Questions and Answers Regarding the Ferrari Spin-Off

*The following questions and answers briefly address some of the more important questions you may have regarding the spin-off of the Ferrari business from Fiat Chrysler Automobiles N.V. ("**FCA**"). These questions and answers may not address all questions that may be important to you. These questions and answers describe several of the significant steps in the spin-off and how FCA shareholders will receive the common shares of Ferrari N.V. (formerly FE New N.V.) ("**Ferrari**") and how they will be able to trade in those shares following completion of the Spin-off described below.*

Importantly, these questions and answers do not constitute financial, legal or tax advice. If you are in any doubt as to any action you should take, you must seek your own independent financial and legal advice from your stockbroker, bank, accountant, legal or tax or other financial advisor.

Q: What is the spin-off?

A: On October 29, 2014, the Board of Directors of FCA announced its intention to separate the Ferrari business from FCA. The separation began with a restructuring that established Ferrari N.V. ("**Predecessor Ferrari**") as the new holding company of the Ferrari group and the subsequent sale by FCA of 10% of the outstanding share capital of Predecessor Ferrari in an initial public offering ("**IPO**") and concurrent listing of the common shares of Predecessor Ferrari on the New York Stock Exchange (the "**NYSE**") under the symbol "RACE". After the IPO, FCA owned approximately 80% of the outstanding share capital of Predecessor Ferrari. Through the remaining steps of the separation, FCA's interest in the Ferrari business was transferred or "spun off" to holders of FCA shares on a pro rata basis and to holders of FCA's 7.875% mandatory convertible securities ("**MCSs**").

Q: When is the spin-off date?

A: The spin-off was completed on January 3, 2016.

Q: How will the spin-off affect the current Ferrari listing and when will the new Ferrari common shares begin to trade?

A: Ferrari common shares will continue to trade on the NYSE under the "RACE" ticker symbol. However, as a result of the separation transactions, beginning January 4, 2016, Ferrari common shares will trade under the new CUSIP N3167Y 103. Ferrari has been advised by the NYSE that those common shares of Ferrari that are being issued pursuant to the spin-off will trade on the NYSE on a "when issued" basis between January 4 and January 7, 2016 (the date on which shares being issued in the spin-off are scheduled to be allocated to shareholders accounts in the clearing systems) and will begin trading "regular way" on January 8, 2016.

Common shares of Ferrari held by shareholders of Predecessor Ferrari prior to the spin-off will continue to trade "regular way" throughout such period.

In addition, Ferrari common shares will start trading on the *Mercato Telematico Azionario* managed by Borsa Italiana (the "**MTA**") on January 4, 2016, under the RACE ticker symbol and the ISIN code NL0011585146.

Q: What is "when issued" trading?

A: "When issued" trades are trades conditional on the allocation of the underlying shares to the shareholder selling in the trade.

Q: What will be the CUSIP and ISIN numbers of the Ferrari common shares that I will receive in the spin-off?

A: Beginning January 4, 2016, all Ferrari common shares trade and settle under the CUSIP code **N3167Y 103** and the ISIN code **NL0011585146**.

Q: When will FCA common shares cease to trade "cum" Ferrari?

A: The last day of trading of FCA common shares "cum" Ferrari was December 31, 2015 on the NYSE and December 30, 2015 on the MTA (which was closed for trading on December 31, 2015). This means that any FCA common shares that you purchased on either the NYSE or the MTA up to and including the final trading day of the year included the right to receive Ferrari shares in the spin-off allotment.

Q: When will FCA common shares commence trading "ex" Ferrari?

A: FCA common shares will commence trading "ex" Ferrari on January 4, 2016 on both the NYSE and the MTA. This means that if you purchase a common share of FCA on or after January 4, 2016 on either the NYSE or the MTA, ownership of that share will not include the right to receive any Ferrari shares in the spin-off.

Q: What is the record date for the spin-off with respect to FCA common shares held in the US or Italian clearing systems?

A: The record date for the allotment will be January 5, 2016 with respect to all shares held through participants in the US or Italian clearing systems (DTC and *Monte Titoli*).

Q: How will the spin-off be completed?

A: Through two demerger transactions under Dutch law that became effective on January 1, 2016 and January 2, 2016, respectively, FCA transferred its remaining 80% interest in the Ferrari business to holders of its shares on a pro rata basis and to holders of the MCSs. Upon effectiveness of the demergers, each shareholder of FCA became entitled to receive one common share of Ferrari for every 10 FCA common shares and one Ferrari special voting share for every 10 FCA special voting shares held as of the record date of the demergers. In addition, Ferrari issued common shares that FCA will deliver to holders of its MCSs, pursuant to the terms of the indenture governing the MCSs.

Shortly following completion of the demergers, Predecessor Ferrari, was merged with and into Ferrari. Pursuant to the merger, each holder (other than Ferrari) of shares in Predecessor Ferrari became entitled to receive one common share in Ferrari for each common share held in Predecessor Ferrari and one special voting share in Ferrari for each special voting share held in Predecessor Ferrari. The common shares and special voting shares held by Ferrari in Predecessor Ferrari were cancelled pursuant to the merger. Ferrari (having been renamed Ferrari N.V. in connection with the merger) became the parent company of the Ferrari business upon effectiveness of the merger on January 3, 2016.

Q: How many Ferrari shares will I receive for every FCA share that I hold on the record date?

A: You will receive one common share of Ferrari for every 10 common shares of FCA and one special voting share of Ferrari for every 10 special voting shares of FCA. Fractional shares will be handled as described below.

Q: What will I receive in respect of FCA MCSs that I hold?

A: If you are a holder of FCA's MCSs on the record date, you will receive 0.77369 common shares of Ferrari for each MCS unit (representing $100 in notional amount of MCSs) that you hold.

Q: On what date will I receive the Ferrari shares in my account at my intermediary or broker?

A: Ferrari shares will be allocated to the book entry accounts of holders of FCA shares and MCSs held through participants in the DTC system on January 7, 2016, except that Ferrari shares in respect of FCA shares held through participants in the *Monte Titoli* system will be allocated on January 6, 2016 to account for the different standard settlement periods on the U.S. and Italian markets.

Q: Will I receive a stock certificate for my Ferrari common shares?

A: Ferrari common shares are all held in book entry form through participants in DTC and *Monte Titoli* and therefore you will not receive a certificate representing your Ferrari common shares.

Q: How will I receive my Ferrari common shares?

A: If you are entitled to receive Ferrari common shares in the spin-off, you will receive your Ferrari common shares through the intermediary or nominee (bank, stockbroker, etc.) through which you currently hold your FCA common shares. Ferrari shares will be issued and delivered in book entry form through participants in DTC (including *Monte Titoli*).

Q: What if I want to sell the Ferrari common shares I will receive in the spin-off?

A: If you are entitled to receive Ferrari common shares in the spin-off as described above you will be able to sell your Ferrari common shares starting on January 4, 2016 on the NYSE and the MTA.

Q: How will fractional shares be treated in this spin-off?

A: No fractional shares will be delivered in connection with the spin-off. FCA has been advised by Computershare, the distribution agent for the spin-off, that any entitlements to a fraction of a Ferrari common share will be aggregated and sold in the open market by intermediaries on behalf of shareholders or by the transfer agent for Ferrari shares, with the net proceeds paid pro rata in cash to FCA shareholders or MCSs holders that would otherwise have a fractional share entitlement.

Q: Will I receive a cash payment in connection with the spin-off?

A: There is no cash portion of the spin-off. However, due to certain technical required steps in the transaction, holders of FCA shares are entitled to receive a cash payment of €0.01 for each share held as of the record date (less any applicable withholding). This payment corresponds to the nominal value of the shares issued in an interim step of the separation. Shareholders holding FCA shares (other than through *Monte Titoli*) will receive the cash payment in U.S. dollars determined pursuant to the official USD/EUR exchange rate reported by the European Central Bank.

Q: What is the €0.01 cash payment?

A: This payment corresponds to the nominal value of each share issued in an interim step of the Separation. For Dutch law purposes, one of the separation steps included the issue to FCA shareholders of shares in an interim Dutch company ("**Interim Shares**"). Those Interim Shares were redeemed but the redemption required the repayment of the nominal value of €0.01 per share to which FCA shareholders are entitled. Pursuant to the indenture governing the MCSs, entitlement of holders of MCSs in the Separation is solely to receive the Ferrari shares delivered to them as described above and they will not receive the €0.01 cash payment.

Q: Do FCA shareholders and MCSs holders need to take any further actions in order to receive the Ferrari shares?

A: FCA shareholders and MCSs holders do not need to take any action to receive shares of Ferrari to which they are entitled in the spin-off.

Q: What are the Dutch tax consequences of the spin-off?

A: For Dutch income tax purposes and Dutch corporate tax purposes the receipt of Ferrari shares pursuant to the spin off (the demergers under Dutch law) would qualify as a generally tax-free transaction. As a result, Dutch resident holders of FCA shares and non-Dutch resident holders of FCA shares subject to Dutch income taxation or Dutch corporate taxation do not have to recognize a gain or loss upon the receipt of

the Ferrari shares except with respect to any cash received in lieu of fractional shares. The holder's aggregate tax basis in its FCA shares in respect of which Ferrari shares are allotted and such Ferrari shares should equal such holder's aggregate basis in its FCA shares immediately before the spin-off (less the tax basis reduction resulting from the repurchase price of €0.01 per share of FE interim BV), allocated between the FCA shares and the Ferrari shares allotted in the spin-off in proportion to the fair market value of each.

It is believed that for Dutch income tax and corporate tax purposes the receipt of the Ferrari shares by holders of the MCSs should be treated as a partial conversion of the MCS. Such partial conversion may give rise to a taxable gain or deductible loss for certain Dutch resident holders of MCSs and certain non-Dutch resident holders of MCSs that are subject to Dutch income taxation or corporate taxation.

The exchange of shares in Predecessor Ferrari into shares in Ferrari pursuant to the merger under Dutch law is for certain Dutch resident holders of Predecessor Ferrari shares and certain non-Dutch resident holders of Predecessor Ferrari shares considered to be a disposal of such holder's Predecessor Ferrari shares for Dutch income tax and Dutch corporate tax purposes. Such disposal will result in recognition of a capital gain or a capital loss. In general such shareholders of Predecessor Ferrari can however opt to apply a roll-over facility for the recognized capital gain. If the roll-over facility is applied, the Ferrari shares received as merger consideration must be reported in the balance sheet for Dutch tax purposes at the same tax book value as the divested shares in Predecessor Ferrari. The roll-over facility does not apply to any cash consideration received.

For a more detailed discussion of the Dutch tax consequences of the issue and delivery of Ferrari common shares in the spin-off, see Annex A – "Certain Tax Consequences of the Ferrari Separation".

For Dutch income tax purposes and Dutch corporate tax purposes the repurchase price of the FE Interim B.V. shares of €0.01 per share in the capital of FE Interim B.V. would be treated as a dividend in the hands of certain Dutch resident holders of FE Interim B.V. shares and certain non-Dutch resident holders of FE Interim B.V. shares to the extent that the repurchase price exceeds the tax basis that such holders have in their FE Interim B.V. shares after the second Dutch law demerger. For a more detailed description of the Dutch income tax and corporate tax consequences of the repurchase price of €0.01 per share in the capital of FE Interim B.V. see Annex A – "Certain Tax Consequences of the Ferrari Separation".

This information is not intended as tax advice. You are urged to consult your tax advisor as to the specific tax consequences to you of the spin-off under applicable tax laws.

Q: What are the Italian tax consequences of the spin-off?

A: As confirmed by the Italian Revenue Agency in the tax ruling issued on October 9, 2015 (the "**Italian Tax Ruling**"), the receipt of Ferrari shares pursuant to the spin-off should qualify as a generally tax-free transaction for Italian income tax purposes for holders of FCA shares and therefore:

- An Italian holder of FCA shares should recognize no gain or loss upon the receipt of Ferrari shares except with respect to any cash received in lieu of fractional shares;
- An Italian holder's aggregate tax basis in its FCA shares in respect of which Ferrari shares are allotted and such Ferrari shares should equal such holder's aggregate basis in its FCA shares immediately before the spin-off (less the tax basis reduction resulting from the distribution of €0.01 per share of FCA), allocated between the FCA shares and the Ferrari shares allotted in the spin-off in proportion to the fair market value of each;
- An Italian holder's holding period in Ferrari shares allotted in the spin-off should include such holder's holding period in the FCA shares with respect to which such holder received the Ferrari shares; and
- An Italian holder's receipt of cash in lieu of fractional shares should give rise to taxable income for Italian tax purposes. Such Italian holder should recognize capital gain or loss measured by the difference between the cash received for the fractional share and its tax basis in that fractional share, determined as described above.

As the MCSs qualify as atypical securities (*titoli atipici*) for Italian tax purposes, the conversion of the MCSs into Ferrari shares may give rise to a taxable gain or deductible loss for Italian holders of MCSs. The actual tax treatment of the gain or loss depends on the individual circumstances of the Italian holder of the MCSs and in particular on the accounting principles adopted by it in drafting its financial statements.

Further, as confirmed in the Italian Tax Ruling, the merger of Predecessor Ferrari into Ferrari in connection with the spin-off should qualify as a generally tax-free transaction for Italian income tax purposes and therefore an Italian holder should recognize no gain or loss upon the receipt of Ferrari shares for Predecessor Ferrari shares for Italian income tax purposes.

For Italian income tax purposes, the distribution of €0.01 per share of FCA would be treated as a dividend in the hands of non-Italian holders (without a permanent establishment or fixed base in Italy) and of certain Italian holders to the extent that the distribution exceeds the tax basis that such holders have in their FE Interim B.V. shares after the second Dutch law demerger. For Italian corporate holders, the distribution may qualify as dividend (potentially benefiting from participation

exemption) or capital gain to the extent that the distribution is paid out of, respectively, profits reserves or equity reserves.

For a more detailed description of the Italian income tax consequences of the spin-off see Annex A – “Certain Tax Consequences of the Ferrari Separation”.

This information is not intended as tax advice. You are urged to consult your tax advisor as to the specific tax consequences to you of the spin-off under applicable tax laws.

Q: What are the U.S. federal income tax consequences of the spin-off?

A: FCA expects the receipt of Ferrari shares pursuant to the spin-off to qualify as a generally tax-free transaction for U.S. federal income tax purposes. Assuming that the spin-off so qualifies:

- A U.S. holder of FCA shares and/or MCS should recognize no gain or loss upon the receipt of Ferrari shares except with respect to any cash received in lieu of fractional shares;
- A U.S. holder’s aggregate tax basis in its FCA shares and/or MCS in respect of which Ferrari shares are distributed and such Ferrari shares should equal such holder’s aggregate basis in its FCA shares and/or MCS immediately before the spin-off, allocated between the FCA shares and/or MCS and the Ferrari shares distributed in the spin-off in proportion to the fair market value of each; and
- A U.S. holder’s holding period in Ferrari shares distributed in the spin-off should include such holder’s holding period in the FCA shares or MCS with respect to which such holder received the Ferrari shares. A U.S. holder receiving cash in lieu of fractional shares of Ferrari should be treated as though such holder first received a distribution of the fractional share and then sold the fractional share for the amount of cash such holder receives in lieu of fractional shares. Such U.S. holder should recognize capital gain or loss measured by the difference between the cash received for the fractional share and its tax basis in the fractional share, determined as described above, which capital gain or loss should generally be long-term capital gain or loss if such holder’s holding period in the fractional share, determined as described above, is more than one year.

Further, FCA expects that the merger of Predecessor Ferrari into Ferrari in connection with the spin-off should qualify as a generally tax-free transaction for U.S. federal income tax purposes. Assuming that the merger so qualifies, a U.S. holder should recognize no gain or loss upon the receipt of Ferrari shares for Predecessor Ferrari shares for U.S. federal income tax purposes.

The Company expects the distribution of €0.01 per share of FCA to be generally treated as a taxable dividend for U.S. federal income tax purposes.

However, the U.S. federal income tax consequences of the spin-off are complex and uncertain. For a more detailed description of the U.S. federal income tax consequences of the spin-off and a description of certain possible alternative characterizations see Annex A – "Certain Tax Consequences of the Ferrari Separation".

This information is not intended as tax advice. You are urged to consult your tax advisor as to the specific tax consequences to you of the spin-off under applicable tax laws.

Q: Will the number of FCA shares that I own change as a result of the spin-off?

A: No. The number of FCA shares that you own will not change as a result of the spin-off.

Q: Will the terms of the MCSs that I own change after the spin-off?

A: Yes, following the spin-off, certain terms of the MCSs will be adjusted to reflect the value of the Ferrari shares allocated. These include the initial price of the FCA common shares which were offered concurrently with the MCSs, the threshold appreciation price and the stated amount (i.e., the number of FCA shares that correspond to each unit of MCSs (corresponding to $100 in notional amount)). These terms are used together to determine the conversion rate that will determine the number of FCA common shares into which each MCS will be converted at the mandatory conversion date, December 15, 2016. The initial price and threshold appreciation price will be adjusted by multiplying them by the ratio of (i) the average daily VWAP (volume-weighted average price) of the FCA common shares for the ten trading days following the spin-off (expected to be January 4th through January 15th) to (ii) the sum of (a) the average daily VWAP of the FCA common shares during the same period and (b) the average daily volume-weighted average price of the Ferrari common shares for that period, multiplied by the spin-off ratio (i.e., one Ferrari common share for every ten FCA common shares) of 1/10.

Expressed as a formula, the adjustment would work as follows:

$$\text{Value}^2 = \text{Value}^1 \text{ X } \frac{\text{FCA VWAP}}{\text{FCA VWAP} + 1/10(\text{Ferrari VWAP})}$$

With Value^1 being the initial number value as applied in the MCS Indenture; Value^2 being the value after adjustment; FCA VWAP being the average of the 10 daily VWAPs of FCA shares over the trading period and Ferrari VWAP being the average of the 10 daily VWAPs for Ferrari shares. The $^1/_{10}$ multiplier for the Ferrari VWAP simply accounts for the one-to-ten distribution ratio in the spin-off in which one Ferrari share is to be received for every 10 FCA shares held.

