.2)
LATAM	1,968	1,507	30.6
APAC	1,356	1,526	(11.1)
Total	<u>12,623</u>	<u>12,188</u>	<u>3.6</u>

Construction equipment net revenues—by geographic region:

	<u>2013</u>	<u>2012</u>	<u>% Change</u>
(in millions of euro)			
NAFTA	944	1,252	(24.6)
EMEA	476	550	(13.5)
LATAM	743	759	(2.1)
APAC	291	373	(22.0)
Total	<u>2,454</u>	<u>2,934</u>	<u>(16.4)</u>

In 2013, net revenues for agricultural equipment business were €12,623 million, a 3.6% increase compared to 2012 (+9.0% on a constant currency basis). The increase was driven by positive net pricing, increased volumes and a favourable product mix. Worldwide market share performance of the agricultural equipment business for 2013 was substantially flat for both tractors and combines.

Net revenues for the construction equipment business were €2,454 million, a 16.4% decrease compared to 2012 (-11.0% on a constant currency basis), as continued slowdown in demand in most geographic regions was only partially offset by an increase in construction equipment sales in LATAM. Global market share of the construction equipment business for 2013 was flat for both heavy and light equipment.

Trading profit/(loss)

The Agricultural and Construction Equipment segment's trading profit for 2013 totalled €1,783 million (with a trading margin of 11.1%), an increase of €229 million, or 14.7%, over 2012 (9.7% trading margin), reflecting positive pricing, favourable product mix and industrial productivity. The agricultural equipment business posted a trading profit of €1,468 million, an increase of €214 million, or 17.1%, over 2012. The trading margin was 11.6%, up 1.3 percentage points over 2012 as increased volumes, positive net pricing and reduced production costs more than offset increased R&D costs, primarily related to significant investments in new products and the launch of Tier 4B compliant products. The construction equipment business reported a trading loss of €83 million, as compared with the €30 million trading loss in 2012. The increase was primarily due to lower volumes, which were partially offset by favourable pricing. Financial Services posted a trading profit of €398 million, up €68 million over the prior year, primarily reflecting the increase in the average portfolio and lower credit loss provisions.

Trucks and Commercial Vehicles

Net revenues

In 2013, the Trucks and Commercial Vehicles segment's net revenues were €8,752 million, a 1.9% decline from 2012 (+1.5% on a constant currency basis). A modest recovery in demand in Europe, mainly in the fourth quarter of 2013, and a sustained increase in demand in LATAM were more than offset by the negative market mix of products sold, reduced activity in the parts and services business, as well as the unfavourable impact of currency translation.

In 2013, the Trucks and Commercial Vehicles segment delivered a total of 135,681 vehicles, including buses and specialty vehicles, a decrease of 1.0% over 2012. The overall decrease was largely attributable to a

decline in deliveries of light vehicles, with deliveries down 7.0% over the previous year mainly to realign dealer inventory to retail demand. Volumes were up 16.0% for medium vehicles, 2.0% for heavy vehicles and 3.0% for buses, in each case over the previous year. In addition, deliveries were down 1.0% in EMEA and up 15.0% in LATAM. In the major European markets deliveries increased in Germany (+6.0%), France (+3.0%), Spain (+8.0%), Italy (+6.0%) and declined in the UK (-6.0%).

The European truck market (GVW \geq 3.5 tonnes) increased 1.3% over 2012 to 659,400 units. The increase was attributable to higher sales of Euro V vehicles in the heavy and medium categories (GVW >6.0 tonnes) during the second half of 2013, prior to the introduction of Euro VI emissions regulations in January 2014. By category, in 2013 medium and heavy vehicle registrations were up 1.6% and 7.9%, respectively, whereas registrations decreased 2.6% for light vehicles (GVW 3.5-6.0 tonnes). The industry continued to experience large variations in demand across markets. The most significant growth was recorded in the UK (+13.1%) and Poland (+13.3%), whereas continued contractions were experienced in Germany (-1.8%), France (-4.2%) and Italy (-13.1%).

The Group's estimated market share for the European truck market (GVW \geq 3.5 tonnes) remained stable year-over-year at 11.0% (11.1% in 2012), although with a less favourable product and market mix. Market share gains were achieved in Italy (+1.1 percentage points to 34.2%), Spain (+1.4 percentage points to 21.3%), France (+0.2 percentage points to 13.5%), Germany (+0.3 percentage points to 8.3%) and Poland (+1.1 percentage points to 11.7%), while a decline in growth was recorded in the UK (-0.3 percentage points to 6.1%). In the light vehicles category, the Group share was down 0.1 percentage points to 11.4%, with gains recorded in all major markets except in the UK: positive results were registered in Italy (+1.2 percentage points to 29.8%), Spain (+1.1 percentage points to 19.1%), France (+0.4 percentage points to 15.6%) and Germany (+0.8 percentage points to 8.2%). The Group retained its solid second place position in the European medium vehicle market. Share was up 0.6 percentage points to 24.6%, with growth registered in nearly all markets; the most significant increases were recorded in Italy (+5.3 percentage points to 72.6%), Spain (+5.2 percentage points to 49.2%) and the UK (+2.9 percentage points to 21.2%). For the heavy vehicles category, share was in line with the prior year at 7.1%. The Group maintained its leadership position in Italy (35.5%) and posted a significant gain in Spain (+1.6 percentage points to 19.5%).

The European bus market (GVW >3.5 tonnes) increased by 4.5% over 2012 to 34,100 units. Demand benefited from a significant increase of Euro V sales prior to the introduction of Euro VI emissions regulations, leading to a recovery of the market in the second half of 2013, after the contraction recorded in the first half of the year. Increases were registered in Eastern Europe (+30.0%), France (+14.8%), Germany (+12.9%) and Italy (+11.8%), while a decline was recorded in Scandinavia (-15.4%), Benelux (-7.7%) and the UK (-3.7%). All categories other than Coach registered growth: Citybus (+7.1%), Intercity (+5.2%), Minibus (+8.3%), whereas Coach closed the year with a 6.7% decrease.

The Group estimated share in the European bus market was 18.5% for 2013, up 2.0 percentage points over 2012. The market share registered a positive trend in almost all areas: growth was recorded in Italy (+5.2 percentage points), Scandinavia (+3.8 percentage points), Spain (+3.5 percentage points) and Germany (+3.3 percentage points) where Iveco Bus was the third player. Iveco Bus and Heuliez Bus confirmed their leadership in France, with a market share at 41.7%. The growth was attributable to the performance of Citybus (+4.0 percentage points) mainly in Italy and Germany, due to an increase in deliveries of the Crossway Low Entry intercity bus. Positive performance was recorded also for the Intercity (+1.3 percentage points to 36.5%) and the Minibus (+1.0 percentage points to 15.6%) segments.

In LATAM, truck registrations (GVW \geq 3.5 tonnes) were up 8.9% over the prior year to 225,800 units, with gains in Brazil (+12.1%) – due to the recovery after the Euro V introduction in 2012 – and in Argentina (+16.6%), being offset by a significant decline in Venezuela (-24.9%).

In LATAM, the Group registered a 11.0% share in 2013, a 0.6 percentage points decline compared to 2012 despite the fact that share increased in Argentina by 1.5 percentage points to 23.8%. The share was 8.8% in Brazil (-0.7 percentage points) and 7.4% in Venezuela (-4.1 percentage points). Declines were recorded in the light segment (-1.5 percentage points to 16.4%) and in the heavy segment (-1.0 percentage points to 10.5%), while share in the medium segment was up 1.0 percentage points to 7.4%.

In China, Naveco – the 50/50 joint venture with Nanjing Automotive Corporation, a company controlled by the SAIC Group – sold 42,000 light vehicles in the Power Daily range (up 5.0% over 2012) and 84,869 medium vehicles in the Yuejin range (up 14.0% over the prior year). SAIC Iveco Hongyan Commercial Vehicles Co. Ltd., a Chinese joint venture in which the Trucks and Commercial Vehicles segment holds a 33.5% stake, sold 28,008 heavy commercial vehicles, which represented a 65.0% increase over the previous year.

The following tables show the Trucks and Commercial Vehicles segment’s unit sales by geographic area and by product in 2013 compared to 2012:

Trucks and Commercial Vehicles sales – by geographic area

	2013	2012	% Change
(units in thousands)			
France	18.3	17.8	3
Germany	15.0	14.1	6
UK.....	6.6	7.0	(6)
Italy	14.8	13.9	6
Spain	5.8	5.4	8
Rest of EMEA.....	33.2	36.3	(8)
EMEA	93.7	94.5	(1)
LATAM.....	30.1	26.1	15
APAC	11.9	16.4	(27)
Total Sales	135.7	137.0	(1)
Naveco	126.9	114.8	11
SAIC Iveco Hongyan	28.0	17.0	65
Total	290.6	268.8	8

Trucks and Commercial Vehicles sales – by product

	2013	2012⁽²⁾	% Change
(units in thousands)			
Heavy	33.7	33.3	2
Medium.....	20.4	17.6	16
Light	68.0	73.3	(7)
Buses.....	9.4	9.1	3
Specialty vehicles ⁽¹⁾	4.2	3.7	13
Total	135.7	137.0	(1)

(1) Defence and firefighting vehicles.

(2) For the purpose of comparability with 2013, data for 2012 has been reclassified. Changes include recognition of truck-derived buses, still recognised under “light” in 2012, under “buses”.

Trading profit/(loss)

In 2013, the Trucks and Commercial Vehicles segment recorded a trading profit of €101 million, compared with €466 million for 2012. Lower trading profit resulted from negative market and product mix, as well as tight price competition which continued to affect margins primarily in Southern Europe. In LATAM, new product launch costs and unfavourable foreign exchange rate impact more than offset positive market trends and pricing.

Powertrain

Net revenues

Powertrain net revenues were €3,331 million in 2013, an increase of 13.6% over 2012 (+14.6% on a constant currency basis). The increase was attributable to higher volumes to both the Group companies and external customers. In 2013, sales to external customers accounted for 34.0% of total net revenues, in line with 2012.

Powertrain sold a total of 544,812 engines in 2013, an increase of 14.3% compared with 2012. Of the engines sold, 30.0% were supplied to the Trucks and Commercial Vehicles segment, 30.0% to the Agricultural and Construction Equipment segment, while the remaining 40.0% were sold to external customers. In addition, Powertrain delivered 62,133 transmissions (-3.2% over 2012) and 156,772 axles (+1.2% over the prior year).

Trading profit/(loss)

For 2013, Powertrain posted a trading profit of €158 million, an increase of 12.0% from the €141 million recorded in 2012. In 2013, the trading margin was 4.7%, compared with 4.8% for 2012. The improvement, which was partially offset by an increase in R&D costs aimed at maintaining technological leadership, reflected higher revenues and better capacity utilisation.

Industrial Activities and Financial Services

The following tables provide a breakdown of the consolidated statements of income, financial position and cash flows between Industrial Activities and Financial Services. Financial Services includes subsidiaries of the Agricultural and Construction Equipment as well as the Trucks and Commercial Vehicles segments engaged in retail and dealer finance, leasing and rental activities.

Basis of analysis

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 Industrial Activities in companies included in Financial Services and *vice versa* 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 in the income statement as result from intersegment investments.

The holding company, CNH Industrial, is 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.

Operating performance by activity

	2013			2012		
	Consolidated	Industrial Activities	Financial Services	Consolidated	Industrial Activities	Financial Services
(in millions of euro)						
Net revenues	25,778	24,731	1,468	25,785	24,682	1,508
Cost of sales	20,897	20,391	927	20,931	20,287	1,049
Selling, general and administrative costs.....	2,230	2,074	156	2,187	2,020	167
Research and development costs.....	600	600	—	560	560	—
Other income/(expenses) ..	(66)	(71)	5	(44)	(45)	1
Trading profit/(loss)	1,985	1,595	390	2,063	1,770	293
Gains/(losses) on disposal of investments	(19)	(19)	—	(38)	(38)	—
Restructuring costs.....	40	40	—	166	166	—
Other unusual income/(expenses).....	(58)	(27)	(31)	(13)	(13)	—
Operating profit/(loss)	1,868	1,509	359	1,846	1,553	293
Financial income/(expenses)	(463)	(463)	—	(467)	(467)	—
Result from investments ⁽¹⁾	102	91	11	81	71	10
Profit/(loss) before taxes ..	1,507	1,137	370	1,460	1,157	303
Income taxes	590	476	114	560	434	126
Profit/(loss)	917	661	256	900	723	177
Result from intersegment investments	—	256	(1)	—	177	—
Profit/(loss)	917	917	255	900	900	177

(1) Includes income from investments as well as impairment (losses)/reversals on non-intersegment investments accounted for under the equity method.

