

FORD MOTOR COMPANY AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. CAPITAL STOCK AND EARNINGS/(LOSS) PER SHARE

All general voting power is vested in the holders of Common Stock and Class B Stock. Holders of our Common Stock have 60 % of the general voting power, and holders of our Class B Stock are entitled to such number of votes per share as will give them the remaining 40 %. Shares of Common Stock and Class B Stock share equally in dividends when and as paid, with stock dividends payable in shares of stock of the class held.

If liquidated, each share of Common Stock is entitled to the first \$ 0.50 available for distribution to holders of Common Stock and Class B Stock, each share of Class B Stock is entitled to the next \$ 1.00 so available, each share of Common Stock is entitled to the next \$ 0.50 so available, and each share of Common and Class B Stock is entitled to an equal amount thereafter.

We present both basic and diluted earnings/(loss) per share ("EPS") amounts in our financial reporting. Basic EPS excludes dilution and is computed by dividing *Net income/(loss) attributable to Ford Motor Company* by the weighted-average number of shares of Common and Class B Stock outstanding for the period. Diluted EPS reflects the maximum potential dilution that could occur from our share-based compensation ("in-the-money" stock options, unvested RSUs, and unvested RSSs) and convertible debt. Potentially dilutive shares are excluded from the calculation if they have an anti-dilutive effect in the period.

Earnings/(Loss) Per Share Attributable to Ford Motor Company Common and Class B Stock

Basic and diluted income/(loss) per share were calculated using the following (in millions):

	2020	2021	2022
Net income/(loss) attributable to Ford Motor Company	\$ (1,279)	\$ 17,937	\$ (1,981)
Basic and Diluted Shares			
Basic shares (average shares outstanding)	3,973	3,991	4,014
Net dilutive options, unvested restricted stock units, unvested restricted stock shares, and convertible debt (a)	—	43	—
Diluted shares	<u>3,973</u>	<u>4,034</u>	<u>4,014</u>

(a) In 2020 and 2022, there were 29 million and 42 million shares, respectively, excluded from the calculation of diluted earnings/(loss) per share, due to their anti-dilutive effect .