These calculations will be performed by Conv-Ex, the calculation agent for the MCSs.

For illustrative purposes only, assuming that the VWAP for the relevant period of the FCA common shares and the Ferrari shares were \$10 and \$50, respectively, the initial price, threshold appreciation price and stated amount would be multiplied by the following:

$$\frac{10}{10 + 50(\frac{1}{10})} = 0.6667$$

Q: Is the spin-off subject to any conditions?

A: Completion of the spin-off required approval by shareholders of FCA. Such approval was obtained at the extraordinary general meeting of shareholders held on December 3, 2015 and the spin-off it not subject to any other conditions.

Q: Will the management of Ferrari change in connection with the spin-off?

A: The management of Ferrari will not change in connection with the spin-off.

Q: Will the rights of Ferrari shareholders change in connection with the spin-off?

A: The rights of Ferrari shareholders will not change in connection with the spin-off.

Q: Who is the distribution agent, transfer agent and registrar for Ferrari common shares?

A: The distribution agent, transfer agent and registrar for the Ferrari common shares is Computershare Trust Company, N.A.

Q: Where can shareholders get more information?

A: More information on Ferrari and the distribution can be found in the Registration Statement. In addition, in connection with the listing of Ferrari shares on the MTA, Ferrari published a listing prospectus on January 3, 2016, the spin-off date, which is available on the www.ferrari.com website.

For questions relating to the allotment of common shares, shareholders may contact Computershare via phone (+1-866-289-9404) or email (web.queries@computershare.com). Any shareholder that holds common shares through a bank, broker or other intermediary or nominee, should contact that institution directly.

Annex A

Certain Tax Consequences of the Ferrari Separation

On January 3, 2016, Fiat Chrysler Automobiles N.V. ("**FCA**"), Ferrari N.V. ("**Predecessor Ferrari**") and FE New N.V. ("**Ferrari**") completed the separation of the Ferrari business from the FCA Group (the "**Separation**"). The Separation was effected through a series of transactions that took effect between January 1, 2016 and January 3, 2016 as previously announced by FCA and Predecessor Ferrari. For a more detailed description of the Separation, see:

- The Form-F1 Registration Statement filed by Ferrari N.V. (previously named New Business Netherlands N.V.) with the Securities and Exchange Commission on July 23, 2015, as amended as of the date hereof (the "**Predecessor Ferrari F-1**").

- The FCA and Predecessor Ferrari press release published on December 22, 2015 announcing the timing and additional details of the Separation, which can be found at the following URL:

http://www.fcagroup.com/en-US/media_center/fca_press_release/2015/december/Pages/FCA_and_Ferrari_Announce_Timing_and_Additional_Details_of_Ferrari_Separation.aspx

Certain Dutch, Italian and U.S. federal tax consequences of the Separation are discussed herein. This information is not intended as tax advice. You should consult your tax advisor as to the specific tax consequences to you of the Separation under applicable tax laws.

Certain Netherlands Tax Consequences

This section describes solely certain Dutch tax consequences of (i) the acquisition of FE Interim common shares and, if applicabe FE Interim special voting shares pursuant to the first demerger and the acquisition of Ferrari common shares and, if applicable, Ferrari special voting shares pursuant to the second demerger, (ii) the repurchase of the common shares by FE Interim B.V. ("**FE Interim**") following the second demerger, (iii) the acquisition of Ferrari common shares by the holders of the Mandatory Convertible Securities ("**MCSs**"), (iv) the exchange of common shares in Predecessor Ferrari into common shares Ferrari and, if applicable Predecessor Ferrari special voting shares into Ferrari special voting shares pursuant to the merger, and (v) the ownership and disposal of Ferrari common shares and, if applicable, Ferrari special voting shares. It does not consider every aspect of Dutch taxation that may be relevant to a particular holder of shares in FCA, FE Interim, Predecessor Ferrari and/or Ferrari in special circumstances or who is subject to special treatment under applicable law. Shareholders and any potential investor should consult their own tax advisors regarding the Dutch tax consequences of the transactions described above and the ownership of Ferrari common shares or Ferrari special voting shares in their particular circumstances.

Where in this section English terms and expressions are used to refer to Dutch concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Dutch concepts under Dutch tax law. Where in this section the terms "the Netherlands" and "Dutch" are used, these refer solely to the European part of the Kingdom of the Netherlands. This summary also assumes that FCA, FE Interim, Predecessor Ferrari and Ferrari are organized, and that their respective business will be conducted such that FCA is considered to be tax resident in the United Kingdom for purposes of the tax treaty as concluded between the Netherlands and the United Kingdom, while FE Interim, Predecessor Ferrari and Ferrari are considered to be tax resident in Italy for purposes of the tax treaty as concluded between Italy and the Netherlands. A change to the organizational structure or to the manner in which FCA, FE Interim, Predecessor Ferrari and/or Ferrari conduct their business may invalidate the contents of this section, which will not be updated to reflect any such change.

This description is based on the tax law of the Netherlands (unpublished case law not included) as it stands as per January 3, 2016. The law upon which this description is based is subject to change, perhaps with retroactive effect. Any such change may invalidate the contents of this description, which will not be updated to reflect such change.

Where in this Dutch taxation discussion reference is made to "a holder of common shares and, if applicable, special voting shares", that concept includes, without limitation:

an owner of one or more common shares and, if applicable, special voting shares who in addition to the title to such common shares and, if applicable, special voting shares, has an economic interest in such common shares and, if applicable, special voting shares;

a person who or an entity that holds the entire economic interest in one or more common shares and, if applicable, special voting shares;

a person who or an entity that holds an interest in an entity, such as a partnership or a mutual fund, that is transparent for Dutch tax purposes, the assets of which comprise one or more common shares and, if applicable, special voting shares, within the meaning of 1. or 2. above; or

a person who is deemed to hold an interest in common shares and, if applicable, special voting shares, as referred to under 1. to 3., pursuant to the attribution rules of article 2.14a, of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*), with respect to property that has been segregated, for instance in a trust or a foundation.

Definitions

For the purposes of this taxation section a holder is a "**Dutch Individual holder**" if such holder satisfies the following tests:

(a) such holder is an individual;

(b) such holder is a resident, or deemed to be a resident, in the Netherlands for Dutch income tax purposes;

(c) such holder's common shares and, if applicable, special voting shares and any benefits derived or deemed to be derived therefrom have no connection with such holder's past, present or future employment, if any; and

(d) such holder's common shares and, if applicable, special voting shares do not form part of a substantial interest *(aanmerkelijk belang*) or a deemed substantial interest in FCA, FE Interim, Predecessor Ferrari and/or Ferrari within the meaning of Chapter 4 of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*).

Generally, if a person holds an interest in FCA, FE Interim, Predecessor Ferrari and/or Ferrari such interest forms part of a substantial interest, or a deemed substantial interest, in FCA, FE Interim, Predecessor Ferrari and/or Ferrari if any one or more of the following circumstances is present:

(1) Such person - either alone or, in the case of an individual, together with his partner, if any, or pursuant to article 2.14a, of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*) - owns or is deemed to own, directly or indirectly, either a number of shares in Ferrari FCA, FE Interim, Predecessor Ferrari and/or Ferrari representing five percent or more of the total issued and outstanding capital (or the issued and outstanding capital of any class of shares), or rights to acquire, directly or indirectly, shares, whether or not already issued, representing five percent or more of the total issued and outstanding capital (or the issued and outstanding capital of any class of the shares), or profit-participating certificates (*winstbewijzen*) relating to five percent or more of the annual profit or to five percent or more of the liquidation proceeds. The common shares and the special voting shares are considered to be separate classes of shares.

(2) Such person's shares, rights to acquire shares or profit-participating certificates in FCA, FE Interim, Predecessor Ferrari and/or Ferrari are held by him or deemed to be held by him following the application of a non-recognition provision.

(3) Such person's partner or any of his relatives by blood or by marriage in the direct line (including foster-children) or of those of his partner has a substantial interest (as described under (1) and (2) above) in FCA, FE Interim, Predecessor Ferrari and/or Ferrari.

For the purposes of circumstances (1), (2) and (3) above, if a holder is entitled to the benefits from shares or profit-participating certificates (for instance if a holder is a holder of a right of usufruct), such holder is deemed to be a holder of shares or profit-participating certificates, as the case may be, and such holder's entitlement to benefits is considered a share or profit-participating certificate, as the case may be.

If a Dutch Individual holder satisfies test (b), but does not satisfy test (c) and/or test (d) above, such holder's Dutch income tax position is not discussed in this section. If a holder of common shares and, if applicable, special voting shares is an individual who does not satisfy test (b), please refer to the section "—Non-resident holders".

For the purposes of this taxation section a holder is a "**Dutch Corporate holder**" if such holder satisfies the following tests:

(i) such holder is a corporate entity (lichaam), including an association that is taxable as a corporate entity, that is subject to Dutch corporation tax in respect of benefits derived from its common shares and, if applicable, special voting shares;

(ii) such holder is a resident, or deemed to be resident, in the Netherlands for Dutch corporation tax purposes;

(iii) such holder is not an entity that, although subject to Dutch corporation tax, is, in whole or in part, specifically exempt from that tax; and

(iv) such holder is not an investment institution (beleggingsinstelling) as defined in article 28 of the Dutch Corporation Tax Act 1969 (Wet op de vennootschapsbelasting 1969).

If a holder of common shares and, if applicable, special voting shares is not an individual and if such holder does not satisfy any one or more of these tests, with the exception of test (ii), such holder's Dutch corporation tax position is not discussed in this section. If a holder of common shares and, if applicable, special voting shares is not an individual and if such holder does not satisfy test (ii), please refer to the section "—Non-resident holders".

For the purposes of this taxation section, a holder of common shares and, if applicable, special voting shares, is a "**Non-resident holder**" if such holder satisfies the following tests:

(a) such holder is neither resident, nor deemed to be resident, in the Netherlands for purposes of Dutch income tax or corporation tax, as the case may be;

(b) such holder's common shares and, if applicable, special voting shares and any benefits derived or deemed to be derived from such shares have no connection with past, present or future employment, management activities and functions or membership of a management board (*bestuurder*) or a supervisory board (*commissaris*);

(c) such holder's common shares and, if applicable, special voting shares do not form part of a substantial interest or a deemed substantial interest in FCA, FE Interim, Predecessor Ferrari and/or Ferrari within the meaning of Chapter 4 of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*); and

(d) if such holder is not an individual, no part of the benefits derived from such holder's common shares and, if applicable, special voting shares is exempt from Dutch corporation tax under the participation exemption as laid down in the Dutch Corporation Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*).

See above for a description of the circumstances under which shares form part of a substantial interest or a deemed substantial interest.

If a holder of common shares and, if applicable, special voting shares satisfies test (a), but does not satisfy any one or more of tests (b), (c), and (d), such holder's Dutch income tax position or corporation tax position, as the case may be, is not discussed in this section.

Dividend withholding tax in connection with implementation of the First Demerger (from FCA into FE Interim)

The partial exchange of FCA common shares and, if applicable, FCA special voting shares for FE Interim common shares and, if applicable, FE Interim special voting shares pursuant to the First Demerger will not be subject to Dutch dividend withholding tax.

Taxes on income and capital gains in connection with implementation of the First Demerger (from FCA into FE Interim)

General

The description set out in this section "—Taxes on income and capital gains in connection with implementation of the First Demerger (from FCA to FE Interim)" applies only to a holder of FCA common shares and, if applicable, FCA special voting shares who is a "Dutch Individual holder", a "Dutch Corporate holder" or a "Non-resident holder".

Dutch Individual holders of FCA common shares and, if applicable, FCA special voting shares deriving profits or deemed to be deriving profits from an enterprise

For a Dutch Individual holder whose FCA common shares and, if applicable, FCA special voting shares are attributable to an enterprise from which such holder derives profits, whether as an entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net value of an enterprise (other than as an entrepreneur or a shareholder), the partial exchange of FCA shares for FE Interim shares is considered to be a partial disposal of such holder's FCA common shares and, if applicable, FCA special voting shares and will result in recognition of a capital gain or a capital loss. Such benefits are generally subject to Dutch income tax at progressive rates. A Dutch Individual holder of FCA common shares and, if applicable, FCA special voting shares can opt for application of a roll-over facility for the capital gain. If the roll-over facility is applied, the aggregate tax basis in the shares of FCA will be split between the shares in FCA (after the First Demerger) and the new shares in FE Interim based on the ratio between the fair market value of the assets spun off to FE Interim (i.e., the 80 percent shareholding in Ferrari and €16,649,915.81 cash) and the aggregate fair market value of FCA before the First Demerger. The roll-over facility does not apply to any cash consideration received.

Dutch Individual holders of FCA common shares deriving benefits from miscellaneous activities

If a Dutch Individual holder derives or is deemed to derive any benefits from FCA common shares and, if applicable, FCA special voting shares, that constitute benefits from miscellaneous activities (as outlined below) (*resultaat uit overige werkzaamheden*), the partial exchange of such holder's FCA shares for FE Interim shares is considered to be a partial disposal of such holder's FCA shares and will result in recognition of a capital gain or a capital loss. Such benefits are generally subject to Dutch income tax at progressive rates. A Dutch Individual holder of FCA common shares and, if applicable, FCA special voting shares can opt for a roll-over facility for the capital. If the roll-over facility is applied, the aggregate tax basis in the shares of FCA will be split between the shares in FCA (after the First Demerger) and the new shares in FE Interim based on the ratio between the fair market value of the assets spun off to FE Interim (i.e., the 80 percent shareholding in Ferrari and €16,649,915.81 cash) and the aggregate fair market value of FCA before the First Demerger. The roll-over facility does not apply to any cash consideration received.

A Dutch Individual holder may, *inter alia*, derive, or be deemed to derive, benefits from FCA common shares and, if applicable, FCA special voting shares that are taxable as benefits from miscellaneous activities if such

holder's investment activities go beyond the activities of an active portfolio investor, for instance in the case of use of insider knowledge or comparable forms of special knowledge.

Other Dutch Individual holders of FCA common shares and, if applicable, FCA special voting shares

If a Dutch Individual holder's situation has not been discussed before in this section "—Taxes on income and capital gains in connection with implementation of the First Demerger(from FCA to FE Interim)" benefits from such holder's FCA common shares and, if applicable, FCA special voting shares will be taxed annually as a benefit from savings and investments (*voordeel uit sparen en beleggen*). Such benefit is deemed to be four percent per annum of the holder's "yield basis" (*rendementsgrondslag*), generally to be determined at the beginning of the relevant year, to the extent that such yield basis exceeds the "exempt net asset amount" (*heffingvrij vermogen*) for the relevant year. The benefit is taxed at the rate of 30 percent. The value of the shares forms part of the holder's yield basis. Under this rule, any capital gain or loss realized upon the partial exchange of FCA shares for FE Interim shares is not as such subject to Dutch income tax.

Attribution rule

Benefits derived or deemed to be derived from certain miscellaneous activities by, and yield basis for benefits from savings and investments of, a child or a foster child who is under eighteen years of age are attributed to the parent who exercises, or to the parents who exercise, authority over the child, irrespective of the country of residence of the child.

Dutch Corporate holders of FCA common shares and, if applicable, FCA special voting shares

For a Dutch Corporate holder, the partial disposal of such holder's FCA common shares and, if applicable, FCA special voting shares in exchange for FE Interim common shares and, if applicable FE Interim special voting shares will result in recognition of a capital gain or a capital loss, except to the extent that the benefits are exempt under the participation exemption as laid down in the Dutch Corporation Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*). If the participation exemption does not apply in respect of such holder's FCA shares, such holder can opt for application of a roll-over facility for the capital gain. If the roll-over facility is applied, the aggregate tax basis in the shares of FCA will be split between the shares in FCA (after the First Demerger) and the new shares in FE Interim based on the ratio between the fair market value of the assets spun off to FE Interim (i.e., the 80 percent shareholding in Ferrari and €16,649,915.81 cash) and the aggregate fair market value of FCA before the First Demerger. The roll-over facility does not apply to any cash consideration received.

Non-resident holders of FCA common shares and, if applicable, FCA special voting shares

A Non-resident holder of FCA common shares and, if applicable, FCA special voting shares will not be subject to any Dutch taxes on income or capital gains in respect of the partial exchange of such holder's FCA common shares and, if applicable, FCA special voting shares for FE Interim common shares and, if applicable, FE Interim special voting shares, unless:

(1) such holder derives profits from an enterprise directly, or pursuant to a co-entitlement to the net value of such enterprise, other than as a holder of securities, which enterprise either is managed in the Netherlands or carried on, in whole or in part, through a permanent establishment or a permanent representative which is taxable in the Netherlands, and such holder's FCA shares are attributable to such enterprise; or

(2) such holder is an individual and such holder derives benefits from FCA shares that are taxable as benefits from miscellaneous activities in the Netherlands.

If a Non-resident holder falls under the exception (1) or (2), the partial disposal of such holder's FCA shares in exchange for FE Interim shares will result in recognition of a capital gain or a capital loss. In these two cases and provided that the FE Interim shares received as First Demerger consideration are attributable to such enterprise or such miscellaneous activities in the Netherlands, such holder can opt for application of a roll-over facility for the

capital gain. If the roll-over facility is applied, the aggregate tax basis in the shares of FCA will be split between the shares in FCA (after the First Demerger) and the new shares in FE Interim based on the ratio between the fair market value of the assets spun off to FE Interim (i.e., the 80 percent shareholding in Ferrari and €16,649,915.81 cash) and the aggregate fair market value of FCA before the First Demerger. The roll-over facility does not apply to any cash consideration received.

See above for a description of the circumstances under which the benefits derived from FCA shares may be taxable as benefits from miscellaneous activities, on the understanding that such benefits will be taxable in the Netherlands only if such activities are performed or deemed to be performed in the Netherlands.

Attribution rule

Benefits derived or deemed to be derived from certain miscellaneous activities by a child or a foster child who is under eighteen years of age are attributed to the parent who exercises, or the parents who exercise, authority over the child, irrespective of the country of residence of the child.

