

**Conference Title: FORD MOTOR COMPANY VSM**

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Operator: Good morning, everyone, and welcome to the broadcast of Ford Motor Company's annual meeting of shareholders. I would now like to introduce Ford Chair of the Board of Directors, Mr. William Clay Ford Jr. Mr. Ford, you may begin.

Mr. William Clay Ford Jr: Well, thank you, and good morning and welcome to everyone. I'm Bill Ford, Chair of your Board of Directors, and it's my privilege to call to order our 66th annual meeting of shareholders. Today's live webcast of our virtual annual meeting helps us to better engage you, our shareholders, by making it accessible to you wherever you're located. And thank you to everyone who's joined us today. And at this time, I'd like to introduce the company officers who are joining me in our webcast today. Jim Farley, President and CEO, and member of the Ford Board of Directors, John Lawler, our Chief Financial Officer, Jon Osgood, our Corporate Secretary, and John Mellon, our General Counsel. Also, in addition to Jim and me, the other nominees for our Board of Directors are attending today's meeting through this live webcast. And I'd like to thank the Board for the great work they do on our behalf.

Before we get to the business of the meeting, I'd like to familiarize you with the mechanics of our virtual meeting. If you'd like to submit a question during the meeting, you may do so by typing your question in the box located at the bottom left corner of the webcast screen. We'll respond to questions pertinent to meeting matters during the Q&A period, immediately following remarks by Jim and me on the state of our business. If we're unable to respond to pertinent questions during the meeting due to time constraints, we'll post answers on our investor relations website, as soon as practical after the meeting, and they'll remain there for one week after posting. Additionally, if you have not already voted your shares, you may do so by clicking on the 'vote here button' at the bottom right of the webcast screen. The polls will remain open until the conclusion of the Q&A period of the meeting.

Okay. Now let's take care of the business of the meeting. The agenda for the meeting is shown on the top right corner of the webcast. We'll start with the matters to be voted on today, and after that I'll report on the state of our business, and Jim will outline for you our plan for the future. And after Jim's report, we'll show a brief video and then have a Q&A period. The shareholder who has a proposal in our proxy statement will be given three minutes to speak in support of this proposal. Representatives of Broad Bridge Financial Services have been appointed as inspectors of election for this meeting. Proposal one, election of directors. The first item to be voted upon is the election of our Directors. The 14 Director nominees who've been nominated by the Board of Directors as candidates for election are shown in the proxy statement. And John, will you please make the nomination?

Jon Osgood: Sure, Bill. I nominate as Directors, the 14 nominees named in our proxy statement.

Mr. William Clay Ford Jr: Thank you. Okay. Let's move on to proposal two, which is in the proxy statement, ratifying this election by the audit committee of Price Waterhouse Coopers, as the independent registered public accounting firm, to audit the company's books for 2021. And joining us today is Kevin Thomas, PWC's 2021 Global Audit Engagement Partner for Ford. Jon, will you please move proposal two.

Jon Osgood: I move the adoption of the resolution in the proxy statement, relating to ratifying the election of the independent registered public accounting firm.

Mr. William Clay Ford Jr: Thank you, Jon. The Board of Directors recommends a vote for this proposal. Proposal three. We'll now proceed to proposal three, which relates to a shareholder advisory vote, to approve the compensation of the named executives as disclosed in the proxy statement. We seek to closely align the interests of our executive with yours. Our compensation programs are designed to reward our executives for the achievement of short and long-term strategic and operational goals, while avoiding unnecessary risk taking. Our more detailed

reasons in support of this proposal are set out in our proxy statement. And Jon, will you please move proposal three?

Jon Osgood: Sure. I move the adoption of the resolution in the proxy statement related to the approval on an advisory basis of the compensation of the named executives, as disclosed in the company's proxy statement.

Mr. William Clay Ford Jr: Thank you. The Board of Directors recommends a vote for this proposal. We now proceed to proposal four, which requests that the board, takes steps to adopt a recapitalization plan, to provide for all the company's stock to have one vote per share. The vote - The board recommends the vote against the proposal four for the reasons set out in our proxy statement. I ask the operator to open the line so that Ms. Kam Franklin may present the proposal at this time. Ms. Franklin please proceed.

Ms. Kam Franklin: Good morning. Can you hear me all right?

Mr. William Clay Ford Jr: We can hear you fine. Thank you.

Ms. Kam Franklin: Okay. Thank you. Proposal four equal voting rights for each share. Shareholders requests that our board takes steps to ensure that all of Ford's outstanding stock has an equal one vote per share in each voting situation. This would encompass all practical steps, including encouragement and negotiation with current and future shareholders, who have more than one vote per share, to request that they relinquish, for the common good of all shareholders, any pre-existing rights if necessary. This proposal is not intended for unnecessarily - to unnecessarily limit our board's judgment in crafting the requested change in accordance with applicable laws and existing contracts. Corporate governance advocates have suggested a seven-year transition to equal voting rights for each share. Ford family shares have 36 votes per share compared to the tiny one vote per share for regular shareholders. This dual-class voting stock reduces

accountability by allowing corporate control to be retained by insiders disproportionately to their money at risk.

