EXPLANATORY NOTES TO THE LEGAL DEMERGER PROPOSAL (the "**Explanatory Notes**") dated [_] drawn up by the board of directors of:

Iveco Group N.V., a public company under the laws of The Netherlands (*naamloze vennootschap*), having its seat (*statutaire zetel*) in Amsterdam, The Netherlands, its office address at Via Puglia 35, 10156 Turin, Italy and registered with the Dutch commercial register (*Handelsregister*) under number 83102701, with place of effective management and tax residence at Via Puglia 35, Turin, Italy (the "**Demerging Company**").

RECITALS:

Background

(A) The ordinary shares in the capital of the Demerging Company (the "**Common Shares**") are listed on Euronext Milan, Italy, a regulated market organised and managed by Borsa Italiana S.p.A. ("**Euronext Milan**").

(B) **TML CV Holdings B.V.**, a private company under the laws of The Netherlands (*besloten vennootschap*), having its seat (*statutaire zetel)* in Amsterdam, The Netherlands, its office address at Basisweg 10, 1043 AP Amsterdam, The Netherlands and registered with the Dutch commercial register (*Handelsregister)* under number 98430858 (the "**Offeror**") wishes to acquire full control of the Demerging Company, to be effected through a voluntary public tender offer to be made by the Offeror in cash for all Common Shares (the "**Offer**").

(C) For the purpose of achieving an optimal legal and regulatory structure, the Demerger (as defined below) excludes the Demerging Company's interests in the financial regulated entities or interests in the financial regulated entities direct shareholders, consisting of Iveco Holdings Limited (including but not limited to in its capacity as shareholder of Iveco Retail Limited), IC Financial Services UK Limited, Transolver Finance Establecimiento Financiero de Credito S.A., IC Financial Services S.A. and CIFINS, S.p.A. (including but not limited to in its capacity as shareholder of CNH Industrial Capital Europe SAS) (the "**Directly Transferred Entities**").

Legal demerger

(D) The board of directors of the Demerging Company (the "**Board**") deems a legal demerger (*juridische splitsing*) within the meaning of section 2:334a paragraph 3 of the Dutch Civil Code ("**DCC**") desirable, as a consequence whereof:

(i) a private company with limited liability under the laws of The Netherlands (*besloten vennootschap met beperkte aansprakelijkheid*) and having its place of effective management and tax residence at Via Puglia 35, Turin, Italy, named Iveco Sub B.V. (the "**Acquiring Company**") shall be incorporated by the Demerging Company;

(ii) which Acquiring Company shall acquire all assets, liabilities and legal relationships of the Demerging Company at the time of Completion (as defined below) (excluding the interests in the Directly Transferred Entities and all shares held by the Demerging Company in its own capital) under universal title of succession (*onder algemene titel*);

(iii) which Acquiring Company shall not allot new shares to the shareholders of the Demerging Company in accordance with section 2:334e paragraph 3 subparagraph a DCC;

(iv) while the Demerging Company shall continue to exist,

the "**Demerger**".

General

(E) The Demerger shall occur by the execution of a notarial deed of demerger, to be executed by (a deputy of) Mr M.J.C. Arends, civil law notary in Amsterdam, The Netherlands, which by virtue of section 2:334n paragraph 1 DCC shall enter into force on the day following the day on which the notarial deed of demerger shall be executed ("**Completion**").

(F) The Demerging Company shall become the sole shareholder of the Acquiring Company.

(G) The Board has drawn up a legal demerger proposal (*voorstel tot juridische splitsing*) in relation to the Demerger (the "**Proposal**") and in these Explanatory Notes, the Board shall set out the reasons for the Demerger and the expected consequences for the activities of the Demerging Company and shall give an explanation from a legal, economic and social point of view, as provided for in section 2:334g paragraph 1 DCC.

