

# 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 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*

**€10,000,000,000**

## **Euro Medium Term Note Programme**

Under the €10,000,000,000 Euro Medium Term Note Programme (the “Programme”) described in this base prospectus (the “Base Prospectus”), CNH Industrial N.V. (“CNH Industrial” or the “Company”) and CNH Industrial Finance Europe S.A. (“CIFE”) (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 (the “Guaranteed Notes”) will be unconditionally and irrevocably guaranteed by CNH Industrial (in such capacity, the “Guarantor”).

CIFE has a right of substitution as set out in Condition 15(a) and Condition 15(c). CIFE may at any time, without the consent of the Noteholders or the Couponholders, substitute for itself as principal debtor under the Notes and the Coupons either CNH Industrial as Issuer or any of CNH Industrial’s Subsidiaries (as defined below). CNH Industrial has a right of substitution as set out in Condition 15(b). CNH Industrial may, at any time, without the consent of the Noteholders or the Couponholders, substitute for itself as principal debtor under the Notes and Coupons any of its Subsidiaries provided that CNH Industrial shall guarantee the obligations of such Subsidiary. The relevant Subsidiary (failing which, CNH Industrial) shall indemnify each Noteholder and Couponholder against any adverse tax consequences of such a substitution. For further details regarding these rights of substitution, see Condition 15.

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 as a base prospectus by the Central Bank of Ireland (the “Central Bank”) as competent authority under Regulation (EU) 2017/1129 (the “Prospectus Regulation”). The Central Bank only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the Central Bank of Ireland should not be considered as an endorsement of the relevant Issuer or the Guarantor or of the quality of the Notes. Investors should make their own assessment as to the suitability of investing in the Notes. Such approval relates only to the Notes which are to be admitted to trading on a regulated market for the purposes of Directive 2014/65/EU (as amended, “MiFID II”) and/or which are to be offered to the public in any member state of the European Economic Area or in the United Kingdom (each, a “Relevant State”). Application has been made to the Irish Stock Exchange Plc trading as Euronext Dublin (“Euronext Dublin”) 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 “Euronext Dublin” (and all related references) shall mean the regulated market of Euronext Dublin. 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 Euronext Dublin 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 Euronext Dublin is a regulated market for the purposes of MiFID II (each such regulated market being a “MiFID Regulated Market”). This document may be used to list Notes on the regulated market of Euronext Dublin 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 a Relevant State and/or offered to the public in a Relevant State in circumstances which require the publication of a prospectus under the Prospectus Regulation will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

This Base Prospectus (as supplemented as at the relevant time, if applicable) is valid for 12 months from its date in relation to Notes which are to be admitted to trading on a regulated market in the EEA. For these purposes, references to the EEA include the United Kingdom. The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid.

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 Euronext Dublin, 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 Euronext Dublin or offered in circumstances which require a prospectus to be published under the Prospectus Regulation will be available free of charge, at the registered office of CIFE, at the principal office of CNH Industrial and at the specified office of each of the Paying Agents (as defined under “*Terms and Conditions of the Notes*”), as well as on CNH Industrial’s website at <http://www.cnhindustrial.com/en-US/Pages/HomePage.aspx>. CNH Industrial’s website and its content (except for any documents available at the links mentioned herein to the extent incorporated by reference herein) do not form part of the Base Prospectus and have not been scrutinised or approved by the Central Bank.

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, the Notes and any Guarantee thereof have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”) and are subject to United States tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to or for the account or benefit of U.S. persons.

Amounts payable under Floating Rate Notes may be calculated by reference to LIBOR, EURIBOR or CNH HIBOR as specified in the relevant Final Terms. As at the date of this Base Prospectus, (i) the administrators of LIBOR and EURIBOR, ICE Benchmark Administration Limited and the European Money Market Institute, respectively, appear on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (“ESMA”) pursuant to article 36 of Regulation (EU) 2016/1011 (the “Benchmark Regulation”) and (ii) the administrator CNH HIBOR does not appear on such register.

As far as each of CNH Industrial and CIFE is aware, the transitional provisions in Article 51 of the Benchmark Regulation apply, such that Treasury Markets Association (as administrator of CNH HIBOR) is not currently required to obtain authorisation or registration (or, if located outside the European Union and the United Kingdom, recognition, endorsement or equivalence).

**Arrangers**

BNP PARIBAS

Citigroup

**Dealers**

Banca IMI  
BBVA  
BofA Securities  
Commerzbank  
Deutsche Bank  
ING  
Mediobanca  
Morgan Stanley  
Natixis  
Rabobank  
Santander Corporate & Investment Banking  
UniCredit Bank

Barclays  
BNP PARIBAS  
Citigroup  
Crédit Agricole CIB  
Goldman Sachs International  
J.P. Morgan  
Mizuho Securities  
MUFG  
NatWest Markets  
RBC Capital Markets  
Société Générale Corporate & Investment Banking  
Wells Fargo Securities

The date of the Base Prospectus is March 27, 2020

The Base Prospectus is a base prospectus for the purposes of Article 8 of the Prospectus Regulation 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. 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 CNH Industrial when 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.

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 and any Guarantee thereof have not been and will not be registered under the Securities Act or the securities law of any U.S. state or other jurisdiction of the United States, and may not be offered, sold or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. persons (as defined in Regulation S under the Securities Act (“Regulation S”)), unless the Notes are registered under the Securities Act or are sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or such state securities laws. The Notes may be offered and sold outside the United States to non-U.S. persons in reliance on Regulation S. See “Form of the Notes” for a description of the manner in which the Notes will be issued.

The Notes 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. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and the Treasury regulations promulgated thereunder.

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

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

Other than in relation to the documents which are deemed to be incorporated by reference (see “*Documents Incorporated by Reference*”), the information on the websites to which this Base Prospectus refers does not form part of this Base Prospectus and has not been scrutinised or approved by the Central Bank of Ireland.

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.

Neither the Dealers nor any of their respective affiliates have authorised the whole or any part of this base Prospectus and none of them accepts any responsibility for any acts or omissions of any Issuer or the Guarantor or any other person in connection with any issue and offering of any Notes under 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 any 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 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 any 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 any 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), the United Kingdom and the European Economic Area, including Italy and the Netherlands. In particular, the Notes have not been and will not be registered under the Securities Act and are subject to United States tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to or for the account or benefit of U.S. persons. See "*Subscription and Sale*".

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.

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 or Issuer. 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 or the United Kingdom 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 or the United Kingdom and registered under the CRA Regulation.

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.

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.

#### **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.

### **IMPORTANT – PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS**

If the Final Terms in respect of any Notes includes a legend entitled “Prohibition of Sales to EEA and UK Retail Investors”, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the “EEA”) or in the United Kingdom (the “UK”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the “Insurance Distribution Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

### **MIFID II PRODUCT GOVERNANCE / TARGET MARKET**

The Final Terms in respect of any Notes will include a legend entitled “MiFID II Product Governance” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a “distributor”) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the “MiFID Product Governance Rules”), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

### **NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT (CHAPTER 289) OF SINGAPORE**

In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the “SFA”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “CMP Regulations 2018”), unless otherwise stated in the Final Terms in respect of any Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that all Notes issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

### **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 (as defined below) was formed through the demerger of the capital goods activities of Fiat S.p.A. (now FCA (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, 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;

- (b) references to “CNH Industrial” or the “Company” 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 “FCA” are to Fiat Chrysler Automobiles N.V. and, to the extent that such references are made to FCA prior to the merger of Fiat S.p.A. into Fiat Investments N.V. which was completed on October 12, 2014, such references are to Fiat S.p.A.;
- (e) references to the “FCA Group” are to Fiat Chrysler Automobiles N.V. and its direct and indirect subsidiaries and, to the extent that such references are made to the FCA Group prior to the effective date of the merger mentioned under (d) above, such references are to Fiat S.p.A. and its direct and indirect subsidiaries;
- (f) references to the “Fiat Industrial Group” are to Fiat Industrial and its direct and indirect subsidiaries, prior to the Merger;
- (g) references to “CNH Global” are to CNH Global N.V., a public limited liability company formed on November 12, 1999 under the laws of the Netherlands;
- (h) references to “Industrial Activities” are to the operations carried out by the four industrial segments, Agriculture, Construction, Commercial and Specialty Vehicles and Powertrain, as well as corporate functions;
- (i) references to “Agriculture” or to the “Agriculture segment” are to the business segment of the CNH Industrial Group operating in the agricultural equipment business;
- (j) references to “Construction” or to the “Construction segment” are to the business segment of the CNH Industrial Group operating in the construction equipment business;
- (k) references to “Commercial and Specialty Vehicles” or to the “Commercial and Specialty Vehicles segment” are to the business segment of the CNH Industrial Group operating in the commercial and specialty vehicles business;
- (l) references to “Powertrain” or to the “Powertrain segment” are to the business segment of the CNH Industrial Group operating in the powertrain components business;
- (m) 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;
- (n) references to the “Annual Report 2019” are to the annual report at December 31, 2019 of the CNH Industrial Group prepared in accordance with IFRS as adopted by the European Union (“EU-IFRS”) and with Part 9 of Book 2 of the Dutch Civil Code;
- (o) references to the “Annual Report 2018” are to the annual report at December 31, 2018 of the CNH Industrial Group prepared in accordance with EU-IFRS and with Part 9 of Book 2 of the Dutch Civil Code;
- (p) references to (i) “North America” (formerly “NAFTA”) means the United States, Canada and Mexico; (ii) “Europe” means the United Kingdom and member countries of the European Union, European Free Trade Association, Ukraine and Balkans, formerly included in EMEA; (iii) “South America” (formerly “LATAM”) means Central and South America and the Caribbean Islands; and (iv) “Rest of World” means Continental Asia (including Turkey and Russia), Oceania and member countries of the Commonwealth of Independent States (excluding Ukraine), formerly included in APAC, and African continent and Middle East, formerly included in EMEA; and

- (q) 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, 2019 and 2018 included in this Base Prospectus under “*Financial Information Relating to the CNH Industrial Group*” has been extracted from the audited consolidated financial statements of the CNH Industrial Group as of and for the financial years ended December 31, 2019 and 2018 (the “**Consolidated Financial Statements**”).

The Consolidated Financial Statements are incorporated by reference herein, as described under “*Documents Incorporated by Reference*”.

The Consolidated Financial Statements have been prepared in accordance with EU-IFRS and with Part 9 of Book 2 of the Dutch Civil Code. For additional information on such accounting policies, please see section “*Significant accounting policies*” set forth in the Consolidated Financial Statements, incorporated by reference in this Base Prospectus.

Effective January 1, 2019, CNH Industrial has adopted IFRS 16 - *Leases*, replacing IAS 17 - *Leases*. IFRS 16 eliminates the classification of leases for the lessee as either operating leases or finance leases, as required by IAS 17, introduces a single lessee accounting model, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. CNH Industrial has applied the new lease standard using the modified retrospective approach, without recasting prior periods. On January 1, 2019 (date of first adoption), CNH Industrial recognised approximately \$480 million right-of-use assets and lease liabilities in its consolidated statement of financial position, without transition effect to equity. The impact of the adoption of IFRS 16 on the 2019 consolidated income statement and consolidated statement of cash flows at December 31, 2019 is immaterial. For additional information relating to the impact of adoption of new standards, refer to the paragraph “*New standards and amendments effective from January 1, 2019*” in the Notes to the Consolidated Financial Statements at December 31, 2019 incorporated by reference herein.

The financial information as of and for the financial years ended December 31, 2019 and 2018 included in this Base Prospectus under “*Financial Information Relating to CNH Industrial N.V.*” has been extracted from the audited company financial statements of CNH Industrial as of and for the financial years ended December 31, 2019 and 2018 (the “**Company Financial Statements**”).

The Company Financial Statements are incorporated by reference herein, as described under “*Documents Incorporated by Reference*” and have been prepared in accordance with the legal requirements of Part 9, Book 2 of the Dutch Civil Code. Section 362(8), Book 2 of the Dutch Civil Code allows companies that apply EU-IFRS in their consolidated financial statements to use the same measurement principles in their company financial statements. For additional information on such accounting policies, please see section “*Significant accounting policies*” set forth in the Consolidated Financial Statements, incorporated by reference in this Base Prospectus. In the Company Financial Statements, investments in subsidiaries are accounted for using the equity method. The Company Financial Statements are presented in euros, CNH Industrial’s functional currency. The euro functional currency of the Company Financial Statements differs from the U.S. dollar presentation currency of the Consolidated Financial Statements, which was elected to be used in order to improve comparability with main competitors, mainly in agricultural equipment and construction equipment businesses, and to provide more meaningful information to U.S. investors.

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

CIFE’s audited statutory financial statements as of and for the financial years ended December 31, 2019 and 2018 (the “**CIFE 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), 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 (“Macau”) 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.

### **Alternative Performance Measures (or “Non-GAAP Financial Measures”)**

The Group monitors its operations through the use of several non-GAAP financial measures. The Group believes that these non-GAAP financial measures provide useful and relevant information regarding the Group’s operating results and enhance the reader’s ability to assess the Group’s financial performance and financial position. These measures facilitate management’s ability to identify operational trends, as well as make decisions regarding future spending, resource allocations and other operational decisions, as they provide additional transparency with respect to the Group’s core operations. These financial measures have no standardised meaning under EU-IFRS and are unlikely to be comparable to other similarly titled measures used by other companies and are not intended to be substitutes for measures of financial performance and financial position as prepared in accordance with EU-IFRS.

As of December 31, 2019, the Group’s non-GAAP financial measures are defined as follows:

- *Adjusted EBIT under EU-IFRS*: is defined as profit/(loss) before taxes, financial income/(expense) of Industrial Activities, restructuring costs, and certain non-recurring items. In particular, non-recurring items are specifically disclosed items that management considers to be rare or discrete events that are infrequent in nature and not reflective of on-going operational activities.
- *Adjusted EBITDA under EU-IFRS*: is defined as Adjusted EBIT plus depreciation and amortisation (including on assets sold under operating leases and assets sold under buy-back commitments).
- *Adjusted EBIT under U.S. GAAP*: is derived from financial information prepared in accordance with U.S. GAAP and is defined as net income (loss) before income taxes, interest expenses of Industrial Activities, net, restructuring expenses, the finance and non-service component of pension and other post-employment benefit costs, foreign exchange gains/ (losses), and certain non-recurring items.
- *Adjusted EBITDA under U.S. GAAP*: is derived from financial information prepared in accordance with U.S. GAAP and is defined as Adjusted EBIT plus depreciation and amortisation (including on assets sold under operating leases and assets sold under buy-back commitments).
- *Adjusted Diluted EPS under U.S. GAAP*: is derived from financial information prepared in accordance with U.S. GAAP and is computed by dividing Adjusted Net Income (loss) attributable to CNH Industrial by a weighted-average number of common shares outstanding during the period that takes into consideration potential common shares outstanding deriving from the CNH Industrial share-based payment awards, when inclusion is not anti-dilutive. When guidance for Adjusted diluted EPS is provided, the Group does not provide guidance on an earnings per share basis because the GAAP measure will include potentially significant items that have not yet occurred and are difficult to predict with reasonable certainty prior to year-end.

- *Net Debt and Net Debt of Industrial Activities under EU-IFRS:* Net Debt is defined as total Debt plus Other financial liabilities, net of Cash and cash equivalents, Current securities, Other financial assets and other current financial assets. The Group provides the reconciliation of Net Debt to Total Debt, which is the most directly comparable GAAP financial measure included in the consolidated statement of financial position in the Consolidated Financial Statements. Due to different sources of cash flows used for the repayment of the debt between Industrial Activities and Financial Services (by cash from operations for Industrial Activities and by collection of financing receivables for Financial Services), management separately evaluates the cash flow performance of Industrial Activities using Net Debt of Industrial Activities.
- *Net Debt and Net Debt of Industrial Activities under U.S. GAAP:* are derived from financial information prepared in accordance with U.S. GAAP. Net Debt under U.S. GAAP is defined as total debt less intersegment notes receivable, cash and cash equivalents, restricted cash, other current financial assets and derivative hedging debt.
- *Free Cash Flow of Industrial Activities under EU-IFRS:* refers to Industrial Activities, only, and is computed as consolidated cash flow from operating activities less: cash flow from operating activities of Financial Services; investments of Industrial Activities in property, plant and equipment and intangible assets; as well as other changes and intersegment eliminations.
- *Free Cash Flow of Industrial Activities (or Industrial Free Cash Flow) under U.S. GAAP:* refers to Industrial Activities, only, and is computed as consolidated cash flow from operating activities less: cash flow from operating activities of Financial Services; investments of Industrial Activities in assets sold under buy-back commitments, assets under operating leases, property, plant and equipment and intangible assets; change in derivatives hedging debt of Industrial Activities; as well as other changes and intersegment eliminations.
- *Available Liquidity:* is defined as cash and cash equivalents plus restricted cash and undrawn committed facilities.
- *Change excl. FX or Constant Currency:* the Group discusses the fluctuations in revenues on a constant currency basis by applying the prior year average exchange rates to current year's revenues expressed in local currency in order to eliminate the impact of foreign exchange rate fluctuations.

The reconciliation of Adjusted EBIT under EU-IFRS and Adjusted EBITDA under EU-IFRS, non-GAAP financial measures, to consolidated profit/(loss), the most comparable EU-IFRS financial measure, for 2019 and 2018 is shown below.

	2019							
	Agriculture	Construction	Commercial and Specialty Vehicles	Powertrain	Unallocated items, elimination and other	Total Industrial Activities	Financial Services	Total
(in millions of U.S. dollars)								
<b>Profit/(loss)<sup>(1)</sup></b>						531	375	906
<i>Add back</i>								
Financial expenses						362	-	362
Income tax expense						184	118	302
<i>Adjustments:</i>								
Restructuring costs	40	26	37	7	2	112	4	116
Other discrete items <sup>(2)</sup>	-	-	182	-	5	187	-	187
<b>Adjusted EBIT</b>	<b>900</b>	<b>50</b>	<b>188</b>	<b>362</b>	<b>(124)</b>	<b>1,376</b>	<b>497</b>	<b>1,873</b>
Depreciation and amortisation	531	101	425	178	5	1,240	4	1,244
Depreciation of assets under operating leases and assets sold with buy-back commitments	-	-	310	-	-	310	245	555
<b>Adjusted EBITDA</b>	<b>1,431</b>	<b>151</b>	<b>923</b>	<b>540</b>	<b>(119)</b>	<b>2,926</b>	<b>746</b>	<b>3,672</b>

(1) For Industrial Activities, profit/(loss) net of "Results from intersegment investments".

- (2) In 2019, this item mainly includes the other asset optimisation charges for \$165 million due to actions included in the “Transform2Win” strategy, \$20 million pre-tax non-cash settlement charge resulting from the purchase of a group annuity contract to settle a portion of the outstanding U.S. pension obligation and the pre-tax gain of \$47 million related to a healthcare plan amendment in the U.S.

2018								
	Agriculture	Construction	Commercial and Specialty Vehicles	Powertrain	Unallocated items, elimination and other	Total Industrial Activities	Financial Services	Total
(in millions of U.S. dollars)								
<b>Profit/(loss)<sup>(1)</sup></b>						1,000	399	1,399
<i>Add back</i>								
Financial expenses						578	-	578
Income tax expense						382	133	515
<i>Adjustments:</i>								
Restructuring costs	29	1	29	4	-	63	-	63
Pre-tax gain related to the modification of a healthcare plan in the U.S.	-	-	-	-	(527)	(527)	-	(527)
<b>Adjusted EBIT</b>	<b>1,098</b>	<b>69</b>	<b>285</b>	<b>385</b>	<b>(341)</b>	<b>1,496</b>	<b>532</b>	<b>2,028</b>
Depreciation and amortisation	541	107	365	184	2	1,199	4	1,203
Depreciation of assets under operating leases and assets sold with buy-back commitments	2	-	385	-	-	387	247	634
<b>Adjusted EBITDA</b>	<b>1,641</b>	<b>176</b>	<b>1,035</b>	<b>569</b>	<b>(339)</b>	<b>3,082</b>	<b>783</b>	<b>3,865</b>

- (1) For Industrial Activities, profit/(loss) net of “Results from intersegment investments”.

The calculation of Net Debt as of December 31, 2019 and 2018 and the reconciliation of Total Debt, the EU-IFRS financial measure that the Group believes to be most directly comparable, to Net Debt, are shown below:

	At December 31,					
	2019 <sup>(*)</sup>			2018 <sup>(*)</sup>		
	Consolidated	Industrial Activities	Financial Services	Consolidated	Industrial Activities	Financial Services
(in millions of U.S. dollars)						
Third party debt	25,413	5,731	19,682	24,543	5,256	19,287
Intersegment notes payable	-	1,332	1,138	-	1,136	1,207
<b>Total Debt<sup>(1)</sup></b>	<b>25,413</b>	<b>7,063</b>	<b>20,820</b>	<b>24,543</b>	<b>6,392</b>	<b>20,494</b>
<i>Less:</i>						
Cash and cash equivalents	5,773	4,527	1,246	5,803	4,553	1,250
Intersegment financial receivables	-	1,138	1,332	-	1,207	1,136
Other financial assets <sup>(2)</sup>	73	34	47	98	81	24
Other financial liabilities <sup>(2)</sup>	(121)	(97)	(32)	(108)	(89)	(26)
Other current financial assets	58	58	-	1	1	-
<b>Net debt (cash)<sup>(3)</sup></b>	<b>19,630</b>	<b>1,403</b>	<b>18,227</b>	<b>18,749</b>	<b>639</b>	<b>18,110</b>

- (\*) Starting from December 31, 2019, the Group modified the definition of Net Debt and Net Debt of Industrial Activities in order to include other current financial assets. As a consequence, prior periods amounts have been recast accordingly.

- (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 Financial Services (included under intersegment financial receivables). Intersegment financial receivables for Financial Services, on the other hand, represent loans or advances to Industrial Activities – for receivables sold to Financial Services that do not meet the derecognition requirements – as well as cash deposited temporarily with the central treasury. Total Debt of Industrial Activities includes Intersegment notes payable to Financial Services of \$1,332 million and \$1,136 million at December 31, 2019 and 2018, respectively. Total Debt of Financial Services includes Intersegment notes payable to Industrial Activities of \$1,138 million and \$1,207 million at December 31, 2019 and 2018, respectively.

- (2) Other financial assets and other financial liabilities include, respectively, the positive and negative fair values of derivative financial instruments.
- (3) The net intersegment (receivable)/payable balance recorded by Financial Services relating to Industrial Activities was \$194 million and \$71 million as of December 31, 2019 and 2018, respectively.

The following table shows the change in Net Debt of Industrial Activities for 2019 and 2018:

(\$ million)	<u>2019<sup>(*)</sup></u>	<u>2018<sup>(*)</sup></u>
<b>Net (debt)/cash of Industrial Activities at beginning of period as reported</b>	<b>(639)</b>	<b>(1,023)</b>
Impact of IFRS 16 adoption	(476)	—
<b>Net(debt)/cash of Industrial Activities at beginning of period</b>	<b>(1,115)</b>	<b>(1,023)</b>
Adjusted EBITDA of Industrial Activities	2,926	3,082
Cash interest and taxes	(388)	(613)
Changes in provisions and similar <sup>(1)</sup>	(542)	(384)
Change in working capital	(686)	(398)
<b>Operating cash flow of Industrial Activities</b>	<b>1,310</b>	<b>1,687</b>
Investments in property, plant and equipment, and intangible assets <sup>(2)</sup>	(1,059)	(1,025)
Other changes	(242)	(17)
<b>Free Cash Flow of Industrial Activities</b>	<b>9</b>	<b>645</b>
Capital increases and dividends <sup>(3)</sup>	(340)	(399)
Currency translation differences and other <sup>(4)</sup>	43	138
<b>Change in Net debt of Industrial Activities</b>	<b>(288)</b>	<b>384</b>
<b>Net(debt)/cash of Industrial Activities at end of year</b>	<b>(1,403)</b>	<b>(639)</b>

(\*) Starting from December 31, 2019, the Group modified the definition of Net Debt and Net Debt of Industrial Activities in order to include other current financial assets. As a consequence, prior periods amounts have been recast accordingly.

- (1) Including other cash flow Items related to operating lease and buy-back activities.
- (2) Excluding assets sold under buy-back commitments and assets under operating leases.
- (3) Including share buy-back transactions.
- (4) In the years ended December 31, 2019 and 2018, this item includes the charge of \$27 million and \$22 million, respectively, related to the repurchase of notes.

The reconciliation of Free Cash Flow of Industrial Activities to Net cash provided by (used in) Operating Activities, the EU-IFRS financial measure that the Group believes to be most directly comparable, for the years ended December 31, 2019 and 2018, is shown below:

(\$ million)	<u>2019<sup>(*)</sup></u>	<u>2018<sup>(*)</sup></u>
<b>Net cash provided by (used in) Operating Activities</b>	<b>1,489</b>	<b>1,928</b>
Net cash (provided by) used in Operating Activities of Financial Services	(563)	(505)
Intersegment eliminations	384	264
<b>Operating cash flow of Industrial Activities</b>	<b>1,310</b>	<b>1,687</b>
Investments in property, plant and equipment, and intangible assets of Industrial Activities	(1,059)	(1,025)
Other changes <sup>(1)</sup>	(242)	(17)
<b>Free Cash Flow of Industrial Activities</b>	<b>9</b>	<b>645</b>

(\*) Starting from December 31, 2019, the Group modified the definition of Net Debt and Net Debt of Industrial Activities in order to include other current financial assets. As a consequence, prior periods amounts have been recast accordingly.

- (1) This item primarily includes change in intersegment financial receivables and capital increases in intersegment investments.

## **CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

The Base Prospectus contains certain forward-looking statements relating to the Group and its activities. Forward-looking statements are not guarantees of future performance. Rather, they are based on current views and assumptions and involve known and unknown risks, uncertainties and other factors, many of which are outside of the Group's control and are difficult to predict. If any of these risks and uncertainties materialise or other assumptions underlying any of the forward-looking statements prove to be incorrect, the actual results or developments may differ materially from any future results or developments expressed or implied by the forward-looking statements. Although each Issuer and the Guarantor believes the expectations, estimates and projections reflected in its forward-looking statements are reasonable as of the date of this Base Prospectus.

Factors, risks and uncertainties that could cause actual results to differ materially from those contemplated by the forward-looking statements include, among others: the many interrelated factors that affect consumer confidence and worldwide demand for capital goods and capital goods-related products; general economic conditions in each of the Group's markets; changes in government policies regarding banking, monetary and fiscal policy; legislation, particularly relating to capital goods-related issues such as agriculture, the environment, debt relief and subsidy program policies, trade and commerce and infrastructure development; government policies on international trade and investment, including sanctions, import quotas, capital controls and tariffs; volatility in international trade caused by the imposition of tariffs, sanctions, trade wars; actions of competitors in the various industries in which the Group competes; development and use of new technologies and technological difficulties; the interpretation of, or adoption of new, compliance requirements with respect to engine emissions, safety or other aspects of the Group's products; production difficulties, including capacity and supply constraints and excess inventory levels; labour relations; interest rates and currency exchange rates; inflation and deflation; energy prices; prices for agricultural commodities; housing starts and other construction activity; the Group's ability to obtain financing or to refinance existing debt; a decline in the price of used vehicles; the resolution of pending litigation and investigations on a wide range of topics, including dealer and supplier litigation, follow-on private litigation in various jurisdictions after the settlement of the EU antitrust investigation announced on July 19, 2016, intellectual property rights disputes, product warranty and defective product claims, and emissions and/or fuel economy regulatory and contractual issues; the Company's pension plans and other post-employment obligations; political and civil unrest; volatility and deterioration of capital and financial markets, including possible effects of "Brexit", pandemics, terror attacks in Europe and elsewhere; the Group's ability to achieve the targets set out in the strategic business plan announced on September 3, 2019 at its capital markets day event; the Group's ability to successfully implement the planned spin-off of the Company's On-Highway business; and other similar risks and uncertainties and the Group's success in managing the risks involved in the foregoing.

Forward-looking statements are based upon assumptions relating to the factors described in this Base Prospectus, which are sometimes based upon estimates and data received from third parties. Such estimates and data are often revised. The Group's actual results could differ materially from those anticipated in such forward-looking statements. Forward-looking statements speak only as of the date on which such statements are made, and the Group undertakes no obligation to update or revise publicly its forward-looking statements.

Additional factors which could cause actual results and developments to differ from those expressed or implied by the forward-looking statements are included in the section "Risk Factors" of this Base Prospectus.

## **STABILISATION**

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the stabilisation manager(s) (the "Stabilisation Manager(s)") (or persons acting on behalf of any Stabilisation 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, stabilisation may not necessarily occur. 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 cease 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 must be conducted by the relevant Stabilisation Manager(s) (or person(s) acting on behalf of any Stabilisation 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 the 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 25 of the Commission Delegated Regulation (EU) 2019/980 (the “**Delegated Regulation**”).