This proposal topic has received more than majority approval from the independent vote of the non-family Ford stock in each year since 2011. Meanwhile, 16% of Ford shares rejected management pay in 2020, a high percentage given the reality that all Ford members shares voted in favor. Well-managed companies that are not family controlled typically receive 5% to 10% rejection of management pay. Within four days of the shareholder meeting, shareholders can check on Edgar whether the percentage rejection for management pay is above 16%, and whether this proposal gets more than 1.5 billion votes this topic received in 2020. Do not expect Ford management to disclose this during the meeting, although they have the preliminary numbers, and the final numbers will not change much.

In spite of such consistent 2011 to 2022 support from regular Ford shareholders, Ford management has done absolutely nothing to address this serious issue, not even one small step, and Ford stock price has rarely been above \$20 during the last 40 years. Corporate governance advocate - advocates, as well as many investors and index managers have pushed back on the Ford type dual-class structures. Family control is an inferior brand in management for a large company. Why would family members spend serious time to champion a new business concept, or offer constructive criticism and thereby risk alienation from the family? Please vote yes. Equal voting rights for each share, proposal four. Thank you very much.

Mr. William Clay Ford Jr: Well, thank you very much, Ms. Franklin. Okay. So, we've covered each of the proposals listed in the proxy statement. Before I offer comments on our business, I want to remind you that the polls are still open. If you mailed a proxy, or if you voted over the telephone or online, you don't need to vote at this time, unless you wish to change your vote. To vote your shares online, please click on the 'vote here button' in the bottom right corner of the webcast screen. So, thank you for joining us this morning. This has really been a year unlike any

other in our history. But just as they have, for 118 years, our employees showed the world why Ford is a special company. But before I go further, I'd like to start by thanking Jim Hackett for all he has done for Ford. When Jim took over as CEO in 2017, I asked him to help modernize Ford, and begin a transformation that would position us to compete and to win in this era of disruption. And while we still have plenty of work ahead of us, Ford is a better company thanks to Jim's leadership.

He took tough actions which were needed in order for us to be able to address the future. And with this strong foundation in place, Jim Farley became our new President and CEO last October. Jim is an extremely capable leader with a successful track record, and his passion for great vehicles and his intense drive for results are very well known. Jim is off to a fast start. He is a transformational leader with the imagination and foresight to help Ford thrive in the years to come. I'd also like to acknowledge changes to the company's Board of Directors. I want to thank John Lechleiter for his service. As a former CEO of a large company, John added a lot to our board. And I also want to thank my cousin, Edsel Ford, who has done so much for our company. Edsel joined the board with me in 1988, and has been a great advocate for our employees, dealers and shareholders. Ford has been his life, and everybody knew it. Our company and our board will miss him greatly.

I'm also really pleased to welcome Jon Huntsman into his new role as Vice Chair of Policy. John rejoined our board in 2020, upon returning from his position as Ambassador to Russia, after being Ambassador to China, and Governor of Utah. With his incredible wealth of domestic and international policy experience, Jon will help us all around the world, and he will also remain a key member of our board. I'm excited about the prospect of having two new family members who care deeply about the company join the board, Henry Ford III, and Alexandra Ford English. Very few companies have had family involvement for 118 years, and our values, our long-term view, and steadfastness throughout the years demonstrates our family's commitment to safeguarding

the company's future. This is one of the most transformative moments in our company's history, and we welcome Alexandra and Henry's fresh perspectives.

When we met last May, the global pandemic was rapidly advancing. We put the safety of our people first as we shut down most of our global manufacturing operations. Our Ford team showed great ingenuity by finding ways to help during the pandemic, as we pivoted to building and distributing personal protective equipment. This included tens of millions of face masks, face shields, hospital gowns, and thousands of ventilators and respirators for those in need. Additionally, the company's philanthropic arm, the Ford Fund supported communities worldwide during this difficult time. Last summer, the President visited our Rawsonville plant to thank our employees for their extraordinary service in helping the nation in a time of need.

As I look back at the challenges over the past year, I'm grateful that we have always been, and remain a values-based company. No company responded as we did, and I'm so proud of the dedication of our employees. We also lead with our values as the only full line American automaker to stand with California, and support the Paris Climate Agreement for reduced greenhouse gas emissions. And when our country was confronted with tragic racial inequity and social injustice, we were challenged to think and act differently. We're a company made up of extraordinary people of every race, religion, and background, and this was our moment to recommit to creating the fair, just and inclusive environment that our employees deserve.

