

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE ) TUESDAY, THE 13TH  
JUSTICE E.M. MORGAN ) DAY OF NOVEMBER, 2018

**REBECCA ROMEO, JOE ROMEO, DIANE BÉLAND,  
ELYSE CHOINIERE, LINDA GOODMAN, AND TRACY CORSI**

Plaintiffs

- and -

**FORD MOTOR COMPANY and  
FORD MOTOR COMPANY OF CANADA, LIMITED**

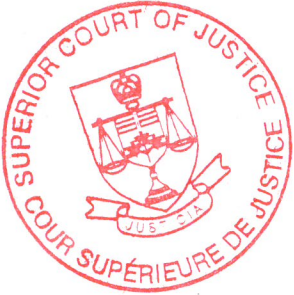
Defendants

Proceeding under the *Class Proceedings Act, 1992*

**ORDER**

**THIS MOTION** made by the plaintiffs for an Order: certifying the within action as a class proceeding for settlement purposes only; approving a notice of proposed settlement to the class; and approving the method of dissemination of the notice of proposed settlement to the class, was heard on November 13, 2018, at Toronto, Ontario.

**ON BEING ADVISED** of the defendants' consent, and that the parties have entered into a settlement agreement, as signified by the Term Sheet dated November 5, 2018, subject to court approval,



**AND ON READING** the materials filed, including the motion record of the plaintiffs and the affidavit of Robert Stodola, and on hearing the submissions of counsel for the plaintiffs and counsel for the defendants,

1. **THIS COURT ORDERS** that this Order incorporates herein, and makes a part hereof, the Term Sheet attached hereto as Schedule “1” (the “Term Sheet”). Unless otherwise provided herein, the definitions set out in the Term Sheet apply to this Order.

2. **THIS COURT ORDERS** that the within action is certified as a class proceeding, on a preliminary basis, for settlement purposes only, subject to the terms of the Term Sheet and the conditions set out below.

**Class definition**

3. **THIS COURT ORDERS** that the Settlement Class is defined as:  
all entities and natural persons in Canada who currently own or lease, or who in the past owned or leased, a Class Vehicle. Excluded from the Settlement Class are: (1) Ford’s employees, officers, directors, agents, and representatives, and their family members; (2) presiding judges and Class Counsel; (3) persons who have pending individual proceedings against Ford Motor Company or Ford of Canada in a court or who have commenced a proceeding under CAMVAP in relation to the Powershift Transmission or the DPS6 Transmission in a Class Vehicle and (4) all those otherwise in the Settlement Class that properly opt out of the Settlement Class (the “Settlement Class” or “Class Members”).

**Representative plaintiffs**

4. **THIS COURT ORDERS** that Rebecca Romeo, Joseph Romeo, Diane Béland, Elyse Choiniere, Linda Goodman, and Tracy Corsi are appointed as the representative plaintiffs for the Settlement Class.

**Settlement Class counsel**

5. **THIS COURT ORDERS** that Charney Lawyers PC is appointed as counsel to the Settlement Class (“Class Counsel”).

**Common issues**

6. **THIS COURT ORDERS** that, for the purposes of settlement, the following issues are common to the Settlement Class:

**Breach of New Vehicle Limited Warranty**

- (1) Did Ford Motor Company of Canada, Limited (“Ford Canada”) enter into a New Vehicle Limited Warranty agreement with the Class Members who purchased and/or leased Class Vehicles within the warranty period (“Warranty”)?
- (2) Did the Warranty contain any express or implied warranty or condition as to the merchantability or fitness of the Class Vehicles?
- (3) Did the Warranty include an express warranty whereby Ford Canada warranted that its dealers would repair, replace, or adjust those parts on the Class Vehicles found to be defective in materials or workmanship?
- (4) If the answer to common issue 3 is Yes, is the dual clutch transmission defective? If so, how?
- (5) If the answer to common issues 3 and 4 is Yes, has Ford Canada breached the terms of the Warranty requiring Ford Canada to warrant that its dealers will repair, replace, or adjust defects in the Dual Clutch Transmission?
- (6) Are the defects in the Dual Clutch Transmission capable of being repaired within the meaning of the Warranty?

**Quebec Class claims**

- (7) For the Québec Class Members, did the defendants warrant pursuant to Article 1726, and as applicable to manufacturers pursuant to Article 1730, of the *Civil Code of Québec*, C.Q.L.R. c C-1991 (*Civil Code of Québec*), either impliedly or expressly, that the Class Vehicles were free of latent defects which render them unfit for the use for which they were intended or which diminished their usefulness at the time of sale?
- (8) If so, did the defendants' sale or lease of the Class Vehicles breach this implied or express warranty?

### **Settlement approval hearing**

7. **THIS COURT ORDERS** that it will decide:

- (a) whether to approve the Settlement Agreement as fair, reasonable and in the best interests of the Class Members;
- (b) whether to approve the fee request of Class Counsel; and
- (c) any other matters as the Court may deem appropriate

at a hearing to be held on March 18, 2019, beginning at 10:00 AM at Osgoode Hall, 130 Queen Street West, Toronto, Ontario;

8. **THIS COURT ORDERS** that any Class Member may opt out of the class action (and by extension, the Term Sheet), but only if their valid opt-out form is sent in hard copy or electronic copy to the Claims Administrator, RicePoint Administration Inc. (the "Claims Administrator") and is received on or before 5:00 p.m. EST on March 5, 2019.

### **Conditions of certification**

9. **THIS COURT ORDERS** that if (i) the Term Sheet is terminated for any reason set out therein or (ii) any specified condition to the Term Sheet is not satisfied and any party seeks to terminate the Term Sheet:

- (a) this Order shall be set aside, be of no further force or effect, and be without prejudice to any party;



- (b) the Term Sheet and all proceedings in connection therewith shall be null and void, except insofar as expressly provided in the Term Sheet, and without prejudice to the rights of the plaintiffs and the defendants;
- (c) this class proceeding shall immediately be decertified as a class proceeding pursuant to s. 10 of the *Class Proceedings Act, 1992* (the “CPA”) without prejudice to the plaintiffs’ ability to reapply for certification; and
- (d) each party to the within action shall be restored to his, her, or its respective position as it existed immediately prior to the execution of the Term Sheet.

10. **THIS COURT ORDERS** that any certification of a Settlement Class under this Order is for settlement purposes only and shall not constitute, nor be construed as, an admission on the part of any of the defendants in this action that certification of this class action is appropriate for any other purpose.

11. **THIS COURT ORDERS** that entry of this Order is without prejudice to the rights of the defendants to terminate the Term Sheet as provided in the Term Sheet.

#### **Notice**

12. **THIS COURT ORDERS** that the long form and short form notices of class action and proposed settlement substantially in the form attached hereto as Schedule “2” and “3”, respectively are hereby approved.

13. **THIS COURT ORDERS** that the Claims Administrator shall cause the Short-Form Notice to be sent in English and French via regular letter mail to all Class Members who are recorded in the Customer Knowledge System (“CKS”) database and the North American Vehicle Information System (“NAVIS”) database maintained by Ford. The short form notice shall be

mailed to the last known mailing address for each such Class Member as set out in the said databases, no later than 30 days after receipt of those records from the defendants.

14. **THIS COURT ORDERS** that the Claims Administrator shall cause the Short-Form Notice to be sent in English and French via e-mail to all persons who have provided a valid email address through Class Counsel's registration database for the within action, no later than 30 days after receipt of those records from Class Counsel.

15. **THIS COURT ORDERS** that the Claims Administrator shall cause the Short-Form Notice to be published in English as a quarter-page advertisement in the following newspapers on January 4, 2019, in an area of high visibility and not within the classifieds section:

- (a) The *Globe and Mail* (national edition);
- (b) The *National Post* (national edition);
- (c) The *Regina Leader Post*;
- (d) The *Winnipeg Free Press*;
- (e) The *St. John's Telegram*;
- (f) The *Halifax Chronicle Herald*;
- (g) The *Victoria Times Colonist*;
- (h) The *Vancouver Sun*;
- (i) The *Toronto Star*;
- (j) The *Edmonton Sun*;
- (k) The *Calgary Herald*;
- (l) The *Saskatoon StarPhoenix*;
- (m) The *Montreal Gazette*;
- (n) The *Charlottetown Guardian*;

- (o) The Ottawa *Citizen*; and
- (p) The St. John *Telegraph Journal*.

16. **THIS COURT ORDERS** that the Claims Administrator shall cause the Short-Form Notice to be published in French as a quarter-page advertisement in the following newspapers on January 4, 2019, in an area of high visibility and not within the classifieds section:

- (a) Le Journal de Montréal;
- (b) La Presse; and
- (c) Le Journal de Québec City.

17. **THIS COURT ORDERS** that Class Counsel shall cause the Short-Form Notice to be sent in English and French via e-mail to all persons who contact Class Counsel prior to March 5, 2019 and indicate that they might be members of the Settlement Class.

18. **THIS COURT ORDERS** that the long form notice in English and in French shall be:

- (a) posted on the Settlement Website; and
- (b) posted on Class Counsel's website.

19. **THIS COURT ORDERS** that the costs of preparing, printing, publishing, mailing and otherwise disseminating the short-form and long-form notices shall be paid by the defendants in accordance with the applicable provisions of the Term Sheet.

20. **THIS COURT ORDERS** that the form and manner of notice as set out above and approved herein, are the best notice practicable under the circumstances, constitute sufficient notice to all persons entitled to notice, and satisfy the requirements of notice under s. 19 of the *Class Proceedings Act*.

**The Claims Administrator**

21. **THIS COURT ORDERS** that the Claims Administrator be responsible for the following: (a) disseminating Notice to the Settlement Class; (b) certifying by affidavit to the Court compliance with paragraphs 13-18 of this Order; (c) establishing a website for purposes of posting the Short-Form and Long-Form Notice in English and French, Term Sheet and related documents; (d) creating an opt-out form (the "Opt-Out Form"); (e) accepting and maintaining documents sent from Class Members, including receiving Opt-Out Forms and other documents relating to the settlement administration; (f) certifying by affidavit to the Court the number of requests to opt out by no later than March 11, 2019; and (g) all other responsibilities designated to the Claims Administrator in the Term Sheet.

**Opt-out rights**

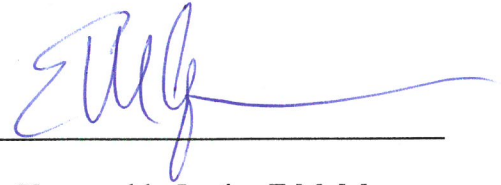
22. **THIS COURT ORDERS** that any Class Member who wishes to be excluded from the Settlement Class shall provide a completed Opt-Out Form to the Claims Administrator in hard copy or electronic copy, to be received on or before March 5, 2019, at 5 p.m. EST, which date will be inserted into the Notice to be disseminated prior to publication.

23. **THIS COURT ORDERS** that all requests to opt out shall include a complete Opt-Out Form.

24. **THIS COURT ORDERS** that any person who validly opts out of the Settlement Class shall be excluded from the Settlement Class, shall not be bound by the Settlement Agreement, shall have no rights with respect to the Settlement Agreement, and shall receive no payments as provided in the Settlement Agreement.



25. **THIS COURT ORDERS** that any Class Member that does not provide a valid completed Opt Out Form as set out in paragraphs 22 and 23 of this Order shall be automatically included in the Settlement Class.



The Honourable Justice E.M. Morgan

ENTERED AT / INSCRIT A TORONTO  
ON / BOOK NO:  
LE / DANS LE REGISTRE NO.:

NOV 15 2018

PER / PAR: 

Schedule 1

**Romeo –v- Ford**

**Settlement Term Sheet**

**November 5, 2018**

**A. DEFINED TERMS**

Alternative Benefits	"Alternative Benefits" means those benefits set out in section B.4.
Alternative Benefits Claimant	"Alternative Benefits Claimant" refers to any Class Member who has filed a claim with the Claims Administrator for Alternative Benefits as provided by this Settlement.
Alternative Benefits Limitation Period	"Alternative Benefits Limitation Period" means six (6) years after delivery of the Class Vehicle to the first retail purchaser, or 180 days after the Claims Administration Commencement Date, whichever is later.
Arbitrator	"Arbitrator" means the bi-lingual arbitrator or arbitrators agreed upon by Class Counsel and Ford's Counsel to resolve appeals by Class Members of a decision made by the Claims Administrator as set out in Section G.
Claims Administration Commencement Date	"Claims Administration Commencement Date" means the day that Class Members can begin to submit claims to the Claims Administrator as provided by this Settlement.
Class Counsel	"Class Counsel" means Charney Lawyers.
Class Member	"Class Member" means a member of the Settlement Class.
Class Vehicles	"Class Vehicles" means all 2011-2016 model year Ford Fiesta and 2012-2016 model year Ford Focus vehicles that were (1) originally sold or leased in Canada and (2) equipped with a PowerShift Transmission.
Ford	"Ford" means Ford Motor Company and Ford of Canada.
Ford Dealer	"Ford Dealer" means an independent franchised dealer of Ford of Canada who has entered into a Dealer Sales and Service Agreement with Ford of Canada and who is authorized by Ford of Canada to sell and service Ford vehicles in Canada.
Ford of Canada	"Ford of Canada" means Ford Motor Company of Canada, Limited.
Lease Payments	"Lease Payments" means lease payments (inclusive of taxes) paid by the Class Member with respect to a Class Vehicle to the lessor of the Class Vehicle pursuant to a lease agreement (and including any downpayment made by the Class Member at the time of entering into the lease and the value of any trade in at the time of entering into the lease).

