

Risks and uncertainties

The following paragraphs indicate the specific main risks and uncertainties of the companies in consolidation (FCA FCA

Risks related to the Group's business, strategy and operations

FCA- If vehicle shipment volumes deteriorate, particularly shipments of the Group's pickup trucks and larger SUVs

As is typical for an automotive manufacturer, the Group has significant fixed costs and, therefore, changes in vehicle

Further, profitability in the U.S., Canada, Mexico and Caribbean islands (NAFTA), a region which contributed

The Group's dependence within the NAFTA region on pickup trucks and larger SUVs remained high in 2017 and

Moreover, the Group tends to operate with negative working capital as it generally receives payment for vehicle

FCA - The Group's businesses are affected by global financial markets and general economic and other conditions

The Group's results of operations and financial position may be influenced by various macroeconomic factors

In general, the automotive sector has historically been subject to highly cyclical demand and tends to reflect the

In addition to slow economic growth or recession, other economic circumstances, such as increases in energy prices

The Group is also subject to risks inherent to operating globally, including those related to:

- exposure to local political conditions;
- import and/or export restrictions;
- multiple tax regimes, including regulations relating to transfer pricing and withholding and other taxes;
- compliance with applicable anti-corruption laws;
- foreign investment and/or trade restrictions or requirements, foreign exchange controls and restrictions;
- the introduction of more stringent laws and regulations.

The Group is particularly susceptible to these risks in the emerging markets where it operates, including Turkey

For instance, in June 2016, a majority of voters in the United Kingdom voted in favor of withdrawing from the European

In the United States, changes in policy positions by the current presidential administration may impact the Group's

These developments have also introduced an elevated level of economic and policy uncertainty, which could cause

In addition, in July 2017 the Brazilian tax authorities issued an instruction that could affect the Group's ability to

FCA - The Group may be unsuccessful in efforts to increase the growth of some of the brands that it believes have

The growth strategies reflected in the 2014-2018 Business Plan announced in May 2014 and updated in January

These strategies, particularly with respect to the Alfa Romeo brand, have required and will continue to require significant

FCA - Future performance depends on the Group's ability to offer innovative, attractive products

The Group's success depends on, among other things, its ability to develop innovative, high-quality products that

The Group may not be able to effectively compete with other automakers with regard to electrification, autonomous

In addition, as a result of the extended product development cycle and inherent difficulty in predicting consumer

If the Group fails to develop products that contain desirable technologies and are attractive to and accepted by

The failure to develop and offer innovative, attractive and relevant products on a timely basis that compare favorably

FCA - Laws, regulations and governmental policies, including those regarding increased fuel efficiency requirements

As the Group seeks to comply with government regulations, particularly those related to fuel efficiency, vehicle

In addition, fuel efficiency regulations have increased in several markets. For example, in September 2017, China

FCA - The Group is currently cooperating with diesel emissions investigations by several government agencies

The Group has received inquiries from several regulatory authorities as they examine the on-road tailpipe emissions

In particular, in Europe, the Group has been working with the Italian Ministry of Transport (MIT) and the Dutch

In addition, at the request of the French Consumer Protection Agency, the French public prosecutor has been investigating

The results of these inquiries cannot be predicted at this time; however, the intervention by a number of government

On January 12, 2017, the U.S. Environmental Protection Agency (EPA) and the California Air Resource Board

The Group is unable to predict the outcome of these investigations and litigation at this stage and due to the rapidly

FCA - The Group's success largely depends on the ability of the management team to operate and manage effectively

The Group's success largely depends on the ability of its senior executives and other members of management

The Group has developed succession plans that it believes are appropriate, although it is difficult to predict with

FCA - The Group may be subject to more intensive competition if other manufacturers pursue consolidations

The Group has for some time advocated consolidation in the automotive industry due to its view that the industry

FCA - Product recalls and warranty obligations may result in direct costs, and any resulting loss of vehicle sales

FCA and the U.S. automotive industry in general, have experienced a sustained increase in recall activity to address

Any costs incurred, or lost vehicle sales, resulting from product recalls could materially adversely affect the Group's

Compliance with U.S. regulatory requirements for product recalls has also received heightened scrutiny. In connection

FCA - The automotive industry is highly competitive and cyclical and the Group may suffer from those factors mentioned

Substantially all of the Group's revenues are generated in the automotive industry, which is highly competitive,

The Group faces competition from other international passenger car and light commercial vehicle manufacturers

In the automotive business, sales to consumers are cyclical and subject to changes in the general condition of the

Additionally, global vehicle production capacity exceeds current demand. In the event that industry shipments decline

FCA - The lack of a captive finance company in certain key markets could place the Group at a competitive disadvantage

The Group's dealers enter into wholesale financing arrangements to purchase vehicles from the Group to hold

Unlike many of its competitors, the Group does not own and operate a controlled finance company dedicated solely

In other markets, the Group relies on controlled finance companies, joint ventures and commercial relationships

- the performance of loans and leases in their portfolio, which could be materially affected by delinquency;
- wholesale auction values of used vehicles;

higher than expected vehicle return rates and the residual value performance of vehicles they lease; and fluctuations in interest rates and currency exchange rates.

Any financial services provider, including the Group's joint ventures and controlled finance companies, will also be affected. To the extent that a financial services provider is unable or unwilling to provide sufficient financing at competitive rates, FCA - Vehicle retail sales depend heavily on affordable interest rates for vehicle financing.