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.
Legal Entity Identifier (“LEI”):	
CNH Industrial:	549300WGC2HZ5J67V817
CIFE:	5493007GVB1I2FDSS786
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:	Euro Medium Term Note Programme
Arrangers:	BNP PARIBAS Citigroup Global Markets Limited
Dealers:	Banca IMI S.p.A. Banco Bilbao Vizcaya Argentaria, S.A. Banco Santander, S.A. Barclays Bank Ireland PLC Barclays Bank PLC BNP PARIBAS BofA Securities Europe SA Citigroup Global Markets Europe AG Citigroup Global Markets Limited Commerzbank Aktiengesellschaft Coöperatieve Rabobank U.A. Crédit Agricole Corporate and Investment Bank Deutsche Bank Aktiengesellschaft Goldman Sachs International ING Bank N.V. J.P. Morgan Securities plc Mediobanca – Banca di Credito Finanziario S.p.A. Mizuho Securities Europe GmbH Mizuho International plc

Merrill Lynch International  
Morgan Stanley & Co. International plc  
MUFG Securities (Europe) N.V.  
Natixis  
NatWest Markets N.V.  
NatWest Markets Plc  
RBC Europe Limited  
Société Générale  
UniCredit Bank AG  
Wells Fargo Securities International Limited

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

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 “ <i>Subscription and Sale</i> ”) 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 “ <i>Subscription and Sale</i> ”).
Issuing and Principal Paying Agent:	Citibank, N.A., London Branch.
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.
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 form as described in “ <i>Form of the Notes</i> ”.
Clearing Systems:	With respect to Notes (other than CMU Notes), Clearstream and/or Euroclear 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</i> ”).



*and Conditions of the Notes*”) 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>
Benchmark Event	<p>If a Benchmark Event occurs in relation to an Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, with a view to the Independent Adviser determining a Successor Rate, failing which an Alternative Rate and, in either case, an Adjustment Spread, if any, and any Benchmark Amendments. See Condition 4(c) (Interest – Benchmark Event).</p>
Zero Coupon Notes:	<p>Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.</p>
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:	<p>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).</p>
Taxation:	<p>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 7. 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 7, be required to pay additional amounts to cover the amounts so deducted.</p>

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 3.
Cross Default:	The terms of the Notes will contain a cross default provision as further described in Condition 9.
Status of the Notes:	The Notes and any related Coupons (each term as defined under “ <i>Terms and Conditions of the Notes</i> ”) are direct, unconditional, unsubordinated and (subject to the provisions of Condition 3) unsecured obligations of the relevant Issuer and (subject as aforesaid) rank and will rank <i>pari passu</i> 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 3) unsecured obligations of the Guarantor and (subject as aforesaid) rank and will rank <i>pari passu</i> (subject to mandatorily preferred obligations under applicable laws) with all other present and future outstanding unsecured and unsubordinated obligations of the Guarantor.
Listing and admission to trading:	<p>Application has been made to Euronext Dublin for the Notes issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to the Official List and to trading on its regulated market.</p> <p>Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued.</p> <p>The applicable Final Terms will state whether or not the relevant Notes are to be listed or admitted to trading and, if so, on which stock exchange(s).</p>
Governing Law:	The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be construed in accordance with, English law.
Selling Restrictions:	<p>There are restrictions on the offer, sale and transfer of the Notes in the United States, Canada, Japan, Hong Kong, Singapore, Belgium, the PRC, the UK and the EEA (including the Netherlands and Italy for which there are specific restrictions additional to the EEA restrictions) and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes. In particular, the Notes and any Guarantee thereof have not been and will not be registered under the Securities Act. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to or for the account or benefit of U.S. persons. See “<i>Subscription and Sale</i>”.</p> <p>The Notes 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. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and the Treasury regulations promulgated thereunder.</p>

## 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.*

*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.*

### **Factors that may affect the ability of the Issuers and the Guarantor to fulfil their obligations under the Notes**

*Global economic conditions impact the Group's businesses*

The Group's results of operations and financial position are and will continue to be influenced by macroeconomic factors – including changes in gross domestic product, the level of consumer and business confidence, changes in interest rates or the availability of credit, inflation and deflation, energy prices, and the cost of commodities or other raw materials – which exist in the countries and regions in which the Group operates. Such macroeconomic factors vary from time to time and their effect on the Group's results of operations and financial position cannot be specifically and singularly assessed and/or isolated.

Economic conditions vary across regions and countries, and demand for the Group's products and services generally increases in those regions and countries experiencing economic growth and investment. Slower economic growth or a change in global mix of regions and countries experiencing economic growth and investment could have an adverse impact on the Group's business, results of operations and financial condition. In a weaker economic environment, some dealers and customers may delay or cancel plans to purchase the Group's products and services and may not be able to fulfill their obligations to the Group's in a timely fashion. The Group's suppliers may also be impacted by economic pressures, which may adversely affect their ability to fulfill their obligations to the Group. These factors could result in product delays, increased accounts receivable, defaults and inventory challenges. In addition, demand for the Group's products and services can be significantly impacted by concerns regarding the diverse economic and political circumstances in the European Union, the debt burden of several countries in the European Union, the risk that one or more European Union countries could come under increasing pressure to leave the European Union and the long-term stability of the euro as a single common currency. These concerns, along with the significant fiscal adjustments carried out in several countries, intended to manage actual or perceived sovereign credit risk, have led to further pressure on economic growth and may lead to new periods of economic volatility and recession in the European Union. Similarly, in Brazil and Argentina, macroeconomic conditions remain volatile. If there is significant deterioration in the global economy or the economies of key countries or 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.

*The Group is exposed to political, economic, trade and other risks beyond its control as a result of operating a global business*

The Group manufactures and sells products and offers services in several continents and numerous countries around the world including those experiencing varying degrees of political and economic instability. In particular, the Group's supply chain and distribution channels are global in nature, with raw materials and manufacturing inputs being acquired, and sales to the Group's customers being made, outside of the countries in which final production occurs. For example, the Group has industrial and financial services companies located in 44 countries and a commercial presence in approximately 180 countries.

Given the global nature of the Group's procurement, production and sales activities, the Group is exposed to risks associated with international business activities that may increase its costs, impact its ability to manufacture and sell its products and require significant management attention. These risks include:

- (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, contract rights and intellectual property;
  - where, to whom, and what type of products may be sold, including new or additional trade or economic sanctions imposed by the U.S., EU or other governmental authorities and supranational organisations (e.g., the United Nations); 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) labour disruptions;
- (v) disruption in the supply of raw materials and components (e.g. as a consequence of epidemics and pandemics), including rare materials (the latter might be more easily the target of sudden increases due to a variety of factors, including speculative measures or unforeseen political changes);
- (vi) changes in governmental debt relief and subsidy programme policies in certain significant markets such as Argentina and Brazil, including the Brazilian government discontinuing programmes subsidising interest rates on equipment loans;
- (vii) withdrawal from or changes to trade agreements or trade terms, negotiation of new trade agreements and the imposition of new (and retaliatory) tariffs on certain countries, or covering certain products or raw materials, including developments in U.S. – China trade relations; and
- (viii) war, civil unrest and terrorism.

Many of the countries in which we operate are emerging markets in which the risks noted above may be higher than in developed economies. There can be no guarantee that the Group will be able to quickly and completely adapt its business model to changes that could result from the foregoing, and any such changes may have an adverse effect on the Group's business, results of operations and financial condition.

*Significant events outside of the Group's control, including global pandemics like COVID-19 and terrorist attacks have had, and are expected to continue to have, a material impact on the Group's operating results.*

The Group is susceptible to risks relating to epidemics and pandemics of diseases. The current outbreak of COVID-19, a virus causing potentially deadly respiratory tract infections, is spreading worldwide and governments in affected countries are imposing travel bans, quarantines and other emergency public safety measures. In light of the rapid spread of the illness within various countries, the relevant governments have imposed restrictions on travel and the movement and gathering of people in the country, as well as restrictions on production and commercial activities. These measures, though expected to be temporary, may intensify depending on developments in the outbreak. These measures and, more broadly, the impact of the epidemic on supply chains

globally, may disrupt operations to an extent the Group cannot currently predict. As of the date hereof, the Group may apply temporary closures of its plants across the impacted countries to implement new measures to support the campaign addressing the crisis. On March 20, 2020, the Group announced that it was suspending the majority of its European assembly operations for a two week period. The steps taken to restrict activities are likely to have a significant effect on commercial activities, including purchases of the Group's products. The COVID-19 outbreak is likely to negatively affect economic conditions regionally as well as globally. The affected countries may experience significantly reduced demand and other end markets will eventually be affected if the outbreak expands and intensifies. The ultimate severity and duration of the COVID-19 outbreak is uncertain at this time and therefore the Group cannot predict the extent of the impact it may have on its end markets and operations; however, the effect on its results could be material and adverse.

In addition, in recent years, terrorist attacks have occurred around the world, leading to personal safety anxieties and political instability in many countries and, ultimately, an impact on consumers' confidence. More recently, growing populist political movements in several major developed countries, changes in or uncertainty surrounding global trade policies and other unanticipated changes to the previous geopolitical order may have negative effects on the global economy.

*The Group's existing operations and expansion plans in emerging markets could entail significant risks*

The Group's ability to grow its businesses depends to an increasing degree on its ability to increase market share and operate profitably worldwide, and in particular, in emerging market countries, such as Brazil, Russia, India, China, Argentina, Turkey, and South Africa. In addition, the Group could increase its use of suppliers located in such countries. The Group's implementation of these strategies will involve a significant investment of capital and other resources and exposes the Group to multiple and potentially conflicting cultural practices, business practices and legal requirements that are subject to change, including those related to tariffs, trade barriers, investments, property ownership rights, taxation and sanction and export control requirements. For example, the Group may encounter difficulties in obtaining 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 compared with products manufactured and commercialised by the Group's competitors. The emerging market countries may also be subject to a greater degree of economic and political volatility that could adversely affect the Group's financial position, results of operations and cash flows. Many emerging market economies have experienced slower growth, volatility, and other economic challenges in recent periods and may be subject to a further slowdown in gross domestic product expansion and/or be impacted by domestic political or currency volatility, potential hyperinflationary conditions and/or increase of public debt.

*The Group may not realise all of the anticipated benefits from its business simplification initiatives, the spin-off of its On-Highway business and cost management initiatives*

As part of its Strategic Business Plan, the Group is actively engaged in a number of initiatives to simplify its business and increase its productivity, efficiency and cash flow, which the Group expects to have a positive long-term effect on its business, results of operations and financial condition. These initiatives include the announced spin-off of the Group's On-Highway business and the 80/20 simplification process related to its product portfolio. There can be no assurance that these initiatives or others will be beneficial to the extent anticipated, or that the estimated efficiency improvements or cash flow improvements will be realised as anticipated or at all. If these initiatives are not implemented successfully, they could have an adverse effect on the Group's operations. The Group also expects to take targeted restructuring actions as it continues to optimise its cost structure and improve the efficiency of its operations. In order to complete these actions, the Group will incur charges. Failure to realise anticipated savings or benefits from the Group's cost reduction actions could have a material adverse effect on the Group's business, prospects, financial condition, liquidity, results of operations and cash flows.

*The Group may be adversely affected by the U.K. vote to leave the European Union (Brexit)*

In a June 23, 2016 referendum, the United Kingdom ("U.K.") voted to terminate the U.K.'s membership in the European Union ("Brexit"). The U.K. withdrew from the European Union on January 31, 2020. Following its departure, the U.K. entered a transition period until December 31, 2020. Negotiations during the transition period will determine the terms of the U.K.'s future relationship with the European Union and its member states, including the terms of trade. Any effect of Brexit is expected to depend on the agreements, if any, negotiated between the U.K. and the EU with respect to reciprocal market access and other matters, either during a transitional

period or more permanently. The terms of the withdrawal, including terms of trade, are subject to ongoing negotiations that have created significant uncertainty about the future relationship between the U.K. and the EU. Brexit may also lead to legal uncertainty and potentially divergent national laws and regulations as the U.K. determines which EU laws to replace or replicate. Any of these effects of Brexit, among others, could adversely affect the Group's business, results of operations and financial condition.

Brexit could adversely affect U.K., European or worldwide economic and market conditions more broadly and could contribute to instability in global financial markets. The Group has operations in the U.K., but does not believe that its global operations would be affected materially by Brexit. However, any adverse effect of Brexit on the Group or on global or regional economic or market conditions could adversely affect the Group's business, results of operations, and financial condition as customers may reduce or delay spending decisions with respect to the Group's products. Any uncertainty related to Brexit could also affect trading in the Group's shares.

CNH Industrial is organised as a Dutch company but it is considered resident in the U.K. for U.K. tax purposes. This determination is based on the U.K. as the location of management and control which has been confirmed through a mutual agreement procedure with the relevant tax authorities (as to which see "CNH Industrial operates and will continue to operate, as a company that is resident in the U.K. for tax purposes; other tax authorities may treat CNH Industrial as being tax resident elsewhere" below). CNH Industrial does not expect Brexit to affect its tax residence in the U.K.; however, the Group is unable to predict with certainty whether any measures implemented in connection with the U.K.'s exit from the European Union or arrangements relating to the future relationship between the European Union and the U.K. will ultimately have any such impact.

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

The Group has engaged in the past in mergers and acquisitions and entered into strategic alliances and joint ventures. For example, in 2019 the Group was active in a series of acquisitions and strategic alliances such as:

- (i) the Commercial and Specialty Vehicles segment announced a \$250 million investment in an exclusive heavy-duty truck partnership with Nikola Motor Company (NIKOLA), a pioneer in battery electric and hydrogen electric heavy-duty applications;
- (ii) the Group Agriculture segment acquired the software and application company AgDNA;
- (iii) the Group Powertrain segment, in order to enhance its alternative propulsion engine technologies and reduce CO2 emissions began work on battery packs, in partnership with Microvast, the US-Chinese leader in fast charging, long life battery power systems and acquired Dolphin N2, a startup specialising in innovative internal combustion engine technology.

These transactions, and future transactions of a similar nature, may involve risks such as unexpected liabilities or significant costs associated with terminating or modifying alliances, which could prevent the Group from realising the expected benefits of such transactions or the achievement of the Group's strategic objectives.

If problems or issues were to arise in relation to the new acquired business or 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, results of operations and financial condition could be adversely affected.

*A cybersecurity breach could interfere with the Group's operations, compromise confidential information, negatively impact the Group's corporate reputation and expose the Group to liability*

The Group relies upon information technology systems and networks, some of which are managed by third parties, in connection with a variety of the Group's business activities. These systems include supply chain, manufacturing, distribution, invoicing and collection of payments from dealers or other purchasers of the Group's products and from customers of the Group's financial services business, and connectivity services among vehicles. The Group uses information technology systems to record, process and summarise financial information and results of operations for internal reporting purposes and to comply with regulatory financial reporting, legal and tax requirements. Additionally, the Group collects and stores sensitive data, including intellectual property, proprietary business information and the proprietary information of its customers, suppliers and dealers, as well

as personally identifiable information of its dealers, customers and employees, in data centres and on information technology networks. Operating these information technology systems and networks, and processing and maintaining this data, in a secure manner, are critical to the Group's business operations and strategy. Increased information technology security threats and more sophisticated computer crime pose a risk to the security of the Group's systems and networks and the confidentiality, availability and integrity of the Group's data. Cybersecurity attacks could also include attacks targeting customer data or the security, integrity and/or reliability of the hardware and software installed in the Group's products.

While the Group actively manages information technology security risks within its control through security measures, business continuity plans and employee training around phishing and other cyber risks, there can be no assurance that such actions will be sufficient to mitigate all potential risks to the Group's systems, networks, data and products. Furthermore, third parties on which the Group relies, including internet, mobile communications technology and cloud service providers, could be sources of information security risk to the Group.

A failure or breach in security, whether of the Group's systems and networks or those of third parties on which the Group relies, could expose the Group and its customers, dealers and suppliers to risks of misuse of information or systems, the compromising of confidential information, loss of financial resources, 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. Security breaches could also result in litigation, regulatory action, unauthorised release of confidential or otherwise protected information and corruption of data, as well as remediation costs and higher operational and other costs of implementing further data protection measures. In addition, as security threats continue to evolve the Group may need to invest additional resources to protect the security of its systems and data. The amount or scope of insurance coverage that the Group maintains may be inadequate to cover claims or liabilities relating to a cybersecurity attack.

*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 FCA and the FCA Group will have no obligations under the Notes, including the Guaranteed Notes or the Guarantee.

## **Risks Related to the Industry in which the Group Operates**

### *Reduced demand for equipment would reduce the Group's sales and profitability*

The agricultural equipment market is influenced by factors such as:

- (i) the price of agricultural commodities and the ability to competitively export agricultural commodities;
- (ii) the profitability of agricultural enterprises, farmers' income and their capitalisation;
- (iii) the demand for food products; and
- (iv) agricultural policies, including aid and subsidies to agricultural enterprises provided by governments and/or supranational organisations, policies impacting commodity prices or limiting the export or import of commodities, and alternative fuel mandates.

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

The construction equipment market is influenced by factors such as:

- (i) public infrastructure spending; and
- (ii) new residential and non-residential construction; and
- (iii) capital spending in oil and gas and, to a lesser extent, in mining.

The commercial vehicles market is influenced by factors such as:

- (i) changes in global market conditions, including interest rates;
- (ii) changes in business investment, including timing of fleet renewals; and
- (iii) 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. Additionally, if demand for the Group's products is less than the Group expects, it may experience excess inventories and be forced to incur additional charges and its profitability will suffer, including higher fixed costs associated with lower production levels at its plants. The Group's business may be negatively impacted if it experiences excess inventories or it is unable to adjust its production schedules or its purchases from suppliers to reflect changes in customer demand and market fluctuations on a timely basis.

### *The Group depends on suppliers for raw materials, parts and components*

The Group relies upon many suppliers for raw materials, parts and components that the Group requires to manufacture its products. The Group cannot guarantee that it will be able to maintain access to raw materials, parts and components, and in some cases, this access may be affected by factors outside of the Group's control and the control of the Group's suppliers. Certain components and parts used in the Group's products are available from a single supplier and cannot be quickly sourced from other suppliers. Increasing demand for certain products has resulted in challenges in obtaining parts and components due to supplier constraints. Supply chain disruptions, including those due to supplier financial distress, capacity constraints, labour shortages, business continuity, delivery or disruptions due to weather-related, natural disaster, pandemics or other unforeseen events, could negatively impact the Group's business, results of operations and financial condition. Supply chain disruptions, including those due to supplier financial distress, capacity constraints, labour shortages, business continuity, delivery or disruptions due to weather-related, natural disaster, epidemics and pandemics (like the current COVID-19 outbreak (please refer to the risk factor entitled "*Significant events outside of the Group's control, including global pandemics like COVID-19 and terrorist attacks have had, and are expected to continue to have, a material*



*impact on the Group's operating results*" for further information on how the COVID-19 outbreak may impact supply chains) or other unforeseen events, could negatively impact the Group's business, results of operations and financial condition.

The Group uses a variety of raw materials in the Group's businesses, including steel, aluminium, lead, resin and copper, and precious metals such as platinum, palladium and rhodium. The availability and price of these raw materials fluctuate, particularly during times of economic volatility or regulatory instability or in response to changes in tariffs, and while the Group seeks to manage this exposure, it may not be successful in mitigating these risks. Further, increases in the prices for raw materials can significantly increase the Group's costs of production, which could have a material adverse effect on the Group's business, results of operations and financial condition, particularly if the Group is unable to offset the increased costs through an increase in product pricing.

*Competitive activity, or failure by the Group to respond to actions by its competitors, could adversely affect its results of operations*

The Group operates in highly competitive global and regional markets. Depending on the particular country and product, the Group competes with other international, regional and local manufacturers and distributors of agricultural and construction equipment, commercial vehicles, and powertrains. 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 of the Group's product offerings. The Group competes primarily on the basis of product performance, innovation, quality, distribution, customer service and price. Aggressive pricing or other strategies pursued by competitors, unanticipated product or manufacturing delays, quality issues, or the Group's failure to price its products competitively could adversely affect the Group's business, results of operations and financial position. Additionally, there has been a trend towards consolidation in the truck and construction equipment industries that has resulted in larger and potentially stronger competitors in those industries. The markets in which the Group competes 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 markets in which the Group competes in recent years. Should the Group be unable to adapt effectively to market conditions, this could have an adverse effect on its business, results of operations and financial condition.

*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 depends on its ability to maintain or increase its market share in existing markets and to expand into new markets through the development of innovative, high-quality products that provide adequate profitability. In September 2019, the Group announced its five-year Strategic Business Plan. This Plan includes investments in innovation designed to further develop existing, and create new, product offerings responsive to customer needs, thereby producing sales growth in existing markets and expansion into new markets. For instance, in 2019 the Group launched a series of innovative products, such as:

- (i) the T6 Methane Power, the world's first methane-powered production tractor;
- (ii) the STEYR Konzept tractor, an alternative propulsion concept, which features a modular hybrid electric drive;
- (iii) the new methane-powered wheel loader concept powered by a methane engine and launched by the CASE Construction Equipment brand; and
- (iv) the new fully-connected IVECO S-WAY and the new IVECO Daily light commercial vehicle.

The Group's ability to produce products that meet the quality, performance and price expectations of its customers, and its ability to develop effective sales, dealer training and marketing programs is dependent on a number of factors, including the Group's ability to maintain key dealer relationships. Failure to develop and offer innovative products that compare favourably to those of the Group's principal competitors in terms of price, quality, functionality, features, mobility and connected services, vehicle electrification, fuel cell technology and autonomy, or delays in bringing strategic new products to market, or the inability to adequately protect the Group's intellectual property rights or supply products that meet regulatory requirements, including engine emissions

requirements, could result in reduced market share, which could have a material adverse effect on the Group's business, results of operations and financial condition.

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

The Group sells its products primarily through independent dealers and are subject to risks relating to their inventory management decisions and operating and sourcing practices. The Group's dealers carry inventories of finished products and parts as part of ongoing operations and adjust those inventories based on their assessment of future sales opportunities and market conditions, including the level of used equipment inventory. If the inventory levels of the Group's dealers are higher than they desire, they may postpone product purchases from the Group, which could cause the Group's sales to be lower than the end-user demand for the Group's products and negatively impact the Group's results. Similarly, the Group's sales could be negatively impacted through the loss of time-sensitive sales if the Group's dealers do not maintain inventory sufficient to meet customer demand. Further, 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, results of operations and financial condition.

*The Group's ability to execute its strategy is dependent upon its ability to attract, motivate and retain qualified personnel*

The Group's ability to compete successfully, to manage its business effectively, to expand its business and to execute its strategic direction, in particular the implementation of its Strategic Business Plan depends, in part, on its ability to attract, motivate and retain qualified personnel in key functions. In particular, the Group is dependent on its ability to attract, motivate and retain qualified personnel with the requisite education, background, talents and industry experience. For instance, digitalisation, automation, servitisation, and developments in alternative propulsion, require a highly qualified workforce. Failure to attract and retain qualified personnel, whether as a result of an insufficient number of qualified applicants, difficulty in recruiting new personnel, or the inability to integrate and retain qualified personnel, could impair the Group's ability to innovate new products (see the risk factor entitled "*The Group's future performance depends on its ability to innovate and on market acceptance of new or existing products*") which in turn could prevent the Group from executing its business strategy thereby adversely affecting its business.

*The Group's business may be affected by unfavourable weather conditions, climate change or other calamities*

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 mould 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, droughts, diseases and pests 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, terrorist attacks or violence, equipment failures, power outages, disruptions to the Group's information technology systems and networks 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 centers, temporary or long-term disruption in the supply of parts or component products, disruption in the transport of the Group's products to dealers and customers and delay in delivery of products to distribution centers. In the event such events occur, the Group's financial results might be negatively impacted. The Group's existing insurance arrangements may not protect against all costs that may arise from such events.

Furthermore, the potential physical impacts of climate change on the Group's facilities, suppliers and customers and therefore on its operations are highly uncertain and will be particular to the circumstances developing in various geographical regions. These may include long-term changes in temperature and water availability. These potential physical effects may adversely impact the demand for the Group's products and the cost, production, sales and financial performance of its operations.

*Changes in demand for food and alternate energy sources could impact the Group's revenues*

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 affect sales of agricultural equipment. While higher commodity prices will benefit the Group's crop producing agricultural equipment customers, 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. Lower commodity prices directly affect farm income, which could negatively affect sales of agricultural equipment. 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 Related to the Legal and Regulatory Environment in which the Group Operates**

*Costs of ongoing compliance with, or failure to comply with, increasingly stringent environmental, health and safety laws could have an adverse effect on the Group's results of operations*

The Group is subject to comprehensive and constantly evolving laws, regulations and policies in numerous jurisdictions around the world. The Group expects the extent of legal requirements affecting the Group's businesses and its costs of compliance to continue to increase in the future. Such laws govern, among other things, products – with requirements on emissions of polluting gases and particulate matter, increased fuel efficiency and safety becoming increasingly strict – and industrial plants – with requirements for reduced air emissions, treatment of waste and water and prohibitions on soil contamination also becoming increasingly strict. To comply with such laws, the Group makes significant investments in research and development and capital expenditures and expects to continue to incur substantial costs in the future. Failure to comply with such laws could limit or prohibit the Group's ability to sell its products in a particular jurisdiction, expose the Group to penalties or clean-up costs, civil or criminal liability and sanctions on certain of the Group's activities, as well as damage to property or natural resources. Liabilities, sanctions, damages and remediation efforts related to any non-compliance with such laws, including those that may be adopted or imposed in the future, could negatively impact the Group's ability to conduct its operations, its results of operations and financial condition. In addition, there can be no assurance that the Group will not be adversely affected by costs, liabilities or claims with respect to any subsequently acquired operations.

Further, environmental, health and safety regulations change from time to time, as may related interpretations and other guidance. For example, changes in environmental and climate change laws, including laws relating to engine and vehicle emissions, safety regulations, fuel requirements, restricted substances, or greenhouse gas emissions, could lead to new or additional investments in product designs and could increase environmental compliance expenditures. If these laws are either changed or adopted and impose significant operational restrictions and compliance requirements on the Group's products or operations, they could result in higher capital expenditures and negatively impact the Group's business, results of operations, financial position and competitive position. Finally, recent public opinion backlash against diesel engine emissions might trigger the adoption of policies severely restricting the use of diesel engines.

*Changes in government monetary or fiscal policies may negatively impact the Group's results*

Most countries where the Group's products and services are sold have established central banks to regulate monetary systems and influence economic activities, generally by adjusting interest rates. Some governments may implement measures designed to slow economic growth in those countries (e.g. higher interest rates, reduced bank lending and other anti-inflation measures). Rising interest rates could have a dampening effect on the overall economic activity and/or the financial condition of the Group's customers, either or both of which could negatively affect demand for the Group's products and the Group's customers' ability to repay obligations to the Group. Central banks and other policy arms of many countries may take further actions to vary the amount of liquidity and credit available in an economy. The impact from a change in liquidity and credit policies could negatively affect the customers and markets the Group serves or its suppliers, which could adversely impact the Group's business, results of operations and financial condition. Government initiatives that are intended to stimulate demand for products sold by the Group, such as changes in tax treatment or purchase incentives for new equipment, can significantly influence the timing and level of the Group's revenues. The terms, size and duration of such government actions 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, results of operations and financial condition.

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

Due to the global scope of its operations, the Group is subject to many laws and regulations that apply to its operations around the world, including the U.S. Foreign Corrupt Practices Act, and the U.K. Bribery Act, as well as a range of national anti-corruption and antitrust or competition laws that apply to conduct in a particular jurisdiction. These anti-corruption laws prohibit improper payments in cash or anything of value to improperly influence third parties to obtain or retain business or gain a business advantage. These laws tend to apply regardless of whether those practices are legal or culturally acceptable in a particular jurisdiction. Over the past several years there has been an increase in the enforcement of anti-corruption and antitrust or competition laws both globally and in particular jurisdictions and the Group has from time to time been subject to investigations and charges claiming violations of anti-corruption or antitrust or competition laws, including the Group's settlement of the EU antitrust investigation announced on July 19, 2016. Following this settlement, the Group has been named as defendant in current private litigation commenced in various European jurisdictions and Israel that remains at an early stage. The Group expects to face further claims in various jurisdictions, the extent and outcome of which cannot be predicted at this time. The Group is committed to operating in compliance with all applicable laws, in particular anti-corruption and antitrust or competition laws. The Group has implemented a programme to promote compliance with these laws and to reduce the likelihood of potential violations. The Group's compliance programme, however, may not in every instance protect the Group from acts committed by its employees, agents, contractors, or collaborators that may violate the applicable laws or regulations of the jurisdictions in which the Group operates. Such improper actions could subject the Group to civil or criminal investigations and monetary, injunctive and other penalties as well as damage claims. Investigations of alleged violations of these laws tend to be expensive and require significant management time and attention, and these investigations of purported violations, as well as any publicity regarding potential violations, could harm the Group's reputation and have a material adverse effect on its business, results of operations and financial position. For further information, see Note 28 "Commitments and contingencies" to the Consolidated Financial Statements as at December 31, 2019, incorporated by reference into this Base Prospectus.

