Corporate Governance Principles

I. Purpose

These Corporate Governance Principles, adopted by the Board of Directors of the Company, together with the charters of the Audit Committee, the Compensation Committee, the Environmental and Public Policy Committee, the Finance Committee and the Nominating and Governance Committee of the Board, provide the framework for the governance of Ford Motor Company. The Board will review these principles and other aspects of Ford governance annually or more often, as the Board deems necessary or appropriate.

The Board of Directors of the Company is elected by and responsible to the shareholders. Ford's business is conducted by its employees, managers and officers, under the direction of the chief executive officer (the CEO) and the oversight of the Board, to enhance the long-term value of the Company for its shareholders. The Board of Directors monitors the performance of the CEO and senior management to assure that the long-term interests of the shareholders are being served.

II. Board of Directors Structure and Operations/Board Compensation

Selection Process and Size of Board

The directors are elected each year by the shareholders at the annual meeting of shareholders. Shareholders may propose nominees (other than self-nominations) for consideration by the Nominating and Governance Committee of the Board by submitting the names, qualifications, and other supporting information to: Secretary, Ford Motor Company, One American Road, Dearborn, MI 48126. Properly submitted nominations must be received by the date set forth in the most recent proxy statement to be considered by the Nominating and Governance Committee for inclusion in the following year's nominations for election.

The Board proposes a slate of nominees to the shareholders for election to the Board. The Board also determines the number of directors on the Board, provided that there are at least 10 and not more than 20 directors, as provided in the By-Laws of the Company. Between annual shareholder meetings, the Board may elect directors to vacant Board positions to serve until the next annual meeting.

Qualifications

Directors should possess the highest personal and professional ethical standards, integrity and values, and be committed to representing the long-term interests of the shareholders. Directors must also have practical wisdom and mature judgment. Directors must be objective and inquisitive. Ford recognizes the value of diversity and we endeavor to have a diverse Board, with experience in business, government, education and technology, and in areas that are relevant to the Company's global activities. Directors must be willing to devote sufficient time to carrying out their duties and responsibilities effectively, and should be committed to serve on the Board for an extended period of time. Directors should be prepared to offer their resignation in the event of any significant change in their personal circumstances that could affect the discharge of their responsibilities as directors of the Company, including a change in their principal job responsibilities.

Ordinarily, directors who also serve as CEOs or in equivalent positions should not serve on more than two boards of public companies in addition to the Ford board, and other directors should not serve on more than four other boards of public companies in addition to the Ford board. Board members who held directorships in excess of these limits at the time of the adoption of these Corporate Governance Principles may maintain such directorships unless the Board determines that doing so would impair the director's discharge of his or her responsibilities on the Ford board.

Because of the value the Board places on having directors who are knowledgeable about the Company and its operations, the Board does not believe that arbitrary term limits on directors' service are appropriate.

In accordance with the By-Laws of the Company, a director will not be nominated for election to the Board after his or her 72nd birthday, although a waiver of this limitation may be granted by the full Board.

Independence of Directors

A majority of the directors must be independent directors under the New York Stock Exchange (NYSE) Listed Company rules or any other applicable regulatory requirements, as such requirements may change from time to time. The Board of Directors recognizes, however, that directors who do not meet the NYSE's independence standards have historically made, and can be expected to continue to make, valuable contributions to the Board and to the Company by reason of their experience, judgment, intelligence and wisdom.

To be considered independent under the NYSE rules, the Board must determine that a director does not have any direct or indirect material relationship with Ford. The Board has established the following guidelines to assist it in determining director independence in accordance with the NYSE rules:

- No director who is an employee or a former employee of the Company can be independent until 3 years after termination of such employment.

- No director who is, or in the past 3 years has been, affiliated with, or employed by, the Company's present or former independent auditor can be independent until 3 years after the end of the affiliation, employment or auditing relationship.

- No director can be independent if he or she is, or in the past 3 years has been, part of an interlocking directorship in which an executive officer of the Company serves on the compensation committee of another company that employs the director.