Industrial Activities

For 2013, Industrial Activities' net revenues were €24,731 million, in line with 2012. For the Agricultural and Construction Equipment segment, revenues were substantially unchanged from 2012 as revenue growth for the agricultural equipment business, driven by strong demand, continued to offset lower revenues for the construction equipment business, attributable to challenging market conditions. The Trucks and Commercial Vehicles segment reported a 1.3% decrease as a modest recovery in demand in Europe and a sustained increase in demand in LATAM were more than offset by a negative market mix, as well as reduced activity for parts and services and negative exchange rate impacts. In 2013 Powertrain revenues were up 13.6%, driven by higher volumes to both the Group companies and external customers.

In 2013 trading profit for Industrial Activities totalled €1,595 million, compared with €1,770 million for 2012. The €175 million decrease was attributable to lower results for the construction equipment business as well as to the lower result for the Trucks and Commercial Vehicles segment, which in turn reflected a negative market and product mix, pricing pressures in Europe, new product launch costs and negative exchange rate impacts. These adverse factors were partially offset by improved results for the agricultural equipment business, driven primarily by increased volumes and positive net price realisation, in addition to the positive impact of higher volumes for Powertrain.

In 2013, operating profit for Industrial Activities was €1,509 million, down €44 million as compared to 2012, with the decrease in trading profit being partially offset by a €131 million reduction in net unusual expense (mainly reflecting lower restructuring costs for the Trucks and Commercial Vehicles segment).

Financial Services

In 2013, Financial Services posted net revenues of €1,468 million, down 2.7% over 2012.

	<u>2013</u>	<u>2012</u>	<u>% Change</u>
(in millions of euro)			
Agricultural and Construction Equipment	1,178	1,197	(1.6)
Trucks and Commercial Vehicles	290	311	(6.8)
Total	<u>1,468</u>	<u>1,508</u>	<u>(2.7)</u>

For the Agricultural and Construction Equipment segment, Financial Services reported revenues of €1,178 million, a decrease of 1.6% over 2012. The impact of the increase in the average portfolio, driven by sales growth recorded by Industrial Activities, was offset by a reduction in interest charged to customers, in line with the general reduction in market rates.

For the Trucks and Commercial Vehicles segment, Financial Services reported revenues of €290 million, a decrease of 6.8% over the prior year which was attributable to a contraction in the managed portfolio for Western European markets and lower interest rates.

Trading profit for Financial Services was €390 million, up €97 million from the €293 million recorded in 2012.

	<u>2013</u>	<u>2012</u>	<u>% Change</u>
(in millions of euro)			
Agricultural and Construction Equipment	398	330	68
Trucks and Commercial Vehicles	(8)	(37)	29
Total	<u>390</u>	<u>293</u>	<u>97</u>

For the Agricultural and Construction Equipment segment, Financial Services posted a trading profit of €398 million, an increase of €68 million compared with the €330 million recorded in 2012 which was attributable to the higher average value of the portfolio, in addition to decreases in selling, general and administrative expenses and lower bad debt provisions.

For the Trucks and Commercial Vehicles segment, Financial Services reported a trading loss of €8 million, compared to a loss of €37 million recorded in 2012. The improved result reflects a lower provisioning requirement for the managed portfolio for Central and Eastern Europe.

Liquidity and Capital Resources

The following discussion of liquidity and capital resources principally focuses on CNH Industrial's consolidated statement of financial position and CNH Industrial's consolidated statement of cash flows.

Statement of financial position review

Statement of financial position by activity

	At December 31,					
	2013			2012		
	Consolidated	Industrial Activities	Financial Services	Consolidated	Industrial Activities	Financial Services
(in millions of euro)						
Intangible assets:	4,384	4,273	111	4,174	4,056	118
<i>Goodwill</i>	1,823	1,722	101	1,907	1,798	109
<i>Other intangible assets</i>	2,561	2,551	10	2,267	2,258	9
Property, plant and equipment	5,052	5,048	4	4,572	4,569	3
Investments and other financial assets	550	2,274	90	531	2,364	88
Leased assets	768	24	744	622	27	595
Defined benefit plan assets	32	31	1	38	38	—
Deferred tax assets	1,212	1,077	135	1,228	1,088	140
Total non-current assets	11,998	12,727	1,085	11,165	12,142	944
Inventory	5,464	5,394	70	4,843	4,755	88
Trade receivables	988	971	65	1,436	1,381	119
Receivables from financing activities	15,943	4,244	17,153	15,237	4,702	16,331
Current taxes receivable	252	241	11	302	293	9
Other current assets	1,377	932	688	1,117	837	596
Current financial assets:	189	184	7	125	121	6
<i>Current securities</i>	—	—	—	4	—	4
<i>Other financial assets</i>	189	184	7	121	121	2
Cash and cash equivalents	4,705	2,907	1,798	4,611	2,948	1,663
Total current assets	28,918	14,873	19,792	27,671	15,037	18,812
Assets held for sale	25	8	17	25	8	17
Total assets	40,941	27,608	20,894	38,861	27,187	19,773
Equity	5,556	5,556	1,816	5,376	5,376	1,922
Provisions:	4,733	4,684	49	4,861	4,810	51
<i>Employee benefits</i>	1,967	1,942	25	2,213	2,187	26
<i>Other provisions</i>	2,766	2,742	24	2,648	2,623	25
Debt:	21,714	8,765	18,403	20,633	9,238	17,191
<i>Asset-backed financing</i>	10,679	87	10,667	9,708	149	9,597
<i>Other debt</i>	11,035	8,678	7,736	10,925	9,089	7,594
Other financial liabilities ⁽¹⁾	68	56	14	97	78	21
Trade payables	5,344	5,194	198	4,843	4,730	179
Current taxes payable	303	285	18	217	167	50
Deferred tax liabilities	219	143	76	168	108	60
Other current liabilities	3,004	2,925	320	2,666	2,680	299
Liabilities held for sale	—	—	—	—	—	—
Total liabilities	35,385	22,052	19,078	33,485	21,811	17,851
Total equity and liabilities	40,941	27,608	20,894	38,861	27,187	19,773

At December 31, 2013, total assets amounted to €40,941 million, an increase of €2,080 million over the €38,861 million figure recorded in 2012.

Non-current assets totalled €11,998 million, an increase of €833 million over 2012, primarily attributable to investments for the period (net of amortisation/depreciation).

Current assets were €28,918 million in 2013, an increase of €1,247 million over 2012. The growth was primarily attributable to an increase in inventories and receivables from financing activities of €621 million and €706 million, respectively.

Receivables from financing activities totalled €15,943 million at December 31, 2013. Net of currency translation differences and write-downs, there was an increase of €1,692 million mainly attributable to an increase in financing provided to (i) the customers of the Agricultural and Construction Equipment segment in the United States and to the segment's dealers in the United States and Brazil, and (ii) the Trucks and Commercial Vehicles segment's dealers in Europe.

Working capital (net of items relating to vehicles sold under buy-back commitments and vehicles no longer subject to lease agreements that are held in inventory) was €661 million, an decrease of €214 million over the prior year.

	At December 31, 2013	At December 31, 2012	Change
(in millions of euro)			
Inventory ⁽¹⁾	5,317	4,673	644
Trade Receivables	988	1,436	(448)
Trade Payables	(5,344)	(4,843)	(501)
Net Current Taxes Receivable/(Payable) and other			
Current Receivables/(Payables) ⁽²⁾	(300)	(391)	91
Working Capital	661	875	(214)

(1) Inventory is reported net of vehicles held for sale by the Trucks and Commercial Vehicles segment that have been bought back (under buy-back commitments) or returned following expiry of a lease agreement.

(2) Other current payables, included under current taxes receivable/(payable) and other current receivables/(payables), are stated net of amounts due to customers in relation to vehicles sold under buy-back commitments, which consist of the repurchase amount payable at the end of the lease period, together with the value of any lease installments received in advance. The value at the beginning of the contract period, equivalent to the difference between the sale price and the repurchase amount, is recognised on a straight-line basis over the contract period.

At December 31, 2013, trade receivables, other receivables and receivables from financing activities falling due after that date and sold without recourse – and, therefore, eliminated from the statement of financial position pursuant to the derecognition requirements of IAS 39 – totalled €791 million, as compared to the €763 million recorded at December 31, 2012.

Working capital decreased €73 million over the year on a comparable scope of operations and at constant exchange rates.

At December 31, 2013, CNH Industrial's total debt was €21,714 million, as compared with €20,633 million recorded at the end of 2012. Of the total debt at December 31, 2013, €10,679 million (€9,708 million at December 31, 2012) related to asset-backed financing operations that are treated as debt under IFRS. Of the remaining €11,035 million of debt at December 31, 2013 (€10,925 million at the end of 2012), bonds accounted for €5,314 million (€5,424 million at the end of 2012), bank loans accounted for €5,149 million (€5,174 million at the end of 2012), and other indebtedness accounted for the remaining €572 million (€327 million at the end of 2012). In addition, at December 31, 2013, CNH Industrial had approximately €1.6 billion in available committed credit lines expiring after December 31, 2014. See Note 27 to the consolidated annual financial statements of the CNH Industrial Group as of and for the financial year ended December 31, 2013 incorporated by reference in this Base Prospectus for additional information on the Group's indebtedness at December 31, 2013, including a table summarising the maturity profile and interest rates payable on CNH Industrial's outstanding bonds at that date.

At December 31, 2013, CNH 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 CNH Industrial's statement of financial position) was €16,888 million, an increase of €894 million, or 5.6%, compared with the €15,994 million recorded at the end of 2012. Excluding positive currency translation differences of approximately €788 million, cash from operating activities was more than offset by increases in the loan portfolios of the financial services companies, as well as capital expenditures and dividend distributions during the year.

The following table details CNH Industrial's net debt at December 31, 2013 and 2012, and provides a reconciliation of this non-IFRS measure to debt, the most directly comparable measure included in CNH Industrial's consolidated statement of financial position. Net debt is one of management's primary measures for analysing CNH Industrial's debt and managing its liquidity, because CNH Industrial believes this measure illustrates how much indebtedness would remain if all of CNH Industrial's available liquid resources were applied to the repayment of debt. In particular, for the 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.

	At December 31,					
	2013			2012		
	Consolidated	Industrial Activities	Financial Services	Consolidated	Industrial Activities	Financial Services
(in millions of euro)						
Debt:	(21,714)	(8,765)	(18,403)	(20,633)	(9,238)	(17,191)
<i>Asset-backed financing</i>	(10,679)	(87)	(10,667)	(9,708)	(149)	(9,597)
<i>Other debt</i>	(11,035)	(8,678)	(7,736)	(10,925)	(9,089)	(7,594)
Intersegment financial receivables ⁽¹⁾	—	4,138	1,316	—	4,605	1,191
Debt, net of intersegment balances	(21,714)	(4,627)	(17,087)	(20,633)	(4,633)	(16,000)
Other financial assets ⁽²⁾	189	184	7	121	121	2
Other financial liabilities ⁽²⁾	(68)	(56)	(14)	(97)	(78)	(21)
Liquidity:						
<i>Current securities</i> ⁽³⁾	—	—	—	4	—	4
<i>Cash and cash equivalents</i> ..	4,705	2,907	1,798	4,611	2,948	1,663
Net (Debt)/Cash	(16,888)	(1,592)	(15,296)	(15,994)	(1,642)	(14,352)

(1) As a result of the role played by the central treasury, debt for Industrial Activities also includes funding raised by the central treasury on behalf of consolidated Financial Services companies (included under intersegment financial receivables). Intersegment financial receivables for Financial Services companies, on the other hand, represent loans or advances to industrial companies – for receivables sold to Financial Services companies that do not meet the derecognition requirements of IAS 39 – as well as cash deposited temporarily with the central treasury.

(2) Other financial liabilities and other financial assets include, respectively, the negative and positive fair values of derivative financial instruments.

(3) 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.