*International trade policies may impact demand for the Group's products and its competitive position*

Government policies on international trade and investment such as sanctions, import quotas, capital controls or tariffs, whether adopted by non-governmental bodies, individual governments or addressed by regional trade blocs, may affect the demand for the Group's products, technology and services, impact the competitive position of its products or prevent it from being able to sell products to certain customers or in certain countries. The implementation of more protectionist trade policies, such as more detailed inspections, higher tariffs, or new barriers to entry, in countries where the Group sells products and provide services could negatively impact its business, results of operations and financial position. For example, a government's adoption of trade sanctions or "buy national" policies or retaliation by another government against such policies could have a negative impact on the Group's results of operations.

*CNH Industrial operates and will continue to operate, as a company that is resident in the U.K. for tax purposes; other tax authorities may treat CNH Industrial as being tax resident elsewhere*

CNH Industrial is not incorporated in the U.K.; therefore, in order to be resident in the U.K. for tax purposes, CNH Industrial's central management and control must be located (in whole or in part) in the U.K. The test of central management and control is largely a question of fact based on all the circumstances. The decisions of the U.K. courts and the published practice of Her Majesty's Revenue & Customs, or HMRC, suggest that CNH Industrial should be regarded as being U.K.-resident on this basis. The competent authority ruling referred to below supports this analysis. Although CNH Industrial's "central management and control" is in the U.K., it would not be treated as U.K.-resident if (a) CNH Industrial were concurrently resident in another jurisdiction (applying the tax residence rules of that jurisdiction) which has a double tax treaty with the U.K.; and (b) that tax treaty allocates exclusive residence to that other jurisdiction.

Although CNH Industrial's central management and control is in the U.K., CNH Industrial is considered to be resident in the Netherlands for Dutch corporate income tax and Dutch dividend withholding tax purposes because CNH Industrial is incorporated in the Netherlands. The U.K. and Dutch competent authorities have agreed, following a mutual agreement procedure (as contemplated by the Netherlands-U.K. tax treaty), that CNH Industrial will be regarded as solely resident in the U.K. for purposes of the application of the Netherlands-U.K. tax treaty provided that CNH Industrial operates as planned and provides appropriate required evidence to the U.K. and Dutch competent tax authorities. If the facts upon which the competent authorities issued this ruling change over time, this ruling may be withdrawn or cease to apply and in that case the Netherlands may levy corporate income tax on CNH Industrial and impose withholding taxes on dividends distributed by CNH Industrial.

The Group does not expect Brexit to affect its tax residence in the U.K.; however, the Group is unable to predict with certainty whether the discussions to implement Brexit will ultimately have any impact on this matter.

CNH Industrial's residence for Italian tax purposes is also largely a question of fact based on all the circumstances. For Italian tax purposes, a rebuttable presumption of CNH Industrial's residence in Italy may apply under Italian legislation. However, CNH Industrial has a management and organisational structure such that CNH Industrial should be deemed resident in the U.K. from the date of its incorporation for purposes of the Italy-U.K. 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 that CNH Industrial's determination of its tax residence will be respected by all relevant tax authorities. Should CNH Industrial be treated as an Italian tax resident, CNH Industrial would be subject to corporate income tax in Italy on its worldwide income and may be required to comply with withholding tax on dividends and other distributions and/ or reporting obligations under Italian law, which could result in additional costs and expenses.

*The Group may incur additional tax expense or become subject to additional tax exposure*

The Group is subject to income taxes in many jurisdictions around the world. The Group's tax liabilities are dependent upon the location of earnings among these different jurisdictions. The Group's future results of operations could be adversely affected by changes in the effective tax rate as a result of a change in the mix of earnings in countries with differing statutory tax rates, changes in the Group's overall profitability, changes in tax legislation and rates, changes in generally accepted accounting principles and changes in the valuation of deferred tax assets and liabilities. If the Group's effective tax rates were to increase, or if the ultimate determination of its taxes owed is for an amount in excess of amounts previously accrued or paid, the Group's operating results, cash flows, and financial position could be adversely affected. For further information, see Note 10 "Income Taxes" to the Consolidated Financial Statements at December 31, 2019, incorporated by reference into this Base Prospectus.

*Changes in privacy laws could disrupt the Group's business*

The Group is also subject to various laws regarding privacy and the protection of personal information. The regulatory framework for privacy and data security issues worldwide is rapidly evolving and is likely to remain uncertain for the foreseeable future. The European Union's General Data Protection Regulation ("GDPR") imposes more stringent data protection requirements and provides for significant penalties for noncompliance. New privacy laws will continue to come into effect around the world, including the California Consumer Privacy Act and Brazil's General Law of Personal Data Protection. The Group may be required to incur significant costs to comply with these and other privacy and data security laws, rules and regulations. Any inability to adequately address privacy and security concerns or comply with applicable privacy and data security laws, rules and regulations could have an adverse effect on the Group's business prospects, results of operations and/or financial position.

*The Group faces risks associated with its employment relationships*

In many countries where the Group operates, its employees are protected by laws and/or collective labour agreements that guarantee them, through local and national representatives, the right of consultation on specific matters, including repurposing, downsizing or closure of production facilities, activities and reductions in personnel. Laws and/or collective labour agreements applicable to the Group could impair the Group's 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. Furthermore, the Group is at greater risk of work interruptions or stoppages than non-unionised companies and any work interruption or

stoppage could significantly impact the volume of products the Group manufactures and sells, which could have a material adverse effect on the Group's business, results of operations and financial condition.

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

In the ordinary course of business, the Group is involved in pending litigation and investigations on a wide range of topics, including dealer and supplier litigation, intellectual property rights disputes, product warranty and defective product claims, product performance, asbestos, personal injury, engine emissions and/or fuel economy regulatory and contract issues, and environmental claims. The industries in which the Group operates are also periodically reviewed or investigated by regulators, which could lead to enforcement actions, fines and penalties or the assertion of private litigation claims. 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 results of operations and financial condition. 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 risks, 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 claims under such policies. The Group establishes reserves based on its assessment of contingencies, including contingencies related to legal claims asserted against it. Subsequent developments in legal proceedings may affect the Group's assessment and estimates of the loss contingency recorded as a reserve and require the Group to make payments that exceed its reserves, which could have a material adverse effect on the Group's results of operations and/or financial position. For further information see Note 28 "Commitments and contingencies" to the Consolidated Financial Statements at December 31, 2019, which are incorporated by reference into this Base Prospectus.

### **Risks Related to the Group's Liquidity and Existing Indebtedness**

*Limitations on the Group's liquidity and access to funding, as well as its significant outstanding indebtedness, may limit the Group's financial and operating flexibility and its ability to execute its business strategies, obtain additional funding on competitive terms and improve its financial condition and results of operations.*

The Group's 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 access to capital markets or other sources of financing. The Group's existing indebtedness may 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 the Group's indebtedness, which may reduce the amount of funds available to it for other purposes, including product development;
- (iii) the Group is generally more financially leveraged than its competitors, which may put it at a competitive disadvantage; and
- (iv) the Group may not be able to adjust rapidly to changing market conditions, which may make it more vulnerable to a downturn in general economic conditions or its business.

In addition, the current economic climate resulting from the outbreak of COVID-19 may disrupt the Group's operations to an extent it cannot currently predict (see the risk factor entitled "*The Group is exposed to political, economic, trade and other risks beyond its control as a result of operating a global business*" and "*Significant events outside of the Group's control, including global pandemics like COVID-19 and terrorist attacks have had, and are expected to continue to have, a material impact on the Group's operating results*"). A decline in revenues could have a negative impact on the cash-generating capacity of the Group's operations. Consequently, the Group could 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. Instability in global capital markets, including market disruptions, limited liquidity and interest rate and exchange rate volatility, could reduce the Group's access to capital markets or increase the cost of its short and long-term financing. Any difficulty in obtaining financing could have a material adverse effect on the Group's business, results of operations and financial position.

The Group's ability to access the capital markets or other forms of financing and related costs are highly dependent on, among other things, the credit ratings of CNH Industrial N.V., its subsidiaries, asset-backed securities ("ABS") and other debt instruments. Rating agencies may review and revise their ratings from time to time, and any downgrade or other negative action with respect to the Group's credit ratings by one or more rating agencies may increase the Group's cost of capital, potentially limit its access to sources of financing, and have a material adverse effect on the Group's business, results of operations and financial condition.

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

The Group operates in numerous markets worldwide and is exposed to market risks stemming from fluctuations in currency and interest rates, including as a result of changes in monetary or fiscal policies of governmental authorities from time to time. The Group is subject to currency exchange risk to the extent that the Group's costs are denominated in currencies other than those in which the Group earns revenues. In addition, the reporting currency for the Consolidated Financial Statements is the U.S. dollar. Certain of the Group's assets, liabilities, expenses and revenues are denominated in other currencies. Those assets, liabilities, expenses and revenues are translated into the U.S. dollar at the applicable exchange rates to prepare the Consolidated Financial Statements. Therefore, increases or decreases in exchange rates between the U.S. dollar and those other currencies affect the value of those items reflected in the Consolidated Financial Statements, even if their value remains unchanged in their original currency. Changes in currency exchange rates between the U.S. dollar and other currencies have had, and will continue to have, an impact on the Group's results of operations and financial condition.

The Group uses various forms of financing to cover the funding requirements of its Industrial Activities and for financing offered to customers and dealers. Financial Services normally implements a matching policy to offset the impact of differences in interest rates 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.

Although the Group seeks to manage its currency risk and interest rate risk, including through hedging activities, there can be no assurance that the Group will be able to do so successfully, and its business, results of operations and financial position could be adversely affected. In addition, by utilising these instruments, the Group potentially foregoes the benefits that may result from favourable fluctuations in currency exchange and interest rates. For additional information, see Note 31 "Information on financial risks" to the Consolidated Financial Statements as at December 31, 2019, incorporated by reference into this Base Prospectus.

The Group also faces risks from currency devaluations. Currency devaluations result in a diminished value of funds denominated in the currency of the country instituting the devaluation.

See also the risk factor entitled "*Significant events outside of the Group's control, including global pandemics like COVID-19 and terrorist attacks have had, and are expected to continue to have, a material impact on the Group's operating results.*"

*Because Financial Services provides financing for a significant portion of the Group's sales worldwide, its operations and financial results could be impacted materially should negative economic conditions affect the financial industry*

Negative economic conditions can have an adverse effect on the financial industry in which Financial Services operates. Financial Services, through wholly-owned financial services companies and joint ventures, provides financing for a significant portion of the Group's sales worldwide. Financial Services may experience credit losses that exceed its expectations and adversely affect its financial condition and results of operations. Financial Services' inability to access funds at cost-effective rates to support its financing activities could have a material adverse effect on the Group's business. Financial Services' liquidity and ongoing profitability depend largely on timely access to capital in order to meet future cash flow requirements and to fund operations and costs associated with engaging in diversified funding activities. Additionally, negative market conditions could reduce customer confidence levels, resulting in declines in credit applications and increases in delinquencies and default rates, which could materially impact Financial Services' write-offs and provision for credit losses. Financial Services

may also experience residual value losses that exceed its expectations caused by lower pricing for used equipment and higher than expected equipment returns at lease maturity.

See also the risk factor entitled “*Significant events outside of the Group’s control, including global pandemics like COVID-19 and terrorist attacks have had, and are expected to continue to have, a material impact on the Group’s operating results.*”

*An increase in delinquencies or repossessions could adversely affect the results of Financial Services*

Fundamental in the operation of Financial Services is the credit risk associated with its customers/borrowers. The creditworthiness of each customer, rates of delinquency and default, repossessions and net losses on loans to customers are impacted by many factors, including:

- (i) relevant industry and general economic conditions;
- (ii) the availability of capital;
- (iii) the terms and conditions applicable to extensions of credit;
- (iv) the experience and skills of the customer’s management team;
- (v) commodity prices;
- (vi) political events;
- (vii) weather; and
- (viii) the value of the collateral securing the extension of credit.

An increase in delinquencies or defaults, or a reduction in repossessions could have an adverse impact on the performance of Financial Services and the Group’s earnings and cash flows. In addition, although Financial Services evaluates and adjusts its allowance for credit losses related to past due or non-performing receivables on a regular basis, adverse economic conditions or other factors that might cause deterioration of the financial health of customers could change the timing and level of payments received and thus necessitate an increase in Financial Services’ estimated losses, which could have a material adverse effect on Financial Services’ and the Group’s results of operations and cash flows.

See also the risk factor entitled “*Significant events outside of the Group’s control, including global pandemics like COVID-19 and terrorist attacks have had, and are expected to continue to have, a material impact on the Group’s operating results.*”

*New regulations or changes in financial services regulations could adversely impact the Group*

Financial Services’ operations are highly regulated by governmental authorities in the locations where it operates, which can impose significant additional costs and/or restrictions on its business. In the U.S., for example, the requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (“Dodd-Frank Act”), including its implementing regulations, may substantially affect the Financial Services’ origination, servicing, and securitisation programmes. The Dodd-Frank Act also strengthens the regulatory oversight of these securities and related capital market activities by the Securities Exchange Commission and increases the regulation of the ABS markets through, among other things, a mandated risk retention requirement for securitisers and a direction to regulate credit rating agencies. Other future regulations may affect Financial Services’ ability to engage in funding these capital market activities or increase the effective cost of such transactions, which could adversely affect the Group’s financial position, results of operations and cash flows.

*The Group may be exposed to shortfalls in its pension plans*

At December 31, 2019, the funded status for the Group’s defined benefit pension, and other post-employment benefits was an underfunded status of \$1,431 million that is included in the consolidated statement of financial position. The funded status is the balance between the present value of the defined benefit obligation and the fair



value of related assets, in case of funded plans (plans managed by a separate fund, “trust”). Consequently, the funded status is subject to many factors, as discussed in the Consolidated Financial Statements at December 31 2019, section “*Significant Accounting Policies*” paragraph “*Use of Estimates*”, as well as Note 23 “*Provisions for employee benefits*”.

To the extent that the Group’s obligations under a plan are unfunded or underfunded, it will have to use cash flows from operations and other sources to pay 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 is subject to changes due to market fluctuations.

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

As of December 31, 2019, the Group had an aggregate of \$25,413 million (including \$20,820 million relating to Financial Services’ activities) of consolidated gross indebtedness, and its equity was \$7,863 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 invest in the development or introduction of new products or new business opportunities;
- (v) 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
- (vi) the Group may not be able to access the capital markets on favourable terms, which may adversely affect its ability to provide competitive retail and wholesale financing programmes.

These risks are exacerbated by the ongoing volatility in the financial markets, in part resulting from perceived strains on the finances and creditworthiness of several governments and financial institutions, particularly in the European Union and Latin America, and from continued concerns about global economic growth, particularly in emerging markets.

Further, the Group’s indebtedness under some of its instruments including its revolving credit facilities and derivative transactions may bear interest at variable interest rates based on LIBOR. The LIBOR benchmark has been subject to national, international, and other regulatory guidance and proposals for reform. In July 2017, the U.K. Financial Conduct Authority announced that it intends to stop persuading or compelling banks to submit rates for calculation of LIBOR after 2021. These reforms may cause LIBOR to perform differently than in the past and LIBOR may ultimately cease to exist after 2021 or be unsuitable to use as a benchmark. The consequences of any potential cessation, modification or other reform of LIBOR cannot be predicted at this time. Any new benchmark rate will likely not replicate LIBOR exactly, which could impact new credit facilities and derivative transaction entered into after 2021. Any changes to benchmark rates could have an impact on the Group’s cost of funds and its access to the capital markets, which could impact its results of operations and cash flows. Uncertainty as to the nature of such potential changes may also adversely affect the trading market for the Group’s securities.

*Restrictive covenants in the Group’s debt agreements could limit its financial and operating flexibility*

The agreements governing the Group’s outstanding debt securities and other credit agreements to which the Group is a party from time to time contain, or may contain, covenants that restrict the Group’s ability to, among other things:

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

Although the Group does not believe any of these covenants materially restrict its operations currently, a breach of one or more of the covenants could result in adverse consequences that could negatively impact the Group's businesses, results of operations, and financial position. These consequences may include the acceleration of amounts outstanding under certain of the Group's credit facilities, triggering an obligation to redeem certain debt securities, termination of existing unused commitments by the Group's lenders, refusal by the Group's lenders to extend further credit under one or more of the facilities or to enter into new facilities or the lowering or modification of CNH Industrial's credit ratings or those of one or more of its subsidiaries. For further information, see Note 25 "Debt" to the Consolidated Financial Statements as at December 31, 2019, incorporated by reference into this Base Prospectus.

### **Risks Related to Notes Generally**

*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. Accordingly, the date of maturity of the Notes or any date for payment of interest thereon may be modified, the amount of principal or the rate of interest payable in respect of the Notes may be reduced or cancelled or the currency of payment of the Notes or the Coupons may be altered without the consent of all Noteholders.

*Payments on the Notes may be subject to withholding*

There may be situations in which payments by CNH Industrial on the Notes may be subject to withholding if CNH Industrial were deemed not to be exclusively tax resident in the United Kingdom. Should CNH Industrial be considered an Italian tax resident, payments on the Notes in favour of non-Italian Noteholders may be subject to taxation in Italy, which could result in additional costs for Noteholders which would not benefit from the gross-up provisions of Condition 7 (*Taxation*). See "*Risk Factors — Risks Concerning the Ability of the Issuers and the Guarantor to Fulfil their Obligations Under the Notes — CNH Industrial operates and will continue to operate, as a company that is resident in the U.K. for tax purposes; other tax authorities may treat CNH Industrial as being tax resident elsewhere*" for a discussion of the factors relating to the tax treatment of CNH Industrial.

For a description of the tax implications of holding the Notes, see "*Taxation*".

For a description of the circumstances in which Noteholders will receive additional amounts in respect of any tax withheld from payments on the Notes, see "*Terms and Conditions of the Notes—7. Taxation*".

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

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

In relation to any issue of 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 Note in respect of such holding (should definitive 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 value of the Notes could be adversely affected by a change of law or administrative practice.*

The terms and conditions of the Notes are based on English law in effect as at the date of issue of the relevant Notes. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of issue of the relevant Notes and any such change could materially impact the value of the Notes affected by it.

*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 3 (*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.

*Notes issued, if any, as “Green Bonds” may not be a suitable investment for all investors seeking exposure to green assets.*

In connection with the issue of “Green Bonds” under the Programme, the relevant Issuer or the Guarantor may request a sustainability rating agency or sustainability consulting firm to issue a second-party opinion confirming that the Eligible Green Projects (as defined under “Use of Proceeds” below) have been defined in accordance with the broad categorisation of eligibility for green projects set out by the International Capital Market Association (“ICMA”) Green Bond Principles (“GBP”) and/or a second-party opinion regarding the suitability of the Notes as an investment in connection with certain environmental and sustainability project (any such second-party opinion, a “Second-party Opinion”). A Second-party Opinion may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed above and other factors that may affect the value of the Notes or the projects financed or refinanced toward an amount corresponding the net proceeds of the relevant issue of Notes in the form of “Green Bonds”. A Second-party Opinion would not constitute a recommendation to buy, sell or hold securities and would only be current as of the date it is released. In addition, although CNH Industrial or CIFE may agree at the time of issue of any “Green Bonds” to certain reporting and use of proceeds (including in the case of certain divestments described under “Use of Proceeds”) it would not be an event of default under the Notes if CIFE or CNH Industrial were to fail to comply with such obligations. A withdrawal of the Second-party Opinion may affect the value of such Notes and/or may have consequences for certain investors with portfolio mandates to invest in green assets.

#### **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 for the Notes 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.

*The regulation and reform of “benchmarks” may adversely affect the value of Notes linked to or referencing such “benchmarks”*

Interest rates and indices which are deemed to be “benchmarks”, (including EURIBOR, LIBOR and CNH HIBOR) are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to or referencing such a “benchmark”. The Benchmarks Regulation was published in the Official Journal of the EU on 29 June 2016 and has applied since 1 January 2018. The Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. It will, among other things, (i) require benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevent certain uses by EU supervised entities of “benchmarks” of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

The Benchmarks Regulation could have a material impact on any Notes linked to or referencing EURIBOR, LIBOR or CNH HIBOR, in particular, if the methodology or other terms of EURIBOR, LIBOR or CNH HIBOR are changed in order to comply with the requirements of the Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of EURIBOR, LIBOR or CNH HIBOR.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of “benchmarks”, could increase the costs and risks of administering or otherwise participating in the setting of a “benchmark” and complying with any such regulations or requirements. Such factors may have the following effects on certain “benchmarks”: (i) discourage or prevent market participants from continuing to administer or contribute to the “benchmark”; (ii) trigger changes in the rules or methodologies used in the “benchmark” or (iii) lead to the disappearance of the “benchmark”. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to or referencing EURIBOR, LIBOR or CNH HIBOR.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation reforms in making any investment decision with respect to any Notes linked to or referencing EURIBOR, LIBOR or CNH HIBOR.

*Future discontinuance of certain “benchmark” rates (such as LIBOR or EURIBOR) may adversely affect the value of Floating Rate Notes which are linked to or reference such “benchmarks”*

The United Kingdom Financial Conduct Authority has indicated through a series of announcements that the continuation of LIBOR on the current basis is not guaranteed after 2021 and that steps are being taken to transition from LIBOR to alternative interest rate benchmarks. It is not possible to predict whether, and to what extent, panel banks will continue to provide LIBOR submissions to the administrator of LIBOR going forwards. This may cause LIBOR to perform differently than it did in the past and may have other consequences which cannot be predicted.

Investors should be aware that, if LIBOR or any other benchmark (including EURIBOR or CNH HIBOR) were discontinued or otherwise unavailable, the rate of interest on Floating Rate Notes which reference LIBOR or any other such benchmark will be determined for the relevant period by the fall-back provisions applicable to such Notes. Depending on the manner in which the LIBOR rate is to be determined under the Terms and Conditions, this may: (i) if ISDA Determination applies, be reliant upon the provision by reference banks of offered quotations for the LIBOR rate which, depending on market circumstances, may not be available at the relevant time; or (ii) if Screen Rate Determination applies, result in the effective application of a fixed rate based on the rate which applied in the previous period when LIBOR was available. Any of the foregoing could have an adverse effect on the value or liquidity of, and return on, any Floating Rate Notes which reference LIBOR.

The above mentioned risks relating to LIBOR may also impact EURIBOR and/or CNH HIBOR in future. Investors in Floating Rate Notes which reference EURIBOR or CNH HIBOR should be mindful of the applicable fall-back provisions in respect of such Notes and the adverse effect this may have on the value or liquidity of, and return on, any Floating Rate Notes which reference EURIBOR or CNH HIBOR.

If a Benchmark Event (as defined in Condition 4(c)) (which, amongst other events, includes the permanent discontinuation of an Original Reference Rate (as defined in Condition 4(c))) occurs, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser (as defined in Condition 4(c)), to determine a Successor Rate or Alternative Rate (as defined in Condition 4(c)) to be used in place of the Original Reference Rate. The use of any such Successor Rate or Alternative Rate to determine the Rate of Interest will result in Notes linked to or referencing the Original Reference Rate performing differently (which may include payment of a lower Rate of Interest) than they would do if the Original Reference Rate were to continue to apply in its current form.

Furthermore, if a Successor Rate or Alternative Rate for the Original Reference Rate is determined by the Independent Adviser, the terms and conditions of the Notes provide that the Issuer may vary the terms and conditions of the Notes, as necessary to ensure the proper operation of such Successor Rate or Alternative Rate, without any requirement for consent or approval of the Noteholders.

If a Successor Rate or Alternative Rate is determined by the Independent Adviser, the terms and conditions of the Notes also provide that an Adjustment Spread (as defined in Condition 4(c)) may be determined by the Independent Adviser and applied to such Successor Rate or Alternative Rate. The aim of the Adjustment Spread is to reduce or eliminate, to the extent reasonably practicable, any economic prejudice or benefit (as the case may be) to Noteholders and Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate. However, it may not be possible to determine or apply an Adjustment Spread and even if an Adjustment Spread is applied, such Adjustment Spread may not be effective to reduce or eliminate economic prejudice to Noteholders and Couponholders. If no Adjustment Spread can be determined, a Successor Rate or Alternative Rate may nonetheless be used to determine the Rate of Interest. The use of any Successor Rate or Alternative Rate (including with the application of an Adjustment Spread) will still result in Notes linked to or referencing the Original Reference Rate performing differently (which may include payment of a lower Rate of Interest) than they would if the Original Reference Rate were to continue to apply in its current form.

*The Issuer may be unable to appoint an Independent Adviser or the Independent Adviser may not be able to determine a Successor Rate or Alternative Rate in accordance with the Terms and Conditions of the Notes*

Where the Issuer is unable to appoint an Independent Adviser in a timely manner, or the Independent Adviser is unable to determine a Successor Rate or Alternative Rate before the next Interest Determination Date (as specified in the applicable Final Terms), the Rate of Interest for the next succeeding Interest Period will be the Rate of Interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event, or, where the Benchmark Event occurs before the first Interest Determination Date, the Rate of Interest will be the initial Rate of Interest. Applying the initial Rate of Interest, or the Rate of Interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event, will result in Notes linked to or referencing the relevant benchmark performing differently (which may include payment of a lower Rate of Interest) than they would do if the Original Reference Rate were to continue to apply, or if a Successor Rate or Alternative Rate could be determined.

If the Issuer is unable to appoint an Independent Adviser, or the Independent Adviser fails to determine a Successor Rate or Alternative Rate for the life of the relevant Notes, the initial Rate of Interest, or the Rate of Interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event, will continue to apply to maturity. This will result in the Floating Rate Notes, in effect, becoming fixed rate Notes.

### **Risks related to Notes Denominated in Renminbi**

*The Renminbi is not completely freely convertible and there are significant restrictions on the remittance of the Renminbi into and outside the PRC which may adversely affect the liquidity of CNY Notes*

The Renminbi is not completely 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 the import and export of goods and services as well as other frequent routine foreign exchange transactions. These transactions are known as current account items.

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 in RMB, 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. On June 5, 2015, the PBoC further issued the amendment rules for the PBoC FDI Measures as well as its implementing rules, under which the registered capital verification requirement and the precondition of full contribution of the registered capital in respect of the borrowing of foreign debt denominated in RMB are cancelled.

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 to further facilitate FDI by simplifying and streamlining the applicable regulatory framework. 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. Unlike previous MOFCOM regulations on FDI, the MOFCOM Circular removes the approval requirement for foreign investors who intend to change the currency of their existing capital contribution from a foreign currency to Renminbi. In addition, 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. Effective July 30, 2017, pursuant to the Decision on Revision of the Provisional Measures on Administration of Filing for Establishment and Change of Foreign Investment Enterprises, the establishment and change of foreign invested enterprises, other than those subject to special administration measures, only needs to be filed with the local arm of MOFCOM. As such, the aforesaid written approval requirement regarding "Renminbi Foreign Direct Investment" set forth in the MOFCOM Circular has been replaced with a simplified record filing requirement.

Although starting from 1 October 2016, the Renminbi was added to the Special Drawing Rights basket created by the International Monetary Fund, and there are policies for further improving accessibility to Renminbi to settle cross-border transactions in foreign currencies, 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 schemes for Renminbi cross-border utilisation 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.

The MOFCOM Circular, the PBoC FDI Measures and other PRC laws, regulations and policies in relation to the general administration of Renminbi will be subject to interpretation and application by the relevant authorities in the PRC.

For further details in respect of the remittance of Renminbi into and outside the PRC, 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. The PBoC, the central bank of the PRC, has also established Renminbi clearing and settlement mechanisms for participating banks in various countries through settlement agreements (the “Settlement Agreements”) on the clearing of Renminbi business with financial institutions in a number of financial centres and cities (each, a “Renminbi Clearing Bank”) and these Renminbi Clearing Banks have been permitted to engage in the settlement of Renminbi trade transactions.

However, the current size of Renminbi-denominated financial assets outside the PRC is limited. There are restrictions imposed by the PBoC, the State Administration of Foreign Exchange and other authorities on local and outbound Renminbi business participating banks in respect of cross-border Renminbi settlement, such as those relating to direct transactions with PRC enterprises. Furthermore, Renminbi business participating banks do not have direct Renminbi liquidity support from the PBoC. 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 from time to time and is affected by changes in the PRC, by international political and economic conditions and by many other factors. In August 2015, the PBoC implemented changes to the way it calculates the midpoint against the U.S. Dollar to take into account market-maker quotes before announcing the daily midpoint. In May 2017, the PBoC further decided to introduce counter-cyclical factors to offset the market pro-cyclicality, so that the midpoint quotes could adequately reflect China’s actual economic performance. However, the volatility in the value of the Renminbi against other currencies still exists. 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 5(g) (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 changes in the prevailing exchange rates in the market place. If the value of Renminbi depreciates against the U.S. dollar or other applicable 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 5(g) (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 of the relevant clearing systems. 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).

*There may be PRC tax consequences with respect to investment in the CNY Notes*

In considering whether to invest in the CNY Notes, investors should consult their individual 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 jurisdictions. The value of the holder’s investment in the CNY Notes may be materially and adversely affected if the holder is required to pay PRC tax with respect to acquiring, holding or disposing of and receiving payments under those CNY Notes.

## DOCUMENTS INCORPORATED BY REFERENCE

The documents referred to in paragraphs (a) to (j) 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 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).