Dividend withholding tax in connection with implementation of the Second Demerger (from FE Interim to Ferrari)

The partial exchange of FE Interim common shares and, if applicable, FE Interim special voting shares for Ferrari common shares and, if applicable, Ferrari special voting shares pursuant to the Second Demerger will not be subject to Dutch dividend withholding tax.

Taxes on income and capital gains in connection with implementation of the Second Demerger (from FE Interim to Ferrari)

General

The description set out in this section "—Taxes on income and capital gains in connection with implementation of the Second Demerger (from FE Interim to Ferrari)" applies only to a holder of FE Interim common shares and, if applicable, FE Interim special voting shares, who is a "Dutch Individual holder", a "Dutch Corporate holder" or a "Non-resident holder".

Dutch Individual holders of FE Interim common shares and, if applicable, FE Interim special voting shares deriving profits or deemed to be deriving profits from an enterprise

For a Dutch Individual holder whose FE Interim common shares and, if applicable, FE Interim special voting shares are attributable to an enterprise from which such holder derives profits, whether as an entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net value of an enterprise (other than as an entrepreneur or a shareholder), the partial exchange of FE Interim common shares and, if applicable, FE Interim special voting shares for Ferrari common shares and, if applicable, Ferrari special voting shares is considered to be a partial disposal of such holder's FE Interim shares and will result in recognition of a capital gain or a capital loss. Such benefits are generally subject to Dutch income tax at progressive rates. A Dutch Individual holder of FE Interim shares can opt for application of a roll-over facility. If the roll-over facility is applied, the aggregate tax basis that holders of common shares and special voting shares of FE Interim have in their shares of FE Interim will be split between the shares in FE Interim (after the Second Demerger) and the new shares in Ferrari based on the ratio between the fair market value of the assets spun off to Ferrari (i.e., the 80 percent shareholding in Ferrari) and the aggregate fair market value of FE Interim before the Second Demerger.

Dutch Individual holders of FE Interim common shares and, if applicable, FE Interim special voting shares deriving benefits from miscellaneous activities

If a Dutch Individual holder derives or is deemed to derive any benefits from FE Interim common shares and, if applicable, FE Interim special voting shares, that constitute benefits from miscellaneous activities (as outlined below) (*resultaat uit overige werkzaamheden*), the partial exchange of such holder's FE Interim shares for Ferrari shares is considered to be a partial disposal of such holder's FE Interim shares and will result in recognition of a capital gain or a capital loss. Such benefits are generally subject to Dutch income tax at progressive rates. A Dutch Individual holder of FE Interim shares can opt for a roll-over facility for the capital gain. If the roll-over facility is applied, the aggregate tax basis that holders of common shares and special voting shares of FE Interim have in their shares of FE Interim will be split between the shares in FE Interim (after the Second Demerger) and the new shares in Ferrari based on the ratio between the fair market value of the assets spun off to Ferrari (i.e., the 80 percent shareholding in Ferrari) and the aggregate fair market value of FE Interim before the Second Demerger.

A Dutch Individual holder may, *inter alia*, derive, or be deemed to derive, benefits from FE Interim shares that are taxable as benefits from miscellaneous activities if such holder's investment activities go beyond the activities of an active portfolio investor, for instance in the case of use of insider knowledge or comparable forms of special knowledge.

Other Dutch Individual holders of FE Interim common shares and, if applicable, FE Interim special voting shares

If a Dutch Individual holder's situation has not been discussed before in this section "—Taxes on income and capital gains in connection with implementation of the Second Demerger (from FE Interim to Ferrari)" benefits from such holder's FE Interim common shares and, if applicable, FE Interim special voting shares will be taxed annually as a benefit from savings and investments (*voordeel uit sparen en beleggen*). Such benefit is deemed to be four percent per annum of the holder's "yield basis" (*rendementsgrondslag*), generally to be determined at the beginning of the relevant year, to the extent that such yield basis exceeds the "exempt net asset amount" (*heffingvrij vermogen*) for the relevant year. The benefit is taxed at the rate of 30 percent. The value of the shares forms part of the holder's yield basis. Under this rule, any capital gain or loss realized upon the partial exchange of FE Interim shares for Ferrari shares is not as such subject to Dutch income tax.

Attribution rule

Benefits derived or deemed to be derived from certain miscellaneous activities by, and yield basis for benefits from savings and investments of, a child or a foster child who is under eighteen years of age are attributed to the parent who exercises, or to the parents who exercise, authority over the child, irrespective of the country of residence of the child.

Dutch Corporate holders of FE Interim common shares and, if applicable, FE Interim special voting shares

For a Dutch Corporate holder, the partial disposal of such holder's FE Interim common shares and, if applicable, FE Interim special voting shares in exchange for Ferrari common shares and, if applicable, Ferrari special voting shares will result in recognition of a capital gain or a capital loss, except to the extent that the benefits are exempt under the participation exemption as laid down in the Dutch Corporation Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*). If the participation exemption does not apply in respect of such holder's FE Interim shares, such holder can opt for application of a roll-over facility for the capital gain. If the roll-over facility is applied, the aggregate tax basis that holders of common shares and special voting shares of FE Interim have in their shares of FE Interim will be split between the shares in FE Interim (after the Second Demerger) and the new shares in Ferrari based on the ratio between the fair market value of the assets spun off to Ferrari (i.e., the 80 percent shareholding in Ferrari) and the aggregate fair market value of FE Interim before the Second Demerger.

Non-resident holders of Interim common shares and, if applicable, FE Interim special voting shares

A Non-resident holder will not be subject to any Dutch taxes on income or capital gains in respect of the partial exchange of such holder's FE Interim common shares and, if applicable, FE Interim special voting shares for Ferrari common shares and, if applicable, Ferrari special voting shares, unless:

(1) such holder derives profits from an enterprise directly, or pursuant to a co-entitlement to the net value of such enterprise, other than as a holder of securities, which enterprise either is managed in the Netherlands or carried on, in whole or in part, through a permanent establishment or a permanent representative which is taxable in the Netherlands, and such holder's FE Interim shares are attributable to such enterprise; or

(2) such holder is an individual and such holder derives benefits from FE Interim shares that are taxable as benefits from miscellaneous activities in the Netherlands.

If a Non-resident holder falls under the exception (1) or (2), the partial disposal of such holder's FE Interim shares in exchange for Ferrari shares will result in recognition of a capital gain or a capital loss. In these two cases and provided that the Ferrari shares received as Second Demerger consideration are attributable to such enterprise or such miscellaneous activities in the Netherlands, such holder can opt for application of a roll-over facility for the capital gain. If the roll-over facility is applied, the aggregate tax basis that holders of common shares and special voting shares of FE Interim have in their shares of FE Interim will be split between the shares in FE Interim (after the Second Demerger) and the new shares in Ferrari based on the ratio between the fair market value of the assets spun off to Ferrari (i.e., the 80 percent shareholding in Ferrari) and the aggregate fair market value of FE Interim before the Second Demerger.

See above for a description of the circumstances under which the benefits derived from Interim common shares may be taxable as benefits from miscellaneous activities, on the understanding that such benefits will be taxable in the Netherlands only if such activities are performed or deemed to be performed in the Netherlands.

Attribution rule

Benefits derived or deemed to be derived from certain miscellaneous activities by a child or a foster child who is under eighteen years of age are attributed to the parent who exercises, or the parents who exercise, authority over the child, irrespective of the country of residence of the child.

Dividend withholding tax in connection with the repurchase of the shares in FE Interim

The repurchase of the shares in FE Interim for their nominal value of €0.01 will not be subject to Dutch dividend withholding tax if and to the extent the purchase price of €0.01 does not exceed the average recognized paid up capital of the FE Interim shares for Dutch dividend withholding tax purposes.

Taxes on income and capital gains in connection with the repurchase of the shares in FE Interim

General

The description set out in this section "—Taxes on income and capital gains in connection with the repurchase of the shares in FE Interim" applies only to a holder of FE Interim common shares and, if applicable, FE Interim special voting shares, who is a "Dutch Individual holder", a "Dutch Corporate holder" or a "Non-resident holder".

Dutch Individual holders of FE Interim common shares and, if applicable, FE Interim special voting shares deriving profits or deemed to be deriving profits from an enterprise

For a Dutch Individual holder whose FE Interim common shares and, if applicable, FE Interim special voting shares are attributable to an enterprise from which such holder derives profits, whether as an entrepreneur

(*ondernemer*) or pursuant to a co-entitlement to the net value of an enterprise (other than as an entrepreneur or a shareholder), the repurchase of such shares will result in recognition of a capital gain or a capital loss if the amount received (€0.01 per share) deviates from the individual tax base of the shares. Such benefits are generally subject to Dutch income tax at progressive rates.

Dutch Individual holders of FE Interim common shares and, if applicable, FE Interim special voting shares deriving benefits from miscellaneous activities

If a Dutch Individual holder derives or is deemed to derive any benefits from FE Interim common shares and, if applicable, FE Interim special voting shares, that constitute benefits from miscellaneous activities (as outlined below) (*resultaat uit overige werkzaamheden*), the repurchase of such shares will result in recognition of a capital gain or a capital loss if the amount received (€0.01 per share) deviates from the individual tax base of the shares. Such benefits are generally subject to Dutch income tax at progressive rates.

A Dutch Individual holder may, *inter alia*, derive, or be deemed to derive, benefits from FE Interim shares that are taxable as benefits from miscellaneous activities if such holder's investment activities go beyond the activities of an active portfolio investor, for instance in the case of use of insider knowledge or comparable forms of special knowledge.

Other Dutch Individual holders of FE Interim common shares and, if applicable, FE Interim special voting shares

If a Dutch Individual holder's situation has not been discussed before in this section "—Taxes on income and capital gains in connection with the repurchase of the shares in FE Interim" benefits from such holder's FE Interim common shares and, if applicable, FE Interim special voting shares will be taxed annually as a benefit from savings and investments (*voordeel uit sparen en beleggen*). Such benefit is deemed to be four percent per annum of the holder's "yield basis" (*rendementsgrondslag*), generally to be determined at the beginning of the relevant year, to the extent that such yield basis exceeds the "exempt net asset amount" (*heffingvrij vermogen*) for the relevant year. The benefit is taxed at the rate of 30 percent. The value of the shares forms part of the holder's yield basis. Under this rule, any capital gain or loss realized upon the repurchase of FE Interim shares is not as such subject to Dutch income tax.

Attribution rule

Benefits derived or deemed to be derived from certain miscellaneous activities by, and yield basis for benefits from savings and investments of, a child or a foster child who is under eighteen years of age are attributed to the parent who exercises, or to the parents who exercise, authority over the child, irrespective of the country of residence of the child.

Dutch Corporate holders of FE Interim common shares and, if applicable, FE Interim special voting shares

For a Dutch Corporate holder, the repurchase of the FE Interim shares will result in recognition of a taxable capital gain or a capital loss if the amount received (€0.01 per share) deviates from the tax base of such shares, except to the extent that the benefits are exempt under the participation exemption as laid down in the Dutch Corporation Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*).

Non-resident holders of FE Interim common shares and, if applicable, FE Interim special voting shares

A Non-resident holder will not be subject to any Dutch taxes on income or capital gains in respect of the repurchase of such holder's FE Interim common shares and, if applicable, FE Interim special voting shares unless:

(1) such holder derives profits from an enterprise directly, or pursuant to a co-entitlement to the net value of such enterprise, other than as a holder of securities, which enterprise either is managed in the Netherlands or carried on, in whole or in part, through a permanent establishment or a permanent representative which is taxable in the Netherlands, and such holder's FE Interim shares and, if applicable, FE Interim special voting shares are attributable to such enterprise; or

(2) such holder is an individual and such holder derives benefits from FE Interim common shares and, if applicable, FE Interim special voting shares that are taxable as benefits from miscellaneous activities in the Netherlands.

If a Non-resident holder falls under the exception (1) or (2), the repurchase of such shares will result in recognition of a taxable capital gain or a capital loss if the amount received (€0.01 per share) deviates from the individual tax base of such shares.

See above for a description of the circumstances under which the benefits derived from FE Interim common shares and, if applicable, FE Interim special voting shares may be taxable as benefits from miscellaneous activities, on the understanding that such benefits will be taxable in the Netherlands only if such activities are performed or deemed to be performed in the Netherlands.

Attribution rule

Benefits derived or deemed to be derived from certain miscellaneous activities by a child or a foster child who is under eighteen years of age are attributed to the parent who exercises, or the parents who exercise, authority over the child, irrespective of the country of residence of the child.

Taxes on income and capital gains in connection with the partial conversion of the MCSs into shares of Ferrari

General

The description set out in this section "—Taxes on income and capital gains in connection with the partial conversion of the MCSs into shares of Ferrari" applies only to a holder of Ferrari shares pursuant to the conversion of MCSs, who is a "Dutch Individual holder", a "Dutch Corporate holder" or a "Non-resident holder".

Dutch Individual holders of MCSs deriving profits or deemed to be deriving profits from an enterprise

For a Dutch Individual holder whose MCSs are attributable to an enterprise from which such holder derives profits, whether as an entrepreneur (ondernemer) or pursuant to a co-entitlement to the net value of an enterprise (other than as an entrepreneur or a shareholder), the partial conversion of the MCSs into shares of Ferrari may give rise to a taxable gain or deductible loss equal to the difference between (i) the fair market value of the Ferrari shares received upon the conversion together with the tax base of the remaining MCSs and (ii) the tax basis that the holder had in the MCSs before the partial conversion.

Dutch Individual holders of MCSs deriving benefits from miscellaneous activities

If a Dutch Individual holder derives or is deemed to derive any benefits from MCSs, that constitute benefits from miscellaneous activities (as outlined below) (resultaat uit overige werkzaamheden), the partial conversion of the MCSs into shares of Ferrari may give rise to a taxable gain or deductible loss equal to the difference between (i) the fair market value of the Ferrari shares received upon the conversion together with the tax base of the remaining MCSs and (ii) the tax basis that the holder had in the MCSs before the partial conversion.

A Dutch Individual holder may, inter alia, derive, or be deemed to derive, benefits from MCSs that are taxable as benefits from miscellaneous activities if such holder's investment activities go beyond the activities of an active portfolio investor, for instance in the case of use of insider knowledge or comparable forms of special knowledge.

Other Dutch Individual holders of MCSs

If a Dutch Individual holder's situation has not been discussed before in this section "—Taxes on income and capital gains in connection with the partial conversion of the MCSs into shares of Ferrari" benefits from such holder's MCSs will be taxed annually as a benefit from savings and investments (*voordeel uit sparen en beleggen*). Such benefit is deemed to be four percent per annum of the holder's "yield basis" (*rendementsgrondslag*), generally

to be determined at the beginning of the relevant year, to the extent that such yield basis exceeds the “exempt net asset amount” (*heffingvrij vermogen*) for the relevant year. The benefit is taxed at the rate of 30 percent. The value of the MCSs forms part of the holder’s yield basis. Under this rule, any result realized upon the partial conversion of the MCSs is not as such subject to Dutch income tax.

Attribution rule

Benefits derived or deemed to be derived from certain miscellaneous activities by, and yield basis for benefits from savings and investments of, a child or a foster child who is under eighteen years of age are attributed to the parent who exercises, or to the parents who exercise, authority over the child, irrespective of the country of residence of the child.

Dutch Corporate holders of MCSs

For a Dutch Corporate holder, the partial conversion of the MCSs into shares of Ferrari may give rise to a taxable gain or deductible loss equal to the difference between (i) the fair market value of the Ferrari shares received upon the conversion together with the tax base of the remaining MCSs and (ii) the tax basis that the holder had in the MCSs before the partial conversion, except to the extent that the benefits are exempt under the participation exemption as laid down in the Dutch Corporation Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*).

Non-resident holders of MCSs

A Non-resident holder will not be subject to any Dutch taxes on income or capital gains in respect of the partial conversion of such holder's MCSs unless:

(1) such holder derives profits from an enterprise directly, or pursuant to a co-entitlement to the net value of such enterprise, other than as a holder of securities, which enterprise either is managed in the Netherlands or carried on, in whole or in part, through a permanent establishment or a permanent representative which is taxable in the Netherlands, and such holder’s MCSs are attributable to such enterprise; or

(2) such holder is an individual and such holder derives benefits from MCSs that are taxable as benefits from miscellaneous activities in the Netherlands.

If a Non-resident holder falls under the exception (1) or (2), the partial conversion of the MCSs into shares of Ferrari may give rise to a taxable gain or deductible loss equal to the difference between (i) the fair market value of the Ferrari shares received upon the conversion together with the tax base of the remaining MCSs and (ii) the tax basis that the holder had in the MCSs before the partial conversion.

See above for a description of the circumstances under which the benefits derived from MCSs may be taxable as benefits from miscellaneous activities, on the understanding that such benefits will be taxable in the Netherlands only if such activities are performed or deemed to be performed in the Netherlands.

Attribution rule

Benefits derived or deemed to be derived from certain miscellaneous activities by a child or a foster child who is under eighteen years of age are attributed to the parent who exercises, or the parents who exercise, authority over the child, irrespective of the country of residence of the child.

Dutch tax consequences in connection with implementation of the Demergers for Holders of Predecessor Ferrari shares

The First Demerger and Second Demerger should not be a taxable event for Dutch tax purposes with respect to a holder of Predecessor Ferrari common shares and, if applicable, Predecessor Ferrari special voting shares.

Dividend withholding tax in connection with implementation of the Merger for Holders of Predecessor Ferrari shares

The exchange of Predecessor Ferrari common shares and, if applicable, Predecessor Ferrari special voting shares for Ferrari common shares and, if applicable, Ferrari special voting shares pursuant to the Merger will not be subject to Dutch dividend withholding tax.

Taxes on income and capital gains in connection with implementation of the Merger for Holders of Predecessor Ferrari shares

General

The description set out in this section "—Taxes on income and capital gains in connection with implementation of the Merger" applies only to a holder of Predecessor Ferrari common shares and, if applicable, Predecessor Ferrari special voting shares, who is a "Dutch Individual holder", a "Dutch Corporate holder" or a "Non-resident holder".

