

Warranty and Field Service Actions Accrual (United States)

As described in Note 25 to the consolidated financial statements, the Company had an accrual for estimated future warranty and field service action costs, net of estimated supplier recoveries ("warranty accrual"), of \$9,193 million as of December 31, 2022, of which the United States comprises a significant portion. Management accrues the estimated cost of both base warranty coverages and field service actions at the time of sale. Management establishes their estimate of base warranty obligations using a patterned estimation model, using historical information regarding the nature, frequency, and average cost of claims for each vehicle line by model year. Management establishes their estimates of field service action obligations using a patterned estimation model, using historical information regarding the nature, frequency, severity, and average cost of claims for each model year. Management reevaluates the adequacy of their accruals on a regular basis.

The principal considerations for our determination that performing procedures relating to the warranty accrual for the United States is a critical audit matter are (i) the significant judgment by management in the estimation of the accrual and development of the patterned estimation model; (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating the estimation model and significant assumptions related to the frequency and average cost of claims; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls related to the estimate of the warranty accrual for the United States. These procedures also included, among others, evaluating the reasonableness of significant assumptions used by management to develop the warranty accrual for the United States, related to the frequency and average cost of claims, in part by considering the historical experience of the Company. Professionals with specialized skill and knowledge were used to assist in evaluating the appropriateness of the model as well as the reasonableness of significant assumptions related to the frequency and average cost of claims.

/s/ PricewaterhouseCoopers LLP

Detroit, Michigan
February 2, 2023

We have served as the Company's auditor since 1946.