

CNH INDUSTRIAL CAPITAL EUROPE LIMITED (THE COMPANY)

SECTION 172 COMPANIES ACT 2006 STATEMENT

Introduction

Section 172 of the Companies Act 2006 (the **Act**) sets out the general duty of directors of a company to promote the success of the company. Section 172 of the Act provides that a director must act in the way he or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole. In so doing, each director must have regard (among other matters) to:

- the likely consequences of any decision in the long term;
- the interests of the company's employees;
- the need to foster the company's business relationships with suppliers, customers and others;
- the impact of the company's operations on the community and the environment;
- the desirability of the company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the company.

The directors of the Company are well aware of their duty under section 172 of the Act. The purpose of this statement is to describe how the directors of the Company have had regard to the matters noted above when performing their duty in the year to 31 December 2024.

Culture

The Company and the BNP Paribas group are committed to their roles as responsible funders. The BNP Paribas group has adopted four pillars in its approach to its responsibility: i) financing the economy in an ethical manner; ii) developing and engaging its people responsibly; iii) being a positive agent for change in its markets; and iv) adopting a responsible approach to the environment.

The Company has a continuing commitment to further implement and embed the FCA's Consumer Duty Rules into its systems, processes and culture, to help ensure good outcomes for its customers.

The Company, as a member of the BNP Paribas group, conducts its business in a manner which reflects these commitments. The directors adhere to these commitments in their decision making.

In addition, as the wholly-owned subsidiary of a joint venture operation, the Company has regard to the cultural approach of the joint venture partner.

The Company's stakeholders

The Company is a wholly owned subsidiary of CNH Industrial Capital Europe SAS (**CNH Industrial Capital**), which is a joint venture operation established between BNP Paribas Lease Group SA (**BNPPLG SA**) and CNH Iveco Financial Services s.r.l (**CIFINS**); there is a formal joint venture agreement (the **Joint Venture Agreement**) in place between the two shareholders. BNPPLG SA owns 50.1% of shares in CNH Industrial Capital. CIFINS owns 49.9% shares in CNH Industrial Capital. CIFINS is jointly owned by CNH Industrial NV and Iveco Group NV.

The principal activities of the Company continue to relate to the provision of retail finance by way of finance leasing, hire purchase and loan to customers originated via the UK dealer networks of CNH Industrial NV and Iveco Limited, as appropriate, according to trading agreements with the relevant dealers. The Company sources its funding from within the BNP Paribas group.

The Company meets the asset finance needs of its business customers indirectly, through vendor finance intermediaries, dealers (**Introductory Sources**).

The Company provides asset finance in volumes and at rates that enable it to provide competitive equipment finance products in the real economy, meeting the needs of business customers in the farm, construction and commercial vehicle markets. To facilitate its activities, the Company is provided with management services and systems of the connected company BNP Paribas Leasing Solutions Limited (**BNPPLS**), for which it pays a management fee.

The Company operates ethically in a regulated environment. To achieve all this it requires a skilled and motivated workforce and the support of its shareholders.

The directors of the Company recognise the importance of engaging effectively with the Company's stakeholders. The Company has identified and reviewed its key stakeholder relationships:

Stakeholder	Description of relationship	Means of engagement
Funder	The Company receives its funding from within the BNP Paribas group.	The Company has credit lines with the BNP Paribas group and engages with its funder through normal group communication protocols.
Equipment Vendors - Dealers	The Company has trading agreements with its Introductory Sources who introduce business customers to the Company.	The Company carefully selects and manages its introducers, the majority of whom are FCA authorised credit brokers. The Company has formal trading agreements in place with its Introductory Sources, which include minimum standards of conduct and the right to monitor and audit their activities. All Introductory Sources are the subject of an Introductory Source policy which includes annual reviews. The Company has no appointed representatives.
Customers	The Company's customers are those businesses to which it provides retail finance by means of hire purchase, leasing and loans.	Once the customers have been introduced to the Company, the credit and underwriting checks are carried out and if approved, the Company provides finance to the customer in order to finance customer's use of the equipment. Finance terms are documented under the relevant lease, hire purchase agreement and (to a lesser extent) loan/ credit agreements. The Company engages with the customer under the terms of the relevant agreement.
Suppliers	The Company purchases the goods and services it requires from suppliers in the course of its business.	The Company engages with its suppliers in accordance with the BNP Paribas group procurement policy and guidelines.
Regulators	The Company is registered with and regulated by the Financial Conduct Authority (FCA).	The Company is authorised and regulated by the FCA as it is a provider of "consumer finance" including Consumer Credit Act regulated agreements, albeit always in accordance with the Company's business to business model. The Company's senior management fall within the FCA's Senior Managers and Certification Regime.
Compliance	BNPPLS provides the Company with Compliance, Legal and Risk services with reporting direct to BNPPLS group control functions.	The Company's local control functions (Compliance, Legal and Risk) are provided by BNPPLS. These functions have independent reporting lines into BNPPLS group. The control functions attend group compliance and regulatory reform committees, which facilitates a global overview of compliance and management of compliance matters. The Company sets high standards to adhere to in its own policies and procedures which are reviewed at least every 36 months.
Trade Body – Finance and Leasing Association (FLA)	BNPPLS is a member of the FLA, an established UK trade body in the asset finance sector and represents the interests of the Company through this forum.	BNPPLS attends FLA committees, including regulatory reform and legal committees, and pursues its asset financier business in accordance with the FLA's Business Finance Code (which can be downloaded from here: FLA Business Finance Code and Guidance – Finance & Leasing Association)
Shareholder	The Company is a wholly owned subsidiary of CNH Industrial Capital Europe. The Company engages with its shareholder, and through the CNH Industrial NV and Iveco Limited dealer networks. This is crucial in order to support the purpose of the joint	The Company engages with its sole shareholder in accordance with the terms of the Joint Venture Agreement.

	venture i.e. to provide the retail financing of equipment manufactured by the CNH Industrial Group and Iveco Group companies.	
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The Company's approach to decision making and key decisions in the period

The Company's key decisions in the year to 31 December 2024 related to achieving its objective to maintain and improve, its business against the levels attained in the previous financial year. This objective was considered by the directors to be likely to promote the success of the Company for the benefit of its members as a whole. In their decision-making, the directors of the Company had regard to their duty under section 172 of the Act, including the considerations noted above, and engaged with stakeholders using the methods described above.

The Company's key decisions in the year included:

- in the context of customer requirements and market expectations, the amount of financial resource required from its funder to service customers and that market at competitive rates. In making this decision, the directors had regard to the anticipated demand for the Company's products and services, the pricing in the market and the need to produce an appropriate return on borrowed funds;
- a decision as to those areas of the market in which it could deliver appropriate products and customer service, and the partnerships which would assist it to do so. In making this decision, the Company had regard to the needs of its customers and the market, and the sector-specific skills of its workforce, in addition to the long-term sustainability of its business in the market in which it operates; and
- compliance with financial services regulation and maintenance of its reputation as a trusted financial institution. In all decisions the Company sought to maintain high standards of business conduct and ensure compliance with the rules and standards imposed upon it by its regulators.

Ultimately, the Company sought to balance a realistic growth strategy as a responsible provider of asset finance with the generation of profit attributable to its shareholder each year, and on an interim basis where appropriate.

Community and environment

Being a positive agent for change in its community and combating climate change are two of the pillars in BNP Paribas' commitment to being a responsible funder. As a member of the BNP Paribas group, the Company shares this commitment. In addition, as the wholly-owned subsidiary of a joint venture operation, the Company has regard to the approach to community and environment of the joint venture partner.

Dividends

The decision as to whether or not to pay a dividend is made in accordance with the dividend policy agreed as part of the Joint Venture Agreement and whether the Company would continue as a going concern.

Website publication

This statement is available to read and download from its website:

[Section 172 Statement - CNH Industrial Capital Europe](#)