In certain regions, including NAFTA, financing for new vehicle sales has been available at relatively low interest rates. FCA - The Group's business operations and reputation may be impacted by various types of claims, lawsuits, and regulatory proceedings. The Group is involved in numerous disputes, claims, lawsuits, investigations, and other legal proceedings relating to its operations. FCA - A significant security breach compromising the electronic control systems contained in the Group's vehicles, as well as vehicles manufactured by other original equipment manufacturers (or "OEMs"), could harm the Group's reputation and sales. FCA - A significant malfunction, disruption or security breach compromising the operation of the Group's information systems could harm the Group's ability to keep its business operating effectively and its reputation. The Group's ability to keep its business operating effectively depends on the functional and efficient operation of its information systems. In addition to supporting its operations, the Group uses its systems to collect and store confidential and sensitive information. As its technology continues to evolve, the Group anticipates that it will collect and store even more data in the future. The Group's reputation could also suffer in the event of a data breach, which could cause consumers to purchase fewer vehicles. FCA - There can be no assurance that the Group will be able to offset the earnings power lost in the event of such a breach. In 2017, the Group announced that it is considering the separation of a portion of its Components segment from the Group. FCA - The Group may not be able to adequately protect its intellectual property rights, which may harm its business. The Group's success depends, in part, on its ability to protect its intellectual property rights. If the Group fails to do so, its competitive advantage may be reduced. The laws of some countries in which the Group operates do not offer the same protection of its intellectual property rights as the laws of the United States. FCA - The Group's reliance on joint arrangements in certain emerging markets may adversely affect the development of those markets. The Group intends to expand its presence in emerging markets, including China and India, through partnerships and joint ventures. The Group's reliance on joint arrangements to enter or expand its presence in these markets may expose it to risks associated with such arrangements. FCA - The Group faces risks associated with increases in costs, disruptions of supply or shortages of raw materials. The Group uses a variety of raw materials in its business including steel, aluminum, lead, resin and copper, and other materials. As with raw materials, the Group is also at risk for supply disruption and shortages in parts and components for its vehicles. Any interruption in the supply or any increase in the cost of raw materials, parts, components and systems could harm the Group's business. FCA - Labor laws and collective bargaining agreements with the Group's labor unions could impact its ability to operate its manufacturing facilities. Substantially all of the Group's production employees are represented by trade unions, are covered by collective bargaining agreements, and are subject to labor laws and regulations. FCA - The Group is subject to risks associated with exchange rate fluctuations, interest rate changes, credit risk, and other risks. The Group operates in numerous markets worldwide and is exposed to market risks stemming from fluctuations in exchange rates, interest rates, and other risks. The Group uses various forms of financing to cover funding requirements for its industrial activities and for providing financial services. In addition, although the Group manages risks associated with fluctuations in currency and interest rates through the use of derivatives, it may not be able to hedge all of its risks. The Group's financial services activities are also subject to the risk of insolvency of dealers and retail consumers. FCA - FCA is a Dutch public company with limited liability, and the shareholders may have rights different from those of shareholders of U.S. corporations. The rights of FCA's shareholders may be limited by the rights of shareholders governed by the laws of the Netherlands. FCA - It may be difficult to enforce U.S. judgments against FCA. FCA is incorporated under the laws of the Netherlands, and a substantial portion of its assets are outside of the United States. FCA - FCA operates so as to be treated as exclusively resident in the United Kingdom for tax purposes, but the United Kingdom is not a company incorporated in the United Kingdom ("UK"). Therefore, whether it is resident in the UK for tax purposes is largely a question of fact based on all circumstances. The Company's residence for Italian tax purposes is largely a question of fact based on all circumstances. Although it has been accepted that its "central management and control" is in the UK, FCA would be resident in Italy if it is deemed to have a permanent establishment in Italy. FCA does not expect a UK exit from the European Union resulting from the referendum held in June 2016 to affect its tax residence. FCA - The U.K.'s controlled foreign company taxation rules may reduce net returns to shareholders. On the assumption that FCA continues to be resident for tax purposes in the UK, it will be subject to the UK controlled foreign company ("CFC") rules. FCA expects, however, that its principal operating activities should fall within one or more exemptions from the CFC rules. Although FCA does not expect the UK's CFC rules to have an adverse impact on its financial position, the effect of the CFC rules is uncertain. FCA - If FCA is deemed to not maintain a permanent establishment in Italy, it could experience a material increase in its tax liability. Whether FCA has maintained a permanent establishment in Italy following the Merger (an "Italian P.E.") is largely a question of fact based on all circumstances. FCA - FCA's principal operating activities are in the United Kingdom. Risks related to the Group's liquidity and existing indebtedness. FCA - Limitations on the Group's liquidity and access to funding may limit its ability to execute its business strategy. The Group's performance depends on, among other things, its ability to finance debt repayment obligations and other obligations. The Group could, therefore, find itself in the position of having to seek additional financing and/or having to restructure its debt. FCA - The Group has significant outstanding indebtedness, which may limit its ability to obtain additional financing. Although it has reduced its net indebtedness significantly over the past several years, the extent of the Group's indebtedness may limit its ability to secure additional funds for working capital, capital expenditures, debt service requirements, and other needs. It may need to use a portion of its projected future cash flow from operations to pay principal and interest on its debt. FCA - The Group is more financially leveraged than its competitors, which may put it at a competitive disadvantage; and it may not be able to adjust rapidly to changing market conditions, which may make it more vulnerable to economic downturns. These risks may be exacerbated by volatility in the financial markets, particularly that resulting from perceived or actual changes in interest rates and currency exchange rates. FCA - Restrictive covenants in the debt agreements could limit the Group's financial and operating flexibility. The indentures governing certain of the Group's outstanding public indebtedness, and other credit agreements, contain restrictive covenants that may:

- incur additional debt;
- make certain investments;
- sell certain assets or merge with or into other companies;
- use assets as security in other transactions; and
- enter into sale and leaseback transactions.

FCA - Restrictions arising out of FCA US's Tranche B Term Loans may hinder the Group's ability to manage its liquidity. FCA US is party to a tranche B term loan maturing on December 31, 2018 (the "Tranche B Term Loan"). The covenants under the Tranche B Term Loan are restrictive. These restrictive covenants could have an adverse effect on the Group's business by limiting its ability to take certain actions. FCA - Substantially all of the assets of FCA US and its U.S. subsidiary guarantors are unconditionally pledged to the lenders under the Tranche B Term Loan. FCA US is an obligor and several of its U.S. subsidiaries are guarantors of FCA US's Tranche B Term Loan. FCA - The Group may be exposed to shortfalls in its pension plans. Certain of the Group's defined benefit pension plans are currently underfunded. As of December 31, 2017, defined benefit pension plans had a deficit of \$1.2 billion. To determine the appropriate level of funding and contributions to its defined benefit plans, as well as the investment strategy for the pension assets, the Group uses actuarial assumptions. Any reduction in the discount rate or the value of plan assets, or any increase in the present value of obligations, could result in a significant increase in the Group's pension liability.

Risks related to the Group's common shares
FCA - The Group's maintenance of two exchange listings may adversely affect liquidity in the market for its common shares. FCA US is listed on the New York Stock Exchange (NYSE) and the London Stock Exchange (LSE). FCA - The loyalty voting structure may affect the liquidity of the Group's common shares and reduce the commensurate trading volume of the common shares. FCA - The loyalty voting structure is designed to improve the liquidity of a stable shareholder base and, conversely, affect the trading price of the common shares.

FCA - The loyalty voting structure may make it more difficult for shareholders to acquire a controlling interest, control the company, or effect a change of control. The provisions of FCA's articles of association which establish the loyalty voting structure may make it more difficult for shareholders to acquire a controlling interest, control the company, or effect a change of control. FCA - There may be potential Passive Foreign Investment Company tax considerations for U.S. Shareholders. Shares of FCA stock held by a U.S. holder would be stock of a passive foreign investment company ("PFIC") for U.S. federal income tax purposes. While the Group believes that shares of its stock are not stock of a PFIC for U.S. federal income tax purposes, the tax consequences of the loyalty voting structure are uncertain.

