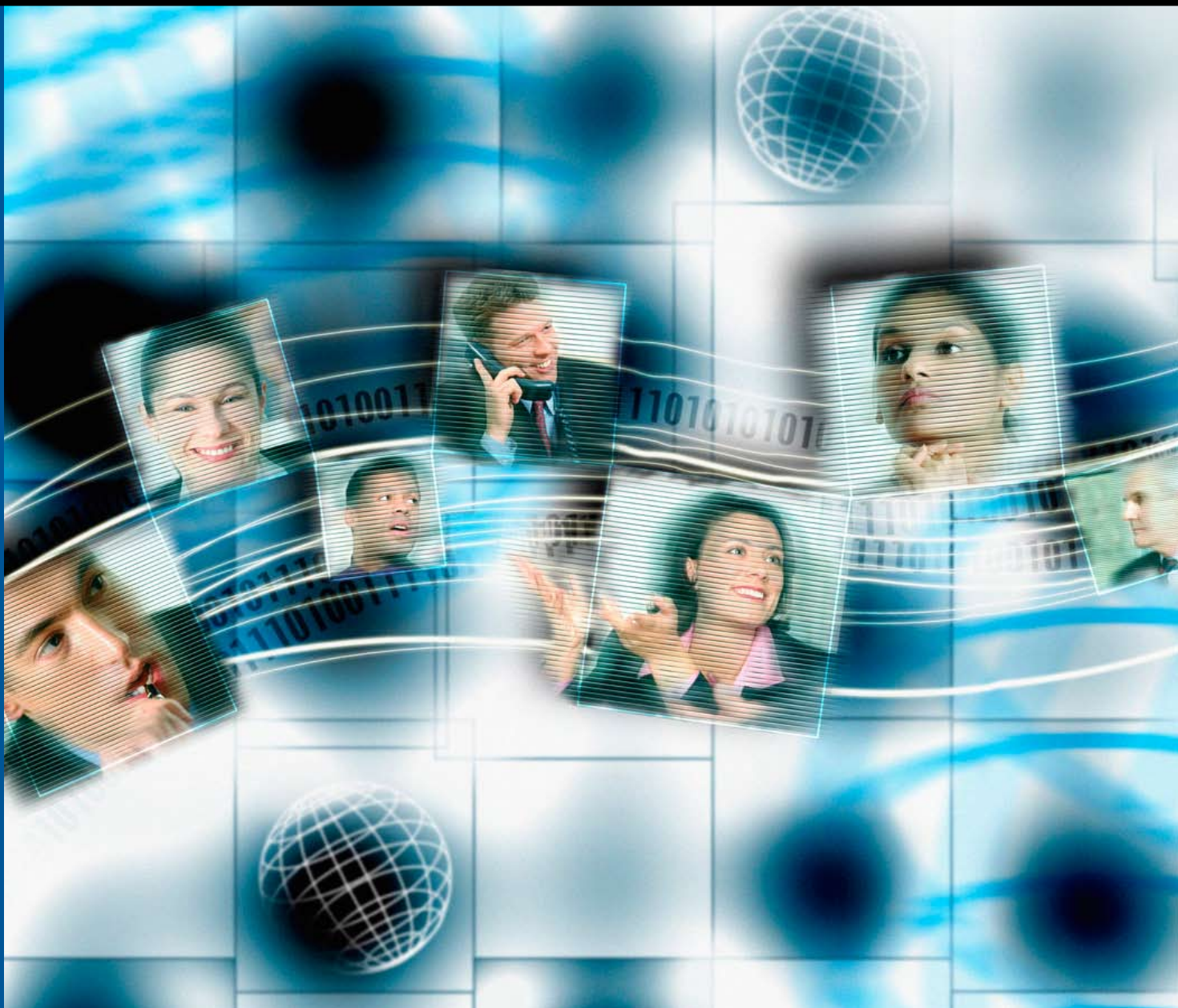




# Code of Conduct Handbook

CORPORATE POLICIES AND DIRECTIVES





**For questions or comments regarding this Handbook,  
or for requests to update this Handbook,**

**go to the Ford Legal Access Web site:**

**and send a message to  
"Ask a Lawyer."**

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Henry Ford once said, "There is a most intimate connection between decency and good business." He believed that the main purpose of a corporation should be to serve customers, employees, and communities. By staying true to those values, he was able to build the greatest business enterprise of the 20th century.

Today, the values of a company are even more critical to its success. As we move into the 21st century, expectations are higher and processes are more transparent. Now, more than ever, companies must not just proclaim the highest standards, they must live them every day.

The *Code of Conduct Handbook* will help Ford Motor Company personnel around the world understand and follow our policies and procedures. It builds on our heritage of corporate citizenship, and it updates our business practices, so that we can compete ethically and fairly in all circumstances.

I urge all personnel to learn and follow these standards. By doing so, you will help us earn the trust and respect that are essential for building a great Ford Motor Company for the next 100 years and beyond.

Bill Ford  
Executive Chairman





## **Overview**

## How to Use This Handbook

This *Handbook* is a brief guide to the conduct expected of you while you are working at Ford Motor Company (the "Company") (including its subsidiaries and affiliates) or providing services to the Company. It is a summary of some of the basic Company Policies and legal requirements that affect our business. It will help you recognize when a potential ethical or legal issue exists, and it will tell you where to look for more information.

For details regarding the matters covered in this *Handbook*, please review the Company Policy Letters and Directives cited throughout these pages. If necessary, you should consult with the appropriate Company attorney who is responsible for any matter that concerns you. Or, you may consult the other experts referred to in the various sections.

The guidance in this *Handbook* applies broadly to regular, part-time, supplemental, and temporary employees, as well as to agency personnel and independent contractors while they are performing services for the Company. A few sections apply only to Company employees. In those instances, the term "employees" is used.

This *Handbook* summarizes the major Corporate Policies and Directives of the Company that apply generally to our global operations. However, governing law, labor contracts, and the application of specific Policies can vary around the world. Refer to the separate appendices to obtain information that is specific for your country or region. You should be sure to read both this *Handbook* and the appendix that applies to you. If local law or labor contracts conflict with a Company Policy, then the local law and labor contracts take priority over the Company Policy. Otherwise, local policies and practices must conform to the Company's global Policies. If you are unsure of the policy to follow, please consult your management, your Human Resources representative, the Office of the General Counsel (which can be done through the Ford Legal Access Web site on the Ford Intranet), or your local legal office. Again, please remember that this *Handbook* is only a quick reference tool. You should review the Policy Letters and Directives for details and specific language.

## Responsibility

Ford Motor Company is committed to conducting business fairly and honestly. This commitment to integrity requires each of us to act ethically. Each of us is expected to act, at all times and in all circumstances, with the highest sense of integrity on behalf of the Company. We are expected to act in a manner that protects and enhances the Company's corporate reputation.

All personnel must know and comply with the spirit and the letter of all Company Policies and legal requirements related to their work. If you supervise any personnel, you are expected to take reasonable steps to ensure that they, too, know and follow Company policies and any applicable legal requirements.

Remember, anyone who violates the law or a Company Policy may be subject to disciplinary action, up to and including termination or release. Violations of the law can expose the Company, and even the individual violator, to fines, penalties, civil damages, and, in some cases, imprisonment. Additionally, violations could damage the Company's reputation and result in lost sales and profits.

## Duty to Report Violations\*

All personnel must report all known or suspected violations of Company Policy or business-related legal requirements, including:

- Civil and criminal laws, and government rules and regulations
- This *Code of Conduct Handbook*
- Company Policy Letters and Directives, including those described in this *Handbook*

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If you become aware of a known or suspected violation of Company Policy or business-related legal requirements, you should report it promptly to one of the following:

- Your Human Resources or Personnel Relations representative
- The General Auditor's Office
- The Office of the General Counsel or your local legal office
- Your Regional Investigation Coordinator or Local Incident Coordinator (see description below). Coordinators are listed at the Corporate Security and Fire Web site.
- The hotline in your country or region. Some countries, such as France and Italy, do not have hotlines.
- The toll-free Corporate hotline\*\* based in the United States, listed at the Corporate Security and Fire Web site
- The Corporate Security and Fire Web site (based in the United States)
- Recipient organizations authorized to receive such reports through other procedures, for example, Volvo's Incident Reporting Tool (IRT) system on the Volvo Cars Security Web site

If you are in an organization outside of the United States and receive a report of a suspected violation, you should immediately forward the report to your Regional Investigation Coordinator or Local Incident Coordinator listed at the Corporate Security and Fire Web site. If you are in a U.S. organization and receive a report of a suspected violation, you should immediately forward the report to Corporate Security and Fire (see Finance Manual Section 89-10-20 for details on receiving and forwarding reports).

When you report suspected violations, it is most helpful if you provide your name so you can be reached for further details and follow-up information. All reports are handled as confidentially as possible, while still enabling the Company to conduct a thorough investigation. However, you may make an anonymous report by calling

a hotline, or by submitting an incident report form obtained from the Corporate Security and Fire Web site.

Company Policy prohibits any form of retaliation against individuals who, in good faith, report suspected violations of the law or Company Policy, or who cooperate in an investigation of a suspected violation reported by someone else.

**\*NOTE:** In a few countries, reporting requirements vary due to differences in law. For example, in France, individuals may report violations, but are not required to do so. Consult your local appendix or your local legal office if you have questions.

**\*\*NOTE:** Callers in some countries must first dial a country-specific AT&T Direct Access Code (which may be found at the AT&T World Traveler Web site – <http://www.usa.att.com/traveler/index.jsp>) before dialing the U.S.-based hotline.

