



U.S. High Tech High Demand Program FAQs

Program Overview

- **What is High Tech High Demand?**
 - The U.S. High Tech High Demand (HTHD) Program is a designation approved compensation strategy as a response to changes in Ford's business model and external competitors that required a differentiated compensation program to attract and retain professionals in specific technical positions.

- **How are HTHD positions determined?**
 - HTHD positions are identified through a detailed analysis of external market data. In order for a position to be considered HTHD, it must meet the following criteria:
 - Agreed match to an external benchmark job
 - External compensation benchmark data is indicative of a premium paid for the benchmark job
 - Evidence of a pay premium over a sustained period of time
 - Market data is reviewed annually to continually assess the need for HTHD positions, so that Ford can attract and retain the talent needed to support our strategic priorities.
 - In rare circumstances an exception to the HTHD identification criteria may be made where a highly technical Ford job has been determined to be critical to the organization's success but does not have a good match in the external survey.

- **What type of survey/market data are used to support the above determinations?**
 - Ford jobs are mapped to benchmark positions in the Radford Global Technology Survey at the 75th percentile of the market. Jobs that have sustained evidence of pay differentiation, requiring a premium pay structure, are deemed to be HTHD. Survey data is reviewed annually to assess Ford's gap to market and where HTHD designations are required. Example companies included in the Radford Survey: Apple, Amazon, Meta, Google, Microsoft, Tesla etc.

- **How is the HTHD program governed and who is responsible for managing it?**
 - The U.S. Compensation Office, HR, Operations, and Senior Leadership partner to oversee the direction of the HTHD program and governance.
 - **U.S. Compensation Office:** Reviews external compensation data annually to understand where pay premiums exist in the market to make HTHD designations.
 - **HR:** Supports designation of HTHD positions and associated communications, based on competitive market analysis.
 - **Operations:** Supports matching of Ford jobs to external benchmarks.

- **Senior Leadership:** Provides guidance and makes key decisions on the direction of the HTHD program.
- **How do I know if my position is designated as HTHD?**
 - If you are new to Ford beginning July 2020, you would have received notification of your HTHD designation in your offer letter. Any new change to an employee’s designation is communicated upon the designation change. You can check your designation by viewing your title in Life@Ford (top left under your name). HTHD positions will have “HTHD” listed after the title. You can also reach out your People Leader or People First to verify your salary plan.

Moving In and Out of HTHD Positions

- **Can current employees move into HTHD positions?**
 - Yes, however there are a limited number of HTHD positions. Like all other internal postings, the hiring manager will select individuals that possess the requisite skills. Employees can also voluntarily **move out** of a HTHD position and lose the classification (e.g. if they interview for and accept a position that doesn’t meet the HTHD criteria).
- **Can positions change their HTHD classification?**
 - Yes, all positions will be reviewed regularly to ensure if a HTHD designation is warranted. When there is a change to a position’s designation, this will be communicated to impacted employees. *Reminder: A HTHD designation is role-specific, not person-specific.*
 - **Will other positions be classified as HTHD in the future?**
 - Yes, given the dynamic nature of the technology space, business needs will change over time. We will continue to identify these critical skill areas and ensure we are collecting competitive data to determine applicability for HTHD. At the same time, some positions presently identified as HTHD may no longer be considered HTHD in the future if they no longer meet the HTHD criteria.
 - **Why would a current HTHD role be de-commissioned?**
 - HTHD classifications are determined through an on-going, rigorous external market analysis; this analysis indicates whether a certain job family warrants a differentiated salary range or AICP bonus target. Reviews are conducted of HTHD positions based on technical requirements and strategic priorities. Changes in these priorities and/or position responsibilities may result in the removal of the HTHD classification. *Continuation of the HTHD program, including which positions have been identified as HTHD, is at the discretion of Ford Motor Company and may change over time.*
- **I work in a highly collaboratively team where some positions are classified as HTHD and some are not, why is that?**
 - Collaboration is a key part of daily work for many employees at Ford. Although we work together to achieve results, each position requires a different skillset and expertise. While a diversity of skills are often required to produce products and services, some positions require specific technical expertise and command a market premium. For a position to be classified as HTHD, it must independently meet all the criteria listed in the previous section.
- **I believe the type of work I do is in “high demand” in the market, why is my position not classified at HTHD?**
 - For a position to be classified as HTHD, it must meet all of the HTHD program criteria. While many positions require a technical skillset and are in high demand, for a position to be classified as HTHD