Dutch Individual holders of Predecessor Ferrari common shares and, if applicable, Predecessor Ferrari special voting shares deriving profits or deemed to be deriving profits from an enterprise

For a Dutch Individual holder whose Predecessor Ferrari common shares and, if applicable, special voting shares are attributable to an enterprise from which such holder derives profits, whether as an entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net value of an enterprise (other than as an entrepreneur or a shareholder), the exchange of Predecessor Ferrari common shares and, if applicable, Predecessor Ferrari special voting shares for Ferrari common shares and, if applicable, Ferrari special voting shares is considered to be a disposal of such holder's Predecessor Ferrari common shares and, if applicable, Predecessor Ferrari special voting shares and will result in recognition of a capital gain or a capital loss. Such benefits are generally subject to Dutch income tax at progressive rates. A Dutch Individual holder of Predecessor Ferrari common shares and, if applicable, Predecessor Ferrari special voting shares can opt for application of a roll-over facility for the capital gain. If the roll-over facility is applied, the Ferrari common shares and, if applicable, Ferrari special voting shares received as Merger consideration must be reported in the balance sheet for Dutch tax purposes at the same tax book value as the divested shares in Predecessor Ferrari. The roll-over facility does not apply to any cash consideration received.

Dutch Individual holders of Predecessor Ferrari common shares and, if applicable, Predecessor Ferrari special voting shares deriving benefits from miscellaneous activities

If a Dutch Individual holder of Predecessor Ferrari common shares and, if applicable, Predecessor Ferrari special voting shares derives or is deemed to derive any benefits from Ferrari common shares and, if applicable, Ferrari special voting shares, that constitute benefits from miscellaneous activities (as outlined below) (*resultaat uit overige werkzaamheden*), the exchange of such holder's Predecessor Ferrari common shares and, if applicable, Predecessor Ferrari special voting shares for Ferrari common shares and, if applicable, Ferrari special voting shares is considered to be a disposal of such holder's Predecessor Ferrari common shares, and if applicable, Predecessor Ferrari special voting shares and will result in recognition of a capital gain or a capital loss. Such benefits are generally subject to Dutch income tax at progressive rates. A Dutch Individual holder of Predecessor Ferrari common shares and, if applicable, Predecessor Ferrari special voting shares can opt for a roll-over facility for the capital. If the roll-over facility is applied, the Ferrari common shares and, if applicable, Ferrari special voting shares received as Merger consideration must be reported in the balance sheet for Dutch tax purposes at the same tax book value as the divested shares in Predecessor Ferrari. The roll-over facility does not apply to any cash consideration received.

A Dutch Individual holder of Predecessor Ferrari common shares and, if applicable, Predecessor Ferrari special voting shares may, *inter alia*, derive, or be deemed to derive, benefits from Predecessor Ferrari common shares and, if applicable, Predecessor Ferrari special voting shares that are taxable as benefits from miscellaneous activities if such holder's investment activities go beyond the activities of an active portfolio investor, for instance in the case of use of insider knowledge or comparable forms of special knowledge.

Other Dutch Individual holders of Predecessor Ferrari common shares and, if applicable, Predecessor Ferrari special voting shares

If a Dutch Individual holder's situation has not been discussed before in this section "—Taxes on income and capital gains in connection with implementation of the Merger" benefits from such holder's Predecessor Ferrari common shares and, if applicable, Predecessor Ferrari special voting shares will be taxed annually as a benefit from savings and investments (*voordeel uit sparen en beleggen*). Such benefit is deemed to be four percent per annum of the holder's "yield basis" (*rendementsgrondslag*), generally to be determined at the beginning of the relevant year, to the extent that such yield basis exceeds the "exempt net asset amount" (*heffingvrij vermogen*) for the relevant year. The benefit is taxed at the rate of 30 percent. The value of the shares forms part of the holder's yield basis. Under this rule, any capital gain or loss realized upon the exchange of Predecessor Ferrari common shares and, if applicable, Predecessor Ferrari special voting shares for Ferrari common shares and, if applicable, Ferrari special voting shares is not as such subject to Dutch income tax.

Attribution rule

Benefits derived or deemed to be derived from certain miscellaneous activities by, and yield basis for benefits from savings and investments of, a child or a foster child who is under eighteen years of age are attributed to the parent who exercises, or to the parents who exercise, authority over the child, irrespective of the country of residence of the child.

Dutch Corporate holders of Predecessor Ferrari common shares and, if applicable, Predecessor Ferrari special voting shares

For a Dutch Corporate holder of Predecessor Ferrari common shares and, if applicable, Predecessor Ferrari special voting shares, the disposal of such holder's Predecessor Ferrari common shares and, if applicable, Predecessor Ferrari special voting shares in exchange for Ferrari common shares and, if applicable, Ferrari special voting shares will result in recognition of a capital gain or a capital loss, except to the extent that the benefits are exempt under the participation exemption as laid down in the Dutch Corporation Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*). If the participation exemption does not apply in respect of such holder's Predecessor Ferrari common shares and, if applicable, Predecessor Ferrari special voting shares, such holder can opt for application of a roll-over facility for the capital. If the roll-over facility is applied, the Ferrari common shares and, if applicable, Ferrari special voting shares received as Merger consideration must be reported in the balance sheet for Dutch tax purposes at the same tax book value as the divested shares in Predecessor Ferrari. The roll-over facility does not apply to any cash consideration received.

Non-resident holders of Predecessor Ferrari common shares and, if applicable, Predecessor Ferrari special voting shares

A Non-resident holder of Predecessor Ferrari common shares and, if applicable, Predecessor Ferrari special voting shares will not be subject to any Dutch taxes on income or capital gains in respect of the exchange of such holder's Predecessor Ferrari common shares and, if applicable, Predecessor Ferrari special voting shares for Ferrari common shares and, if applicable, Ferrari special voting shares, unless:

(1) such holder derives profits from an enterprise directly, or pursuant to a co-entitlement to the net value of such enterprise, other than as a holder of securities, which enterprise either is managed in the Netherlands or carried on, in whole or in part, through a permanent establishment or a permanent representative which is taxable in the Netherlands, and such holder's Predecessor Ferrari common shares and, if applicable, Predecessor Ferrari special voting shares are attributable to such enterprise; or

(2) such holder is an individual and such holder derives benefits from Predecessor Ferrari common shares and, if applicable, Predecessor Ferrari special voting shares that are taxable as benefits from miscellaneous activities in the Netherlands.

If a Non-resident holder of Predecessor Ferrari common shares and, if applicable, Predecessor Ferrari special voting shares falls under the exception (1) or (2), the disposal of such holder's Predecessor Ferrari common shares and, if applicable, Predecessor Ferrari special voting shares in exchange for Ferrari common shares and, if applicable, Ferrari special voting shares will result in recognition of a capital gain or a capital loss. In these two cases and provided that the Ferrari common shares and, if applicable, Ferrari special voting shares received as Merger consideration are attributable to such enterprise or such miscellaneous activities in the Netherlands, such holder can opt for application of a roll-over facility for the capital gain. If the roll-over facility is applied, the Ferrari common shares and, if applicable, Ferrari special voting shares received as Merger consideration must be reported in the balance sheet for Dutch tax purposes at the same tax book value as the divested shares in Predecessor Ferrari. The roll-over facility does not apply to any cash consideration received.

See above for a description of the circumstances under which the benefits derived from Predecessor Ferrari common shares and, if applicable, Predecessor Ferrari special voting shares may be taxable as benefits from miscellaneous activities, on the understanding that such benefits will be taxable in the Netherlands only if such activities are performed or deemed to be performed in the Netherlands.

Attribution rule

Benefits derived or deemed to be derived from certain miscellaneous activities by a child or a foster child who is under eighteen years of age are attributed to the parent who exercises, or the parents who exercise, authority over the child, irrespective of the country of residence of the child.

Taxes on income and capital gains from the ownership and disposition of Ferrari common shares and, if applicable, Ferrari special voting shares after implementation of the Merger

General

The description set out in this section "—Taxes on income and capital gains from the ownership and disposition of Ferrari common shares and, if applicable, Ferrari special voting shares after implementation of the Merger" applies only to a holder of Ferrari shares and, if applicable, Ferrari special voting shares, who is a "Dutch Individual holder", a "Dutch Corporate holder" or a "Non-resident holder".

Dutch Individual holders of Ferrari common shares and, if applicable, Ferrari special voting shares deriving profits or deemed to be deriving profits from an enterprise

If a Dutch Individual holder of Ferrari common shares and, if applicable, Ferrari special voting shares derives or is deemed to derive any benefits from such holder's Ferrari common shares and, if applicable, Ferrari special voting shares, including any capital gain realized on the disposal of such Ferrari common shares and, if applicable, Ferrari special voting shares, that are attributable to an enterprise from which such holder derives profits, whether as an entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net value of an enterprise, other than as a shareholder, such benefits are generally subject to Dutch income tax at progressive rates.

Dutch Individual holders of Ferrari common shares and, if applicable, Ferrari special voting shares deriving benefits from miscellaneous activities

If a Dutch Individual holder of Ferrari common shares and, if applicable, Ferrari special voting shares derives or is deemed to derive (as outlined below) any benefits from such holder's Ferrari common shares and, if applicable, Ferrari special voting shares, including any gain realized on the disposal of such Ferrari common shares and, if applicable, Ferrari special voting shares, that constitute benefits from miscellaneous activities (as outlined below) (*resultaat uit overige werkzaamheden*), such benefits are generally subject to Dutch income tax at progressive rates.

A Dutch Individual holder may, *inter alia*, derive, or be deemed to derive, benefits from Ferrari common shares and, if applicable, Ferrari special voting shares that are taxable as benefits from miscellaneous activities if

such holder's investment activities go beyond the activities of an active portfolio investor, for instance in the case of use of insider knowledge or comparable forms of special knowledge.

Other Dutch Individual holders of Ferrari common shares and, if applicable, Ferrari special voting shares

If a Dutch Individual holder's situation has not been discussed before in this section "—Taxes on income and capital gains from the ownership and disposition of Ferrari common shares and, if applicable, Ferrari special voting shares after implementation of the Merger" benefits from such holder's Ferrari common shares and, if applicable, Ferrari special voting shares will be taxed annually as a benefit from savings and investments (*voordeel uit sparen en beleggen*). Such benefit is deemed to be four percent per annum (as of 2017 a maximum percentage of 5.5% will apply) of the holder's "yield basis" (*rendementsgrondslag*), generally to be determined at the beginning of the relevant year, to the extent that such yield basis exceeds the "exempt net asset amount" (*heffingvrij vermogen*) for the relevant year. The benefit is taxed at the rate of 30 percent. The value of a holder's Ferrari common shares and, if applicable, Ferrari special voting shares forms part of the holder's yield basis. Under this rule, actual benefits derived from such holder's Ferrari common shares and, if applicable, Ferrari special voting shares, including any gain realized on the disposal of such Ferrari common shares and, if applicable, Ferrari special voting shares, are not as such subject to Dutch income tax.

Attribution rule

Benefits derived or deemed to be derived from certain miscellaneous activities by, and yield basis for benefits from savings and investments of, a child or a foster child who is under eighteen years of age are attributed to the parent who exercises, or to the parents who exercise, authority over the child, irrespective of the country of residence of the child.

Dutch Corporate holders of Ferrari common shares and, if applicable, Ferrari special voting shares

If a holder of Ferrari common shares and, if applicable, Ferrari special voting shares is a Dutch Corporate holder, any benefits derived or deemed to be derived by such holder from such holder's Ferrari common shares and, if applicable, Ferrari special voting shares, including any gain realised on the disposal thereof, are generally subject to Dutch corporation tax, except to the extent that the benefits are exempt under the participation exemption as laid down in the Dutch Corporation Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*).

Non-resident holders of Ferrari common shares and, if applicable, Ferrari special voting shares

A Non-resident holder of Ferrari common shares and, if applicable, Ferrari special voting shares will not be subject to any Dutch taxes on income or capital gains in respect of any benefits derived or deemed to be derived by such holder from such holder's Ferrari common shares and, if applicable, Ferrari special voting shares, including any capital gain realised on the disposal thereof, unless:

(1) such holder derives profits from an enterprise directly, or pursuant to a co-entitlement to the net value of such enterprise, other than as a holder of securities, which enterprise either is managed in the Netherlands or carried on, in whole or in part, through a permanent establishment or a permanent representative which is taxable in the Netherlands, and such holder's Ferrari common shares and, if applicable, Ferrari special voting shares are attributable to such enterprise; or

(2) such holder is an individual and such holder derives benefits from Ferrari common shares and, if applicable, Ferrari special voting shares that are taxable as benefits from miscellaneous activities in the Netherlands.

See above for a description of the circumstances under which the benefits derived from Ferrari common shares and, if applicable, Ferrari special voting shares may be taxable as benefits from miscellaneous activities, on the understanding that such benefits will be taxable in the Netherlands only if such activities are performed or deemed to be performed in the Netherlands.

Attribution rule

Benefits derived or deemed to be derived from certain miscellaneous activities by a child or a foster child who is under eighteen years of age are attributed to the parent who exercises, or the parents who exercise, authority over the child, irrespective of the country of residence of the child.

Dividend withholding tax after implementation of the Merger

Ferrari is generally required to withhold Dutch dividend withholding tax at a rate of 15 percent from dividends distributed by it.

As an exception to this rule, Ferrari may not be required to withhold Dutch dividend withholding tax if it is considered to be a tax resident of both the Netherlands and Italy, in accordance with the domestic tax residency provisions applied by each of these jurisdictions, while the double tax treaty between the Netherlands and Italy attributes the tax residency exclusively to Italy. This exception does not apply to dividends distributed by Ferrari to a holder who is resident or deemed to be resident in the Netherlands for Dutch income tax purposes or Dutch corporation tax purposes.

Gift and inheritance taxes after implementation of the Merger

If a holder of Ferrari common shares and, if applicable, Ferrari special voting shares disposes of Ferrari common shares and, if applicable, Ferrari special voting shares by way of gift, in form or in substance, or if a holder of Ferrari common shares and, if applicable, Ferrari special voting shares who is an individual dies, no Dutch gift tax or Dutch inheritance tax, as applicable, will be due, unless:

(1) the donor is, or the deceased was, resident or deemed to be resident in the Netherlands for purposes of Dutch gift tax or Dutch inheritance tax, as applicable; or

(2) the donor made a gift of Ferrari common shares and, if applicable, Ferrari special voting shares, then became a resident or deemed resident of the Netherlands, and died as a resident or deemed resident of the Netherlands within 180 days of the date of the gift.

For purposes of the above, a gift of Ferrari common shares and, if applicable, Ferrari special voting shares made under a condition precedent is deemed to be made at the time the condition precedent is satisfied.

For example, and without being exhaustive, an individual who has the Dutch nationality is deemed to be resident in the Netherlands at the time of his death or the making of the gift, if he resided in the Netherlands at any time during a period of ten years preceding the time of his death or the time of the gift. In addition, as a further example, and without being exhaustive, any individual who has been resident in the Netherlands and who has made a gift within a period of one year after he has taken up his residence outside the Netherlands is deemed to be resident in the Netherlands at the time of the gift.

Certain Italian Income Tax Consequences

This section describes certain Italian income tax consequences of the Separation to holders of common shares and special voting shares (collectively, the "**FCA Shares**"), and/or Mandatory Convertible Securities (the "**MCSs**") of FCA, and to holders of common shares and special voting shares of Predecessor Ferrari (collectively, the "**Predecessor Ferrari Equity Interests**"), and certain Italian income tax consequences of the ownership of common shares and special voting shares of Ferrari (collectively, the "**Ferrari Equity Interests**") acquired pursuant to the Separation.

For the purposes of this discussion, an "Italian Holder" is a beneficial owner of FCA Shares, MCSs, Predecessor Ferrari Equity Interests, or Ferrari Equity Interests that is:

- an Italian-resident individual, or

- an Italian-resident corporation.

This section does not apply to holders subject to special rules, including:

- non-profit organizations, foundations and associations that are not subject to tax,
- Italian business partnerships and assimilated entities (e.g., "*società in nome collettivo*", "*società in accomandita semplice*"),
- Italian nonbusiness partnerships (e.g., "*società semplici*"),
- individuals holding the shares in connection with the exercise of a business activity (sole proprietors),
- Italian real estate investment funds (fondi comuni di investimento immobiliare) and Italian real estate SICAF (società di investimento a capitale fisso);
- Italian pension funds,
- Italian investment funds (fondi comuni di investimento mobiliare), Italian SICAVs (società di investimento collettivo a capitale variabile) and Italian SICAFs (società di investimento a capital fisso).

For the purposes of this discussion, a Non-Italian Holder means a beneficial owner of FCA Shares, MCSs, Predecessor Ferrari Equity Interests, or Ferrari Equity Interests that is neither an Italian Holder nor a permanent establishment or a fixed base through which a non-Italian resident holder carries on business or performs personal services in Italy nor a partnership.

This discussion is limited to Italian Holders and Non-Italian Holders that hold their FCA Shares, Predecessor Ferrari Equity Interests or Ferrari Equity Interests directly and whose shares represent, and have represented in any 12-month period preceding each disposal: (i) a percentage of voting rights in the ordinary shareholders' meeting of FCA, Predecessor Ferrari or Ferrari not greater than 2 percent for listed shares or (ii) a participation in the share capital not greater than 5 percent for listed shares.

This section is based upon tax laws and applicable tax treaties and what is understood to be the current practice in Italy in effect on the date hereof which may be subject to changes in the future, even on a retroactive basis.

No statutory, judicial or administrative authority directly discusses how the Separation should be treated for Italian income tax purposes. However, the Italian Revenue Agency confirmed in a positive advance tax ruling issued on October 9, 2015 (the "**Italian Tax Ruling**") that the two Dutch law demergers and the Dutch law merger to be carried out in connection with the Separation would be respected as tax-free, neutral transactions from an Italian income tax perspective. Holders of FCA Shares, MCSs and Predecessor Ferrari Equity Interests are urged to consult their own tax advisors regarding the Italian and foreign and other tax consequences of the Separation.

Consequences of the Separation

Tax Consequences of the Dutch Law Demerger of FCA in Favor of FE Interim B.V.