No statutory, judicial or administrative authority directly discusses how the receipt, ownership, or disposition of FCA's common shares may be affected by the loyalty voting structure. The fair market value of the Group's special voting shares, which may be relevant to the tax consequences, is not known. The tax treatment of the loyalty voting structure is unclear and shareholders are urged to consult their tax advisors. FCA - Tax may be required to be withheld from dividend payments.

Although the UK and Dutch competent authorities have ruled that FCA should be treated as solely resident in the UK, the Group is not certain that Dutch or Italian withholding taxes will not be imposed on future dividends or distributions with respect to the Group's common shares. Shareholders are urged to consult their tax advisors in respect of the consequences of the potential imposition of such taxes.

PARTNERRE
Risks Related to the Business, Strategy and Operations
PartnerRe - The volatility of the reinsurance business that PartnerRe underwrites will result in volatility of its earnings. PartnerRe knowingly exposes itself to significant volatility in its net income. The Group creates shareholder value through its reinsurance business. PartnerRe's earnings are subject to significant volatility due to the nature of the reinsurance business. Natural catastrophes including but not limited to hurricanes, windstorms, floods, tornadoes and earthquakes; Man-made disasters such as terrorism and acts of war; Declines in the equity, real estate and credit markets; Systemic increases in the frequency or severity of casualty or mortality losses; and New mass tort actions or reemergence of old mass torts such as cases related to asbestos.

PartnerRe exposes itself to several very significant risks that are of a size that can impact its financial strength and performance. These risks include:
• Natural catastrophe risk;
• Long tail reinsurance risk;
• Market risk;
• Interest rate risk;
• Default and credit spread risk;
• Trade credit underwriting risk;
• Longevity risk;
• Pandemic risk;
• Agriculture risk; and
• Mortgage reinsurance risk.

Most of these risks can accumulate to the point that they exceed a year's worth of earnings and potentially adversely impact the Group's financial strength and performance. The catastrophe business that we underwrite will result in volatility of our earnings and could impair our financial strength and performance. Catastrophe losses result from events such as windstorms, hurricanes, tsunamis, earthquakes, floods, hailstorms, and other natural events. PartnerRe may have substantial exposure to unexpected, large losses resulting from future man-made catastrophes. This is likely to result in substantial volatility in PartnerRe's financial results significant net losses to shareholders. PartnerRe believes, and recent scientific studies have indicated, that the frequency of Atlantic basin hurricanes is increasing. The Company believes that factors including increases in the value and geographic concentration of insured property are contributing to the increase in losses. It is also difficult to predict the timing of such events with statistical certainty, or estimate the amount of loss any individual event may cause.

PartnerRe - Given the inherent uncertainty of models, the usefulness of such models as a tool to evaluate risk is limited. In addition to its own proprietary catastrophe models, PartnerRe uses third party vendor analytic and modeling tools. For example, catastrophe models that simulate loss estimates based on a set of assumptions are important tools for PartnerRe. The models do not address all the possible hazard characteristics of a catastrophe peril (e.g. the precise location, timing, and severity of the event). The models may not accurately reflect the true frequency of events. The models may not accurately reflect a risk's vulnerability or susceptibility to damage for a given event. The models may not accurately represent loss potential to reinsurance contract coverage limits, terms and conditions. The models may not accurately reflect the impact on the economy of the area affected or the financial strength of the insureds. PartnerRe's PMLs are selected after assessment of multiple third party vendor model output, internal models, and other information.

As a result of these factors and contingencies, PartnerRe's reliance on assumptions and data used to evaluate risk is limited. PartnerRe - If actual losses exceed its estimated loss reserves, PartnerRe's net income and capital position will be adversely affected. PartnerRe's success depends upon its ability to accurately assess the risks associated with the businesses that it reinsures. Estimates of losses are based on, among other things, a review of potentially exposed contracts, information received from insureds, and other information. Although PartnerRe did not operate prior to 1993, it assumed certain asbestos and environmental exposures through its reinsurance business. PartnerRe - Since PartnerRe relies on a few reinsurance brokers for a large percentage of its business, loss of or impairment of these brokers could adversely affect PartnerRe's business. PartnerRe produces its business both through brokers and through direct relationships with insurance companies. PartnerRe - PartnerRe is exposed to credit risk relating to its reinsurance brokers and cedants. In accordance with industry practice, PartnerRe may pay amounts owed under its reinsurance policies to brokers.

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PartnerRe - If PartnerRe is downgraded by rating agencies, its standing with brokers and customers could be negatively impacted. Third party rating agencies assess and rate the claims paying ability and financial strength of insurers and reinsurers. PartnerRe's financial strength ratings are subject to periodic review as rating agencies evaluate it to confirm the accuracy of its ratings. If PartnerRe ratings were downgraded, its competitive position in the reinsurance industry may suffer, and this could have a negative impact on PartnerRe's current financial strength ratings are as follows:

Standard & Poor's Moody's

The status of any further changes to ratings or outlooks will depend on various factors. PartnerRe can offer no assurance that its ratings will be maintained. PartnerRe - PartnerRe may require additional capital in the future, which may not be available or may only be available on unfavorable terms. PartnerRe's future capital requirements depend on many factors, including regulatory requirements, its ability to generate cash flow, and the availability of capital markets. In addition, if PartnerRe experiences a credit rating downgrade, withdrawal or negative watch/outlook in the future, it may be required to raise capital on less favorable terms. PartnerRe - The exposure of its investments to interest rate, credit, equity and real estate related risks may limit its ability to generate cash flow. PartnerRe invests the net premiums it receives unless, or until such time as, it pays out losses and/or until they are fully covered by reinsurance. While the PartnerRe Board of Directors has implemented what it believes to be prudent risk management and investment policies, PartnerRe's fixed maturity portfolio is primarily invested in high quality, investment grade securities. It also invests in preferred and common stocks or equity-like securities. The value of these assets fluctuates with market conditions. In addition, PartnerRe invests directly and indirectly in real estate assets, which are subject to overall market conditions. PartnerRe - Foreign currency fluctuations may reduce PartnerRe's net income and capital levels. Through its multinational reinsurance operations, PartnerRe conducts business in a variety of foreign (non-U.S.) jurisdictions. PartnerRe - PartnerRe may suffer losses due to defaults by others, including issuers of investment securities and derivatives, issuers or borrowers whose securities PartnerRe holds, reinsurers, clearing agents, clearing houses, joint venture partners, and other counterparties. PartnerRe - PartnerRe's debt, credit and International Swap Dealers Association (ISDA) agreements may limit its ability to incur additional indebtedness, and may incur additional indebtedness in the future. Additionally, it has entered into various agreements relating to PartnerRe's debt, credit facilities and ISDA agreements contain various covenants and restrictions. If PartnerRe is in default under the terms of these agreements, then it would also be restricted in its ability to incur additional indebtedness. PartnerRe - If any one of the financial institutions that it uses in its operations, including those that participate in its cash management programs, PartnerRe maintains cash balances significantly in excess of the U.S. Federal Deposit Insurance Corporation's insured limits. PartnerRe - Operational risks, including human or systems failures, are inherent in PartnerRe's business. Operational risks and losses can result from many sources including fraud, errors by employees, failure to document, and information technology and application systems. PartnerRe believes its modeling, underwriting and information technology and application systems are critical to its business. PartnerRe - Cybersecurity events could disrupt business operations, result in the loss of critical and confidential information, and damage PartnerRe's reputation. PartnerRe is dependent upon the effective functioning and availability of its information technology and application systems. PartnerRe - The loss of key management personnel could have an adverse effect on PartnerRe's success. PartnerRe's success has depended, and will continue to depend, partly upon its ability to attract and retain management and key personnel. PartnerRe believes there are only a limited number of available qualified executives in the business lines in which PartnerRe operates. PartnerRe - PartnerRe may be adversely impacted by inflation.