it must also command a higher compensation in the marketplace based on analysis conducted by Ford's Compensation Office. Only positions that meet all three criteria are classified as HTHD.

- **I believe my skillset is critical and considered “high demand” in the market, why am I not classified HTHD?**
 - A HTHD designation is role-specific, not person-specific. If you are in a **position** that does not meet the above criteria for HTHD, you will not be classified as HTHD.

HTHD Compensation

- **I am moving between an HTHD position and a non-HTHD position. How will this impact my compensation?**
 - Every case is unique and salary adjustments are determined based on the individual's current base salary and a competitive market analysis which may result in no base salary adjustment.
 - **Moving into a HTHD position:** When an employee is moved into a HTHD position, their salary is reviewed and will be adjusted if it falls outside of the HTHD salary range. When an employee is moved into an HTHD position they will also receive the HTHD AICP target; final award will be prorated if appropriate, for the period they are in a HTHD position. Once in an HTHD position, LL6/GSR5-8 employees will also become eligible to be periodically nominated for grants in the Company's stock award program.
 - **Moving out of a HTHD position:** When an employee is moved out of an HTHD position, their salary is reviewed relative to the Salary Range for the new position. If the employee's salary is above the maximum of the new salary range, their salary will be adjusted to the maximum of the new range. When an employee is moved out of an HTHD position they will receive the AICP target associated with the new position; final award will be prorated if appropriate, for the period they were in a HTHD position. When an employee is moved out of an HTHD position, they will no longer be eligible for future stock award grants as an LL6/GSR5-8. Any outstanding stock award grants made while they were in an HTHD position will continue to vest according to the original vest schedule.
- **I was just classified HTHD; how can I be sure I'm paid equitably compared to my peers?**
 - Several explainable factors contribute to an employee's placement within a salary range (e.g. hiring salary, employee performance, merit increase, promotion). Not all employees fall at or above the midpoint. Salary ranges represent what Ford pays for a job within a salary grade or leadership level based on external market data in comparison to similar positions from other leading companies in our compensation surveys. Employees generally enter a new salary grade or leadership level at a lower point in the range. This amount can vary based on the position and relevant skills and experience of the individual employee. As employees develop new competencies and demonstrate high performance, they will have the opportunity to increase their salary over time through pay increases, such as merits and promotions.
 - For those who received HTHD designation in the December 2021 revamp, it is important to note that the only employees who saw any immediate base salary increase as a result of their position update were those whose base salary fell below the new HTHD salary range. People Leaders will have the chance to review the base salaries of their employees in 2022 during Annual Compensation Planning, and may also have the opportunity to address base pay concerns as they arise throughout the year.
- **I noticed multiple HTHD salary plans with different salary ranges, what is the difference between them?**
 - A salary range is the range (minimum and maximum) of base pay established by Ford to compensate employees performing at a particular level. Different salary plans have different corresponding salary ranges.