## References

- Corporate Security and Fire Web site (based in the United States)
- Ford Legal Access Web site (based in the United States)
- Finance Manual 89-10-20, *Incidents and Unusual Events Reporting*
- Finance Manual
- General Auditor's Office
- Volvo Cars Security Web site





## **Workplace Environment**

## Policy Overview

The diverse group of men and women who work for the Company are its most important resource. The Company has created guidelines for maintaining a work environment that is safe for all. Policy Letter No. 24, *Code of Basic Working Conditions and Corporate Responsibility*, specifies the Company's labor and environmental standards throughout the Company's global operations. It also incorporates fundamental elements of internationally recognized labor standards. Policy Letter No. 24 affirms the Company's commitment to certain universal values that are the cornerstone of our relationship with you. These values reflect what we stand for as a company and include:

- A workplace that does not tolerate harassment or discrimination
- A work environment that meets or exceeds applicable standards for occupational safety and health
- Providing competitive compensation and work hours, in compliance with applicable laws
- Recognizing and respecting the right of employees to associate freely and bargain collectively
- Ensuring that child labor and forced labor are not used

When forming commercial relationships with third parties, including suppliers, the Company will seek to identify and do business with entities that adopt and enforce policies similar to those in Policy Letter No. 24.

## Core Requirements

- Conduct yourself in a manner consistent with Policy Letter No. 24 and its underlying Policies.
- If you have a good-faith belief that a violation of these principles may have occurred in Company or supplier facilities, report the violation through the Company's reporting system.

## References

- Policy Letter No. 2, *Relationships with Employees*
- Policy Letter No. 24, *Code of Basic Working Conditions and Corporate Responsibility*

## Policy Overview

We are committed to equal opportunity in employment and to fostering diversity in our work force. Our hiring policies and practices require that there be no discrimination because of race, color, religion, age, gender, sexual orientation, gender identity, national origin, disability, or veteran status, and other factors that may be covered by local law. We recognize that diversity in our work force is a valuable asset, and we strive to provide an inclusive work environment in which different ideas, perspectives, and beliefs are respected. Violations of the Company's equal opportunity Policies may result in discipline, up to and including termination or release.

## Core Requirements

- Honor the spirit as well as the letter of the Company's non-discrimination Policies. These Policies also apply to those who do, or seek to do, business with us.
- Remember, we all share responsibility for implementing the Company's Policies of equal opportunity in employment, and our commitment to diversity.
- Help the Company as it strives, through legally permissible means, to have minorities and women well represented throughout our work force.
- Remember, the Company is committed to providing small, minority-owned, and women-owned businesses the fair opportunity to compete for Company business and to participate in our supply chain.
- Treat coworkers with trust and respect at all times. Do not harass a coworker or visitor to the workplace.

## References

- Policy Letter No. 2, *Relationships with Employees*
- Policy Letter No. 5, *Employee Involvement*
- Policy Letter No. 6, *Equal Opportunity and Affirmative Action*
- Policy Letter No. 24, *Code of Basic Working Conditions and Corporate Responsibility*
- Directive B-110, *Anti-Harassment – Zero Tolerance*
- HR ONLINE

## Policy Overview

As part of our commitment to having a respectful and inclusive work environment, the Company has long maintained an Anti-Harassment Policy. Harassment includes language or conduct that may be derogatory, intimidating, or offensive to others. All of us, as well as vendors and other visitors to our premises, are protected under this Policy and are expected to abide by it. Violations of the Company's Anti-Harassment Policy will result in discipline, up to and including termination or release.

## Core Requirements

- Don't make jokes, use language, or participate in activities that may be offensive to others. Discourage others from engaging in such behavior. As a precaution, always think about how something could be perceived by others.
- Don't intimidate others through bullying, threats, or practical jokes.
- Report, and encourage others to report, incidents of harassment or retaliation. Report any incidents to appropriate Human Resources personnel, or use the Company's reporting system.
- Take all harassment complaints seriously. Managers and supervisors should immediately address behavior or conduct that may be offensive, and should encourage an atmosphere in which everyone feels free to report potential violations.
- Do not retaliate against anyone who makes a report. The Company prohibits retaliation against anyone making a good-faith complaint of harassment, or who cooperates in a Company investigation of a complaint that alleges harassment.

## References

- Directive B-110, *Anti-Harassment – Zero Tolerance*
- HR ONLINE

## Policy Overview

The Company is committed to protecting health and safety. Safety is one of the most important factors in any decision. As stated in the Company's Health and Safety Commitment:

*"Our most valuable asset is our people. Nothing is more important than their safety and well being. Our coworkers and families rely on this commitment. There can be no compromise."*

When it comes to health and safety concerns, compliance with legal requirements represents a minimum. When necessary and appropriate, we establish and comply with standards of our own, which may go beyond legal requirements. In seeking ways to protect health and safety, the issue of cost should not rule out consideration of any reasonable alternative.

## Core Requirements

- Take personal responsibility for the protection of health and safety while at work. We will only achieve our goal of zero injuries with the commitment of all personnel to achieve this goal.
- If you are a member of management, consult with employees and/or their representatives and involve them in matters affecting their health and safety. Management of each activity is expected to accept this responsibility as an important priority, and to commit the necessary resources to health and safety.
- Comply with the Company's health and safety requirements. Failure to do so may result in discipline, up to and including termination or release.

## References

- Policy Letter No. 17, *Protecting Health and the Environment*
- Directive B-108, *Occupational Health and Safety Management*
- Health and Safety Commitment

## Policy Overview

Substance abuse poses a threat to all of us in virtually every aspect of our lives, including the workplace. For the protection of all, it is imperative that the workplace be free from substance abuse, including use or possession of illegal or illicit drugs, and alcohol abuse. You may not use, possess, manufacture, distribute, dispense, transport, promote, or sell illegal or illicit drugs or drug paraphernalia while on Company business or on Company premises. You are prohibited from being at work or on Company business while under the influence of, or impaired by, alcohol or illegal or illicit drugs.

The Company encourages anyone having substance abuse problems to seek appropriate assistance. Employees should check the local appendix for country-specific employee assistance services that are available to you. Use of assistance services will not jeopardize your status with the Company, provided that you maintain acceptable levels of performance and conduct.

## Core Requirements

- Do not work under the influence of alcohol or other substances. This includes being under the influence of alcohol or other substances that impair judgment, performance, or behavior while on Company premises, or while away from the workplace on Company business.
- Do not possess, use, sell, or transfer illegal drugs, medically unauthorized drugs, controlled substances, or unauthorized alcohol on Company premises.
- Help identify suspected drug trafficking on Company premises by reporting such activity to local or corporate Human Resources representatives, local management, the facility's Security staff, the Company reporting system, or to appropriate law enforcement agencies, such as the police.
- Make contractors and other suppliers who perform work on Company premises aware of the Company's position on substance abuse. Let them know they are expected to take appropriate measures to ensure that their employees and agents act in a manner consistent with the Company's requirements.
- In order to protect everyone's health and safety, the Company will take steps to investigate possible violations of its substance abuse Policies. Subject to local agreements or law (for country-specific information, see your local appendix), everyone is expected to cooperate in:
  - Personal or facility searches for alcohol or illegal drugs when requested
  - Medical evaluations
  - Alcohol and drug testing if: judgment or performance appears impaired, if behavior is erratic, or under special circumstances such as following an accident

Violation of the substance abuse policy or refusal to cooperate (for country-specific information, see your local appendix) may result in discipline, up to and including termination or release.

## References

- Directive A-121, *Substance Abuse*



## **Gifts, Favors and Conflicts of Interest**

## Policy Overview

Each of us is expected to act in a way that promotes the Company's best interests. Personal relationships with suppliers, dealers, and customers must not affect your ability to act in a manner that is best for the Company. Those relationships must not harm the Company's reputation by creating the appearance of impropriety. One good test is to ask yourself how others might view your actions if they were disclosed to Company management or reported in the media.

Accepting gifts or favors from a business contact, such as a supplier or dealer, can cloud your judgment when making decisions for the Company, or give the appearance that the supplier or dealer is "buying" favorable treatment. Always follow the Company's limitations and conditions on accepting gifts or favors from individuals or organizations that do business with the Company, or that are actively seeking to do business with the Company.

## Core Requirements

- Do not use your position at the Company to privately enrich yourself or others (such as family or friends). In fact, you should avoid situations that could even look to outsiders as if you are doing something improper.
- Never ask for a gift or favor from an individual or organization that does business with the Company, or is actively seeking to do business with the Company.
- Accept a gift or favor that is freely offered by suppliers, dealers, and others only if it is of nominal value, involves a normal sales promotion, advertising, or publicity, and there is a legitimate business purpose. In the United States, \$50 is considered to be nominal value. See your local appendix, or ask your Human Resources representative to find out what is considered "nominal value" in your country.
- Never accept any of the following types of gifts or favors from an individual or organization that does business with the Company, or is actively seeking to do business with the Company:
  - Cash, gift certificates, or a gift of packaged alcohol (including beer or wine)
  - Tickets to any event, unless the supplier is in attendance and the situation meets all other entertainment limitations
  - A loan, unless it is from a regular financial institution on normal terms
  - Discounts on goods or services, unless the supplier makes them generally available to all employees in the Company
  - Gifts or other donations for parties or social events attended principally by Company personnel (for example, retirement or holiday parties)
- Return inappropriate gifts with a polite note explaining the Company's Policy. If it is not possible or practical for you to return the gift, consult your local Human Resources representative to determine what to do with the gift.
- Ask if you are not sure if something is appropriate. You may ask your manager, your local Human Resources representative, the Office of the General Counsel, or your local legal office.

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### References

- Policy Letter No. 3, *Standards of Corporate Conduct*
- Directive A-107, *Standards of Corporate Conduct*
- Directive A-109, *Provision of Gifts, Prizes and Related Items by the Company*
- HR ONLINE

## Policy Overview

Socializing with suppliers, dealers, and other business contacts (referred to below simply as “suppliers”) can be helpful in cultivating a good working relationship, but there are limitations on what types of entertainment and social events are acceptable. You must always remember to act in a way that promotes the Company’s best interests, and that protects the Company’s reputation. Social activities with business associates must be appropriate and limited. You should only accept invitations that are business-related and freely offered. You should never accept an invitation that would create an appearance of impropriety. Always follow the Company’s limitations on attending supplier-paid activities.