Owner Appreciation Certificate or OAC	"Owner Appreciation Certificate" or "OAC" means a non-transferable discount certificate issued by Ford of Canada that may be applied towards the purchase of a new Ford or Lincoln vehicle, each of which has an expiry date of 12 months from the date of issuance.
PowerShift Transmission or DPS6 Transmission	"PowerShift Transmission" or "DPS6 Transmission" means the DPS6 PowerShift Dual-Clutch Transmission that Ford provided as an option for the Class Vehicles.
Program 14M01	"Program 14M01" means Ford's Customer Satisfaction Program that provided additional limited warranty coverage on the DPS6 Transmission input shaft seals, clutch and transmission software calibration to seven (7) years of service or 160,000 kilometres from the Warranty Start Date of the vehicle, whichever occurs first, and provided a refund for owners who paid out-of-pocket expenses for fixes on the above DPS6 Transmission parts.
Purchase Price (for the purpose of the Alternative Benefits Determination for owners)	<p>"Purchase Price" means the total vehicle price set out in the agreement for purchase for a Class Vehicle (including the value of a trade in; applicable taxes; all finance charges specific to the cost of purchasing the vehicle (as described below); and (if applicable) OMVIC fee, freight fee, Federal Air Conditioning Tax, Quebec environmental levy, administration fees, dealer preparation fees and other fees payable at the time of purchase. Purchase price does not include the costs of any modifications or additions after the vehicle's purchase or the costs of any Ford Extended Service Plan or non-Ford service plan.</p> <p>If a Class Vehicle was financed by a Class Member, Purchase Price includes the pre-arranged interest and finance charges paid by the Class Member, capped at a maximum of \$1,000 for Fiesta Class Vehicles and \$1,200 for Focus Class Vehicles, but not any charges imposed by the finance source due to failure to make lease payments when due.</p> <p>If a Class Vehicle was purchased by a Class Member pursuant to the right to do so under a lease agreement, Purchase Price shall include Lease Payments made by the Class Member with respect to that Class Vehicle.</p>
Recall Program	"Recall Program" means a program initiated by Ford under which Ford offers to repair or replace, at no cost to vehicle owners, vehicle components in all vehicles covered by the Program without regard to whether the vehicle has experienced a failure or malfunction. "Recall Program" does not include programs in which Ford extends the duration of vehicle warranties.
Released Claims	"Released Claims" means any and all claims, demands, actions, causes of action, and suits based in whole or in part on alleged defects in the PowerShift Transmission, including breach of express and implied warranty, negligence, consumer protection legislation, Quebec Civil

	Code claims, unjust enrichment, waiver of tort, excluding personal injury and wrongful death claims, and excluding claims for damage to property other than Class Vehicles. "Released Claims" also includes all other claims, demands, actions, causes of action of any nature whatsoever, including, but not limited to, any claims for violation of federal, provincial, territorial, or other law (whether in contract, tort, or otherwise, including statutory and injunctive relief, common law, property, warranty, and equitable claims), and also including Unknown Claims that could be asserted by Class Members against the Released Parties in the Litigation, or in any other complaint, action, or litigation in any other court or forum, based upon an alleged defect of the PowerShift Transmission or any parts thereof, excluding personal injury and wrongful death claims and damages to property other than Class Vehicles.										
Released Parties	"Released Parties" means Ford Motor Company and Ford of Canada, all dealers authorized by Ford Motor Company and Ford of Canada to sell, lease, and/or service Ford vehicles located in Canada.										
Residual Value (for the purpose of the Alternative Benefits Determination for Owners)	"Residual Value" for a Class Vehicles will be the Canadian Black Book (CBB) 'trade-in rough' value for that Class Vehicle at the Claims Administration Commencement Date except for those vehicles which would be classified as CBB trade in 'beyond rough' or 'equivalent rough with mileage adjustment' at the Claims Administration Commencement Date. For these vehicles, the residual value would equate to trade in 'beyond rough' or equivalent rough with mileage adjustment. .										
Settlement Class	"Settlement Class" means all entities and natural persons in Canada who currently own or lease, or who in the past owned or leased, a Class Vehicle. Excluded from the Settlement Class are: (1) Ford's employees, officers, directors, agents, and representatives, and their family members; (2) presiding judges and Class Counsel; (3) persons who have sued Ford Motor Company or Ford of Canada in a court or who commenced a proceeding under CAMVAP in relation to the Powershift Transmission or the DPS6 Transmission in a Class Vehicle and (4) all those otherwise in the Settlement Class that properly opt out of the Settlement Class.										
Software Flash	<p>"Software Flash" includes software flashes, software reflashes, software updates, software resets and software calibrations made by a Ford Dealer to the PowerShift Transmission in a Class Vehicle within seven (7) years or 160,000 kilometres of the Warranty Start Date, whichever occurs first, that was not performed as part of a Recall Program. The Software Flash must be evidenced by a receipt or invoice from a Ford dealer showing that procedures with one or more of the following labour codes were performed on the Class Vehicle:</p> <table border="1"> <tr> <td>110333A</td> <td>131102A</td> <td>150090M</td> <td>160109C</td> <td>14Mo1DD</td> </tr> <tr> <td>110405A</td> <td>131104A</td> <td>150090N</td> <td>160109D</td> <td>14M01E</td> </tr> </table>	110333A	131102A	150090M	160109C	14Mo1DD	110405A	131104A	150090N	160109D	14M01E
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110405A	131104A	150090N	160109D	14M01E							



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Transmission Diagnostic Test	<p>“Transmission Diagnostic Test” means the diagnostic tests set out in Ford Technical Service Bulletins with respect to the DPS6 Transmission to diagnose (i) fluid leaks contaminating the clutches, (ii) excessive rpm fluctuations on each clutch and (iii) Transmission Control Module error codes.</p>																																																							
Transmission Diagnostic Test Form	<p>“Transmission Diagnostic Test Form” means the form in an agreed upon format to be used by a Ford Dealer to document the results of a Transmission Diagnostic Test.</p>																																																							
Transmission Hardware Replacement	<p>“Transmission Hardware Replacement” means a replacement performed by a Ford Dealer of any of the following parts of the PowerShift Transmission: (1) 7B546 Disc Asy-Clutch; (2) 7Z369 Control Mod Trans (TCM); (3) 7052 Oil Seal-Trans Rear; (4) 7000 Transmission Asy-Aut; (5) 7C604 Motor-Frt Clutch; (6) 7A508 Rod-CI/Slave Cyl Pus; (7) 6K301 Seal/RetC/Shft Oil; (8) 7060 Shaft/Bshg Asy-Out; (9) 7048 Seal-Input Shaft Oil; and/or (10) 7515 Lever Asy-Clutch Rel and not performed as part of any Recall Program.</p>																																																							
Unknown Claims	<p>“Unknown Claims” means any and all Released Claims that any Class Member does not know to exist against any of the Released Parties and that, if known, might have affected his or her decision to enter into or to be bound by the terms of this Settlement. The Plaintiffs and Class Members acknowledge that they may hereafter discover facts in addition to or different from those that they know or believe to be true concerning the subject matter of this release, but nevertheless fully, finally, and forever settle and release any and all Released claims, known or unknown, suspected or unsuspected, contingent or non-contingent, that may exist now, which may have already existed, or which may hereafter exist, based upon the alleged defect in the PowerShift Transmission in the Class Vehicles, without regard to subsequent</p>																																																							

	discovery or existence of such different or additional facts concerning each of the Released Parties.
Warranty Start Date	"Warranty Start Date" means the original retail delivery date or date of first use of the vehicle, whichever occurs first.

**B. SETTLEMENT BENEFITS**

**1. Cash Payments for Three or More Software Flashes**

Class Members who are not eligible for Cash Payments or Owner Appreciation Certificates for Three or More Transmission Hardware Replacements under paragraph B.2 below and whose Class Vehicle has received three (3) or more Software Flashes while that Class Member owned or leased the Class Vehicle is eligible to receive a cash payment of \$65 CAD for the third and subsequent Software Flash up to a maximum total payment of \$780 CAD.

**2. Cash Payments or Owner Appreciation Certificates for Three or More Transmission Hardware Replacements within Seven (7) Years or 160,000km of the Warranty Start Date**

A Class Member whose Class Vehicle has received three (3) or more Transmission Hardware Replacements within seven (7) years or 160,000km of the Warranty Start Date, whichever occurs first, while that Class Member owned or leased the Class Vehicle is eligible to receive, at the Class Member's option, either (1) a cash payment from Ford, or (2) an Owner Appreciation Certificate (OAC), according to the following schedule, where cash payments to individual Class Members are capped at a total of \$2,935 CAD and OAC values are capped at a total of \$5,870 CAD:

Number of Transmission Hardware Replacement	Cash Payment (Canadian Dollars)	Owner Appreciation Certificate Value
For the 3 <sup>rd</sup> replacement	\$252	\$504
For the 4 <sup>th</sup> replacement	\$347	\$694
For the 5 <sup>th</sup> replacement	\$441	\$882
For the 6 <sup>th</sup> replacement	\$536	\$1,072
For the 7 <sup>th</sup> replacement	\$631	\$1,262
For the 8 <sup>th</sup> replacement	\$725	\$1,450

Class Members shall not be entitled to cash payments or OACs for ninth (9<sup>th</sup>) or subsequent Transmission Hardware Replacements.

**3. Clutch Replacement and Extended Warranty for Class Vehicles Manufactured After June 5, 2013**

For Class Vehicles manufactured after June 5, 2013, which are not covered by Program 14M01, if (1) the clutch has been replaced by a Ford Dealer twice within the Class Vehicle's five (5) year / 100,000 kilometre powertrain warranty and (2) outside of the Class Vehicle's five (5) year / 100,000 kilometre powertrain warranty, a Ford Dealer performs the appropriate Ford-approved diagnostic procedures and determines, based on these procedures, that a third clutch replacement is required, the Class Member may claim reimbursement for the third clutch replacement provided that all three clutch replacements were

performed: (a) by a Ford Dealer; (b) while the Class Vehicle is owned by the Class Member; and (c) within seven (7) years or 160,000 kilometres of the Warranty Start Date, whichever occurs first.

#### **4. Alternative Benefits**

##### **a. Alternative Benefits Eligibility:**

Subject always to the limitation period for making claims for Alternative Benefits set out at below, a Class Member that currently owns or leases a Class Vehicle and that meets any of the four eligibility criteria set out in this paragraph B.4 may elect to apply for Alternative Benefits in lieu of either of the benefits set out at paragraphs B.1 and B.2.

The four criteria for eligibility for Alternative Benefits are as follows:

**Alternative Benefits Eligibility Criteria 1:** A Class Member who currently owns or leases a Class Vehicle is entitled to Alternative Benefits if:

- (1) the Class Member has had two or three Transmission Hardware Replacements while he or she owned or leased the Class Vehicle within five (5) years or 100,000 kilometres of the Warranty Start Date, whichever occurs first; and
- (2) the Class Member submits a claim to the Claims Administrator for Alternative Benefits within seven (7) years or 160,000 kilometres of the Warranty Start Date, whichever occurs first; and
- (3) a Transmission Diagnostic Test is performed on the Class Vehicle after the Class Member submits a claim and the Class Vehicle fails the Transmission Diagnostic Test; and
- (4) Ford has been given a further opportunity to have a Ford Dealer repair the Class Vehicle following the submission of the claim for Alternative Benefits and the failed Transmission Diagnostic Test (a "Subsequent Repair"), at no charge to the Class Member; and
- (5) following the Subsequent Repair, the Class Vehicle again fails the Transmission Diagnostic Test (the "Subsequent Repair Failed Test").