(i) The consolidated financial statements of the CNH Industrial Group as of and for the financial year ended December 31, 2019 are set out on pages 119 to 207 of the Annual Report 2019, which is available on CNH Industrial's website at the link below:

<https://www.cnhindustrial.com/en-us/investor-relations/shareholder-meetings/shareholder-documents/2020/cnhi-ifrs-annual-report-2019.pdf>

(ii) The consolidated financial statements of the CNH Industrial Group as of and for the financial year ended December 31, 2018 are set out on pages 114 to 197 of the Annual Report 2018, which is available on CNH Industrial's website at the link below:

<https://www.cnhindustrial.com/en-us/Pages/FileDownload.aspx?URL=https://www.cnhindustrial.com/en-us/investor-relations/shareholder-meetings/shareholder-documents/2019/cnhi-eu-ifrs-annual-report-2018.pdf>

- (b) The Company Financial Statements (including income statement, statement of financial position, and notes to the Company Financial Statements).

(i) The company financial statements of CNH Industrial, as of and for the financial year ended December 31, 2019 are set out on pages 208 to 236 of the Annual Report 2019, which is available on CNH Industrial's website at the link below:

<https://www.cnhindustrial.com/en-us/investor-relations/shareholder-meetings/shareholder-documents/2020/cnhi-ifrs-annual-report-2019.pdf>

(ii) The company financial statements of CNH Industrial, as of and for the financial year ended December 31, 2018 are set out on pages 198 to 229 of the Annual Report 2018, which is available on CNH Industrial's website at the link below:

<https://www.cnhindustrial.com/en-us/Pages/FileDownload.aspx?URL=https://www.cnhindustrial.com/en-us/investor-relations/shareholder-meetings/shareholder-documents/2019/cnhi-eu-ifrs-annual-report-2018.pdf>

- (c) (i) The independent auditors' report on (A) the consolidated financial statements of the CNH Industrial Group, as of and for the financial year ended December 31, 2019, and (B) the company financial statements of CNH Industrial, as of and for the financial year ended December 31, 2019 is set out on pages 247 to 255 of the Annual Report 2019, which is available on CNH Industrial's website at the link below:

<https://www.cnhindustrial.com/en-us/investor-relations/shareholder-meetings/shareholder-documents/2020/cnhi-ifrs-annual-report-2019.pdf>

(ii) The independent auditors' report on (A) the consolidated financial statements of the CNH Industrial Group, as of and for the financial year ended December 31, 2018, and (B) the company financial statements of CNH Industrial, as of and for the financial year ended December 31, 2018 is set out on pages 238 to 244 of the Annual Report 2018, which is available on CNH Industrial's website at the link below:

[https://www.cnhindustrial.com/en-us/Pages/FileDownload.aspx?URL=https://www.cnhindustrial.com/en-us/investor\\_relations/shareholder\\_meetings/shareholder\\_documents/2019/cnhi\\_eu\\_ifrs\\_annual\\_report\\_2018.pdf](https://www.cnhindustrial.com/en-us/Pages/FileDownload.aspx?URL=https://www.cnhindustrial.com/en-us/investor_relations/shareholder_meetings/shareholder_documents/2019/cnhi_eu_ifrs_annual_report_2018.pdf)

- (d) The CIFE Financial Statements (including balance sheet, profit and loss account and notes to the annual accounts), and the independent auditors' report thereon.

(i) The statutory financial statements of CIFE and the independent auditors' report thereon as of and for the financial year ended December 31, 2019 are available on CNH Industrial's website at the link below:

[https://www.cnhindustrial.com/en-us/investor\\_relations/fixed\\_income\\_investors/medium\\_term\\_notes/financial\\_statements/cife\\_31.12.2019\\_final.pdf?REDIRECT=0](https://www.cnhindustrial.com/en-us/investor_relations/fixed_income_investors/medium_term_notes/financial_statements/cife_31.12.2019_final.pdf?REDIRECT=0)

(ii) The statutory financial statements of CIFE and the independent auditors' report thereon as of and for the financial year ended December 31, 2018 are available on CNH Industrial's website at the link below:

[https://www.cnhindustrial.com/en-us/investor\\_relations/fixed\\_income\\_investors/medium\\_term\\_notes/financial\\_statements/annual%20accounts\\_signed%20by%20partner%20client\\_cnhi%20industrial%20finance%20europe%20s.a.\\_31.12.2018.pdf?REDIRECT=0](https://www.cnhindustrial.com/en-us/investor_relations/fixed_income_investors/medium_term_notes/financial_statements/annual%20accounts_signed%20by%20partner%20client_cnhi%20industrial%20finance%20europe%20s.a._31.12.2018.pdf?REDIRECT=0)

- (e) The terms and conditions set out on pages 46 to 86 of the base prospectus dated March 27, 2019 relating to the Programme under the heading "Terms and Conditions of the Notes" available on CNH Industrial's website at the link below:

[https://www.cnhindustrial.com/en-us/investor\\_relations/fixed\\_income\\_investors/medium\\_term\\_notes/programme\\_documents/cnhi\\_emtn\\_base\\_prospectus\\_27032019.pdf?REDIRECT=0](https://www.cnhindustrial.com/en-us/investor_relations/fixed_income_investors/medium_term_notes/programme_documents/cnhi_emtn_base_prospectus_27032019.pdf?REDIRECT=0)

- (f) The terms and conditions set out on pages 44 to 80 of the base prospectus dated March 28, 2018 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/medium\\_term\\_notes/programme\\_documents/cnhi\\_emtn\\_base\\_prospectus\\_28032018.pdf?REDIRECT=0](http://www.cnhindustrial.com/en-us/investor_relations/fixed_income_investors/medium_term_notes/programme_documents/cnhi_emtn_base_prospectus_28032018.pdf?REDIRECT=0)

- (g) The terms and conditions set out on pages 53 to 90 of the base prospectus dated April 7, 2017 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/medium\\_term\\_notes/programme\\_documents/CNH\\_Base\\_Prospectus\\_\(Final\\_Version\).pdf](http://www.cnhindustrial.com/en-us/investor_relations/fixed_income_investors/medium_term_notes/programme_documents/CNH_Base_Prospectus_(Final_Version).pdf)

- (h) The terms and conditions set out on pages 55 to 91 of the base prospectus dated April 26, 2016 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/medium\\_term\\_notes/programme\\_documents/LONDON-](http://www.cnhindustrial.com/en-us/investor_relations/fixed_income_investors/medium_term_notes/programme_documents/LONDON-)

- (i) The terms and conditions set out on pages 45 to 82 of the base prospectus dated April 28, 2015 relating to the Programme under the heading “*Terms and Conditions of the Notes*” available on CNH Industrial’s website at the link below:

<https://www.cnhindustrial.com/en-us/investor-relations/fixed-income-investors/medium-term-notes/programme-documents/2015-gmtn-programme-base-prospectus-april-2015.pdf?REDIRECT=0>

- (j) 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:

<https://www.cnhindustrial.com/en-us/investor-relations/fixed-income-investors/medium-term-notes/programme-documents/cnh-industrial-gmtn-base-prospectus-2013.pdf?REDIRECT=0>

Non-incorporated parts of a document referred to in (a) to (j) 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 this 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://www.cnhindustrial.com/en-us/investor-relations/fixed-income-investors/medium-term-notes/Pages/programme.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 and have not been scrutinised or approved by the Central Bank.

Each Issuer and the Guarantor will, in connection with the listing of the Notes on Euronext Dublin, 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 23 of the Prospectus Regulation or publish a new Base Prospectus as may be required under the Prospectus Regulation for use in connection with any subsequent issue of the Notes to be listed on Euronext Dublin. 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 23 of the Prospectus Regulation.

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 bearer form, with or without interest coupons (“Coupons”) attached. The Notes will be issued outside the United States in reliance on Regulation S under the Securities Act (“Regulation S”).

Each Tranche of Notes will be in bearer form and will initially be issued in the form of a temporary global note (a “Temporary Global Note”) or, if so specified in the applicable Final Terms, a permanent global note (a “Permanent Global Note” and, together with a Temporary Global Note, each a “Global Note”) which, in either case, will:

- (a) if, in respect of any Notes other than CMU Notes, the Global Notes are intended to be issued in new global note (“NGN”) form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the “Common Safekeeper”) for Euroclear Bank SA/NV (“Euroclear”) and Clearstream Banking S.A. (“Clearstream, Luxembourg”); and
- (b) if the Global Notes are not intended to be issued in NGN Form, be delivered on or prior to the original issue date of the Tranche to a common depository (the “Common Depository”) for Euroclear and Clearstream, Luxembourg; or
- (c) in respect of Global Notes representing CMU Notes, be delivered to a sub-custodian nominated by the HKMA as operator of the CMU Service.

In the case of each Tranche of Notes, the applicable Final Terms will specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) (or any successor U.S. Treasury Regulation Section including, without limitation, regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010) (“TEFRA C”) or United States Treasury Regulation §1.163-5(c)(2)(i)(D) (or any successor U.S. Treasury Regulation Section including, without limitation, regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010) (“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.

Where the Global Notes issued in respect of any Tranche are in NGN form, the applicable Final Terms will also indicate whether such Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Global Notes are to be so held does not necessarily mean that the Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The Common Safekeeper for NGNs will either be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg.

Whilst any Note is represented by a Temporary Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Global Note if the Temporary Global Note is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in the Temporary Global 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, Luxembourg and Euroclear and/or Clearstream, Luxembourg, or (in case of CMU Notes) the CMU Lodging and Paying Agent and (in the case of a Temporary 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 Global Note is issued, 40 days after the Temporary Global Note is issued, interests in such Temporary Global Note will be exchangeable (free of charge) upon a request as described therein either for (i) interests in a Permanent Global Note of the same Series or (ii) definitive 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 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 Notes. The

holder of a Temporary 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 Global Note for an interest in a Permanent Global Note or for definitive Notes is improperly withheld or refused. The CMU Service may require that any such exchange for a Permanent 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 Global Note with its sub-custodian without permitting the withdrawal of the Temporary 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 Global Note issued in exchange for a Temporary 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 Global Note (if the Permanent Global Note is not intended to be issued in NGN form) without any requirement for certification.

In respect of a 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 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 Global Note shall be required for such purpose.

The applicable Final Terms will specify that a Permanent Global Note will be exchangeable (free of charge), in whole but not in part, for definitive 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 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 9) 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 Global Note in definitive form. The relevant Issuer will promptly give notice to Noteholders in accordance with Condition 13 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 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.

Where TEFRA D or TEFRA C is specified in the applicable Final Terms, the following legend will appear on all Notes 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 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 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.

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 which are different from the common code, ISIN and, where applicable, CMU instrument number assigned to Notes of any other Tranche of the same Series.

For so long as any of the Notes is represented by a 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 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, 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 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.

Any reference herein to Euroclear and/or 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 the applicable Final Terms.

A Note may be accelerated automatically by the holder thereof in certain circumstances described in Condition 9. 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, 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 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 and/or the CMU Service on and subject to the terms of a deed of covenant (the “Deed of Covenant”) dated April 7, 2017 and executed by the Issuers.

## 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.*

**[PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS -** The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”) or in the United Kingdom (the “UK”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the “Insurance Distribution Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.]

**MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET –** Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [Consider any negative target market] Any person subsequently offering, selling or recommending the Notes (a “distributor”) should take into consideration the manufacturers’ target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.

**Notification under Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the “SFA”) -** In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “CMP Regulations 2018”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are [prescribed capital markets products] / [capital markets products other than prescribed capital markets products] (as defined in the CMP Regulations 2018) and are [Excluded] / [Specified] Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).<sup>1</sup>

[Date]

[CNH INDUSTRIAL N.V. / CNH INDUSTRIAL FINANCE EUROPE S.A. organised and existing under the laws of Luxembourg, with its registered office at 24, Boulevard Royal L-2449 Luxembourg, Grand Duchy of Luxembourg Register of Commerce and Companies under number B-155849]

CNH Industrial N.V. Legal Entity Identifier (LEI): 549300WGC2HZ5J67V817  
CNH Industrial Finance Europe S.A. Legal Entity Identifier (LEI): 5493007GVB112FDSS786

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]  
[Guaranteed by CNH Industrial N.V.]  
under the €10,000,000,000  
Euro 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 March 27, 2020 [and the supplement[s] to the Base Prospectus dated [ ] (together, the “Base

<sup>1</sup> Relevant Dealer(s) to consider whether it / they have received the necessary product classification from the Issuer prior to the launch of the offer, pursuant to Section 309B of the SFA.



Prospectus”) [which together constitute] [which constitutes a base prospectus for the purposes of Regulation (EU) 2017/1129 (the “Prospectus Regulation”)]<sup>†</sup>. This document constitutes the Final Terms of the Notes described herein [for the purposes of the Prospectus Regulation]<sup>‡</sup> and must be read in conjunction with such Base Prospectus in order to obtain all the relevant information. The Base Prospectus and these Final Terms are available for viewing at <http://cnhindustrial.com/en-US/Pages/HomePage.aspx><sup>2</sup> and copies may be obtained from the Issuer [and the Guarantor] at [its/their respective] [principal][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 and have not been scrutinised or approved by the Central Bank of Ireland.

*[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] [April 28, 2015] [April 26, 2016] [April 7, 2017] [March 28, 2018][March 27, 2019] which are incorporated by reference in the Base Prospectus dated March 27, 2020. This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation 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 Regulation]<sup>3</sup>, including the Conditions incorporated by reference in the Base Prospectus, in order to obtain all relevant information. 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] [principal][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 and have not been scrutinised or approved by the Central Bank of Ireland.]

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

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

- |    |  |   |
|----|--|---|
| 1. | (i) Issuer:  | [CNH Industrial N.V. / CNH Industrial Finance Europe S.A.]  |
|    | (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 <i>[identify earlier Tranches]</i> 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:  | [ ]   |

<sup>†</sup> 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 or in the United Kingdom in circumstances where a prospectus is required to be published under the Prospectus Regulation.

<sup>‡</sup> 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 or in the United Kingdom in circumstances where a prospectus is required to be published under the Prospectus Regulation.

<sup>2</sup> To be confirmed prior to publication

- (ii) Tranche: [ ]
5. Issue Price: [ ] percent of the Aggregate Nominal Amount [plus accrued Interest from [insert date] (if applicable)]
6. (i) Specified Denominations: [ ]  
*(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 Regulation, 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.)*  
*(Applicable to Notes in definitive form)*
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]  
 [Issuer Maturity Par Call]  
 (see paragraph[s] [19] [20][21] 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  
*(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 or CNH HIBOR), 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 6(f)(iii) and (i): [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 6(c) / [ ] per Calculation Amount]
- (iii) If redeemable in part:

- (a) Minimum Redemption Amount: [ ]
- (b) Maximum Redemption Amount: [ ]
20. Issuer Maturity Par Call [Applicable]/[Not Applicable]
- Notice periods (if other than as set out in the Conditions) [Minimum period: [ ] days]/[Not Applicable]  
[Maximum period: [ ] days]/[Not Applicable]
21. 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
22. Final Redemption Amount: [ ] per Calculation Amount
23. 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**

24. Form of Notes: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event].  
[Temporary Global Note exchangeable for definitive Notes on and after the Exchange Date.]  
[Permanent 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 Global Note exchangeable for definitive Notes)*
25. New Global Note: [Yes/No]
26. 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)*
27. Talons for future Coupons to be attached to definitive Notes (and dates on which such Talons mature): [Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made. The Talon will mature on the Specified Interest Payment Date falling on [month] [year] *(insert the [25th] Specified Interest Payment Date)*/No.]

#### **LISTING AND ADMISSION TO TRADING APPLICATION**

These Final Terms comprise the final terms required for issue and admission to trading on the regulated market of Euronext Dublin of the Notes described herein pursuant to the €10,000,000,000 Euro Medium Term Note Programme of CNH Industrial Finance Europe S.A. as Issuer 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:

By:

-----  
*Duly authorised*

-----  
*Duly authorised]*

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

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

### 2. RATINGS

- Ratings: [The Notes to be issued [have been]/[are expected to be]/[have not been] rated[:][.]  
[S&P: [ ]]  
[Moody's: [ ]]  
[Fitch: [ ]]  
[[*EU established/EU registered CRA*] is established in the [European Union/United Kingdom] 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 and have not been scrutinised or approved by the Central Bank of Ireland.]  
[[*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 and have not been scrutinised or approved by the Central Bank of Ireland.]  
[[*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.]  
*[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]*  
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 and have not been scrutinised or approved by the Central Bank of Ireland. 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. REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS

[Reasons for the offer:

[General corporate purposes/To [finance/refinance] Eligible Green Projects

(See “Use of Proceeds” wording in Base Prospectus)]

Estimated net proceeds: [ ]

#### 4. 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 Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017.]

#### 5. 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 23 of the Prospectus Regulation.)]

#### 6. 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.

#### 7. DISTRIBUTION

- (i) If syndicated, name of Managers: [Not Applicable/give names]
- (ii) Stabilisation 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: 2]  
[TEFRA D/TEFRA C/TEFRA not applicable]
- (v) Prohibition of Sales to EEA and UK Retail Investors: [Applicable/Not Applicable]  
*(If the Notes clearly do not constitute “packaged” products, “Not Applicable” should be specified. If the Notes may constitute “packaged” products and no KID will be prepared, “Applicable” should be specified.)*
- (vi) [Prohibition of Sales to Belgian Consumers: [Applicable/Not Applicable]]

*(Where the Prohibition of Sales to Belgian Consumers is specified to be “Not Applicable”, Belgian law advice should be sought in relation to the applicable Final Terms.)*

#### 8. OPERATIONAL INFORMATION

- (i) ISIN Code: [ ]
- (ii) Common Code: [ ]
- (iii) CMU Instrument Number: [Not Applicable/[ ]]

- (iv) CFI: [[See/[ ], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
- (v) FISN [[See/[ ], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]  
*(If the CFI and/or FISN is not required, requested or available, it/they should be specified to be “Not Applicable”)*
- (vi) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, *société anonyme* and the relevant identification 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) Intended to be held in a manner which would allow Eurosystem eligibility [Yes. Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with Euroclear or Clearstream as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra- day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/
- [No. Whilst the Notes designation is specified as “no” at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]

## 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; and
- (iii) any definitive Notes issued in exchange for a Global Note.

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 March 27, 2020 and made between (*inter alia*) the Issuers, CNH Industrial N.V. in its capacity as Guarantor (as defined below), Citibank, N.A., London office as issuing and principal paying agent (the “Principal Paying Agent,” which expression shall include any successor principal paying 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).

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 Notes have interest coupons (“Coupons”) and, in the case of 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. 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 or in the United Kingdom nor offered in the European Economic Area or in the United Kingdom in circumstances where a prospectus is required to be published under the Prospectus Regulation, 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. (the “Guaranteed Notes”) shall be unconditionally and irrevocably guaranteed by CNH Industrial N.V. (in such capacity, the “Guarantor”) pursuant to a guarantee (such guarantee as modified and/or supplemented and/or restated from time to time, the “Guarantee”) dated April 7, 2017 executed by the Guarantor. Under the Guarantee, CNH Industrial N.V. has guaranteed the due and punctual payment of all amounts due under such Guaranteed Notes.

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

Any reference to “Noteholders” or “holders” in relation to any Notes shall mean the holders of the Notes 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 April 7, 2017 and made (*inter alia*) by the Issuer. The original of the Deed of Covenant is held by the Common Depositary for Euroclear (as defined below) and Clearstream (as defined below).

Copies of the Agency Agreement, the Guarantee 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 CMU Lodging and Paying Agent and the other Paying Agents (such agents 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 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 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 *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 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 Notes and Coupons will pass by delivery 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 Note or Coupon 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 Global Note held on behalf of Euroclear Bank S.A./N.V. (“Euroclear”) and/or Clearstream Banking S.A. (“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 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 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 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.

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

## 2. 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 3) 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 3) 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.

## 3. 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 3(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 3(a)(ix)(C)(2) 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 3(a)(ix)(C)(2) 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 3(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 3(b).

So long as the Notes are listed on Euronext Dublin, any reports CNH Industrial provides pursuant to this Condition 3(b) will also be made available in Ireland through the office of the Paying Agent in Dublin.

#### 4. 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 4(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 4(b)(i)(B) above, the “**Floating Rate Convention,**” such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis*; or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (1) such Interest Payment Date shall be brought forward to the immediately preceding Business Day; and (2) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (B) the “**Following Business Day Convention,**” such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (C) the “**Modified Following Business Day Convention,**” such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (D) the “**Preceding Business Day Convention,**” such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

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

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

markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than London and any Additional Business Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively); or (2) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the “TARGET2 System”) is open; or (3) in relation to any sum payable in Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets in Hong Kong are open for general business and settlement of payments in Renminbi.

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

(A) ISDA Determination for Floating Rate Notes

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

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

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

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

(B) Screen Rate Determination for Floating Rate Notes

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

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

(expressed as a percentage rate per annum) for the Reference Rate (being either LIBOR, EURIBOR or CNH HIBOR, as specified in the applicable Final Terms) which appears on the Relevant Screen Page as at 11:00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) 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 dealing in Renminbi 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).

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

- (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 13 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 13. 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 4(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) **Benchmark Event:** Notwithstanding the provisions of Condition 4(b) above, if a Benchmark Event occurs in relation to an Original Reference Rate, then the following provisions shall apply:
- (i) the Issuer shall use reasonable endeavours to appoint an Independent Adviser (as defined below), as soon as reasonably practicable, to determine (without any requirement for the consent or approval of the Noteholders) a Successor Rate, failing which an Alternative Rate and, in either case, an Adjustment Spread (if any) and any Benchmark Amendments (each as defined and as further described below).
  - (ii) An Independent Adviser appointed pursuant to this Condition 4(c) shall act in good faith and in a commercially reasonable manner as an expert and in consultation with the Issuer and (in the absence of bad faith, fraud or negligence) shall have no liability whatsoever to the Paying Agents, the Noteholders or the Couponholders for any determination made by it pursuant to this Condition 4(c).
  - (iii) If the Independent Adviser determines that:
    - a. there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 4(c)(v)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 4(c)); or
    - b. there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 4(c)(v)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 4(c)).
  - (iv) If (i) the Issuer is unable to appoint an Independent Adviser; or (ii) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 4(c) prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest. Where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Period shall be substituted in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Period. For the avoidance of doubt, this Condition 4(c) shall apply to the relevant next succeeding Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 4(c)
  - (v) *Adjustment Spread:* If the Independent Adviser determines (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be). If the Independent Adviser

if unable to determine the quantum of, or a formula or methodology for determining such Adjustment Spread, then the Successor Rate or that Alternative Reference Rate (as applicable) will apply without an Adjustment Spread.

- (vi) *Benchmark Amendments:* If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 4(c) and the Independent Adviser determines (i) that amendments to these Conditions are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the “Benchmark Amendments”) and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 4(c)(vii), without any requirement for the consent or approval of Noteholders, vary these Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice.

In connection with any such variation in accordance with this Condition 4(c)(vi), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

- (vii) *Notice:* Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 4(c) will be notified promptly by the Issuer to the Agents and, in accordance with Condition 13 (Notices), the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.
- (viii) *Survival of Original Reference Rate:* Without prejudice to the obligations of the Issuer under this Condition 4(c), the Original Reference Rate and the fall-back provisions provided for in Condition 4(b) will continue to apply unless and until a Benchmark Event has occurred.
- (ix) *Definitions:* For the purposes of this Condition 4(c), the following terms shall have the following meanings:

“Adjustment Spread” means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser determines is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders and Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (1) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate);
- (2) the Independent Adviser determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); (or if the Issuer determines that no such industry standard is recognised or acknowledged); or
- (3) the Independent Adviser determines (acting in good faith and in a commercially reasonable manner) to be appropriate.

“Alternative Rate” means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with Condition 4(c)(ii) is customary in

market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) in the same Specified Currency as the Notes or, if the Independent Adviser determines there is no such rate, such rate as the Independent Adviser determines is most comparable to the Original Reference Rate.

“Benchmark Amendments” has the meaning given to it in Condition 4(c)(vi).

“Benchmark Event” means:

- (1) the Original Reference Rate ceasing be published for a period of at least 5 Business Days or ceasing to exist; or
- (2) a public statement by the administrator of the Original Reference Rate that it will, by a specified date within the following six months, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (3) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or
- (4) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Notes, in each case within the following six months; or
- (5) it has become unlawful for any Agent or the Issuer to calculate any payments due to be made to any Noteholder using the Original Reference Rate.

“Independent Adviser” means an independent financial institution of international repute or an independent financial adviser with appropriate expertise selected and appointed by the Issuer at its own expense under Condition 4(c)(i).

“Original Reference Rate” means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes.

“Relevant Nominating Body” means, in respect of a benchmark or screen rate (as applicable):

- (1) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (2) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

“Successor Rate” means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

- (d) **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 and notice to that effect has been given to the Noteholders in accordance with Condition 13.

## 5. 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 7, payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, 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, and (ii) 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 Notes and Coupons:** Payments of principal in respect of definitive Notes will (subject as provided below) be made in the manner provided in paragraph (a) above only (i) in the case of a definitive Note not held in the CMU Service, against presentation and surrender of definitive Notes, and payments of interest in respect of definitive 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 Note held in the CMU Service, to the person(s) for whose account(s) interest in the relevant definitive 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 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 7) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8) 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 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 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 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 Note.

- (c) **Payments in respect of Global Notes:** Payments of principal and interest (if any) in respect of Notes represented by any Global Note will (subject as provided below) be made in the manner specified above in relation to definitive Notes and otherwise in the manner specified in the relevant Global Note (i) in the case of a Global Note lodged with the CMU Service, to the person(s) for whose account(s) interests in the relevant 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 Global Note not lodged with the CMU Service, where applicable, against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made either on such Global Note by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, as applicable.
- (d) **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 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 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 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 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).

- (e) **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 8) 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; and
    - (C) any Additional Financial Centre specified in the applicable Final Terms,
  - (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 commercial banks and foreign exchange markets in Hong Kong are open for general business and settlement of payments in Renminbi.
- (f) **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 7;
  - (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 6(f)(iii)); 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 7.

- (g) **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 13, 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 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 5(g) 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 any person 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.

## 6. 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 13, 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 7 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 6(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 6(b) will be redeemed at their Early Redemption Amount referred to in paragraph (f) 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*) or the Grand-Duchy of Luxembourg (*where the Issuer is CIFE*) 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 13; and
- (ii) not less than 15 days before the giving of the notice referred to in (i), notice to the Principal Paying Agent,

(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 (to be reflected in the records of Euroclear and Clearstream as either a pool factor or a reduction in nominal amount, at their discretion) 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 13 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 13 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 6(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 Issuer (“Issuer Maturity Par Call”):** If Issuer Maturity Par Call is specified as being applicable in the applicable Final Terms, the Issuer may, having given not less than 30 nor more than 60 days’ notice (or such other period of notice as is specified in the applicable Final Terms) to the Principal Paying Agent and, in accordance with Condition 13, the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem the Notes then outstanding in whole, but not in part, at any time during the period commencing on (and including) the day that is 90 days prior to the Maturity Date to (but excluding) the Maturity Date, at the Final Redemption Amount specified in the applicable Final Terms, together (if appropriate) with interest accrued but unpaid to (but excluding) the date fixed for redemption.
- (e) **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 13 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 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.

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 at any time during normal business hours of such Paying Agent 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 (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.

Any Put Notice given by a holder of any Note pursuant to this Condition 6(e) 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 6(e) and instead to declare such Note forthwith due and payable pursuant to Condition 9.

- (f) **Early Redemption Amounts:** For the purpose of paragraph (b) above and Condition 9, 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).

- (g) **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 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 for cancellation.
- (h) **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.
- (i) **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), (d) or (e) above or upon its becoming due and repayable as provided in Condition 9 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 (f)(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 and notice to that effect has been given to the Noteholders in accordance with Condition 13.
- (j) **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 Note in definitive form, any part) of such Note pursuant to a Change of Control Offer. 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 13.

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 at any time during normal business hours of such Paying Agent, 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 (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.

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 9.

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 Investors Service, Inc. (“Moody’s”) or S&P Global Ratings Europe Limited (“Standard & Poor’s”), 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 B.V. at the Issue Date and each of their spouses, heirs, legatees, descendants and blood relatives to the third degree, (ii) Giovanni Agnelli B.V. or (iii) any Person directly or indirectly under the Control of Giovanni Agnelli B.V. 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.

## 7. 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 6(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 (vi) of this Condition 7(a) apply nor in circumstances where the conditions set forth in Condition 7(b) apply):

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

- (i) as a result of the entry into force of the Dutch Withholding Tax Act 2021 (*Wet Bronbelasting 2021*) on 1 January 2021 substantially in the form as published in the Official Gazette (*Staatsblad*) Stb. 2019, 513 of 27 December 2019; or
- (ii) presented for payment in the Netherlands or the United Kingdom; or
- (iii) to, or to a third party on behalf of, a holder who is liable to those taxes or duties 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, in the case of a payment made pursuant to the Guarantee only, the mere crediting of Underlying Notes (as defined in the Deed of Covenant) to its securities account with the relevant clearing system; or
- (iv) to 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
- (v) 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 the same for payment on the last day of such 30-day period, assuming that day to have been a Payment Day; or
- (vi) where such withholding or deduction is made 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) to, or to 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) to 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 the same 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 a Luxembourg resident individual as per the law of December 23, 2005, as amended; or
- (vi) where such withholding or deduction is made 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.