## Core Requirements

- Know and follow Company Policies regarding accepting refreshments, entertainment, and other social events associated with your work at the Company:
  - You may accept refreshments provided by a supplier while attending a business meeting.
  - You may accept only one meal per quarter per supplier.
  - You may accept only one meal per week, in total, from all suppliers.
  - You may accept up to two entertainment events (such as a golf outing, or a sporting, theatrical, or cultural event) per calendar year, per supplier, provided that the supplier is in attendance and the event does not require extensive travel or an overnight stay.
- Do not attend an event that involves adult entertainment when you are on Company business.
- Do not travel on a supplier’s aircraft or vehicle for transportation unless it is an authorized Company business trip (such as a trip to a supplier’s plant for a Quality Review, or a local social event that complies with the Company’s entertainment Policies). Additionally, any travel on a supplier’s aircraft must meet the requirements of Directive A-110.
- Although you may accept invitations from multiple suppliers, remember that frequent acceptance of gifts or invitations (even if within Policy limitations) may create an appearance of impropriety.
- You may accept a gift while at a supplier-paid event, as long as the gift is of nominal value. Remember, prizes given out at such events are considered gifts. Therefore, you may not accept a prize of greater than nominal value, even if you win a contest to qualify for the prize. See your local appendix, or ask your Human Resources representative to find out what is considered “nominal value” in your country.
- Use good judgment when you are offered gifts or invitations. If there is any doubt whether the conduct is appropriate, you should consult your Human Resources representative or pay your own way.

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### References

- Policy Letter No. 3, *Standards of Corporate Conduct*
- Directive A-107, *Standards of Corporate Conduct*
- Directive A-110, *Business Related Travel*
- HR ONLINE

# Preferential Treatment, and Working or Consulting Outside the Company

## Policy Overview

The Company does not want to interfere unnecessarily with your personal affairs, and it recognizes that it is desirable to have friendly relationships with suppliers, dealers, and others with whom we do business. Yet it is important that you and the Company work together to avoid any basis for criticism or misunderstandings. Therefore, do not give preferential treatment to others, and never use unethical business practices. You must also avoid conduct that might be misinterpreted as being improper, or giving one supplier or dealer an unfair advantage.

It is important that you and the Company not be placed in a situation where you have a conflict of interest in conducting Company business. For that reason, all salaried employees must seek prior approval from the Company any time they will be serving as a director, officer, or consultant of an outside business, regardless of whether or not the Company conducts business with that outside entity.

## Core Requirements

- Do not act on behalf of the Company with an organization in which you or a family member has a financial interest, or which employs a family member or close friend.
- Do not give preferential treatment, and avoid a situation that would raise the suspicion of preferential treatment. Consult with your management, Human Resources representative, or the Office of the General Counsel or your local legal office about any questionable situation.
- Do not use any nonpublic information gained through the Company for your personal advantage, or to enable others to profit from it. For example:
  - Do not profit from a business transaction in which the circumstances indicate that the opportunity belongs to the Company.
  - Do not disclose any Company information outside the Company, including financial, product, or bid information, prior to its authorized release.
- If you are a salaried employee, obtain prior written approval from the Company for the following circumstances:
  - Before working or performing services for an organization with which the Company does business
  - Before becoming a director, officer, or consultant of any other business
  - For employees who are LL5 (or its equivalent) or above, before becoming a director, officer, or consultant of a nonprofit or charitable organization (such as the United Way or a disaster relief organization) at the national level, or before accepting a local position (in a similar organization) that has high, community-wide visibility
- Consult with your local Human Resources representative before you act, if you are in doubt about how this Policy affects you.

## References

- Policy Letter No. 3, *Standards of Corporate Conduct*
- Directive A-107, *Standards of Corporate Conduct*
- HR ONLINE
- Form 2402

## Policy Overview

Each of us is expected to act with the highest sense of integrity and in a manner that protects and enhances the Company's reputation. You should not enrich yourself or others while conducting Company business. In order to ensure that employees and the Company are not placed in a situation where an employee has a conflict of interest in conducting Company business, all salaried employees must report certain financial interests held by them or a family member.\*

## Core Requirements

- Salaried employees may not own the following financial interests in any entity that does business with the Company without the written approval of the Ford Motor Company officers identified in Policy Letter No. 3:
  - Any interest in such a business that is not a corporation
  - More than 1% of any class of stocks or bonds of such a corporation (including any options, loans, or other financial arrangements), whether or not publicly owned
- Salaried employees must report the following financial interests in any entity that does business with the Company, by submitting the information on Form 2402 to their local Human Resources representative:
  - Any financial interest in such a nonpublicly owned entity
  - Any financial interest in any business transaction to which the Company is, or will become, a party
- Salaried employees must report the following financial interests held by any of their family members\* (to the extent known) in any entity that does business with the Company, by submitting the information on Form 2402 to their local Human Resources representative:
  - Any interest in such a business that is not a corporation
  - Any financial interest in such a nonpublicly owned entity
  - More than 1% of any class of stocks or bonds of such a publicly owned corporation (including any options, loans, or other financial arrangements)
  - Any financial interest in any business transaction to which the Company is, or will become, a party

\*"Family member" means the employee's spouse, parent, brother, sister, or child, or a spouse of such a child.

**NOTE:** Any new or modified interests should be reported within 20 calendar days of any change.

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### References

- Policy Letter No. 3, *Standards of Corporate Conduct*
- Directive A-107, *Standards of Corporate Conduct*
- HR ONLINE
- Form 2402

## Policy Overview

While working for the Company, you may have access to information about the Company, or to the business information of other companies, that has not yet been made available to the general public. This is known as “insider information” or “inside information.” As a matter of Company Policy, and as a matter of law, you may not use such information for your own financial gain, or disclose it to others for their financial gain.

Specifically, you may not buy or sell stock in a company if you learn of confidential information that a reasonable investor would deem important in deciding whether to buy or sell the stock of that company at the price offered. This means that if you have such nonpublic information about the Company (or another company), you must not buy or sell shares of stock of the affected company, or disclose that information to others, until the information has been made known publicly.

Some examples of the types of information that are likely to be considered insider information include: possible acquisitions or mergers; earnings estimates, material changes in sales, liquidity issues, or other financial information; significant changes in production schedules; significant changes in operations; government investigations; significant lawsuits or settlements; and changes in senior management.

## Core Requirements

- Protect the Company’s nonpublic information.
- Do not buy or sell stock or other securities based on nonpublic information.
- Do not “tip” others about nonpublic information so they can buy or sell stock.
- Contact the Office of the General Counsel or your local legal office if you have questions regarding your ability to buy or sell shares of stock, given the information you know about the Company’s business.

## References

- Policy Letter No. 3, *Standards of Corporate Conduct*
- Policy Letter No. 22, *Preventing Improper Disclosure of Company Information*

# Giving Gifts or Favors to Outside Business Contacts or Company Personnel

## Policy Overview

Giving gifts, just like receiving gifts, can harm the Company's reputation by creating the appearance of impropriety. In some situations, giving gifts or favors can also violate the law; for example, when dealing with government officials. Giving gifts to Company personnel can raise issues of preferential or unfair treatment that can affect morale and create perceptions of favoritism. For these reasons, it is important to follow the Company's gift and favor Policies.

When giving gifts or favors to those who do, or seek to do, business with the Company, several tests must be met. (Remember that "favors" include meals and entertainment). Any gift or favor must: (a) be part of normal Company-approved sales promotions, advertising, or publicity; and (b) be of limited value and not risk the appearance of impropriety. Giving gifts or favors to certain business contacts may have additional legal limitations. Any time you are working with a government official or union representative, be sure that you understand any limitations that may apply.

Regarding gifts or favors to Company personnel, neither a Company organization nor a Company employee may give gifts or favors paid for by the Company to Company personnel or their family members without an approved exception.

## Core Requirements

- Do not give gifts or favors of value greater than the limitations in Directive A-109 to any business contact unless the gifts or favors are part of a Company-approved promotion. You should avoid situations that even look to outsiders as if you are doing something improper.
  - Follow the guidance given in the section titled *Working with Governments; Restrictions on Political Activities* in this *Handbook* for gifts to government officials.
  - Never provide gifts, entertainment, or other favors to a union representative without consulting with the Office of the General Counsel or your local legal office.
  - Be sure that any gifts or favors given to personnel on behalf of the Company are part of a Company-approved program and comply with the limitations in Directive A-109. Items that are permitted under Directive A-109 include:
    - Gifts of limited value (such as T-shirts or key chains) that are part of a Company-sponsored recognition program
    - Gifts of limited value that involve normal sales promotion, advertising, or publicity given to participants at Company-sponsored activities
    - Certain sales incentives, subject to the limitations in Directive A-109
- NOTE:** Company personnel may not accept or take promotional items given to dealers, unless the items meet the limitations of Directive A-109.
- Ask if you are not sure if something is appropriate. You can ask your manager, your local Human Resources representative, the Office of the General Counsel, or your local legal office. For country-specific information, see your local appendix.

## References

- Policy Letter No. 3, *Standards of Corporate Conduct*
- Directive A-107, *Standards of Corporate Conduct*
- Directive A-109, *Provision of Gifts, Prizes and Related Items by the Company*
- Directive C-107, *Payment of Travel Expenses of Non-Employees*
- HR ONLINE





## **Use of Company Assets and Data Safeguarding**

## Policy Overview

As employees and other entrusted personnel, each of us is responsible for protecting the Company's assets and ensuring that they are used for Company business purposes and in accordance with Company policies.

Resources such as computers, telephones, personal digital assistants (PDAs), Internet access, electronic mail (e-mail), instant messaging, reproduction equipment, facsimile (fax) machines, and similar technologies are provided to enable you to perform your work in support of Company business. All electronic data stored on Company computers or similar assets are the property of the Company. You should have no expectations of privacy when using Company computers or other Company resources. The Company has the right to monitor or access documents on its systems at any time, within the limits of existing laws and agreements. In some countries, local laws may give personnel limited privacy rights for personal data. (For country-specific information, see your local appendix).

If you drive a Company vehicle, you are required to be properly licensed and to operate the vehicle safely (which includes using safety belts) and in accordance with the law.