And yet through all of this, last year, we continued to move our company forward. We entered the crisis with a balance sheet that gave Ford strong liquidity and financial flexibility. We acted quickly to further safeguard our business by preserving cash, drawing down our revolving lines of credit, and issuing \$8 billion in bonds. We delivered the highly successful launches of the electric Mustang Mach-E, the all-new F-150, the Bronco Sport, and the Puma in Europe. We unveiled the E-Transit electric commercial van, and we'll soon reveal the all-electric F-150. And of course, we unveiled the Bronco to the world. We're also seeing - we're already seeing strong results

since Jim introduced our Plan, which focuses on creating superior relationships with our customers and growing our company. Our relentless execution enabled us to rebound in the second half of last year, as well as the first quarter of this year, to deliver solid financial results, even as we face a global semi-conductor shortage.

The capital markets are showing increasing confidence in us too, with our stock price more than double what it was at last year's meeting. Total shareholder return remains a priority for us, and we will look to reinstate the dividend as soon as practical. As our world continues to face enormous challenges, we believe Ford has an exceptional combination of values, people, and commitment to make a positive impact, and I'm more confident than ever in the future of the Ford Motor Company. Thank you for your continuous support of Ford, and your participation today. And now, I'm going to ask Jim to say a little bit more about our Plan. Jim?

Jim Farley: Thank you, Bill. We are so fortunate to have you in your role as Executive Chair. I always appreciate your steadfast leadership, support, and counsel. As Bill mentioned, we've accomplished a great deal over the past year in the face of uniquely challenging circumstances. I'm proud to discuss the state of the company today, because I am truly excited for the road ahead for Ford. When I became CEO in October, we immediately, as a team, put together a ten-point plan to drive our business forward into the future, and grow the value of Ford. We sprinted to put the Plan into action across the entire enterprise, and were all in on transforming our beloved Ford. In today's rapidly changing world, customers are demanding a lot more from us. So, when I talk about transforming, I want to be specific about our vision for Ford. What we're doing is moving from a traditional buy-sell OEM business model, where Ford Motor Company largely delegates the customer relationship to others, to a new ethos, where the sale is just the start of a lifelong, always on relationship. We make some of the world's most iconic vehicles, and that is not going to change. Like the Mustang, the F-150, the Bronco, the Puma in Europe, the Transit globally, and the Ranger globally.

But today, it's going to be a lot more than just our vehicles. It's the vehicle plus things like constant software upgrades, productivity tools for our commercial customers, partial and full autonomy, of course, electrification, but physical experiences like pick-up and delivery, and so much more. It's those additional features and attributes that matter now, not as a tech exercise, but for the collective and constant benefit of our incredible customers. All of our competitors are focusing on technology itself, and that's necessary, but it's not sufficient. The companies across lots of industries that succeeded in this kind of transformation don't focus on technology alone. They focus on the customer, and creating welcoming, ingenious, straightforward ways to anticipate their needs, and over-deliver on the experience.

That's what Ford is doing now. We're committed to delivering, of course, those distinctive iconic products, but as well, solutions, always on relationships with our customers, and ever improving user experience. The purchase for us is just the start of our relationship. Our focus is shifting now to deliver a user experience that just gets better and better and better for our customers over time. The Plan is how we're going to achieve this vision. Together, the ten points of the Plan are the right strategy to drive our business forward. Today, I'd like to give you an overview of the three key tenets of that plan, turning around automotive operations, number one, number two, modernizing everywhere, and number three, actually disrupting ourselves. So first, we're relentlessly dedicated to turning around our automotive operations. We're improving our execution, and our financial performance is showing this in spite the difficult circumstances like the economic impact of the pandemic, and the global semi-conductor shortage.

You saw the latest evidence that what we can really do as a team with our announced first quarter, 2021 operating results two weeks ago. We're changing the trajectory of our earnings power and our adjusted free cash flow, and with it, our ability to invest in customer experiences and growth that I mentioned. We're attacking warranty, our material costs, which we know have been uncompetitive. Over the last three years, our warranty expense increased more than \$2 billion. Now, we're addressing that through the changes in design, how we inspect vehicles, how



we launch vehicles, how we work with suppliers on their quality, and now, we're using connected data to identify issues early and drive quality to improvement. In the first quarter of this year, we delivered \$400 million improvement in our warranty expense. We are determined to accelerate this progress. Now, additionally, we continue to de-risk our company by restructuring underperformance businesses, like the success we're now seeing in Europe which had tremendous results in the first quarter.