THE BOARD HEREBY GIVES THE FOLLOWING EXPLANATION TO THE PROPOSAL:

1. REASONS FOR THE DEMERGER.

The Board and the Offeror believe that having the Iveco group operate in a wholly-owned set up without a listing on Euronext Milan is better for and conducive to the sustainable success of its business and long-term value creation. In that light, while the Offeror wishes to acquire one hundred percent (100%) of the Demerging Company's outstanding share capital or the Demerging Company's assets and operations, the Offeror is willing to reduce the acceptance threshold (which is the threshold of the Demerging Company's aggregate issued and outstanding Common Share capital on a fully diluted basis that is tendered to the Offeror at the end of the acceptance period (the "**Acceptance Threshold**")) from ninety-five percent (95%) to eight percent (80%) to carry through its Offer, provided that the Demerging Company, among other things, effects (i) a legal demerger whereby all assets, liabilities and legal relationships of the Demerging Company at the time of Completion (excluding the interests in the Directly Transferred Entities and all shares held by the Demerging Company in its own capital) shall transfer to a newly incorporated company, and subsequently (ii) the sale and transfer of the (x) sole issued and outstanding share in the capital of this newly incorporated company and (y) interests in the Directly Transferred Entities to the Offeror.

The Board proposes the Demerger in this context, anticipating an Acceptance Threshold of a minimum of eighty percent (80%).

2. **EXPECTED CONSEQUENCES FOR THE ACTIVITIES.**

The activities of the Demerging Company relating to the assets, liabilities and legal relationships to be transferred to the Acquiring Company shall be continued by the Acquiring Company as of Completion.

3. **NOTES.**

Notes from a legal point of view.

3.1 As a consequence of the Demerger:

3.1.1 the Acquiring Company shall be incorporated by the Demerging Company;

3.1.2 the Acquiring Company shall acquire all assets, liabilities and legal relationships of the Demerging Company at the time of Completion (excluding the interests in the Directly Transferred Entities and all shares held by the Demerging Company in its own capital) in accordance with the description attached to the Proposal under universal title of succession (*onder algemene titel*);

3.1.3 the Demerging Company shall continue to exist; and

3.1.4 the Demerging Company shall become the sole shareholder of the Acquiring Company.

3.2 As a consequence of the aforementioned transfer under universal title of succession (*onder algemene titel*), the existing (contractual or other) rights and obligations of the Demerging Company towards third parties that are part of the assets, liabilities and legal relationships to be demerged, will be transferred to the Acquiring Company, without any further transfer formalities being required.

3.3 The Board is not aware that any third party has claimed or will claim any right to indemnification against the Demerging Company.

Notes from an economic point of view.

3.4 The Demerger will result in a new legal entity being incorporated which will manage all assets, liabilities and/or legal relationships that belong to the Demerging Company at the time of Completion excluding the interests in the Directly Transferred Entities and all shares held by the Demerging Company in its own capital.

3.5 As a result of the Demerger, no alteration to the general business policies of the Demerging Company will be introduced.

Notes from a social point of view.

3.6 The Demerger will not affect the terms and conditions of employment of the employees who will transfer to the Acquiring Company as a result of the Demerger.

3.7 The Demerging Company has not instituted a works council or co-determination council (*medezeggenschapsraad*) and there is no Dutch association of employees, which includes, amongst its members, employees of the Demerging Company or one of its subsidiaries.

These Explanatory Notes were signed by all members of the Board.

These Explanatory Notes shall be filed at the offices of the Demerging Company. The filing shall be announced in a Dutch national newspaper.

[*signature page to follow*]

Signature page belonging to the Explanatory Notes of Iveco Group N.V. as the Demerging Company.

Board of:
Iveco Group N.V.:

______________________	______________________
Naam/Name: O.E. Persson	Naam/Name: S.E. Heywood
Titel/Title: CEO	Titel/Title: Chairperson
______________________	______________________
Naam/Name: M.T. Erginbilgic	Naam/Name: A. Nasi
Titel/Title: Non-executive director	Titel/Title: Non-executive director
______________________	______________________
Naam/Name: L. Simonelli	Naam/Name: E. Kairisto
Titel/Title: Non-executive director	Titel/Title: Non-executive director
______________________	______________________
Naam/Name: L.I. Knoll	Naam/Name: J.M. Curran
Titel/Title: Non-executive director	Titel/Title: Non-executive director
______________________	
Naam/Name: C.L. Fain	
Titel/Title: Non-executive director	