Deficit spending by governments in PartnerRe's major markets exposes PartnerRe to heightened risk of inflation. Risks Related to the industry

PartnerRe - PartnerRe's profitability is affected by the cyclical nature of the reinsurance industry. Historically, the reinsurance industry has experienced significant fluctuations in operating results due to competition, changes in demand, and other factors. Demand for reinsurance is influenced significantly by underwriting results of primary insurers, including catastrophic events. Currently, the Company is experiencing improving market conditions with increased pricing in most Non-life classes. PartnerRe - PartnerRe operates in a highly competitive environment. The reinsurance industry is highly competitive and PartnerRe competes with a number of worldwide reinsurers. The lack of strong barriers to entry into the reinsurance business means that PartnerRe also competes with new entrants. Competition in the types of reinsurance that PartnerRe underwrites is based on many factors, including the price of reinsurance, the quality of service, and the availability of capacity. Further, insurance-linked securities and derivative and other non-traditional risk transfer mechanisms and alternative risk transfer arrangements have increased competition. The level of competition is determined by supply of and demand for capacity. Demand is determined by client behavior and market conditions. All of the above factors may adversely affect PartnerRe's profitability and results of operations in future periods.

Legal and Regulatory Risks

PartnerRe - Political, regulatory, governmental and industry initiatives could adversely affect the business. PartnerRe's reinsurance operations are subject to extensive laws and regulations that are administered and enforced by various regulatory authorities. PartnerRe's businesses in each jurisdiction are subject to varying degrees of regulation and supervision. The regulatory environment is constantly evolving. Some of these authorities regularly consider enhanced or new regulatory requirements intended to prevent future risks. It is not possible to predict all future impacts of these types of changes but they could affect the way PartnerRe operates. Recent government intervention and the possibility of future government intervention have created uncertainty in the reinsurance industry.

- Providing reinsurance capacity in markets and to clients that PartnerRe targets or requiring PartnerRe to further restrict PartnerRe's operational or capital flexibility;
- Expanding the scope of coverage under existing policies;
- Regulating the terms of reinsurance policies;
- Adopting further or changing compliance requirements which may result in additional costs which may disproportionately benefitting the companies domiciled in one country over those domiciled in another.

The insurance industry is also affected by political, judicial and legal developments that may create new and existing risks. PartnerRe - Legal and enforcement activities relating to the insurance industry could affect PartnerRe's business. The insurance industry has experienced substantial volatility as a result of litigation, investigations and regulatory actions. These investigations have resulted in changes in the insurance and reinsurance markets and industry business practices. PartnerRe - Emerging claim and coverage issues could adversely affect PartnerRe's business. Unanticipated developments in the law, as well as changes in social and environmental conditions could potentially affect PartnerRe's business. The full effects of these and other unforeseen emerging claim and coverage issues are extremely hard to predict.

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PartnerRe - PartnerRe's international business is subject to applicable laws and regulations relating to sanction
PartnerRe must comply with all applicable economic sanctions and anti-bribery laws and regulations of the U.S
PartnerRe - PartnerRe's international business is subject to applicable laws and regulations relating to data pri
Regulatory authorities around the world have implemented or are considering a number of legislative changes
The General Data Protection Regulation, which regulates data protection for all individuals within the EU, includ
As a group operating worldwide, PartnerRe strives to comply with all applicable data protection laws and regula
PartnerRe ? PartnerRe is subject to cybersecurity risks and may incur increasing costs in an effort to manage th
The cybersecurity regulatory environment is evolving, and the related costs and resources required for complyin

Taxation Risks

PartnerRe - Changes in PartnerRe's effective income tax rate could affect its results of operations
PartnerRe's effective income tax rate could be adversely affected in the future by net income being lower than
PartnerRe is subject to regular audit by tax authorities in the various jurisdictions in which it operates. Any adve
In addition, the determination of PartnerRe's provisions for income taxes requires significant judgment, and the
PartnerRe - The U.S. Tax Cuts and Jobs Act could materially and negatively impact PartnerRe's business, fina
The U.S. Tax Cuts and Jobs Act (the "TCJA") was signed into law on December 22, 2017. In addition to reduc
PartnerRe - If PartnerRe's non-U.S. operations become subject to U.S. income taxation, its net income will dec
PartnerRe believes that the Company and its non-U.S. subsidiaries (other than certain business sourced by Pa
CNH INDUSTRIAL

Risks related to the business, strategy and operations

CNH Industrial ? Global economic conditions impact the business
The Group's results of operations and financial position are and will continue to be influenced by macroeconomi
Economic conditions vary across regions and countries, and demand for the Group's products and services ge
In addition, the continuation of adverse market conditions in certain businesses in which the Group participates
CNH Industrial - The Group is exposed to political, economic and other risks beyond its control as a result of op
The Group manufactures and sells products and offers services in several continents and numerous countries a

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 r
● interest rates and the availability of credit to the Group's dealers and customers;
● property, contract rights and intellectual property;
● where and to whom products may be sold, including new or additional trade or economic sanctions im
● taxes;
● regulations from changing world organization initiatives and agreements;
● changes in the dynamics of the industries and markets in which the Group operates;
● labor disruptions;
● disruption in the supply of raw materials and components;
● changes in governmental debt relief and subsidy program policies in certain significant markets such a
● changes in trade agreements or trade terms, including any unilateral withdrawal from, or material mod
● war, civil unrest and terrorism.