After a very difficult but important multi-year reset and redesign, we're seeing improvements in China as a result of their restructuring, and broad changes we've announced in January to our South America business, which has also continued to improve. Second, we're aggressively modernizing our business, which enables us to compete like a challenger. You will see it in our physical infrastructure, like the billion dollars each that we're investing in the development of the Ford Cologne Electrification Center in Germany, as we go all electric for our passenger car and commercial vehicles there, and at the Ford Silverton assembly plant in South Africa, to support the new advanced technologies and systems, and expand the capacity for our incredible all new Ranger pickup truck. You can also see it in our vehicle launches that exemplify the new direction of our Ford. You could see it in the all-electric Mustang Mach-E, the E-Transit commercial vans, and the battery electric F-150, America's best-selling vehicle.

These are a must have high performance, high quality products. They're electrifying some of the most iconic name plates at Ford. And because they're connected like everything we're building, they're also examples of how we'll foster and maintain that always on relationship with our customers through over-the-air updates and new services currently in development. In fact, we just completed our first large scale over-the-air update for our customers, and you can see it in our new plans, to create a new global battery center of excellence here in Michigan called the Ford Ion Park. We're going to accelerate our R&D of battery and battery cell technology and future battery manufacturing, and invest in Solid Power, a very special U.S Company, to produce full-scale automotive batteries using solid state technology, and much more. We will not cede

ground in the EVs to others in vehicle segments, where millions of customers rely on us and Ford as the established leader. Mach-E is just the first instance. The E-Transit, the F-150 Lightning, which we will say more about in a few days, this is our home turf.

Third, we are disrupting ourselves, embracing change that is actively reshaping the transportation industry, unlike anything we've ever seen, and this is exciting change. We know that the transition of electrification and autonomy will be game changers, and we increased our capital allocation to these technologies to \$29 billion. But as the industry shifts towards electrification and a connected future, I want to make sure that everyone knows that we see the biggest revolution will actually be the digital relationship with our customers through services and experiences. This will allow us to reduce our costs in marketing and discounting, and allow us to be in touch with the customers differently through those over-the-air updates I mentioned, that will make our vehicles better and better over time. Perhaps the best way to grasp the significance of this change is to look at our commercial vehicle space, where Ford today is the undisputed number one leader, with more than 40% market share in the US and the leading share in Europe. With commercial customers, we will prove and reap the financial upside from a connected services and telematics business that creates customer value way beyond owning the Ford vehicle.

Then, we will replicate this for individual retail customers. We know EV adoption will initially be more rapid with commercial customers, who make decisions based on two things, total cost of ownership, and uptime, not just the acquisition costs. And with the over-the-air updates and new services made possible by connectivity, we'll be able to continually improve our vehicles even after purchase, and improve their business through better uptime and efficiency. Now, our Ford of Europe team provides a great proof point. They recently launched Ford Live. It's a new connected uptime system that helps commercial vehicle operators increase their productivity by maxing the vehicles uptime on the road. This service can reduce the number of breakdowns, and repair visits to our dealers, and speed necessary service and repair times, and we're seeing

results immediately. Overall, the shift to connectivity enables us to create a - more value for our customers, which in turns means more value for our company, and for you, our shareholders. This transformation is not easy, and I'm proud of what our team has accomplished today.

We're turning around our automotive operations, you could see in our numbers for a better - to better fund our future. We're modernizing our entire enterprise, and we're disrupting ourselves in order to deliver the always on customer relationships that will define the future forward in our industry. And as Bill said, we're doing this even amidst a global pandemic, in the face of serious industry-wide supply challenges. We're starting to see the value of Ford to customers and the company itself increase. We're off to a good start, with most of the excitement and achievement though, still ahead of us. Thank you for your time, interest, and support and suggestions. We'd like to share a video highlighting what Ford accomplished over the last year as Bill said. The video will take a few seconds to load. We appreciate your patience. Let's run the video.

Mr. William Clay Ford Jr: Well, I hope you enjoyed that video, and I think it really captures what happened this past year, and really how many things happened, and how well, I think, our company responded to them. And at this point, I'd like to turn it over to our Q&A period, and handle some of the questions that you submitted online, there were many, and also some of the ones that have come in today. I remind you that the polls will remain open until the conclusion of our Q&A period, so let's get going. Well, not surprisingly, there were a number of questions on share price and dividends, and so, I'll try and pick a representative one on stock price. So, here's one. As a shareholder for many years, compared to peers, stock performance has been dismal. What growth targets can shareholders expect that will drive performance and increase the stock price?

Well, yeah. I think we agree that we're not happy with the performance of the stock, but I do believe that this last year has shown a very different attitude towards our company, and it's been reflected in the stock. So, we've more than doubled since last year's annual meeting, and we've

outperformed the S&P this year, so we're on a bit of a roll. I think it's a real recognition that the Plan that Jim and the team have laid out is something that the shareholders not only believe in, but they clearly understand where we need to go. We have more to do. And maybe I'll ask Jim to comment just a little bit more about some of the actions that we're taking that we think will drive - end up driving the stock price. Jim?

