

*Material Cash Requirements.* Our material cash requirements include:

- Capital expenditures (for additional information, see the "Changes in Company Cash" section below) and other payments for engineering, software, product development, and implementation of our plans for electric vehicles
- Purchase of raw materials and components to support the manufacturing and sale of vehicles (including electric vehicles), parts, and accessories (for additional information, see the Aggregate Contractual Obligations table and the accompanying description of our "Purchase obligations" below)
- Marketing incentive payments to dealers
- Payments for warranty and field service actions (for additional information, see Note 25 of the Notes to the Financial Statements)
- Debt repayments (for additional information, see the Aggregate Contractual Obligations table below and Note 19 of the Notes the Financial Statements)
- Discretionary and mandatory payments to our global pension plans (for additional information, see the Aggregate Contractual Obligations table below, the "Changes in Company Cash" section below, and Note 17 of the Notes to the Financial Statements)
- Employee wages, benefits, and incentives
- Operating lease payments (for additional information, see the Aggregate Contractual Obligations table below and Note 18 of the Notes to the Financial Statements)
- Cash effects related to the global redesign of our business (for additional information, see the "Changes in Company Cash" section below)
- Strategic acquisitions and investments to grow our business, including electrification

Subject to approval by our Board of Directors, shareholder distributions in the form of dividend payments and/or a share repurchase program (including share repurchases to offset the anti-dilutive effect of increased shared-based compensation) may require the expenditure of a material amount of cash. Moreover, we may be subject to additional material cash requirements that are contingent upon the occurrence of certain events, e.g., legal contingencies, uncertain tax positions, and other matters.

We are party to many contractual obligations involving commitments to make payments to third parties, and, as noted above, such commitments require a material amount of cash. Most of these are debt obligations incurred by our Ford Credit segment. In addition, as part of our normal business practices, we enter into contracts with suppliers for purchases of certain raw materials, components, and services to facilitate adequate supply of these materials and services. These arrangements, including multi-year offtake commitments, may contain fixed or minimum quantity purchase requirements. "Purchase obligations" in the Aggregate Contractual Obligations table below are defined as off-balance sheet agreements to purchase goods or services that are enforceable and legally binding on the Company and that specify all significant terms; however, as we purchase raw materials and components beyond the minimum amounts required by the "Purchase obligations," our material cash requirements for these items are higher than what is reflected in the Aggregate Contractual Obligations table. For additional information on the timing of these payments and the impact on our working capital, see the "Changes in Company Cash" section below.