## Core Requirements

- Use Company assets for Company business. In most countries, occasional use of Company assets, such as computer resources and phones, for private, noncommercial use is permitted if it does not compromise the Company's interests or adversely impact your performance on the job.
  - Occasional, private use is not permitted in countries that restrict the Company's right to access personal information on Company assets.
- Do not use Company resources to run a personal business or similar venture.
- Do not access, reproduce, display, distribute, or store any materials that are sexually explicit, obscene, defamatory, harassing, illegal, or otherwise inappropriate when using Company assets, or when performing your job.
- Do not use Company resources to reproduce, display, distribute, or store any materials that violate trademark, copyright, licensing, or other intellectual property rights of any party.
- Remember, the Company will investigate theft or loss of its assets and take appropriate action.
- Always wear safety belts when driving on Company business. And when in a Company vehicle, all occupants must wear safety belts.
- Drive Company vehicles safely and in accordance with the law. Drivers must be unimpaired and properly licensed.

## References

- Policy Letter No. 2, *Relationships with Employees*
- Policy Letter No. 23, *Privacy and Protection of Personally Identifiable Information*
- Directive A-112, *Safety Belt Use and Driving Requirements When Traveling by Vehicle on Company Business*
- Directive B-105, *Assignment, Use and Sale/Lease of Company Vehicles*
- Directive B-109, *Appropriate Use of Company Computer Resources and Similar Company Assets*
- Directive B-110, *Anti-Harassment – Zero Tolerance*
- Information Technology Policy Manual (ITPM)

## Policy Overview

You are responsible for ensuring that your communications are clear, correct, and appropriate. Responsible and appropriate communications are essential not only to conducting our business, but also to the Company's reputation. Copies of communications may be used as evidence in a courtroom, in submissions to government agencies that regulate our business, in the development of articles by the media, and in determining corrective actions or discipline by Company representatives. Communications include such things as written memoranda, handwritten notes, drawings, e-mail, computer files, voice mail, and photographs.

Certain business activities within the Company have been designated to oversee communications on specific topics, or with specific types of groups or individuals. It is important that communications from outside the Company be immediately forwarded to the proper activity for handling.

## Core Requirements

- State the facts clearly to ensure that the content of a communication is not misunderstood. Do not exaggerate or include unsupported assumptions in your communications.
- Direct communications to the proper individuals. When you are identifying and helping to solve an issue, the communications should be directed to those individuals responsible for solving it. Include the entire context of the issue with enough detail for them to act on it. When the issue is resolved, close the matter by documenting the full context and the final resolution.
- Be especially careful in public places or when using public forums, including those on the World Wide Web. Be careful not to disclose nonpublic Company information, state or imply that you are speaking on behalf of the Company, or do anything that would harm the reputation of the Company.
- Immediately forward any communications from outside the Company to the appropriate activity to ensure that the Company makes a proper response. Listed below are common examples:
  - Contacts from a government, including any police or other law enforcement agencies: Forward to the Office of the General Counsel or your local legal office.
  - Legal inquiries: Forward to the Office of the General Counsel or your local legal office.
  - The media: Forward to Public Affairs.
  - Financial inquiries: Forward to Investor Relations or Public Affairs.
  - Vehicle or dealer complaints: Forward to Ford Customer Service Division (FCSD), or to the appropriate brand customer-service group.
  - Unsolicited ideas and product suggestions: Forward to the Consumer Innovation Office (CIO), in accordance with the instructions set forth on the CIO's Web site.

**NOTE:** If you have received an outside contact and are unsure about where to refer it, consult the Office of the General Counsel or your local legal office.

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### References

- Policy Letter No. 4, *Compliance with the Antitrust Laws*
- Policy Letter No. 12, *Public Affairs*
- Policy Letter No. 22, *Preventing Improper Disclosure of Company Information*
- Directive C-108, *External Communications with Respect to Financial Performance or Condition*
- Directive E-101, *Public References to Competitors and Their Products*
- Directive E-103, *Responding to Product and Service Customer Complaints*
- Consumer Innovation Office Web site
- Guidelines for On-line Communications on the Ford Legal Access Web site

## Policy Overview

The Company's information is a valuable asset and must be managed effectively and securely. Generally, Company information is any information that you receive, acquire, or record in performing your job duties, including information that is stored on Company computers or other electronic storage devices. It includes documents such as product plans, vehicle designs, strategy papers, retail finance contracts, communications to the Company's Board of Directors and management, and agreements the Company has with others, as well as written memoranda, handwritten notes, drawings, photographs, computer files, voice mail, and e-mail notes. Though it may be in your possession, Company information belongs to the Company, not to you.

Effective management of Company information helps the Company meet its business goals, maintain a competitive advantage, and achieve its objectives for quality. Proper information management is also required to support the Company's compliance with legal and regulatory requirements and internal policies. Company information that you receive or acquire in performing your job should be managed as carefully as financial, real estate, and other types of Company assets. You are required to know the Company's procedures for creating, transferring, retaining, and disposing of information. The Company takes disclosure of its information very seriously and will not hesitate to act to protect its interests, where appropriate.

## Core Requirements

- Assign the proper information security classification under Global Information Standard 2 (GIS2) (Secret, Confidential, Proprietary, or Public).
- Take appropriate measures to safeguard and protect the confidentiality and security of Company information.
- With Secret and Confidential information, take extra care to protect information. See GIS2 and the Information Technology Policy Manual (ITPM) for additional protective measures you should take.
- Do not use nonpublic information about the Company or other companies with which we do business for personal financial gain, or for the financial gain of others.
- Be sure you have an appropriate Company-approved purchase agreement or a written Confidentiality Agreement that has been approved by the Office of the General Counsel or your local legal office, if you need to share nonpublic Company information with a supplier or other business.
- If you receive an inquiry from outside the Company, you must forward it to the business activity responsible for such communications to ensure that the Company makes a proper response. See the Careful Communications subsection of this section for further information.

## References

- Policy Letter No. 3, *Standards of Corporate Conduct*
- Policy Letter No. 20, *Management of Corporate Records and Information*
- Policy Letter No. 22, *Preventing Improper Disclosure of Company Information*
- Policy Letter No. 23, *Privacy and Protection of Personally Identifiable Information*
- Directive B-109, *Appropriate Use of Company Computer Resources and Similar Company Assets*
- Directive C-101, *Outside Requests for Informational Visits to Ford Facilities*

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- Directive C-108, *External Communications with Respect to Financial Performance or Condition*
- Directive C-110, *Acquiring Information from Outside the Company*
- Directive C-114, *Image Capturing Devices on Company Premises*
- Directive E-107, *Automotive Advertising Agency Relationships With Competitors*
- Global Information Standard 1 (GIS1): *Management and Retention of Company Records*
- Global Information Standard 2 (GIS2): *Corporate Information Security*
- Global Information Management (GIM) Web site
- Information Technology Policy Manual (ITPM)
- Security Classifications for Records FAQs

## Policy Overview

The trust and confidence of our customers, personnel, dealers, suppliers, and others are essential to the success of Ford Motor Company. Each individual has legitimate expectations that the Company will handle their personally identifiable information (PII) responsibly, and that the Company will take reasonable and appropriate measures to protect PII from misuse. PII is defined as any information that can be associated with a unique individual or that can be used to identify, locate, or contact a unique individual.

## Core Requirements

- Make someone responsible and accountable for the proper collection, management, and security of PII that your group handles.
- State the purposes for the collection of the PII; limit the collection and use in a manner consistent with the stated or reasonably implied purposes, and with applicable law.
- Provide reasonable and appropriate security safeguards to protect PII.
- Immediately submit an incident report to Security if you suspect the security or confidentiality of PII has been compromised (for example, unauthorized access, or the loss or theft of a laptop or other portable electronic device).
- Follow Company policy if your organization shares PII with suppliers. You must have a written agreement, approved by the Office of the General Counsel or your local legal office, which lays out the responsibility of each party to protect the shared PII. Conduct an initial assessment of the supplier's ability to protect the PII, followed by regular periodic assessments to verify continued protection.

## References

- Policy Letter No. 23, *Privacy and Protection of Personally Identifiable Information*
- Directive B-104, *Confidentiality of Employee Records and Protection of Personally Identifiable Information*
- Directive C-110, *Acquiring Information from Outside the Company*
- Directive C-113, *Consumer Privacy Standards and Protection of Personally Identifiable Information*
- Directive C-116, *Supplier Safeguarding of Personally Identifiable Information*
- Global Information Standard 1 (GIS1): *Management and Retention of Company Records*
- Global Information Standard 2 (GIS2): *Corporate Information Security*
- Global Information Management (GIM) Web site
- Information Technology Policy Manual (ITPM)

## Policy Overview

The Company's Global Information Standards (GIS) program includes standards, processes, services, and solutions that enable the management of Company records and information, regardless of media or location.

Two Global Information Standards form the basis of the GIS program: Global Information Standard 1 (GIS1) is the records management standard that establishes retention requirements for all Company records, regardless of format. Global Information Standard 2 (GIS2) is the information security standard for the Company. It governs the protection and handling of records and information, and defines four security classifications: Secret, Confidential, Proprietary, and Public.

The Annual File Review (AFR) is the compliance process associated with the GIS program. It occurs every year between January 1 and March 31. During this period, personnel are required to review the records for which they are responsible to determine which records should be destroyed that year, including a review of whether or not there is an applicable suspension order.

## Core Requirements

- Know whether the documents you are responsible for are classified as "Official" or "Transient" records. If they are Official, apply GIS1 item numbers to the records to track retention requirements.
- Assign GIS2 information security classifications to records for which you are responsible. For example:
  - **Secret** is defined as information of a strategic or other sensitive nature that, if disclosed in an unauthorized manner, would cause substantial, severe, or irreparable damage to the Company or its relationships.
  - **Confidential** is defined as information that provides the Company with a competitive advantage that supports its technical or financial position, and that, if disclosed without authorization, could cause damage to the Company.
  - **Proprietary** is defined as that information created or obtained in the normal course of business (and that is not classified as Secret, Confidential, or Public), and that, if disclosed to the public, may cause some negative consequence to the Company. Examples include: calendars, drawings, or specifications of released programs; and Company Policies.
  - **Public** is defined as that information made available to the public, including disclosures required by federal, state, provincial, or local law. Examples include: product brochures, advertisements, press releases, U.S. Security and Exchange Commission filings, and Company Annual Reports.
- Follow established requirements for access, reproduction, travel, transfer, storage, and disposal of records based on the assigned security classification.
- Ensure that all records in all storage locations, including records stored in electronic applications, shared drives, or at offsite storage locations, are identified on the appropriate Departmental Records Inventory Matrix.
- Review records during the Annual File Review (AFR) for continued record retention or destruction.
  - Retain all records, Transient as well as Official, even after expiration of their retention, if they are associated with current suspension orders.