In recent years, terrorist attacks have occurred around the world, leading to personal safety anxieties and politi
There can be no guarantee that the Group will be able to quickly and completely adapt its business model to ch
CNH Industrial - Reduced demand for equipment would reduce the Group's sales and profitability

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

● the price of agricultural commodities and the relative level of inventories;
● the profitability of agricultural enterprises, farmers' income and their capitalization;
● the demand for food products; and
● agricultural policies, including aid and subsidies to agricultural enterprises provided by governments a

In addition, unfavorable climatic conditions, especially during the spring, a particularly important period for gene
The performance of the construction equipment market is influenced, in particular, by factors such as:

● public infrastructure spending; and
● new residential and non-residential construction; and
● capital spending in oil and gas and, to a lesser extent, in mining.

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

● changes in global market conditions, including the level of interest rates;
● changes in levels of business investment, including timing of fleet renewals; and
● public infrastructure spending.

The above factors can significantly influence the demand for agricultural and construction equipment, as well as
CNH Industrial ? The Group depends on suppliers for raw materials, parts and components

The Group relies upon suppliers for raw materials, parts and components that it requires to manufacture its pro
Supply chain disruptions, including those due to supplier financial distress, capacity constraints, labor shortages

The Group uses a variety of raw materials in its businesses, including steel, aluminum, lead, resin and copper,
CNH Industrial - Competitive activity, or failure by the Group to respond to actions by its competitors, could adv

The Group operates in highly competitive global and regional markets. Depending on the particular country, it c
CNH Industrial - Costs of ongoing compliance with, or failure to comply with, increasingly stringent environmen

The Group is subject to comprehensive and constantly evolving laws, regulations and policies in numerous juris
Further, environmental, health and safety regulations change from time to time, as may related interpretations a

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

Government initiatives that are intended to stimulate demand for products sold by the Group, such as changes

CNH Industrial ? The Group's future performance depends on its ability to innovate and on market acceptance

The success of the Group's businesses depends on its ability to maintain or increase its market share in existi

CNH Industrial ? The Group's existing operations and expansion plans in emerging markets could entail signifi

The Group's ability to grow its businesses depends to an increasing degree on its ability to increase market sh

CNH Industrial ? The Group is subject to extensive anti-corruption and antitrust laws and regulations
Due to the global scope of the Group's operations, it is subject to a number of laws and regulations that apply
CNH Industrial ? The Group may be adversely affected by the UK 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
Brexit could adversely affect U.K., European or worldwide economic and market conditions more broadly and c
CNH Industrial is organized as a Dutch company but it is considered resident in the U.K. for U.K. tax purposes.
CNH Industrial - Dealer equipment sourcing and inventory management decisions could adversely affect the G
The Group sells its products primarily through independent dealer networks and is subject to risks relating to th
CNH Industrial - The Group may not be able to realize anticipated benefits from any acquisitions and, further, c
The Group has engaged in the past, and may engage in the future, in mergers and acquisitions or enter into, ex

technological and product synergies, economies of scale and cost reductions not occurring as expected
unexpected liabilities;
● incompatibility of operating information or other systems;
● unexpected changes in laws;
● inability to retain key employees;
● protecting intellectual property rights;
● inability to source certain products or components (or the cost thereof);
● significant costs associated with terminating or modifying alliances; and
● problems in retaining customers and integrating operations, services, personnel, and customer bases.

If problems or issues were to arise among the parties to one or more strategic alliances for managerial, financial
CNH Industrial ? The Group's business operations may be impacted by various types of claims, lawsuits and c
The Group is involved in pending litigation and investigations on a wide range of topics, including dealer and su
CNH Industrial ? A cybersecurity breach could interfere with the Group's operations, compromise confidential i
The Group relies upon information technology systems and networks in connection with a variety of business a
While the Group actively manages information technology security risks within its control through security meas
A failure or breach in security could expose the Group and its customers, dealers and suppliers to risks of misu
CNH Industrial - Changes in privacy laws could disrupt the Group's business

The regulatory framework for privacy and cybersecurity issues worldwide is rapidly evolving and is likely to rem
The Group may be required to incur significant costs to comply with privacy and data security laws, rules and re
CNH Industrial ? 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 labor agree

CNH Industrial - The loss of members of senior management could have an adverse effect on the Group's bus

The Group's success largely depends on the ability of its senior executives and other members of managemen

CNH Industrial ? The Group's business may be affected by unfavorable weather conditions, climate change or

Poor, severe or unusual weather conditions caused by climate change or other factors, particularly during the p

In addition, natural disasters, pandemic illness, terrorist attacks or violence, equipment failures, power outages,

Furthermore, the potential physical impacts of climate change on the Group's facilities, suppliers and customer

CNH Industrial - 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 demand

While higher commodity prices will benefit the Group's crop producing agricultural equipment customers, highe

CNH Industrial - International trade policies may impact demand for the Group's products and its competitive p

Government policies on international trade and investment such as sanctions, import quotas, capital controls or

Financial risks

CNH Industrial ? difficulty in obtaining financing or refinancing existing debt could impact the Group's financial

The Group's future performance will depend on, among other things, its ability to finance debt repayment oblig

The Group's ability to access the capital markets or other forms of financing and related costs are highly deper

CNH Industrial ? The Group is subject to exchange rate fluctuations, interest rate changes and other market ris

The Group operates in numerous markets worldwide and is exposed to market risks stemming from fluctuations

The Group uses various forms of financing to cover the funding requirements of its Industrial Activities and for f

Although the Group seeks to manage its currency risk and interest rate risk, including through hedging activities

The Group also faces risks from currency devaluations. Currency devaluations result in a diminished value of fu

CNH Industrial ? Because Financial Services provides financing for a significant portion of the Group's sales w

Negative economic conditions can have an adverse effect on the financial industry in which Financial Services

CNH Industrial ? An increase in delinquencies or repossessions could adversely affect the results of financial S

Fundamental in the operation of Financial Services is the credit risk associated with its customers/borrowers. T

CNH Industrial ? Potential impact of the Dodd-Frank Act and other regulations

The various requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (?Dodd

CNH Industrial ? The Group may be exposed to shortfalls in its pension plans

At December 31, 2017, the funded status for the Group's defined benefit pension, and other post-employment

To the extent that the Group's obligations under a plan are unfunded or underfunded, it will have to use cash fl

CNH Industrial ? The Group has significant outstanding indebtedness, which may limit its ability to obtain additi

As of December 31, 2017, the Group had an aggregate of \$26,014 million (including \$20,152 million relating to

the Group may not be able to secure additional funds for working capital, capital expenditures, debt se

the Group may need to use a portion of its projected future cash flow from operations to pay principal

the Group may be more financially leveraged than some of its competitors, which could put it at a com

the Group may not be able to invest in the development or introduction of new products or new busine

the Group may not be able to adjust rapidly to changing market conditions, which may make it more v

the Group may not be able to access the capital markets on favorable terms, which may adversely affe