In 2013, debt for the Group was up €1,081 million over 2012 (an increase of €2,180 million at constant exchange rates), mainly reflecting an increase of €971 million in asset-backed financing and €828 million in new bond issues, net of repayment of new medium/long-term bank financing.

At December 31, 2013, liquidity totalled approximately €4.7 billion, up €0.1 billion from the €4.6 billion recorded at year-end 2012. Total available liquidity (including €1.6 billion in undrawn committed facilities at year-end 2013 and 2012) increased €0.1 billion to €6.3 billion, mainly as a result of an increase in bonds and in medium-term borrowings, partially offset by cash utilisation related to the repayment of bonds and borrowings, refinancing needs and portfolio growth for financial services, as well as capital expenditures and dividend payments.

At December 31, 2013, cash and cash equivalents included approximately €668 million (€670 million at December 31, 2012) of restricted cash, the use of which is primarily limited to the repayment of debt relating to securitisations classified as asset-backed financing.

Historically, CNH Industrial has relied significantly on the securitisation market for funding its financial business and anticipates that it will continue to do so in the future. CNH Industrial carried out term securitisations for a total amount of €3,866 million in 2013 and €2,913 million in 2012. It also established

or renewed wholesale securitised credit facilities for a total commitment amount of €1,628 million in 2013 and €2,279 million in 2012 and retail securitised credit facilities for a total commitment amount of €1,741 in 2013 and €1,870 million in 2012.

In 2013, Financial Services further diversified their sources of funding for the Trucks and Commercial Vehicle segment business (end-customers and dealers) through new arrangements, including receivables factoring agreements and revolving unsecured credit facilities. A pan-European securitisation programme established in 2011, with a maximum amount of €600 million, continued to ensure the funding of dealer financing activities.

During 2013, Net Industrial Debt was €1,592 million, down €50 million over 2012.

Changes in Net Industrial Debt

	<u>2013</u>	<u>2012</u>
(in millions of euro)		
Net Industrial (Debt)/Cash at beginning of the year	(1,642)	(1,239)
Profit/(loss)	917	900
Amortisation and depreciation (net of vehicles sold under buy-back commitments or leased out)	748	716
Change in provisions for risks and charges and similar	65	144
Cash from/(used in) operating activities during the year before change in working capital	1,730	1,760
Change in working capital	144	(291)
Cash from/(used in) operating activities	1,874	1,469
Investments in property, plant and equipment and intangible assets (net of vehicles sold under buy-back commitments or leased out)	(1,490)	(1,344)
Cash from/(used in) operating activities, net of capital expenditures	384	125
Change in consolidation scope and other changes	15	(86)
Net Industrial cash flow	399	39
Capital increases and dividends	(282)	(470)
Currency translation differences	(67)	28
Change in Net Industrial Debt	50	(403)
Net Industrial (Debt)/Cash at end of year	(1,592)	(1,642)

Cash generated by operating activities (before changes in working capital) in 2013 totalled €1,730 million and was partially offset by investments in fixed assets (€1,490 million) and dividend payment. Changes in working capital generated €144 million in cash.

Changes in Net Debt for Financial Services

Net debt for Financial Services companies at December 31, 2013 was €944 million higher than year-end 2012. The increase mainly reflects the increase in the Group's lending portfolio (€1,776 million), partially compensated by cash from operating activities (€164 million) and positive currency translation differences (€855 million).

Cash Flow Analysis

CNH Industrial's operations are capital intensive and subject to seasonal variations in financing requirements for dealer receivables and dealer and company inventories. 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 2013, operating activities generated €1,835 million in cash. Investing activities absorbed a total of €3,430 million of cash to fund investments in tangible and intangible assets of €1,495 million and increases in financial receivables of €1,807 million primarily as a result of financing provided to the Agricultural and Construction Equipment segment's dealer network. Financing activities generated a total of €1,907 million in cash.

In 2012, operating activities generated €1,698 million in cash. Investing activities absorbed a total of €2,974 million of cash to fund investments in tangible and intangible assets of €1,349 million and increases in financial receivables of €1,749 million primarily as a result of higher levels of financing provided to the Agricultural and Construction Equipment segment's dealer network. Financing activities generated a total of €327 million in cash.

CNH Industrial's principal sources of liquidity in 2013 were cash provided by operations, which totalled €1,835 million, bonds issued, which totalled €828 million, and the issuance of other medium-term borrowings, which totalled €1,898 million. CNH Industrial used these sources of liquidity primarily to fund its capital expenditures of €1,495 million and increases in financial receivables of €1,807 million, primarily due to an increase in the loan portfolio of financial services companies.

CNH 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. CNH Industrial used these sources of liquidity primarily to fund its capital expenditures of €1,349 million and increases in financial receivables of €1,749 million primarily due to an increase in the loan portfolio of financial services companies.

At December 31, 2013, CNH Industrial had cash and cash equivalents of €4,705 million, an increase of €94 million, or 2.0%, from the €4,611 million at December 31, 2012. Of the amount at December 31, 2013, €668 million (€670 million at December 31, 2012) was reserved principally for the servicing of securitisation-related debt included in the line item "Asset-backed financing" in CNH Industrial's statement of financial position. The aggregate of cash, cash equivalents and current securities, which management believes are CNH Industrial's principal liquid assets, totalled €4,705 million at December 31, 2013, an increase of €90 million or 1.9% from the total at the end of year 2012 (which totalled €4,615 million).

The following table summarises the changes to cash flows from operating, investing and financing activities for each of the financial years ended December 31, 2013 and 2012. Full statements of cash flows are presented in the financial statements that are incorporated by reference in this Base Prospectus.

Statement of cash flow by activity

	At December 31,					
	2013			2012		
	Consolidated	Industrial Activities	Financial Services	Consolidated	Industrial Activities	Financial Services
(in millions of euro)						
A) Cash and Cash Equivalents At Beginning of the Year	4,611	2,948	1,663	5,639	4,236	1,403
B) Cash From/(Used In) Operating Activities:						
Profit/(loss)	917	917	255	900	900	177
Amortisation and depreciation (net of vehicles sold under buy-back commitments or leased out)	751	748	3	719	716	3
(Gains)/losses on disposal of non-current assets (net of vehicles sold under buy-back commitments) and other non-cash items	50	(288)	83	243	(93)	159
Dividends received	61	259	5	80	127	6
Change in provisions	99	97	2	73	68	5
Change in deferred taxes	(37)	(39)	2	103	95	8
Changes relating to buy-back commitments ⁽¹⁾	79	33	46	(117)	(51)	(66)
Changes relating to operating leases ⁽²⁾	(158)	3	(161)	(89)	(2)	(87)
Change in working capital	73	144	(71)	(214)	(291)	77
Total	1,835	1,874	164	1,698	1,469	282
C) Cash From/(Used In) Investing Activities:						
Investments in:						
<i>Property, plant and equipment and intangible assets (net of vehicles sold under buy-back commitments or leased out)</i>	(1,495)	(1,490)	(5)	(1,349)	(1,344)	(5)
<i>Subsidiaries and other investments</i>	(85)	(93)	—	(4)	(210)	—
Proceeds from the sale of non-current assets (net of vehicles sold under buy-back commitments)	5	5	—	76	77	30
Net change in receivables from financing activities	(1,807)	(31)	(1,776)	(1,749)	(43)	(1,706)
Change in current securities	4	—	4	61	—	61
Other changes	(52)	438	(490)	(9)	(1,603)	1,594
Total	(3,430)	(1,171)	(2,267)	(2,974)	(3,123)	(26)
D) Cash From/(Used In) Financing Activities:						
Net change in debt and other financial assets/liabilities	2,189	(352)	2,541	797	880	(83)
Increase in share capital	3	3	8	10	10	175
Dividends paid	(277)	(277)	(203)	(480)	(480)	(53)
(Purchase)/sale of treasury shares	6	6	—	—	—	—
(Purchase)/sale of ownership interests in subsidiaries	(14)	(14)	—	—	—	—
Total	1,907	(634)	2,346	327	410	39
Currency translation differences	(218)	(110)	(108)	(79)	(44)	(35)
E) Net Change in Cash and Cash Equivalents	94	(41)	135	(1,028)	(1,288)	260
F) Cash and Cash Equivalents At End of the Year	4,705	2,907	1,798	4,611	2,948	1,663

(1) Cash generated from the sale of vehicles under buy-back commitments, net of amounts included in profit/(loss), are recognised under operating activities in a single line item, which includes changes in working capital, capital expenditure, depreciation and impairment losses. The item also includes gains and losses arising from the sale of vehicles subject to buy-back commitments before the end of the agreement and without repossession of the vehicle.

(2) Cash from operating leases is recognised under operating activities in a single line item, which includes capital expenditure, depreciation, write-downs and changes in inventory.

Net cash from operating activities

Cash provided by operating activities in 2013 totalled €1,835 million, compared to €1,698 million in 2012, and comprised the following elements:

- €917 million in net income that CNH Industrial recorded in 2013;
- plus €751 million in non-cash charges for depreciation and amortisation (net of vehicles sold under buy-back commitments and operating leases);
- plus €50 million in (gains)/losses on disposal and other non-cash items;
- plus €61 million in dividends received and changes in provisions of €99 million, minus change in deferred income taxes of €37 million; and
- plus changes in items due to buy-back commitments of €79 million and a €73 million change in working capital, minus €158 million for changes in operating lease items.

In 2012, €1,912 million of the €1,698 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 €214 million resulting from an increase in working capital (calculated on a comparable scope of operations and at constant exchange rates).

Net cash from investing activities

In 2013, investing activities absorbed €3,430 million in cash (compared to €2,974 million in cash used by investing activities in 2012). The negative flows were mainly generated by:

- €1,807 million increase in receivables from financing activities, primarily as a result of higher levels of financing provided by the Agricultural and Construction Equipment segment to both dealers and customers; and
- investments in tangible and intangible assets that used €1,495 million in cash (compared to €1,349 million in 2012), including €572 million in capitalised development costs. Investments in tangible and intangible assets are net of investments in vehicles for CNH 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 2012, cash used in investing activities totalled €2,974 million. Expenditure on tangible and intangible assets (including €533 million in capitalised development costs) totalled €1,349 million. The increase in receivables from financing activities, which accounts for cash absorption of €1,749 million, related primarily to dealer financing for the Agricultural and Construction Equipment segment.

The following table summarises CNH Industrial's investments in tangible and intangible assets by segment for each of the years ended December 31, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
(in millions of euro)		
Agricultural and Construction Equipment	784	758
Trucks and Commercial Vehicles	552	439
Powertrain.....	158	151
Other companies and Eliminations	1	1
Total	<u>1,495</u>	<u>1,349</u>

The Group incurred these capital expenditures to acquire property, plant and equipment necessary to introduce and manufacture new products, enhance CNH Industrial's manufacturing efficiency and implement further environmental and safety programmes.

Net cash from financing activities

In 2013, cash generated from financing activities totalled €1,907 million (compared to a total of €327 million cash generated in 2012). New bond issues (€828 million) and the issuance of medium-term borrowings were partially offset by repayments and by dividend payments of €277 million.

Cash generated from financing activities totalled €327 million in 2012. Dividend payments of €480 million, which included an approximately €237 million payment of the extraordinary dividend to CNH Global's non-controlling interests, and repayment by the group consisting of Iveco Finance Holdings Limited (IFHL) (renamed Iveco Capital Limited) 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.

Statement of cash flows by activity

For 2013, Industrial Activities absorbed cash and cash equivalents totalling €41 million. Specifically:

- Operating activities generated €1,874 million in cash, primarily related to net profit adjusted for amortisation and depreciation, gains/losses on disposals and other non-cash items, changes in provisions, deferred taxes, items related to vehicles sold under buy-back commitments or leased out and dividends received totalling €1,730 million and to a decrease in working capital of €144 million (on a comparable scope of operations and at constant exchange rates);
- Investing activities absorbed a total of €1,171 million in cash, primarily related to investments in fixed assets and in subsidiaries and other equity investments (€1,583 million), as well as changes in financial receivables from/debt payable to the Group's financial services companies (included under other changes); and
- Financing activities absorbed cash of €634 million, essentially due to reduction in short-term debt and the distribution of €277 million in dividends.