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- Complete all steps in the AFR process, and then submit an annual Certificate of Compliance.
- Destroy records by following the proper procedure based on their security classification.
- Transfer the responsibility for records to a new owner if your job responsibilities change, or if you are leaving the Company.
- If you are a departmental or business activity manager, ensure that personnel in your activity comply with the requirements of GIS1 and GIS2.

### References

- Policy Letter No. 20, *Management of Corporate Records and Information*
- Policy Letter No. 23, *Privacy and Protection of Personally Identifiable Information*
- Global Information Standard 1 (GIS1): *Management and Retention of Company Records*
- Global Information Standard 2 (GIS2): *Corporate Information Security*
- Global Information Management (GIM) Web site
- Information Technology Policy Manual (ITPM)
- Finance Manual
- Finance Manual, FM 04-10 Series, *Company Records*
- Security Classifications for Records FAQs



## **Integrity of Financial and Other Company Records**

## Policy Overview

Now, more than ever, it is important that all financial records be accurate and complete. Companies face severe consequences if they provide inaccurate financial statements to their shareholders or to government authorities. The Company's Chief Executive Officer (CEO) and Chief Financial Officer (CFO) certify several statements in quarterly filings with the U.S. Securities and Exchange Commission. They include certifications that the report does not contain any untrue statement of a material fact, and that it does not omit the statement of any material fact that is necessary to ensure that the statements being made are not misleading. The CEO and CFO also certify that the financial statements and other financial information in the report fairly present the financial condition, the results of operations, and the cash flows of the Company and its subsidiaries. In addition, the directors of the Company and its various subsidiaries rely on the accuracy of the financial data when they are signing off on the accounts each year.

You should remember that many corporate business records support the Company's financial statements. For example, if you use funds approved for capital improvements to support ongoing business operations, such an action could result in the incorrect classification of Company expenditures on our financial statements. In a similar way, adjusting reserves without following appropriate accounting Policy can also potentially lead to inaccurate financial statements.

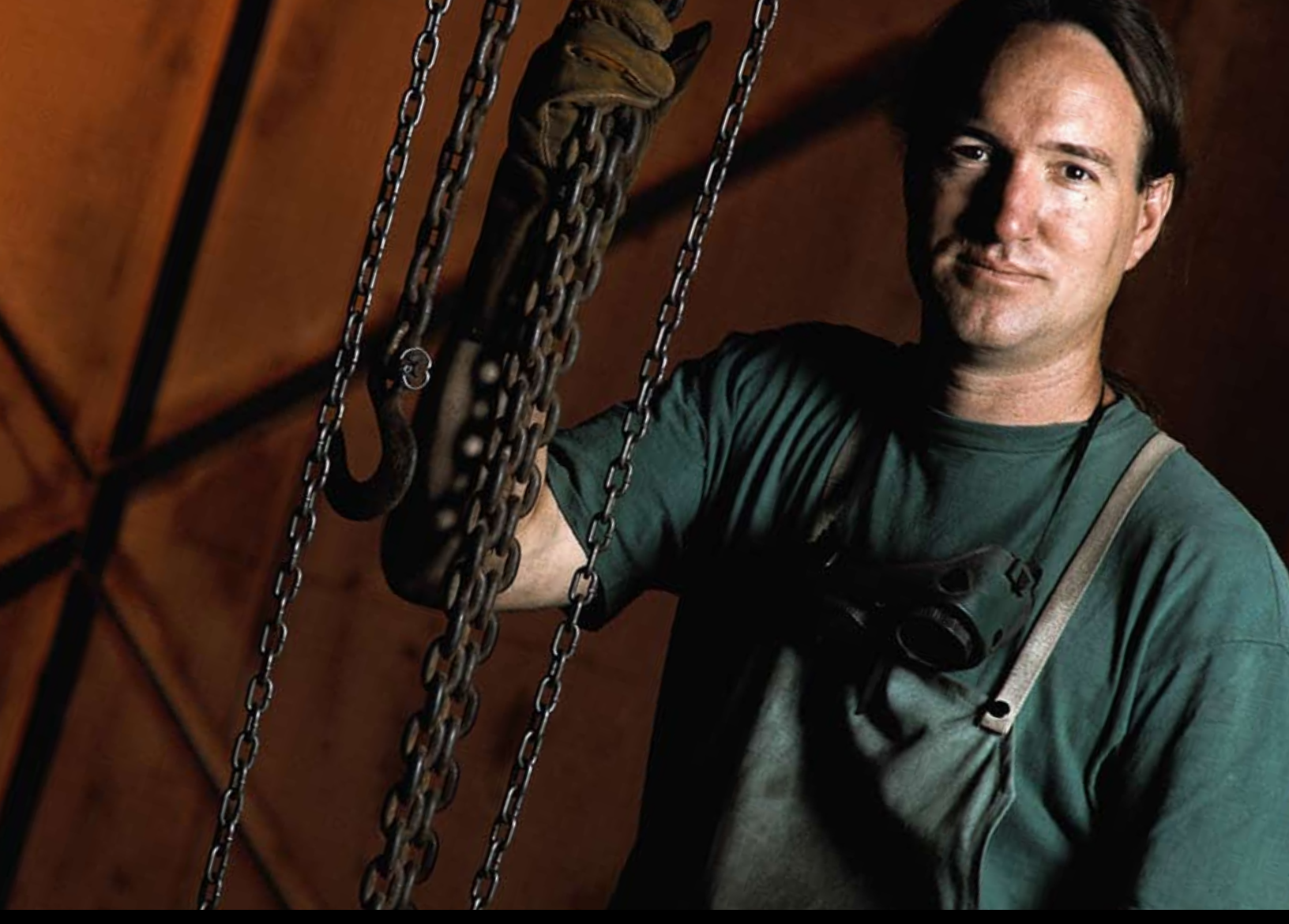
Accurate and complete business records enable management to make proper and informed decisions. Additionally, the Company is required to provide certain information to various government agencies, and incorrect information could potentially subject the Company to legal penalties. All records, therefore, must be complete, accurate, and up-to-date. This means not only financial records, but also such data as sales records, business metrics, performance-related records, test records, and engineering records. Falsification, deliberate concealment, or deliberate manipulation of records will not be tolerated, and will be dealt with appropriately, up to and including termination or release.

## Core Requirements

- Record, accurately and completely, all Company financial information for accounting, taxation, and other financial-reporting purposes.
- Notify management of any accounts that cannot be reconciled. Management should take immediate steps to reconcile such accounts, inform the necessary personnel and business activities, and take steps to ensure that such errors do not occur again. Such steps could include additional training of personnel and additional management oversight.
- Ensure that business records contain complete, accurate, and up-to-date information, so that management can make sound business decisions.
- Notify the Company of any errors, so that they can be assessed and corrected. Operations Identified Comments (OICs) should be raised as appropriate. The Company recognizes that errors can and do occur, but they must be handled properly once they are found.
- Do not deliberately falsify business records, or conceal any errors. Such actions not only violate Company Policy, but also may constitute a violation of law, and they will be dealt with appropriately, up to and including termination or release.

## References

- Policy Letter No. 3, *Standards of Corporate Conduct*
- Policy Letter No. 20, *Management of Corporate Records and Information*
- Finance Manual
- Code of Ethics for Senior Finance Personnel



**Product Quality, Safety and  
Environmental Matters**

## Policy Overview

### **At Ford Motor Company, Quality is Job 1.**

Quality is defined by our customers, and goes hand-in-hand with safety. Our customers are why we exist; their satisfaction is essential to our success. Therefore, the quality of our products and services must be our number one priority today and tomorrow.

To be the best-in-class in customer satisfaction, it is critical that the Company build safe products. More than ever before, customers expect our vehicles to contain superior safety features, and so does the Company itself. Policy Letter No. 7, *Vehicle Safety*, requires that the Company be active and responsible in all areas of automotive safety. This is a broad requirement that covers vehicle design and manufacture, driver behavior, and the highway environment. Our products should be designed not only to meet or exceed applicable laws and regulations, but also to advance the state-of-the-art in safety whenever practicable.

## Core Requirements

- Utilize the Company's Quality Operating System (QOS) and its key processes to achieve measurable results, eliminate waste, and deliver value.
  - The Quality Operating System's standards and procedures significantly affect the quality of our products and services, and help ensure that our products meet or exceed applicable international standards.
- Be actively involved in Quality Leadership and follow the nine Quality Leadership principles in the Global Quality Manual.
- Utilize Six-Sigma and its data-driven decision making.
- When selecting a supplier, include the supplier's demonstrated ability to achieve continuous quality improvement in the selection criteria.
- Do not rule out, based on the issue of cost, the consideration of possible state-of-the-art alternatives, in evaluating potential advances in product safety. Priorities should be based on achieving the greatest anticipated safety benefit that is practical.
- Remember that a major objective of the Company's research and development efforts is the implementation of product, process, and manufacturing innovations that provide customer benefit and value, and that help protect the environment and enhance safety.
- Consider the performance throughout the life of the vehicle when working to meet the safety needs and expectations of the Company's customers.
- Address in-service safety concerns in a timely, customer-driven manner.

## References

- Policy Letter No. 1, *Ford Quality Policy*
- Policy Letter No. 7, *Vehicle Safety*
- Policy Letter No. 8, *Technological Innovation*
- Policy Letter No. 10, *Decisions to Manufacture or Purchase Production and Service Parts (Make/Buy Decisions)*

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- Policy Letter No. 11, *Supplier Selection and Relationships*
- Directive A-116, *Management of Ford Total Quality Excellence*
- Directive F-112, *Global Engineering and Quality Standards*
- Directive F-113, *Product Design and Manufacturing Change Management – Vehicles Built in U.S., Canada, and Mexico*
- Global Quality Manual

## Policy Overview

It is Ford Motor Company's Policy that its operations, products, and services should accomplish their functions in a manner that responsibly protects health and the environment.

The Company is committed to meeting regulatory requirements that apply to its business. However, when necessary and appropriate, the Company establishes and complies with its own standards, which may exceed regulatory requirements. Consideration of potential health and environmental effects should be an integral part of all Company business decisions.

