

**FORD MOTOR COMPANY AND SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 19. DEBT AND COMMITMENTS (Continued)**

We may not redeem the notes prior to March 20, 2024. On or after March 20, 2024, we may redeem all or any portion of the notes for cash equal to 100 % of the principal amount of the notes being redeemed if the last reported sale price of our Common Stock has been at least 130 % of the conversion price then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period.

If we undergo a fundamental change (e.g., change of control), subject to certain conditions, holders of the notes may require us to repurchase for cash all or any portion of their notes at a repurchase price equal to 100 % of the principal amount of the notes. In addition, if specific corporate events occur prior to the maturity date or if we issue a notice of redemption, we will increase the conversion rate by pre-defined amounts for holders who elect to convert their notes in connection with such a corporate event. The conditions allowing holders of the notes to convert were not met in 2021 or 2022.

The notes were issued at par and fees associated with the issuance of these notes are amortized to *Interest expense on Company debt excluding Ford Credit* over the contractual term of the notes. Amortization of issuance costs was \$ 5 million and \$ 7 million in 2021 and 2022, respectively. The effective interest rate of the notes is 0.3 %.

The total estimated fair value of the notes as of December 31, 2021 and December 31, 2022 was approximately \$ 3.2 billion and \$ 2.2 billion, respectively. The fair value was determined using commonly employed valuation methodologies applying observable market inputs and is classified within Level 2 of the fair value hierarchy.

The notes did not have an impact on our full year 2021 or 2022 diluted EPS.

**DOE ATVM Incentive Program**

In September 2009, we entered into a Loan Arrangement and Reimbursement Agreement with the DOE, under which we borrowed through multiple draws \$ 5.9 billion to finance certain costs for fuel-efficient, advanced-technology vehicles. We made our final repayment to the DOE in June 2022.

**U.K. Export Finance Program**

In 2020 and 2022, Ford Motor Company Limited ("Ford of Britain"), our operating subsidiary in the United Kingdom, entered into, and drew in full, £ 625 million and £ 750 million term loan credit facilities, respectively, with a syndicate of banks to support Ford of Britain's general export activities. Accordingly, U.K. Export Finance ("UKEF") provided £ 500 million and £ 600 million guarantees of the credit facilities, respectively, under its Export Development Guarantee scheme, which supports high value commercial lending to U.K. exporters. We have also guaranteed Ford of Britain's obligations under the credit facilities to the lenders. As of December 31, 2022, the full £ 1,375 million under the two credit facilities remained outstanding. These five-year, non-amortizing loans mature on June 30, 2025 and June 30, 2027.