**("Alternative Benefits Eligibility Criteria 1")**

OR

**Alternative Benefits Eligibility Criteria 2:** A Class Member who currently owns or leases a Class Vehicle is entitled to Alternative Benefits if:

- (1) the Class Member has had two or three Transmission Hardware Replacements while he or she owned or leased the Class Vehicle within five (5) years or 100,000 kilometres of the Warranty Start Date, whichever occurs first; and
- (2) the Class Member submits a claim to the Claims Administrator for Alternative Benefits within 180 days of the Claims Administration Commencement Date but after seven (7) years or 160,000 kilometres of the Warranty Start Date, whichever occurs first; and

- (3) after the Class Member submits a claim, the Class Member elects to pay a Ford Dealer to perform a Transmission Diagnostic Test on the Class Vehicle and the Class Vehicle fails the Transmission Diagnostic Test; and
- (4) Ford has been given a further opportunity to have a Ford Dealer repair the Class Vehicle following the submission of the claim for Alternative Benefits and the failed Transmission Diagnostic Test (a "Subsequent Repair"), the cost of which shall be borne by the Class Member; and
- (5) following the Subsequent Repair, the Class Member elects to pay a Ford Dealer to perform a Transmission Diagnostic Test on the Class Vehicle and the Class Vehicle again fails the Transmission Diagnostic Test (the "Subsequent Repair Failed Test");

**Note:** if the Class Vehicle again fails the Transmission Diagnostic Test following the Subsequent Repair, then Ford will reimburse all payments made by the Class Member for the two Transmission Diagnostic Tests and the Subsequent Repair.

**Note:** if the Class Vehicle passes the Transmission Diagnostic Test, then the Class Member is not eligible for Alternative Benefits and Ford is not obliged to reimburse the Class Member for any payments the Class Member made for the two Transmission Diagnostic Tests or the Subsequent Repair.

**("Alternative Benefits Eligibility Criteria 2")**

OR

**Alternative Benefits Eligibility Criteria 3:** A Class Member who currently owns or leases a 2011 or 2012 model year Class Vehicle is entitled to Alternative Benefits if:

- (1) the Class Member has had three or more Transmission Hardware Replacements while he or she owned and/or leased the Class Vehicle within seven (7) years or 100,000 kilometres of the Warranty Start Date, whichever occurs first; and
- (2) the Class Member submits a claim to the Claims Administrator for Alternative Benefits within seven (7) years or 160,000 kilometres of the Warranty Start Date, whichever occurs first; and
- (3) a Transmission Diagnostic Test is performed on the Class Vehicle after the Class Member submits a claim and the Class Vehicle fails the Transmission Diagnostic Test; and
- (4) Ford has been given a further opportunity to have a Ford Dealer repair the Class Vehicle following the submission of the claim for Alternative Benefits and the failed Transmission Diagnostic Test (a "Subsequent Repair"), at no charge to the Class Member; and
- (5) following the Subsequent Repair, the Class Vehicle again fails the Transmission Diagnostic Test (the "Subsequent Repair Failed Test").

**Note:** if the Class Member has had the third Transmission Hardware Replacement within seven (7) years or 100,000 kilometres of the Warranty Start Date, but after the expiry of the limitation period (being within six (6) years of the Warranty Start Date, or 180 days after the Claims Administration



Commencement Date), then the Class Member remains eligible for Alternative Benefits under Alternative Benefits Eligibility Criteria 3 if all the other criteria are met.

**("Alternative Benefits Eligibility Criteria 3")**

OR

**Alternative Benefits Eligibility Criteria 4: A Class Member who currently owns or leases a 2011 or 2012 model year Class Vehicle is entitled to Alternative Benefits if:**

- (1) the Class Member has had three or more Transmission Hardware Replacements while he or she owned and/or leased the Class Vehicle within seven (7) years or 100,000 kilometres of the Warranty Start Date, whichever occurs first; and
- (2) the Class Member submits a claim to the Claims Administrator for Alternative Benefits within 180 days of the Claims Administration Commencement Date but after seven (7) years or 160,000 kilometres of the Warranty Start Date, whichever occurs first ; and
- (3) after the Class Member submits a claim, the Class Member elects to pay a Ford Dealer to perform a Transmission Diagnostic Test on the Class Vehicle and the Class Vehicle fails the Transmission Diagnostic Test; and
- (4) Ford has been given a further opportunity to have a Ford Dealer repair the Class Vehicle following the submission of the claim for Alternative Benefits and the failed Transmission Diagnostic Test (a "Subsequent Repair"), the cost of which shall be borne by the Class Member; and
- (5) following the Subsequent Repair, the Class Member elects to pay a Ford Dealer to perform a Transmission Diagnostic Test on the Class Vehicle and the Class Vehicle again fails the Transmission Diagnostic Test (the "Subsequent Repair Failed Test").

**Note:** if the Class Vehicle again fails the Transmission Diagnostic Test following the Subsequent Repair, then Ford will reimburse all payments made by the Class Member for the two Transmission Diagnostic Tests and the Subsequent Repair.

**Note:** if the Class Vehicle passes the Transmission Diagnostic Test, then the Class Member is not eligible for Alternative Benefits and Ford is not obliged to reimburse the Class Member for any payments the Class Member made for the two Transmission Diagnostic Tests or the Subsequent Repair.

**Note:** if the Class Member has had the third Transmission Hardware Replacement within seven (7) years or 100,000 kilometres of the Warranty Start Date, but after the expiry of the limitation period (being within six (6) years of the Warranty Start Date, or 180 days after the Claims Administration Commencement Date), then the Class Member remains eligible for Alternative Benefits under Alternative Benefits Eligibility Criteria 4 if all the other criteria are met.

**("Alternative Benefits Eligibility Criteria 4")**

OR

**Alternative Benefits Eligibility Criteria 5:** A Class Member who currently owns or leases a Class Vehicle is entitled to Alternative Benefits if:

- (1) the Class Member has had four or more Transmission Hardware Replacements while he or she owned or leased the Class Vehicle within five (5) years or 100,000 kilometres of the Warranty Start Date, whichever occurs first; and
- (2) the Class Member submits a claim to the Claims Administrator for Alternative Benefits within six (6) years after the Warranty Start Date, or 180 days after the Claims Administration Commencement Date, whichever is later; and
- (3) the Class Vehicle has failed the Transmission Diagnostic Test at the time that the claim is made.

**("Alternative Benefits Eligibility Criteria 5")**

**b. Alternative Benefits Limitation Period:**

A Class Member shall be eligible to make a claim for Alternative Benefits only if the claim for Alternative Benefits is made to the Claims Administrator within six (6) years of the Warranty Start Date, or 180 days after the Claims Administration Commencement Date, whichever is later.

For clarity, a Class Member who owns or leases a Class Vehicle that is older than five (5) years at the Claims Administration Commencement Date (seven (7) years in the case of Alternative Benefits Eligibility Criteria 3 and 4) or which has an odometer reading of greater than 100,000 kilometres shall not be precluded from making a claim for Alternative Benefits if the Class Member has met either Alternative Benefits Eligibility Criteria 1 or Alternative Benefits Eligibility Criteria 2 or Alternative Benefits Eligibility Criteria 3 or Alternative Benefits Eligibility Criteria 4 or Alternative Benefits Eligibility Criteria 5, so long as the claim is made within the Alternative Benefits Limitation Period.

**c. Alternative Benefits Determination:**

- (1) If the eligible Alternative Benefits Claimant entitled to Alternative Benefits is a current and original owner of the Class Vehicle, then Ford of Canada will, subject to Ford's right to make an offer to repurchase the Class Vehicle from the Class Member, make an **Alternative Cash Payment (Original Owner)** to the eligible Alternative Benefits Claimant based on the following formula:

**Alternative Cash Payment (Original Owner) = Purchase Price - ((mileage (in km) on the vehicle's odometer at the time of the Subsequent Repair Failed Test /193,000) x Purchase Price) - Residual Value of vehicle.**

- (2) If the eligible Alternative Benefits Claimant entitled to Alternative Benefits is a current but not the original owner of the Class Vehicle, then Ford of Canada will, subject to Ford's right to make an offer to repurchase the Class Vehicle from the Class Member, make an **Alternative Cash Payment (Subsequent Owner)** to the eligible Alternative Benefits Claimant based on the following formula:

**Alternative Cash Payment (Subsequent Owner) = Purchase Price – ((mileage (in km) on the vehicle's odometer from the date of the Subsequent Owner's Purchase of the Class Vehicle to the time of the Subsequent Repair Failed Test /193,000) x Purchase Price) – Residual Value of vehicle.**

Note: In all cases Ford may, in its sole discretion, elect to offer to repurchase the Class Vehicle from an eligible Alternative Benefits Claimant on terms set by Ford. The Class Member may then elect to either accept such offer or demand the Alternative Cash Payment (Owner) or Alternative Cash Payment (Subsequent Owner), as the case may be. In the event that the Alternative Benefits Claimant accepts Ford's offer to repurchase the Class Vehicle, the gross amount (i.e. the amount before deducting the amount payable to Class Counsel and the Law Foundation) of the Alternative Cash Payment (Owner) or Alternative Cash Payment (Subsequent Owner) as the case may be will constitute a part of the repurchase price and Ford will make a direct payment to the eligible Alternative Benefits Claimant outside the claims administration process to make up the balance of the agreed to repurchase price. On payment of the repurchase price, the eligible Alternative Benefits Claimant will deliver up his or her Class Vehicle to Ford. The Alternative Benefits Claimant shall not be entitled to any other relief or benefits.

- (3) If the eligible Alternative Benefits Claimant entitled to Alternative Benefits is a current lessee of the Class Vehicle, then Ford of Canada will repurchase the Class Vehicle from the lessor, pay off the amount to the lessor in accordance with the lease agreement and make an Alternative Cash Payment (Lessee) to the eligible Alternative Benefits Claimant based on the following formula:

**Alternative Cash Payment (Lessee) = Lease Payments – ((mileage (in km) on the vehicle's odometer at the time of the Subsequent Repair Failed Test /193,000) x Lease Payments).**

**d. Alternative Benefits are Reduced by Cash Payments or Owner Appreciation Certificates**

Any amount payable by Ford of Canada by way of Alternative Benefit shall be reduced by any cash payments made to the Alternative Benefits Claimant pursuant to Section B.1 or B.2 above or by the value of any used OACs issued pursuant to Section B.1 or B.2 above.

Any amount payable by Ford of Canada by way of Alternative Benefit shall also be reduced by the value of any unused OACs issued pursuant to Section B.1 or B.2 above, unless the Certificate(s) are voided by the Claims Administrator.

**e. Transmission Diagnostic Test**

If an Alternative Benefits Claimant agrees to have a Transmission Diagnostic Test performed on his or her Class Vehicle in order to be eligible for the Alternative Benefits pursuant to either Alternative Benefits Eligibility Criteria 1, 2, 3, 4 or 5 then the Transmission Diagnostic Test shall be performed by a Ford Dealer with the Class Member having the option of choosing which Ford Dealer will perform the Transmission Diagnostic Test.

The Alternative Benefits Claimant shall notify the Claims Administrator of the Ford Dealer where the Alternative Benefits Claimant chooses to have the Transmission Diagnostic Test performed. The Claims Administrator will provide a Transmission Diagnostic Test Form to the Alternative Benefits Claimant, which will stipulate which Ford Dealer will perform the Transmission Diagnostic Test. The Ford Dealer will complete the Transmission Diagnostic Test Form.

Scheduling of the Transmission Diagnostic Test shall be agreed between the Alternative Benefits Claimant and the Ford Dealer they choose to perform the Transmission Diagnostic Test. Ford shall not be responsible for scheduling the Transmission Diagnostic Test.

If the Transmission Diagnostic Test does not identify any fluid contamination of either clutch, does not measure the rpm fluctuations on either clutch in excess of 250 rpm, or does not identify any Transmission Control Module error codes, the Class Vehicle shall have passed the Transmission Diagnostic Test. If the Transmission Diagnostic Test identifies any fluid contamination of a clutch, rpm fluctuations on either clutch in excess of 250 rpm, or Transmission Control Module error codes, the Class Vehicle shall have failed the Transmission Diagnostic Test.