Jim Farley: Thank you. Bill. So, three key parts of our Plan that they're still in front of us, turn around auto. We're building a lot of momentum working through the chip situation in the second quarter, but it's clear that Europe and the overseas operations continue to improve. We have a lot of exciting new products to launch in North America and in China, that's going to continue to improve our financial performance. On modernizing, on the 26th of May, we're going to have our capital markets day, and we'll explain more about our electrification plan. We think this will add a ton of value to the company, because of the transition we're making to a sustainable future. And we have some really exciting new businesses to grow that we'll tell everyone about over time. I think with a combination of all three of those, we have our best chance to grow value to our shareholders we've had in a long time. Thanks, Bill.

Mr. William Clay Ford Jr: Yeah. Thanks, Jim. So, we've also had a ton of questions on the dividend, and so, let me just read again a representative one which is simply, when will the quarterly dividends be reinstated? Hey, I looked, and actually, that's not from a Ford family member. So, but - we're all keenly tuned into this issue, and I guess I would answer this by saying, as soon as possible. Jim just mentioned we're fighting through a global chip shortage, which is really affecting us in the first half of this year, and really will affect us through the year, but it starts to get better as we go through the year. So, it's something that's very much on our radar screen. We'd like to do it as soon as possible, and we will do it as soon as possible, but we also want to make sure that when we do it, that we can sustain it.

So, you have our word that it's very, very high on our to-do list, but we want to make sure when we do it, that it's the right time. So, I'll, again, summarize a number of questions into sort of a broad one, and this is really for you, Jim, and it's under our - kind of grouped under company goals. So, Jim, what are the key main goals for Ford in the future?

Jim Farley: So, as you said, many times, our goal hasn't really changed. It's to improve the world, frankly, where every person is free to move and pursue their dreams. And on this principle, in October, we developed and shared our Plan that I mentioned, to transform Ford into a much stronger company that compete and win in the new era of transforming - transportation, where we can live up to this expectation and vision, and that includes electric connected and autonomous vehicles. We're focusing on delivering that always on, improving customer and service vision that I mentioned.

I'm really proud of the Ford team, and their commitment to deliver on our Plan. We're starting to see, as Bill said, some early signs of progress, and our focus is to reward all of our shareholders. In fact, I'd like to reiterate, on the 26th, we're going to have our capital markets day, and we ask all of you to tune in. It'll be a webcast. You can learn more on our investor website, and we're going to really go deep into leading the electric revolution - vehicle revolution across the areas where we're strong. We're going to focus on our commercial vehicle business, and where we could even grow that aggressively, and really focus on connectivity that I mentioned that enables this new customer relationship. Each of you can watch on our investor relations website. I think is going to be a great day for all of us, Bill.

Mr. William Clay Ford Jr: Yeah. Thanks, Jim. And I would really encourage everyone to do that. It'll be a very clear presentation of where we're headed and how we want to get there, and sort of - and a glimpse of what this company might look like in a few years. So, yeah. If you all can tune into that, I would urge you to. So, we have some questions on EVs. So, what are the current plans for EVs? If the Democratic Infrastructure plan moves forward, is Ford planning to work with

the government as it pertains to EV charging infrastructure? I'm going to hand this over to Jim, but before I do, I think many of you have seen that we have President Biden coming next week, and he's coming to our new electric vehicle plant at the Rouge.

And so, it's - I think it's - the fact that he's coming shows the commitment and the interest that our government has in the electrification of the auto industry, and the fact that we're taking America's favorite vehicle, and has been for many years, and we're electrifying it, really is a huge exclamation point, and it certainly hasn't been - that hasn't been lost on anyone, including the President of the United States. So, we're very excited to have him come, have him help celebrate where we're headed as a company, but it's a long journey. And I might ask Jim to give his thoughts on this.

Jim Farley: Thanks, Bill. Yeah. As stewards of the company, we are allocating more than \$22 billion to electrifying our lineup. It's a huge bet by the company. And our strategy is very simple. We're not going to electrify, you know, every vehicle in every segment, we're going to focus on where we are outstanding. And so, we'll electrify our most iconic vehicles, and as Bill said, one of the first was Mustang, then E-Transit, which is a global product, and now we have the F series coming, the Lightning, and I can't wait for everyone to see this vehicle. It is just the best of Ford. That \$22 billion is really going to differentiate us. These are exciting products, but what's even more exciting is the technology know how that's going to electrify the job site, allow people to power their houses with their Ford.