At December 31, 2013, cash and cash equivalents for Financial Services totalled €1,798 million, up €135 million over December 31, 2012. Changes in cash for Financial Services were attributable to:

- Operating activities, which generated €164 million in cash, principally from income-related cash inflows;
- Investing activities (including changes in financial receivables from/debt payable to the Group's industrial companies), which absorbed €2,267 million in cash, with a €1,776 million increase in the loan portfolio and changes in financial receivables/debt payables to the Group's Industrial Activities; and
- Financing activities, which generated a total of €2,346 million, mainly from proceeds from new bond issues (totalling €828 million) and from the issuance of new medium-term borrowings, net of repayments.

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. 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.

The 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, 2013, CNH Industrial had an aggregate amount of €5,314 million in bonds outstanding. Net of hedge accounting effect and amortised cost valuation of €137 million, the principal amount of bonds outstanding amounted to €5,177 million. For additional information on the terms and conditions of the bonds, including applicable financial covenants, see Note 27 to the consolidated annual financial statements of the CNH Industrial Group as of and for the financial years ended December 31, 2013 and 2012 incorporated by reference in this Base Prospectus. At June 30, 2014, CNH Industrial had an aggregate amount of \$9,075 million in bonds outstanding. See Note 24 to the unaudited consolidated financial statements of the CNH Industrial Group as of and for the six months ended June 30, 2014 and 2013 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. The programme was established by Fiat Industrial and its subsidiaries in February 2011. At December 31, 2013, €2,200 million was outstanding under the 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's predecessor). CNH Industrial is now the guarantor of these issuances. In March 2014, CIFE completed an offering of €1 billion of 2.75% notes at an issue price of 99.471%. The notes, which have been issued under the programme, mature in 2019. At June 30, 2014, \$4,371 million was outstanding under the programme.

Euro 2.0 billion Revolving Credit Facility. On February 7, 2013, CNH Industrial signed the renewal of a three-year €2.0 billion, multi-currency revolving credit facility with 21 banks. This facility agreement replaced the three-year €2.0 billion multi-currency revolving credit facility originally signed in December 2010 by Fiat Industrial and a syndicate of 23 international and Italian banks. The facility, which was drawn for €750 million at December 31, 2013, expires in February 2016 and includes:

- financial and other covenants typical for contracts of this type and size (including negative pledge and *pari passu* clauses, as well as restrictions on the incurrence of indebtedness by certain subsidiaries);
- customary events of default (some of which are subject to minimum thresholds and customary mitigants), including cross-default provisions, failure to pay amounts due or to comply with certain provisions under the loan agreement and the occurrence of certain bankruptcy-related events; and
- mandatory prepayment obligations upon a change in control of CNH Industrial or the borrowers.

CNH Industrial has guaranteed any borrowings under the revolving credit facility with cross-guarantees from each of the borrowers (*i.e.*, CNH Industrial Finance S.p.A. (previously named Fiat Industrial Finance S.p.A.), CNH Industrial Finance Europe S.A. (previously named Fiat Industrial Finance Europe S.A.) and CNH Industrial Finance North America Inc. (previously named Fiat Industrial Finance North America, Inc.)).

For additional information on CNH Industrial's outstanding indebtedness, see Note 27 to the consolidated annual financial statements of the CNH Industrial Group as of and for the financial years ended December 31, 2013 and 2012 and Note 24 to the unaudited consolidated financial statements of the CNH Industrial Group as of and for the six months ended June 30, 2014 and 2013 incorporated by reference in this Base Prospectus.

During 2013, CNH Capital LLC, a wholly-owned subsidiary of CNH Industrial, continued to diversify its funding sources with two issues of debt securities, for an aggregate amount of \$1.1 billion. The first issue of

debt securities was in the amount of \$600 million, at an annual fixed rate of 3.625% due 2018; the second debt offering was in the amount of \$500 million, at an annual fixed rate of 3.25% due in 2017. The notes, which were issued in private placement transactions with registration rights, are senior unsecured obligations of CNH Capital LLC and are guaranteed by CNH Capital America LLC and New Holland Credit Company LLC. The notes were exchanged respectively in August 2013 for \$600 million of publicly registered notes with the same original terms and in January 2014 for \$500 million of publicly registered notes with the same original terms. In 2012, CNH Capital LLC entered into a \$250 million unsecured three-year revolving credit facility. Also during 2012, CNH Capital LLC issued \$750 million of unsecured three-year notes in a private placement transaction with registration rights (which were exchanged in February 2013 for \$750 million of publicly registered notes with the same original terms). In June 2014, CNH Industrial Capital LLC closed a private offering of \$500 million of 3.375% notes due 2019 at an issue price of 99.426%. The notes, which are senior unsecured obligations of CNH Industrial Capital LLC, pay interest semi-annually on January 15 and July 15 of each year, beginning on January 15, 2015, and are guaranteed by CNH Industrial Capital America LLC and New Holland Credit Company, LLC, each a wholly-owned subsidiary of CNH Industrial Capital LLC.

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.

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, 2013, CNH Industrial's current receivables included receivables sold and financed through both securitisation and factoring transactions of €11,541 million (€10,286 million at December 31, 2012), which do not meet IAS 39 derecognition requirements and therefore must be recorded on CNH Industrial's statement of financial position. These receivables are recognised as such in CNH 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 consolidated annual financial statements of the CNH Industrial Group as of and for the financial year ended December 31, 2013).

At December 31, 2013, the Group had discounted receivables and bills without recourse having due dates after December 31, 2013 (and meeting IAS 39 requirements for de-recognition) amounting to €791 million (€763 million at December 31, 2012, with due dates after that date), which refer to trade receivables and other receivables for €756 million (€708 million at December 31, 2012) and receivables from financing activities for €35 million (€55 million at December 31, 2012). At June 30, 2014, the Group had discounted receivables and bills without recourse having due dates after June 30, 2014 amounting to \$895 million, which refer to trade receivables and other receivables for \$864 million, and receivables from financing activities for \$31 million (see Note 18 to the unaudited consolidated financial statements of the CNH Industrial Group as of and for the six months ended June 30, 2014 and 2013 incorporated by reference in this Base Prospectus).

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, 2014), 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 LLC'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 LLC 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 LLC were unable to obtain asset-backed securities funding at competitive rates, its ability to conduct 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 consolidated annual financial statements of the CNH Industrial Group as of and for the financial year ended December 31, 2013 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, 2013, CNH Industrial had granted guarantees on the debt or commitments of third parties or unconsolidated subsidiaries, jointly controlled and associated entities totalling €372 million (€486 million at December 31, 2012). These guarantees consist of obligations of certain companies in the Agricultural and Construction Equipment segment in favour of certain dealers in relation to bank financings and of certain performance guarantees given by companies in the Trucks and Commercial Vehicles segment on behalf of a joint venture in relation to commercial commitments for specialty vehicles.

Contractual Obligations and Commitments

The following table sets forth CNH Industrial's contractual obligations and commercial commitments with definitive payment terms that will require significant cash outlays in the future, as of December 31, 2013:

	At December 31,									
	2013					2012				
	within one year	between one and three years	between three and five years	beyond five years	Total	within one year	between one and three years	between three and five years	beyond five years	Total
(in millions of euro)										
Long-term debt obligations ⁽¹⁾ :										
Bonds	107	2,093	3,114	—	5,314	883	1,568	1,773	1,200	5,424
Borrowings from banks	607	2,654	519	174	3,954	1,627	1,834	491	361	4,313
Asset-backed financing.....	5,463	3,735	1,369	112	10,679	5,159	3,566	952	31	9,708
Other debt	(8)	249	80	35	356	39	12	30	44	125
Total long-term debt obligations	6,169	8,731	5,082	321	20,303	7,708	6,980	3,246	1,636	19,570
Capital (finance) lease obligations	6	11	9	28	54	6	8	8	27	49
Operating lease obligations	47	64	39	35	185	56	76	48	49	229
Purchase obligations	753	381	97	22	1,253	531	381	97	18	1,027
Uncertain tax positions ⁽²⁾	11	—	172	—	183	42	—	—	—	42
Total contractual obligations	6,986	9,187	5,399	406	21,978	8,343	7,445	3,399	1,730	20,917

(1) 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 2014 to pension plans and health care plans is €22 million and zero, 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.

(2) The total amount of CNH Industrial's tax contingencies was €183 million at December 31, 2013. Payment of these liabilities would result from settlements with tax authorities. CNH Industrial estimates that settlements with tax authorities may result in payment of €11 million of these liabilities in 2014. 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 consolidated annual financial statements of the CNH Industrial Group as of and for the financial year ended December 31, 2013 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, 2013 statement of financial position as follows:

	Note	At December 31, 2013	At December 31, 2012
(in millions of euro)			
Debt reflected in the statement of financial position.....	27	21,714	20,633
Less: Capital (Finance) lease obligations	27	(54)	(49)
Total debt obligations		21,660	20,584
Less: Short-term debt obligations.....		(1,357)	(1,014)
Long-term debt obligations as reported		20,303	19,570

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 consolidated annual financial statements of the CNH Industrial Group as of and for the financial years ended December 31, 2013 and 2012 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

CNH Industrial's purchase obligations at December 31, 2013, 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 CNH Industrial's consolidated statement of financial position in an aggregate amount of €1,000 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 €253 million.

Significant Recent Events:

- On July 29, 2014, CNH Industrial opened its new manufacturing facility in Harbin, Heilongjiang Province, China. The plant, which represents an investment of over \$100 million, will produce a wide range of product lines under CNH Industrial's brands Case IH and New Holland Agriculture.
- On August 5, 2014, CNH Industrial announced that it expects to expand the construction equipment production in its plant in Burlington, Iowa (United States) with the addition of a production line to manufacture a complete range of dozer products under the Case Construction brand. This expansion represents a potential investment of \$24 million. This equipment is currently produced at the CNH Industrial's plant in Calhoun, Georgia (United States), which is expected to close in the third quarter of 2015. The production transfer is contingent upon completion, award and approval of all State and local incentives and grants. Production on the new line is expected to begin in the second half of 2015.
- On September 3, 2014, CNH Industrial entered into an agreement to acquire all of the assets of Miller-St. Nazianz, Inc. ("Miller"), an American precision spraying equipment manufacturer. The assets of Miller acquired as part of the transaction will become part of the New Holland Agriculture brand. Under the agreement, CNH Industrial, through its wholly-owned subsidiary CNH Industrial America, LLC, will acquire Miller's business in its entirety. The agreement is subject to customary closing conditions, including the expiration or termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended. The transaction is expected to close by the end of 2014.
- On September 24, 2014, CIFE completed an offering of €700,000,000 of 2.875 percent Notes due September 2021 at an issue price of 99.22%. The Notes, issued under the Programme, are guaranteed by CNH Industrial.

- On September 24, 2014, CNH Industrial's bus brand, Iveco Bus, signed a framework agreement with the German bus transport company, DB Fuhrpark Service GmbH, for the supply of suburban buses. The agreement contemplates the delivery of 400 Crossway and Crossway LE (Low Entry) suburban buses in 2015 and 2016 and the option to supply an additional 31 vehicles in 2017 and 2018. The buses will be designed in accordance with the European Commission-funded EBSF (European Bus System of the Future) standards, as well as with the guidelines set forth by the VDV (Association of German Transport Companies).
- In September 2014, Powertrain signed a contract with one of the leading Chinese bus manufacturers, Xiamen King Long United Automotive Industry Co., Ltd. (King Long), for the supply of Euro VI-compliant Cursor 9 engines to be incorporated in the new 12-meter coaches produced by the Chinese company.

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 material 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”). Based on the proposal of the Compensation Committee, on February 27, 2014 the Board of Directors approved the remuneration policy for the company’s directors.

On certain operational matters the Board of Directors is advised by the Group’s 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 is not 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 is not 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 or she may appear to have a conflict of interest with CNH Industrial, as the definition of conflict of interest set forth in the Board Regulations 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 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 is not 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 is not 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 "Articles of Association"), the Board of Directors may have three or more members. At the general meeting of the shareholders held on April 16, 2014, upon recommendation of the Board of Directors, CNH Industrial's shareholders confirmed the number of the members of the Board of Directors, which is set at eleven, and re-appointed the members of the Board of Directors elected in September 2013. The term of office of the current Board of Directors will expire on the date of the CNH Industrial annual general meeting of shareholders called to approve the 2014 financial statements.