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 13.

## **8. PRESCRIPTION**

The Notes 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 7) 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 5(b) or any Talon which would be void pursuant to Condition 5(b).

## **9. 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 9) (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 6(f)), 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 9, 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 9, 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 9 (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 9, “Treasury Subsidiary” means (A) CNH Industrial Finance Europe S.A. 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.

## **10. 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 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.

## **11. 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 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 or, in the case of CMU Notes, a CMU Lodging and Paying Agent, with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange; and
- (c) 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 5(d). 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 13.

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)(47);

“Participating FFI” means a participating FFI as defined in U.S. Treasury Regulations section 1.1471-1(b)(91); and

“Registered Deemed-Compliant FFI” means a registered deemed-compliant FFI as described in U.S. Treasury Regulations section 1.1471-1(b)(111).

## **12. 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 8.

### **13. NOTICES**

All notices regarding the 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 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 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 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.

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, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream 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 the CMU Service.

All notices to the Noteholders will be deemed to be validly given if filed with the Companies Announcements Office of Euronext Dublin.

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

### **14. 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 13 as soon as practicable thereafter.

Where the Issuer is CIFE, the provisions of Articles 470-1 to 470-19 of the Luxembourg law of August 10, 1915 on commercial companies, as amended, are hereby excluded.

## 15. SUBSTITUTION

### (a) *Substitution of CIFE by CNH Industrial*

- (I) In the case of Notes issued by CIFE, CIFE may at any time, without the consent of the Noteholders or the Couponholders, substitute for itself as principal debtor under the Notes and the Coupons CNH Industrial as Issuer, provided that no Event of Default has occurred in respect of the Notes and no payment in respect of the Notes or the Coupons is at the relevant time overdue and the substitution would not immediately result in the Substitute having an option to redeem the Notes pursuant to Condition 6(b). The substitution shall be made by a deed poll (the "CIFE Substitution Deed Poll"), to be substantially in the form set out in the Agency Agreement as Schedule 8 and may take place only if:
  - (i) CNH Industrial shall, by means of the CIFE Substitution Deed Poll, agree to indemnify each Noteholder and Couponholder against (A) any tax, duty, assessment or governmental charge which is imposed on such Noteholder or Couponholder by (or by any subdivision or authority having power to tax in or of) the United Kingdom or the Netherlands with respect to any Note or Coupon or the Deed of Covenant that would not have been so imposed had the substitution not been made and (B) any tax, duty, assessment or governmental charge, and any cost or expense relating to the substitution;
  - (ii) all the provisions set forth in the Conditions with respect to CNH Industrial as Issuer of the Notes shall apply to the Notes following the substitution as if the Notes were originally issued by CNH Industrial;
  - (iii) all actions, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that (A) the CIFE Substitution Deed Poll and the Notes, the Coupons, the Deed of Covenant and such other documentation as may be necessary to be executed by CNH Industrial to effect the substitution (including, without limitation, amended and restated Final Terms reflecting the substitution) represent valid, legally binding and enforceable obligations of CNH Industrial and (B) the CIFE Substitution Deed Poll and such other documentation as may be necessary to be executed by CIFE to effect the substitution represent valid, legally binding and enforceable obligations of CIFE, have been taken, fulfilled and done and are in full force and effect;

- (iv) the relevant stock exchange (if any) shall have confirmed that, following the proposed substitution, the Notes will continue to be listed on such stock exchange;
  - (v) legal opinions, subject to customary assumptions and qualifications, addressed to the Noteholders shall have been delivered to them (care of the Principal Paying Agent) from lawyers or firms of lawyers with leading securities practices in the Netherlands, the Grand-Duchy of Luxembourg and in England as to the fulfilment of the conditions specified in paragraph (iii) of this Condition 15(a) and the other matters specified in the CIFE Substitution Deed Poll; and
  - (vi) the Issuer shall have given at least 14 days' prior notice of such substitution to the Noteholders, in accordance with Condition 13, stating that "copies, or, pending execution, the agreed text, of all documents in relation to the substitution which are referred to above, or which might otherwise reasonably be regarded as material to Noteholders, will be available for inspection at the specified office of each of the Paying Agents."
- (II) Upon the execution of the CIFE Substitution Deed Poll by all parties thereto and the satisfaction of the other conditions set out in this Condition 15(a) and the CIFE Substitution Deed Poll, CNH Industrial shall succeed to and be substituted for the Issuer under the Notes and the Agency Agreement with the same effect as if it had been named as the Issuer herein. For the avoidance of doubt, following substitution in accordance with this Condition 15(a), CIFE shall cease to be the Issuer under the Notes, including without limitation, for the purposes of Condition 9(iii) and 9(v), and any such substitution shall not, of itself, trigger such events of default or constitute a Change of Control for the purposes of Condition 6(j).
  - (III) Following substitution, references in Condition 9 to obligations under the Notes shall be deemed to include obligations under the CIFE Substitution Deed Poll.
  - (IV) The CIFE Substitution Deed Poll and all documents relating to the substitution shall be delivered to, and kept by, the Principal Paying Agent. Copies of such documents will be available free of charge at the specified office of each of the Paying Agents.
- (b) ***Substitution of CNH Industrial by a Subsidiary***
    - (I) In the case of Notes issued by CNH Industrial, CNH Industrial may at any time, without the consent of the Noteholders or the Couponholders, substitute for itself as principal debtor under the Notes and the Coupons, any company (the "Substitute") that is a Subsidiary (as defined below) of CNH Industrial, provided that no Event of Default has occurred in respect of the Notes and no payment in respect of the Notes or the Coupons is at the relevant time overdue and the substitution would not immediately result in the Substitute having an option to redeem the Notes pursuant to Condition 6(b). The substitution shall be made by a deed poll (the "CNH Industrial Substitution Deed Poll"), to be substantially in the form scheduled to the Agency Agreement as Schedule 8, and may take place only if:
      - (i) the Substitute, failing which CNH Industrial, shall, by means of the CNH Industrial Substitution Deed Poll, agree to indemnify each Noteholder and Couponholder against (A) any tax, duty, assessment or governmental charge that is imposed on it by (or by any subdivision or authority having the power to tax in or of) the jurisdiction of the country of the Substitute's residence for tax purposes and, if different, of its incorporation with respect to any Note or Coupon or the New Deed of Covenant (as defined below) that would not have been so imposed had the substitution not been made and (B) any tax, duty, assessment or governmental charge, and any cost or expense relating to the substitution;
      - (ii) all the provisions set forth in the Conditions with respect to CIFE as Issuer and CNH Industrial as Guarantor of the Notes shall apply to the Notes following the substitution as if the Notes were originally issued by the Substitute and guaranteed by CNH Industrial, provided that in respect of the Substitute (unless the Substitute is CIFE), the

reference to “The Grand-Duchy of Luxembourg” (where the Issuer is CIFE) in Condition 6(b) shall be replaced by references to the Substitute’s country of residence for tax purposes and its country of incorporation);

- (iii) the obligations of the Substitute under the CNH Industrial Substitution Deed Poll, the Notes, the Coupons and the New Deed of Covenant shall be irrevocably and unconditionally guaranteed by CNH Industrial (on substantially the same terms as the Guarantee) by means of the CNH Industrial Substitution Deed Poll;
  - (iv) all actions, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that (A) the CNH Industrial Substitution Deed Poll, the Notes, the Coupons, the New Deed of Covenant and such other documentation as may be necessary to be executed by the Substitute to effect the substitution (including, without limitation, amended and restated Final Terms reflecting the substitution) represent valid, legally binding and enforceable obligations of the Substitute and (B) the CNH Industrial Substitution Deed Poll and any such other documentation as may be necessary to be executed by CNH Industrial to effect the substitution (including, without limitation, amended and restated Final Terms reflecting the substitution) represent valid, legally binding and enforceable obligations of CNH Industrial, of CNH Industrial, have been taken, fulfilled and done and are in full force and effect;
  - (v) unless the Substitute is CIFE, in order to effect the substitution, the Substitute shall have become party to the Agency Agreement, with any appropriate consequential amendments, as if it had been an original party to it and shall have entered into (A) a deed of covenant substantially in the form of the Deed of Covenant (the “**New Deed of Covenant**”) and (B) a supplemental global note, supplemental to the Global Note which represents the Notes prior to the substitution;
  - (vi) the relevant stock exchange (if any) shall have confirmed that, following the proposed substitution, the Notes will continue to be listed on such stock exchange;
  - (vii) legal opinions, subject to customary assumptions and qualifications, addressed to the Noteholders shall have been delivered to them (care of the Principal Paying Agent) from lawyers or firms of lawyers with leading securities practices in the Netherlands, the jurisdiction of incorporation of the Substitute and in England as to the fulfilment of the preceding conditions of paragraph (iv) of this Condition 15(b) and the other matters specified in the CNH Industrial Substitution Deed Poll; and
  - (viii) CNH Industrial shall have given at least 14 days’ prior notice of such substitution to the Noteholders, in accordance with Condition 13, stating that copies, or pending execution the agreed text, of all documents in relation to the substitution that are referred to above, or that might otherwise reasonably be regarded as material to Noteholders, shall be available for inspection at the specified office of each of the Paying Agents.
- (II) Upon the execution of the CNH Industrial Substitution Deed Poll by all parties thereto and the satisfaction of the other conditions set out in this Condition 15(b) and the CNH Industrial Substitution Deed Poll, the Substitute shall succeed to and be substituted for the Issuer under the Notes and the Agency Agreement with the same effect as if it had been named as the Issuer herein and CNH Industrial shall become the Guarantor as if the Notes had been originally guaranteed by CNH Industrial.
- (III) Following the substitution, references in Condition 9 to obligations under the Notes shall be deemed to include obligations under the CNH Industrial Substitution Deed Poll, and, where the CNH Industrial Substitution Deed Poll contains a guarantee, the events listed in Condition 9 shall be deemed to include that guarantee not being (or being claimed by the guarantor not to be) in full force and effect.



(IV) The CNH Industrial Substitution Deed Poll and all documents relating to the substitution shall be delivered to, and kept by, the Principal Paying Agent. Copies of such documents will be available free of charge at the specified office of each of the Paying Agents.

(c) ***Substitution as Issuer of a Subsidiary by another Subsidiary***

(I) In the case of Notes where the Issuer is a Subsidiary (whether as original Issuer or as substituted Issuer pursuant to the terms of Condition 15(b) or (c)), such Subsidiary, may at any time, without the consent of the Noteholders or the Couponholders, substitute for itself as principal debtor under the Notes and the Coupons, any company (the “**Substitute**”) that is also a Subsidiary (as defined below), provided that no Event of Default has occurred in respect of the Notes and no payment in respect of the Notes or the Coupons is at the relevant time overdue and the substitution would not immediately result in the Substitute having an option to redeem the Notes pursuant to Condition 6(b). The substitution shall be made by a deed poll (the “Subsidiary Substitution Deed Poll”), to be substantially in the form scheduled to the Agency Agreement as Schedule 8, and may take place only if:

- (i) the Substitute, failing which CNH Industrial, shall, by means of the Subsidiary Substitution Deed Poll, agree to indemnify each Noteholder and Couponholder against (A) any tax, duty, assessment or governmental charge that is imposed on such Noteholder or Couponholder by (or by any subdivision or authority having the power to tax in or of) the jurisdiction of the country of the Substitute’s residence for tax purposes and, if different, of its incorporation with respect to any Note or Coupon or the New Deed of Covenant that would not have been so imposed had the substitution not been made, (B) any tax, duty, assessment or governmental charge, and any cost or expense, relating to the substitution;
- (ii) all the provisions set forth in the Conditions with respect to CIFE as Issuer and CNH Industrial as Guarantor of the Notes shall apply to the Notes following the substitution as if the Notes were originally issued by the Substitute and guaranteed by CNH Industrial, provided that in respect of the Substitute (unless the Substitute is CIFE), the reference to “The Grand-Duchy of Luxembourg” (*where the Issuer is CIFE*)” in Condition 6(b) shall be replaced by references to the Substitute’s country of residence for tax purposes and its country of incorporation);
- (iii) the obligations of the Substitute under the Subsidiary Substitution Deed Poll, the Notes, the Coupons and the New Deed of Covenant shall be irrevocably and unconditionally guaranteed by CNH Industrial (on substantially the same terms as the Guarantee) by means of the Subsidiary Substitution Deed Poll;
- (iv) all actions, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Subsidiary Substitution Deed Poll, the Notes, the Coupons, the New Deed of Covenant and such other documentation as may be necessary to be executed by the Substitute and the original Issuer to effect the substitution (including , in respect of the Substitute, without limitation, amended and restated Final Terms reflecting the substitution) represent valid, legally binding and enforceable obligations of the Substitute and, (B) the Subsidiary Substitution Deed Poll and such other documentation as may be necessary to be executed by CNH Industrial to effect the substitution (including, without limitation, amended and restated Final Terms reflecting substitution) represent valid, legally binding and enforceable obligations of CNH Industrial have been taken, fulfilled and done and are in full force and effect;
- (v) unless the Substitute is CIFE, in order to effect the substitution, the Substitute shall have become party to the Agency Agreement, with any appropriate consequential amendments, as if it had been an original party to it and shall have entered into (A) a deed of covenant substantially in the form of the Deed of Covenant (the “**New Deed of Covenant**”) and (B) a supplemental global note, supplemental to the Global Note which represents the Notes prior to the substitution;

- (vi) the relevant stock exchange (if any) shall have confirmed that, following the proposed substitution, the Notes will continue to be listed on such stock exchange;
  - (vii) legal opinions, subject to customary assumptions and qualifications, addressed to the Noteholders shall have been delivered to them (care of the Principal Paying Agent) from lawyers or firms of lawyers with leading securities practices in the Netherlands, the jurisdiction of incorporation of the Substitute-, the jurisdiction of incorporation of the substituted issuer and in England as to the fulfilment of the preceding conditions of paragraph (iv) of this Condition 15(c) and the other matters specified in the Subsidiary Substitution Deed Poll; and
  - (viii) the Issuer shall have given at least 14 days' prior notice of such substitution to the Noteholders, in accordance with Condition 13, stating that copies, or pending execution the agreed text, of all documents in relation to the substitution that are referred to above, or that might otherwise reasonably be regarded as material to Noteholders, shall be available for inspection at the specified office of each of the Paying Agents.
- (II) Upon the execution of the Subsidiary Substitution Deed Poll by all parties thereto and the satisfaction of the other conditions set out in this Condition 15(c) and the Subsidiary Substitution Deed Poll, the Substitute shall succeed to and be substituted for the Issuer under the Notes and the Agency Agreement with the same effect as if it had been named as the Issuer herein and CNH Industrial shall continue to be the Guarantor of the Notes. For the avoidance of doubt, following substitution in accordance with Condition 15(c), the original Issuer shall cease to be the Issuer under the Notes, including, without limitation, for the purposes of Condition 9(iii) and 9(v), and any such substitution shall not, of itself, trigger such events of default or constitute a Change of Control for the purposes of Condition 6(j).
- (III) Following substitution references in Condition 9 to obligations under the Notes shall be deemed to include obligations under the Subsidiary Substitution Deed Poll, and where the Subsidiary Substitution Deed Poll contains a guarantee, the events listed in Condition 9 shall be deemed to include that guarantee not being (or being claimed by the guarantor not to be) in full force and effect.
- (IV) The Subsidiary Substitution Deed Poll and all documents relating to the substitution shall be delivered to, and kept by, the Principal Paying Agent. Copies of such documents will be available free of charge at the specified office of each of the Paying Agents.

For the purposes of this Condition 15, "**Subsidiary**" means any Member of the CNH Industrial Group other than CNH Industrial at the time of the relevant substitution.

(d) ***Consent to Substitution***

By subscribing to, or otherwise acquiring the Notes, the Noteholders expressly and irrevocably: (i) consent in advance to the substitution of CIFE, CNH Industrial or any Subsidiary, as the case may be, as Issuer by CNH Industrial or a Subsidiary, as the case may be, to the extent carried out pursuant to-, and in compliance with, Condition 15(a), (b) or (c); (ii) following any such substitution in accordance with Condition 15, consent to the release of CIFE, or any Subsidiary, as the case may be, which has been so substituted as Issuer from any and all obligations in respect of the Notes and any relevant agreements (other than as set out in any agreements relating to the relevant substitution) and are expressly deemed to have accepted such substitution and the consequences thereof; and (iii) direct the Principal Paying Agent to take such actions as are necessary to effect any such substitution. Any substitution shall be effected without cost or charge to the Noteholders.

## 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 Notes and the Coupons and, to the extent executed, the CIFE Substitution Deed Poll, the CNH Industrial Substitution Deed Poll, the Subsidiary Substitution Deed Poll (in each case where relevant) and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Guarantee (where applicable), the Deed of Covenant, the CIFE Substitution Deed Poll, the CNH Industrial Substitution Deed Poll, the Subsidiary Substitution Deed Poll (in each case where relevant), 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., U.K. 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., U.K. 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

An amount equal to the net proceeds from each issue of each Tranche of Notes will be applied by the relevant Issuer, as indicated in the applicable Final Terms, either:

- (a) for its general corporate purposes; or
- (b) to finance or refinance, in whole or in part, Eligible Green Projects.

According to the definition criteria set out by ICMA GBP, only Tranches of Notes financing or refinancing Eligible Green Projects (above mentioned at (b)) will be denominated “Green Bonds”.

In case of project divestment, an amount equal to the net proceeds of the “Green Bonds” will be used to finance or refinance other Eligible Green Projects.

Eligible Green Projects have been defined in accordance with the broad categorisation of eligibility for Green Projects set out by the ICMA GBP.

For the purposes of this section:

“Eligible Green Projects” include, but are not limited to, projects aimed at addressing the following key climate change concerns:

- (i) renewable energy (including production, transmission, appliances and products);
- (ii) energy efficiency (such as in new and refurbished buildings, energy storage, district heating, smart grids, appliances and products);
- (iii) pollution prevention and control (including reduction of air emissions, greenhouse gas control, soil remediation, waste prevention, waste reduction, waste recycling and energy/emission-efficient waste to energy);
- (iv) environmentally sustainable management of living natural resources and land use (including environmentally sustainable agriculture; environmentally sustainable animal husbandry; climate smart farm inputs such as biological crop protection or drip-irrigation; environmentally sustainable fishery and aquaculture; environmentally-sustainable forestry, including afforestation or reforestation; and preservation or restoration of natural landscapes);
- (v) terrestrial and aquatic biodiversity conservation, (including the protection of coastal, marine and watershed environments);
- (vi) clean transportation (such as electric, hybrid, public, rail, non-motorised, multi-modal transportation, infrastructure for clean energy vehicles and reduction of harmful emissions);
- (vii) sustainable water and wastewater management (including sustainable infrastructure for clean and/or drinking water, wastewater treatment, sustainable urban drainage systems and river training and other forms of flooding mitigation);
- (viii) climate change adaptation (including information support systems, such as climate observation and early warning systems);
- (ix) eco-efficient and/or circular economy adapted products, production technologies and processes (such as development and introduction of environmentally sustainable products, with an eco-label or environmental certification, resource-efficient packaging and distribution); and
- (x) green buildings which meet regional, national or internationally recognised standards or certifications.

## **REMITTANCE OF RENMINBI INTO AND OUTSIDE THE PRC**

RMB is not completely freely convertible at present. The PRC government continues to regulate conversion between RMB and foreign currencies, despite the significant reduction over the years by the PRC government of control over routine foreign exchange transactions under current account items. Regulations in the PRC on the remittance of RMB into the PRC for settlement of capital account items are developing gradually. Remittance of RMB by foreign investors into the PRC for the purposes of capital account items, such as capital contributions, is still permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities in accordance with corresponding laws and regulations and is subject to a strict monitoring system.

Currently the RMB Clearing Banks in the permitted areas designated by the PBoC as RMB settlement centres and RMB participating banks have been permitted to engage in the settlement of RMB trade transactions.

Although from October 1, 2016, RMB has been added to the Special Drawing Rights basket created by the International Monetary Fund, there is no assurance that the PRC Government will continue to liberalise control over cross border remittance of RMB in the future 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 RMB into or outside the PRC. In the event that funds cannot be repatriated outside the PRC in RMB, this may affect the overall availability of RMB outside the PRC and the ability of the relevant Issuer to source RMB to finance its obligations under RMB Notes.

## CNH INDUSTRIAL N.V.

### Business and Incorporation

CNH Industrial was incorporated as a public limited liability company (*naamloze vennootschap*) under the laws of the Netherlands on November 23, 2012 for the purpose of facilitating the closing of the Merger, and CNH Industrial is the successor entity to Fiat Industrial and CNH Global. CNH Industrial was originally named FI CBM Holdings N.V. but its name was changed effective September 29, 2013. Under its current articles of association, CNH Industrial has an unlimited duration. CNH Industrial's corporate seat (*statutaire zetel*) is in Amsterdam, the Netherlands, and its principal office is located at 25 St. James's Street, London, SW1A 1HA, United Kingdom. Its telephone number is +44-207-7660-346 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 FC031116 BR016181.

The common shares of CNH Industrial have been admitted to listing on the New York Stock Exchange ("NYSE") and on the *Mercato Telematico Azionario* managed by Borsa Italiana S.p.A. ("MTA") since September 30, 2013.

### Board of Directors

Pursuant to CNH Industrial's Articles of Association ("Articles of Association"), the Board of Directors may have three or more members. The current slate of Directors was appointed by the Company's shareholders at the Annual General Meeting of Shareholders ("AGM") on April 12, 2019. Pursuant to Article 13(3) of the Articles of Association, the term of office of all Directors shall be for a period of approximately one year after appointment, such period expiring on the day the first AGM is held in the following year. Accordingly, the term of office of the current Board of Directors expires at the Company's next AGM, which is expected on April 16, 2020, at which shareholders will appoint the Company's Directors. Each Director may be re-appointed at any subsequent AGM. At the date of this Base Prospectus, the members of the Board of Directors are as follows:

Name <sup>(a)</sup>	Position
Suzanne Heywood	Chairperson and Acting Chief Executive Officer
Léo W. Houle <sup>(2)(3)(*)</sup>	Senior Non-Executive Director
John Lanaway <sup>(1)(**)</sup>	Director
Alessandro Nasi <sup>(2)(3)(b)</sup>	Director
Silke C. Scheiber <sup>(1)(**)(d)</sup>	Director
Lorenzo Simonelli <sup>(1)(**)(b)</sup>	Director
Jacqueline A. Tammenoms Bakker <sup>(2)(3)(**)(c)</sup>	Director
Jacques Theurillat <sup>(1)(**)</sup>	Director

- 
- (1) Member of the Audit Committee  
(2) Member of the Governance and Sustainability Committee  
(3) Member of the Compensation Committee  
(\*) Independent Director and Senior Non-Executive Director  
(\*\*) Independent Director

- (a) Ms. Mina Gerowin, Mr. Peter Kalantzis and Mr. Guido Tabellini members of the Board until April 12, 2019.  
Mr. Alessandro Nasi and Mr. Lorenzo Simonelli members of the Board since April 12, 2019.  
(b) Member of the relevant Committee/s since April 12, 2019.  
(c) Member of the Compensation Committee since April 12, 2019.  
(d) Ms Silke C. Scheiber will leave the board at the Company's next AGM.

The biographies of the members of the Board of Directors are as follows (including significant principal activities performed by them outside the Group):

- **Suzanne Heywood, Chairperson and Acting Chief Executive Officer (Executive-Director):** Suzanne Heywood was appointed Chair of CNH Industrial N.V., in July 2018, and Acting Chief Executive Officer of CNH Industrial N.V. in March 2020. Lady Heywood became a Managing Director of EXOR in 2016. Prior to that she worked at McKinsey & Company which she joined as an associate in 1997 and left as a

Senior Partner (Director) in 2016. Suzanne co-led McKinsey's global service line on organisation design for several years and also worked extensively on strategic issues with clients across different sectors. She has published a book, "Reorg.," and multiple articles on these topics and has also acted as a visiting lecturer at Tsinghua University in Beijing. Suzanne started her career in the U.K. Government as a Civil Servant in the U.K. Treasury. At the Treasury, she worked as Private Secretary to the Financial Secretary (who is responsible for all direct taxation issues) as well as leading thinking on the Government's privatization policy and supporting the Chancellor in his negotiations at ECOFIN (the meeting of European Finance Ministers) in Brussels. Prior to that she studied science at Oxford University (BA) and then at Cambridge University (PhD). Lady Heywood is also a Board Member of The Economist (where she is an Audit Committee member), a non-executive director of Chanel, a director of the Royal Opera House (where she is the Acting Chair) and of the Royal Academy of Arts Trust. She grew up sailing around the world for ten years on a yacht with her family recreating Captain James Cook's third voyage around the world. Born in 1969, British citizenship. Date of first appointment: April 15, 2016.

- **Jacqueline A. Tammenoms Bakker, Director (Non-Executive Director – independent), Member of the Governance and Sustainability Committee, Member of the Compensation Committee:** Jacqueline A. Tammenoms Bakker was a Director of Fiat Industrial S.p.A. from April 5, 2012 until the merger of the company into CNH Industrial. Jacqueline A. Tammenoms Bakker studied at Oxford University (BA) and the Johns Hopkins School for Advanced International Studies in Washington D.C. (MA). She joined Shell International in 1977 holding a number of positions in the Netherlands, the U.K. and Turkey. In 1989, she joined McKinsey where she worked as a consultant in the U.K. and the Netherlands until 1995 when she was appointed Vice-President Food Europe at Quest International (Unilever) in the Netherlands. In 1999, she moved to the public sector in the Netherlands, firstly as Director of GigaPort (a public-private initiative to roll out broadband networks), and then as Director-General of Freight Transport (2001-2004) and Director-General of Civil Aviation and Freight Transport (2004-2007) at the Dutch Ministry of Transport. In 2006, she was awarded the Légion d'Honneur for her contribution to cooperation between the Netherlands and France, and in 2006/2007 she chaired the High Level Group on the regulatory framework for civil aviation reporting to the EU Commissioner for Transport. Since 2008 Ms. Tammenoms Bakker has been an independent Board member; she is currently a Board member of TomTom (NL), Boskalis (NL), Unibail Rodamco (FR), Groupe Wendel (FR) and Chairman of the Van Leer Group Foundation (NL). Previously she was a Board member of Vivendi (FR) (2010-2014) and Tesco PLC (U.K.) (2009-2015). Born in 1953, Dutch citizenship. Date of first appointment: September 29, 2013.
- **Léo W. Houle, Director (Senior Non-Executive Director – independent), Chairperson of the Compensation Committee, Member of the Governance and Sustainability Committee:** Mr. Houle was a Director of CNH Global N.V. from April 7, 2006 until the merger of the company into CNH Industrial. On September 6, 2011, Mr. Houle was appointed to the Board of Directors of Chrysler Group LLC now known as FCA US LLC until June 2016 when all public debt of the company was repaid and its public listing ceased. Mr. Houle was Chief Talent Officer of BCE Inc. and Bell Canada, Canada's largest communications company, from June 2001 until his retirement in July 2008. Prior to joining BCE and Bell Canada, Mr. Houle was Senior Vice-President, Corporate Human Resources of Algroup Ltd., a Swiss-based diversified industrial company. From 1966 to 1987, Mr. Houle held various managerial positions with the Bank of Montreal, the last of which was Senior Manager, Human Resources, Administration Centers. In 1987, Mr. Houle joined the Lawson Mardon Group Limited and served as Group Vice-President, Human Resources until 1994 when Algroup Ltd. acquired Lawson Mardon Group at which time he was appointed Head of Human Resources for the packaging division of Algroup and in 1997 Head of Corporate Human Resources of Algroup, Ltd. Mr. Houle completed his studies at the College Saint Jean in Edmonton, attended the Executive Development Program in Human Resources at the University of Western Ontario in 1987 and holds the designation of Certified Human Resources Professional (CHRP) from the Province of Ontario. Born in 1947, Canadian citizenship. Date of first appointment: September 29, 2013.
- **John Lanaway, Director (Non-Executive Director – independent), Member of the Audit Committee:** Mr. Lanaway was elected a director of CNH Industrial N.V. in September 2013. Mr. Lanaway previously served as a director of CNH Global N.V. from 2006 to 2013. On September 6, 2011, Mr. Lanaway was appointed to the Board of Directors of Chrysler Group LLC now known as FCA US LLC until June 2016 when all public debt of the company was repaid and its public listing ceased. His work and academic background includes: 2011–Present, independent consultant; 2007-2011, Executive

Vice President and Chief Financial Officer, North America at McCann Erickson; 2001-2007, various positions of increasing responsibility at Ogilvy North America, finally as Senior Vice President and Chief Financial Officer; 1999-2001, Chief Financial Officer and Senior Vice President at Geac Computer Corporation Limited; 1997-1999, Chief Financial Officer at Algorithmics Incorporated; 1995-1997, Senior Vice President and Chief Financial Officer at Spar Aerospace; 1993-1994, Sector Vice President, Labels North America at Lawson Mardon Group Limited; 1989-1993, Group Vice President and Chief Financial Officer at Lawson Mardon Group Limited; 1988-1989, General Manager at Lawson Mardon Graphics; 1985-1988, Vice President, Financial Reporting and Control at Lawson Mardon Group Limited; 1980-1985, Client Service Partner at Deloitte; and 1971-1980 Student-Staff Accountant-Supervisor-Manager at Deloitte. Mr. Lanaway graduated from the Institute of Chartered Accountants of Ontario, C.A. and has a Bachelor of Arts degree from the University of Toronto. Born in 1950, American, Canadian and British citizenship. Date of first appointment: September 29, 2013.

