

## **Charter of the Finance Committee of the Board of Directors**

### **I. Purpose**

The Finance Committee shall provide assistance to the Board of Directors of the Company in fulfilling its responsibility to the shareholders in respect of the policies, practices, and strategies that relate to the management of the financial affairs of the Company. The Finance Committee also shall perform such other functions and exercise such other powers as may be delegated to it from time to time by the Board of Directors. The Finance Committee's primary purpose is to:

- Review management's plans to manage the Company's exposure to financial risk.
- Review the Company's cash plan, balance sheet, and capital structure.
- Review the Company's capital allocation strategy, including the cost of capital.
- Recommend dividend actions to the Board of Directors.
  
- Review the Company's pension strategy and performance and health care costs and funding.

### **II. Structure and Operations**

#### *Composition and Qualifications*

The Finance Committee shall be comprised of three or more directors as determined by the Board (upon the recommendation of the Nominating and Governance Committee), each of whom shall be determined by the Board of Directors to possess financial acumen. All members of the Finance Committee shall have a working familiarity with basic finance practices, and at least one member of the Finance Committee shall have financial management expertise.

#### *Appointment and Removal*

The members of the Finance Committee shall be designated by the Board annually and shall serve until their successors shall be duly designated or until such member's earlier resignation or removal. Any member of the Finance Committee may be removed from the Committee, with or without cause, by a majority vote of the Board. Unless a Chair is designated by the full Board, the members of the Finance Committee shall designate a Chair by majority vote of the full Finance Committee membership. The Chair will chair all regular sessions of the Finance Committee and set agendas for Finance Committee meetings.

#### *Delegation to Subcommittees*

In fulfilling its responsibilities, the Finance Committee shall be entitled to delegate any or all of its responsibilities to a subcommittee of the Finance Committee and, to the extent not

expressly reserved to the Finance Committee by the Board or by applicable law, rule or regulation, to any other committee of 2 directors of the Company appointed by it, which may or may not be composed of members of the Finance Committee.

### **III. Meetings**

The Finance Committee shall ordinarily meet at least four times annually, or more frequently as circumstances dictate. Any director of the Company who is not a member of the Finance Committee may attend meetings of the Finance Committee; provided, however, that any director who is not a member of the Finance Committee may not vote on any matter coming before the Finance Committee for a vote. The Finance Committee also may invite to its meetings any member of management of the Company and such other persons as it deems appropriate in order to carry out its responsibilities. The Finance Committee may meet in executive session, as the Finance Committee deems necessary or appropriate.

### **IV. Responsibilities and Duties**

To fulfill its responsibilities and duties, the Finance Committee shall:

#### *Documents/Reports Review*

##### Capital Strategy

- (1) Review and make recommendations to the Board with respect to the Company's capital structure, including the registration, issuance, and redemption of Company equity securities, and material changes thereto.
- (2) Recommend to the Board of Directors dividends to shareholders and other shareholder actions.
- (3) Review capital allocation priorities, policies and guidelines, including the Company's cash flow, minimum cash requirements, and liquidity targets.
- (4) Review Ford Motor Credit Company's capital strategy and the relevant key financial metrics used to guide Ford Motor Credit Company to continuously strengthening its balance sheet.
- (5) Review Ford Motor Credit Company's funding and liquidity strategies and the relevant metrics used to ensure diversification and achievement of yearly funding objectives.
- (6) Review the Company's capital strategies from rating agency and investor perspectives.
- (7) Review the Company's capital appropriations financial performance against targets by conducting interim reviews and an annual review of previously approved capital programs, and periodic review of acquisitions and new business investments.
- (8) Review and approve recommendations to the Board in all significant areas of the Company's capital strategy.

### Treasury and Tax Matters

- (9) Review with Company management, at least annually, the Annual Report from the Treasurer of the Company's cash and funding plans and other Treasury matters.
- (10) Review with Company management, at least annually, the Company's health care costs and plans for funding such costs.
- (11) Review with Company management, at least annually, the Company's pension strategy and performance.
- (12) Review, at least annually, policies with respect to financial risk assessment and financial risk management.
- (13) Review any significant financial exposures and contingent liabilities of the Company, including foreign exchange, interest rate, and commodities exposures and the use of derivatives to hedge those risks.
- (14) Review with management the financial aspects of insurance programs.
- (15) Review with Company management, at least annually, the Company's tax strategy.
- (16) Review and approve recommendations to the Board in all significant areas of the Company's Treasury and Tax matters.

### *Reports*

- (17) Report regularly to the Board (i) following meetings of the Finance Committee, (ii) with respect to such other matters as are relevant to the Finance Committee's discharge of its responsibilities and (iii) with respect to such recommendations as the Finance Committee may deem appropriate. The report to the Board may take the form of an oral report by the Chair or any other member of the Finance Committee designated by the Finance Committee to make such report.

### *Other Matters*

- (18) The Finance Committee shall perform a review and evaluation, at least annually, of the performance of the Finance Committee and its members, including a review of adherence of the Finance Committee to this Charter. In addition, the Finance Committee shall review and reassess, at least annually, the adequacy of this Charter and recommend to the Nominating and Governance Committee any improvements to this Charter that the Finance Committee considers necessary or appropriate. The Finance Committee shall conduct such evaluation and reviews in such manner as it deems appropriate.
- (19) Perform any other activities consistent with this Charter, the By-Laws of the Company and other applicable law, rules or regulations as the Finance Committee or the Board deems necessary or appropriate.