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

Although the Group does not believe any of these covenants materially restrict its operations currently, a breach

Other risks

CNH Industrial ? The Group operates and will continue to operate, as a company that is resident in the U.K. for

CNH Industrial is not incorporated in the U.K.; therefore, in order to be resident in the U.K. for tax purposes, CN

The competent authority ruling referred to below supports this analysis. Although CNH Industrial?s ?central ma

Although CNH Industrial?s central management and control is in the U.K., CNH Industrial is considered to be re

CNH Industrial does not expect Brexit to affect its tax residency in the U.K.; however, it is unable to predict with

CNH Industrial?s residence for Italian tax purposes is also largely a question of fact based on all the circumstar

CNH Industrial ? Tax may be required to be withheld from dividend payments

Although the U.K. and Dutch competent authorities have ruled that CNH Industrial should be treated as solely r

Should withholding taxes be imposed on future dividends or distributions with respect to CNH Industrial commo

CNH Industrial ? The Group may incur additional tax expense or become subject to tax exposure

The Group is subject to income taxes in many jurisdictions around the world. Its tax liabilities are dependent up

CNH Industrial ? CNH Industrial, as successor to FIAT Industrial, is jointly liable with FCA for certain obligations

CNH Industrial is successor to Fiat Industrial S.p.A. (?Fiat Industrial?), a company formed as a result of the der

Furthermore, CNH Industrial may be responsible jointly with FCA in relation to tax liabilities, even if such tax lia

CNH Industrial ? The Company?s maintenance of two exchange listings may adversely affect liquidity in the ma

The dual listing of CNH Industrial?s common shares on the NYSE and the MTA may split trading between the t

CNH Industrial ? The loyalty voting structure may affect the liquidity of the Company?s common shares and rec

On this loyalty voting structure, the Company has designed its structure to reward its shareholders for maintaining shares

CNH Industrial ? The loyalty voting structure may prevent or frustrate attempts by the Company?s shareholders

The provisions of the Company?s Articles of Association establishing the loyalty voting structure may make it m

The loyalty voting structure may also prevent or discourage shareholders? initiatives aimed at changes in the C

FERRARI

Risks Related to Business, Strategy and Operations

Ferrari - Ferrari may not succeed in preserving and enhancing the value of the Ferrari brand, which it depends u

Ferrari?s financial performance is influenced by the perception and recognition of the Ferrari brand, which, in tu

Ferrari selectively licenses the Ferrari brand to third parties that produce and sell Ferrari-branded luxury goods

Ferrari ? Ferrari?s brand image depends in part on the success of its Formula 1 racing team

The prestige, identity, and appeal of the Ferrari brand depend in part on the continued success of the Scuderia

The success of its racing team depends in particular on Ferrari?s ability to attract and retain top drivers and rac

Ferrari ? If Ferrari is unable to keep up with advances in high performance car technology, its competitive posit

Performance cars are characterized by leading-edge technology which is constantly evolving. In particular, adv

The example of luxury performance cars with this long history suggests a transition to hybrid technology, albeit a

Developing and applying new automotive technologies is costly, and may become even more costly in the futur

Ferrari - If its car designs do not appeal to clients, Ferrari?s brand and competitive position may suffer

Design and styling are an integral component of Ferrari?s models and of its brand. Its cars have historically bee

Ferrari - The value of the Ferrari brand depends in part on the automobile collector and enthusiast community

An important factor in the connection of clients to the Ferrari brand is Ferrari?s strong relationship with the glob

If there is a change in collector appetite or damage to its brand, Ferrari?s ties to and the support it receives from

Ferrari - Demand for luxury goods, including luxury performance cars, is volatile, which may adversely affect Fe

Volatility of demand for luxury goods, in particular luxury performance cars, may adversely affect Ferrari?s busi

Ferrari - The low volume strategy may limit potential profits, and if volumes increase Ferrari?s brand exclusivity

A key to the appeal of the Ferrari brand and its marketing strategy is the aura of exclusivity and the sense of lux

On the other hand, Ferrari?s current growth strategy contemplates a measured but significant increase in car s

In pursuit of its strategy, Ferrari may be unable to maintain the exclusivity of the brand. If it is unable to balanc

Ferrari - Revenues from Formula 1 activities may decline and related expenses may grow

Revenues from Ferrari?s Formula 1 activities depend principally on the income from its sponsorship agreement

In addition the company that owns the Formula 1 business was recently acquired by new owners and it is unce

Ferrari - The small number of car models Ferrari produces and sells may result in greater volatility in its financia

Ferrari depends on the sales of its range and special series models and its limited edition supercar to generate

Ferrari - Engine production revenues are dependent on Maserati?s ability to sell its cars

Ferrari produces V8 and V6 engines for Maserati. In particular, it has a multi-year arrangement with Maserati to

Ferrari ? Ferrari?s business is subject to changes in client preferences and trends in the automotive and luxury

Ferrari?s continued success depends in part on its ability to originate and define product and trends in the auto

and the automotive industry. The automotive industry is highly competitive and subject to rapid technological change

Ferrari - Global economic conditions may adversely affect Ferrari

Ferrari?s sales volumes and revenues may be affected by overall general economic conditions. Deteriorating g

Many factors affect the level of consumer spending in the luxury performance car industry, including the state o

and the automotive industry. The automotive industry is highly competitive and subject to rapid technological change

Ferrari - New laws, regulations, or policies of governmental organizations regarding increased fuel economy req

Ferrari is subject throughout the world to comprehensive and constantly evolving laws, regulations and policies

Governmental regulations may increase the costs it incurs to design, develop and produce its cars and may aff

Current European legislation limits fleet average greenhouse gas emissions for new passenger cars, and new t

In the United States, the U.S. Environmental Protection Agency (EPA) and the National Highway Traffic Safety Administration (NHTSA) regulate the emission of air pollutants from new cars. In addition, Ferrari is subject to legislation relating to the emission of other air pollutants such as, among others, nitrogen oxides and particulate matter. Other governments around the world, such as those in Canada, South Korea, China and certain Middle Eastern countries, also regulate the emission of air pollutants. In response to severe air quality issues in Beijing and other major Chinese cities, in 2016 the Chinese government issued the Administrative Measures on CAFC (Corporate Average Fuel Consumption) for passenger cars. Ferrari could lose its status as a SVM in the EU, the United States and other countries if it does not continue to comply with these regulations. Under these existing regulations, as well as new or stricter rules or policies, Ferrari could be subject to sizable costs. In the future, the advent of self-driving technology may result in regulatory changes that Ferrari cannot predict. In September 2017 the Chinese government issued the Administrative Measures on CAFC (Corporate Average Fuel Consumption) for passenger cars. Because Ferrari's CAFC is expected to exceed the regulatory ceiling, it will be required to purchase NEV credits. Ferrari's growth strategy exposes it to risks.