- **Alessandro Nasi, Director (Non-Executive Director), Chairperson of the Governance and Sustainability Committee, Member of the Compensation Committee:** Mr. Nasi was elected a Director of CNH Industrial N.V. in April 2019. Mr. Nasi started his career as a financial analyst in several banks, gaining experience at Europlus Asset Management, a division of Unicredit in Dublin, Ireland, PricewaterhouseCoopers in Turin, Italy, Merrill Lynch and JP Morgan in New York, U.S.A. He also worked as an Associate in the Private Equity Division of JP Morgan Partners in New York, USA. Mr. Nasi joined the Fiat Group in 2005 as manager of Corporate and Business Development, heading the APAC division and supporting Fiat Group sectors in Asia Pacific. In 2007, Mr. Nasi was appointed Vice President of Business Development and a member of the Steering Committee of Fiat Powertrain Technologies. In 2008, he joined CNH in the role of Senior Vice President of Business Development and from 2009 to 2011 he also served as Senior Vice President of Network Development. In January 2011, he was also appointed Secretary of the Industrial Executive Council of Fiat Industrial, continuing in the role of Executive Coordinator to the successor Group Executive Council of CNH Industrial until January 2019. In 2013 he was appointed President Specialty Vehicles, a role he held until January 2019. Mr. Nasi is a Director of Giovanni Agnelli B.V. and Vice Chairman of the Board of Directors of EXOR N.V. Since November 2019, he has been a member of the Advisory Board of the Lego Brand Group. Mr. Nasi obtained a degree in Economics from the University of Turin. Born in 1974, Italian citizenship. Date of first appointment: April 12, 2019.
- **Silke C. Scheiber, Director (Non-Executive Director—Independent), Member of the Audit Committee:** Silke C. Scheiber was at Kohlberg Kravis Roberts & Co. LLP, London, U.K. (“KKR”) from July 1999 to December 2015. She was a Member and Head of the European Industrials Group, responsible for identifying and executing a number of investment opportunities within the broader industrials space for KKR’s European private equity funds. From 1996 to 1999, Ms. Scheiber worked as a financial analyst at Goldman, Sachs & Company oHG, Frankfurt, Germany. Ms. Scheiber obtained her M.B.A. from the University of St. Gallen in St. Gallen, Switzerland, majoring in Finance and Accounting. Ms. Scheiber also attended the Ecole des Hautes Etudes Commerciales (HEC) in Paris, France where she majored in European Management and International Business Studies. Born in 1973, Austrian citizenship. Date of first appointment: April 15, 2016.
- **Lorenzo Simonelli, Director (Non-Executive Director—Independent), Member of the Audit Committee:** Lorenzo Simonelli was appointed Director of CNH Industrial in April 2019. He is the Chairman, President and CEO of Baker Hughes, an energy technology company that combines innovation, expertise and scale to provide solutions for energy and industrial customers worldwide. In October 2017 he was named Chairman of the Board of Baker Hughes, and has been President and CEO since the Company’s creation in 2017, where he oversaw the successful merger of GE Oil & Gas with Baker Hughes Inc. In 2013 he was appointed President and CEO of GE Oil & Gas. Previously, Mr. Simonelli served as President and CEO of GE Transportation, a global transportation leader in the rail, mining, marine and energy storage industries. During the five year tenure, he expanded and diversified GE Transportation by focusing on advanced technology manufacturing, intelligent control systems and a diverse approach to new propulsion solutions. He served as Chief Financial Officer for the Americas for GE Consumer & Industrial, as well as General Manager, Product Management for GE Appliances, Lighting, Electrical Distribution and Motors. Lorenzo Simonelli joined GE’s Financial Management Program in 1994, where he worked on assignments in GE International, GE Shared Services, GE Oil & Gas and Consolidated Financial Insurance. Mr. Simonelli currently serves on the board of c3.ai. He graduated in Business & Economics from Cardiff University, Wales and received a master’s degree



honoris causa in Chemical Sciences from the University of Florence, Italy. Born in 1973, Italian, Swiss and British citizenship. Date of first appointment: April 12, 2019.

- Jacques Theurillat, Director (Non-Executive Director—Independent), Chairperson of the Audit Committee:** Jacques Theurillat is a member of the Boards of Vifor Pharma AG, Mundipharma Ltd., CNH Industrial N.V. and ADC Therapeutics S.A. He is a Partner at Sofinnova Crossover Fund, an investment fund focused on life sciences. From April 2008 to August 2015, Mr. Theurillat served as CEO of Ares Life Sciences AG, a privately- owned investment fund with the objective to build and manage a portfolio of companies in life sciences. From March 2007 to March 2008, he has served as CEO and Chairman of Albea Pharmaceuticals AG, a Swiss company involved in venture financing for life sciences companies. Mr. Theurillat served as Serono’s SA Deputy CEO until December 2006. In addition to his role as Deputy CEO, he was appointed Senior Executive Vice President, Strategic Corporate Development in May 2006 and was responsible for developing Serono’s global strategy and pursuing its acquisition and in-licensing initiatives. From 2002 to 2006, Mr. Theurillat served as Serono’s President of European and International Sales & Marketing. In this position, he was responsible for Serono’s commercial operations in Europe, IBO, Asia-Pacific, Oceania/Japan, Latin America and Canada. He became a Board member in May 2000. From 1996 to 2002, Mr. Theurillat was Chief Financial Officer. He previously served as Managing Director of the Istituto Farmacologico Serono in Rome, where he started in 1994. In 1993, he was appointed Vice President Taxes and Financial Planning for Serono. In 1990-1993, Mr. Theurillat worked outside Serono, running his own law and tax firm. Before that, he was Serono’s Corporate Tax Director, a post to which he was appointed in 1988. He first joined Serono in 1987 as a Corporate Lawyer working on projects such as the company’s initial public offering. Mr. Theurillat is a Swiss barrister and holds Bachelor of Law degrees from both Madrid University and Geneva University. He also holds a Swiss Federal Diploma (Tax Expert) and has a Master’s degree in Finance. Born in 1959, Swiss citizenship. Date of first appointment: September 29, 2013.

The term of office of all members of the Board of Directors is for a period of approximately one year after appointment, such period expiring on the day the first Annual General Meeting of Shareholders is held in the following calendar year. The general meeting of shareholders has the power to dismiss any member of the Board of Directors at any time.

## Senior Managers

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

<b>Name</b>	<b>Position</b>
Suzanne Heywood	Chairperson, Acting Chief Executive Officer, Executive Director
Jacqueline A. Tammenoms Bakker	Director, Member of the Governance and Sustainability Committee, Member of the Compensation Committee
Léo W. Houle	Senior Non-Executive Director, Chairperson of the Compensation Committee, Member of the Governance and Sustainability Committee
John Lanaway	Director, Member of the Audit Committee
Alessandro Nasi	Director, Chairperson of the Governance and Sustainability Committee, Member of the Compensation Committee
Silke C. Scheiber	Director, Member of the Audit Committee
Lorenzo Simonelli	Director, Member of the Audit Committee
Jacques Theurillat	Director, Chairperson of the Audit Committee
Luc Billiet	General Manager, Aftermarket Solutions
Vilmar Fistarol	General Manager, South America
Oddone Incisa	Chief Financial Officer, President, Financial Services
Jay Iyengar	Chief Technology Officer
Gerrit Marx	President, Commercial and Specialty Vehicles
Derek Neilson	President, Agriculture
Stefano Pampalone	President, Construction; General Manager, Asia, Middle East and Africa
Annalisa Stupenengo	President, Powertrain
Tom Verbaeten	Chief Supply Chain Officer
Andreas Weishaar	Chief Strategy, Talent, ICT and Digital Officer

The business address of the Board of Directors and the senior managers is c/o CNH Industrial, 25 St. James's Street, London, SW1A 1HA, United Kingdom.

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.

### Sustainability Practices

CNH Industrial is committed to operating in an environmentally and socially-responsible manner, creating long-term value for all its stakeholders. For this purpose, the Company has a robust Governance model, to manage all its operations in an ethical and transparent way. Sustainability in CNH Industrial is a way of doing business and it involves every area, function and employee within the organisation.

The main tools of the sustainability management system are: the materiality analysis, which defines social and environmental priorities; approximately 200 KPIs, that monitor sustainability performance; the sustainability plan, which tracks commitments; and the annual sustainability report.

### Major Shareholders

The Articles of Association of CNH Industrial N.V. provide for authorised share capital of €40 million, divided into 2 billion common shares and 2 billion special voting shares to be held with associated common shares, each with a per share par value of €0.01. As of December 31, 2019, the Company's share capital was €18 million (equivalent to \$25 million), fully paid-in, and consisted of 1,364,400,196 common shares (1,350,132,117 common shares outstanding, net of 14,268,079 common shares held in treasury by the Company) and 396,474,276 special voting shares (387,951,166 special voting shares outstanding, net of 8,523,110 special voting shares held in treasury by the Company).

The following table sets forth information with respect to ownership of CNH Industrial's share capital in excess of 3% as of December 31, 2019 based on public information available on the website of the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*, the "AFM") and in reference to the Company's files.

Name of Beneficial Owner	Number of Common Shares Owned	Percent of Common Shares <sup>(c)</sup>
EXOR N.V. <sup>(a)</sup>	366,927,900	27.2%
Harris Associates L.P. <sup>(b)</sup>	185,027,203	13.7%

(a) In addition, EXOR N.V. holds 366,927,900 special voting shares; EXOR N.V.'s beneficial ownership in CNH Industrial is 42.2%, calculated as the ratio of (i) the aggregate number of common and special voting shares owned by EXOR N.V. and (ii) the aggregate number of outstanding common shares and special voting shares of CNH Industrial. There were 1,738,083,283 outstanding common shares and special voting shares at December 31, 2019.

(b) Harris Associates L.P.'s beneficial ownership in CNH Industrial is 10.6% calculated as the ratio of (i) the number of common shares owned by Harris Associates L.P. and (ii) the aggregate number of outstanding common shares and special voting shares of CNH Industrial. There were 1,738,083,283 outstanding common shares and special voting shares at December 31, 2019.

(c) There were 1,350,132,117 common shares outstanding as of December 31, 2019. All these common shares have the same rights and entitlements. The "Percent of Common Shares" was calculated by using the publicly disclosed number of owned common shares as the numerator, respectively, and the number of the Company's outstanding common shares as of December 31, 2019 as the denominator.

As of December 31, 2019, EXOR's voting power in CNH Industrial as a result of the loyalty voting program was approximately 42.2 percent. EXOR N.V., through its voting power, has the ability to significantly influence the

decisions submitted to a vote of the Company's shareholders, including approval of annual dividends, the election and removal of directors, mergers or other business combinations, the acquisition or disposition of assets and issuances of equity and the incurrence of indebtedness.

The Company's common shares are listed and can be traded on either the NYSE in U.S. dollars or the MTA in euro. The special voting shares are not listed on the NYSE or the MTA, not tradable, and transferable only in very limited circumstances and only together with the common shares to which they are associated.

The Company's shares may be held in the following three ways:

- (i) If a shareholder holds common shares directly in his or her own name in the United States, such shares are held in registered form in an account at Computershare Trust Company, N.A., the Company's transfer agent;
- (ii) Interests in the Company's common shares that are traded on the NYSE are held through the book-entry system provided by The Depository Trust Company ("DTC") and are registered in the register of shareholders in the name of Cede & Co., as DTC's nominee. Interests in the common shares traded on the MTA are held through Monte Titoli S.p.A., the Italian central clearing and settlement system, as a participant in DTC;
- (iii) Special voting shares and the associated common shares are registered in the books and records of the Company's transfer agents in the United States and Italy. As noted above, the special voting shares and associated common shares are not tradable. The associated common shares are only tradable after they are de-registered from the loyalty voting program at which time the associated special voting shares are surrendered to the Company. There is no possibility to hold a special voting share without holding an associated common share.

## 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, in particular the Luxembourg law of 10 August 1915 on commercial companies, as amended, 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 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 percent owned by CNH Industrial and 40 percent owned by CNH 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 subsidiaries and serves as the central treasury vehicle of 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.

As of December 31, 2019, 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 five members. The names of the directors are listed below:

<u>Name</u>	<u>Position on Board</u>
Stefania Saini	Chairman
Federico Catasta	Director
Tom Loesch	Director
Alessandro Luino	Director
Edoardo Tiraboschi	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.

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

## THE CNH INDUSTRIAL GROUP

### OVERVIEW

The CNH Industrial Group 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 specialty vehicles for firefighting, defence and other uses, as well as engines, transmissions and axles for those vehicles and engines for marine and power generation applications.

The Group has industrial and financial services companies located in 44 countries and a commercial presence in approximately 180 countries.

CNH Industrial has five operating segments:

- *Agriculture* 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 brands, as well as the STEYR, Kongskilde and Överum brands in Europe and the Miller brand, primarily in North America and Australia.
- *Construction* designs, manufactures and distributes a full line of construction equipment including excavators, crawler dozers, graders, wheel loaders, backhoe loaders, skid steer loaders and compact track loaders. Construction equipment is sold under the CASE Construction and New Holland Construction brands.
- *Commercial and Specialty Vehicles* designs, manufactures and distributes a full range of light, medium and heavy vehicles for the transportation and distribution of goods, under the IVECO brand, commuter buses and touring coaches under the IVECO BUS (previously Iveco Irisbus) and Heuliez Bus brands, quarry and mining equipment under the IVECO ASTRA brand, firefighting vehicles under the Magirus brand, and vehicles for civil defence and peace-keeping missions under the Iveco Defence Vehicles brand.
- *Powertrain* designs, manufactures and distributes, under the FPT Industrial Brand, a range of engines, transmission systems and axles for on- and off-road applications, as well as for marine and power generation.
- *Financial Services* 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, Financial Services 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. Financial Services also provides trade receivables factoring services to CNH Industrial companies.

### PRODUCTS

#### *Agriculture*

Agriculture's product lines are sold primarily under the Case IH and New Holland brands as well as the STEYR brand in Europe and the Miller brand, primarily in North America and Australia. Certain agricultural equipment products are also sold under the Kongskilde, Överum, and JF brands. To capitalise on customer loyalty to dealers and the segment's brands, relative distribution strengths and historical brand identities, the Group sells its agricultural equipment products under the Case IH (and STEYR for tractors in Europe only) and New Holland brands. The Group believes that these brands enjoy high levels of brand identification and loyalty among both customers and dealers.

Although newer generation tractors have a high percentage of common mechanical components, each brand and product remains differentiated by features, colour, interior and exterior styling, warranty terms, technology offering 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® tractor axle or Twin Rotor combine threshing technology for New Holland, the Case IH tracked four wheel drive tractor, Quadtrac®, and the front axle mounted hitch for STEYR, remain an important part of each brand's unique identity.

Agriculture's product lines include tractors, combine harvesters, hay and forage equipment, seeding and planting equipment, and self-propelled sprayers. Agriculture also specialises in other key market segments like cotton picker packagers and sugar cane harvesters, where Case IH is a worldwide leader, and in self-propelled grape harvesters, where New Holland is a worldwide leader. These brands each offer parts and support services for all of their product lines. The Group's agricultural equipment is sold with a limited warranty that typically runs from one (1) to three (3) years.

Case IH and New Holland brands enable their customers to share in-depth, real-time machine information with AgDNA, FieldView, and Farmers Edge digital management systems. In the fourth quarter of 2018, Agriculture launched AGXTEND™ brand, focused exclusively on aftermarket precision farming technology solutions. AGXTEND™ will provide the Group's dealers and customers access to exclusive productivity enhancing precision farming technologies.

In 2019, the Group acquired AgDNA, which forms part of CNH Industrial's long-term roadmap to enhance and extend its precision farming offering, in line with its commitment to delivering increasing digitalisation and servitisation in agriculture to add value for both customers and shareholders. AgDNA is an industry leading Farm Management Information System (FMIS) that automatically collects and analyses data from CNH Industrial's agricultural brands and other third-party agricultural equipment. The cloud-based platform analyses equipment, agronomic and environmental data to deliver actionable insights directly to producer's smartphones and tablets to help them maximise the agronomic performance of their CNH Industrial and other equipment and increase farm profitability.

Further, CNH Industrial's 2019 acquisition of agricultural implement manufacturer K-Line Ag adds key tillage and residue management equipment, which is critical to ensuring optimal seedbed preparation, fundamental to productive yields, and will further enhance the crop production portfolios of Case IH and New Holland Agriculture. K-Line became the number one tillage manufacturer in Australia by designing robust and reliable products for some of the world's harshest soil conditions. The Speed-Tiller high-speed disk, being offered as a Case IH branded product in North America in 2020, is a dual-season tool that cuts, sizes and incorporates high levels of crop residue, improving soil quality and maximising crop yields.

In 2019, CNH Industrial also acquired ATI, which manufactures track systems for combines and tractors. The combining of CNH Industrial and ATI's track experience provides a pipeline of track options and designs to maximise power to the ground while maintaining flotation. Beginning in 2020, Case IH will offer the innovative PowerFlex™ track systems for both new combine orders and already owned combines to give flexibility to customers. PowerFlex has a fully suspended track system that improves flotation and ride while increasing speeds. ATI also manufactures track systems for the New Holland 4WD tractors.

### ***Construction***

Construction's product lines are sold primarily under the CASE and New Holland Construction brands. CASE provides a wide range of products on a global scale, including crawler excavators that utilise technology from Sumitomo (S.H.I.) Construction Machinery Co. Ltd. and mini-excavators that use technology from Hyundai Construction Equipment, Inc. The New Holland Construction brand family also markets a full product line of construction equipment in Latin America and focuses on light equipment in the other regions.

Construction's products often share common components to achieve economies of scale in manufacturing, purchasing and development. Construction 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.

Heavy construction equipment product lines include general construction equipment such as large excavators and wheel loaders, and road building and site preparation equipment such as compactors, graders and dozers. Light construction equipment is also known as compact and service equipment, and its product lines include backhoe loaders, skid steer and tracked loaders, mini and midi excavators and compact wheel loaders. The brands each offer parts and support services for all of their product lines. The Group's construction equipment is generally sold with a limited warranty that typically runs from one (1) to two (2) years.

The Group continues to evaluate its Construction business with a view toward increasing efficiencies and profitability as well as evaluating its strategic alliances to leverage its position in key markets.

### ***Commercial and Specialty Vehicles***

#### *Trucks and Commercial Vehicles (IVECO and IVECO ASTRA)*

Under the IVECO brand, the Group produces a range of light, medium, and heavy trucks and commercial vehicles for both on-road and off-road use. The Group's key products include the Daily, a vehicle that covers the 3.5 – 7.2 ton vehicle weight range, the Eurocargo, a vehicle that covers the 6 – 16 tons range, the Trakker, a vehicle dedicated to off-road transport, and the Stralis, dedicated to on-road transport. In July 2019, Iveco started a process of complete renewal of the heavy product offering with the launch of the S-Way (the new range for long haulage and distribution) and X-Way (dedicated to construction logistics and municipalities); the new T-Way for off-road is expected to be introduced in 2020. The product offering is complemented by a series of aftersales and used vehicle assistance services.

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

The M&H 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 virtually any climate and on any terrain and are typically used to transport construction plant materials, transport and mix concrete, maintain roads in winter and transport exceptionally heavy loads.

The Group offers ecological diesel and natural gas engines on its entire range of vehicles. The Group continues to develop engines with specific components and configurations optimised for use with compressed natural gas ("CNG") and liquefied natural gas ("LNG"), and the Group has developed a comprehensive roadmap for the introduction in the market of a complete range of zero emission vehicles (from Light to Heavy).

Under the IVECO ASTRA brand, the Group builds vehicles that can enter otherwise 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 Group's product range for IVECO ASTRA includes mining and construction vehicles, rigid and articulated dump trucks and other special vehicles.

On September 3, 2019, CNH Industrial announced a strategic and exclusive Heavy-Duty Truck partnership with Nikola Corporation, a U.S. based leader in fuel cell truck technology. In this context, CNH Industrial made an initial subscription to Nikola's share capital (approximately 2.5% shareholding) through a cash contribution of \$50 million and an in-kind contribution of \$50 million, granting Nikola access to certain Iveco technology.

#### *Buses (IVECO BUS and Heuliez Bus)*

Under the IVECO BUS and Heuliez Bus brands, the Group offers local and inter-city commuter buses, minibuses, school buses and tourism coaches. IVECO BUS is one of the major European manufacturers in the passenger transport sector and is expanding its activities globally. Heuliez Bus produces city buses for public transportation and is a leader in France for the urban bus market.

#### *Specialty Vehicles (Magirus and Iveco Defence Vehicles)*

Under the Magirus brand, the Group 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.

### ***Powertrain***

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

The Group's product range features engines ranging from 2.2 to 20 litres with an output of 42 to 1,006 hp. The Group'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.

FPT Industrial's product line-up is completed by versions that use alternative fuels, including engines that run on natural gas and engines compatible with biodiesel and hydrotreated vegetable oil ("HVO"). With more than 20 years of experience in the research, development and production of natural gas engine technologies for industrial applications, FPT Industrial is an industry leader in this field. During 2019, FPT Industrial presented different leading engines, such as the N67 Natural Gas specifically designed for off-road applications; the F28, an engine also for the off-road segment designed to be small, productive and environmentally-friendly, with Diesel and Natural Gas versions; and the C16 600 marine engine to support heavy commercial missions in the marine sector. FPT Industrial also presented Red Horizon, its premium integrated marine control system, and developed an innovative propulsion architecture for STEYR's hybrid tractor concept, which further advanced the Brand's efforts in E-Powertrain. This architecture consisted of a 4.5-liter engine for battery charging and, for traction, four independent electric motors installed in the wheel hubs.

While meeting the strict emission regulations for both on-road (Euro VI) and off-road vehicles (Stage V and Tier 4B), Powertrain's technological solutions aim to provide enhanced results in terms of cost, packaging and fuel consumption for each segment of the market.

Additionally, FPT Industrial produces six speed manual transmissions for light commercial vehicles with input torque up to 500 Nm and completes its product lineup with front and rear axles reaching 32 tons gross axle weight designated to cover Commercial and Specialty Vehicles' demand, including specialty vehicles (military and fire-fighting).

In the fourth quarter of 2019, CNH Industrial announced its acquisition of Dolphin N2, a startup specialising in innovative combustion engine technology and its partnership with Microvast to develop and offer battery power systems.

## **SALES AND DISTRIBUTION**

### ***Agriculture and Construction***

Agriculture sells and distributes products through approximately 2,300 full-line dealers and distributors with over 5,600 points of sale. Construction sells and distributes products through approximately 400 full-line dealers and distributors with over 1,200 points of sale. Agriculture and Construction's dealers are almost all independently owned and operated. Some Agriculture dealers also sell construction equipment. In the United States, Canada, Mexico, most of Western Europe, Brazil, India, China, Russia and Australia, products are generally distributed directly through the independent dealer network. In the rest of the world, products are either sold to independent distributors who then resell to dealers, or to importers who have their own branches to sell product to retail customers. In both cases, the importers/distributors can take advantage of their size and knowledge of the market to minimise their marketing costs.

Consistent with the Group's brand promotion programme, it generally seeks to have dealers sell a full range of the Group's products. Typically, greater market penetration is achieved where each dealer sells the full line of products from only one of the brands. Although appointing dealers to sell more than one brand is not part of the Group's business model, some joint dealers exist, either for historic reasons or in limited markets where it is not feasible to have a separate dealer for each brand. In some cases, dealerships are operated under common ownership



but with separate points of sale for each brand. In each region, the Group seeks to optimise its distribution strategy to reduce structural costs, while maximising sales and customer satisfaction.

In North America and Australia, a trade-in of used equipment typically accompanies the sale of new equipment to end-users. The Group often provides marketing assistance to its dealers to support the sale of used, trade-in equipment through subsidised financing incentives, inventory carrying cost defrayment, or other methods.

Exclusive, dedicated dealers generally provide a higher level of market penetration. Some dealers may sell complementary products manufactured by other suppliers to complete their product offerings or to satisfy local demand for a particular specialty application or segment.

A strong dealer network with wide geographic coverage is a critical element in the success of Agriculture and Construction. The Group works to enhance its dealer network through the expansion of its product lines and customer services, including enhanced financial services offerings, and an increased focus on dealer support. To assist dealers in building rewarding relationships with their customers, focused customer satisfaction programmes have been introduced and they are expected to incorporate customer input into the relevant product development and service delivery processes.

As the equipment rental business becomes a more significant factor in both the agricultural and construction equipment markets, Agriculture and Construction 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. Agriculture and Construction 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, the Group expands such activities gradually, with special attention to managing the resale of rental units into the used equipment market by its dealers, who can utilise this opportunity to improve their customer base and generate additional parts business.

The Group believes that it is generally more cost-effective to distribute its agricultural and construction equipment products through independent dealers, although Agriculture and Construction maintain a limited number of company-owned dealerships in some markets. As of December 31, 2019, the Group operated two and five company-owned Agriculture and Construction dealerships, respectively, primarily in North America and Europe. The Group also operates a selective dealer development programme in territories with growth potential but underdeveloped representation by the Group's agricultural and construction equipment brands that typically involves a transfer of ownership to a qualified operator through a buy-out or private investment after a few years.

### ***Commercial and Specialty Vehicles***

Commercial and Specialty Vehicles' worldwide distribution strategy is based on a network of independent dealers, in addition to its own dealerships and branches. As of December 31, 2019, Commercial and Specialty Vehicles had approximately 700 dealers globally (of which 22 were directly owned by the Group and 15 were branches). All of these dealers sell spare parts for the relevant vehicles. Commercial and Specialty Vehicles 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 aftersales services.

A key element of Commercial and Specialty Vehicles' growth strategy is its distribution network. In Western Europe, Eastern Europe, Turkey, Russia, Australia and Latin America, continued consolidation of the distribution network is aimed at improving service to customers (such as the implementation of the Truck Stations network of specialised workshops), increasing profitability and reducing overall distribution costs. In Africa and the Middle East, the distribution network is being expanded to fully exploit growth in these markets.

In the U.K., Commercial and Specialty Vehicles is one of the few OEMs that sells trucks and other commercial vehicles to companies which offer commercial vehicle rental solutions, such as Ryder, Fraikin and Burntree, among others.

In accordance with European legislation, Commercial and Specialty Vehicles' dealers have a specific sales territory. Additionally, European law allows the Group's Commercial and Specialty Vehicles' dealers to carry multiple brands.

### ***Powertrain***

Powertrain provides propulsion solution products for Agriculture, Construction, and Commercial and Specialty Vehicles. 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 a growing number of third-party customers.

Powertrain has a network of approximately 73 dealers and 800 service points in 100 countries that cover its entire product range and related market sectors. Large OEMs use their own internal networks to obtain parts and services for purchased equipment, while small OEMs frequently rely on the Group for delivery of parts and services through Powertrain's worldwide network.

### **PRICING AND PROMOTION**

The retail price of any particular piece of equipment or vehicle is determined by the individual dealer or distributor and generally depends on market conditions, features, options and, potentially, regulatory requirements. Retail sale prices may differ from the manufacturer-suggested list prices. The Group sells equipment and vehicles to its dealers and distributors at wholesale prices that reflect a discount from the manufacturer-suggested list price. In the ordinary course of business, the Group engages in promotional campaigns that may include price incentives or preferential financing terms with respect to the purchase of certain products in certain areas.

The Group regularly advertises its products to the community of farmers, builders, transporters and agricultural and construction contractors, as well as to distributors and dealers in each of its major markets. To reach its target audience, the Group uses a combination of general media, specialised design and trade magazines, the Internet and direct mail. The Group also regularly participates in major international and national trade shows and engages in co-operative advertising programmes with distributors and dealers. The promotion strategy for each brand varies according to the target customers for that brand.

### **PARTS AND SERVICES**

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

As of December 31, 2019, the Group operated and administered 46 parts depots worldwide either directly, through a joint venture, or through arrangements with warehouse service providers. This network includes 10 parts depots in North America, 13 in Europe, 3 in South America, and 20 in Rest of World. The network includes 33 parts depots that support Agriculture, 27 that support Construction, 19 that support Commercial and Specialty Vehicles and 5 that support Powertrain. These depots supply parts to dealers and distributors, which are responsible for sales to retail customers. The Group's parts depots and parts delivery systems provide customers with access to substantially all the parts required to support the Group's products.

As of December 31, 2019, Commercial and Specialty Vehicles had approximately 5,000 sales and/or service network points. In addition to Commercial and Specialty Vehicles standard one-year full vehicle warranty and two-year powertrain warranty, Commercial and Specialty Vehicles offers personalised aftersales customer assistance programmes.