- No director can be independent if he or she is receiving, or in the last three years has received, more than $100,000 during any 12-month period in direct compensation from the Company, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service).

- Directors with immediate family members in the foregoing categories are subject to the same 3-year restriction.

- The following commercial, charitable and educational relationships will not be considered to be material relationships that would impair a director's independence:

  (i) if within the preceding three years a Ford director was an executive officer or employee of another company (or an immediate family member of the director was an executive officer of such company) that did business with Ford and either: (a) the annual sales to Ford were less than the greater of $1 million or two percent of the total annual revenues of such company, or (b) the annual purchases from Ford were less than the greater of $1 million or two percent of the total annual revenues of Ford, in each case for any of the three most recently completed fiscal years;

  (ii) if within the preceding three years a Ford director was an executive officer of another company which was indebted to Ford, or to which Ford was indebted, and either: (a) the total amount of such other company's indebtedness to Ford was less than two percent of the total consolidated assets of Ford, or (b) the total amount of Ford's indebtedness to such other company was less than two percent of the total consolidated assets of such other company, in each case for any of the three most recently completed fiscal years; and

  (iii) if within the preceding three years a Ford director served as an executive officer, director or trustee of a charitable or educational organization, and Ford's discretionary contributions to the organization were less than the greater of $1 million or two percent of that organization's total annual discretionary receipts for any of the three most recently completed fiscal years. (Ford's automatic matching of charitable contributions will not be included in the amount of Ford's contributions for this purpose.)

- The Board will review annually all commercial, charitable, and educational relationships between the Company and its directors. The Board's determination of each director's independence will be disclosed annually in the Company's proxy statement.

- For relationships not qualifying within guidelines (ii) and (iii) above, the determination of whether the relationship is material, and therefore whether the director is independent, shall be made by the directors who satisfy the above independence guidelines. The Company will explain in the next proxy statement the basis for any Board determination that a relationship was immaterial despite the fact that it did not meet the categorical standards of immateriality set forth in the above guidelines.

The Company will not make any personal loans or extensions of credit to directors or executive officers, other than consumer loans or credit card-type services on terms offered to the general public.

Board Committees

The Board has established the following Committees to assist the Board in discharging its responsibilities: (i) Audit, (ii) Compensation, (iii) Environmental and Public Policy, (iv) Finance, and (v) Nominating and Governance. The current charters of these Committees are published on the Ford public website, and will be mailed to shareholders on written request. The Committee chairs report on the matters considered at each of their meetings to the full Board of Directors following each Committee meeting.

In addition to the requirement that a majority of the Board satisfy the independence standards discussed above, members of the Audit Committee must also satisfy additional independence requirements.

Specifically, Audit Committee members may not directly or indirectly receive any compensation from the Company other than their directors' compensation.

Compensation of Board

The Nominating and Governance Committee shall have the responsibility for recommending to the Board compensation for non-employee directors. In discharging this duty, the Nominating and Governance Committee shall be guided by the following: (i) compensation should be competitive and fairly compensate directors for the time and effort required of Board and Committee members in a company of Ford's considerable size and scope; (ii) compensation should align directors' interests with the long-term interests of shareholders; and (iii) the structure of the compensation should be simple, transparent and easy for shareholders to understand. Each year, the Nominating and Governance Committee shall review non-employee director compensation.

Director Orientation and Continuing Education

The Company shall provide an orientation for new directors, and shall periodically provide materials or briefing sessions for all directors on subjects that would assist them in discharging their duties. Each new director shall, within six months of election to the Board, spend a day at corporate headquarters for personal briefings by senior management on the Company's strategic plans, its financial statements, and its key policies and practices. Any other director may also attend these orientation sessions. All directors will be offered the opportunity to participate in continuing education programs.

Access to Senior Management

Non-employee directors shall have full and complete access to the senior managers of the Company and, if desired, without the supervisors of such senior managers present.

Access to Independent Advisors

The Board and its Committees shall have the right at any time to retain independent outside financial, legal or other advisors at Company expense.