The Ford Dealer who performs the Transmission Diagnostic Test shall provide a copy of the Transmission Diagnostic Test Form to the Alternative Benefits Claimant, to Ford and to the Claims Administrator. The Claims Administrator shall determine whether the Class Vehicle has passed or failed the Transmission Diagnostic Test. The Ford Dealer shall certify that the Transmission Diagnostic Test was properly performed according to Ford's Technical Service Bulletins and shall provide the Claims Administrator with verification of the results of the Transmission Diagnostic Test (e.g. photographic evidence of fluid contamination, print-out of the rpm fluctuations as measured by the Ford-approved diagnostic equipment and/or print-out of the Transmission Control Module error codes as measured by the Ford-approved diagnostic equipment).

If the Class Vehicle passes the Transmission Diagnostic Test but the Alternative Benefits Claimant is still experiencing an issue with his or her Class Vehicle, then the Alternative Benefits Claimant may elect to have a second Ford Dealership perform the Transmission Diagnostic Test on the Class Vehicle (the "Second Opinion Test"). The Alternative Benefits Claimant must follow the same procedure as he or she had with respect to the first Transmission Diagnostic Test of notifying the Claims Administrator and receiving the Transmission Diagnostic Test Form.

If the Class Vehicle is within seven (7) years or 160,000km of the Warranty Start Date (whichever occurs first), Ford shall pay for the Transmission Diagnostic Test. If the Class Vehicle is outside seven (7) years or 160,000km of the Warranty Start Date (whichever occurs first), the Alternative Benefits Claimant shall pay for the Transmission Diagnostic Test.

#### **F. How the Subsequent Repair will work**

If a Class Vehicle fails a Transmission Diagnostic Test and Ford elects to perform a Subsequent Repair, then the Alternative Benefits Claimant will notify the Claims Administrator of the Ford Dealership that the Alternative Benefits Claimant chooses to perform the Subsequent Repair. The Alternative Benefits Claimant must book an appointment and make the Class Vehicle available to the Ford Dealership to have the Subsequent Repair performed by the Ford Dealership.

Following the Subsequent Repair, the Alternative Benefits Claimant will have 1 year from the date the Class Vehicle was returned by the Ford Dealership to the Alternative Benefits Claimant following the Subsequent Repair to notify the Claims Administrator that the transmission is continuing to malfunction. At the same time of notifying the Claims Administrator that the transmission is continuing to malfunction, the Alternative Benefits Claimant must notify the Claims Administrator of which Ford Dealership the



Alternative Benefits Claimant chooses to perform the Transmission Diagnostic Test to confirm if the transmission continues to malfunction following the Subsequent Repair.

The Alternative Benefits Claimant may only inform the Claims Administrator on one (1) occasion within the one year following the Subsequent Repair that the transmission is continuing to malfunction.

Ford shall deliver the necessary service parts to the applicable Ford Dealer within 30 days of the Ford Dealer ordering such service parts, provided such Ford Dealer has not exceeded its weekly order quantity limit. Ford shall not be responsible for scheduling the service appointment between the Ford Dealer and the Alternative Benefits Claimant. Ford shall not be in breach of its obligation to deliver necessary service parts if parts are not available due to a lack of available parts from its suppliers, union actions or failures by Ford's logistics suppliers to meet agreed upon service levels.

**C. FORD OPTION TO WITHDRAW**

Ford shall have the option to withdraw from this Settlement Agreement, and to render it null and void, if Class Members collectively owning or leasing 7,500 or more Class Vehicles exclude themselves from the Settlement.

**D. FORD'S CONTRIBUTION TO CLASS COUNSEL FEES AND DISBURSEMENTS**

Ford of Canada will pay:

- a. \$2,000,000 plus HST of \$260,000 as its contribution to class counsel fees; and
- b. reasonable class counsel disbursements.

In addition, Ford of Canada will make a \$1,000,000 recoverable advance payment to Class Counsel, which may be recovered by Ford as set out below.

In addition to Ford of Canada's contribution to class counsel fees, Class Counsel will seek in its fee approval materials a flat fee of 10% of the benefits payable to Class Members from the Claims Administration process to be paid out of the benefits payable to Class Members. This is inclusive of HST.

Class Counsel will agree to seek no more than 10% of the benefits payable to Class Members from the Claims Administration process.

The Notice to the Class of the proposed settlement will state that up to 10% of Class benefits from the Claims Administration process will be paid to Class Counsel subject to court approval at the settlement approval hearing, that 10% of Class benefits will be payable to the Law Foundation and that, accordingly, Class Members may recover only 80% of the Class benefits.

Ford of Canada will retain up to the first \$1,000,000 of counsel fees generated in the claims administration process to offset the advance payment of \$1,000,000 (i.e. \$1 million on the first \$10 million in approved claims). If less than \$1,000,000 is recovered in counsel fees from the claims administration process (i.e. if less than \$10,000,000 is recovered by the class in the claims administration program), then the balance of Ford's advance would be non-refundable.

The percentage of Class benefits payable as fees to Class Counsel (and reimbursed to Ford of Canada) and the percentage of Class benefits payable to the Law Foundation will be held back by the Claims Administrator from all payments to Class Members for distribution to Ford of Canada, Class Counsel and

the Law Foundation pursuant to the terms above. The Claims Administrator will report on the holdback quarterly and distribute the holdback quarterly.

In the event Ford makes an offer to repurchase the Class Vehicle from an eligible Alternative Benefits Claimant in accordance with sections 4.C.1 and 2 above and the offer is accepted by the eligible Alternative Benefits Claimant, the Claims Administrator will hold back 20% from the portion of the repurchase price that is paid to the eligible Alternative Benefits Claimant by the Claims Administrator to reflect the amount owing to Class Counsel and the Law Foundation . This way, the hold back will be on the Alternative Cash Payment portion of the repurchase price only. There will be no withholding on the additional payment to be made by Ford directly to the eligible Alternative Benefits Claimant to effect the repurchase.

**E. ROLE OF THE CLAIMS ADMINISTRATOR**

The Claims administrator will receive claims, provide forms, determine eligibility, issue payment (by way of cheque) for Ford of Canada.

**F. SUBMISSION OF DOCUMENTATION IN SUPPORT OF CLAIMS**

This will be addressed in the drafting of the notices. The intention is that the notices are in simple, plain English and French.

**G. ARBITRATOR FOR APPEALS OF DECISIONS MADE BY THE CLAIMS ADMINISTRATOR**

If a Class Member disputes either the Claims Administrator's rejection of his or her claim or the amount to be reimbursed pursuant to a claim, the Class Member (or Class Counsel if acting on behalf of the Settlement Class Member) may appeal the Claims Administrator's decision by submitting to Claims Administrator the claim, the Claims Administrator's decision on the claim, and an explanation, in writing, of the Claims Administrator's alleged error within one month of the postmark date on the envelope in which the Claims Administrator mailed its decision to the Class Member.

Appeals will be subject to an arbitration procedure suitable for a consumer redress matter involving less than \$5,000. Appeals received by the Claims Administrator shall be transmitted by the Claims Administrator to an arbitrator to be agreed on by Ford and Class Counsel to receive such appeals, which shall make a final, binding determination of the appeal following its receipt of Ford's response to the appeal.

The Arbitrator shall be selected by agreement of Ford and Class Counsel, and in the absence of such agreement, shall be appointed by the Courts. The Arbitrator may award costs of any Appeal to the successful party in the Appeal including, should Ford of Canada be successful on the Appeal, a reimbursement to Ford of Canada by the Class Member of the Arbitrator's fees and reasonable disbursements paid by Ford of Canada.

The Arbitrators must be available in both official languages.

**H. HONORARIUM FOR REPRESENTATIVE PLAINTIFFS**

The plaintiffs and Ford agree to apply to the court for an honorarium of \$5,000 to be awarded to each of the representative plaintiffs except Rebecca Romeo, for whom the plaintiffs and Ford will apply to the court for an honorarium of \$7,500.

**I. NOTICE PROGRAM**

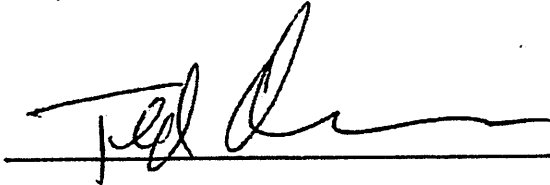
Ford Canada will fund the cost of the notice program, including costs of translating the notice into French and the costs of publishing the notice in French with major Quebec media.

Agreed to this 5<sup>th</sup> day of November 2018



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Hugh DesBrisay  
DMG Advocates LLP  
Lawyers for Ford Motor Company and Ford Motor Company of Canada, Limited



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Theodore P. Charney  
Charney Lawyers  
Class Counsel

**NOTICE OF CLASS ACTION  
AND PROPOSED SETTLEMENT**

**If you purchased/leased a Ford Focus (2012-2016 models) or Ford Fiesta (2011-2016 models) equipped with a PowerShift dual-clutch automatic transmission, this Notice provides information of a proposed class action settlement that could affect your legal rights.**

**WHAT IS THIS NOTICE ABOUT?**

This Notice concerns the proposed settlement of a class action lawsuit against Ford Motor Company and Ford Motor Company of Canada, Limited (the "Settlement"). The lawsuit alleges that certain Ford Focus and Fiesta vehicles are equipped with a defective PowerShift Dual-Clutch Automatic (DPS6) Transmission ("PowerShift Transmission") that may slip, buck, kick, or jerk, and result in sudden or delayed vehicle acceleration. Ford Motor Company and Ford Motor Company of Canada, Limited (collectively, "Ford") deny that they have violated any laws, deny that they have engaged in any wrongdoing, and deny that there is any safety hazard or defect. The parties agreed to resolve these issues before they were decided by the Court. If you are a current or former owner/lessee of a 2012-2016 Ford Focus or a 2011-2016 Ford Fiesta with a PowerShift Transmission (the "Class Vehicles"), you must take action to protect your rights or to obtain benefits within the time limits provided by the Settlement and the Orders of the Court. For more important information regarding the Settlement, including how to protect your rights and claim your benefits, go to [www.\[INSERT\].com](http://www.[INSERT].com) or call [INSERT].

**WHAT BENEFITS DOES THE SETTLEMENT PROVIDE?**

- If an authorized Ford dealer performed three or more transmission software flashes on your Class Vehicle, you may be entitled to cash payments ranging from \$65 to \$780, depending on the number of service visits.
- If an authorized Ford dealer replaced three or more qualifying hardware parts in your PowerShift Transmission while you owned the Class Vehicle, you may be entitled to cash payments ranging from \$252 to \$2,932 or Vehicle Discount Certificates ranging in value from \$504 to \$5,864, depending on the number of service visits.
- If your Class Vehicle was manufactured after June 5, 2013, and two or more clutch replacements were performed on your Class Vehicle under warranty, and you had to pay for a clutch replacement after warranty, you may qualify for reimbursement.
- Alternatively, you may be entitled to "Alternative Benefits", which are designed to compensate Class Members with ongoing clutch malfunctions by refunding the entire cost of purchasing or leasing the Class Vehicle, less a reduction for the usage of the Class Vehicle and the residual value of the Class Vehicle at the time the claim is submitted, with Class Members keeping the vehicle or being offered a repurchase by Ford.

**WHAT ARE MY OPTIONS?**

- If you are a current or former owner/lessee of a Class Vehicle and do nothing, you will be part of the Settlement class and may claim benefits if the Settlement is approved by the Court. However, going forward, you will not be able to sue Ford with respect to any issues relating to the PowerShift Transmission in your vehicle.
- If you are a current or former owner/lessee of a Class Vehicle and do not want to be part of the Settlement class, you can opt out by excluding yourself in writing by March 5, 2019, in accordance with the terms of Settlement. If you opt out and exclude yourself from the Settlement class, you will be able to sue Ford with respect to issues relating to the PowerShift Transmission, but you will not get any benefits provided by the Settlement.

A Class Member who wishes to opt out of the class action must indicate their intention to opt out by completing an Opt Out Form and delivering it to: [INSERT]  
The Opt Out Form is available at [WEBSITE] or a copy can be obtained by contacting [INSERT] as listed above. The deadline for Class Members to opt out of the class action is March 5, 2019 at 5 p.m. EST. If the completed Opt Out Form is not received by March 5, 2019 at 5 p.m. EST, the Class Member shall remain a member of the Class.

- If you do not exclude yourself, you can object to all or part of the Settlement by March 5, 2019 in accordance with the terms of the Settlement.
- If you have pending individual litigation or a CAMVAP proceeding against Ford alleging problems with the PowerShift Transmission in Class Vehicles, you are not a part of this Settlement. You have the right to opt-in to the Settlement by March 5, 2019. Please consult your lawyer before you take action.