We have much bigger ambition than just batteries and motors. These are really transformational products in the heart of where we do well around the globe. And what I'm most excited about is the team's focus on connectivity. They we're using the move to electricity to really create digital products that will allow customer's products to get better every day. And we did our first OTA just recently, and it went really well to hundreds of thousands of customers. So, Bill, that's our

strategy. Really excited to see these products roll out. A lot of companies are talking about aspirations, we're talking about real products.

Mr. William Clay Ford Jr: Yeah, we are. Thanks, Jim. I mean, that's really been our whole M.O on EVs and AVs, which is to not make a big splash until we're ready to deliver, and I think that's absolutely the right thing to do. And, actually speaking of AVs, we actually have a few questions on that. I'll read a question, are you expecting to deploy an AV on demand personal ride business in 2023, or has that been pushed to prioritize the AV delivery service? So, Jim, you want to take a crack at that?

Jim Farley: Well, thank you Bill. Recently the leadership team was at Argo last week, and they're making tremendous progress. We continue to focus on launching our own self-driving service in 2022, that the autonomous level four system from Argo is making tremendous progress. The whole management team was able to drive in the vehicle. We're really making tremendous progress on safety and the ride comfort of the vehicles, very similar to human behavior. So, as we get closer to standing up this business, we'll provide a lot more details on our go to market strategy, but the good thing is, Ford's investment in Argo is really paying off.

Mr. William Clay Ford Jr: Yeah. Fantastic. Thank you. So, we have some questions on environmental issues, and I'll take one of them which is, what are Ford's strategic plans to reduce greenhouse emissions from its fleet, and what's the time frame for this change? Well, as I said in my opening remarks, we're the only auto maker US-based to work with California on stronger vehicle-greenhouse gas standards, and we're also the only one to commit to the Paris Climate Accord. So, I think those are two really important things that really show our commitment, and it's not just rhetoric for us. We're actually willing to sign up to tough standards and then put a plan together to go get them. So, we believe it's a priority for us as a company and for society, and we want to play a leadership role in this.

And Jim just mentioned, we're committing \$22 billion to the electrification of our fleet through 2025. But our commitment to the environment goes beyond greenhouse gas emissions. I mean, we have really carved out a leadership role for us in water usage, in manufacturing processes, human rights in our supply chain. I mean we feel, and we publish every year, our report that really is self-critical in how we're doing against the goals that we've set out. And so, I'm very proud of, not only our record of where we've been, but also, our signaling of where we're headed, because there's a lot of talk out there and - but I like to under promise and over deliver, and I think, you know, our actions speak louder than our words.

So, it's top of mind for us, and we are all in. And I'll - there's another one that's kind of related, which I'll also take, which is carbon neutrality, and is there a plan to become net carbon neutral in the future? So - or is that not a priority for Ford? No, actually, it is a priority for us, and we want to make sure we know how to get there. We've put out the fact that we will be neutral by 2050, and we'll also use 100% local and renewable electricity in all our manufacturing by 2035. We're going to try and go faster than that, but kind of in the same theme that I was just talking about a minute ago, in terms of under promising and over delivering, we don't want to commit to something until we know exactly - how we can do it, or at least have a rough idea of how we can do it.

If we find a way to go faster, we will, and that's our commitment. This is a really important issue for us, one that's important to me personally. And just as we pushed on environmental issues for the last 30 years, and really achieved some great milestones, we'll do it here again. At this point, this wouldn't be an annual shareholder meeting without hearing from one of Detroit's great citizens, Jane Garcia. For those of you who don't know Jane, she has done so much for the City of Detroit and all the people who live there over many, many, many years. She's also a shareholder Ford, and every year, Jane, when we were in person, would travel and have something to say. And since we've been virtual, she submits something every year, and I'm really happy to read it today, and I will do so now.



Buenos dias Mr. Chairman. I'm Jane Garcia, proud Detroiter and longtime shareholder. This has been a year like no other. The COVID-19 pandemic has been an evolving situation that Ford has consistently responded to on a global basis. Mr. Chair, your leadership and that of your executive team, demonstrates how a corporation goes beyond its corporate identity, and demonstrates true humanitarianism. Ford's assistance efforts have reached the corners of so many communities, from residents, to businesses, to non-profits. From masks to ventilators, Ford literally saved lives. I would like to recognize the tremendous work done by Mary Culler and her team of Pam Alexander, Joe Avila, and Shawn Thompson.

These exceptional team members are the frontline here in our community, and the work - and they work hard to ensure the needs of so many desperate people that are - that those needs are met. This team has ensured that organizations that assist with everything from food, shelter, and vaccinations have the support they need to carry out the missions during this crisis. Mr. Chair, it moves me beyond words, the pride I feel to be a Ford shareholder - to be a shareholder in the Ford Motor Company. Ford continues to set the benchmark in the transportation industry and in corporate compassion. Together we will prevail. Muchas gracias.