III. Meetings

The Board of Directors ordinarily has 8 scheduled meetings a year. Directors ordinarily are expected to attend all scheduled Board and Committee meetings, the annual meeting of shareholders, and are expected to review the materials provided to them in advance of each meeting.

The Board shall be responsible for its agenda. Each year, the Chairman will propose for the Board's approval key issues of strategy, risk and corporate reputation to be scheduled and discussed during the course of the year. The Board will be invited to offer its suggestions. As a result of this process, a schedule of major discussion items for the each year will be established.

The non-employee directors ordinarily will meet for a period of time at each regularly scheduled Board meeting without management present. The directors have determined that the independent director with the longest tenure on the Board will preside at such meetings, and also will serve as the presiding director in performing such other functions as the Board may direct, including advising on the selection of committee chairs and advising the Chairman on the agenda for Board meetings. The non-employee directors may meet without management present at such other times as determined by the presiding director or at the request of any non-employee director.

The presiding director will, from time to time, and following consultation with the Chairs of the Committees of the Board and the other directors, discuss with the Chairman potential items for inclusion in the agendas of future meetings of the Board of Directors.

IV. Responsibilities and Duties

CEO/Management Oversight and Compensation

In addition to the Board's general oversight of the CEO and senior management, the Board also is responsible for:

- selecting, evaluating and compensating the CEO and overseeing CEO succession planning;
- providing counsel and oversight on the selection, evaluation, development and compensation of the officers of the Company; and
- approving and maintaining a succession plan for the CEO and other key senior executives, including an emergency succession plan for the CEO.

Business, Product and Strategic Matters/Compliance with Law and Company Policy

As part of its overall responsibility to serve the long-term interests of the shareholders, the Board also shall:

- review, approve and monitor fundamental financial and business strategies and major Company actions;
- review and discuss reports by management on the performance of the Company, its plans, products and prospects;
- assess major risks facing the Company -- and review and approve strategies for addressing such risks; and
- ensure processes are in place for maintaining the integrity and reputation of the Company --- the integrity of the financial statements, compliance with law and Company policy, the integrity of relationships with customers and suppliers, and the integrity of relationships with other Company stakeholders.

Conflicts of Interest and Concern Reporting

The Board expects Ford directors, as well as officers and employees, to act ethically at all times and in accordance with applicable Company codes of ethics. If an actual or potential conflict of interest arises for a director, the director shall promptly inform the Chairman and the presiding director. If a significant conflict exists and cannot be resolved, the director should resign. All directors will recuse themselves from any discussion or decision affecting their personal, business or professional interests. The Board shall resolve any conflict of interest question involving the Chairman, or a Board member, and the Board or a designated committee thereof comprised of independent directors shall resolve any conflict of interest question involving any other officer of the Company.

Any person who wants to send a written communication to the Board, including any person who has a concern about Ford's conduct, or about the Company's accounting, internal accounting controls or auditing matters, may send a communication to the Board, any non-employee director, or to the Audit Committee. Such communications may be confidential or anonymous, and may be e-mailed or submitted in writing, to special addresses that will be published on the Company's public website (www.ford.com). All such communications will be reviewed and addressed by Ford's Compliance Office, with the assistance, as appropriate, of Human Resources, the General Auditor's Office and Executive Operations, in the same way that the Company addresses other similar concerns. The status of all outstanding communications addressed to the Board , the non-employee directors, or the Audit Committee will be reported to the directors, the Audit Committee or the Nominating and Governance Committee, as appropriate, on a quarterly basis. The Board , the Audit Committee or the Nominating and Governance Committee may decide to address any such communication outside of normal Company practices and procedures, including the retention of outside advisors or counsel at Company expense. Company policy expressly prohibits any employee from retaliating or taking any adverse action against anyone who, in good faith, raises or helps to resolve integrity or other corporate concerns.

V. Annual Performance Evaluation

The Board and each of the Committees will perform an annual self-evaluation. Each of the directors will be requested to provide his or her assessment of the effectiveness of the Board and the Committees on which he or she serves. If determined by the Board to be desirable, the Board may retain independent corporate governance experts to assist the Board and the Committees with the self-evaluations.

March 2004