### **WHEN WILL I GET MY BENEFITS?**

No benefits will be available, and no claims will be accepted, unless and until the Court approves the Settlement. The Ontario Superior Court of Justice will hold a settlement approval hearing on March 18, 2019 at 10:00 AM at the courthouse at Osgoode Hall, 130 Queen Street West, Toronto, Ontario, to consider whether the proposed Settlement is fair, reasonable and in the best interests of the Class. Please check the website for additional information. You are not required to appear at the settlement approval hearing, but you may. If you choose to appear, you may hire a lawyer to appear for you, at your expense. If and when the Settlement is approved, if you have not timely excluded yourself from it, you will need to submit the appropriate claim forms and supporting documents to the Claims Administrator to claim your benefits. You may do so through [INSERT WEBSITE]. If the Settlement is challenged on appeal, claims can be submitted, but benefits will not be available until the appeal is resolved. The Long Form Class Notice and details regarding Settlement benefits and the options available to you are available online at the Settlement website, [INSERT WEBSITE], or by phone at [INSERT]. Please review these details carefully and consider consulting a lawyer. Please check the Settlement website periodically for more information concerning the status of the Settlement, when benefits will become available, and how and when to submit claims.

To protect your rights and for information on how to obtain Settlement benefits you must go to [INSERT WEBSITE] or call [INSERT].

### **ADMINISTRATION COSTS AND LEGAL FEES**

At the settlement approval hearing, the Court will also be asked to approve a contingency fee agreement for the payment of legal fees. It is proposed that Ford will pay \$3 million in legal fees inclusive of HST plus disbursements directly to Class Counsel. Of the \$3 million, \$1 million is an advance payment repayable to Ford out of the benefits paid to Class Members. Class Counsel will seek 10% of the benefits payable to Class Members inclusive of HST. Of the 10% recovered, the first \$1 million will be returned to Ford.

The Law Foundation of Ontario is also entitled to 10% of the benefits payable to Class Members.

Class Counsel and Ford will apply to the Court for an honorarium of \$5,000 to be awarded to Joe Romeo, Diane Béland, Elyse Choiniere, Linda Goodman and Tracy Corsi and for \$7,500 to be awarded to Rebecca Romeo in recognition of the role they played as representative plaintiffs.

### **FOR FURTHER INFORMATION**

For questions regarding this notice or the proposed settlement, please contact Class Counsel as follows:

Charney Lawyers PC  
151 Bloor St. W., Suite 602  
Toronto, ON M5S 1S4  
Tel: (416) 964-7950  
Email: info@charneylawyers.com

### **INTERPRETATION**

This Notice has been approved by the Court and is a summary of some of the terms of the proposed settlement. If there is a conflict between the provisions of this Notice and the terms of the Settlement Agreement, the Settlement Agreement prevails.

THIS NOTICE HAS BEEN AUTHORIZED BY THE ONTARIO SUPERIOR COURT OF JUSTICE.

**NOTICE OF CLASS ACTION  
AND PROPOSED SETTLEMENT**

**If you purchased/leased a Ford Focus (2012-2016 models) or Ford Fiesta (2011-2016 models) equipped with a PowerShift dual-clutch automatic transmission, this Notice provides information of a proposed class action settlement that could affect your legal rights.**

Ford Motor Company and Ford Motor Company of Canada, Limited (collectively, "Ford") has agreed to a proposed Settlement ("Settlement") to a proposed class proceeding, *Romeo et al. v. Ford Motor Company et al.* relating to alleged problems with the PowerShift Dual-Clutch Automatic (DPS6) Transmission ("PowerShift Transmission") in certain Ford vehicles. By agreeing to settle, Ford does not admit any wrongdoing. The proposed Settlement will not become final unless and until it is approved by the Court following a settlement approval hearing to be held on March 18, 2019 at 10:00 AM at the courthouse at Osgoode Hall, 130 Queen Street West, Toronto, Ontario. Please check the website for additional information. You are not required to appear at the settlement approval hearing, but you may.

You are a member of a proposed Settlement Class ("Class Member") if you are a past or current owner or lessee of a 2012-2016 Ford Focus or a 2011-2016 Ford Fiesta equipped with a PowerShift Transmission ("Class Vehicle"). Owners or lessees with pending individual lawsuits or CAMVAP proceedings against Ford based on alleged problems with the PowerShift Transmission in Class Vehicles are automatically excluded from participating in the Settlement, but if they dismiss their lawsuits before final judgment, they can choose to become class members by opting in to the Settlement. Other exclusions apply, as discussed below in the "Understanding The Settlement" section.

You must decide now whether you want to be part of the proposed Settlement or whether you would like to exclude yourself by "opting-out" from the proposed Settlement and preserve your right to sue Ford individually for problems with your PowerShift Transmission. If you decide to be part of the proposed Settlement, and if the Court approves the proposed Settlement, you will be entitled to the benefits described below. However, you will give up any right you may have, now or in the future, to sue Ford based on problems with your PowerShift Transmission (except that you will retain your right to sue for personal injury or damage to property other than the Class Vehicle itself that you claim were caused by defects in the Powershift Transmission). If you decide to exclude yourself by "opting out" from the Settlement, you will not be entitled to the benefits of the Settlement, but you will retain your right to sue Ford individually for problems you have with your PowerShift Transmission. Please read this Notice carefully before you make your decision. If you have any questions, please contact Class Counsel identified below or visit [INSERT WEBSITE].

**SUMMARY OF SETTLEMENT BENEFITS**

## 1. Cash Payments or Vehicle Purchase Discounts for Three (3) or More Visits for Transmission Hardware Replacements

If you are a Class Member and:

- (a) You had three or more Service Visits to an authorized Ford Dealer,
- (b) During each visit a qualifying hardware part in your PowerShift Transmission was replaced,
- (c) You owned or leased the Class Vehicle when each visit occurred, and
- (d) Each visit occurred within seven years or 160,000 kilometres of delivery of the Class Vehicle to the first retail customer, whichever occurs first,

then you are entitled to either a cash payment or a discount certificate, at your option. The discount certificate can be used toward the purchase of a new Ford vehicle. The hardware parts that qualify for this benefit are the following (unless they were replaced as part of a safety or non-safety Recall program): (1) 7B546 Disc Asy-Clutch; (2) 7Z369 Control Mod Trans (TCM); (3) 7052 Oil Seal-Trans Rear; (4) 7000 Transmission Asy-Out; (5) 7C604 Motor-Frt Clutch; (6) 7A508 Rod-CI/Slave Cyl Pus; (7) 6K301 Seal/RetC/Shft Oil; (8) 7060 Shaft/Bshg Asy-Out; (9) 7048 Seal-Input Shaft Oil; and (10) 7515 Lever Asy-Clutch Rel. Please check your repair orders to identify the replacement part numbers (although there may be a prefix or suffix surrounding the part number).

This Settlement benefit is available to you even for services performed under warranty, meaning you do not need to have paid out-of-pocket to qualify. But you must have documentation to support your claim, as described below in the "Understanding the Settlement" section.

Number of Service Visits for Transmission Hardware Replacements	Cash Payment	Discount Certificate Value
For the 3 <sup>rd</sup> Visit	\$252	\$504
For the 4 <sup>th</sup> Visit	\$34	\$694
For the 5 <sup>th</sup> Visit	\$441	\$882
For the 6 <sup>th</sup> Visit	\$536	\$1,072
For the 7 <sup>th</sup> Visit	\$630	\$1,262
For the 8 <sup>th</sup> Visit	\$725	\$1,450
Maximum Amount You May Collect	\$2,932	\$5,864

## 2. Cash Payment for Three (3) or More Software Flashes

If you are a Class Member and:

- (a) You had three or more Service Visits to an authorized Ford Dealer,
- (b) During each visit a transmission Software Flash was performed on your vehicle,
- (c) You owned or leased the vehicle during each visit, and
- (d) Each visit occurred within seven years or 160,000 kilometres of delivery of the Class Vehicle to the first retail customer, whichever occurs first,

then you are entitled to a cash payment of **\$65** for each visit to a Ford Dealer where a Software Flash was performed, starting with the third Service Visit, for a maximum total payment of **\$780**. Your repair orders should identify any Software Flashes performed. This benefit is available to you even for Software Flashes performed under warranty, meaning that you do not need to have paid out-of-pocket to qualify, except that Software Flashes performed as part of a safety or non-safety recall program do not qualify for this benefit. You must have documentation to support your claim, as described below in the "Understanding the Settlement" section. If you have received a payment for a Transmission Hardware Replacement, or if you are eligible for such a payment, this benefit is not available to you.

### **3. Replacement Clutch, Reimbursement, and Extended Warranty for Class Vehicles Manufactured after June 5, 2013**

If your vehicle was manufactured after June 5, 2013, you had two clutch replacements within 5 years/100,000 kilometres of delivery of the Class Vehicle to the first retail customer, a Ford Dealer determines you need an additional clutch replacement, *and* you pay for the additional clutch replacement, you are entitled to:

- Reimbursement of out-of-pocket costs for the additional clutch replacement (or additional replacements thereafter) if the additional replacement(s) occurred within 7 years/160,000 kilometres of delivery of the Class Vehicle to the first retail customer; and
- A new 2-year warranty on the replacement clutch.

Your claim must be supported by adequate documentation, as described below in the "Understanding the Settlement" section.

### **4. Vehicle Repurchase or Cash Payment**

This Settlement will provide you with a cash payment, or Ford may offer to repurchase your Vehicle where:

- a) your vehicle is still malfunctioning and has been subject to two or more Service Visits each of which involved the replacement of one of the ten hardware parts listed in Section 1 above and occurred while you owned your vehicle within seven (7) years or 100,000 kilometres of delivery of the vehicle to the first retail customer (whichever occurs first); and Ford has been given a further opportunity to have a Ford Dealer repair the vehicle following the submission of the claim to the Claims Administrator at no charge to you, and following this



further repair, the vehicle is still malfunctioning; or

- b) your vehicle is still malfunctioning and has been subject to four or more Service Visits each of which involved the replacement of one of the ten hardware parts listed in Section 1 above and occurred while you owned your vehicle within five (5) years or 100,000 kilometres of delivery of the vehicle to the first retail customer (whichever occurs first).

A claim for compensation may be submitted up to 6 years after the original sale to the first buyer or 180 days after the Approval Date of the Settlement, whichever is later.

Other limitations and qualifications may apply. Please consult the "Understanding the Settlement" section below, a lawyer, or contact Class Counsel if you have questions.

## WHAT MUST YOU DO NOW

You must decide now if you want to be part of the proposed Settlement Class, so that if the Court approves it you can take advantage of the benefits described above, or whether you want to exclude yourself by "opting-out" from the Settlement Class and retain your right to sue Ford. If you do not exclude yourself by "opting-out", you can file objections to the proposed Settlement. Your options, and how to exercise them, are described below.