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 is composed of seven members (representing a majority) who qualify as independent 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:

Name	Position
Sergio Marchionne	Chairman
John P. Elkann ⁽²⁾⁽³⁾	Senior Non-Executive 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	Chief Executive Officer

(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:

- (i) Sergio Marchionne: chairman and CEO of Chrysler Group LLC, CEO of Fiat S.p.A., chairman of SGS S.A., director of EXOR S.p.A. and Philip Morris International Inc.;
- (ii) John P. Elkann: chairman and CEO of EXOR S.p.A., chairman of Giovanni Agnelli & C. S.p.A., chairman of Fiat S.p.A. and Editrice La Stampa S.p.A., chairman of Cushman & Wakefield, director of News Corporation, Banca Leonardo and The Economist Group;
- (iii) Mina Gerowin: director of EXOR S.p.A.;
- (iv) Maria Patrizia Grieco: chairman of Enel S.p.A., director of Olivetti S.p.A., Anima Holding S.p.A. and Save the Children Italia;

- (v) Léo W. Houle: director of Chrysler Group LLC;
- (vi) Peter Kalantzis: chairman of Von Roll Holding Ltd. and Lamda Development Ltd., chairman of Clair Ltd., Elpe-Thraki S.A. and Deussa Sonne/Mond Goldhandel AG, director of Movenpick-Holding Ltd., Paneuropean Oil and Industrial Holdings, Consolidated Lamda Holdings, SGS Ltd. and Hardstone Services S.A.;
- (vii) John B. Lanaway: director of Chrysler Group LLC;
- (viii) Guido Tabellini: director of CIR S.p.A.;
- (ix) 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
- (x) Jacques Theurillat: partner of Ares Life Sciences.

At the date of this Base Prospectus, the senior managers of CNH Industrial are as follows:

Name	Position
Sergio Marchionne	Chairman
Richard J. Tobin	Chief Executive Officer President of the Case Construction brand President of the New Holland Construction brand
Brad Crews	Chief Operating Officer of the NAFTA region
Andreas Klausner	Chief Operating Officer of the EMEA region President Case of the IH brand
Vilmar Fistarol	Chief Operating Officer of the LATAM region
Franco Fusignani.....	Chief Operating Officer of the Iveco brand
Stefano Pampalone	Chief Operating Officer of the APAC region
Giovanni Bartoli	Chief Operating Officer of Powertrain
Carlo Lambro	President of the New Holland Agriculture brand
Pierre Lahutte	President of the Iveco brand
Dino Maggioni	President of Parts & Service Chief Precision Solutions & Telematics Officer
Dario Ivaldi	Chief Technical Officer
Derek Neilson	Chief Manufacturing Officer
Adrian Pipe	Chief Quality Officer
Annalisa Stupenengo	Chief Purchasing Officer
Alessandro Nasi	President of Specialty Vehicles Executive Coordinator the GEC
Oddone Incisa	President of Financial Services
Massimiliano Chiara	Chief Financial Officer
Linda Knoll	Chief Human Resources Officer
Richard J. Tobin	Chief Executive Officer
Massimiliano Chiara	Chief Financial Officer

The term of office of the members of the Board of Directors is approximately one year after the relevant appointment, such period expiring on the day on which the first annual general meeting of shareholders is held in the following calendar year.

On September 9, 2013, the Board of Directors appointed John P. Elkann as Senior Non-Executive Director in accordance with Section III.8.1 of the Dutch Corporate Governance Code. The Board of Directors also

appointed certain officers of CNH Industrial, including the Chief Financial Officer, the Chief Human Resources Officer, the Chief Purchasing Officer, the Corporate Controller, Chief Accounting Officer, the Treasurer and the Secretary of the Board of Directors.

The business address of the Board of Directors and the senior managers is c/o CNH Industrial, Cranes Farm Road, Basildon, Essex, SS143AD, United Kingdom.

Save as disclosed in this section “*Board of Directors*” and in Note 24 to the audited consolidated annual financial statements of the CNH Industrial Group as of and for the financial years ended December 31, 2013 and 2012 or in Note 22 to the unaudited consolidated financial statements of the CNH Industrial Group as of and for the six months ended June 30, 2014 and 2013, 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 a remuneration policy for the company’s directors. The charters of the Audit Committee, Compensation Committee, Governance and Sustainability Committee, and the Board Regulations are all available on the Governance section of the Group’s website at: http://www.cnhindustrial.com/en-US/governance/corporate_regulations/Pages/default.aspx.

At the April 16, 2014 annual general shareholders’ meeting, CNH Industrial’s shareholders authorised the board of directors to repurchase up to a maximum of 10% of CNH Industrial’s common shares issued at April 16, 2014. The authorisation, which is valid for a period of 18 months from the date of the annual general shareholders’ meeting, provides for the repurchase of CNH Industrial common shares in accordance with applicable laws and regulations at a price not exceeding 10% of the reference market price reported on the stock exchange on which the relevant repurchase(s) is/are made, *i.e.* the New York Stock Exchange and/or the MTA.

The remuneration policy for the company’s directors which is included in the Annual Report 2013 is available on the Investors section of the Group’s website at: http://www.cnhindustrial.com/en-US/investor_relations/financial_information/annual_reports/FiatDocuments/CNHI_2013_Annual_Report.pdf.

The Board Regulations

The Board Regulations set forth the rules of operation and internal organisation of the Board of Directors, the Audit Committee, the Compensation Committee and the Governance and Sustainability Committee.

In particular, the Board Regulations contain provisions concerning, *inter alia*, the manner in which meetings of the Board of Directors are called and held, as well as rules on the decision making process of such body.

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 programme.

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 member 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 SEC 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, the Chief Executive Officer and the 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 in accordance with CNH Industrial’s remuneration policy, (ii) reviewing and recommending for approval the compensation of executive directors, (iii) administering equity incentive plans and deferred compensation benefit plans, and (iv) 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 Compensation Committee are appointed for terms of up to two years. Unless decided otherwise by the Compensation Committee, the Chief Human Resources Officer 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 in: (i) the identification of the criteria, professional and personal qualifications for candidates to serve as directors of the company, (ii) periodic assessment of the size and composition of the Board of Directors, (iii) periodic assessment of the performance of the members of the Board of Directors and reporting the results of such assessment, (iv) proposals for appointment of executive and non-executive directors, (v) supervision of the selection criteria and appointment procedure for senior management, (vi) monitoring and evaluating reports on the Group’s sustainable development policies and practices, management standards, strategy, performance and governance globally, and (vii) 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”) became effective 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 divides its responsibilities into the following categories: (i) operating units, (ii) brands, (iii) industrial and commercial functions, and (iv) support and corporate functions.

The GEC currently consists of Mr. Marchionne (Chairman), Mr. Tobin (Chief Executive Officer), the leaders of the four regions (EMEA, APAC, LATAM and NAFTA), the leaders of the Trucks and Commercial Vehicles and Powertrain segments, the leaders of the brands Case IH, New Holland Agriculture, Case Construction 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 Vehicles, the President of Financial Services, the Chief Financial Officer and the Chief Human Resources Officer.

Major Shareholders

As of October 28, 2014, 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 – which owns an additional 67,963,052 CNH Industrial shares (*i.e.*, 3.72)% of the issued shares). Accordingly, Giovanni Agnelli & C. S.a.p.az indirectly owns 801,818,852 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 other major shareholder who owns more than 3% of the shares of CNH Industrial is Harris Associates L.P., which indirectly owns 185,027,203 CNH Industrial shares (*i.e.*, 10.14% of the issued shares).

With regard to the voting rights in CNH Industrial held by the company's shareholders, as of October 28, 2014, 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. 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 other major shareholder who holds more than 3% of the voting rights in CNH Industrial is Harris Associates L.P., which indirectly holds 10.14% of the voting rights in CNH Industrial.

CNH Industrial has approximately 170,000 shareholders.

CNH Industrial has in place certain measures to prevent the abuse of control of majority shareholders.

On April 16, 2014, CNH Industrial's shareholders elected seven out of 11 directors who qualify as independent for purposes of NYSE rules, Rule 10A-3 of the Exchange Act and the Dutch Corporate Governance Code. 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 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 the 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. 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 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 the 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 the 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 the 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 the 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 the payment of all debts of CNH Industrial, 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 – Enterprise Risk Management model) 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 (including the Chief Executive Officer, the Chief Financial Officer, the Chief Accounting Officer and the Financial Controller), 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.

The insider trading policy is available on the Governance section of the Group's website (http://www.cnhindustrial.com/en-US/governance/corporate_regulations/FiatDocuments/CNHI_Insider_Trading_Policy.pdf).

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 is responsible for assisting the Board of Directors' strategic oversight of sustainability-related issues and reviews the annual Sustainability Report. The GEC reviews 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 has an operational role and reports to the Chief Financial Officer, who is a member of the GEC and is regularly invited to attend the meetings of the Board of Directors. The Sustainability Unit is responsible for regularly updating the sustainability management system by monitoring its developments, implementing the recommendations of sustainability experts, rating agencies and investors, benchmarking the competition and, making adjustments to the Key Performance Indicators (KPI) together with CNH Industrial's segments.

The Sustainability Unit plays a key role in promoting a culture of sustainability throughout CNH Industrial. In particular, through an analysis of the company's operations, it identifies opportunities and risks arising from environmental management, it defines actions and targets for the Sustainability Plan aimed at improving CNH Industrial's sustainability performance, and monitors the achievement of these targets.

The Code of Conduct includes guidelines aimed at ensuring the Group's activities are conducted in a consistent and responsible manner. In addition, among others, the Group has 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 G4 guidelines (GRI – G4).

In 2013, for the first time, CNH Industrial carried out a materiality analysis to identify and prioritise the environmental issues which are deemed most important to the Group and its stakeholders, and to assess the economic, environmental and social impact of such issues on the Group's corporate performance. The results of the analysis are represented in the materiality matrix, which was approved by the GEC and the Chief Executive Officer and subsequently submitted to verification and assurance by SGS, an independent certification body. The matrix provides several indicators which are useful for preparing the Sustainability Report and for identifying improvement initiatives. In particular, the matrix shows that certain business-related aspects and particularly the ability to innovate in terms of safe use and environmental impact of products, product quality, and customer orientation and engagement are at the highest level of importance to the Group and its stakeholders. The matrix identifies other issues of high concern to the Group and its stakeholders, such as the safeguarding of health and safety in the workplace, environmental protection, management of suppliers and dealers, professional development, and initiatives in favour of local communities. The matrix and further details in relation thereto are included in the Sustainability Report, which is available on the Governance section of the Group's website (http://www.cnhindustrial.com/en-US/sustainability2014/FiatDocuments/2013CNHI_Sustainability_Report.pdf).

In the Group's manufacturing processes, priority continues to be placed on reducing its environmental impact and optimising its 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 2014, CNH Industrial was included in the Dow Jones Sustainability World and Europe Indices as industry leader in the machinery and electrical equipment industry.

In December 2013, because of the high level of disclosure and transparency of the information provided regarding issues related to climate change, CNH Industrial was included among the ten companies admitted to the CDLI (Carbon Disclosure Leadership Index) Italy 100 for the third consecutive year.

FINANCIAL INFORMATION RELATING TO CNH INDUSTRIAL N.V.

The following financial information has been extracted from the audited annual statutory financial statements of CNH Industrial. (formerly FI CBM Holdings N.V.) as of and for the financial year ended December 31, 2013.

The audited annual statutory financial statements of CNH Industrial (formerly FI CBM Holdings N.V.) as of and for the financial year ended December 31, 2013 have been prepared in accordance with the legal requirements set forth in Title 9, Book 2 of the Dutch Civil Code. Section 362(8), Book 2 of the Dutch Civil Code allows companies that apply IFRS as adopted by the European Union in their consolidated financial statements to use the same measurement principles in their statutory financial statements. However, as allowed by applicable law, subsidiaries are accounted for using the net equity value in the statutory financial statements. For additional information on such accounting policies, please see section “*Significant accounting policies*” set forth in the audited annual statutory financial statements of CNH Industrial as of and for the financial year ended December 31, 2013, incorporated by reference in this Base Prospectus.

These financial statements are incorporated by reference herein.