### **JOINT VENTURES**

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

- (i) in Japan, the Group owns 50.0 percent of New Holland HFT Japan Inc. (“HFT”), which distributes its products in Japan. HFT imports and sells the full range of New Holland agricultural equipment;
- (ii) in Pakistan, the Group owns 43.2 percent of Al Ghazi Tractors Ltd., which manufactures and distributes New Holland tractors;
- (iii) in Turkey, the Group owns 37.5 percent of Turk Traktor ve Ziraat Makineleri A.S., which manufactures and distributes various models of both New Holland and Case IH tractors;
- (iv) in Mexico, the Group owns 50.0 percent of CNH de Mexico S.A. de C.V., which manufactures New Holland agricultural equipment and distributes the Group’s agricultural equipment through one or more of its wholly-owned subsidiaries;
- (v) in China, the Group owns 50.0 percent of Naveco (Nanjing Iveco Motor Co.) Ltd., a company that manufactures light and other commercial vehicles in China;
- (vi) in China, the Group controls 60.0 percent of SAIC Fiat Powertrain Hongyan Ltd (“SFH”), a manufacturing company located in Chongqing, which produces diesel engines under license from the Group to be sold in the Chinese market and to be exported to Europe, the U.S. and Latin America; and
- (vii) in South Africa, the Group owns 60.0 percent of Iveco South Africa Works (Pty) Ltd., which manufactures medium and heavy duty commercial vehicles and buses.

## **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 loan and lease financing for the purchase or lease of new and used equipment and vehicles and wholesale financing to dealers and factoring of trade receivables from CNH Industrial companies. Wholesale financing consists primarily of dealer floor plan financing and gives the dealers the ability to maintain a representative inventory of new products. In addition, Financial Services provides financing to dealers for used equipment and vehicles taken in trade, equipment utilised in dealer-owned rental yards, parts inventory, working capital and other financing needs. As a captive finance business, Financial Services is reliant on the operations of Agriculture, Construction, Commercial and Specialty Vehicles and Powertrain, their dealers, and customers.

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

In North America, customer and dealer financing activities, which support the sales of Agriculture and Construction, are managed through CNH Industrial’s wholly-owned financial services companies.

In Europe, there are two joint ventures that provide customer financing of Agriculture, Construction, and Commercial and Specialty Vehicles, depending on the country of origin. CNH Industrial Capital Europe S.a.S., a joint venture with BNP Paribas Group, is 49.9 percent owned by CNH Industrial N.V. and accounted for under the equity method. Transolver Finance Establecimiento Financiero de Credito S.A. (“Transolver Finance”), a joint venture with the Santander Group, is 49 percent owned by CNH Industrial N.V. and accounted for under the equity method. Transolver Finance also provides dealer financing. Additionally, there are vendor programmes with banking partners that provide customer financing of Agriculture, Construction, and Commercial and Specialty Vehicles, depending on the country of origin. Customer and dealer financing activities not included in

the joint ventures or vendor programmes, such as factoring of trade receivables, are managed through the Group's wholly-owned financial services companies.

For South America, customer and dealer financing activities in Brazil, which support the sales of Agriculture, Construction, and Commercial and Specialty Vehicles, are managed through the Group's wholly-owned financial services company, Banco CNH Industrial Capital S.A. ("Banco CNH Industrial Capital"). For customer financing, Banco CNH Industrial Capital mainly serves as intermediary for funding provided by the Banco Nacional de Desenvolvimento Economico e Social ("BNDES"), a federally-owned financial institution linked to the Brazilian Ministry of Development, Industry and Foreign Trade. In Argentina, customer and dealer financing activities, which support the sales of Agriculture, Construction, and Commercial and Specialty Vehicles, are managed through a wholly-owned financial services company. Vendor programmes with banking partners are also in place in Argentina.

For Rest of World, customer and dealer financing activities in Australia and India, which support the sales of Agriculture, Construction, and Commercial and Specialty Vehicles, are managed through wholly-owned financial services companies. In China and Russia, dealer financing activities are managed through wholly-owned financial services companies.

#### *Customer Financing*

Financial Services has certain retail underwriting and portfolio management policies and procedures that are specific to Agriculture, Construction, and Commercial and Specialty Vehicles. This distinction allows Financial Services to reduce risk by deploying industry-specific expertise in each of these businesses. The Group provides retail financial products primarily through its dealers, who are trained in the use of the various financial products. Dedicated credit analysis teams perform retail credit underwriting. The terms for financing equipment and vehicle retail sales 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 percent to 30 percent 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. For periods during which finance charges are waived or reduced on the retail notes or leases, Financial Services generally receives compensation from the applicable Industrial Activities segment based on Financial Services' estimated costs and a targeted return on equity. The cost is recognised as a reduction in net sales for the applicable Industrial Activities segment.

#### *Dealer Financing*

Financial Services provides wholesale floor plan financing for nearly all of the Group's dealers, which allows them to acquire and maintain a representative inventory of products. Financial Services also provides financing to dealers for used equipment taken in trade, equipment utilised in dealer-owned rental yards, parts inventory, working capital and other financing needs. For floor plan financing, Financial Services generally provides a fixed period of "interest free" financing to the dealers. This practice helps to level fluctuations in factory demand and provides a buffer from the impact of sales seasonality. During the "interest-free" period, the applicable Industrial Activities segment compensates Financial Services based on Financial Services' estimated costs and a targeted return on equity. After the expiration of any "interest-free" period, interest is charged to dealers on outstanding balances until Financial Services receives payment in full. The cost is recognised as a reduction in net sales for the applicable Industrial Activities segment.

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 vehicles financed. Dealer credit agreements generally include a requirement to repay the particular financing at the time of the retail sale of the unit. Financial Services leverages employees, third party contractors and new digital technologies such as "geo-fencing" to conduct periodic stock audits at each dealership to confirm that the financed equipment or vehicle is maintained 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.

#### *Factoring*

Financial Services also provides intragroup factoring of trade and other receivables. This activity involves the purchase (without recourse) of receivables of CNH Industrial companies, originating from the different Industrial Activities segments, and due from third or related parties.

#### *Sources of Funding*

The long-term profitability of Financial Services' activities largely depends on the cyclical nature of the industries in which the Group operates, 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 secured and unsecured facilities, uncommitted lines of credit, unsecured bonds, unsecured commercial paper, affiliated financing and retained earnings. Financial Services' current funding strategy is to maintain sufficient liquidity and flexible access to a wide variety of financial instruments and funding options.

Financial Services has periodically accessed the asset-backed securitisation ABS markets in the United States, Canada and Australia, as part of its retail and wholesale financing programmes when those markets offer funding opportunities on competitive terms. Financial Services has also accessed the unsecured bond market in the United States, Brazil and Australia and the commercial paper market in the United States and France to add more diversity to its funding structure. Financial Services' ability to access these markets will depend, in part, upon general economic conditions and Financial Services' financial condition and portfolio performance. These factors can be negatively affected by cyclical swings in the industries in which the Group operates.

#### *Competition*

The financial services industry is highly competitive. Financial Services competes primarily with banks, equipment finance and leasing 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, and licensing or other governmental regulations.

### **LEGAL PROCEEDINGS**

As a global company with a diverse business portfolio, CNH Industrial is exposed to numerous legal risks, including dealer and supplier litigation, intellectual property right disputes, product warranty and defective product claims, product performance, asbestos, personal injury, emissions and/or fuel economy regulatory and contractual issues and environmental claims that arise in the ordinary course of CNH Industrial's business. The most significant of these matters are described in Note 28 "*Commitments and contingencies*" to the Consolidated Financial Statements, which are incorporated by reference into this Base Prospectus.

The outcome of any current or future proceedings, claims or investigations cannot be predicted with certainty. Adverse decisions in one or more of these proceedings, claims or investigations could require CNH Industrial to pay substantial damages, or undertake service actions, recall campaigns or other costly actions. It is therefore possible that legal judgments could give rise to expenses that are not covered, or not fully covered, by insurers' compensation payments and could affect the Group's financial position and results of operations.

Although the ultimate outcome of legal matters pending against the Group and its subsidiaries cannot be predicted, management believes the reasonable possible range of losses for these unresolved legal actions in addition to the amounts accrued would not have a material effect on the Consolidated Financial Statements.

*Follow up on Damages Claims:* Iveco S.p.A, CNH Industrial's wholly-owned subsidiary, and its competitors were subject to an investigation by the European Commission (the "Commission") into certain business practices in the European Union in relation to medium and heavy trucks. On July 19, 2016, the Commission announced a settlement with Iveco. Following the settlement, CNH Industrial has been named as defendant in private litigation commenced in various European jurisdictions and Israel by customers and other third parties, either acting individually or as part of a wider group or class of claimants. These claims remain at an early stage. Further, on the basis of the letters issued by a significant number of customers indicating that they may commence proceedings in the future, CNH Industrial expects to face further claims based on the same legal grounds in the same and various other jurisdictions. The extent and outcome of these claims cannot be predicted at this time.

## RECENT DEVELOPMENTS

### *Separation of “On-Highway” and “Off-Highway” businesses*

On September 3, 2019, CNH Industrial announced its intention to separate its “On-Highway” (commercial vehicles and powertrain) and “Off-Highway” (agriculture, construction and specialty vehicles) businesses. The separation is expected to be effected through the spin-off of CNH Industrial’s equity interest in the “On-Highway” business to CNH Industrial’s shareholders.

The proposed spin-off is expected to be completed in early 2021, subject to approval at an Extraordinary General Meeting of shareholders. In order to preserve the operational effectiveness of the Off-Highway business, the Company intends to enter into a long-term supply agreement on Powertrain-related components. Additionally, CNH Industrial expects to guarantee continuous financial services support to both entities as a clear competitive advantage in tailoring the financial product offering to the Group’s customers’ needs.

CNH Industrial did not classify the business that will be separated as asset held for distribution at December 31, 2019. The criteria within IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations were not met as the structure, organisation, terms and financing aspects of the transaction had not yet been finalised and will be subject to final approval by the Extraordinary General Meeting of CNH Industrial’s shareholders.

On March 23, 2020, the Board confirmed its continued strong support for the Group’s “Transform2Win” strategy devised under the leadership of Mr. Mühlhäuser, including the spin-off of CNH Industrial’s “On-Highway” assets that will be listed alongside the Group’s “Off-Highway” assets.

### *Two week suspension of European assembly operations*

On March 20, 2020, CNH Industrial announced that in light of the supply chain constraints caused by the COVID-19 emergency in Europe, it is suspending the majority of its European assembly operations for a two week period. This suspension applies to the Group’s agricultural, construction, commercial and specialty vehicles production facilities. Most component facilities will remain operational at low speed, in strict compliance with national health directives, in order to ensure the continuation of supply to the Group’s manufacturing facilities located outside of Europe. European parts depots and most dealer locations will also remain open to maintain uninterrupted service to the Group’s customer base. CNH Industrial is working in close consultation with unions and works councils to implement the temporary shut downs and re-opening of its plants.

### *Appointment of Suzanne Heywood as Acting Chief Executive Officer and Oddone Incisa as Chief Financial Officer of CNH Industrial*

On March 23, 2020, the Board of CNH Industrial announced that it had appointed Suzanne Heywood as Acting Chief Executive Officer, in addition to her role as Chair of the Board, to lead the business through this current unprecedented period and until a new permanent CEO has been identified by means of a thorough search process. The Board reached its unanimous decision and accepted the resignation of Hubertus Mühlhäuser as Chief Executive Officer, who left the Group with immediate effect. In her combined role, Suzanne Heywood will chair the Group’s Global Executive Committee to provide the business with leadership during the coming months.

Meeting under Suzanne Heywood’s leadership, the Board also unanimously agreed on the appointment of Oddone Incisa as Chief Financial Officer, in addition to his current role as President, Financial Services. Mr. Incisa began his career with the Fiat Group in 1997 at Fiat Bank in Germany, and in 2001 was named Chief Financial Officer (CFO) of Banco Fiat, Brazil. In 2003 he was appointed Head of Financial Planning & Analysis, Fidis Retail and FGA Capital, Italy, and in 2008 was nominated CFO, CNH Capital, based in the U.S. From 2011 to 2013 Mr. Incisa held the position of Chief Executive Officer and General Manager, FGA Capital (now FCA Bank).

Mr. Incisa succeeds Max Chiara, outgoing Chief Financial and Sustainability Officer, who will remain available to support the new CFO’s transition over the next two weeks when Mr. Chiara will leave CNH Industrial to take up a new position.

## FINANCIAL INFORMATION RELATING TO CNH INDUSTRIAL N.V.

The following financial information has been extracted from the Company Financial Statements, which are incorporated by reference herein.

The Company Financial Statements have been prepared in accordance with the legal requirements of Part 9, Book 2 of the Dutch Civil Code. Section 362 (8), Book 2 of the Dutch Civil Code allows companies that apply EU-IFRS in their consolidated financial statements to use the same measurement principles in their audited financial statements. For additional information on such accounting policies, please see section “*Significant accounting policies*” set forth in the Consolidated Financial Statements, incorporated by reference in this Base Prospectus. In the Company Financial Statements, investments in subsidiaries are accounted for using the equity method. The Company Financial Statements are presented in euros, CNH Industrial’s functional currency. The euro functional currency of Company Financial Statements differs from the U.S. dollar presentation currency of the Consolidated Financial Statements, which was elected to be used in order to improve comparability with main competitors, mainly in agricultural equipment and construction equipment businesses, and to provide more meaningful information to U.S. investors.

CNH Industrial presents an income statement using a classification based on the function of the expenses (also referred to as the “cost of sales” method) rather than one based on their nature, as this is believed to provide information that is more relevant.

### STATEMENT OF FINANCIAL POSITION

	<b>As of December 31,</b>	
	<b>2019</b>	<b>2018</b>
(in thousands of euros)	<b>(Audited)</b>	
<b>Assets</b>		
Intangible assets .....	85,402	88,639
Property, plant and equipment.....	88,576	81,136
Financial fixed assets.....	14,585,053	13,374,798
<i>Investments in Group companies and other equity interests</i> .....	13,179,123	11,996,774
<i>Other financial assets</i> .....	1,404,859	1,374,898
<i>Deferred tax assets</i> .....	1,071	3,126
<b>Total fixed assets</b> .....	<b>14,759,031</b>	<b>13,544,573</b>
Inventories.....	161,038	170,912
Trade receivables.....	244,393	165,871
Current financial receivables .....	94,160	149,550
Other current assets .....	246,176	201,647
Cash and cash equivalents .....	98,268	2,335
<b>Total current assets</b> .....	<b>844,035</b>	<b>690,315</b>
<b>Total assets</b> .....	<b>15,603,066</b>	<b>14,234,888</b>

(in thousands of euros)	As of December 31,	
	2019	2018
	(Audited)	
<b>Equity Provisions and liabilities</b>		
<b>Equity</b>		
Share capital .....	17,609	17,609
Treasury shares .....	(132,202)	(108,536)
Capital reserve .....	2,430,632	2,433,282
Legal reserve .....	1,988,163	2,095,663
Retained profit/(loss) .....	1,875,196	904,034
Profit/(loss) for the year .....	780,723	1,158,385
<b>Total equity</b> .....	<b>6,960,121</b>	<b>6,500,437</b>
Provision for employee benefits .....	325,045	255,081
Other provisions .....	87,232	94,334
<b>Total Provisions</b> .....	<b>412,277</b>	<b>349,415</b>
Non-current debt .....	1,055,254	1,008,819
<b>Total non-current liabilities</b> .....	<b>1,055,254</b>	<b>1,008,819</b>
Trade payables.....	291,959	257,187
Current financial liabilities .....	6,682,757	5,927,041
Other debt.....	200,698	191,989
<b>Total current liabilities</b> .....	<b>7,175,414</b>	<b>6,376,217</b>
<b>Total equity Provisions and liabilities</b> .....	<b>15,603,066</b>	<b>14,234,888</b>

## INCOME STATEMENT

(in thousands of euros)	As of December 31,	
	2019	2018
	(Audited)	
Net revenues.....	1,293,177	1,369,873
Cost of sales .....	1,124,800	1,225,011
<b>Gross Profit</b> .....	<b>168,377</b>	<b>144,862</b>
Selling, general and administrative costs .....	129,261	124,867
Research and development costs .....	55,106	46,868
<b>Net Margin</b> .....	<b>(15,990)</b>	<b>(26,873)</b>
Restructuring expenses.....	3,486	354
Other income/(expenses) .....	(242)	(4,690)
Financial income/(expenses) .....	(83,260)	(83,409)
<b>Profit/(loss) before taxes</b> .....	<b>(102,978)</b>	<b>(115,326)</b>
Income tax (expense).....	13,981	4,063
Result from investments in Group companies and other equity interests.....	869,720	1,269,648
<b>Net profit/(loss)</b> .....	<b>780,723</b>	<b>1,158,385</b>



## FINANCIAL INFORMATION RELATING TO THE CNH INDUSTRIAL GROUP

The following financial information has been extracted from the Consolidated Financial Statements, which are incorporated by reference herein.

The Consolidated Financial Statements reflect the organisation of the CNH Industrial Group's business into five operating segments as presented under EU-IFRS and use U.S. dollars as presentation currency.

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

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in millions of U.S. dollars)	As of December 31,	
	2019	2018
	(Audited)	
<b>Assets</b>		
Intangible assets .....	5,522	5,497
Property, plant and equipment .....	5,769	5,963
Investments and other financial assets: .....	707	592
<i>Investments accounted for using the equity method</i> .....	550	555
<i>Other investments and financial assets</i> .....	157	37
Leased assets .....	1,857	1,774
Defined benefit plan assets .....	28	25
Deferred tax assets .....	806	853
<b>Total non-current assets</b> .....	<b>14,689</b>	<b>14,704</b>
Inventories .....	7,065	6,719
Trade receivables .....	408	395
Receivables from financing activities .....	19,429	19,175
Current tax receivables .....	260	356
Other current assets .....	1,475	1,390
Other financial assets .....	73	98
Cash and cash equivalents .....	5,773	5,803
<b>Total current assets</b> .....	<b>34,483</b>	<b>33,936</b>
Assets held for sale .....	10	10
<b>Total assets</b> .....	<b>49,182</b>	<b>48,650</b>

	As of December 31,	
	2019	2018
(in millions of U.S. dollars)	(Audited)	
<b>Equity and liabilities</b>		
Issued capital and reserves attributable to owners of the parent.....	7,819	7,443
Non-controlling interests .....	44	29
<b>Total equity</b> .....	<b>7,863</b>	<b>7,472</b>
Provisions: .....	4,787	4,875
<i>Employee benefits</i> .....	1,701	1,763
<i>Other provisions</i> <sup>(*)</sup> .....	3,086	3,112
Debt: .....	25,413	24,543
<i>Asset-backed financing</i> .....	11,757	11,269
<i>Other debt</i> .....	13,656	13,274
Other financial liabilities .....	121	108
Trade payables.....	5,635	5,886
Tax liabilities <sup>(*)</sup> .....	181	265
Deferred tax liabilities .....	274	251
Other current liabilities .....	4,908	5,250
Liabilities held for sale .....	-	-
<b>Total liabilities</b> .....	<b>41,319</b>	<b>41,178</b>
<b>Total equity and liabilities</b> .....	<b>49,182</b>	<b>48,650</b>

(\*) Following the adoption of IFRIC Interpretation 23 from January 1, 2019, 2018 figures have been reclassified due to the change in classification for identified income tax-related risks that were previously recognised as a provision.

## CONSOLIDATED INCOME STATEMENT

	2019	2018
(in millions of U.S. dollars)	(Audited)	
Net revenues.....	28,024	29,736
Cost of sales .....	23,056	24,201
Selling, general and administrative costs .....	2,156	2,313
Research and development costs .....	1,093	1,110
Result from investments:	19	61
<i>Share of the profit/(loss) of investees accounted for using the equity method</i> .....	19	61
Gains/(losses) on the disposal of investments .....	-	(1)
Restructuring costs .....	116	63
Other income/(expenses).....	(52)	383
Financial income/(expenses) .....	(362)	(578)
<b>Profit/(loss) before taxes</b> .....	<b>1,208</b>	<b>1,914</b>
Income tax (expense) .....	(302)	(515)
<b>Profit/(loss) from continuing operations</b> .....	<b>906</b>	<b>1,399</b>
<b>Profit/(loss) for the period</b> .....	<b>906</b>	<b>1,399</b>
<b>Profit/(loss) for the period attributable to:</b>		
Owners of the parent .....	874	1,368
Non-controlling interests .....	32	31

	2019	2018
(in U.S. dollars)		(Audited)
Basic earnings/(loss) per common share .....	0.65	1.01
Diluted earnings/(loss) per common share .....	0.65	1.01

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2019	2018
(in millions of U.S. dollars)		(Audited)
<b>Profit/(loss) (A)</b> .....	<b>906</b>	<b>1,399</b>
Other comprehensive income that will not be reclassified subsequently to profit or loss:		
<i>Gains/(losses) on the remeasurement of defined benefits plans</i> .....	(169)	182
<i>Net change in fair value of equity investments at fair value through other comprehensive income</i> .....	(6)	-
Tax effect of Other comprehensive (loss)/income that will not be reclassified subsequently to profit or loss .....	19	(32)
<b>Total Other comprehensive income/(loss) that will not be reclassified subsequently to profit or loss, net of tax (B1)</b> .....	<b>(156)</b>	<b>150</b>
Other comprehensive income/(loss) that may be reclassified subsequently to profit or loss:		
<i>Gains/(losses) on cash flow hedging instruments</i> .....	(42)	(29)
<i>Exchange gains/(losses) on translating foreign operations</i> .....	(60)	(408)
<i>Share of other comprehensive income/(loss) of entities accounted for using the equity method</i> .....	(9)	(41)
Tax effect of Other comprehensive income/(loss) that may be reclassified subsequently to profit or loss .....	10	5
<b>Total Other comprehensive income/(loss) that may be reclassified subsequently to profit or loss, net of tax (B2)</b> .....	<b>(101)</b>	<b>(473)</b>
<b>Total Other comprehensive income/(loss), net of tax (B) = (B1) + (B2)</b> .....	<b>(257)</b>	<b>(323)</b>
<b>Total comprehensive income/(loss) (A) + (B)</b> .....	<b>649</b>	<b>1,076</b>
<b>Total comprehensive income/(loss) attributable to:</b>		
Owners of the parent .....	620	1,051
Non-controlling interests .....	29	25

## TAXATION

The following is a general summary of certain tax consequences of acquiring, holding and disposing of 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 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 Base Prospectus, 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 Notes should consult their tax advisers as to the overall tax consequences of acquiring, holding and disposing of Notes.

### **United Kingdom**

The following comments are of a general nature, based on current U.K. tax law (as applied in England and Wales) 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 U.K. withholding tax treatment of payments of and in respect of interest on the Notes together with some general statements about stamp duty and stamp duty reserve tax. The comments assume there will be no substitution of the relevant Issuer and do not address the consequences of any such substitution (notwithstanding that such substitution may be permitted by the Conditions). The comments are not exhaustive, and do not deal with other U.K. 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, should consult their own professional adviser.

### **Withholding or deduction of U.K. 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 U.K. tax law. For example, any redemption premium may be "interest" for U.K. 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 U.K. source, interest on the Notes may be paid by the relevant Issuer without withholding or deduction for or on account of U.K. 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 U.K. source. Where the Issuer is CIFE, 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 U.K. source, it may be paid by the relevant Issuer without withholding or deduction for or on account of U.K. 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. Euronext Dublin is a recognised stock exchange for these purposes. The Notes will be treated as listed on Euronext Dublin 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 regulated market of Euronext Dublin.

If the Notes are not or cease to be so listed on a "recognised stock exchange", interest on the Notes regarded as having a U.K. source will generally be paid by the relevant Issuer under deduction of U.K. income tax at the basic rate (currently 20 percent) unless (i) any other relief applies, or (ii) the relevant Issuer has 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 U.K. source were paid under deduction of U.K. income tax, holders of Notes who are not resident in the U.K. may be able to recover all or part of the tax deducted if there is an appropriate provision in an applicable double taxation treaty.

A payment in respect of interest on the Notes may be chargeable to U.K. tax by direct assessment, even where paid without withholding or deduction. Where interest on the Notes is paid without withholding or deduction, such interest will generally not be assessed to U.K. tax in the hands of holders of the Notes (other than certain trustees) who are not resident in the U.K., except where the holder of Notes carries on a trade, profession or vocation through a branch or agency in the U.K., or, in the case of a corporate holder, carries on a trade through a permanent establishment in the U.K., 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 U.K. branch or agency, or permanent establishment. Holders of Notes should note that, if HMRC sought to assess U.K. tax directly against the person entitled to the relevant interest, the provisions relating to additional amounts referred to in “*Terms and Conditions of the Notes—7. Taxation*” above would not apply. However, exemption from, or reduction of, such a U.K. 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, it is possible that such payments may be subject to U.K. withholding tax at the basic rate (currently 20 percent). 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.

***Stamp duty and stamp duty reserve tax (“SDRT”)***

If no register of the Notes is maintained in the U.K., no stamp duty or SDRT will be payable in the United Kingdom on (i) the issue and delivery into Euroclear, Clearstream or CMU (as applicable) of Notes that constitute loan capital for U.K. stamp duty purposes, or (ii) an electronic book-entry transfer of Notes in accordance with the normal rules and procedures of Euroclear, Clearstream or the CMU Service (as applicable) in circumstances where there is no (a) written instrument transferring the Notes or any estate or interest in the Notes, and (b) no written contract or written agreement for the sale of any equitable estate or interest in the Notes.

**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 received 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. This summary does not address the Netherlands tax consequences for a holder of Notes that is a body corporate considered to be affiliated (*gelieerd*) to CNH Industrial within the meaning of the Dutch Withholding Tax Act 2021 (*Wet bronbelasting 2021*). Generally, an entity is considered to be affiliated (*gelieerd*) to another entity for these purposes if either entity, whether alone or together with related parties or as part of a collaborating group, holds an interest that allows it, or the collaborating group of which it forms part, to exercise control over the other entity’s activities. An entity, or a collaborating group of which such entity forms part, that holds more than 50% of the voting rights in the other entity, is in any event deemed to be able to exercise control over such other entity’s activities. Entities are also considered to be affiliated if a third party is affiliated to each of such entities. 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 part of the Kingdom of the Netherlands located in Europe as they are in force and in effect on the date of this Base Prospectus. 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.

This summary does not address the tax consequences of any holder of Notes who is a resident of any non-European part of the Kingdom of the Netherlands.

### ***Withholding Tax***

All payments by CNH Industrial under the Notes and the Guarantee to Noteholders 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;
- (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 has no (deemed) substantial interest in CNH Industrial, or if such holder has a (deemed) substantial interest in CNH Industrial, (a) such substantial interest is not held with the avoidance of Netherlands income tax as (one of) the main purpose(s), or (b) such substantial interest does not form part of an artificial structure or series of structures (such as structures which are not put into place for valid business reasons reflecting economic reality). 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, actiefvermogensbeheer*) 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 the 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 the 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.

Please be aware that the residence concept used in this section applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy, impost or other charge or withholding of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only. Also, please note that a reference to Luxembourg income tax encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*contribution au fonds pour l'emploi*), as well as personal income tax (*impôt sur le revenu*) generally. Investors may further be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income tax, municipal business tax as well as the solidarity surcharge invariably apply to most corporate taxpayers resident of Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and to the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

### ***Withholding Tax***

#### ***(i) Non-resident holders of Notes***

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Notes, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident holders of Notes.

#### ***(ii) Resident holders of Notes***

Under Luxembourg general tax laws currently in force and subject to the law of December 23, 2005, as amended (the "Relibi Law"), there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident holders of Notes.

Under the Relibi Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to an individual beneficial owner who is a resident of Luxembourg will be subject to a withholding tax of 20 percent. ("the 20 percent. Luxembourg Withholding Tax"). The 20 percent. Luxembourg Withholding Tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent.

### ***Taxes on Income and Capital Gains***

#### ***(i) Non-resident holders of Notes***



Holders of Notes will not become resident, or be deemed to be resident, in Luxembourg by reason only of the holding of the Notes.

Holders of Notes who are not resident in Luxembourg and who do not hold the Notes through a permanent establishment, a permanent representative or a fixed base of business in Luxembourg to which or to whom the holding of the Notes is attributable, 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.

A non-resident corporate holder of Notes or an individual holder of Notes acting in the course of the management of a professional or business undertaking, who has a permanent establishment or permanent representative in Luxembourg to which or to whom such Notes are attributable, is subject to Luxembourg income tax on interest accrued or received, redemption premiums or issue discounts, under the Notes and on any gains realised upon the sale or disposal, in any form whatsoever, of the Notes.

**(ii) Resident holders of Notes**

Holders of Notes who are resident in Luxembourg will not be liable for any Luxembourg income tax on repayment of principal.