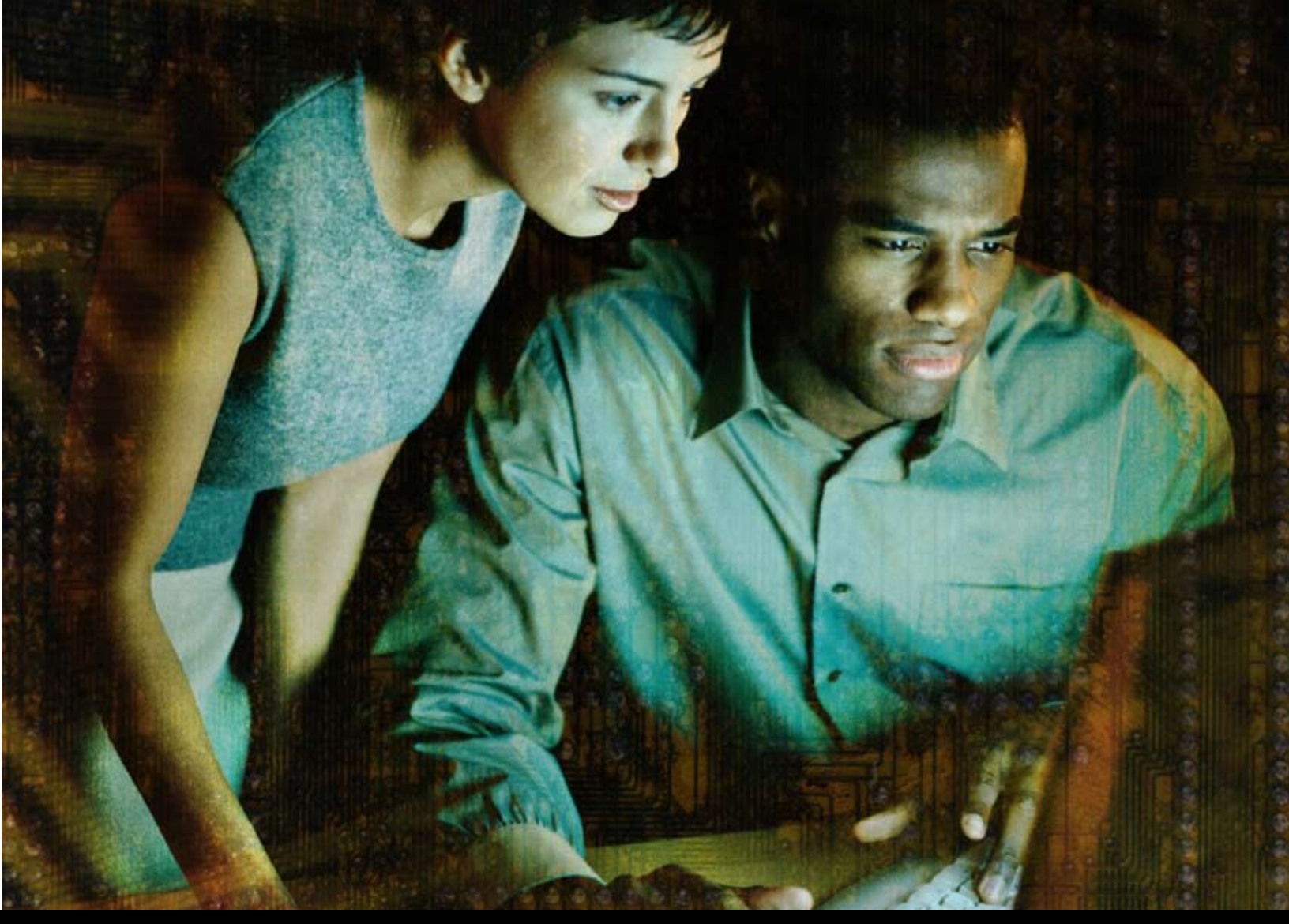
It is clear that the strong, profitable companies of the future will be the ones that strive for sustainable use of environmental resources. The Company is focused on many initiatives that impact the environment, such as improving fuel economy, reducing vehicle and plant emissions, reducing water consumption, conserving energy, recycling and reusing those materials that are nonrenewable, and eliminating the use and creation of toxic materials.

## Core Requirements

- Know the environmental requirements (both legally mandated and Company-initiated) that apply to your work.
- Be sure your operation has practices and programs in place designed to ensure that the Company's environmental protection program is implemented effectively.
- Use the Company's environmental specialists to assist you in understanding and carrying out your responsibilities.
- Use the Company's Environmental Quality Office (EQO), which deals with facility issues, and Vehicle Environmental Engineering (VEE) staff, who deal with product issues, if you need assistance.
- If you receive a communication from any government agency regarding environmental matters, refer it immediately to the Office of the General Counsel or your local legal office, as appropriate. Do not try to handle the matter on your own.
- Contact the Environmental Quality Office, Vehicle Environmental Engineering, the Office of the General Counsel, or your local legal office whenever you have a question, or whenever delays or other factors affect the Company's ability to complete required actions.

## References

- Policy Letter No. 17, *Protecting Health and the Environment*
- Directive A-120, *Environmental Strategy, Planning, and Implementation*
- Directive A-124, *Joint Venture ISO 14001 Certification*
- Directive D-101, *Energy Planning and Control*
- Directive D-109, *Waste Minimization Program*
- Directive F-102, *Energy Policy and Conservation Act*
- Directive F-111, *Vehicle Recycling*



## **Intellectual Property**



## Policy Overview

The Company's various types of intellectual property are highly valuable assets. They are key to our global strategy of using innovation to sell world-class products that are both unique and technologically superior.

Intellectual property includes patents, copyrights, trade secrets, and trademarks. New ideas or inventions may be protected through a formal patent, or as trade secrets. A trade secret is any information that is sufficiently valuable and secret that it gives us an actual or potential advantage over others. A copyright is a right that prevents others from copying artistic, literary, and other works such as photographs, music, articles, and computer programs.

It is the Policy of the Company to secure and protect its intellectual property rights, and to take appropriate action against any individual or group making unauthorized use of our rights. Just as we expect others to respect our intellectual property rights, we are committed to respecting the intellectual property rights of others.

## Core Requirements

- Promptly submit invention disclosures on innovations in areas such as product or process improvements, business methods, manufacturing, designs, and software applications to Ford Global Technologies, LLC, (FGTL) using the Invention Disclosure system available at FGTL's Web site.
- Do not publish or disclose your invention to anyone outside the Company without prior authorization from FGTL. You may disclose inventions to suppliers working under a signed purchase agreement.
- Carefully follow the Company's policies on the protection of its Confidential and Secret information.
- If you need to disclose trade secrets to outside parties in connection with a business transaction, contact Ford Global Technologies to assure that appropriate protections are in place.
- Promptly report any unauthorized use of the Company's intellectual property. You can report it through the FGTL Web site, or your local legal office, or the Company's established reporting system.
- Consult FGTL regarding a new product feature or process that appears likely to be used, to avoid infringing upon others' intellectual property rights.
- If you wish to use a copyrighted work, for example, by adding music to presentations or by widely circulating articles in magazines, journals, or other publications, check the FGTL Web site or ask FGTL (or your local legal office) to determine whether a copyright license is necessary.
- Consult the FGTL Web site for guidance on the use of copyright notices on Company materials, or for assistance in obtaining copyright registrations to protect the Company's materials.
- Do not copy software onto another computer without verifying that copying is permitted under the applicable license agreement. Computer software not owned by the Company must be properly licensed.
- Do not load software that is not business-related onto Company computers.
- Do not share software written by Company personnel outside the Company without first obtaining proper authorization.

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## References

- Policy Letter No. 8, *Technological Innovation*
- Policy Letter No. 16, *Patents and Other Intellectual Property Rights*
- Policy Letter No. 21, *Domain Names and Other Intellectual Property Used in E-Commerce*
- Directive C-109, *Unsolicited Correspondence*
- Directive C-110, *Acquiring Information from Outside the Company*
- Directive E-102, *Disposal of Assets to Outside Parties*
- Directive E-105, *Trademarks, Trade Names and Product Designations*
- Directive E-108, *Global Automotive Parts Trademarks*
- Information Technology Policy Manual, LR2 – *Intellectual Property Policy*
- Ford Global Technologies Web site
- Consumer Innovation Office Web site
- Ford New Ideas Web site at <http://www.fordnewideas.com>

## Policy Overview

Trademarks are among the Company's most valuable assets. They are symbols of the goodwill associated with the Company's products and services. Consumers worldwide rely on the Company's trademarks as symbols of superior quality and performance.

Improper use of our trademarks can weaken their value and diminish their effectiveness as indicators of the Company's products and services, and may result in the loss of valuable trademark rights.

See the Company's Corporate Identity Web site for information on Company trademarks and guidance on their proper use.

## Core Requirements

- Follow the Company's Corporate Identity Program when using a Company trademark. This includes making sure that there is a written license agreement in place when you allow outsiders to place a Company mark in print or on promotional items.
- Be sure that suppliers properly mark our production parts according to Company standards.
- Before adopting a proposed trademark for use on Company products, submit a Trademark Clearance Request Form with the Trademark Office at Ford Global Technologies, LLC (FGTL) to determine whether the proposed trademark infringes upon the rights of others.
- Contact the Trademark Office at FGTL (or your local legal office) if you believe that others are using Company trademarks without authorization.

## References

- Policy Letter No. 21, *Domain Names and Other Intellectual Property Used in E-Commerce*
- Directive E-105, *Trademarks, Trade Names and Product Designations*
- Directive E-108, *Global Automotive Parts Trademarks*
- Information Technology Policy Manual, LR2 – *Intellectual Property Policy*
- Ford Global Technologies Web site
- Ford Motor Company's Corporate Identity Web site
- Trademark Clearance Request form

## Policy Overview

In the normal course of business, the Company obtains information about or from other companies, including its competitors and suppliers. The Company collects this information in order to be competitive. However, this information must be gathered in an ethical and legal manner, and in a way that would not put the Company at any legal risk or affect its reputation.