The Dutch law demerger of FCA (the "**First Demerger**") in favor of FE Interim B.V. ("**FE Interim**") qualifies as a tax-free (neutral) transaction under Article 173 of Presidential Decree no. 917 of December 22, 1986 (the Italian Consolidated Income Tax Act; "**CITA**"), as confirmed in the Italian Tax Ruling. In particular, under Article 173(3) CITA, holders of common shares and special voting shares of FCA, regardless of whether they are Italian Holders or Non-Italian Holders, will not recognize any gain or loss upon the receipt of common shares and

special voting shares of FE Interim, except for what indicated in respect of the receipt of cash instead of fractional shares.

The aggregate tax basis that holders of common shares and special voting shares of FCA have in their shares of FCA will be split between the shares in FCA (after the First Demerger) and the new shares in FE Interim based on the ratio between the fair market value of the assets spun off to FE Interim (i.e., the 80 percent shareholding in Predecessor Ferrari and €16,649,915.81 cash) and the aggregate fair market value of FCA before the First Demerger (see Italian Revenue Agency, Ruling no. 52/E of May 26, 2015 and the Italian Tax Ruling).

The holders' holding period in FE Interim shares should include the holders' holding period in their common shares and special voting shares of FCA with respect to which such holders have received such FE Interim shares.

The First Demerger is tax-free also to the holders of MCSs.

Tax Consequences of the Dutch Law Demerger of FE Interim in Favor of Ferrari

The Dutch law demerger of FE Interim (the "**Second Demerger**") in favor of Ferrari qualifies as a tax-free (neutral) transaction under Article 173 CITA, as confirmed in the Italian Tax Ruling. In particular, under Article 173(3) CITA, holders of common shares and special voting shares of FE Interim, regardless of whether they are Italian Holders or Non-Italian Holders, will not recognize any gain or loss upon the receipt of common shares and special voting shares of Ferrari, save for what indicated below in respect of fractional shares.

The aggregate tax basis that holders of common shares and special voting shares of FE Interim have in their shares of FE Interim will be split between the shares in FE Interim (after the Second Demerger) and the new shares in Ferrari based on the ratio between the fair market value of the assets spun off to Ferrari (i.e., the 80 percent shareholding in Ferrari) and the aggregate fair market value of FE Interim before the Second Demerger (see Italian Revenue Agency, Ruling no. 52/E of May 26, 2015).

The holders' holding period in the Ferrari Equity Interests should include the holders' holding period in their common shares and special voting shares of FE Interim with respect to which such holders have received such Ferrari Equity Interests.

Holders that acquired blocks of common shares or special voting shares of FCA, at different times or at different prices should consult their own tax advisors regarding the allocation of their aggregate adjusted tax basis among, and the determination of their holding period in, (i) the common shares and special voting shares, if any, of FE Interim after the Second Demerger and (ii) Ferrari Equity Interests received in the Separation. FCA, Predecessor Ferrari, and Ferrari believe and intend to take the position that the values of each special voting share of Ferrari is minimal. However, because the fair market value of the special voting shares is factual and is not governed by any guidance that directly addresses such a situation, the Italian Revenue Agency could assert that the value of the special voting shares (and thus the amount of basis that should be allocated thereto) as determined by FCA, Predecessor Ferrari and Ferrari is incorrect.

The Italian holders' receipt of cash in lieu of fractional shares should give rise to taxable income for Italian tax purposes. Such Italian holders should recognize capital gain or loss measured by the difference between the cash received for the fractional share and their tax basis in that fractional share, determined as described above.

Conversion of the MCSs as a Result of the Separation

(a) Italian Holders

As the MCSs qualify as atypical securities (*titoli atipici*) for Italian tax purposes and not as equity-like securities, the conversion of the MCSs into Ferrari common shares may give rise to a taxable gain or deductible loss equal to the difference between the fair market value of the Ferrari common shares received upon the conversion and the tax basis that the holder has in the MCSs before the conversion.

The actual tax treatment of the gain or loss depends on the individual circumstances of the holder of the MCSs and in particular on the accounting principles adopted by the holder of the MCSs in drafting its financial statements. Italian Holders of the MCSs are therefore urged to consult their tax advisors as to the specific tax consequences to them of the conversion under applicable tax laws.

(b) Non-Italian Holders

The conversion of the MCSs into Ferrari common shares will not trigger any Italian income taxation for Non-Italian Holders because FCA is not an Italian resident corporation and the MCSs are listed in a regulated market, i.e., the New York Stock Exchange.

Tax Consequences of the €0.01 per Share Distribution by FE Interim

For Italian income tax purposes, the cancellation of all common shares and special voting shares of FE Interim (except the shares held by Stichting FCA) in exchange for distribution of the nominal value of such shares (i.e., €0.01 per share) to the holders of FE Interim shares will be treated as a withdrawal (*recesso tipico*) under Articles 47(7) and 86(5-*bis*) CITA. This treatment was confirmed by the Italian Revenue Agency in the Italian Tax Ruling.

The Italian tax consequences of the €0.01 per share distribution depend on the individual circumstances of each holder.

(a) Italian Holders

(1) Individuals

The €0.01 distribution made by FE Interim is treated as a dividend distribution to the extent it exceeds the tax basis that following the Second Demerger the holder has in the FE Interim share that is cancelled.

The dividend is subject to 26 percent tax withheld at source, unless the Italian Holder has entrusted the management of the shares to an authorized intermediary under a discretionary asset management contract and has elected into the discretionary investment portfolio regime (*risparmio gestito*) under Article 7 of Legislative Decree No. 461 of November 21, 1997 ("**Decree 461**"). In this case, the dividend is included in the annual accrued management result (*risultato maturato annuo di gestione*), which is subjected to 26 percent substitute tax.

The withholding agent is FE Interim if the share that is cancelled is deposited with FE Interim or with a financial intermediary that does not participate, whether directly or indirectly, in the clearing system managed by Monte Titoli S.p.A. Conversely, if the share that is cancelled is deposited with a financial intermediary that participates, whether directly or indirectly, in the clearing system managed by Monte Titoli S.p.A., then the withholding agent is such intermediary (through an Italian tax representative in case of non-resident intermediaries without permanent establishment in Italy). Holders must communicate their tax basis in the FE Interim shares that are cancelled to the withholding agent; otherwise, the withholding agent would apply the 26 percent tax on the entire €0.01 distribution and not just to the portion that exceeds the tax basis.

(2) Corporations

No tax will be withheld at source on payments made to Italian Holders that are corporations.

The portion of the EUR 0.01 per share distribution that is paid out of profit reserves of FE Interim will be taxed as a dividend in the hands of such holders. Only 5 percent of the dividend is subject to corporate tax if the conditions for the participation exemption under Article 89 CITA are met.

The difference between the portion of the €0.01 per share distribution that is paid out of equity reserves (including share capital) and the tax basis that following the Second Demerger the holder has in the FE Interim share that is cancelled is treated as a capital gain. 95 percent participation exemption under Article 87 CITA should not apply.

For the purpose of determining whether the €0.01 per share distribution is paid out of profits reserves or equity reserves, FE Interim's net equity will be deemed to be formed by equity reserves (*riserve di capitale*) and profits reserves (*riserve di utili*) in the same proportion as the net equity of FCA before the First Demerger. This criterion was confirmed by the Italian Revenue Agency in the Italian Tax Ruling.

(b) Non-Italian Holders

For Non-Italian Holders of the common shares and special voting shares of FE Interim that do not hold the shares through an Italian permanent establishment or fixed base to which the shares are effectively connected, the €0.01 per share distribution made by FE Interim is treated as a dividend distribution to the extent it exceeds the tax basis that following the Second Demerger the holder has in the FE Interim share that is cancelled.

The dividend is subject to 26 percent tax withheld at source. Subject to a specific application that must be submitted to the Italian Revenue Agency under the terms and conditions provided by law, Non-Italian Holders are entitled to relief (in the form of a refund), which cannot be greater than 11/26 (eleven twenty-sixths) of the tax levied in Italy, if they can demonstrate that they have paid final tax abroad on the same profits.

The rate of the tax withheld at source is reduced in the following circumstances:

- the holder of the FE Interim share that is cancelled is a company or an entity that is (a) resident for tax purposes in an EU Member State or in a State that is party to the European Economic Area Agreement ("**EEA Member State**") and is included in the list contained in Ministerial Decree of September 4, 1996 and (b) subject to corporate income tax in such State. In this case, the withholding tax rate is 1.375 percent;

- the holder of the FE Interim share that is cancelled is a pension fund set up in an EU Member State or in an EEA Member State that is included in the list contained in Ministerial Decree of September 4, 1996. In this case, the withholding tax rate is 11 percent; or

- the holder of the FE Interim share that is cancelled is resident in a country that has a double tax treaty in force with Italy. In this case, the withholding tax rate is the rate provided under the relevant treaty.

The withholding agent is FE Interim if the share that is cancelled is deposited with FE Interim or with a financial intermediary that does not participate, whether directly or indirectly, in the clearing system managed by Monte Titoli S.p.A. Conversely, if the share that is cancelled is deposited with a financial intermediary that participates, whether directly or indirectly, in the clearing system managed by Monte Titoli S.p.A., then the withholding agent is such intermediary (through an Italian tax representative in case of non-resident intermediaries without permanent establishment in Italy). Holders must timely communicate their tax basis in the FE Interim shares that are cancelled to the withholding agent and must timely submit the necessary documentation to claim the application of a withholding tax rate lower than the ordinary 26 percent (see above); if they fail to do so, the withholding agent would apply the 26 percent tax on the entire €0.01 distribution and not just to the portion that exceeds the tax basis.

Tax Consequences of the Merger of Predecessor Ferrari into Ferrari

The merger of Predecessor Ferrari into Ferrari (which transaction is further described in the Predecessor Ferrari F-1; the "**Merger**") will qualify as a tax-free (neutral) transaction under Article 172 CITA, as confirmed in the Italian Tax Ruling. In particular, under Article 172(3) CITA:

- holders of Ferrari Equity Interests will not recognize any gain or loss upon, or because of, the Merger;

- holders of Predecessor Ferrari common shares will recognize no gain or loss upon the receipt of common shares of Ferrari in exchange for their Predecessor Ferrari common shares;

- holders of Predecessor Ferrari common shares (excluding Ferrari) will have an exchange basis in the Ferrari common shares that they receive upon the Merger, i.e., the same tax basis as they had in their Predecessor Ferrari common shares before the Merger; and

- holders' holding period in their common shares of Ferrari should include the holders' holding period in their common shares of Predecessor Ferrari in exchange for which such holders received such common shares of Ferrari.

Holders that acquired blocks of common shares of Predecessor Ferrari common shares at different times or at different prices should consult their own tax advisors regarding the allocation of their aggregate adjusted tax basis among, and the determination of their holding period in, the common shares of Ferrari received in the Merger.

Consequences of Owning Ferrari Shares

This section describes the material Italian tax consequences of the ownership and transfer of Ferrari common shares. The following description is not intended to be a comprehensive description of all the tax considerations that may be relevant to a decision to own or dispose of the Ferrari common shares (such as Italian inheritance and gift tax considerations, and transfer tax considerations). For a more detailed description of the Italian tax consequences of owning Ferrari Shares following the Separation, please make reference to the paragraph "*Material Italian Income Tax Consequences*" of the Predecessor Ferrari F-1.

On December 22, 2015, the Italian Parliament approved Law No. 208 of December 28, 2015, published in the Ordinary Supplement to the Official Gazette No. 302 of December 30, 2015, the so-called "2016 stability law" ("**Finance Act 2016**").

Finance Act 2016 reduces the corporate tax ("**IRES**") rate from 27.5 percent to 24 percent (except for banks and certain financial intermediaries) effective for fiscal years following the fiscal year that is current on December 31, 2016 (i.e., from 2017 for taxpayers that follow the calendar year). Because of this corporate tax rate reduction, the income inclusion percentages of 49.72 percent and 77.74 percent referred to in the paragraph "*Material Italian Income Tax Consequences*" of the Predecessor Ferrari F-1 will have to be revised upwards by a decree to be issued by the Ministry of Economy and Finance under the authority of Article 1(64) of Finance Act 2016. Moreover, as a result of the corporate tax rate reduction, the withholding tax rate on dividends paid to companies and entities that are (a) resident for tax purposes in an EU Member State or in an EEA Member State that is included in the list contained in Ministerial Decree of September 4, 1996 and (b) subject to corporate income tax in such State will be reduced from 1.375 percent to 1.2 percent, effective from 2017. The aforesaid decree to be issued by the Ministry of Economy and Finance will also set forth transitional rules applicable to dividends paid out of profits earned in fiscal years when the applicable corporate tax rate was 27.5 percent.

Italian Holders

Taxation of Dividends

Under Italian income tax laws, dividends paid by Ferrari to Italian Holders who are individuals are subject to a 26 percent tax withheld at source, unless the Italian Holders (a) have entrusted the management of the Ferrari shares to an authorized intermediary under a discretionary asset management contract, and (b) have elected into the discretionary investment portfolio regime (*risparmio gestito*) under Article 7 of Decree 461. In this latter case, the dividends are included in the annual accrued management result (*risultato maturato annuo di gestione*), which is subjected to 26 percent substitute tax. In neither case are the Italian Holders required to report the dividends in their income tax returns.

Under Italian income tax laws, dividends paid by Ferrari to Italian Holders that are corporations are not subject to any tax withheld at source. Italian Holders that are corporations should benefit from a 95 percent exemption on dividends under Article 89 CITA if certain conditions are met. The remaining 5 percent of the dividends is included in the taxable business income of such Italian Holders subject to IRES in Italy. IRES is currently levied at 27.5 percent. Finance Act 2016 reduces the IRES rate from 27.5 percent to 24 percent (except for banks and certain financial intermediaries) effective for fiscal years following the fiscal year that is current on December 31, 2016 (i.e., from 2017 for taxpayers that follow the calendar year).

However, for Italian Holders that are corporations, dividends are fully subject to tax in the following circumstances: (i) dividends paid to taxpayers using IAS/IFRS in relation to Ferrari shares accounted for as "held for trading" on the balance sheet of their statutory accounts; or (iii) dividends paid in relation to Ferrari shares acquired through repurchase transactions, stock lending and similar transactions, unless the beneficial owner of such dividends would have benefited from the 95 percent exemption described in the above paragraph.

For certain companies operating in the financial field and subject to certain conditions, dividends from Ferrari will also be included in the tax base for the regional tax on productive activities (*Imposta regionale sulle attività produttive*, which we refer to as IRAP).

Taxation of Capital Gains

Italian Holders who are individuals and who sell or otherwise dispose of their Ferrari common shares will recognize capital gain or loss. Capital gains are subject to a 26 percent substitute tax ("**CGT**"). The Italian Holder may opt for any of the following three tax regimes:

(1) Tax return regime (*regime della dichiarazione*). Under this regime, capital gains and capital losses realized during the fiscal year must be reported in the income tax return. CGT is computed on capital gains net of capital losses of the same nature and must be paid by the term for paying the balance of the annual income tax. Capital losses in excess of capital gains may be carried forward and offset against capital gains realized in any of the four following fiscal years. Capital losses may be carried forward and offset against capital gains of the same nature realized after June 30, 2014, but up to the following amount in case of capital losses realized up to June 30, 2014: (i) 48.08 percent of the relevant capital losses realized before January 1, 2012, and (ii) 76.92 percent of the capital losses realized from January 1, 2012 to June 30, 2014. This regime is the default regime if the Italian Holder does not elect into any of the two alternative regimes described in (b) and (c) below.

(2) Nondiscretionary investment portfolio regime (*risparmio amministrato*) (optional). Under this regime, CGT is applied separately on capital gains realized on each transfer of Ferrari common shares. This regime is allowed subject to (x) the Ferrari common shares being managed or in custody with Italian banks, broker-dealers (*società di intermediazione mobiliare*) or certain authorized financial intermediaries; and (y) an express election for the nondiscretionary investment portfolio regime being made in writing in due time by the relevant holder. Under this

regime, the financial intermediary is responsible for accounting for and paying (on behalf of the taxpayer) CGT in respect of capital gains realized on each transfer of the common shares (as well as in respect of capital gains realized at revocation of the intermediary's mandate), net of any relevant capital losses of the same nature. Capital losses may be carried forward and offset against capital gains of the same nature realized within the same relationship of deposit in the same fiscal year or in the following fiscal years up to the fourth. Capital losses may be carried forward and offset against capital gains of the same nature realized after June 30, 2014, but up to the following amount in case of capital losses realized up to June 30, 2014: (i) 48.08 percent of the relevant capital losses realized before January 1, 2012, and (ii) 76.92 percent of the capital losses realized from January 1, 2012 to June 30, 2014. Under this regime, the holder is not required to report capital gains in the annual income tax return.

(3) Discretionary investment portfolio regime (*risparmio gestito*) (optional). This regime is allowed for holders who have entrusted the management of their financial assets, including the Ferrari common shares, to an authorized intermediary and have elected in writing into this regime. Under this regime, capital gains accrued on the Ferrari common shares are included in the computation of the annual increase in value of the managed assets accrued (even if not realized) at year end, which is subject to CGT. The managing authorized intermediary applies the tax on behalf of the Italian Holder. Any decrease in value of the managed assets accrued at year end may be carried forward and offset against any increase in value of the managed assets accrued in any of the four following fiscal years. Decreases in value of the managed assets may be carried forward and offset against any subsequent increase in value accrued after June 30, 2014, but up to the following amount in case of decreases in value occurred up to June 30, 2014: (i) 48.08 percent of the relevant decreases in value occurred before January 1, 2012; and (ii) 76.92 percent of the decreases in value occurred from January 1, 2012 to June 30, 2014. Under this regime, the holder is not required to report capital gains in the annual income tax return.

Italian Holders that are corporations and that sell or otherwise dispose of their Ferrari common shares will recognize capital gain or loss. Capital gains realized through the sale or disposal of Ferrari common shares by Italian Holders that are corporations will benefit from a 95 percent participation exemption if the following conditions are met:

(1) the Ferrari common shares have been held continuously from the first day of the twelfth month preceding the disposal; and

(2) the Ferrari shares were accounted for as a long-term investment in the first balance sheet closed after the acquisition of such shares (for companies adopting IAS/IFRS, shares are considered to be a long-term investment if they are different from those accounted for as "held for trading").