<b>I Want to Be Part of the Proposed Settlement</b>	<b>If you have not filed a lawsuit</b> against Ford based on alleged problems with your PowerShift Transmission, and you want to be part of the Settlement Class, you do not need to do anything. If the Court approves the Settlement, you will be able to claim your benefits by following the procedures described below. However, you will give up your individual right to sue Ford for any problems relating to your PowerShift Transmission.	No Deadline
	<b>If you have filed an individual lawsuit or CAMVAP proceeding against Ford based on alleged problems with your PowerShift Transmission</b> , and you want to be part of the Settlement Class, you must dismiss your lawsuit before final judgment and submit a written request to opt-in to the Claims Administrator no later than the date listed. By electing to become part of the Settlement Class, you will be giving up your individual right to sue Ford for any problems relating to your PowerShift Transmission. If final judgment has already been entered in your	March 5, 2019

	lawsuit, you are excluded from the Class and cannot opt in to the Settlement Class.	
	<b>If you currently have a pending individual lawsuit or CAMVAP proceeding against Ford based on alleged problems with your PowerShift Transmission</b> , and you do not want to be part of the Settlement Class, you do not need to do anything. You are automatically excluded from the lawsuit unless you choose to opt in. You will <u>not</u> be entitled to any of the Settlement benefits, but you will keep your individual right to continue to sue Ford for problems relating to your PowerShift Transmission.	No Deadline
<b>I Want to Exclude Myself</b>	<b>If you have not filed a lawsuit against Ford based on alleged problems with your PowerShift Transmission</b> , and you do not want to be part of the Settlement, you may exclude yourself or “opt-out” of the proposed Settlement Class by submitting a request to do so in writing by completing the Opt Out Form, which is available at [WEBSITE]. You must deliver the completed Opt Out Form to following address:[INSERT] Your request must be postmarked no later than the date indicated. If you wish to exclude yourself from the Class, you must do so with respect to all Class Vehicles you own(ed) or lease(d). If you choose to exclude yourself, you will not be entitled to any of the Settlement benefits, but you will keep your individual right to sue Ford for problems relating to your PowerShift Transmission. See Question 13 below for additional details regarding the Opt-Out Process.	March 5, 2019
<b>I Want to Object</b>	<b>If you elect to be part of the Settlement Class, you may object to it by writing to the Court explaining why you object.</b> The process you must follow for filing and serving objections is described below in the Understanding the Settlement section.	March 5, 2019
<b>I Want to Appear in the Litigation or Attend the Settlement Approval Hearing</b>	A settlement approval hearing, during which the Court will be asked to grant final approval of the Settlement, will be held on March 18, 2019 at 10:00 AM at Osgoode Hall, 130 Queen Street West, Toronto, Ontario. At that hearing, the Court	March 18, 2019

	<p>will also consider an award of lawyers' fees and costs to Class Counsel and service awards to the named Plaintiffs.</p> <p>You are <i>not</i> required to make a formal appearance in the lawsuit in order to participate in the proposed Settlement, but, if you elect to be part of the Settlement Class, you may appear on your own or through your own lawyer. You may also ask to speak in Court at the settlement approval hearing about the proposed Settlement if you file a timely objection and submit a timely notice of your intention to appear at the settlement approval hearing. Instructions are below in the "Understanding the Settlement" section.</p>	
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## **UNDERSTANDING THE SETTLEMENT**

### **I. BASIC QUESTIONS**

#### **1. Why am I getting this Notice?**

***You are not being sued.*** The Court in charge of this litigation authorized this Notice because you may be a member of the Settlement Class. The Notice explains the proposed Settlement and helps you understand all of your options before the Court decides whether or not to approve the Settlement.

Your receipt of Settlement benefits, including cash payments, depends on the Court's final approval of the Settlement and the resolution of any appeals in favor of approval of the Settlement.

Please be patient and check the Settlement Website [INSERT WEBSITE] regularly. Do not contact Ford Dealers regarding the details of this Settlement because they will not have any information that is not on the Settlement Website.

#### **2. What is this lawsuit about?**

This Settlement resolves litigation against Ford alleging that Ford defectively designed the PowerShift Dual-Clutch Automatic Transmission in certain 2011-2016 Ford Fiesta and 2012-2016 Ford Focus vehicles ("Class Vehicles").

The Action alleges that the PowerShift Transmission in the Class Vehicles was defectively designed and manufactured by Ford, causing it to slip, buck, kick, and/or jerk, resulting in the sudden or delayed acceleration of the vehicle.

Plaintiffs have asserted nationwide claims under common law, civil law in Quebec and under consumer protection statutes.

You can read the Fresh as Amended Statement of Claim by visiting [INSERT WEBSITE]. Ford denies that it has violated any law, denies that it engaged in any wrongdoing, and denies that Class Vehicles' PowerShift Transmission is defective in any way. The parties agreed to resolve these matters before these issues were decided by the Court.

**This settlement does not involve claims of personal injury or property damage to any property other than the Class Vehicles.**

### **3. Why is there a Settlement?**

A settlement is an agreement between a plaintiff (or multiple plaintiffs) and a defendant (in this case Ford) to resolve a lawsuit. Settlements end all or part of a lawsuit without a trial and without the court or a jury ruling in favor of either side. All parties in the lawsuit agree to a settlement to avoid the cost and risk of further litigation, including a potential trial, and to afford Class Members benefits in exchange for releasing the defendant from liability. This proposed Settlement does not necessarily mean that Ford broke any laws or did anything wrong, and the Court did not decide which side was right. The Court has simply found the parties' Settlement to be, at least preliminarily, fair, reasonable, and in the best interests of the Class. The Court also authorized this Notice to be posted on a website that can be accessed by all Class Members: [INSERT WEBSITE].

The Notice summarizes the Settlement's key terms, including benefits to Class Members, and the rights and obligations of all parties. If there is any conflict between this Notice and the Settlement Agreement, which is also accessible on the Settlement Website, the Settlement Agreement governs. Terms that are defined in the Settlement Agreement have the same meaning in this Notice.

### **4. How was this Settlement reached?**

Plaintiffs and Ford reached this Settlement after two private mediation sessions conducted by experienced and highly-respected mediator Eric D. Green. During these sessions, Plaintiffs' counsel and Ford's counsel engaged in extensive arms'-length negotiations. An agreement was reached thereafter. Both sides then negotiated the final terms of the Settlement Agreement, which will be submitted to the Court for approval.

### **5. What vehicles are included in the Settlement?**

This Settlement covers 2011-2016 Ford Fiesta and 2012-2016 Ford Focus vehicles that are equipped with a PowerShift Transmission and were originally

sold in Canada. They are called "Class Vehicles" in the Settlement and this Notice.

#### **6. What options do I have now?**

You may exclude yourself by "opting-out" from this Settlement, you may write to object to the Settlement, or you may do nothing. If you are an owner or lessee of a Class Vehicle with a pending individual lawsuit or CAMVAP proceeding against Ford based on alleged problems with your PowerShift Transmission and final judgment has not yet been entered in your lawsuit, you are excluded from the Settlement but can choose to opt in to the Settlement.

Please consult the chart on pages 4 to 6 on how to exercise each option, as well as the time by which you must do so.

#### **7. Why is this class action?**

A class action is a representative action or lawsuit in which one or more plaintiffs (also called "representative plaintiffs") sue a defendant(s) on behalf of other, unnamed people with similar claims. All of these people together are the "Class" or "Class Members," if the Court approves this procedural form. Once approved, the Court resolves the issues for all Class Members, except for those who opt out of the Class. To opt out means that you choose to exclude yourself from the Class. If you opt out, you will be denied any benefits under the Settlement. The opt-out process is described in Questions 13-17 of this Notice.

#### **8. What am I giving up in exchange for receiving the Settlement's benefits?**

If the Settlement becomes final and you have not opted out, you will be eligible for the benefits described in this Notice. In exchange for having those benefits available to you, you will give up your right to sue Ford and related parties for claims based on problems with the PowerShift Transmission.

The Settlement does not resolve claims related to wrongful death, personal injury, or property damage unrelated to the Class Vehicle itself.

## **II. WHO IS IN THE SETTLEMENT?**

#### **9. How do I know if I am part of the Settlement?**

You are a Class Member if you are a person, entity, or organization who currently resides in the Canada and you purchase(d), or lease(d) a 2011-2016 Ford Fiesta or 2012-2016 Ford Focus equipped with a PowerShift Transmission that was originally sold by Ford in Canada.

The following are not included in the Settlement: (1) owners or lessees of Class Vehicles who have filed and served individual litigation or CAMVAP proceedings against Ford alleging problems with the PowerShift Transmission in Class Vehicles that was pending as of the Notice Date and who do not dismiss their actions before final judgment in their case and affirmatively elect to opt in to the Settlement; (2) Ford's employees, officers, directors, agents, and representatives, and their family members; (3) presiding judges;(4) Class Counsel; and (5) all entities and natural persons who have previously executed and delivered to Ford releases of their claims based on the PowerShift Transmission.

However, if you have a pending individual lawsuit or CAMVAP proceeding against Ford in which final judgment has not yet been entered, you have the opportunity to opt in to the Settlement. (See Question 10 below.)

**10. What if I am a plaintiff in a pending suit against Ford alleging problems with the PowerShift Transmission in the Class Vehicles?**

If you are a plaintiff in a pending individual lawsuit or a CAMVAP proceeding against Ford based on alleged problems with your PowerShift Transmission and final judgment has not yet been entered in your lawsuit, you are automatically excluded from the Class. You may choose to participate in this Settlement instead by dismissing your lawsuit before final judgment in your case (by filing a request for dismissal before the opt-in deadline) and submitting a written request to opt-in by March 5, 2019. Before you opt in, consult your own lawyer to determine how participation in this Settlement will affect your rights in your pending lawsuit. Plaintiffs and Class Counsel will bear no responsibility for any adverse consequences that may result from your decision to dismiss your pending lawsuit.

**11. Am I still eligible for benefits if I purchased my Class Vehicle from a private owner?**

If you purchased your Class Vehicle from a private owner, you are eligible for benefits just as you would be if you had purchased your vehicle directly from a Ford Dealer. This means that you are eligible for benefits under this Settlement whether you purchased your Class Vehicle from a private owner, a Ford Dealer, or a third-party dealership, as long as you meet the other Settlement requirements.

**III. Understanding the Class Action Process**

**12. When will the Settlement get finally approved?**

The Court has a set a date of March 18, 2019 at 10:00 AM for the Settlement

Approval Hearing. The hearing will take place at Osgoode Hall, 130 Queen Street West, Toronto, Ontario. At the hearing, the Court will consider arguments and evidence as to whether the Settlement is fair, reasonable, and adequate as to Class Members and should be finally approved. We anticipate that the Court will decide whether to approve the Settlement soon after the hearing. You should monitor the Settlement website for the latest information on the status of the settlement.

### **13. What if I don't want to participate in the settlement?**

If you do not want to receive benefits from the Settlement and want to retain your right to sue Ford about problems with your Class Vehicle's PowerShift Transmission, then you must actively remove yourself from the Settlement Class. You may do this by asking in writing to be excluded from, or opt out of, the Settlement. You must complete the Opt-Out Form [available at website] and send it back to the Claims Administrator.

You must mail the Opt-Out Form to [address] no later than March 5, 2019.

If you wish to exclude yourself from the Class, you must do so with respect to all Class Vehicles you own(ed) or lease(d). You cannot exclude yourself from the Class with respect to some Class Vehicles and include yourself in the Class with respect to other Class Vehicles.

### **14. What if I have a pending lawsuit but want to opt-in?**

If you want to receive benefits from the Settlement but already have a pending individual lawsuit or CAMVAP proceeding against Ford based on alleged problems with your PowerShift Transmission and final judgment has not yet been entered in your lawsuit, then you must act to participate in the Settlement Class. Please consult your lawyer regarding the consequences to your pending lawsuit of opting in before you choose. By opting in, you will lose the right to continue with your own lawsuit.

To opt in, you must dismiss your lawsuit before final judgment and submit a written request to opt-in. That written request must include the following information:

- Your name, address, and telephone number;
- The make, model, model year, and VIN number of your vehicle;
- Your pending's lawsuit's title, case number, and court;
- An explicit statement that you are opting in to the Settlement; and
- Your personal signature and the date you signed.

You must mail your request to opt-in, postmarked no later than March 5, 2019, to [address]

**15. If I am part of the Settlement, can I sue Ford for the same claims later?**

If you elect to participate in the Settlement, you cannot sue Ford for any claims based in whole or in part on any alleged problems with the PowerShift Transmission (except that you may still pursue claims for personal injury or property damage).

**16. If I am not part of the Settlement, can I still get the benefits from the Settlement?**

If you elect to exclude yourself, you will not be entitled to any benefits from the Settlement

**17. If I opt out and pursue my own case, can I get a larger recovery?**

The laws of most provinces provide for various remedies, including actual damages, punitive damages, and rescission, if a claim is proved at trial and upheld on appeal. No result can be predicted with certainty, and all alternative legal actions take additional time and may be subject to offsets or deductions for attorneys' fees and costs. This Settlement is designed to provide benefits that are certain, not subject to the delay and risk of trial and appeal, and not reduced by fees or costs.

**18. Do I have a lawyer in this case?**

Class Counsel is:

Charney Lawyers P.C.  
150 Bloor Street West, Suite 602  
Toronto, ON. M5S 1S4  
Phone: (416) 964-7950  
e-mail: info@charneylawyers.com

You may hire your own lawyer, at your own expense to represent you in the Settlement.

**19. Who will pay the lawyers?**

It is proposed that Ford will pay \$3 million in legal fees inclusive of HST plus disbursements directly to Class Counsel. Of the \$3 million, \$1 million is an advance payment repayable to Ford out of the benefits paid to Class Members. Class Counsel will seek 10% of the benefits payable to Class Members inclusive of HST. Of the 10% recovered, the first \$1 million will be returned to Ford.



10% of the benefits payable to Class Members will be paid to the Law Foundation of Ontario.

Class Counsel and Ford will apply to the Court for an honorarium of \$5,000 to be awarded to Joe Romeo, Diane Béland, Elyse Choiniere, Linda Goodman and Tracy Corsi and for \$7,500 to be awarded to Rebecca Romeo in recognition of the role they played as representative plaintiffs.