STATEMENT OF FINANCIAL POSITION

	As of December 31, 2013 2012	
(in euro)	(Audited)	
Assets		
Intangible assets	430	457
Property, plant and equipment	45	16
Equity investments	9,180,971	5,982,243
Other financial assets	11,175	111,877
Deferred tax assets	3,339	—
Total fixed assets	9,195,960	6,094,593
Trade receivables	5,233	3,346
Current financial receivables	366	31,937
Other current receivables	149,310	1,743,741
Cash and cash equivalents	765	3
Total current assets	155,674	1,779,027
Total assets	9,351,634	7,873,620
Equity and liabilities		
Equity		
Share capital	18,245	1,919,433
Capital reserve	2,330,703	435,372
Legal reserve	2,044,936	1,778,656
Retained profit/(loss)	321,677	(296,229)
Profit/(loss) for the year	788,962	791,210
Total equity	5,504,523	4,628,442
Provisions for employee benefits and other provisions	7,778	2,874
Non-current debt	11,175	165,725
Total non-current liabilities	18,953	168,599
Trade payables	16,567	9,051
Current debt	3,675,564	2,994,277
Other debt	136,027	73,251
Total current liabilities	3,828,158	3,076,579
Total equity and liabilities	9,351,634	7,873,620

INCOME STATEMENT

	As of December 31,	
	2013	2012
(in euro)	(Audited)	
Result from investments	979,967	905,530
Other operating income	18,113	17,270
Personnel costs	(13,482)	(11,285)
Other operating costs	(48,030)	(35,548)
Financial income/(expense)	<u>(116,959)</u>	<u>(99,487)</u>
Profit/(loss) before taxes	<u>819,609</u>	<u>776,480</u>
Income taxes	<u>(30,647)</u>	<u>14,730</u>
Profit/(loss) from continuing operations	<u>788,962</u>	<u>791,210</u>
Profit/(loss) from discontinued operations	—	—
Profit/(loss)	<u>788,962</u>	<u>791,210</u>

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 as of and for the financial years ended December 31, 2013 and 2012 and the unaudited consolidated financial statements of the CNH Industrial Group as of and for the six months ended June 30, 2014 and 2013.

The comparative data as of and for the financial year ended December 31, 2012 have been recast 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 unaudited consolidated financial statements of the CNH Industrial Group as of and for the six months ended June 30, 2014 and 2013 reflect the organisation of the CNH Industrial Group’s business into five operating segments as presented under IFRS and use U.S. dollars as its IFRS reporting currency effective, under IFRS, the first quarter ended March 31, 2014 (as described under “*Presentation of Financial and Other Information – Presentation of Financial Information*” and “*The CNH Industrial Group*”). The comparative data as of and for the six months ended June 30, 2013 have been recast in order to be presented in accordance with the aforementioned changes.

The audited consolidated annual financial statements of the CNH Industrial Group as of and for the financial years ended December 31, 2013 and 2012 and the unaudited consolidated financial statements of the CNH Industrial Group as of and for the six months ended June 30, 2014 and 2013 are incorporated by reference herein and have been prepared in accordance with IFRS as well as IFRS as adopted by the European Union.

Investors are advised to review the full financial statements before making any investment decision.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As of June 30, 2014	As of December 31, 2013 ⁽¹⁾
(in millions of U.S. dollars)	(Unaudited)	
Assets		
Intangible assets.....	6,147	6,046
Property, plant and equipment.....	7,115	6,967
Investments and other financial assets:	762	758
<i>Investments accounted for using the equity method</i>	674	674
<i>Other investments and financial assets</i>	88	84
Leased assets	1,234	1,059
Defined benefit plan assets	42	44
Deferred tax assets.....	1,788	1,672
Total non-current assets	17,088	16,546
Inventories	8,948	7,536
Trade receivables	1,276	1,362
Receivables from financing activities	23,240	21,986
Current tax receivables	398	348
Other current assets	1,679	1,900
Current financial assets:.....	115	261
<i>Current securities</i>	—	—
<i>Other financial assets</i>	115	261
Cash and cash equivalents	5,366	6,489
Total current assets	41,022	39,882
Assets held for sale	29	34
Total assets	58,139	56,462

Equity and liabilities

Issued capital and reserves attributable to owners of the parent.....	7,846	7,591
Non-controlling interests	59	71
Total equity	7,905	7,662
Provisions:	6,661	6,528
<i>Employee benefits</i>	2,620	2,713
<i>Other provisions</i>	4,041	3,815
Debt:	31,355	29,946
<i>Asset-backed financing</i>	14,312	14,727
<i>Other debt</i>	17,043	15,219
Other financial liabilities	178	94
Trade payables	7,111	7,369
Current tax payables	309	418
Deferred tax liabilities	343	302
Other current liabilities	4,277	4,143
Liabilities held for sale	—	—
Total liabilities	50,234	48,800
Total equity and liabilities	58,139	56,462

(1) Following the change of the reporting currency from euro to U.S. dollar, the figures reported for the full-year 2013 have been recast for comparative purposes. For additional information, see the section "Significant accounting policies," paragraph "Changes in presentation currency" set forth in the notes to the unaudited consolidated financial statements of the CNH Industrial Group as of and for the six months ended June 30, 2014 and 2013 incorporated by reference in this Base Prospectus.

	As of December 31,	
	2013	2012⁽¹⁾
(in millions of euro)	(Audited)	
Assets		
Intangible assets.....	4,384	4,174
Property, plant and equipment.....	5,052	4,572
Investments and other financial assets:	550	531
<i>Investments accounted for using the equity method</i>	489	464
<i>Other investments and financial assets</i>	61	67
Leased assets	768	622
Defined benefit plan assets	32	38
Deferred tax assets.....	1,212	1,228
Total non-current assets	11,998	11,165
Inventories	5,464	4,843
Trade receivables	988	1,436
Receivables from financing activities	15,943	15,237
Current tax receivables	252	302
Other current assets	1,377	1,117
Current financial assets:.....	189	125
<i>Current securities</i>	—	4
<i>Other financial assets</i>	189	121
Cash and cash equivalents	4,705	4,611
Total current assets	28,918	27,671
Assets held for sale	25	25
Total assets	40,941	38,861
Equity and liabilities		
Issued capital and reserves attributable to owners of the parent.....	5,504	4,628
Non-controlling interests	52	748
Total equity	5,556	5,376
Provisions:	4,733	4,861
<i>Employee benefits</i>	1,967	2,213

<i>Other provisions</i>	2,766	2,648
Debt:	21,714	20,633
<i>Asset-backed financing</i>	10,679	9,708
<i>Other debt</i>	11,035	10,925
Other financial liabilities	68	97
Trade payables	5,344	4,843
Current tax payables	303	217
Deferred tax liabilities	219	168
Other current liabilities	3,004	2,666
Liabilities held for sale	—	—
Total liabilities	35,385	33,485
Total equity and liabilities	40,941	38,861

(1) Following the retrospective application of the amendment to IAS 19 from January 1, 2013 the comparative figures at December 31, 2012 have been recast as required by IAS 1. For additional information, see paragraph “Accounting standards, amendments and interpretations adopted from January 1, 2013” set forth in the notes to the consolidated financial statements of the CNH Industrial Group as of and for the financial years ended December 31, 2013 and 2012 incorporated by reference in this Base Prospectus.

CONSOLIDATED INCOME STATEMENT

	For the six months ended June 30,	
	2014	2013 ⁽¹⁾
(in millions of U.S. dollars)	(Unaudited)	
Net revenues	16,652	16,580
Cost of sales.....	13,438	13,323
Selling, general and administrative costs	1,438	1,453
Research and development costs	428	398
Other income/(expenses)	(37)	(40)
Trading profit/(loss)	1,311	1,366
Gains/(losses) on the disposal of investments.....	—	—
Restructuring costs	65	19
Other unusual income/(expenses)	(10)	(57)
Operating profit/(loss)	1,236	1,290
Financial income/(expenses)	(394)	(302)
Result from investments:	56	69
<i>Share of the profit/(loss) of investees accounted for using the equity method</i>	56	68
<i>Other income/(expenses) from investments</i>	—	1
Profit/(loss) before taxes	898	1,057
Income taxes	349	402
Profit/(loss) from continuing operations	549	655
Profit/(loss) from discontinued operations	—	—
Profit/(loss)	549	655
Profit/(loss) attributable to:		
Owners of the parent	544	538
Non-controlling interests	5	117

(1) Following the change of the reporting currency from euro to U.S. dollar, the figures reported for the full-year 2013 have been recast for comparative purposes. For additional information, see the section “Significant accounting policies,” paragraph “Changes in presentation currency” set forth in the notes to the unaudited consolidated financial statements of the CNH Industrial Group as of and for the six months ended June 30, 2014 and 2013 incorporated by reference in this Base Prospectus.

	For the years ended December 31,	
	2013	2012⁽¹⁾
(in millions of euro)	(Audited)	
Net revenues	25,778	25,785
Cost of sales.....	20,897	20,931
Selling, general and administrative costs	2,230	2,187
Research and development costs	600	560
Other income/(expenses)	(66)	(44)
Trading profit/(loss)	1,985	2,063
Gains/(losses) on the disposal of investments.....	(19)	(38)
Restructuring costs	40	166
Other unusual income/(expenses)	(58)	(13)
Operating profit/(loss)	1,868	1,846
Financial income/(expenses)	(463)	(467)
Result from investments:	102	81
<i>Share of the profit/(loss) of investees accounted for using the equity method</i>	101	86
<i>Other income/(expenses) from investments</i>	1	(5)
Profit/(loss) before taxes	1,507	1,460
Income taxes	590	560
Profit/(loss) from continuing operations	917	900
Profit/(loss) from discontinued operations	—	—
Profit/(loss)	917	900
Profit/(loss) attributable to:		
Owners of the parent	789	791
Non-controlling interests	128	109

(1) Following the retrospective application of the amendment to IAS 19 from January 1, 2013 the comparative figures at December 31, 2012 have been recast as required by IAS 1. For additional information, see paragraph “Accounting standards, amendments and interpretations adopted from January 1, 2013” set forth in the notes to the consolidated financial statements of the CNH Industrial Group as of and for the financial years ended December 31, 2013 and 2012 incorporated by reference in this Base Prospectus.

	For the six months ended June 30,	
	2014	2013⁽¹⁾
(in U.S. dollars)	(Unaudited)	
Basic earnings/(loss) per common share	0.40	0.44
Diluted earnings/(loss) per common share	0.40	0.44

(1) Following the change of the reporting currency from euro to U.S. dollar, the figures reported for the full-year 2013 have been recast for comparative purposes. For additional information, see the section “Significant accounting policies,” paragraph “Changes in presentation currency” set forth in the notes to the unaudited consolidated financial statements of the CNH Industrial Group as of and for the six months ended June 30, 2014 and 2013 incorporated by reference in this Base Prospectus.

	For the years ended December 31,	
	2013	2012
(in euro)	(Audited)	
Basic earnings/(loss) per common share (€)	0.63	0.65
Diluted earnings/(loss) per common share (€)	0.63	0.65

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	For the six months ended June 30,	
	2014	2013 ⁽¹⁾
(in millions of U.S. dollars)	(Unaudited)	
Profit/(loss) (A)	549	655
Other comprehensive income that will not be reclassified subsequently to profit or loss:		
Gains/(losses) on the remeasurement of defined benefits plans	—	—
Income tax relating to Other comprehensive income that will not be reclassified subsequently to profit or loss	—	—
Total Other comprehensive income that will not be reclassified subsequently to profit or loss, net of tax (B1)	—	—
Other comprehensive income that may be reclassified subsequently to profit or loss:		
Gains/(losses) on cash flow hedges	(171)	82
Gains/(losses) on fair value of available-for-sale financial assets.....	—	—
Gains/(losses) on exchange differences on translating foreign operations.....	192	(296)
Share of other comprehensive income of entities consolidated by using the equity method.....	(2)	(13)
Income tax relating to components of Other comprehensive income that may be reclassified subsequently to profit or loss	49	(5)
Total Other comprehensive income that may be reclassified subsequently to profit or loss, net of tax (B2)	68	(232)
Total other comprehensive income, net of tax (B) = (B1) + (B2)	68	(232)
Total comprehensive income (A) + (B)	617	423
Total comprehensive income attributable to:		
Owners of the parent.....	613	336
Non-controlling interests.....	4	87

- (1) Following the change of the reporting currency from euro to U.S. dollar, the figures reported for the full-year 2013 have been recast for comparative purposes. For additional information, see the section “Significant accounting policies,” paragraph “Changes in presentation currency” set forth in the notes to the unaudited consolidated financial statements of the CNH Industrial Group as of and for the six months ended June 30, 2014 and 2013 incorporated by reference in this Base Prospectus.