So, thank you, Jane. Thank you for those wonderfully nice words, but more importantly, thank you for all you're doing in the City of Detroit. As we continue to build out our Corktown and Southwest Detroit presence, your leadership in that area becomes even more important, and brings us even closer together. So, thank you Jane, we love you.

Okay. Jim, there's a vehicle quality - I'm going to read a question on that, and maybe ask you to answer it if you will. What ways is Ford management working to improve quality control on its vehicles? Ford has been plagued with recalls in recent years, and it's hurt the image of our brand. This is something that needs to be improved. Well, I think we all agree with that, but Jim, maybe you could give some color to that answer.

Jim Farley: Thank you, Bill. This has been a key part of our turnaround auto plan, and in North America, Kumar and the team have been absolutely laser focused on improving our quality, as well as Hau and the team on launching. As I said, in the last three years, our warranty expense has increased \$2 billion, so this is a very important question for us as a leadership team. Now, here are the changes we've made so far. We're addressing our enhanced design approach for our engineering gateways. So, as we develop the vehicle, we're now taking a different approach as we go through each engineering gateway, to ensure the absolute highest quality. We also have a new approach to signing off the launch of a new vehicle to focus on quality. We now have additional checks and inspections for vehicles at the assembly plants. That's very key. It's gotten some media, but it's absolutely mission critical for our improved quality. We also are working with our suppliers differently on quality.

They send us bad parts, we're going to immediately debit them. It's a different approach, but it's important, and that's what we should expect from our suppliers. We now are using connected data as I mentioned. In fact, our first OTA for F series and Mach-E was focused solely on addressing early quality issues that we'd seen, and it worked really well. And that will really help us address quality quicker than we've ever had before, because the loop is much quicker using over-the-air updates. In the first quarter, because of this relentless focus on quality, we delivered a \$400 million improvement in our warranty expense year over year. We're just working this, so we have a lot more opportunity in front of us, but it's great to see that the progress is actually being made, based on the team's concrete changes.

Mr. William Clay Ford Jr: Thanks, Jim. So, we have another one - well, not another one, we have, several on our semi-conductor issue. Is there a plan in place to overcome the lack of chips for the production for current and future bottlenecks? So, maybe you could respond to this one as well.

Jim Farley: Yes. Thanks, Bill. Yeah. I wanted to give everyone a bit of a more detailed reality that we're seeing. In December, because of the global pandemic, we started to be notified by our tier one suppliers that we could have anywhere between 10% and 20% risk in the first half for semi-conductors coming from foundries in Taiwan. So, about 60% of our chips that we use in our vehicles are 55 nanometer or larger, what we call mature nodes, are semi-conductors that are quite common, but they're - and they were constrained for our entire industry. And so, we're working through that. We've been doing a great job. We offset a 100% of the production losses in the first quarter, about 200,000, because of the great work the team did. We're in the tip of it now, because on March 19th, there was a fire at a very important semi-conductor facility, Renesas, their Naka three facility burned. They're now moving to completely restore. They've built a whole new facility. They're up and running now, and we think they'll be at a 100% capacity in July.

So, the second quarter is going to be our most severe impact for semi-conductors, because we have the base that we saw in the first quarter, plus this new Naka three impact to Ford. We really see the second half improving. We're starting to get more confidence in this - the chip supply. To your question, the things that we're looking at change longer term. Not only are we redesigning a lot of our components to work on - to work with chips that are more accessible, and engineering team and Hau have been working on that day-in and day-night, but we think we need to look at buffer stocks, actual direct contracts with some of the foundries, and we think that's going to be a really critical approach to our supply chain as we get more electronic components. There are good things that are happening because of this constraint, longer-term, a move to online for the company, tighter stocks make a better cost performance for the company, and I think these longer-term impacts are going to be incredibly important for our fitness. That's it for me, Bill.

Mr. William Clay Ford Jr: Thanks, Jim. That's a great answer, and we'll fight through this, but it's no fun in the short term. So, Jim, there's a question on our sedans. Why is Ford Motor Company

decided to discontinue the production of sedans? It seems an odd decision considering the foreign owned auto companies appear ready to fill the void. You want to take a crack at that?

Jim Farley: You bet yah. Well, first of all, we made the right choice. North America and our customers have been shifting away from sedans very quickly to utilities for more than a decade, because of the preference on taller ride heights, improved visibility, better interior room for the same overall shadow area, and of course, all-terrain capability. It's been going on for a long time. Utilities today and crossovers make up more than 50%, for example, of the US industry, more than 50%. So, we're really focused our lineup on excellence, and so, the monies that we would have for sedans are now going into vehicles like the Bronco, the Bronco Sport, some new vehicles we haven't shown everyone that are really exciting, and it allows us to come out with a vehicle like Mach-E, a Mustang Mach-E.