#### **20. Can I tell the Court if I don't like or object to the settlement?**

If you do not opt out of the Settlement, you (or your lawyer) may object in writing to the Court. The Court will consider your views. To comment on or to object to the Settlement, you or your lawyer must submit your written objection to the Court, and include the following:

- Your name, address, and telephone number;
- The model, model year, and VIN of your Class Vehicle, along with proof that you have owned or leased a Class Vehicle (e.g., a true copy of a vehicle title, registration, or license receipt);
- A written statement of all grounds for the objection accompanied by any legal support for such objection;
- Copies of any documents upon which the objection is based;
- A list of all cases in which you and/or your counsel have filed or in any way participated in;
- The name, address, email address, and telephone number of all attorneys representing you;
- Your signature and the date you signed (and if you are represented by counsel, your counsel must also sign the objection).

You must mail your objection to the Claims Administrator, postmarked no later than March 5, 2019.

#### **21. What is the difference between objecting to the Settlement and opting out?**

You can object only if you participate in the Class. If you opt out and therefore elect not to be part of the Settlement Class, you have no right to object to the Settlement because the case no longer affects you.

#### **22. Do I have to attend the Settlement Approval Hearing?**

You do not have to attend the Settlement Approval Hearing. Class Counsel will answer any questions the Court may have. You are welcome to attend at your own expense. If you timely file an objection, you do not have to come to Court to talk about it. As long as you mailed your written objection on time, the Court will consider it. You may also have your own lawyer attend at your expense, but it is

not required

**23. How do I get more information?**

This Long Form Class Notice summarizes the proposed Settlement. More details, including the actual Settlement Agreement, are available at [website].

You may also contact Class Counsel at (416) 964-7950 or [info@charneylawyers.com](mailto:info@charneylawyers.com) or the Claims Administrator

**DETAILS OF SETTLEMENT BENEFITS**

**I. CASH PAYMENTS OR VEHICLE DISCOUNT CERTIFICATES**

**24. How do I qualify for Cash Payments or a Vehicle Discount Certificate for Transmission Hardware Replacements?**

You may obtain cash payments or a Vehicle Discount Certificate ("Certificate") toward the purchase of a new Ford vehicle if, while you owned or leased the Class Vehicle, you made **three (3) or more** Service Visits to authorized Ford Dealers where during each visit a qualifying transmission part was replaced within seven (7) years or 160,000 kilometres from the vehicle's delivery to the first retail customer, whichever occurs first.

Those qualifying parts are as follows: (1) 7B546 Disc Asy-Clutch; (2) 7Z369 Control Mod Trans (TCM); (3) 7052 Oil Seal-Trans Rear; (4) 7000 Transmission Asy-Aut; (5) 7C604 Motor-Frt Clutch; (6) 7A508 Rod-CI/Slave Cyl Pus; (7) 6K301 Seal/RetC/Shft Oil; (8) 7060 Shaft/Bshg Asy-Out; (9) 7048 Seal-Input Shaft Oil; and (10) 7515 Lever Asy-Clutch Rel. Replacements of any of these parts, not performed as part of any recall program are known as "Transmission Hardware Replacements". Please review your repair orders to match the part replaced, and be aware that your invoices may have a prefix and/or suffix surrounding the base part numbers identified above.

This benefit is available to you even if the services were performed under warranty, which means that you need not have paid out-of-pocket for the services or repairs. This benefit is to compensate you for the inconvenience of having to take your car in to a Ford Dealer for multiple repairs. The benefit is not available, however, for repairs performed as part of any safety or non-safety Recall Program.

**25. How much would I be entitled to receive for 3 or more Service Visits for Transmission Hardware Replacements under the Settlement**

You are entitled to the following payments or Vehicle Discount Certificates (in lieu of cash) for each valid claim for a Transmission Hardware Replacement:

<b>Number of Service Visits for Transmission Hardware Replacements</b>	<b>Cash Payment</b>	<b>Discount Certificate Value</b>
For the 3 <sup>rd</sup> Visit	\$252	\$504
For the 4 <sup>th</sup> Visit	\$347	\$694
For the 5 <sup>th</sup> Visit	\$441	\$882
For the 6 <sup>th</sup> Visit	\$536	\$1,072
For the 7 <sup>th</sup> Visit	\$631	\$1,262
For the 8 <sup>th</sup> Visit	\$725	\$1,450

Payments to Class Members are capped at a total of \$2,932 for cash payments or \$5,864 for the value of the Certificate(s). This means that Class Members cannot receive any further cash payments or Certificates beyond the eighth visit for a Transmission Hardware Replacement.

**26. Can I receive an additional payment if I had another visit for a Transmission Hardware Replacement after Final Approval of the Settlement?**

You may claim additional payments or Vehicle Discount Certificates even if you have already received a payment. So long as your claim is valid and you have documented proof of an additional Transmission Hardware Replacement while you owned or leased the Class Vehicle and within 7-years/160,000 kilometres of delivery of the Class Vehicle to the first retail customer, whichever occurs first, you are entitled to receive additional cash payments or Certificates, up to the maximum amounts identified above.

**27. What can I do with a Vehicle Discount Certificate?**

A Vehicle Discount Certificate is a discount coupon that you may apply toward the purchase of a new Ford vehicle from an authorized Ford Dealer. The amount stated on the Certificate will be deducted from the vehicle's purchase price.

You can apply multiple Certificates toward your purchase, so long as the Certificates have not expired. The Certificate cannot be redeemed for cash or used at a non-Ford Dealer. The Certificates may be used in conjunction with other discounts offered by Ford or a Ford Dealer.

**28. How long do I have to use the Vehicle Discount Certificate?**

A Vehicle Discount Certificate expires within twelve (12) months of issuance. If a new Certificate is later issued to you, the amount of the later Certificate will be

increased by the amount of any expired and unused Certificates.

For example, say you submitted a valid claim and received a Certificate worth \$400 that was issued on December 1, 2018, and that you let the certificate expire on December 1, 2019. In January 2020, you had another visit for a Transmission Hardware Replacement, submitted another valid claim, and the Claims Administrator issues you another Certificate. The new certificate will be worth \$950 (\$550 plus the value of the unused and expired certificate).

### 29. How do I qualify for payments for Software Flashes?

You may obtain cash payments for Software Flashes if you made **three (3) or more** Service Visits to authorized Ford Dealers where a Software Flash was performed while you owned or leased the Class Vehicle and within seven (7) years or 160,000 kilometres from the vehicle's delivery to the first retail customer, whichever comes first. A Software Flash may be a reflash, an update, a reset, a reboot, or a similar type of service performed on your vehicle's software. Your repair order should indicate whether a Software Flash was performed, identified by one of the following labor codes:

110333A	131102A	150090M	160109C	14M01DD
110405A	131104A	150090N	160109D	14M01E
110513A	131108A	150090P	160129A	14M01EE
110524A	131109A	150090Q	MT131102	14M01GG
110902A	131110A	150120H	R08101	14M01H
120104A	140131A	150120L	R08102	14M01L
130405A	140131B	150120M	R11021	14M01M
130405B	140131C	150120N	14M01A	14M01N
130405C	140131D	150120P	14M01AA	14M01P
130406A	140131E	150120Q	14M01BB	14M01Q
130904A	150017A	150044A	14M01C	14M02B
130904B	150090H	160109A	14M01CC	14M02C
130904C	150090L	160109B	14M01D	14M02D

### 30. How much cash can I receive for Software Flashes?

You may obtain a cash payment of \$65 for the third Service Visit at which a Software Flash was performed by a Ford Dealer while you owned or leased the Class Vehicle and within seven (7) years or 160,000 kilometres from the vehicle's delivery to the first retail customer, whichever comes first. You may obtain an additional cash payment of \$65 for each subsequent Service Visit at which a Software Flash was performed by a Ford Dealer while you owned or leased the Class Vehicle and within seven (7) years or 160,000 kilometres from the vehicle's delivery to the first retail customer, whichever comes first, up to a

total cumulative payment of \$780.

**31. Can I get cash payments for both Transmission Hardware Replacements and Software Flashes?**

If you receive a cash payment or Vehicle Discount Certificate for a Transmission Hardware Replacement, you are **not** eligible also to collect a cash payment for a Software Flash, and you will **not** be eligible for future payments for Software Flashes. In addition, if you received a payment for three (3) or more Software Flashes and then (1) had an additional repair that qualifies for a Transmission Hardware Replacement payment, (2) you submit a claim for that payment, and (3) the claim is awarded, the Software Flash payment will be deducted from the Transmission Hardware Replacement award. See Question 32.

**32. If you qualify for a Transmission Hardware Replacement, am I still eligible for payments for Software Flashes done on the same Service Visits?**

You cannot get payments for Software Flashes if they were performed in the same Service Visits that qualify you for a Transmission Hardware Replacement. For example, you received a \$65 payment for three Software Flashes and two of the Software Flashes were performed on the same Service Visit as a Transmission Hardware Replacement. You then have another Service Visit with a third Transmission Hardware Replacement that qualifies you for a Transmission Hardware Replacement payment. You can submit a claim for the third Transmission Hardware Replacement. For that claim, however, you would receive a total of \$187 (\$252 for the Transmission Hardware Replacement minus \$65 for the prior Software Flash payment).

**33. What if I can't figure out what payments I qualify for?**

Review your receipts and repair orders carefully. If you cannot determine which benefits, if any, you qualify for, contact Class Counsel at:

Charney Lawyers P.C.  
150 Bloor Street West, Suite 602  
Toronto, ON. M5S 1S4  
Phone: (416) 964-7950  
e-mail: info@charneylawyers.com

**34. How do I make a claim for Transmission Hardware Replacements or for Software Flashes?**

If you are eligible to receive a benefit for a Transmission Hardware Replacement or for a Software Flash, you can submit a claim online at [INSERT WEBSITE] or by mail by filling out the claim form available online at [INSERT WEBSITE] or by

[INSERT].

Please follow the instructions on the website. You will need to provide additional documents to support your claim. (See question 35.)

**35. What supporting documents do I need to submit to make a claim for Transmission Hardware Replacements or for Software Flashes?**

To make a claim for a cash payment or Vehicle Discount Certificate, you will need to submit repair orders, receipts, other documentation from a Ford Dealership, sufficient to establish for each Transmission Hardware Replacement or Software Flash on which the claim is based all of the following information:

1. The Vehicle Identification Number ("VIN") of the vehicle on which the Transmission Hardware Replacement or Software Flash repairs were performed;
2. The name and address of the Ford Dealer that performed the Transmission Hardware Replacement or Software Flash repairs;
3. Whether the Transmission Hardware Replacement or Software Flash repairs were performed on the Class Vehicle within 7 years/100,000 miles of delivery of the Class Vehicle to the first retail customer, whichever occurs first; AND
4. A description of the services rendered and parts provided.

Thus, if you are submitting a claim for a payment for your Class Vehicle's third Transmission Hardware Replacement, you must submit documentation that establishes the above information for all three service visits during which Transmission Hardware Replacements were performed.

You must also provide documentation showing that you were the owner or lessee of the Class Vehicle at the time of each Transmission Hardware Replacement or Software Flash on which your claim is based. You can prove ownership in one of three ways:

1. All repair records submitted in support of your claim identify you as the person requesting the repairs; OR
2. You submit a vehicle title, vehicle purchase agreement, or vehicle lease agreement that identifies you as the vehicle owner, purchaser, or lessee at the time of the first repair that forms the basis of the claim, AND a vehicle registration that identifies you as the vehicle owner as of the date of the latest repair that forms the basis of your claim (or as of a later date); OR

3. For each repair that forms the basis for your claim, you submit either (a) a repair record that identifies you as the person who requested the repair, OR (b) a vehicle registration that identifies you as the vehicle owner as of the date of each repair.

Your documents must be submitted with the signed claim form, on which you will attest under penalty of perjury that the documents are authentic and that you owned or leased the Class Vehicle at the time of all repairs on which your claim is based.

If you already submitted documents to support a previous claim for a qualifying Transmission Hardware Replacement or Software Flash and you are seeking compensation for an additional Transmission Hardware Replacement or Software Flash, you will only need to provide documents sufficient to establish that the subsequent Transmission Hardware Replacement or Software Flash is eligible for reimbursement and that you owned or leased the Class Vehicle at the time of the subsequent Transmission Hardware Replacement or Software Flash.