	For the years ended December 31,	
	2013	2012 ⁽¹⁾
(in millions of euro)	(Audited)	
Profit/(loss) (A)	917	900
Other comprehensive income that will not be reclassified subsequently to profit or loss:		
Gains/(losses) on the remeasurement of defined benefits plans	116	(196)
Income tax relating to other comprehensive income that will not be reclassified subsequently to profit or loss	(67)	25
Total other comprehensive income that will not be reclassified subsequently to profit or loss, net of tax (B1)	49	(171)
Other comprehensive income that may be reclassified subsequently to profit or loss:		
Gains/(losses) on cash flow hedges	109	45
Gains/(losses) on fair value of available-for-sale financial assets.....	—	—
Gains/(losses) on exchange differences on translating foreign operations ..	(615)	(223)
Share of other comprehensive income of entities consolidated by using the equity method	(40)	(47)
Income tax relating to components of other comprehensive income that may be reclassified subsequently to profit or loss.....	(31)	(10)
Total other comprehensive income that may be reclassified subsequently to profit or loss, net of tax (B2)	(577)	(235)
Total other comprehensive income, net of tax (B) = (B1) + (B2)	(528)	(406)
Total comprehensive income (A) + (B)	389	494
Total comprehensive income attributable to:		
Owners of the parent.....	299	421
Non-controlling interests.....	90	73

- (1) Following the retrospective application of the amendment to IAS 19 from January 1, 2013 the comparative figures at December 31, 2012 have been recast as required by IAS 1. For additional information, see paragraph “Accounting standards, amendments and interpretations adopted from January 1, 2013” set forth in the notes to the consolidated financial statements of the CNH Industrial Group as of and for the financial years ended December 31, 2013 and 2012 incorporated by reference in this Base Prospectus.

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 Selling and Transfer 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 Selling and Transfer 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. Where the Issuer is CNH Industrial, payments of interest made in respect of Notes issued by it should generally be expected 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) such that there is no written instrument in respect of that transfer.

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 (whereby it is noted that from January 1, 2015, the regime whereby a non-Netherlands tax resident can elect to be treated as a Netherlands tax resident will be replaced by a mandatory qualification as a 'qualifying foreign taxpayer' on the basis of certain objective criteria);
- (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 addresses certain Luxembourg tax consequences for 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, and 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 Directive 2009/65/EC of the European Parliament and of

the Council of the European Union 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 Council of the European Union adopted certain amendments to the Savings Directive, which will, upon implementation, 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 by the law of July 17, 2008, 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 Directive 2009/65/EC of the European Parliament and of the Council of the European Union or for the exchange of information regime). Responsibility for the 10 percent Luxembourg Withholding Tax will be assumed by the Luxembourg paying agent.

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 framework 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 disposal of the Notes owned in the framework of their private wealth, unless the disposal of the Notes precedes their acquisition or the Notes are disposed of within six months of their acquisition. 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 holders of Notes 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 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.

Italy

Law Decree of April 24, 2014, No. 66 (“Decree No. 66”), as converted, with amendments, into Law of June 23, 2014, No. 89, partially amended the tax regime applicable to income earned in connection with financial

instruments, including, but not limited, the Notes, as illustrated, where applicable, below. Such new rules are effective as of July 1, 2014.

Prospective investors are urged to consult their own tax advisors as to the consequences arising thereto in connection with the purchase, holding and/or disposal of the Notes as a result of the changes introduced by Decree No. 66.

Interest Income

Legislative Decree No. 239 of April 1, 1996, as amended (“Legislative Decree 239”) provides for the tax treatment applicable to interest, premium and other income (including the difference between the redemption amount and the issue price; such interest, premium and other income collectively referred to as the “Notes Income”) arising from notes falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) issued, *inter alia*, by foreign companies, such as the Notes, provided that these securities are deposited with banks, qualified financial intermediaries (SIMs), fiduciary companies, asset management companies (SGRs), stockbrokers and other entities identified by a decree of the Ministry of Economy and Finance (each, an “Intermediary”). An Intermediary must (i) be resident in Italy or be the Italian permanent establishment of a non-Italian resident financial intermediary and (ii) intervene, in any way, in the collection of interest accrued on, or in the transfer of, the notes. For the purpose of Legislative Decree 239, a transfer of notes includes any assignment or transfer, made either with or without consideration, which results in a change of the ownership of the relevant notes or in a change of the Intermediary with which the notes are deposited.

Italian Resident Holders

Where an Italian resident holder of the Notes is (i) an individual not engaged in an entrepreneurial activity to which the Notes are connected (unless he has opted for the application of the discretionary investment portfolio regime — see under section “*Capital gains*” below), (ii) a non-commercial partnership, (iii) a non-commercial private or public institution, or (iv) an investor exempt from Italian corporate income tax, any Notes Income accrued by such holder during the relevant holding period is subject to a final withholding tax referred to as “*imposta sostitutiva*,” levied at the rate of 26%, when the Notes Income is cashed or deemed to be cashed upon the disposal for a consideration of the Notes.

In case the holders falling under (i) or (iii), above, are engaged in an entrepreneurial activity to which the Notes are connected, the Notes Income is currently included in their overall year-end taxable income on an accrual basis and taxed at progressive rates of personal income tax (IRPEF) with respect to individuals doing business either directly or through a partnership (currently, the marginal rate equals 43%, plus an additional surcharge of up to 3.2% depending on the municipality of residence and an extraordinary surcharge — called “*contributo di solidarietà*” — of 3% on any income in excess of €300,000, such extraordinary surcharge being deductible from taxable income and currently applicable for the 2014-2016 tax periods) or corporate income tax (IRES), with respect to private and public institutions, currently levied at a rate of 27.5%. In such cases, the *imposta sostitutiva* is levied as a provisional tax creditable against the overall income tax due.

Where an Italian resident holder is a company or similar commercial entity, the Notes Income would not be subject to the *imposta sostitutiva*, but currently included in the holder’s overall year-end income as accrued and is therefore subject to corporate income tax and, in addition, in certain circumstances, depending on the “status” of the holder (*i.e.*, generally, in the case of banks or financial institutions), to a regional quasi-income tax (IRAP), generally levied at a rate that may vary between 3.50% and 6.22%, depending on the holder’s actual “status” and region of residence.

The Notes Income received by (i) Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of January 25, 1994 or pursuant to Article 14-*bis* of Law No. 86 of January 25, 1994, or (ii) pursuant to Law Decree No. 225 of December 29, 2010, an Italian resident open-ended or a closed-ended investment fund, or a SICAV, is exempt from taxation at the level of such entities.

Where an Italian resident holder is a pension fund subject to the regime provided for by Article 17 of Legislative Decree No. 252 of December 5, 2005, the Notes Income accrued during the holding period is not subject to the *imposta sostitutiva* but is included in the year-end result of the fund’s relevant portfolio, which

is subject to a substitute tax currently levied at a rate of 11% which is increased to 11.5% for 2014 pursuant to Law No. 89 of June 23, 2014.

The *imposta sostitutiva* is levied by the Intermediary with which the Notes are deposited that intervenes in the collection of the Notes Income.

Where the Notes are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any entity paying the Notes Income to a Notes' holder.

Pursuant to Law No. 89 of June 23, 2014, non-commercial pension entities incorporated under Law No. 509 of June 30, 1994 or Law No. 103 of February 10, 1996 are entitled to a tax credit equal to the positive difference between withholding taxes and substitutive taxes levied at a rate of 26% on financial proceeds deriving from their investments (including the Notes) from July 1, 2014 to December 31, 2014, as certified by the relevant withholding agent, and a notional 20% taxation, provided that such credit is disclosed by such entities in the annual corporation tax return.

Non-Italian Resident Holders

No Italian tax is applicable to payments of Notes Income made to a non-Italian resident holder that does not have a permanent establishment in Italy through which the Notes are held, provided that such holder makes a statement to that effect, if and when required according to the applicable Italian tax regulations.

Capital Gains

Italian Resident Holders

Capital gains realised upon the sale or redemption of the Notes is currently included in the overall taxable income of an Italian company or a similar commercial entity (including the Italian permanent establishment of foreign entities to which the Notes are connected) or Italian resident individuals engaged in an entrepreneurial activity to which the Notes are connected. As such, it is subject to corporate or personal income tax, as the case may be, at the rates illustrated above. In addition, in certain circumstances, depending on the "status" of the holder, it may also be subject to IRAP.

Capital gains arising from the sale or redemption of the Notes realised by an Italian resident holder who is an individual not engaged in an entrepreneurial activity to which the Notes are connected, are subject to a capital gains tax (*imposta sostitutiva sulle plusvalenze azionarie*), levied at the rate of 26%, pursuant to one of the following regimes:

- (i) under the tax return regime (*regime della dichiarazione*), which is the default regime for Italian resident individuals not engaged in an entrepreneurial activity to which the Notes are connected, the capital gains tax is chargeable, on a cumulative basis, on all capital gains, net of any incurred capital loss, realised by any such holder on all sales or redemptions of the Notes occurring in any given tax year. Capital losses in excess of capital gains may be carried forward and offset against capital gains realised in any of the four succeeding years. Pursuant to Decree No. 66, carried-forward capital losses may be offset against gains realised as of July 1, 2014 for an amount equal to (i) 48.08%, if realised up to December 31, 2011, and (ii) 76.92%, if realised between January 1, 2012 and June 30, 2014. Capital gains, net of any relevant incurred deductible capital loss, must be reported in the year-end tax return and the tax must be paid on the capital gain together with any income tax due for the relevant tax year; or
- (ii) under the non-discretionary portfolio regime (*regime del risparmio amministrato*), the holder may elect to pay the tax separately on capital gains realised on each sale or redemption of the Notes. This separate taxation of capital gains is allowed subject to (x) the Notes being deposited with Italian banks, SIMs or certain authorised financial intermediaries and (y) the holder making a timely election in writing for the *regime del risparmio amministrato*, addressed to any such intermediary. The depositary is then responsible for accounting for the tax in respect of capital gains realised on each sale or redemption of the Notes (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss, withholding and remitting it to the Treasury the tax due. Capital losses in excess of capital

gains realised within the depository relationship may be carried forward and offset against capital gains realised in any of the four succeeding years. Pursuant to Decree No. 66, carried-forward capital losses may be offset against gains realised as of July 1, 2014 for an amount equal to (i) 48.08%, if realised up to December 31, 2011, and (ii) 76.92%, if realised between January 1, 2012 and June 30, 2014; or

- (iii) under the discretionary portfolio regime (*regime del risparmio gestito*), eligible when the Notes are included in a portfolio discretionarily managed by an authorised intermediary, the capital gains tax is paid on the appreciation of the overall investment portfolio of the holder managed by such intermediary accrued in any given year (including the gains realised on the sale or redemption of the Notes). The tax is paid by the authorised intermediary. Any depreciation of the investment portfolio accrued at year-end may be carried forward and netted against the appreciation accrued in any of the four succeeding tax years. Pursuant to Decree No. 66, carried-forward depreciations may be offset against increases in value accrued as of July 1, 2014 for an amount equal to (i) 48.08%, if accrued up to December 31, 2011, and (ii) 76.92%, if accrued between January 1, 2012 and June 30, 2014.

Capital gains realised by (i) Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of 1994 or pursuant to Article 14-*bis* of Law No. 86 of 1994, or (ii) pursuant to Law Decree No. 225 of 2010, an Italian resident open-ended or a closed-ended investment fund, or a SICAV, is exempt from taxation at the level of such entities.

Any capital gains realised by a holder that is an Italian pension fund (subject to the regime provided for by Article 17 of Legislative Decree No. 252 of 2005) is included in the balance of the fund's relevant portfolio accrued at the end of the tax period, to be subject to the 11.5% substitute tax.

Non-Italian Resident Holders

Capital gains realised by non-Italian resident holders from the sale or redemption of the Notes are not subject to Italian taxation, provided that the Notes are held outside Italy.