Ferrari's growth strategy includes a controlled expansion of its sales and operations, including the launching of new models. Ferrari's growth depends on the continued success of its existing cars, as well as the successful design and introduction of new models. Ferrari's growth strategy may expose it to new business risks that it may not have the expertise, capability or resources to manage. Ferrari plans to redesign its international network footprint and skill set. It also plans to open additional retail stores in emerging markets. Consumer demand and behavior, as well as tastes and purchasing trends may differ in these markets, and as a result, Ferrari's international expansion plans are unsuccessful, its business, results of operation and financial condition may be adversely affected.

Ferrari - The introduction of hybrid cars is costly and its long term success is uncertain. Ferrari intends to gradually introduce hybrid technology in both its sports and GT cars ranges. In accordance with its strategy, Ferrari has introduced hybrid technology in some models, such as LaFerrari and LaFerrari Aperta, the introduction of which is costly. Longer term, although Ferrari believes that combustion engines will continue to be fundamental to the Ferrari brand, the introduction of hybrid technology is a core component of Ferrari's strategy, if the introduction of hybrid cars proves to be successful, it may be required to purchase NEV credits. Ferrari's indebtedness could adversely affect its operations and it may face difficulties in servicing or repaying its debt. As of December 31, 2017, Ferrari's total consolidated debt was approximately €1,806 million (which includes interest-bearing debt).

Ferrari - Ferrari faces competition in the luxury performance car industry. Ferrari faces competition in all product categories and markets in which it operates. It competes with other international luxury performance car manufacturers. Ferrari - Developments in emerging markets may adversely affect Ferrari's business. Ferrari operates in a number of emerging markets, both directly and through its dealers and it has experienced fluctuations in demand. Ferrari's strategy contemplates expanding its sales in Asia, recognizing the increasing personal wealth in these countries. Ferrari's exposure to emerging countries is likely to increase, as it pursues expanded sales in such countries. In addition, Ferrari's success depends largely on the ability of its current management team to operate and manage its business.

Ferrari's success depends on the ability of its senior executives and other members of management to effectively manage its business. Ferrari - Ferrari relies on its dealer network to provide sales and services. Ferrari does not own its dealers and virtually all of its sales are made through its network of dealerships located in various countries. Ferrari's growth strategy also depends on its ability to attract a sufficient number of quality new dealers to sell its cars. Ferrari depends on its suppliers, many of which are single source suppliers; and if these suppliers fail to provide components in a timely manner or at the level of quality necessary, Ferrari's business depends on a significant number of suppliers, which provide the raw materials, components and parts. As with raw materials, Ferrari is also at risk of supply disruption and shortages in parts and components it purchases. While Ferrari believes that it may be able to establish alternate supply relationships and can obtain or engineer alternative suppliers, it may not be able to do so in a timely manner. In the past, Ferrari has replaced certain suppliers because they failed to provide components that met its quality requirements. Changes in Ferrari's supply chain have in the past resulted in increased costs and delays. Furthermore, if Ferrari's suppliers fail to provide components in a timely manner or at the level of quality necessary, Ferrari's business may be adversely affected.

Ferrari depends on its manufacturing facilities in Maranello and Modena. Ferrari assembles all of the cars that it sells and manufactures, and all of the engines it uses in its cars and sells its engines. Maranello and Modena are located in the Emilia-Romagna region of Italy which has the potential for seismic activity. Ferrari - Car sales depend in part on the availability of affordable financing. In certain regions, financing for new car sales has been available at relatively low interest rates for several years. Ferrari - Ferrari may not be able to provide adequate access to financing for its dealers and clients, and its financial condition may be adversely affected.

Ferrari's dealers enter into wholesale financing arrangements to purchase cars from it to hold in inventory or to sell. In most markets, Ferrari relies on controlled finance companies and commercial relationships with third parties, the performance of loans and leases in their portfolio, which could be materially affected by delinquency, higher than expected car return rates and the residual value performance of cars they lease; and fluctuations in interest rates and currency exchange rates.

Furthermore, to help fund its retail and wholesale financing business, Ferrari's financial services companies also provide financing. Any financial services provider, including Ferrari's controlled finance companies, will face other demands on its capital. Ferrari's dealer and retail customer financing in Europe are mainly provided through its partnership with FCA Bank. Ferrari - Ferrari relies on its licensing and franchising partners to preserve the value of its licenses and the failure of these partners may adversely affect Ferrari's business. Ferrari currently has multi-year agreements with licensing partners for various Ferrari-branded products in the sports and lifestyle sectors. Ferrari - Ferrari depends on the strength of its trademarks and other intellectual property rights. Ferrari believes that its trademarks and other intellectual property rights are fundamental to its success and may be adversely affected if third parties claim that Ferrari infringes their intellectual property rights. Ferrari believes that it holds all the rights required for its business operations (including intellectual property rights). Ferrari - If its cars do not perform as expected Ferrari's ability to develop, market and sell its cars could be harmed. Ferrari's cars may contain defects in design and manufacture that may cause them not to perform as expected. Ferrari - Car recalls may be costly and may harm Ferrari's reputation. Ferrari has in the past and may from time to time in the future be required to recall its products to address performance issues. Ferrari - Ferrari may become subject to product liability claims, which could harm its financial condition and liquidity.

Ferrari may become subject to product liability claims, which could harm its business, operating results and financial position. Any lawsuit seeking significant monetary damages may have a material adverse effect on Ferrari's reputation, and Ferrari - Ferrari is exposed to risks in connection with product warranties as well as the provision of services. A number of Ferrari's contractual and legal requirements oblige it to provide extensive warranties to its clients, and Ferrari - If Ferrari were to lose its Authorized Economic Operator certificate, it may be required to modify its current operations. Because Ferrari ships and sells its cars in numerous countries, the customs regulations of various jurisdictions may impact Ferrari - Labor laws and collective bargaining agreements with its labor unions could impact Ferrari's ability to hire and retain employees. All of Ferrari's production employees are represented by trade unions, are covered by collective bargaining agreements, and Ferrari ? Ferrari is subject to risks associated with exchange rate fluctuations, interest rate changes, credit risk, and other financial risks. Ferrari operates in numerous markets worldwide and is exposed to market risks stemming from fluctuations in currency exchange rates. Ferrari seeks to manage risks associated with fluctuations in currency through financial hedging instruments. A number of Ferrari's financial services activities are also subject to the risk of insolvency of dealers and retail clients, as well as changes in tax, tariff or fiscal policies could adversely affect demand for Ferrari's products. Imposition of any additional taxes and levies designed to limit the use of automobiles could adversely affect the demand for Ferrari's products. Ferrari - Ferrari may be adversely affected by the UK determination to leave the European Union (Brexit).