Based on the assumption that Ferrari is a resident of Italy for tax purposes, that its common shares will be listed on a regulated market (i.e., the New York Stock Exchange and the *Mercato Telematico Azionario* organized and managed by Borsa Italiana S.p.A.), that its value will be predominantly composed of shareholdings in companies carrying on a business activity and not resident in a State with a preferential tax system, the two additional conditions set forth by Article 87 CITA in order to enjoy the 95 percent participation exemption, (i.e., the company is not resident in a State with a preferential tax system and carries on a business activity) are both met.

The remaining 5 percent of the amount of such capital gain is included in the aggregate taxable income of the Italian Holder and subject to IRES.

If the conditions for the 95 percent participation exemption are met, capital losses from the disposal of Ferrari common shares realized by Italian Holders that are corporations are not deductible from the Italian Holders' taxable income. Capital gains and capital losses realized through the disposal of Ferrari common shares which do not meet at least one of the aforementioned conditions for the participation exemption are, respectively, fully included in the aggregate taxable income and fully deductible from the same aggregate taxable income, subject to IRES according to ordinary rules and rates. However, if such capital gains are realized upon disposal of Ferrari

shares which have been accounted for as a long-term investment on the last three balance sheets, then if the Italian Holder so chooses the gains can be taxed in equal parts in the year of realization and the four following fiscal years.

For Italian Holders that are corporations, the ability to use capital losses to offset income is subject to significant limitations, including provisions against "dividend washing." In addition, Italian Holders that are corporations and that recognize capital losses (or other negative differences deriving from transactions on the Ferrari shares) exceeding €50,000 are subject to tax reporting requirements in their annual income tax return (also in case such capital losses are realized as a consequence of a set of transactions). Furthermore, for capital losses of more than €5 million, deriving from transactions on Ferrari shares booked as fixed financial assets, the taxpayer must report the relevant information in its annual income tax return (also in case such capital losses are realized as a consequence of a set of transactions). Such an obligation does not apply to persons who prepare their financial statements in accordance with IAS/IFRS international accounting standards. Italian resident corporations that recognize capital losses should consult their tax advisors as to the tax consequences of such losses.

For certain types of Italian corporations operating in the financial field and subject to certain conditions, the capital gains are also included in the IRAP taxable base.

Non-Italian Holders

Taxation of Dividends

Dividends paid to Non-Italian Holders in respect of Ferrari Shares will generally be subject to a 26 percent tax withheld at source.

Subject to a specific application that must be submitted to the Italian Revenue Agency under the terms and conditions provided by law, Non-Italian Holders are entitled to relief (in the form of a refund), which cannot be greater than 11/26 (eleven twenty-sixths) of the tax levied in Italy, if they can demonstrate that they have paid final tax abroad on the same profits. Non-Italian Holders who may be eligible for the relief should consult with their own independent tax advisors to determine whether they are eligible for, and how to obtain, the tax refund.

As an alternative to the relief described above, Non-Italian Holders who are resident in countries that have a double tax treaty in force with Italy may request that the tax withheld at source on dividends be levied at the (reduced) rate provided under the applicable double tax treaty, provided that they timely submit the necessary documentation (including a tax residence certificate) to the relevant withholding agent. If the Non-Italian Holder fails to timely submit the documentation to the withholding agent before payment of the dividends in respect of the Ferrari common shares, the withholding agent will apply the tax at the ordinary 26 percent rate, but the beneficial owner of the dividends may nevertheless request a refund from the Italian Revenue Agency for the difference between the tax withheld and the tax that would have applied under the treaty by filing a proper refund application together with the aforementioned documentation.

The domestic withholding tax rate on dividends is 1.375 percent (and not 26 percent) if the recipients and beneficial owners of the dividends on Ferrari common shares are companies or entities that are (a) resident for tax purposes in an EU Member State or in an EEA Member State that is included in the list contained in Ministerial Decree of September 4, 1996 or once effective in the list contained in the decree to be issued under the authority of Article 11(4)(c) of Legislative Decree No. 239 of April 1, 1996 (the Ministerial Decree of September 4, 1996 and the decree to be issued are collectively referred to as the "**Italian White List**") and (b) subject to corporate income tax in such State. Under Finance Act 2016, the withholding tax rate will be reduced to 1.2 percent from 2017, subject to transitional rules to be provided by a decree that will have to be issued by the Ministry of Economy and Finance under the authority of Article 1(64) Finance Act 2016. These companies and entities are not entitled to the 11/26 refund described above.

The domestic withholding tax rate on dividends is 11 percent (and not 26 percent) if the recipients and beneficial owners of the dividends on Ferrari common shares are pension funds that are set up in an EU Member State or an EEA Member State that is included in the list contained in the Italian White List. These pension funds are not entitled to the 11/26 refund described above.

Dividends distributed to international entities or bodies that benefit from exemption from taxation in Italy pursuant to international rules or treaties entered into force in Italy will not be subject to any tax withheld at source.

Taxation of Capital Gains

Because Ferrari common shares will be listed on a regulated market (i.e., the New York Exchange and the *Mercato Telematico Azionario* organized and managed by Borsa Italiana S.p.A.), Non-Italian Holders will not be subject to Italian income taxation on gain recognized on the sale or other disposition of their Ferrari common shares.

Loyalty Voting Program

NO STATUTORY, JUDICIAL OR ADMINISTRATIVE AUTHORITY DIRECTLY DISCUSSES HOW THE RECEIPT, OWNERSHIP OR DISPOSITION OF SPECIAL VOTING SHARES SHOULD BE TREATED FOR ITALIAN INCOME TAX PURPOSES AND AS A RESULT, THE ITALIAN INCOME TAX CONSEQUENCES ARE UNCERTAIN. ACCORDINGLY, WE URGE HOLDERS, WHETHER ITALIAN HOLDERS OR NON-ITALIAN HOLDERS, TO CONSULT THEIR TAX ADVISORS AS TO THE TAX CONSEQUENCES OF THE RECEIPT, OWNERSHIP AND DISPOSITION OF SPECIAL VOTING SHARES.

Receipt of special voting shares

A shareholder that receives special voting shares issued by Ferrari should in principle not recognize any taxable income upon the receipt of special voting shares. Under a possible interpretation, the issue of special voting shares can be treated as the issue of bonus shares free of charge to the shareholders out of existing available reserves of Ferrari. Such issue should not have any material effect on the allocation of the tax basis of a shareholder between its Ferrari common shares and its Ferrari special voting shares. Because the special voting shares are not transferable and their limited economic rights can be enjoyed only at the time of the liquidation of Ferrari, we believe and intend to take the position that the fair market value of each special voting share is minimal. However, because the determination of the fair market value of the special voting shares is not governed by any guidance that directly addresses such a situation and is unclear, the Italian Revenue Agency could assert that the value of the special voting shares as determined by us is incorrect.

Ownership of special voting shares

Shareholders of special voting shares should not have to recognize income in respect of any amount transferred to the special voting shares dividend reserve, but not paid out as dividends, in respect of the special voting shares.

Disposition of special voting shares

The tax treatment of a Ferrari shareholder that has its special voting shares redeemed for no consideration after removing its shares from the loyalty register is unclear. It is possible that a shareholder should recognize a loss to the extent of the shareholder's tax basis (if any). The deductibility of such loss depends on individual circumstances and conditions generally required by Italian tax law. It is also possible that a Ferrari shareholder would not be allowed to recognize a loss upon the redemption of its special voting shares and instead should increase its basis in its Ferrari common shares by an amount equal to the tax basis (if any) in its special voting shares.

THE ITALIAN INCOME TAX TREATMENT OF THE LOYALTY VOTING PROGRAM IS UNCLEAR AND HOLDERS, WHETHER ITALIAN HOLDERS OR NON-ITALIAN HOLDERS, ARE URGED TO CONSULT THEIR TAX ADVISORS IN RESPECT OF THE CONSEQUENCES OF ACQUIRING, OWNING, AND DISPOSING OF SPECIAL VOTING SHARES.

Stamp Duty

Under Article 13(2*bis*-2*ter*) of Decree No. 642 of October 26, 1972 ("**Stamp Duty Act**"), a 0.20 percent stamp duty generally applies on communications and reports that Italian financial intermediaries periodically send to their clients in relation to the financial products that are deposited with such intermediaries. Shares (including the shares of Ferrari) are included in the definition of financial products for these purposes. Communications and reports are deemed to be sent at least once a year even if the Italian financial intermediary is under no obligation to either draft or send such communications and reports.

The stamp duty cannot exceed €14,000.00 for investors other than individuals. Based on the wording of the Stamp Duty Act and the implementing decree issued by the Italian Ministry of Economy and Finance on May 24, 2012, the 0.20 percent stamp duty does not apply to communications and reports that the Italian financial intermediaries send to investors who do not qualify as "clients" according to the regulations issued by the Bank of Italy on June 20, 2012.

The taxable base of the stamp duty is the market value or—in the lack thereof—the nominal value or the redemption amount of any financial product.

Wealth Tax on Financial Products Held Abroad (IVAFE)

Under Article 19 of Decree No. 201 of December 6, 2011, Italian resident individuals holding certain financial products outside of Italian territory (including shares such as the shares of Ferrari) are required to pay a wealth tax at the rate of 0.20 percent.

The wealth tax applies on the market value at the end of the relevant year or—in the lack thereof—on the nominal value or the redemption value of such financial products held outside of Italian territory.

Taxpayers may generally deduct from the Italian wealth tax a tax credit equal to any wealth tax paid in the country where the financial products are held (up to the amount of the Italian wealth tax due).

Certain U.S. Federal Income Tax Consequences

This section describes certain U.S. federal income tax consequences of the Separation to U.S. holders (as defined below) of common shares, special voting shares, and/or Mandatory Convertible Securities of FCA (collectively, the "**FCA Equity Interests**"), and to U.S. holders of common shares and special voting shares of Predecessor Ferrari (collectively, the "**Predecessor Ferrari Equity Interests**"), and certain U.S. federal income tax consequences of the ownership of common shares and special voting shares of Ferrari (collectively, the "**Ferrari Equity Interests**") acquired pursuant to the Separation. It applies solely to persons that hold FCA Equity Interests, Predecessor Ferrari Equity Interests and/or Ferrari Equity Interests as capital assets. This section does not apply to holders subject to special rules, including:

- a dealer in securities or foreign currencies,
- a regulated investment company,
- a trader in securities that elects to use a mark-to-market method of accounting for securities holdings,
- a tax-exempt organization,
- a bank, financial institution, or insurance company,
- a person liable for the alternative minimum tax,
- a person that actually or constructively owns 10 percent or more, by vote or value, of FCA, Predecessor Ferrari or Ferrari,
- a person that holds FCA Equity Interests, Predecessor Ferrari Equity Interests or Ferrari Equity Interests as part of a straddle or a hedging, conversion, or other risk reduction transaction for U.S. federal income tax purposes,
- a person that acquired FCA Equity Interests, Predecessor Ferrari Equity Interests or Ferrari Equity Interests pursuant to the exercise of employee stock options or otherwise as compensation, or
- a person whose functional currency is not the U.S. dollar.

For purposes of this discussion, a "U.S. holder" is a beneficial owner of FCA Equity Interests, Predecessor Ferrari Equity Interests or Ferrari Equity Interests that is:

- an individual that is a citizen or resident of the United States;
- a corporation, or other entity taxable as a corporation, created or organized under the laws of the United States;
- an estate whose income is subject to U.S. federal income tax regardless of its source; or
- a trust if a U.S. court can exercise primary supervision over the trust's administration and one or more persons are authorized to control all substantial decisions of the trust.

This section is based on the Internal Revenue Code of 1986, as amended (the "**Code**"), its legislative history, existing and proposed regulations, published rulings and court decisions, as well as on applicable tax treaties, all as of the date hereof. These laws are subject to change, possibly on a retroactive basis.

If an entity or arrangement treated as a partnership for U.S. federal income tax purposes holds FCA Equity Interests, Predecessor Ferrari Equity Interests or Ferrari Equity Interests, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and the tax treatment of the partnership. A partner in an entity or arrangement treated as a partnership for U.S. federal income tax purposes holding shares should consult its tax advisors with regard to the U.S. federal income tax treatment of the Separation and ownership of Ferrari Equity Interests.

No statutory, judicial or administrative authority directly discusses how the Separation should be treated for U.S. federal income tax purposes. As a result, the U.S. federal income tax consequences of the Separation are uncertain. Holders of FCA Equity Interests and Predecessor Ferrari Equity Interests are urged to consult their own tax advisors regarding the U.S. federal, state and local and foreign and other tax consequences of the Separation.

Consequences of the Separation

Characterization of the Separation

No statutory, judicial or administrative authority directly discusses how the Separation should be treated for U.S. federal income tax purposes. In particular, the application of U.S. federal income tax laws to demergers and similar transactions governed by non-U.S. corporate law is unclear.

FCA and Predecessor Ferrari intend to take the position that, for U.S. federal income tax purposes and with respect to the holders of Equity Interests of FCA (the "**FCA Equity Holders**"), the Separation should be treated as (i) a distribution of shares (including special voting shares) of Ferrari to FCA Equity Holders in a transaction to which Section 355 of the Code applies and (ii) a distribution of cash to FCA Equity Holders in a transaction to which Section 356(b) and Section 301 of the Code apply. FCA and Predecessor Ferrari intend to take the position that, for U.S. federal income tax purposes and with respect to the holders of Equity Interests of Predecessor Ferrari (the "**Predecessor Ferrari Equity Holders**"), the receipt of shares (including special voting shares) of Ferrari is a reorganization to which Section 368(a) of the Code applies. Unless otherwise explicitly stated, the remainder of this section assumes the Separation will be treated in accordance with the preceding two sentences (the "**Expected Treatment**").

The Expected Treatment is predicated on a number of assumptions, including that the Mandatory Convertible Securities are treated as stock of FCA (see "Tax Consequences of Owning Mandatory Convertible Securities—Material U.S. Federal Income Tax Consequences—Characterization of the Mandatory Convertible Securities" in the prospectus filed by FCA with respect to the Mandatory Convertible Securities dated December 10, 2014 (the "**Mandatory Convertible Securities Prospectus**")), and that each of FCA and Ferrari will continue to conduct a qualifying active trade or business immediately following the Separation. While FCA and Predecessor Ferrari believe that such assumptions and factual predicates to be correct at all relevant times, (i) this belief is based on a factual determination and the actual facts may differ, and (ii) such assumptions are based in part on future events (including Ferrari's conduct of its active trade or business) as to which FCA will not have any control (whether by law, contract or otherwise). If the assumptions or factual predicates prove to be inaccurate, the applicability of the Expected Treatment could be affected, and could be materially more adverse than described herein. In addition, no ruling has been or will be requested from the IRS with respect to the Separation, and no assurance can be given that the IRS or a court will agree with the Expected Treatment as described herein.

For a further discussion, see "Alternative Characterizations of the Separation" below. Holders are urged to consult their own tax advisors concerning the alternative characterizations of the Separation.

Consequences of the Expected Treatment to FCA Equity Holders

Receipt of Ferrari Shares

Under the Expected Treatment, a U.S. holder of FCA Equity Interests generally should have the following tax consequences upon receipt of common shares and special voting shares, if any, of Ferrari pursuant to the demergers (which transactions are further described in the Predecessor Ferrari F-1):

- such U.S. holder should recognize no gain or loss upon the receipt of Ferrari Equity Interests except with respect to any cash received in lieu of fractional shares;

- such U.S. holder's aggregate tax basis in its FCA Equity Interests in respect of which Ferrari Equity Interests are distributed and such Ferrari Equity Interests (including any fractional shares to which such U.S. holder would be entitled) should equal such holder's aggregate tax basis in its FCA Equity Interests in respect of which Ferrari Interests are distributed immediately prior to the Separation, allocated between the FCA Equity Interests in respect of which Ferrari Interests are distributed, on the one hand, and Ferrari Equity Interests, on the other, in proportion to the fair market value of each;

- such U.S. holder's holding period in its Ferrari Equity Interests should include such U.S. holder's holding period in its FCA Equity Interests with respect to which such U.S. holder received such Ferrari Equity Interests; and

- such U.S. holder's receipt of cash in lieu of fractional shares should be treated as though such U.S. holder first received a distribution of the fractional share and then sold the fractional share for the amount of cash such holder actually receives in lieu of fractional shares. Such U.S. holder should recognize capital gain or loss measured by the difference between the cash received for the fractional share and its tax basis in that fractional share, determined as described above, which capital gain or loss should generally be long-term capital gain or loss if such holder's holding period in the fractional share, determined as described above, is more than one year.

U.S. holders that acquired blocks of common shares and/or Mandatory Convertible Securities of FCA, or of special voting shares of FCA, at different times or at different prices should consult their own tax advisors regarding the allocation of their aggregate adjusted tax basis among, and the determination of their holding period in, the common shares and special voting shares, if any, of Ferrari received in the distribution. FCA, Predecessor Ferrari and Ferrari believe and intend to take the position that the values of each special voting share of Ferrari is minimal. However, because the fair market value of the special voting shares is factual and is not governed by any guidance that directly addresses such a situation, the IRS could assert that the value of the special voting shares (and thus the amount of basis that should be allocated thereto) as determined by FCA, Predecessor Ferrari and Ferrari is incorrect.

Receipt of Cash

Under the Expected Treatment, the receipt of €0.01 per common share and €0.01 per special voting share of FCA by FCA Equity Holders pursuant to the Separation generally should be treated as a taxable distribution by FCA with respect to its Equity Interests. The U.S. federal income tax consequences of such distribution are described under "Amounts Treated as Taxable Distributions" below.