In addition, suppliers may provide us with their confidential business information. Company personnel must verify whether the supplier information is confidential, and ensure that any confidential information is handled appropriately and with proper security measures.

Sometimes outsiders (individuals or small businesses that do not have an existing contract with the Company) will submit new ideas to Company personnel in a variety of areas, such as product design, technology, and marketing. Many of these ideas can be considered “intellectual property” and must be handled in a way that protects both the Company and the person submitting the idea. The Company’s Policy is to not accept these new ideas without a signed waiver or other agreement approved by Ford Global Technologies.

## Core Requirements

- Be cautious when accepting confidential information directly from suppliers, customers, and others. Follow the guidelines described in this subsection.
- Follow the Production Purchasing Global Terms and Conditions when handling confidential supplier information in situations involving production purchasing.
- Outside of production purchasing situations, accept information from suppliers only if there are no restrictions on its use, or if there is an approved waiver or agreement (as described below) in place.
- If you must accept confidential information from a supplier, take one of the following steps to eliminate any unreasonable expectations, and to minimize the Company’s exposure to liability:
  - Obtain and complete a Confidential Disclosure Waiver Agreement form located at the Ford Global Technologies Web site. This form makes it clear that the Company will not accept legal responsibility for maintaining the information in confidence, and it requires the provider to waive all claims against the Company.
  - Or, obtain a Confidentiality Agreement, which requires the Company to retain the specified information in a confidential manner and to take steps to prevent disclosure. You may not need a Confidentiality Agreement if you are working with a supplier who has a current purchase order for production parts.
- Do not share with the Company any confidential information acquired from a previous employer, and do not ask for such information from new personnel regarding their previous positions.
- Do not voluntarily accept any unsolicited idea submitted by an outsider. Be especially careful of confidential markings on a proposal, or requests to treat an idea as confidential information.
- Forward to the Consumer Innovation Office (CIO) any unsolicited ideas, including product ideas, that you receive from an outsider. Follow the instructions set forth on the CIO’s Web site.

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### References

- Policy Letter No. 22, *Preventing Improper Disclosure of Company Information*
- Directive C-110, *Acquiring Information from Outside the Company*
- Production & Non-Production Global Terms and Conditions
- Ford Global Technologies Web site
- Consumer Innovation Office Web site
- Ford New Ideas Web site at <http://www.fordnewideas.com>



**Working with Governments;  
Restrictions on Political Activities**

## Policy Overview

The Company has a long-standing Policy not to engage in any act that could possibly be construed as giving or receiving a bribe. This is especially true when dealing with government officials. Not only is it against Company Policy, but it is also against the law. Most countries have laws that prohibit bribing local or foreign officials. This is true even in countries where it seems that payments to government officials are a normal part of doing business.

Although it is Company Policy to use Company personnel to conduct business whenever possible, at times we hire agents or others outside the Company to assist with our business. In such situations, the Company must take measures to guard against using agents that give bribes. The Company can be held liable for the actions of the agents it hires.

## Core Requirements

- Never give anything of value to a government official in order to obtain or retain business, or to gain preferential treatment. This includes, for example, offering or promising to give gifts, entertainment, travel, favors, or special purchase terms on vehicles, regardless of whether something is actually given. An offer or a promise in itself can be considered to be a bribe.
- Contact the Office of the General Counsel or your local legal office before providing special treatment to a government official, even if there may be a legitimate business reason for doing so.
- Remember, the term “government official” can include:
  - Officials and employees of any government-owned or government-controlled business entities
  - Political parties
  - Party officials
  - Members of royal families
  - Political candidates
  - Employees of government departments or agencies
  - Employees of government-owned, joint-venture partnerships or government-owned banks (in certain countries)
- If you must use an agent when dealing with government officials, be sure you investigate the integrity of the agent you hire. Look for “red flags” such as:
  - Unnecessary secrecy
  - Being told “not to ask”
  - Inflated invoices or unusual rebates
  - Unexplained or large bonuses, or unexplained or large items on expense reports
  - Payments to people or entities not involved in the transaction
  - Payments in countries other than where the transaction is located
  - Off-books accounts or “slush funds”
  - Anything that is “not quite right”

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- Be sure that the Company's books and records accurately reflect transactions and expenses, and follow Company processes and procedures very carefully.
- Do not offer employment to, or even discuss potential employment with, someone who is currently working in a government position that has any business with the Company, or that has authority over any business with the Company. Even after individuals leave their government positions, there may be local restrictions on their ability to be employed in the private sector. Consult with the Office of the General Counsel or your local legal office for guidance.
- Never give a gift or favor to a government official in exchange for any particular past, present, or future service. If you are not sure whether a gift or payment is permissible, ask the Office of the General Counsel or your local legal office.

### References

- Policy Letter No. 3, *Standards of Corporate Conduct*
- Directive A-109, *Provision of Gifts, Prizes and Related Items by the Company*
- Finance Manual, FM 82-10 Series, *Sales to Government Activities*
- Finance Manual, FM 89-10 Series, *Establishing Internal Controls*
- Finance Manual, FM 89-10-11, *Anti-bribery: Hiring Agents, Gifts, and Favors*



## Policy Overview

The Company's preferred practice is to use its dealers or its own personnel when selling vehicles and parts directly to governments or government agencies. However, it is sometimes necessary to use outside sales agents for these transactions. Regardless of who is arranging the sale, you must follow the procedures outlined in the Finance Manual 82-10 Series. The approval of senior Company management is a requirement included in the Finance Manual procedure.

In addition to the sale of vehicles and parts, the Company pursues other types of contracts with governments or government agencies. These include contracts for research, development, joint projects, or joint ventures. If you are planning to enter into a contract with a government on behalf of the Company, be aware that many countries have specific requirements. These could include requirements specifying what costs can be included, the use of the funds, and other conditions that must be certified. Before pursuing a contract with a government, be sure to consult with Ford Global Technologies, LLC (FGTL) in the United States, or your local legal office.

## Core Requirements

- Always follow the procedures required by the Finance Manual 82-10 Series for sales of vehicles and parts to governments or government agencies.
- Be sure you are aware of legal requirements before you submit project proposals or bids to governments or government agencies.
- Consult with FGTL in the Office of the General Counsel, or your local legal office, if you have questions or are planning to pursue a contract with a government.

## References

- Policy Letter No. 3, *Standards of Corporate Conduct*
- Finance Manual, FM 82-10 Series, *Sales to Government Activities*
- Ford Global Technologies Web site

## Policy Overview

The Company encourages you to participate as an individual citizen in political and government affairs. The Company respects your right to use your own time and resources to support the political activities of your choice. However, the Company itself operates under legal limitations on its ability to engage in political activities. Even where there are no legal restrictions, the Company has a Policy that restricts the Company from making contributions (both cash and other assets) to political candidates or political organizations. There is a minor exception for making contributions to support or oppose local ballot issues, with appropriate approval.

At times, candidates for public office may ask to campaign on Company property. The Company does not normally permit campaigning on its property by candidates or persons working on their behalf. In addition, some locations may have additional requirements, such as giving candidates of other political parties an equal opportunity to campaign on the premises. Always get the approval of Governmental Affairs and the Office of the General Counsel or your local legal office before permitting a candidate appearance.

## Core Requirements

- Do not use Company funds or assets to make contributions to a political candidate, or to otherwise benefit a candidate or a political party. Generally, prohibited contributions extend to such benefits as travel on Company aircraft (see below).
- Obtain appropriate senior management approval for Company contributions in support of, or in opposition to, a local ballot issue.
- Do not allow candidates for political office to campaign on Company property. Any exceptions to this Policy must be approved in advance by Governmental Affairs and the appropriate legal staff.
- Do not allow candidates to use Company vehicles, except under Company-approved programs. Under certain limited circumstances, government officials and candidates may be allowed to travel on Company aircraft. Contact the Travel Office for information.

## References

- Policy Letter No. 13, *Governmental Relationships and Civic Affairs*
- Directive A-110, *Business Related Travel*
- Directive C-101, *Outside Requests for Informational Visits to Ford Facilities*
- Governmental Affairs Web site

## Policy Overview

Government agencies and departments sometimes contact Company personnel in an effort to obtain information. It is the Company's Policy to work with government investigators and to answer all inquiries truthfully and completely.

Legal inquiries can take the form of phone calls, letters, delivery of legal documents, or even personal visits. These inquiries may or may not involve allegations that the Company has violated laws. Private attorneys may contact you about a legal matter involving the Company. If you are contacted by a government agency or department or a private attorney, it is important that you immediately contact the Office of the General Counsel or your local legal office before responding. This is to ensure that your rights and the Company's rights are protected.

It is also important that you do not destroy any documents related to government inquiries. Destroying such documents is against Company Policy and, depending on the circumstances, may be against the law.

## Core Requirements

- Immediately contact the Office of the General Counsel or your local legal office if you become aware of a legal investigation or inquiry.
- If there is a government or legal inquiry, do not hide anything that relates to the investigation. However, do not respond without first contacting the Office of the General Counsel or the local legal office for instructions on how to proceed.
- Do not destroy documents that may relate to a government investigation or a lawsuit. Follow the Company's records retention policies, and check for applicable suspension orders before destroying any data or documents.

## References

- Policy Letter No. 14, *Coordination of Public and Governmental Affairs Outside the United States*
- Policy Letter No. 19, *Compliance Programs to Prevent and Detect Violations of Law*
- Global Information Management (GIM) Web site
- Suspension Order Web site



## **Competition and Antitrust Laws**

### Policy Overview

The Company is committed to complying with competition laws, also known as antitrust laws. These laws, which exist in nearly all of the countries in which we do business, are intended to protect vigorous, open, and fair competition from improper, collusive, or anticompetitive restraints. Fair competition is vital to the Company's success: The Company must compete vigorously, aggressively, and fairly, and without any anticompetitive understandings or agreements with its competitors.

Violations of competition laws, such as agreements among competitors to fix prices, are prosecuted as serious crimes. Employees and others acting on the Company's behalf who participate in such activities are subject to large fines and imprisonment in the United States and certain other jurisdictions. The Company could be obligated to pay damage awards as a result of anticompetitive practices.