- There are currently two salary plans, based on where the position is located, with differentiated salary ranges and AICP target for HTHD positions:
 - SAL2 – HTHD U.S. Non-Palo Alto (SG5 – LL6)
 - SAL4 – HTHD Palo Alto/Bay Area (SG6 – LL5)
- For reference, there are also two Non-HTHD salary plans:
 - SAL1 – Non-HTHD U.S. Non-Palo Alto (SG5 – LL1)
 - SAL3 – Non-HTHD Palo Alto/Bay Area (SG6 – LL1)
- **How is the Palo Alto region defined for salary plans?**
 - The Radford Technology survey defines the Palo Alto region, by zip code, which Ford uses to benchmark positions primarily located in the Palo Alto region. These positions would be classified SAL3 or SAL4.
- **How can I find out what the salary range for my HTHD position is?**
 - Employees can view their Salary Range via myfordbenefits.com. Navigate to the “Your Total Rewards” page, then “Review Your Compensation.”
- **How can I find out the AICP target for my HTHD position?**
 - AICP targets are not published for general access. However, employees can view their personal AICP target via myfordbenefits.com. Navigate to the “Your Total Rewards” page, then “Review Your Compensation.”
- **Why are the AICP targets different between HTHD and Standard salary plans?**
 - HTHD pay structure is different from the Standard structure. The difference between the HTHD and Standard bonus targets is representative of differences observed in the labor market we use as benchmarks for HTHD and Standard positions. Review for both HTHD and Standard positions is conducted annually to ensure competitive bonus targets for all jobs. Considering this, there may be occurrences where a HTHD bonus target is at or greater than the target for a higher graded job in the Standard plan.
- **Are HTHD employees eligible for stock?**
 - Yes, beginning in 2022 all employees classified as HTHD (LL6/GSR5-8) will be eligible for special stock awards.
- **How are stock awards granted to HTHD LL6/GSR5-8 employees?**
 - HTHD LL6/GSR5-8 employees are eligible to be nominated for new hire grants as part of the offer process, as well as the HTHD Special Stock Award Program. The HTHD Special Stock Award Program is based on an annual budget, and grants are made on a quarterly basis on February, May, August, and November 15th. Nominations for grants are determined based on your overall performance, expertise, and Ford+ behaviors. **No individual is entitled to a stock award; grants are made outside of annual compensation planning, and an award in one year does not guarantee an award in a subsequent year.**
- **Why are non-HTHD GSR-LL6 employees not eligible for stock?**
 - The revamped HTHD program is at its core tied to market data, and positions classified as HTHD align closely with those positions in the market where we see stock as a competitive benefit. Market data indicates that stock awards for non-HTHD positions at the LL6 and below level are not

common in the market outside of the jobs identified as HTHD. There are other strategic retention programs available for People Leader use for those not eligible to receive a stock grant.

- **Is the HTHD Special Stock program the same as the Annual Stock Grant program for LL5+?**
 - The HTHD Special Stock Award program is separate from the LL5+ annual stock grant program. The LL5+ Annual Stock Grant program is part of their annual Compensation based on what is competitive in the market. The HTHD Special Stock Award program is a nomination process and is not part of annual compensation; it is not expected that they would receive an award every year. The LL5+ Annual Stock values were considered when determining the HTHD Special Stock Award values. Nominations for HTHD grants are based on overall performance, expertise, and Ford+ behaviors. No individual is entitled to a HTHD Special Stock award; an award in one year does not guarantee an award in a subsequent year.
- **What happens to my stock awards when I leave the Company?**
 - If you leave the Company (not through an approved retirement) before the award is fully vested, you forfeit the unvested portion. The only exception is if you remain an employee for at least six months after the grant date and employment is terminated due to disability or death. For disability cases, the award continues to vest according to the original vesting schedule. For death cases, the award will have accelerated vesting.
- **What impact does a HTHD classification have on annual bonus/merit planning?**
 - Employees in HTHD positions are eligible to participate in the annual performance and compensation planning process. Merit increases for HTHD employees are determined using the appropriate HTHD salary plan, grade, and range for each employee. HTHD AICP targets are used for determining final AICP awards, prorated for period the employee was in an HTHD position if appropriate.

Additional Questions

- **Is HTHD a U.S. program only?**
 - At this time, we have determined that there is a need for HTHD compensation differentiation in the United States. Ford's global markets complete competitive assessments in their regions to determine appropriate solutions for their respective labor markets.
- **Where can I find more information on stock?**
 - Review the HTHD Stock policy available on Life@Ford.
- **Who can I reach out to with additional questions?**
 - Any questions regarding the HTHD program should be directed to People First.