Adjustment to Conversion Rate of FCA Mandatory Convertible Securities

The conversion rate of the Mandatory Convertible Securities will be adjusted pursuant to the transactions as described under "Description of the Mandatory Convertible Securities—Adjustment in Respect of a Spin-Off" in the Mandatory Convertible Securities Prospectus. Adjustments (or failures to make adjustments) that have the effect of increasing a U.S. holder's proportionate interest in FCA's assets or earnings may in some circumstances result in a deemed distribution to a U.S. holder for U.S. federal income tax purposes. However, an adjustment to the conversion rate made pursuant to a bona fide reasonable adjustment formula that has the effect of preventing the dilution of the interest of the U.S. holders of the Mandatory Convertible Securities of FCA, however, will generally not be considered to result in a deemed distribution to a U.S. holder. Under the Expected Treatment, FCA believes and intends to take the position that the conversion rate adjustment is generally made pursuant to a bona fide reasonable adjustment formula that has the effect of preventing the dilution of the interest of the U.S. holders of the Mandatory Convertible Securities of FCA. However, whether a conversion rate adjustment is made pursuant to a bona fide reasonable adjustment formula is a factual determination and there can be no assurance that the conversion rate adjustment as a result of the Separation will be treated as made pursuant to such a formula. In addition, to the extent that an increase in the conversion rate is attributable to a taxable distribution paid to holders of common

shares of FCA (including as described under "Receipt of Cash" above), the adjustment does not qualify as being made pursuant to a bona fide reasonable adjustment formula. To the extent that the adjustments do not qualify as made pursuant to a bona fide reasonable adjustment formula, a U.S. holder of Mandatory Convertible Securities of FCA would be deemed to have received a constructive distribution from FCA, even though the U.S. holder has not received any cash or property as a result of such adjustments. The U.S. federal income tax consequences of such constructive distributions are described under "Amounts Treated as Taxable Distributions" below.

Amounts Treated as Taxable Distributions

Under the U.S. federal income tax laws, and subject to the discussion of PFIC taxation below, a U.S. holder generally must include in its gross income as dividend income the gross amount any distribution with respect to its FCA Equity Interests (excluding non-taxable distributions to which Section 355 of the Code applies, as discussed under "Receipt of Ferrari Shares" above) to the extent of FCA's current or accumulated earnings and profits (as determined for U.S. federal income tax purposes). FCA's current earnings and profits include any earnings and profits resulting from the recognition of gain (if any) by FCA pursuant to the Separation.

Subject to certain holding period requirements relating to short-term positions and except with respect to certain hedged equity positions for which no holding period accrues, dividends paid to a noncorporate U.S. holder by certain "qualified foreign corporations" that constitute qualified dividend income are taxable to the U.S. holder at the preferential rates applicable to long-term capital gains. For this purpose, the common shares and special voting shares of FCA and, assuming that they are treated as equity of FCA for U.S. federal income tax purposes, the Mandatory Convertible Securities of FCA would be treated as stock of a "qualified foreign corporation" if FCA is eligible for the benefits of an applicable comprehensive income tax treaty with the United States or if they were listed on an established securities market in the United States. The common shares and Mandatory Convertible Securities of FCA are listed on the New York Stock Exchange, which is treated as an established securities market in the United States for these purposes; and FCA expects to be eligible for the benefits of such a treaty. Accordingly, subject to the discussion of PFIC taxation below and assuming that the Mandatory Convertible Securities are treated as equity of FCA for U.S. federal income tax purposes, FCA expects that any amount treated as a dividend paid by FCA pursuant to the Separation will constitute qualified dividend income, provided that the holding period and similar requirements are met.

The amount of the cash received pursuant to the Separation that a U.S. holder must include in income will be the U.S. dollar value of the Euro payments made, determined at the spot Euro/U.S. dollar rate on the date the payment is includible in the U.S. holder's income, regardless of whether the payment is in fact converted into U.S. dollars. Generally, any gain or loss resulting from currency exchange fluctuations during the period from the date the U.S. holder includes the cash payment in income to the date the holder converts the payment into U.S. dollars will be treated as ordinary income or loss and will not be eligible for the special tax rates applicable to qualified dividend income.

A U.S. holder must generally include any foreign tax withheld from a distribution in such holder's gross income for U.S. federal income tax purposes even though the holder does not in fact receive the amount withheld.

Amounts in excess of FCA's current and accumulated earnings and profits would be treated as a non-taxable return of capital to the extent of the U.S. holder's basis in the Mandatory Convertible Securities and/or common shares of FCA, causing a reduction in the U.S. holder's adjusted basis in its Mandatory Convertible Securities and/or common shares of FCA, and thereafter as capital gain.

Subject to certain limitations, any non-U.S. tax withheld and paid over to a non-U.S. taxing authority is eligible for credit against a U.S. holder's U.S. federal income tax liability except to the extent a refund of the tax withheld is available to the U.S. holder under non-U.S. tax law or under an applicable tax treaty. The amount allowed to a U.S. holder as a credit is limited to the amount of the U.S. holder's U.S. federal income tax liability that is attributable to income from sources outside the U.S. and is computed separately with respect to different types of income that the U.S. holder receives from non-U.S. sources.

Subject to the section 904(h) of the Code, amounts treated as dividends by FCA will be foreign source income and will, depending on the circumstances of the U.S. holder, be either "passive" or "general" income for purposes of computing the foreign tax credit allowable to a U.S. holder. FCA does not believe that Section 904(h) of the Code will apply with respect to any distribution received pursuant to the Separation, but this conclusion is a factual determination and therefore no assurance can be given in this regard. For a more detailed discussion of Section 904(h) of the Code, see "Consequences of Owning Ferrari Stock—U.S. Holders—Taxation of Dividends" below and any discussion of the Section 904(h) in the relevant prospectus for your FCA Equity Interests.

Consequences of the Expected Treatment to Predecessor Ferrari Common Shareholders

Under the Expected Treatment, a U.S. holder of Predecessor Ferrari common shares generally should have the following tax consequences upon exchange of Predecessor Ferrari Equity Interests for Ferrari Equity Interests pursuant to the merger of Predecessor Ferrari into Ferrari (which transaction is further described in the Predecessor Ferrari F-1):

- such U.S. holder should recognize no gain or loss upon the exchange;
- such U.S. holder's aggregate basis in its common shares of Ferrari should be equal to the U.S. holder's aggregate tax basis in its common shares of Predecessor Ferrari;
- such U.S. holder's holding period in its common shares of Ferrari should include such U.S. holder's holding period in its common shares of Predecessor Ferrari in exchange for which such U.S. holder received such common shares of Ferrari.

U.S. holders that acquired blocks of common shares of Predecessor Ferrari common shares at different times or at different prices should consult their own tax advisors regarding the allocation of their aggregate adjusted tax basis among, and the determination of their holding period in, the common shares of Ferrari received in the distribution.

Alternative Characterizations

Distribution of Ferrari Shares Does Not Qualify as a Tax-Free Spin-Off

It is possible that one or more distributions that form a part of the Separation could fail to qualify under Section 355 of the Code. In such a case, a U.S. holder of FCA Equity Interests generally would be treated as receiving a taxable distribution in an amount equal to the fair market value of the property received. The U.S. federal income tax consequences of such distribution are described under "Consequences of the Expected Treatment to FCA Equity Holders—Amounts Treated as Taxable Distributions" above. In that case, a U.S. holder's tax basis in its Ferrari Equity Interests received in a taxable distribution generally would equal the fair market value of such interests on the distribution date, and the holding period for those interests generally would begin on the day after the distribution date. Except to the extent that the distribution of the Ferrari Equity Interests is treated as a return of capital as described under "Consequences of the Expected Treatment to FCA Equity Holders—Amounts Treated as Taxable Distributions" above, the distribution would generally not affect a U.S. holder's tax basis in its Mandatory Convertible Securities or common shares of FCA.

In addition, to the extent that an adjustment to the conversion rate is attributable to a taxable distribution paid to the holders of common shares of FCA (including any distribution of Ferrari Interests that does not qualify under Section 355 of the Code), the adjustment would not qualify as being made pursuant to a bona fide reasonable adjustment formula, and therefore a U.S. holder of Mandatory Convertible Securities of FCA generally would be treated as receiving a taxable constructive distribution from FCA as described under, as described under "Consequences of the Expected Treatment to FCA Equity Holders—Adjustment to Conversion Rate of FCA Mandatory Convertible Securities" above.

Mandatory Convertible Securities Do Not Qualify as Stock of FCA

It is possible that the IRS could assert that the Mandatory Convertible Securities are not equity of FCA for U.S. federal income tax purposes. If the Mandatory Convertible Securities are not treated as stock of FCA, Section 355 of the Code likely would not apply to the receipt of Ferrari Equity Interests by any FCA Equity Holders, including holders of the common shares and special voting shares of FCA. In addition, if the Mandatory Convertible Securities of FCA are not treated as equity of FCA, the tax consequences of the Separation to the holders of the Mandatory Convertible Securities could be different and could be materially more adverse than described above, including that the receipt of common shares of Ferrari would not constitute qualified dividend income.

Receipt of Cash Treated as Boot in a Reorganization

It is possible that the receipt of cash (other than cash received in lieu of fractional shares) by a U.S. holder pursuant to the Separation could be treated, together with their receipt of Ferrari Equity Interests (and cash received in lieu of fractional shares of Ferrari), in each case with respect to the U.S. holder's FCA Equity Interests, as consideration received in a "reorganization" to which Section 368(a) of the Code applies. If the Separation were so treated, such receipt of cash would not be treated as a taxable distribution. Instead, such U.S. holder would recognize gain (but not loss) upon the receipt of the Ferrari Equity Interests pursuant to the Separation up to the amount of cash so received (other than cash received in lieu of fractional shares), and the U.S. holder's aggregate basis of the Ferrari Equity Interests received pursuant to the Demergers would be increased by the amount of gain so recognized. Otherwise, the tax consequences to a U.S. holder generally would be the same as described under "Consequences of the Expected Treatment to FCA Equity Holders" above.

Special Voting Shares Treated as a Stock Distribution

It is also possible that the receipt of special voting shares of Ferrari could be treated as a distribution of stock by Ferrari to which neither Section 355 nor Section 368(a) of the Code applies. In such a case, the receipt of the special voting shares would be taxable as described under "Consequences of Owning Ferrari Stock—U.S. Holders—Taxation of Dividends" below. The amount of the distribution should equal the fair market value of the special voting shares received. FCA, Predecessor Ferrari and Ferrari believe and intend to take the position that the value of each special voting share is minimal. However, because the fair market value of the special voting shares is factual and is not governed by any guidance that directly addresses such a situation, the IRS could assert that the value of the special voting shares (and thus the amount of the distribution) as determined by FCA and Predecessor Ferrari is incorrect.

THE ABOVE IS ONLY A BRIEF SUMMARY OF CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES TO U.S. HOLDERS OF CERTAIN ALTERNATIVE CHARACTERIZATIONS OF THE SEPARATION. OTHER TAX CONSEQUENCES (INCLUDING ADVERSE TAX CONSEQUENCES) COULD RESULT AND OTHER ALTERNATIVE CHARACTERIZATIONS COULD APPLY. HOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS CONCERNING ALTERNATIVE CHARACTERIZATIONS OF THE SEPARATION.

PFIC Considerations

FCA and Predecessor Ferrari believe, and the discussion in this section regarding the tax consequences of the Separation is based on the determination, that neither FCA nor Predecessor Ferrari is or has been a passive foreign investment company ("**PFIC**") for U.S. federal income tax purposes for the taxable year of the Separation or any prior taxable year, and that Ferrari will not be a PFIC for the taxable year of the Separation. However, this is a factual determination made annually and thus may be subject to change. Moreover, because the determination whether a foreign corporation is a PFIC is primarily factual and there is little administrative or judicial authority on which to rely to make a determination, the IRS might not agree that FCA, Predecessor Ferrari and/or Ferrari is not a PFIC. If this determination were incorrect, the tax consequences of the Separation to U.S. holders of FCA Equity Interests and/or Predecessor Ferrari Equity Interests could be different and could be materially more adverse than described herein.

For a more detailed description of the PFIC rules, see "Consequences of Owning Ferrari Shares—U.S. Holders—PFIC Considerations" below, and any discussion of the PFIC rules in the relevant prospectus for your FCA Equity Interests and/or Predecessor Ferrari Equity Interests. The application of the PFIC rules to the Separation if the FCA Equity Interests and/or Predecessor Ferrari Equity Interests were treated as stock of a PFIC is not fully described therein, however. For example, Proposed Treasury Regulations under Section 1291(f) of the Code could require recognition of gain upon the disposition or deemed disposition of stock of a PFIC, subject to certain exceptions, notwithstanding any nonrecognition provision of the Code (including Sections 355 and 368(a) of the Code). These regulations have not yet been finalized, and therefore the application of the PFIC rules to the Separation is uncertain. Moreover, the application of the proposed regulations to the Separation is complex. U.S. holders should therefore consult their tax advisors as to the application of the PFIC rules in the event that their FCA Equity Interests and/or Predecessor Ferrari Equity Interests were treated as stock of a PFIC.

Medicare Tax

A U.S. holder that is an individual or estate, or a trust that does not fall into a special class of trusts that is exempt from such tax, is subject to a 3.8% tax on the lesser of (1) the U.S. holder's "net investment income" (or "undistributed net investment income" in the case of an estate or trust) for the relevant taxable year and (2) the excess of the U.S. holder's modified adjusted gross income for the taxable year over a certain threshold (which in the case of individuals is between $125,000 and $250,000, depending on the individual's circumstances). A holder's net investment income generally includes its dividend income and its net gains with respect to its FCA Equity Interests and/or Predecessor Ferrari Equity Interests, unless such dividend income or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). If you are a U.S. holder that is an individual, estate or trust, you are urged to consult your tax advisors regarding the applicability of the Medicare tax to your income and gains in respect of the Separation.

Backup Withholding and Information Reporting

Each U.S. holder that, immediately before the Separation owned at least 5% by vote or value of the total outstanding FCA Equity Interests or Predecessor Ferrari Equity Interests must attach to such holder's U.S. federal income tax return for the taxable year in which Ferrari Equity Interests are received a statement setting forth certain information related to the Separation.

If you are a noncorporate U.S. holder, information reporting requirements, on IRS Form 1099, generally will apply to dividend payments or other taxable distributions made to you within the United States. Additionally, backup withholding may apply to such payments if a U.S. holder fails to comply with applicable certification requirements or are notified by the IRS that such holder has failed to report all interest and dividends required to be shown on its federal income tax returns.

Payments of cash in lieu of fractional shares may, under certain circumstances, be subject to backup withholding unless the holder provides proof of an applicable exemption or a correct taxpayer identification number and otherwise complies with the requirements of the backup withholding rules. Any amounts withheld under the backup withholding rules will be allowed as a refund or credit against the applicable holder's U.S. federal income tax liability, provided that such holder furnishes the required information to the IRS.

A holder generally may obtain a refund of any amounts withheld under the backup withholding rules that exceed such holder's income tax liability by filing a refund claim with the IRS.

Consequences of Owning Ferrari Shares

U.S. Holders

Taxation of Dividends

Under the U.S. federal income tax laws, and subject to the discussion of PFIC taxation below, a U.S. holder must include in its gross income the gross amount of any dividend paid by Ferrari to the extent of its current or accumulated earnings and profits (as determined for U.S. federal income tax purposes). Dividends will be taxed as ordinary income to the extent that they are paid out of Ferrari's current or accumulated earnings and profits. Dividends paid to a non-corporate U.S. holder by certain "qualified foreign corporations" that constitute qualified dividend income are taxable to the holder at the preferential rates applicable to long-term capital gains provided that the holder holds the shares for more than 60 days during the 121-day period beginning 60 days before the ex-dividend date and meets other holding period requirements. For this purpose, common shares of Ferrari are treated as stock of a "qualified foreign corporation" if Ferrari is eligible for the benefits of an applicable comprehensive income tax treaty with the United States or if such stock is readily tradable on an established securities market in the United States. The common shares of Ferrari are expected to be readily tradable on the New York Stock Exchange and Ferrari is expected to be eligible for the benefits of such a treaty. Accordingly, subject to the discussion of PFIC taxation below, dividends that Ferrari pays with respect to the shares are expected to constitute qualified dividend income, assuming the holding period requirements are met. However, no assurance can be given that the common shares of Ferrari will be treated as readily tradable on an established securities market in the United States or that Ferrari or will qualify for the benefits of a comprehensive income tax treaty with the United States.

A U.S. holder must include any foreign tax withheld from the dividend payment in this gross amount even though the holder does not in fact receive the amount withheld. The dividend is taxable to a U.S. holder when the U.S. holder receives the dividend, actually or constructively.

The dividend will not be eligible for the dividends-received deduction allowed to U.S. corporations in respect of dividends received from other U.S. corporations.

Distributions in excess of current and accumulated earnings and profits, as determined for U.S. federal income tax purposes, will be treated as a non-taxable return of capital to the extent of the U.S. holder's basis in Ferrari common shares, causing a reduction in the U.S. holder's adjusted basis in Ferrari common shares, and thereafter as capital gain.

Subject to certain limitations, any non-U.S. tax withheld and paid over to a non-U.S. taxing authority is eligible for credit against a U.S. holder's U.S. federal income tax liability except to the extent a refund of the tax withheld is available to the U.S. holder under non-U.S. tax law or under an applicable tax treaty. The amount allowed to a U.S. holder as a credit is limited to the amount of the U.S. holder's U.S. federal income tax liability that is attributable to income from sources outside the U.S. and is computed separately with respect to different types of income that the U.S. holder receives from non-U.S. sources. Subject to the discussion below regarding Section 904(h) of the Code, dividends paid by Ferrari will be foreign source income and will, depending on the circumstances of the U.S. holder, be either "passive" or "general" income for purposes of computing the foreign tax credit allowable to a U.S. holder.