**(a) Luxembourg resident individual holders of Notes**

Luxembourg resident individuals acting in the course of the management of their private wealth are subject to Luxembourg income tax at the progressive rates in respect of interest received, redemption premiums or issue discounts under the Notes unless (i) such payments have been subject to the 20 percent. Luxembourg Withholding Tax or (ii) to the 20 percent. Tax (as defined below), if applicable. Indeed, pursuant to the Relibi Law, Luxembourg resident individuals, acting in the framework of their private wealth, can opt to self-declare and pay a 20 percent tax (the “20 percent. Tax”) on payments of interest or similar income made or ascribed by paying agents located in an EU Member State (other than Luxembourg) or a Member State of the European Economic Area (other than an EU Member State). The 20 percent. Luxembourg Withholding Tax or the 20 percent. Tax represent 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 under the Notes in the course of the management of a business or professional undertaking must, for income tax purposes, include any interest received (or accrued) under the Notes in their taxable basis. If applicable, the 20 percent. Luxembourg Withholding Tax levied will be credited against their final income tax liability.

Individual Luxembourg resident holders of Notes are not subject to taxation on capital gains upon the sale or disposal, in any form whatsoever, of the Notes owned in the framework of their private wealth, unless the sale or disposal of the Notes precedes their acquisition or the Notes are sold or disposed of within six months of their acquisition. However, any portion of such gain corresponding to accrued but unpaid interest income is subject to Luxembourg income tax, except if the 20 percent. Luxembourg Withholding Tax or the 20 percent. Tax has been levied.

**(b) Luxembourg resident corporate holders of Notes**

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 to which or to whom the holding of Notes is attributable, must include in its taxable income any interest (including accrued but unpaid interest), redemption premium or issue discount and in case of sale, repurchase, redemption or exchange, in any form whatsoever, 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 benefit from a special tax regime, such as (a) family wealth management companies subject to the law of May 11, 2007, as amended, (b) undertakings for collective

investment subject to the law of December 17, 2010, as amended, (c) specialised investment funds subject to the law of February 13, 2007, as amended or (d) reserved alternative investment funds governed by the law of 23 July 2016 (provided it is not foreseen in the incorporation documents that (i) the exclusive object is the investment in risk capital and that (ii) article 48 of the aforementioned law of July 23, 2016 applies) 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 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, redemption or repurchase of the Notes, unless the documents relating to the notes are voluntarily registered in Luxembourg or appended/attached to a public deed or any other document which requires mandatory registration in Luxembourg, in which case a fixed or ad valorem registration duty may be due.

Luxembourg net wealth tax will not be levied on the Notes held by 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 venture capital vehicles, as amended; (v) the law of May 11, 2007 on family wealth management companies, as amended; or (vi) the law of July 23, 2016 on reserved alternative investment funds; however, a securitisation company subject to the amended law of March 22, 2004, a company subject to the amended law of June 15, 2004 on venture capital vehicles as well as a reserved alternative investment fund subject to the law of July 23, 2016, provided it is foreseen in its incorporation documents that (i) its exclusive object is the investment in risk capital and that (ii) article 48 of the aforementioned law of July 23, 2016 applies, as from January 1, 2016, may under certain conditions, be subject to a minimum net wealth tax; 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.

An individual holder of the Notes, whether he/she is resident of Luxembourg or not, is not subject to net wealth tax on such Notes.

No Luxembourg 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. Where the deceased was a resident of Luxembourg for tax purposes at the time of his/her death, the Notes are included in his/her taxable estate for inheritance tax assessment purposes.

No Luxembourg gift tax will be levied on the transfer of the Notes by way of gift unless the gift is embodied in a Luxembourg deed passed in front of a Luxembourg notary or 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 is subject to a minimal net wealth tax liability of €4,815 if the sum of its fixed financial assets, the amounts owed by affiliated undertakings and undertakings linked by virtue of a participating interest, the transferable securities, the cash in postal cheque accounts, the cheques for collection, the bills for collection, the cash in hand and the cash at bank exceeds 90 percent of its total balance sheet and the total of the balance sheet exceeds €350,000.

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**

*The statements herein regarding taxation are based on the laws in force in Italy and Italian practice as at the date of this Base Prospectus and are subject to any changes in law and Italian practice occurring after such date, which changes could be made on a retroactive basis. The following overview does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules. This overview will not be updated by the Issuer after the date of this Base Prospectus to reflect changes in laws after the date of this Base Prospectus and, if such a change occurs, the information in this overview could become invalid.*

*Prospective investors are urged to consult their own tax advisors as to the overall tax consequences arising in connection with the purchase, holding and/or disposal of the Notes.*

### **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 percent, 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 percent, plus an additional surcharge depending on the region and municipality of residence) or corporate income tax (*imposta sul reddito delle società* — “IRES”), with respect to private and public institutions, currently levied at a rate of 24 percent. In such cases, the *imposta sostitutiva* is levied as a provisional tax creditable against the overall income tax due.

Subject to certain conditions and limitations (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 may be exempt from any income taxation on interest, premium and other income relating to the Notes if the Notes are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth under Italian tax law.

Where an Italian resident holder is a company or similar commercial entity, (including limited partnerships qualified as *società in nome collettivo* or *società in accomandita semplice* and private and public institutions carrying out commercial activities and holding the Notes in connection with this kind of activity) 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 (*imposta regionale sulle attività produttive* — "IRAP"), levied at the standard 3.9 percent rate that varied depending on the holder's actual "status" and region of residence.

The Notes Income received by (i) Italian resident real estate undertaking for collective investments ("Italian Real Estate UCIs"), having the legal form of either a real estate fund established pursuant to Article 37 of Legislative Decree No. 58 of February 24, 1998 or pursuant to Article 14-*bis* of Law No. 86 of January 25, 1994 ("Italian Real Estate Funds"), or Italian real estate investment companies with fixed capital primarily investing in real estate in the measures provided under the applicable implementing regulations ("Italian Real Estate SICAFs"), and (ii) Italian resident undertaking for collective investments ("Italian UCIs"), having the legal form of an Italian open-ended or closed-ended investment fund ("Funds"), Italian investment companies with fixed capital not exclusively or primarily investing in real estate ("SICAFs") or Italian investment company with variable capital ("SICAVs"), are not subject to *imposta sostitutiva* and exempt from taxation at the level of such entities; subsequent distributions made in favour of unitholders or shareholders may be subject, in certain circumstances, to a withholding tax of 26 percent. (in certain cases a tax transparency regime may apply in respect of certain categories of investors in the Italian Real Estate UCIs owning more than 5 percent of the units or shares).

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 20 percent. Subject to certain conditions (including minimum holding period requirement) and limitations, interest, premium and other income relating to the Notes may be excluded from the taxable base of the 20 per cent. substitute tax if the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth in Article 1 (100-114) of the Law No. 232 of December 11, 2016 ("Finance Act 2017") (as subsequently amended).

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.

### ***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.

### ***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 in limited circumstances be subject to a 26 percent tax levied by means of a 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.

### **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*), levied at the rate of 26 percent, 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. 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 depository 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; 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.

Subject to certain conditions and limitations (including a minimum holding period), Italian resident individuals not engaged in an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 may be exempt from Italian capital gain taxation, including the *imposta sostitutiva sulle plusvalenze* due upon sale or redemption of the Notes, if the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth under Italian tax law.

Capital gains realised by (i) Italian Real Estate UCIs and (ii) Italian UCIs, are not subject to *imposta sostitutiva sulle plusvalenze* and exempt from taxation at the level of such entities (in certain cases a tax transparency regime may apply in respect of certain categories of investors in the Italian Real Estate UCIs owning more than 5 percent of the units or shares).

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 December 5, 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 20 percent substitute tax. Subject to certain conditions (including minimum holding period requirement) and limitations, capital gains may be excluded from the taxable base of the 20 per cent. substitute tax if the Notes are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1 (100-114) of Finance Act 2017 (as subsequently amended).

### **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 of 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, subject to certain exceptions, Italian inheritance and gift tax is generally payable on transfer of the Notes by reason of death or gift by Italian resident persons (or other transfers for no consideration, even if the transferred assets are held outside Italy). In case of transfer by reason of death or gift by non-Italian resident persons Italian inheritance and gift tax is generally due only in relation to the assets held in Italy.

Italian inheritance and gift tax applies as follows:

- transfers to 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 percent rate on the value of the Notes exceeding, for each beneficiary, 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 percent 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 to persons other than those described above will be taxed at a rate of 8 percent 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 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 0.2 percent 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) of Decree No. 201 of December 6, 2011, 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 percent. A tax credit is granted for any foreign property tax levied abroad on such financial assets.

## **The proposed Financial Transactions Tax**

In February 2013, the European Commission published a proposal (the “Commission’s Proposal”) for a Directive for a common financial transactions tax (“FTT”) in Austria, Belgium, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia, Spain (the “Participating Member States”) and Estonia. However, Estonia has since stated that it will not participate.

The Commission’s Proposal has very broad scope and could, if introduced in its current form, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No. 1287/2006 are expected to be exempt.

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 the 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 Commission’s Proposal remains subject to negotiation among the Participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU member states may decide to participate and/or certain of the Participating Member States may decide to withdraw.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

## **United States**

### ***Foreign Account Tax Compliance Act***

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986 (the “Code”), commonly known as FATCA, a “foreign financial institution” (as defined by FATCA) may be required to withhold on certain payments, including certain payments on debt securities, it makes to persons that fail to meet certain certification, reporting or related requirements. CIFE is currently registered as a foreign financial institution for these purposes and it is possible that a different Issuer could likewise be so treated in the future. A number of jurisdictions (including Luxembourg and the Netherlands) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“IGAs”), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, under proposed Treasury regulations, such withholding will not apply to payments made before the date that is two years after the date on which final regulations defining the term “foreign passthru payment” are published in the U.S. Federal Register. Moreover, Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless the Notes are materially modified or deemed reissued after such date. A Note may be deemed reissued for this purpose if there is a substitution of the principal debtor under the Notes as described above under “Terms and Conditions of the Notes–15. Substitution”. Furthermore, if additional Notes (as described as described above under “Terms and Conditions of the Notes–16. Further Issues”) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in Notes. Payments under the Notes will be made net of any withholding taxes under FATCA and no additional amounts will be paid in respect of any such taxes.

## **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 existing Hong Kong law, no withholding tax is payable in Hong Kong in respect of payments of principal (including any premium payable on redemption of the Notes) or interest on the Notes or in respect of any capital gains arising from the sale of the Notes.

### ***Profits tax***

Hong Kong profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

Under the Inland Revenue Ordinance (Cap. 112 of the Laws of Hong Kong) (“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, notwithstanding that the moneys in respect of which the interest is received or accrues are made available outside Hong Kong; or
- (ii) interest on the Notes is derived from Hong Kong and is received by or accrues to a corporation 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 corporation) carrying on a trade, profession or business in Hong Kong and is in respect of the funds of the trade, profession or business; or
- (iv) interest on the Notes is received by or accrues to a corporation (other than a financial institution), and arises through or from carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the Inland Revenue Ordinance), even if the moneys in respect of which the interest is received or accrues are made available outside Hong Kong.

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal and redemption of Notes will be subject to Hong Kong profits tax.

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, other than a corporation, who carries on a trade, profession or business in Hong Kong and the sum has a Hong Kong source unless otherwise exempted. The source of such sums will generally be determined by having regard to the manner in which the Notes are acquired or disposed of. Sums received by or accrued to a corporation (other than a financial institution) by way of gains or profits arising through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (as defined in section 16(3) of the Inland Revenue Ordinance) from the sale, disposal or redemption of the Notes will be subject to profits tax.

In certain circumstances, Hong Kong profits tax exemptions (such as concessionary tax rates) may be available. Investors are advised to consult their own tax advisors to ascertain the applicability of any exemptions to their individual position.

### ***Stamp duty***

Hong Kong stamp duty will not be payable on the issue of Notes provided that either:

- (i) such Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or



- (ii) such Notes constitute loan capital (as defined in the Stamp Duty Ordinance (Cap. 117 of the Laws of Hong Kong).

If stamp duty is payable, it is payable by the Issuer on the issue of Notes at a rate of 3 percent of the market value of the Notes at the time of issue. No stamp duty will be payable on any subsequent transfer of Notes.

### **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.

#### ***Income tax***

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 percent) for individual PRC resident and twenty five percent (25 percent) for any enterprise incorporated in the PRC. For enterprise incorporated in the PRC, the enterprise income tax shall be calculated on a yearly basis, the taxable amount of income of the year shall be the balance of deducting relevant tax-free incomes and other deduction items and remedies for the losses of the previous year from an enterprise's total amount of income. Moreover, for taxable incomes derived outside PRC, if relevant income tax has already been paid outside PRC, such taxable income may be deducted from the amount of income tax for the current period. The limit of tax credit shall be the payable amount of taxes on such incomes computed according to the PRC Enterprise Income Tax Law. For individual PRC resident, the amount of taxable income for interest shall be the amount of income obtained each time.

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 percent) 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, such PRC resident enterprise shall pay enterprise income tax according to the calculation method stipulated above.

PRC income tax are generally applicable at the rate of 10 percent to interest and other gains payable to holders that are non-resident enterprises of the PRC, or at the rate of 20 percent 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 percent or 20 percent 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.

#### ***Value Added Tax (VAT)***

On March 23, 2016, the Ministry of Finance and the State Administration of Taxation issued the Circular on Comprehensively Promoting the Pilot Programme of the Collection of Value-Added Tax to Replace Business Tax ("Circular 36"), which confirms that business tax will be completely replaced by VAT from May 1, 2016.

Since then, the income derived from the provision of financial services which attracted business tax will be entirely replaced by, and subject to, VAT. According to Circular 36, the entities and individuals providing the services within PRC shall be subject to VAT. The services subject to VAT include the provision of financial services such

as the provision of loans. It is further clarified under Circular 36 that the “loans” refers to the activity of lending capital for another’s use and receiving the interest income thereon. Based on the definition of “loans” under Circular 36, the issuance of Notes is likely to be treated as the holders of the Notes providing loans to the Issuer, which thus shall be regarded as financial services subject to VAT.

It is not clear from the interpretation of Circular 36 if the provision of loans to the Issuer could be considered services provided within the PRC, which thus could be regarded as the provision of financial services that could be subject to VAT.

If the PRC tax authorities take the view that the holders of the Notes are providing loans within the PRC, or if the interest component of the amount payable by the Issuer to the holders of the Notes is viewed as interest income arising within the territory of the PRC, the holders of the Notes shall be subject to VAT at the rate of 6 per cent. when receiving the interest payments under the Notes. In addition, the holders of the Notes shall be subject to the local levies at approximately 12 per cent. of the VAT payment. Where a holder of the Notes who is an entity or individual located outside of the PRC resells the Notes to an entity or individual located outside of the PRC and derives any gain, since neither the service provider nor the service recipient is located in the PRC, theoretically Circular 36 does not apply. However, there is uncertainty as to the applicability of VAT if either the seller or buyer of Notes is located inside the PRC.

On March 20, 2019, the Announcement on Relevant Policies for Deepening the Value-Added Tax Reform (“Announcement 39”) was issued. Announcement 39 further deepened the VAT reform primarily by way of adjusting the tax rate and calculating method. The above statement may be subject to further change upon the issuance of further clarification rules and/or different interpretation by the competent tax authority. There is uncertainty as to the application of Circular 36 and Announcement 39.

## SUBSCRIPTION AND SALE

The Dealers have, in an amended and restated programme agreement (such amended and restated programme agreement as amended and/or supplemented and/or restated from time to time, the “Programme Agreement”) dated March 27, 2020, 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. The Dealers are entitled in certain circumstances to be released and discharged from their obligations under the Programme Agreement prior to the closing of the issue of Notes.

### **Selling Restrictions**

#### *United States*

The Notes and any Guarantee thereof have not been and will not be registered under the Securities Act or the securities law of any U.S. state, or other jurisdiction of the United States, and may not be offered or sold within 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 are sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Notes are being offered and sold to non-U.S. persons in reliance on Regulation S under the Securities Act. Unless otherwise indicated herein, terms used in this section that are defined in Regulation S are used herein as defined therein.

The Notes 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 U.S. person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph 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*”) apply (including any relevant selling restrictions) or whether TEFRA is not applicable.

Each Dealer has represented, warranted and undertaken, and each further Dealer appointed under the Programme will be required to represent, warrant and undertake that, it will not offer, sell or deliver any Notes (i) as part of its 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 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 distributor, dealer or other person receiving a selling concession, fee or other remuneration to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them in Regulation S.

Until 40 days after the completion of the distribution of any Tranche of Notes (as determined in accordance with subclauses (ii) or (iii), as applicable, under the preceding paragraph), 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.

#### ***Prohibition of Sales to EEA and UK Retail Investors***

Unless the Final Terms in respect of any Notes specifies “Prohibition of Sales to EEA and UK Retail Investors” as “Not Applicable”, 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 otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area or in the United Kingdom. For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
  - (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; and
- (b) the expression an “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

If the Final Terms in respect of any Notes specifies “Prohibition of Sales to EEA and UK Retail Investors” as “Not Applicable”, in relation to each member state of the European Economic Area and in the United Kingdom (each, a “Relevant State”), 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 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 State, except that it may make an offer of such Notes to the public in that Relevant State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) 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 1(4) of the Prospectus Regulation,

*provided* that no such offer of Notes 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 Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an “offer to the public” in relation to any Notes in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes and the expression “Prospectus Regulation” means Regulation (EU) 2017/1129.

### ***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, solicited an offer to purchase, or delivered, and that it will not offer, sell, solicit an offer to purchase 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 and also without the prior written permission of the relevant Issuer. 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 prior written permission of the relevant Issuer. If the applicable Final Terms or any other offering materials relating to the Notes provide that 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 2 of Prospectus Regulation and any applicable provision of Legislative Decree No. 58 of February 24, 1998, as amended (the “Financial Services Act”) and Italian CONSOB regulations; or
- (ii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 34-ter of Regulation No. 11971, as amended from time to time, and the applicable Italian laws.

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:

- (a) be 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. 20307 of February 15, 2018, as amended from time to time, and Legislative Decree No. 385 of September 1, 1993, as amended (the “Banking Act”); and
- (b) comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any 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 Zero Coupon Notes (as defined below) in definitive form 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.

### ***Belgium***

Other than in respect of Notes for which “Prohibition of Sales to Belgian Consumers” is specified as “Not Applicable” in the applicable Final Terms, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that an offering of Notes may not be advertised to any individual in Belgium qualifying as a consumer (*consument/consommateur*) within the meaning of Article I.1 of the Belgian Code of Economic Law (*wetboek van economisch recht/code de droit économique*), as amended from time to time (a “Belgian Consumer”) and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Notes, and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Notes, directly or indirectly, to any Belgian Consumer.

### ***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. As used in this paragraph, “resident of Japan” means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

### ***Hong Kong***

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and 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 the SFO; 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 (the “C(WUMP)O”) or which do not constitute an offer to the public within the meaning of the C(WUMP)O; 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 the SFO.

### ***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 neither it nor any of its affiliates has offered or sold or will offer or sell any of the Notes directly or indirectly, in the PRC (for such purposes, not including Hong Kong, Macau and Taiwan) or to residents of the PRC.

### ***Singapore***

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore (the “MAS”). Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not

offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than:

- (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "SFA")) pursuant to Section 274 of the SFA;
- (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA; or
- (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) 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 of the trust is an individual who is an accredited investor,

securities or securities-based derivative contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (A) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (B) where no consideration is or will be given for the transfer;
- (C) where the transfer is by operation of law;
- (D) as specified in Section 276(7) of the SFA; or
- (E) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

Unless otherwise stated in the Final Terms in respect of any Notes, all Notes issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

### ***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 and CIFE, each dated March 20, 2020.

### Listing of Notes on Euronext Dublin

The Base Prospectus has been approved as a base prospectus by the Central Bank of Ireland (the “Central Bank”), as competent authority under the Prospectus Regulation. The Central Bank only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the Central Bank of Ireland should not be considered as an endorsement of the relevant Issuer or the Guarantor or of the quality of the Notes. Investors should make their own assessment as to the suitability of investing in the Notes. Such approval relates only to the Notes which are to be admitted to trading on a regulated market for the purposes of MiFID II, as amended and/or which are to be offered to the public in any member state of the European Economic Area or in the United Kingdom. Application has been made to Euronext Dublin 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 trading on its regulated market.

However, Notes may be issued pursuant to the Programme which will not be listed on Euronext Dublin 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 Euronext Dublin or to trading on the regulated market of Euronext Dublin for the purposes of the Prospectus Regulation.

### 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 and are available at the following website <https://www.cnhindustrial.com/en-us/Pages/homepage.aspx>:

- (i) the constitutional documents, including the Articles of Association (in the case of CNH Industrial, with an English translation thereof) of each of CNH Industrial and CIFE;
- (ii) the Consolidated Financial Statements, prepared in accordance with EU-IFRS and with Part 9 of Book 2 of the Dutch Civil Code and the independent auditor’s report thereon;
- (iii) the Company Financial Statements, prepared in accordance with the legal requirements of Part 9, Book 2 of the Dutch Civil Code and the independent auditor’s report thereon;
- (iv) the CIFE Financial Statements, prepared in accordance with Luxembourg legal and regulatory requirements and the independent auditors’ report thereon;
- (v) the Agency Agreement, the Guarantee, the Deed of Covenant and the forms of the Global Notes, the Notes in definitive form, the Coupons and the Talons and to the extent executed, the CIFE Substitution Deed Poll, the CNH Industrial Substitution Deed Poll and the Subsidiary Substitution Deed Poll;
- (vi) a copy of the Base Prospectus;
- (vii) 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

- (viii) 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, have been accepted for clearance through Euroclear and Clearstream. The appropriate Common Code and ISIN for each Tranche of 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.

The address of Euroclear is Euroclear Bank SA/NV, 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 Note 36 to the Consolidated Financial Statements (incorporated by reference herein), there has been no significant change in the financial performance or trading position of each of CIFE, CNH Industrial or the Group since December 31, 2019.

There has been no material adverse change in the prospects of the Issuers or of the Guarantor since December 31, 2019.

### **Litigation**

Except as disclosed in the sections “*Risk Factors - Risks Related to the Legal and Regulatory Environment in which the Group Operates - The Group is subject to extensive anti-corruption and antitrust laws and regulations*”, “*Risk Factors - Risks Related to the Legal and Regulatory Environment in which the Group Operates - The Group’s results of operations may be adversely impacted by various types of claims, lawsuits, and other contingent obligations*”, “*Risk Factors - Risks Related to the Legal and Regulatory Environment in which the Group Operates – Changes in privacy laws could disrupt the Group’s business*” and “*The CNH Industrial Group – Legal Proceedings*”, 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.

### **Independent auditors**

The independent auditors of CIFE as of and for the financial years ended December 31, 2019 and 2018 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 35E avenue John F. Kennedy, L-1855

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* 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 Company Financial Statements prepared in accordance with, respectively (x) EU-IFRS and the legal requirements of Part 9, Book 2 of the Dutch Civil Code, and (y) the legal requirements of Part 9, Book 2 of the Dutch Civil Code, are Ernst & Young Accountants LLP, with registered office at Boompjes 258, 3011 XZ, Rotterdam, the Netherlands. Ernst & Young Accountants LLP is registered at the Chamber of Commerce of Rotterdam in The Netherlands under number 24432944. The address of the independent auditor who audited the financial statements on behalf of Ernst & Young Accountants LLP is Antonio Vivaldistraat 150, 1083 HP Amsterdam, The Netherlands.

The "*Registeraccountants*" of Ernst & Young Accountants LLP are members of the Royal NBA (*Koninklijke Nederlandse Beroepsorganisatie van Accountants* – the Royal 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 Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten* or AFM) as competent authority for public oversight of approved statutory auditors and audit firms in the Netherlands.

#### **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 lending and 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. Certain of the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer, its affiliates, and investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

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 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.

**THE ISSUER AND GUARANTOR**

**CNH Industrial N.V.**

25 St. James's Street  
London, SW1A 1HA  
United Kingdom

**THE ISSUER**

**CNH Industrial Finance Europe S.A.**

24, Boulevard Royal  
L-2449 Luxembourg  
Grand-Duchy of Luxembourg

**PRINCIPAL PAYING AGENT**

**Citibank, N.A., London Branch**

Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

**CMU LODGING AND PAYING AGENT**

**Citicorp International Limited**

39/F Champion Tower  
3 Garden Road  
Central  
Hong Kong

**OTHER PAYING AGENT**

**Citibank Europe plc**

1 North Wall Quay  
Dublin 1  
Ireland

## **LEGAL ADVISERS**

*To CNH Industrial as  
to English law*

**Sullivan & Cromwell LLP**

1 New Fetter Lane  
London  
EC4A 1AN  
United Kingdom

*To CIFE as  
to Luxembourg law*

**Linklaters LLP, Luxembourg**

35, Avenue John F. Kennedy  
BP 1107  
L-1011 Luxembourg  
Grand-Duchy of Luxembourg

*To CNH Industrial as to Dutch law*

**Freshfields Bruckhaus Deringer LLP**

Strawinskylaan 10  
1077 XZ Amsterdam  
The Netherlands

*To the Dealers as to English law*

**Allen & Overy**

Via Ansperto, 5  
20123 Milan  
Italy

## **INDEPENDENT AUDITORS**

*To CNH Industrial Finance Europe S.A.*

**Ernst & Young S.A. –**  
35E avenue John F. Kennedy  
L-1855  
Luxembourg  
Grand-Duchy of Luxembourg

*To CNH Industrial N.V.*

**Ernst & Young Accountants LLP**  
Antonio Vivaldistraat 150  
1083 HP Amsterdam  
The Netherlands

## ARRANGERS

**BNP PARIBAS**  
16, boulevard des Italiens  
75009 Paris  
France

**Citigroup Global Markets Limited**  
Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

## DEALERS

**Banca IMI S.p.A**  
Largo Mattioli 3  
20121 Milan  
Italy

**Banco Bilbao Vizcaya Argentaria, S.A.**  
Ciudad BBVA  
Edificio ASIA, Calle Saucedo, 28  
28050 Madrid  
Spain

**Banco Santander, S.A.**  
Ciudad Grupo Santander  
Avenida de Cantabria  
28660, Boadilla del Monte  
Madrid  
Spain

**Barclays Bank PLC**  
5 The North Colonnade  
Canary Wharf  
London E14 4BB  
United Kingdom

**Barclays Bank Ireland PLC**  
One Molesworth Street  
Dublin 2  
DO2RF29  
Ireland

**BNP PARIBAS**  
10 Harewood Avenue  
London NW1 6AA  
United Kingdom

**BofA Securities Europe S.A.**  
51 rue La Boétie  
75008 Paris  
France

**Citigroup Global Markets Europe AG**  
Reuterweg 16  
60323 Frankfurt am Main  
Germany

**Citigroup Global Markets Limited**  
Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

**Commerzbank Aktiengesellschaft**  
Kaiserstraße 16 (Kaiserplatz)  
60311 Frankfurt am Main  
Germany

**Coöperatieve Rabobank U.A.**  
Croeselaan 18  
Utrecht 3521 CB  
The Netherlands

**Crédit Agricole Corporate and Investment Bank**  
12, Place des États-Unis, CS 70052  
92547 Montrouge Cedex  
France

**Deutsche Bank Aktiengesellschaft**  
Mainzer Landstr. 11-17  
60329 Frankfurt am Main  
Germany

**Goldman Sachs International**  
Plumtree Court  
25 Shoe Lane  
London  
EC4A 4AU  
United Kingdom

**ING Bank N.V.**  
Foppingadreef 7  
1102 BD  
Amsterdam  
The Netherlands

**J.P. Morgan Securities plc**  
25 Bank Street  
Canary Wharf  
London E145JP  
United Kingdom

**Mediobanca - Banca di Credito  
Finanziario S.p.A.**  
Piazzetta Enrico Cuccia, 1  
20121 Milan  
Italy

**Merrill Lynch International**  
2 King Edward Street  
London EC1A 1HQ  
United Kingdom

**Mizuho International plc**  
Mizuho House  
30 Old Bailey  
London EC4M 7AU  
United Kingdom

**Mizuho Securities Europe GmbH**  
Taunustor 1  
60310 Frankfurt am Main  
Germany

**Morgan Stanley & Co. International plc**  
25 Cabot Square  
Canary Wharf  
London E14 4QA  
United Kingdom

**MUFG Securities (Europe) N.V.**  
Zuidplein 98 World Trade Centre Tower H  
Level 11. 1077 XV  
Amsterdam  
The Netherlands

**Natixis**  
30, avenue Pierre Mendés-France  
75013 Paris  
France

**NatWest Markets N.V.**  
Claude Debussylaan 94  
1082 MD Amsterdam  
The Netherlands

**NatWest Markets Plc**  
250 Bishopsgate  
London EC2M 4AA  
United Kingdom

**RBC Europe Limited**  
Riverbank House  
2 Swan Lane  
London EC4R 3BF

**Société Générale**  
29 boulevard Haussmann  
75009 Paris  
France

**UniCredit Bank AG**  
Arabellastrasse 12  
81925 Munich  
Germany

**Wells Fargo Securities International Limited**  
33 King William Street  
London EC4R 9AT  
United Kingdom

**IRISH LISTING AGENT**

**Arthur Cox Listing Services Limited**  
10 Earlsfort Terrace  
Dublin 2  
Ireland