We've shifted all of our manufacturing capacity in North America away from building low margin sedans like Focus, and Fiesta, and Fusion, to those wonderful Rangers and Broncos, Bronco Sports, and they're flying off the shelves. 70-80% of our customers are new for these vehicles that we've launched so far, and the demand is far exceeding our supply, and they're also much better performing vehicles, and frankly, the customer data shows that they're even more passionate about these vehicles than the sedans we've made. So, I think we made the right choice. It's showing in our numbers, early returns on the demand for the new vehicles, where we reallocated, the capital are positive so far.

Mr. William Clay Ford Jr: Yeah, that's a great answer, Jim. Thank you. And you mentioned Bronco in your answer, and boy, was that a launch unlike anything we've ever seen. The enthusiasm and the feedback we got was absolutely overwhelming, and people are really excited for that to hit the road. But there's a question that came through which is, why is it taking Bronco so long to be built?

Jim Farley: Okay, let me take that one. Obviously, the pandemic came at the most critical time for the Bronco launch. It caused a delay in the launch for some of the components, but I'm pleased to confirm that the launch is now on track, with customer delivery scheduled to begin this summer, and the demand for the vehicle, as you said Bill, is through the roof, including Bronco Sport. By the way, we have a new wide space vehicle coming, so these aren't the only new products from Ford.

Mr. William Clay Ford Jr: Thanks, Jim. And then, I think I'll just - we'll take one more now. So, is adding Alexandra Ford English and Henry Ford III to the board beneficial to shareholders? So, let me take that one. First of all, Ford is not a nameless, faceless corporation. I think having the family involved gives us a humanity, and a sense of accountability that we're going to be here through thick and thin through the best of times, and through the worst of times. And importantly, we care deeply about our employees, hourly and salary, and frankly, I've never made a distinction. You're all part of the Ford family, and I believe that both Alexander and Henry feel that way as well.

And I think many of our shareholders really do appreciate the values and our long-term view, and frankly, the resilience that we've shown throughout just about every imaginable challenge over the last 118 years. We've had world wars, we've had depressions, recessions, pandemics, and the one constant has been our family. And I know that it really means a lot to our employees, because we have so many multi-generational employees as well. And we've always put the company first in making decisions to safeguard our future, and I think that's one of the reasons we didn't go bankrupt in 2007, 2008, and that our shareholders were protected because our family was willing to bet everything, including putting our family name in hock to get the borrowing that got us through the difficult times.

And so, when we look at the next generation coming on the board, both Alexandra and Henry have the same sense of purpose that I just described, and if they didn't, we wouldn't have

nominated them. I think it's very important that they not only understand the history of family involvement, but also understand the long-term view that we're taking. Jim just described this morning a very different view of Ford in the future, and I think it's very important that, two things, one, that we have fresh perspectives from young people who are living many of these things today, and Alexandra and Henry will bring that. And I also believe though that family support for management can free management up to focus on the long-term, and to really build a stronger company for the future, and that's in all of our best interests.

So, with that, I think we'll wrap up the Q&A period, and I thank everybody for their thoughtful questions.

There've been many, and I tried to group them in a way that we kind of captured all the themes that came through, both in the questions beforehand, and also this morning as well. So, as I indicated earlier, the polls for voting really will close upon the conclusion of the Q&A period, and so accordingly, I declare the polls closed. So, there were some pertinent questions that we weren't able to answer today, and answers to a representative set of those questions will be posted online at [www.shareholder.ford.com](http://www.shareholder.ford.com). The questions and answers will be available as soon as practical after the meeting, and will remain available for one week after the posting. And at this time, I'd like to hear the voting results, so Jon, could you please give those to us?

Jon Osgood: Sure. Bill. Only a small percentage of the total vote remains to be counted, but it won't significantly affect the voting results. With respect to proposal one, the election of Directors, each of the director nominees received at least 91.5% of the vote. The vote on the remaining proposals was as follows, on proposal two, relating to the ratification of the selection of the independent registered public accounting firm, 97.1% of the votes cast were in favor. On proposal three, relating to approval on an advisory basis of the compensation of the Named Executives, 89.3% of the votes cast were in favor. On proposal four, relating to consideration of a recapitalization plan to provide that all companies stock have one vote per share, 63.7% of the votes cast were against.

Mr. William Clay Ford Jr: Thank you Jon. In view of those results, I declare that each of the nominees for Director named on the proxy has been duly elected as Director of the company. Proposals two and three have been adopted, and proposal four has been defeated. That takes care of the business of the meeting, and this meeting is adjourned. And thank you all for joining us today.

Operator: Ladies and gentlemen, this broadcast has concluded. We thank you for attending. You may now disconnect.