Under Section 904(h) of the Code, dividends paid by a foreign corporation that is treated as 50 percent or more owned, by vote or value, by U.S. persons may be treated as U.S. source income (rather than foreign source income) for foreign tax credit purposes, to the extent the foreign corporation earns U.S. source income, unless such corporation has less than 10 percent of applicable earnings and profits attributable to sources within the U.S. In certain circumstances, U.S. holders may be able to choose the benefits of Section 904(h)(10) of the Code and elect to treat dividends that would otherwise be U.S. source dividends as foreign source dividends, but in such a case the foreign tax credit limitations would be separately determined with respect to such "resourced" income. In general, therefore, the application of Section 904(h) of the Code may adversely affect a U.S. holder's ability to use foreign tax credits. FCA and Predecessor Ferrari do not believe that, immediately after the Separation, Ferrari will be 50 percent or more owned by U.S. persons. In addition, FCA and Predecessor Ferrari believe that Ferrari's earnings

and profits attributable to sources within the U.S. will not exceed 10 percent of applicable earnings and profits. However, these conclusions are factual determinations and are subject to change; no assurance can therefore be given that Ferrari may not be treated as 50 percent or more owned by U.S. persons for purposes of Section 904(h) of the Code or that less than 10 percent of Ferrari's earnings and profits will be attributable to sources within the U.S. U.S. holders are strongly urged to consult their own tax advisors regarding the possible impact if Section 904(h) of the Code should apply.

Taxation of Capital Gains

Subject to the discussion of PFIC taxation below, a U.S. holder that sells or otherwise disposes of its Ferrari common shares will recognize capital gain or loss for U.S. federal income tax purposes equal to the difference between the U.S. Dollar value of the amount that the U.S. holder realizes and the U.S. holder's tax basis in those shares. Capital gain of a noncorporate U.S. holder is generally taxed at preferential rates where the property is held for more than one year. The gain or loss will be U.S. source income or loss for foreign tax credit limitation purposes. The deduction of capital losses is subject to limitations.

Loyalty Voting Program

NO STATUTORY, JUDICIAL OR ADMINISTRATIVE AUTHORITY DIRECTLY DISCUSSES HOW THE RECEIPT, OWNERSHIP OR DISPOSITION OF SPECIAL VOTING SHARES SHOULD BE TREATED FOR U.S. FEDERAL INCOME TAX PURPOSES AND AS A RESULT, THE U.S. FEDERAL INCOME TAX CONSEQUENCES ARE UNCERTAIN. ACCORDINGLY, WE URGE U.S. HOLDERS TO CONSULT THEIR TAX ADVISOR AS TO THE TAX CONSEQUENCES OF THE RECEIPT, OWNERSHIP AND DISPOSITION OF SPECIAL VOTING SHARES.

Receipt of Special Voting Shares

If a U.S. holder receives special voting shares, the tax consequences of the receipt of special voting shares is unclear. While distributions of stock are tax-free in certain circumstances, the distribution of special voting shares would be taxable if it were considered to result in a "disproportionate distribution." A disproportionate distribution is a distribution or series of distributions, including deemed distributions, that have the effect of the receipt of cash or other property by some shareholders of Ferrari and an increase in the proportionate interest of other shareholders of Ferrari in Ferrari's assets or earnings and profits. It is possible that the distribution of special voting shares to a U.S. holder and a distribution of cash in respect of Ferrari common shares could be considered together to constitute a "disproportionate distribution." Unless Ferrari has not paid cash dividends in the 36 months prior to a U.S. holder's receipt of special voting shares and Ferrari does not pay cash dividends in the 36 months following a U.S. holder's receipt of special voting shares, Ferrari intends to treat the receipt of special voting shares as a distribution that is subject to tax as described above in "Tax Consequences of Owning Ferrari Stock—Taxation of Dividends." The amount of the dividend should equal the fair market value of the special voting shares received. For the reasons stated above, FCA, Predecessor Ferrari and Ferrari believe and intend to take the position that the value of each special voting share is minimal. However, because the fair market value of the special voting shares is factual and is not governed by any guidance that directly addresses such a situation, the IRS could assert that the value of the special voting shares (and thus the amount of the dividend) as determined by FCA, Predecessor Ferrari and Ferrari is incorrect.

Ownership of Special Voting Shares

FCA and Predecessor Ferrari believe that U.S. holders holding special voting shares should not have to recognize income in respect of amounts transferred to the special voting shares dividend reserve that are not paid out as dividends. Section 305 of the Code may, in certain circumstances, require a holder of preferred shares to recognize income even if no dividends are actually received on such shares if the preferred shares are redeemable at a premium and the redemption premium results in a "constructive distribution." Preferred shares for this purpose refer to shares that do not participate in corporate growth to any significant extent. FCA and Predecessor Ferrari believe that Section 305 of the Code should not apply to any amounts transferred to the special voting shares dividend reserve that are not paid out as dividends so as to require current income inclusion by U.S. holders because,

among other things, (i) the special voting shares are not redeemable on a specific date and a U.S. holder is only entitled to receive amounts in respect of the special voting shares upon liquidation, (ii) Section 305 of the Code does not require the recognition of income in respect of a redemption premium if the redemption premium does not exceed a *de minimis* amount and, even if the amounts transferred to the special voting shares dividend reserve that are not paid out as dividends are considered redemption premium, the amount of the redemption premium is likely to be "*de minimis*" as such term is used in the applicable Treasury Regulations. It is therefore intended that Ferrari will take the position that the transfer of amounts to the special voting shares dividend reserve that are not paid out as dividends does not result in a "constructive distribution," and this determination is binding on all U.S. holders of special voting shares other than a U.S. holder that explicitly discloses its contrary determination in the manner prescribed by the applicable regulations. However, because the tax treatment of the loyalty voting program is unclear and because Ferrari's determination is not binding on the IRS, it is possible that the IRS could disagree with Ferrari's determination and require current income inclusion in respect of such amounts transferred to the special voting shares dividend reserve that are not paid out as dividends.

Disposition of Special Voting Shares

The tax treatment of a U.S. holder that has its special voting shares redeemed for zero consideration after removing its common shares from the Loyalty Register is unclear. It is possible that a U.S. holder would recognize a loss to the extent of the U.S. holder's basis in its special voting shares, which should equal the amount that was included in income upon receipt. Such loss would be a capital loss and would be a long-term capital loss if a U.S. holder has held its special voting shares for more than one year. It is also possible that a U.S. holder would not be allowed to recognize a loss upon the redemption of its special voting shares and instead a U.S. holder should increase the basis in its Ferrari common shares by an amount equal to the basis in its special voting shares. Such basis increase in a U.S. holder's Ferrari common shares would decrease the gain, or increase the loss, that a U.S. holder would recognize upon the sale or other taxable disposition of its Ferrari common shares.

THE U.S. FEDERAL INCOME TAX TREATMENT OF THE LOYALTY VOTING PROGRAM IS UNCLEAR AND U.S. HOLDERS ARE URGED TO CONSULT THEIR TAX ADVISORS IN RESPECT OF THE CONSEQUENCES OF ACQUIRING, OWNING, AND DISPOSING OF SPECIAL VOTING SHARES.

PFIC Considerations

FCA and Predecessor Ferrari believe that the common shares of Ferrari will not be stock of a PFIC for U.S. federal income tax purposes, but this conclusion is based on a factual determination made annually and thus is subject to change. As discussed in greater detail below, if Ferrari common shares were to be treated as stock of a PFIC, gain realized (subject to the discussion below regarding a mark-to-market election) on the sale or other disposition of Ferrari common shares would not be treated as capital gain, and a U.S. holder would be treated as if such U.S. holder had realized such gain and certain "excess distributions" ratably over the U.S. holder's holding period for its Ferrari common shares and would be taxed at the highest tax rate in effect for each such year to which the gain was allocated, together with an interest charge in respect of the tax attributable to each such year. With certain exceptions, a U.S. holder's Ferrari common shares would be treated as stock in a PFIC if Ferrari were a PFIC at any time during such U.S. holder's holding period in the shares. Dividends received from Ferrari would not be eligible for the special tax rates applicable to qualified dividend income if Ferrari were treated as a PFIC in the taxable years in which the dividends are paid or in the preceding taxable year (regardless of whether the U.S. holder held Ferrari common shares in such year) but instead would be taxable at rates applicable to ordinary income.

Ferrari would be a PFIC with respect to a U.S. holder if for any taxable year in which the U.S. holder held Ferrari common shares, after the application of applicable "look-through rules":

- 75 percent or more of Ferrari's gross income for the taxable year consists of "passive income" (including dividends, interest, gains from the sale or exchange of investment property and rents and royalties other than rents and royalties that are received from unrelated parties in connection with the active conduct of a trade or business, as defined in applicable Treasury Regulations); or

- at least 50 percent of Ferrari's assets for the taxable year (averaged over the year and determined based upon value) produce or are held for the production of passive income.

Because the determination whether a foreign corporation is a PFIC is primarily factual and there is little administrative or judicial authority on which to rely to make a determination, the IRS might not agree that Ferrari is not a PFIC. Moreover, no assurance can be given that Ferrari would not become a PFIC for any future taxable year if there were to be changes in Ferrari's assets, income or operations.

If Ferrari were to be treated as a PFIC for any taxable year included in whole or in part in a U.S. holder's holding period of Ferrari and such U.S. holder is treated as owning Ferrari common shares for purposes of the PFIC rules (and regardless of whether Ferrari remains a PFIC for subsequent taxable years), the U.S. holder (i) would be liable to pay U.S. federal income tax at the highest applicable income tax rates on (a) ordinary income upon the receipt of excess distributions (the portion of any distributions received by the U.S. holder on Ferrari common shares in a taxable year in excess of 125 percent of the average annual distributions received by the U.S. holder in the three preceding taxable years or, if shorter, the U.S. holder's holding period for the Ferrari common shares) and (b) on any gain from the disposition of Ferrari common shares, plus interest on such amounts, as if such excess distributions or gain had been recognized ratably over the U.S. holder's holding period of the Ferrari common shares, and (ii) may be required to annually file Form 8621 with the IRS reporting information concerning Ferrari.

If Ferrari were to be treated as a PFIC for any taxable year and provided that Ferrari common shares are treated as "marketable stock" within the meaning of applicable Treasury Regulations, which FCA and Predecessor Ferrari believe will be the case, a U.S. holder may make a mark-to-market election with respect to such U.S. holder's common shares. Under a mark-to-market election, any excess of the fair market value of the Ferrari common shares at the close of any taxable year over the U.S. holder's adjusted tax basis in the Ferrari common shares is included in the U.S. holder's income as ordinary income. These amounts of ordinary income would not be eligible for the favorable tax rates applicable to qualified dividend income or long-term capital gains. In addition, the excess, if any, of the U.S. holder's adjusted tax basis at the close of any taxable year over the fair market value of the Ferrari common shares is deductible in an amount equal to the lesser of the amount of the excess or the amount of the net mark-to-market gains that the U.S. holder included in income in prior years. A U.S. holder's tax basis in Ferrari common shares would be adjusted to reflect any such income or loss. Gain realized on the sale, exchange or other disposition of Ferrari common shares would be treated as ordinary income, and any loss realized on the sale, exchange or other disposition of Ferrari common shares would be treated as ordinary loss to the extent that such loss does not exceed the net mark-to-market gains previously included by the U.S. holder.

The adverse consequences of owning stock in a PFIC could also be mitigated if a U.S. holder makes a valid "qualified electing fund" election ("**QEF election**"), which, among other things, would require a U.S. holder to include currently in income its pro rata share of the PFIC's net capital gain and ordinary earnings, based on earnings and profits as determined for U.S. federal income tax purposes. Because of the administrative burdens involved, it is not intended that Ferrari will provide information to its holders that would be required to make such election effective.

A U.S. holder that holds Ferrari common shares during a period when Ferrari is a PFIC will be subject to the foregoing rules for that taxable year and all subsequent taxable years with respect to that U.S. holder's holding of Ferrari common shares, even if Ferrari ceases to be a PFIC, subject to certain exceptions for U.S. holders that made a mark-to-market or QEF election. U.S. holders are strongly urged to consult their tax advisors regarding the PFIC rules, and the potential tax consequences to them if Ferrari were determined to be a PFIC.

Medicare Tax on Net Investment Income

A U.S. person that is an individual or estate, or a trust that does not fall into a special class of trusts that is exempt from such tax, is subject to a 3.8% tax on the lesser of (i) the U.S. person's "net investment income" (or "undistributed net investment income" in the case of an estate or trust) for the relevant taxable year and (ii) the excess of the U.S. person's modified adjusted gross income (or adjusted gross income, in the case of an estate or trust) for the taxable year over a certain threshold (which in the case of individuals is between U.S.$125,000 and U.S.$250,000, depending on the individual's circumstances). A holder's net investment income generally includes

its dividend income and its net gains from the disposition of shares, unless such dividends or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). If a holder is a U.S. person that is an individual, estate or trust, the holder is urged to consult the holder's tax advisors regarding the applicability of the Medicare tax to the holder's income and gains in respect of the holder's investment in Ferrari common shares.

Information with Respect to Foreign Financial Assets

Owners of "specified foreign financial assets" with an aggregate value in excess of U.S.$50,000, (and in some cases, a higher threshold) may be required to file an information report with respect to such assets with their tax returns. "Specified foreign financial assets" include any financial accounts maintained by foreign financial institutions, as well as any of the following, but only if they are held for investment and not held in accounts maintained by financial institutions: (i) stocks and securities issued by non-U.S. persons, (ii) financial instruments and contracts that have non-U.S. issuers or counterparties and (iii) interests in foreign entities. U.S. holders are urged to consult their tax advisors regarding the application of this legislation to their ownership of Ferrari common shares.

Backup Withholding and Information Reporting

Information reporting requirements for a noncorporate U.S. holder, on IRS Form 1099, will apply to:

- dividend payments or other taxable distributions made to such U.S. holder within the U.S., and
- the payment of proceeds to such U.S. holder from the sale of Ferrari common shares effected at a U.S. office of a broker.

Additionally, backup withholding (currently at a 28 percent rate) may apply to such payments to a noncorporate U.S. holder that:

- fails to provide an accurate taxpayer identification number,
- is notified by the IRS that such U.S. holder has failed to report all interest and dividends required to be shown on such U.S. holder's federal income tax returns, or
- in certain circumstances, fails to comply with applicable certification requirements.

A person may obtain a refund of any amounts withheld under the backup withholding rules that exceed the person's income tax liability by properly filing a refund claim with the IRS.

Non-U.S. Holders

For the purposes of this discussion, a "non-U.S. holder" is a beneficial owner of Ferrari common shares that is not a U.S. person for U.S. federal income tax purposes.

Taxation of Dividends

Dividends paid to a non-U.S. holder in respect of Ferrari common shares will not be subject to U.S. federal income tax unless the dividends are "effectively connected" with the non-U.S. holder's conduct of a trade or business within the U.S., and, if required by an applicable income tax treaty as a condition for subjecting the non-U.S. holder to U.S. taxation on a net income basis, the dividends are attributable to a permanent establishment that the non-U.S. holder maintains in the United States. In such cases a non-U.S. holder will be taxed in the same manner as a U.S. holder. If a non-U.S. holder is a corporate non-U.S. holder, "effectively connected" dividends may, under certain circumstances, be subject to an additional "branch profits tax" at a 30 percent rate or at a lower rate if it is eligible for the benefits of an income tax treaty that provides for a lower rate.

Taxation of Capital Gains

A non-U.S. holder will not be subject to U.S. federal income tax on gain recognized on the sale or other disposition of the non-U.S. holder's Ferrari common shares unless:

- the gain is "effectively connected" with the non-U.S. holder's conduct of a trade or business in the United States, and, if required by an applicable income tax treaty as a condition for subjecting the holder to U.S. taxation on a net income basis, the gain is attributable to a permanent establishment that the non-U.S. holder maintains in the United States, or

- the non-U.S. holder is an individual, is present in the United States for 183 or more days in the taxable year of the sale and certain other conditions exist.

If a non-U.S. holder is a corporate non-U.S. holder, "effectively connected" gains it recognizes may, under certain circumstances, be subject to an additional "branch profits tax" at a 30 percent rate or at a lower rate if it is eligible for the benefits of an income tax treaty that provides for a lower rate.

Backup Withholding and Information Reporting

A non-U.S. holder is exempt from backup withholding and information reporting requirements with respect to:

- dividend payments made to the non-U.S. holder outside the United States, and

- other dividend payments and the payment of the proceeds from the sale of Ferrari common shares effected at a U.S. office of a broker, as long as the income associated with such payments is otherwise exempt from U.S. federal income tax, and:

    - the payor or broker does not have actual knowledge or reason to know that the holder is a U.S. person and the non-U.S. holder has furnished the payor or broker:

        - an IRS Form W-8BEN or W-8BEN-E, as applicable, or an acceptable substitute form upon which the non-U.S. holder certifies, under penalties of perjury, that the holder is a non-U.S. person, or

        - other documentation upon which it may rely to treat the payments as made to a non-U.S. person in accordance with Treasury Regulations, or

    - the non-U.S. holder otherwise establishes an exemption.

Payment of the proceeds from the sale of Ferrari common shares effected at a foreign office of a broker will not be subject to information reporting or backup withholding. However, a sale of Ferrari or common shares that is effected at a foreign office of a broker will be subject to information reporting and backup withholding if:

- the proceeds are transferred to an account maintained by a non-U.S. holder in the United States,

- the payment of proceeds or the confirmation of the sale is mailed to the non-U.S. holder at a U.S. address, or

- the sale has some other specified connection with the United States as provided in Treasury Regulations, unless the broker does not have actual knowledge or reason to know that the holder is a U.S. person and the documentation requirements described above are met or the holder otherwise establishes an exemption.

In addition, a sale of Ferrari common shares will be subject to information reporting, but not backup withholding, if it is effected at a foreign office of a broker that is:

- a U.S. person,
- a controlled foreign corporation for U.S. federal income tax purposes,
- a foreign person 50 percent or more of whose gross income is effectively connected with the conduct of a U.S. trade or business for a specified three-year period, or
- a foreign partnership, if at any time during its tax year:
    - one or more of its partners are "U.S. persons," as defined in Treasury Regulations, which in the aggregate hold more than 50 percent of the income or capital interest in the partnership, or
    - such foreign partnership is engaged in the conduct of a U.S. trade or business, unless the broker does not have actual knowledge or reason to know that the person is a U.S. person and the documentation requirements described above are met or the person otherwise establishes an exemption.