The Company has created guides on competition (antitrust) laws (see References below) that provide detailed information on actions that are prohibited, as well as actions that require prior legal approval. Refer to these guides if you encounter the types of matters mentioned in this section.

### Core Requirements

- Do not enter into price-fixing agreements between the Company and its competitors.
- Do not enter into agreements with competitors that improperly restrict competition, such as agreements to limit production or supply, or agreements to divide or allocate sales according to customers, territories, or products.
- Do not discuss cost or pricing information with competitors. This includes, for example, sales incentives, rebates, bidding formulas, profit margins, costs and discounts, credit terms, and avoiding price wars.
- Unless you have obtained prior approval from the Office of the General Counsel or your local legal office:
  - Do not engage in benchmarking, joint research programs, or other information exchanges or joint activities with competitors; use publicly available resources instead.
  - Do not enter into an agreement with any other company not to do business, or to limit business, with suppliers, dealers, or others.
  - Do not begin any negotiations on mergers, acquisitions, joint ventures, or other similar transactions, especially if competitors are involved.
  - Do not negotiate in joint activities with competitors to influence government action.
- Trade associations and professional societies perform necessary and legitimate functions. However, you must not use them for contacts or communications with competitors which violate the law or Company policy, such as discussions about price or other competitively sensitive matters.

### References

- Policy Letter No. 3, *Standards of Corporate Conduct*
- Policy Letter No. 4, *Compliance with the Antitrust Laws*
- Guide for Compliance with the Antitrust and Competition Laws in the United States and Canada, at the Ford Legal Access Web site
- Guide for Compliance with European Competition Laws, at the Ford Legal Access Web site

## Policy Overview

The Company is committed to complying with competition laws that apply to dealers and other independent businesses that deal in Company products. This means that these businesses have the right to determine their own policies, and practices, and to select their own suppliers and customers without any restriction by the Company. However, you may discuss such matters with the dealer or other customers, and make suggestions to them.

Consult the guides (see References below), or contact the Office of the General Counsel or your local legal office if you have questions.

## Core Requirements

- Do not appoint or terminate a dealer or supplier at the urging of other dealers or suppliers.
- Unless you have obtained prior approval from the Office of the General Counsel or your local legal office:
  - Do not restrict our dealers' ability to set their own resale prices.
  - Do not require dealers or other customers to buy a product or service in order to obtain another product or service.
  - Do not restrict resale by dealers or other customers, or limit their ability to sell whenever, wherever, or to whomever they choose.
  - Do not propose sales at unprofitable or marginally profitable prices, or at prices that are lower in some geographic areas than they are in others.
  - Do not charge different prices for identical goods or services, or offer different levels of merchandising services or promotional assistance, to dealers or other customers.
  - Do not require a customer to buy all, or a specified portion, of its needs from the Company, or prohibit a customer from making purchases from another company.
  - Do not require suppliers to sell all or most of their output only to the Company.
  - Do not agree to buy or sell goods or services on the condition that the other party will buy from or sell to the Company.
- For Company business activities that are subject to European competition laws:
  - Do not take any measures that make it more difficult to export or import vehicles or parts from one country to another. This includes such actions as dual pricing, incentives related to the destination of the product, or hindering intermediaries acting on behalf of final customers.

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### References

- Policy Letter No. 3, *Standards of Corporate Conduct*
- Policy Letter No. 4, *Compliance with the Antitrust Laws*
- Guide for Compliance with the Antitrust and Competition Laws in the United States and Canada, at the Ford Legal Access Web site
- Guide for Compliance with European Competition Laws, at the Ford Legal Access Web site



## **International Business Practices**



## Policy Overview

In all countries in which the company does business, there is extensive government regulation of the importation and exportation of goods and services across their respective boundaries. These international trade laws and regulations cover: revenue collection, including import duties, taxes, transfer pricing, and value-added taxes (VAT); restrictions and conditions on what goods may be imported or exported; and commercial activity with certain persons, entities, and countries.

Government authorities worldwide are increasingly viewing importation, exportation, and restricted commercial activity as national security concerns. Failure to comply with the applicable laws and regulations in this area exposes the Company, and in some instances the individuals involved, to severe civil or even criminal penalties, and also to reputational risk.

Customs authorities are increasingly enforcing the laws and regulations on a post-importation basis. This means that customs is less likely to stop or detain a shipment at the time of arrival in the importing country, but will expect the importer to be able to answer any questions and provide documents about that shipment after the shipment is cleared by customs. The most typical areas that authorities will look into are tariff classifications, customs value, and compliance with applicable trade programs and benefits.

It is neither uncommon nor inappropriate for importers to engage the customs authorities in discussions that seek the customs authorities' agreement and approval for a particular position on the interpretation of the customs laws and regulations. In order to protect the Company from an approval not honored by a government in the future, any arrangements or understandings reached with customs or some other government agency should be fully documented and the file properly maintained. This is especially true when the customs officials do not put their approval or understanding in writing.

## Core Requirements

- Be aware of, and comply with, all applicable laws and regulations relating to international trade, if your group is involved in products that travel across borders.
- Maintain records of all import and export transactions, including purchase orders, contracts, invoices, and payment records, and follow proper record retention rules, which should require at least five years of retention.
- Use an authorized freight forwarder or customs broker that has a contract approved by Material Planning & Logistics (MP&L), as well as approved powers of attorney, for imports or exports by mail, ship, or air.

## References

- Directive C-106, *Compliance with U.S. Antiboycott Laws*
- Directive D-112, *Import Supply Chain Security*
- Finance Manual, FM 67-20-10, *Customs and Duty, Ford Customs Worldwide Organization Overview*
- Finance Manual, FM 107-30-10, *Freight and Distribution Costs, Duty and Import Taxes (Customs) – Policy and Overview*
- Finance Manual, FM 107-30-40, *Freight and Distribution Costs, Duty and Import Taxes (Customs) – Key Controls, Authorizations, and Governances*
- Finance Manual, FM 107-30-50, *Freight and Distribution Costs, Duty and Import Taxes (Customs) – Variance Analysis*
- Ford Legal Access Web site

## Policy Overview

Various countries worldwide, as well as the United Nations and the European Union and their member states, have regulations that restrict exports and transactions with certain countries, entities, and individuals. In addition, the Company has adopted Policies that require all personnel, even those working in wholly owned subsidiaries outside of the United States, to comply with U.S. regulations on exports and prohibited transactions. These trade restrictions limit or prohibit transactions with certain designated individuals and entities, such as terrorist groups and drug traffickers, as well as with certain sanctioned countries, currently including Cuba, Iran, Sudan, and North Korea. To help avoid the risk of engaging in prohibited transactions, each business activity must first determine if transaction screening is appropriate for its activity (see Core Requirements below). If so, a transaction-screening process must then be implemented.

In addition, the United States regulates the export and re-export of U.S.-origin “dual-use” commodities, technical data, or software to many countries, including countries with which the United States has significant trade relationships. “Dual-use” refers to those commodities or technologies that, besides their intended use, could also have a military use. For the purpose of these regulations, exporting is broadly defined and includes sending or carrying abroad, or transmission of information through discussion, phone, fax, electronic device, or computer network. Even exports to foreign affiliates of Ford are regulated. In some cases, a license must be obtained prior to the export of goods, software, or technology.

Violations of these regulations could hurt the Company's reputation and subject it and the individuals involved to heavy penalties and fines. The diversity of the Company's global business means that the Company and its subsidiaries must emphasize internal measures to comply with these trade restrictions.

## Core Requirements

- Make sure you are not exporting to a prohibited destination. If you are exporting U.S.-origin goods, technology, or software, make sure the export is not subject to “dual-use” restrictions. If it is restricted, contact the Office of the General Counsel to determine whether an export license may be obtained.
- Be sure your activity has performed a business review to determine if transaction screening is necessary (applicable only for business activities engaging in trading or transactions).
- Implement a transaction-screening process in your activity, if deemed necessary based on the business review you performed.
- Use the Company's transaction-screening process to verify that countries, entities, or groups with which you conduct business are not subject to sanctions.
- If a screening process or other compliance activity identifies a match or a transaction that must be rejected or blocked, you must report it immediately to the Office of the General Counsel (use the Ford Legal Access Web site).

## References

- Directive C-106, *Compliance with U.S. Antiboycott Laws*
- Directive C-115, *Global Compliance with United States OFAC Sanctions*
- Directive D-110, *United States Export Regulations*
- Directive D-112, *Import Supply Chain Security*
- Finance Manual, FM 67-20-10, *Customs and Duty, Ford Customs Worldwide Organization Overview*
- Finance Manual, FM 107-30-10, *Freight and Distribution Costs, Duty and Import Taxes (Customs) – Policy and Overview*

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- Finance Manual, FM 107-30-40, *Freight and Distribution Costs, Duty and Import Taxes (Customs) – Key Controls, Authorizations, and Governances*
- Finance Manual, FM 107-30-50, *Freight and Distribution Costs, Duty and Import Taxes (Customs) – Variance Analyses*
- Finance Manual, FM 93-10-60, *External Reporting, Blocked Property, Reporting Requirements and Transaction Screening*
- Ford Legal Access Web site

## Policy Overview

Everyone must follow Company policies and procedures that have been developed to avoid involvement in any money laundering scheme, and to ensure that the Company complies with regulatory reporting requirements for transactions that meet a certain monetary threshold. Money laundering is the use of transactions by criminals, terrorists, or others to conceal the illegal source of the funds. Money laundering involves a number of transactions which, when completed, appear to be legitimate. The actions of even one person in the Company in assisting with money laundering, even if acting on his or her own, could subject the Company to civil and criminal penalties and hurt the Company's reputation (see your local appendix for relevant local policies and procedures, and legal considerations).

## Core Requirements

- Look for any suspicious transactions using cash payments and/or monetary instruments.
- Report any suspicious activity to the Office of the General Counsel (use the Ford Legal Access Web site), or your local legal office immediately. This will allow you to verify whether the transaction constitutes a reportable event under local law and, if so, how and when such reporting must be done.

## References

- Finance Manual, FM 93-10-50, *External Reporting, Reporting Payments Received in Currency or Cash in a Trade or Business*
- Ford Legal Access Web site
- See your local appendix for any relevant local policies and procedures and legal considerations.