By June 23, 2016, the information is expected to be placed to determine the final terms of the UK's relationship with the European Union.

Ferrari ? Ferrari faces risks associated with its international operations, including unfavorable regulatory, political, and economic conditions in various countries and jurisdictions in Europe, North America, and Asia.

- conforming its cars to various international regulatory and safety requirements where its cars are sold, and
- difficulty in establishing, staffing and managing foreign operations;
- difficulties attracting clients in new jurisdictions;
- foreign government taxes, regulations and permit requirements, including foreign taxes that it may not be able to recover;
- fluctuations in foreign currency exchange rates and interest rates, including risks related to any interest rate derivatives it may use;
- its ability to enforce its contractual and intellectual property rights, especially in those foreign countries where it does not have a strong legal presence;
- European Union and foreign government trade restrictions, customs regulations, tariffs and price or export controls;
- foreign labor laws, regulations and restrictions;
- preferences of foreign nations for domestically produced cars;
- changes in diplomatic and trade relationships;
- political instability, natural disasters, war or events of terrorism; and
- the strength of international economies.

If Ferrari fails to successfully address these risks, many of which it cannot control, its business, operating results and financial position could be materially adversely affected.

Ferrari - Improper conduct of employees, agents, or other representatives could adversely affect Ferrari's reputation and business.

Ferrari's compliance controls, policies, and procedures may not in every instance protect it from acts committed by its employees, agents, or other representatives.

Ferrari ? Ferrari's insurance coverage may not be adequate to protect it against all potential losses to which it is exposed.

Ferrari maintains insurance coverage that it believes is adequate to cover normal risks associated with the operation of its business.

Ferrari - A disruption in information technology could compromise confidential and sensitive information.

Ferrari depends on its information technology and data processing systems to operate its business, and a significant disruption of these systems could adversely affect its business.

As Ferrari's technology continues to evolve, it anticipates that it will collect and store even more data in the future.

Risks Related to the Common Shares

Ferrari - The market price and trading volume of Ferrari's common shares may be volatile, which could result in a decrease in the value of an investment in Ferrari's common shares.

The market price of Ferrari's common shares may be highly volatile and could be subject to wide fluctuations.

- variations in Ferrari's operating results, or failure to meet the market's earnings expectations;
- publication of research reports about it, the automotive industry or the luxury industry, or the failure of Ferrari to meet analyst expectations;
- departures of any members of Ferrari's management team or additions or departures of other key personnel;
- adverse market reaction to any indebtedness Ferrari may incur or securities it may issue in the future;
- actions by shareholders;
- changes in market valuations of similar companies;
- changes or proposed changes in laws or regulations, or differing interpretations thereof, affecting Ferrari's business;
- adverse publicity about the automotive industry or the luxury industry generally, or particularly scandalous events;
- litigation and governmental investigations; and
- general market and economic conditions.

Ferrari - The loyalty voting program may affect the liquidity of Ferrari's common shares and reduce the common share price.

The implementation of Ferrari's loyalty voting program could be subject to change and, if it is not implemented as intended, it may affect the common share price.

Ferrari - The interests of Ferrari's largest shareholders may differ from the interests of other shareholders.

EXOR N.V. (?EXOR?) is Ferrari's largest shareholder, holding approximately 23.5 percent of its outstanding common shares.

In addition, Piero Ferrari, the Vice Chairman of Ferrari, holds approximately 10 percent of the outstanding common shares.

Ferrari ? Ferrari may have potential conflicts of interest with FCA and EXOR's related companies.

Questions relating to conflicts of interest may arise between Ferrari and FCA, the former largest shareholder in Ferrari.

Ferrari - The loyalty voting program may make it more difficult for shareholders to acquire a controlling interest in Ferrari.

The provisions of Ferrari's articles of association which establish the loyalty voting program may make it more difficult for shareholders to acquire a controlling interest in Ferrari.

Ferrari ? Ferrari is a Dutch public company with limited liability, and its shareholders may have rights different to those of shareholders in a company incorporated in the United States.

The rights of Ferrari's shareholders may differ from the rights of shareholders governed by the laws of the United States.

Ferrari - Ferrari expects to maintain its status as a "foreign private issuer" under the rules and regulations of the SEC.

As a "foreign private issuer," Ferrari is exempt from rules under the Securities Exchange Act of 1934, as amended, that apply to companies registered with the SEC.

Ferrari ? Ferrari's ability to pay dividends on its common shares may be limited and the level of future dividends may be subject to change.

Ferrari's payment of dividends on its common shares in the future will be subject to business conditions, financial performance, and other factors.

Ferrari - The maintenance of two exchange listings may adversely affect liquidity in the market for Ferrari's common shares.

As a result of the maintenance of two exchange listings, there may be a split trading between the NYSE and the MTA, adversely affecting the liquidity of Ferrari's common shares.

Ferrari - It may be difficult to enforce U.S. judgments against the Company.

Changes in tax laws or regulations or in the position of the relevant Italian and non-Italian authorities regarding
In order to reduce future potential disputes with tax authorities, Ferrari seeks advance agreements with tax authorities
In addition, tax laws are complex and subject to subjective valuations and interpretive decisions, and Ferrari will
Ferrari - As a result of the demergers and the merger in connection with the Separation, Ferrari might be jointly
Although the Italian tax authorities confirmed in a positive advance tax ruling issued on October 9, 2015 that the
Ferrari - There may be potential "Passive Foreign Investment Company" tax considerations for U.S. holders
Shares of Ferrari stock would be stock of a "passive foreign investment company," or a PFIC, for U.S. federal
While Ferrari believes that shares of its stock are not stock of a PFIC for U.S. federal income tax purposes, this
Ferrari - The consequences of the loyalty voting program are uncertain
No statutory, judicial or administrative authority directly discusses how the receipt, ownership, or disposition of
The fair market value of the special voting shares, which may be relevant to the tax consequences, is a factual
Because, among other things, Ferrari's special voting shares are not transferable (other than, in very limited circumstances)
The tax treatment of the loyalty voting program is unclear and shareholders are urged to consult their tax advisors
Ferrari - Ferrari currently benefits or seeks to benefit from certain special tax regimes, which may not be available
Ferrari currently calculates taxes due in Italy based, among other things, on certain tax breaks recognized by Italian
Law of Intellectual Property, 2014, Business continuity provided from the parent company (Finance Act 2015) issued

Risks Related to Taxation

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The 2015 Italian Finance Bill introduced a new optional patent box regime in the Italian tax system. The Patent

Periodi correlati:
[FY 2016](#)