Inheritance and Gift Taxes

Pursuant to Law Decree No. 262 of October 3, 2006, as converted in law, with amendments, pursuant to Law No. 286 of November 24, 2006, a transfer of the Notes by reason of death or gift is subject to an inheritance and gift tax levied on the value of the inheritance or gift, as follows:

- Transfers to a spouse or direct descendants or ancestors up to €1,000,000 to each beneficiary are exempt from inheritance and gift tax. Transfers in excess of such threshold will be taxed at a 4% rate on the value of the Notes exceeding such threshold;
- Transfers between relatives up to the fourth degree other than siblings, and direct or indirect relatives by affinity up to the third degree are taxed at a rate of 6% on the value of the Notes (where transfers between siblings up to a maximum value of €100,000 for each beneficiary are exempt from inheritance and gift tax); and
- Transfers by reason of gift or death of Notes to persons other than those described above will be taxed at a rate of 8% on the value of the Notes.

If the beneficiary of any such transfer is a disabled individual, whose handicap is recognised pursuant to Law No. 104 of February 5, 1992, the tax is applied only on the value of the assets (including the Notes) received in excess of €1,500,000 at the rates illustrated above, depending on the type of relationship existing between the deceased or donor and the beneficiary.

Stamp Duty on the Notes

Pursuant to Article 13(2-ter) of the Tariff (*tariffa*) attached to Presidential Decree No. 642 of October 26, 1972 (as amended with Law Decree No. 201 of December 6, 2011, converted into law with Law No. 214 of December 22, 2011, and subsequently with Law Decree No. 16 of March 2, 2012, converted into law with

Law No. 44 of April 26, 2012, with Law No. 228 of December 24, 2012 and with Law No. 147 of December 27, 2013), regulating the Italian stamp duty, a proportional stamp duty applies on the periodic reporting communications sent by Italian-based financial intermediaries to their clients with respect to any financial instruments (including bonds, such as the Notes). The stamp duty does not apply to the communications sent or received by pension funds and health funds.

Such stamp duty is generally levied by the above-mentioned financial intermediaries, and computed on the fair market value of the financial instruments or, in case the fair market value cannot be determined, on their face or redemption values (or purchase cost) at a rate of, as of 2014, 0.2% with a cap of €14,000 for clients other than individuals. The stamp duty is levied on an annual basis. In case of reporting periods of less than 12 months, the stamp duty is pro-rated.

Moreover, pursuant to Article 19(18-23) of Law Decree No. 201 of December 6, 2011 (as amended with Law No. 228 of December 24, 2012 and with Law No. 147 of December 27, 2013), a similar duty applies on the fair market value (or, in case the fair market value cannot be determined, on their face or redemption values, or purchase cost) of any financial asset (including bonds such as the Notes) held abroad by Italian resident individuals. Such duty will apply at a rate of 0.2% as of 2014. A tax credit is granted for any foreign property tax levied abroad on such financial assets.

Prospective investors are urged to consult their own tax advisors as to the tax consequences of the application of the new stamp duty on their investment in Notes.

Payments made by the Guarantor

There is no authority directly addressing the Italian tax regime of payments made by the Guarantor under the Guarantee.

According to one interpretation of Italian tax law, payments in lieu of interest made by the Guarantor under the Guarantee may be subject to the same regime described above under section “*Interest Income*”.

According to another interpretation of Italian tax law, any payments made by the Guarantor under the Guarantee to such holders may be subject to a 26% tax levied by means of a final or provisional withholding, depending on “status” of the relevant holder of the Notes.

No Italian taxation would apply with respect to payments made to a non-Italian resident holder that does not have a permanent establishment in Italy through which the Notes are held.

Prospective investors are urged to consult their own tax advisors as to the tax consequences of any such withholding, including the potential availability of foreign tax credits or deductions for such withholding.

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”). If a partnership (or other entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds Notes, the tax treatment of a partner therein will generally depend on the status of the partner and the activities of the partnership. Partners of a partnership holding Notes should consult their tax advisor as to the particular U.S. federal income tax consequences applicable to them. 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.

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) 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 realised on the sale, exchange or redemption of the Note unless, in the case of gain realised 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 that, in the case of a sale, exchange, redemption or other taxable disposition effected after December 31, 2016 of a Note, 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 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.

European Union Directive on Taxation of Savings Income

Under 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.

On March 24, 2014 the Council of the European Union adopted a directive amending the Savings Directive (the “Amending Directive”) which, when implemented, will broaden the scope of the rules described above. The member states will have until January 1, 2016 to adopt national legislation necessary to comply with the Amending Directive (which national legislation must apply from January 1, 2017). The changes made under the Amending Directive include extending the scope of the Savings Directive to payments made to, or secured for, certain other entities and legal arrangements (including trusts and partnerships), where certain conditions are satisfied. They also broaden the definition of “interest payment” to cover income that is equivalent to interest.

Investors who are in any doubt as to their position should consult their professional advisers.

The proposed European Union financial transactions tax (“FTT”)

On February 14, 2013, the European Commission published a proposal (the “Commission’s Proposal”) for a directive for the introduction of an FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “Participating Member States”).

The Commission’s Proposal has very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. In May 2014, a joint statement by ministers of the FTT Participating Member States (excluding Slovenia) proposed “progressive implementation” of the FTT, with the initial form applying the tax to transactions in shares and some derivatives and the first steps occurring by January 1, 2016.

Following the FTT Participating Member States’ joint statement, it is unclear which aspect of the draft FTT proposed will be implemented. Under the Commission’s Proposal, 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 may be subject to legal challenge in the future. 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 following summary describes the principal PRC tax consequences of ownership of the Notes by beneficial owners who, or which, are residents of mainland China for PRC tax purposes or who may be otherwise subject to PRC income tax if the interests on other gains are regarded as income derived from sources within the PRC. Holders of Notes should consult their own tax advisers with regard to the application of PRC tax laws to their particular situations as well as any tax consequences arising under the laws of any other tax jurisdiction.

If the holder of the Notes is a PRC entity or individual who, or which, is a resident of the PRC, for PRC tax purposes, pursuant to the PRC Enterprise Income Tax Law and the PRC Individual Income Tax Law and their implementation rules, an income tax shall be levied on both capital gains and payment of interest gained by a PRC resident in respect of the Notes. The current rates of such income tax are twenty percent (20%) for individual PRC resident and twenty five percent (25%) for any enterprise incorporated in the PRC.

In addition, pursuant to the PRC Enterprise Income Tax Law, if an enterprise incorporated outside the PRC has its “*de facto* management body” located within the PRC, such enterprise may be regarded as a “PRC resident enterprise” and thus may be subject to the enterprise income tax at the rate of twenty five percent (25%) on its worldwide income. Under the Implementation Rules on the PRC Enterprise Income Tax Law, “*de facto* management body” is defined as the bodies that substantially exert comprehensive management and control on the business, personnel, accounts and assets of an enterprise. If any holder of the Notes is determined as a “PRC resident enterprise” because its “*de facto* management body” is located in the territory

of the PRC, any interest and capital gains paid to such holders may be subject to PRC enterprise income tax at a rate of twenty five percent (25%).

PRC income tax are generally applicable at the rate of 10% to interest and other gains payable to holders that are non-resident enterprises of the PRC, or at the rate of 20% to interest and other gains payable to holders that are non-resident individuals of the PRC, to the extent such interest or gains are regarded as income derived from sources within the PRC. Such 10% or 20% tax rate could be reduced by applicable treaties between PRC and the jurisdiction of the holder.

The holders of Notes who are not resident in the PRC for PRC tax purposes are generally not 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. However, if any of the Issuers or the Guarantor is deemed as a PRC tax resident enterprise for PRC tax purposes, such payment of interest or other gains may be deemed to be derived from sources within PRC and subject to PRC income tax.

SUBSCRIPTION AND SALE, AND SELLING AND TRANSFER RESTRICTIONS

The Dealers have, in an amended and restated programme agreement (the “Programme Agreement”) dated October 29, 2014, 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 (failing which 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.

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 (including any relevant selling restrictions) 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). If such purchaser is a non-bank fiduciary acting on behalf of others, each person for whom it is acting must purchase at least U.S.\$100,000 (or the approximate equivalent thereof in any other currency) principal amount of the Notes. 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. Each Dealer has also represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not distributed, and will not distribute, the Base Prospectus or any other offering material relating to the Notes in Canada without the written permission of the Issuers. 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 has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes 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 (Winding Up and Miscellaneous Provisions) 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 renewal of the Programme by the Issuer and the Guarantor has been duly authorised by resolutions of the board of directors of each of CNH Industrial, CIFE and CIFNA, dated, respectively (i) September 9, 2013 and January 30, 2014; (ii) October 16, 2014; and (iii) October 27, 2014.

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, including the Articles of Association (in the case of CNH Industrial, with an English translation thereof) of each Issuer;
- (ii) the audited consolidated annual financial statements of the CNH Industrial Group, as of and for the financial years ended December 31, 2013 and 2012, prepared in accordance with IFRS, as well as IFRS as adopted by the European Union;
- (iii) the audited annual statutory financial statements of CNH Industrial (formerly FI CBM Holdings N.V.) as of and for the financial year ended December 31, 2013, prepared in accordance with the legal requirements set forth in Title 9, Book 2 of the Dutch Civil Code;
- (iv) the independent auditors’ report on (a) the audited consolidated annual financial statements of the CNH Industrial Group as of and for the financial year ended December 31, 2013, and (b) the audited annual statutory financial statements of CNH Industrial (formerly FI CBM Holdings N.V.) as of and for the financial year ended December 31, 2013;
- (v) the unaudited consolidated financial statements of the CNH Industrial Group as of and for the six months ended June 30, 2014 and 2013, prepared in accordance with IFRS as well as IFRS as adopted by the European Union;
- (vi) the unconsolidated audited annual financial statements of each of CIFE (formerly Fiat Industrial Finance Europe S.A.) and CIFNA (formerly Fiat Industrial Finance North America, Inc.) as of and for the financial years ended December 31, 2013 and 2012, prepared in accordance with, respectively, Luxembourg legal and regulatory requirements and IFRS and the respective independent auditors’ report thereon;
- (vii) 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;

- (viii) a copy of the Base Prospectus;
- (ix) 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
- (x) 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 “*Presentation of Financial and Other Information—Presentation of Financial Information*” and “*CNH Industrial Group Financial Review*” above, there has been no significant change in the financial or trading position of (i) each of CIFNA and CIFE since December 31, 2013, or (ii) CNH Industrial or the Group since June 30, 2014.

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, 2013.

Litigation

Except as disclosed in the sections “*Risk Factors—The Group’s business operations may be impacted by various types of claims, lawsuits and other contingent obligations*” 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 CIFNA (formerly Fiat Industrial Finance North America, Inc.) as of and for the financial years ended December 31, 2013 and 2012 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 CIFE (formerly Fiat Industrial Finance Europe S.A.) as of and for the financial years ended December 31, 2013 and 2012 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.

From the effective date of the Merger, *i.e.* September 29, 2013, the independent auditors of the CNH Industrial Group, with respect to the consolidated and the statutory financial statements of CNH Industrial prepared in accordance with, respectively, (x) IFRS as adopted by the European Union, and (y) the legal requirements set forth in Title 9, Book 2 of the Dutch Civil Code, are Ernst & Young Accountants LLP, with its registered office at Boompjes 258, 3011 XZ Rotterdam, the Netherlands.

The "*Registeraccountants*" of Ernst & Young Accountants LLP are members of the NBA (*Nederlandse Beroepsorganisatie van Accountants* – The Netherlands Institute of Chartered Accountants), which is the Dutch member of the International Federation of Accountants. Ernst & Young Accountants LLP is a registered audit firm holding a permit issued by the Dutch Authority for Financial Markets (AFM) as competent authority for public oversight of approved statutory auditors and audit firms in the Netherlands.

The independent auditors of the Fiat Industrial Group, the predecessor to the CNH Industrial Group, as of and for the financial years ended December 31, 2012 and 2011 were Reconta Ernst & Young S.p.A., Corso Vittorio Emanuele II 83, 10128, Turin, Italy.

Reconta Ernst & Young S.p.A. is authorised and regulated by the Italian Minister of Economic Affairs and Finance ("MEF") and is registered in the register of auditing firms held by the MEF.

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 and 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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