**36. What is the deadline to make a claim for Transmission Hardware Replacements or for Software Flashes?**

If you already qualify for cash payment or a Vehicle Discount Certificate on the Approval Date, you have 180 days from that date to submit your claim. When available, the Approval Date will be posted on the Settlement website [insert here]. If your qualifying third Service Visit for a Transmission Hardware Replacement or Software Flash occurs after the Court finally approves the Settlement, or if you had additional Service Visits after the Approval Date even if you already submitted claims for benefits, you have 180 days from each Service Visit to submit a claim for Transmission Hardware Replacements or Software Flashes performed on that Service Visit.

**37. When will I receive my cash payment or Vehicle Discount Certificate?**

Although you may submit your claim after the Court grants final approval, the Claims Administrator will not be allowed to process your claim and issue a payment until the Effective Date, which is after any appeal is resolved and when the Settlement takes legal effect. You should monitor [website] for updates as to the Effective Date and other timing issues.

**38. What are my options if the Claims Administrator denies my claim for a Cash Payment or a Vehicle Discount Certificate?**

If your claim is rejected, the Claims Administrator will tell you why. If it was rejected because you failed to submit all the required documents, the Claims

Administrator will give you one (1) opportunity to resubmit the claim within thirty (30) days.

## II. CLUTCH REPLACEMENT

### **39. How do I qualify for reimbursement of what I paid for a replacement clutch?**

For Class Vehicles manufactured after June 5, 2013, if (1) you had 2 clutch replacements performed by a Ford Dealer while you owned or leased the Class Vehicle and within 5 years or 100,000 kilometers powertrain warranty, (3) a Ford Dealer performs appropriate diagnostic procedures and determines you need an additional clutch replacement, and (4) you pay for the additional clutch replacement, then you are entitled to reimbursement for out-of-pocket costs for the additional clutch replacement if it is performed by a Ford Dealer while you owned or leased the Class Vehicle and within 7 years or 160,000 kilometers of the Warranty Start Date, whichever comes first.

### **40. How do I submit my claim for reimbursement of what I paid for a replacement clutch, and what documents do I need to support my claim?**

If you qualify to be reimbursed for what you paid for a replacement clutch, you must submit your claim to the Claims Administrator through the Settlement website at [website] or by submitting forms available on the website. You can also obtain copies of forms by calling [insert]. You must support your claim with repair orders, receipts, other documentation from a Ford Dealer, or vehicle inspection reports (or some combination thereof) sufficient to establish for at least two (2) replacements of the clutch (part number 7B546 Disc Asy-Clutch), all of the following information:

1. The Vehicle Identification Number ("VIN") of the vehicle on which the clutch replacement was performed;
2. The name and address of the Ford Dealer(s) that replaced the clutch on each occasion;
3. Whether the clutch replacement was performed on the Class Vehicle within 5 years/100,000 powertrain warranty, whichever occurs first; and
4. A description of the services rendered and parts provided in connection with each clutch replacement.

You must also support your claim with repair orders, receipts, other documentation from a Ford Dealer, or vehicle inspection reports (or some combination thereof) sufficient to establish for an additional replacement of the clutch (part number 7B546 Disc Asy- Clutch), all of the following information:

1. The Vehicle Identification Number ("VIN") of the vehicle on which the clutch replacement was performed;



2. The name and address of the Ford Dealer that replaced the clutch;
3. Whether the clutch replacement was performed on the Class Vehicle within 7 years/160,000 kilometers of the Warranty Start Date, whichever occurs first;
4. A description of the services rendered and parts provided in connection with the clutch replacement;
5. Information sufficient to establish that the appropriate diagnostic procedures specified in Ford's Service Manual or in applicable Technical Service Bulletins were performed and that based on the results the Ford Dealer determined that a clutch replacement was necessary; and
6. The documented and unreimbursed amounts paid by the Class Member to a Ford Dealer for the parts and labor for the clutch replacement. Class Members shall not be reimbursed for consequential damages such as lost revenue/profits, lost employee time from loss of use of the Class Vehicle, or towing charges or other costs of transporting the vehicle to or from the place of repair.

You must also submit documentation demonstrating your Proof of Ownership of the Class Vehicle at the time of each clutch replacement on which the claim is based. You can prove ownership using the methods described in question 35, above. Finally, you must submit a claim form that includes a declaration signed under penalty of perjury that attests to and affirms the authenticity of the documentation provided to support the claim and states that you actually owned or leased the Class Vehicle at the time of each clutch replacement on which the claim is based.

If you qualify for reimbursement for a clutch replacement on the Approval Date, you must submit your claim within 180 days of the Approval Date. If you qualify for reimbursement at a later date, you must submit your claim within 180 days of the clutch replacement for which you are seeking reimbursement.

### III. ALTERNATIVE BENEFITS (REPURCHASE OR COMPENSATION)

#### **41. How do I know if I'm eligible for an alternative benefit?**

You will be eligible for an alternative benefit if you fall into one of five categories:

- 1) **Alternative Benefits Eligibility Criteria 1:** You currently own or lease a Class Vehicle, and:
  - a) You have had two or three Service Visits for Transmission Hardware Replacements while you owned or lease the Class Vehicle within five (5) years or 100,000 kilometres of the Warranty Start Date, whichever

occurs first;

- b) You submit a claim to the Claims Administrator for Alternative Benefits within seven (7) years or 160,000 kilometres of the Warranty Start Date, whichever occurs first;
  - c) a Transmission Diagnostic Test is performed on the Class Vehicle after the Class Member submits a claim and the Class Vehicle fails the Transmission Diagnostic Test; and
  - d) Ford has been given a further opportunity to have a Ford Dealer repair the Class Vehicle following the submission of the claim for Alternative Benefits and the failed Transmission Diagnostic Test (a "**Subsequent Repair**"), at no charge to you; and
  - e) following the Subsequent Repair, the Class Vehicle again fails the Transmission Diagnostic Test (the "**Subsequent Repair Failed Test**").
- 2) **Alternative Benefits Eligibility Criteria 2:** You currently own or lease a Class Vehicle, and:
- a) You have had two or three Service Visits for Transmission Hardware Replacements while you owned or lease the Class Vehicle within five (5) years or 100,000 kilometres of the Warranty Start Date, whichever occurs first;
  - b) You submit a claim to the Claims Administrator for Alternative Benefits within 180 days of the Claims Administration Commencement Date but after seven (7) years or 160,000 kilometres of the Warranty Start Date, whichever occurs first;
  - c) after the you submits a claim, the you elect to pay a Ford Dealer to perform a Transmission Diagnostic Test on the Class Vehicle and the Class Vehicle fails the Transmission Diagnostic Test; and
  - d) Ford has been given a further opportunity to have a Ford Dealer repair the Class Vehicle following the submission of the claim for Alternative Benefits and the failed Transmission Diagnostic Test (a "**Subsequent Repair**"), paid for by you; and
  - e) following the Subsequent Repair, the you elect to pay a Ford Dealer to perform a Transmission Diagnostic Test on the Class Vehicle and the Class Vehicle again fails the Transmission Diagnostic Test (the "**Subsequent Repair Failed Test**").;

Note: if the Class Vehicle again fails the Transmission Diagnostic Test following the Subsequent Repair, then Ford will reimburse all payments made by you for the two Transmission Diagnostic Tests and the Subsequent Repair.

Note: if the Class Vehicle passes the Transmission Diagnostic Test, then you are not eligible for Alternative Benefits and Ford is not obliged to reimburse you for any payments you made for the two Transmission Diagnostic Tests or the Subsequent Repair.

- 3) **Alternative Benefits Eligibility Criteria 3:** You currently own or lease a 2011 or 2012 model year Class Vehicle and:
- a) You had three or more Service Visits for Transmission Hardware Replacements while you owned and/or leased the Class Vehicle within seven (7) years or 100,000 kilometres of the Warranty Start Date, whichever occurs first; and
  - b) You submits a claim to the Claims Administrator for Alternative Benefits within seven (7) years or 160,000 kilometres of the Warranty Start Date, whichever occurs first; and
  - c) a Transmission Diagnostic Test is performed on the Class Vehicle after you submit a claim and the Class Vehicle fails the Transmission Diagnostic Test; and
  - d) Ford has been given a further opportunity to have a Ford Dealer repair the Class Vehicle following the submission of the claim for Alternative Benefits and the failed Transmission Diagnostic Test (a “**Subsequent Repair**”), at no charge to you; and
  - e) following the Subsequent Repair, the Class Vehicle again fails the Transmission Diagnostic Test (the “**Subsequent Repair Failed Test**”).

Note: if you had the third Transmission Hardware Replacement within seven (7) years or 100,000 kilometres of the Warranty Start Date, but after the expiry of the limitation period (being within six (6) years of the Warranty Start Date, or 180 days after the Claims Administration Commencement Date), then you remain eligible for Alternative Benefits under Alternative Benefits Eligibility Criteria 3 if all the other criteria are met.

- 4) **Alternative Benefits Eligibility Criteria 4:** You currently own or lease a 2011 or 2012 model year Class Vehicle and
- a) You had three or more Transmission Hardware Replacements while you owned and/or leased the Class Vehicle within seven (7) years or 100,000 kilometres of the Warranty Start Date, whichever occurs first;

and

- b) You submit a claim to the Claims Administrator for Alternative Benefits within 180 days of the Claims Administration Commencement Date but after seven (7) years or 160,000 kilometres of the Warranty Start Date, whichever occurs first ; and
- c) after the you submit a claim, you elect to pay a Ford Dealer to perform a Transmission Diagnostic Test on the Class Vehicle and the Class Vehicle fails the Transmission Diagnostic Test; and
- d) Ford has been given a further opportunity to have a Ford Dealer repair the Class Vehicle following the submission of the claim for Alternative Benefits and the failed Transmission Diagnostic Test (a "Subsequent Repair"), the cost of which you pay; and
- e) following the Subsequent Repair, you elect to pay a Ford Dealer to perform a Transmission Diagnostic Test on the Class Vehicle and the Class Vehicle again fails the Transmission Diagnostic Test (the "**Subsequent Repair Failed Test**").

Note: if the Class Vehicle again fails the Transmission Diagnostic Test following the Subsequent Repair, then Ford will reimburse all payments made for the two Transmission Diagnostic Tests and the Subsequent Repair.

Note: if the Class Vehicle passes the Transmission Diagnostic Test, then you are not eligible for Alternative Benefits and Ford is not obliged to reimburse you for any payments made for the two Transmission Diagnostic Tests or the Subsequent Repair.

Note: if you had the third Transmission Hardware Replacement within seven (7) years or 100,000 kilometres of the Warranty Start Date, but after the expiry of the limitation period (being within six (6) years of the Warranty Start Date, or 180 days after the Claims Administration Commencement Date), then you remain eligible for Alternative Benefits under Alternative Benefits Eligibility Criteria 4 if all the other criteria are met.

- 5) **Alternative Benefits Eligibility Criteria 5:** You currently own or lease a Class Vehicle and:
- a) You had four or more Service Visits for Transmission Hardware Replacements while you owned or leased the Class Vehicle within five (5) years or 100,000 kilometres of the Warranty Start Date, whichever occurs first; and
  - b) You submit a claim to the Claims Administrator for Alternative Benefits within six (6) years after the Warranty Start Date, or 180 days after the Claims Administration Commencement Date, whichever is later; and
  - c) the Class Vehicle has failed the Transmission Diagnostic Test at the

time that the claim is made.

#### **42. When does my claim have to be made?**

You will be eligible to make a claim for Alternative Benefits only if the claim for Alternative Benefits is made to the Claims Administrator within six (6) years of the Warranty Start Date, or 180 days after the Claims Administration Commencement Date, whichever is later.

#### **43. How will the Transmission Diagnostic Test Be Conducted?**

"Transmission Diagnostic Test" means the diagnostic tests set out in Ford Technical Service Bulletins with respect to the DPS6 Transmission to diagnose (i) fluid leaks contaminating the clutches, (ii) excessive rpm fluctuations on each clutch and (iii) Transmission Control Module error codes.

If you agree to have a Transmission Diagnostic Test performed on your Class Vehicle in order to be eligible for the Alternative Benefits pursuant to any of the 5 criteria listed in question 41, then the Transmission Diagnostic Test shall be performed by a Ford Dealer. You will have the option of choosing which Ford Dealer will perform the Transmission Diagnostic Test.

You must notify the Claims Administrator of which Ford Dealer will be performing the Transmission Diagnostic Test performed. The Claims Administrator will provide you with a Transmission Diagnostic Test Form, which will be completed by the Ford Dealer.

The scheduling of the Transmission Diagnostic Test will be agreed upon by you and the Ford Dealer you've chosen to perform the test.

If the Transmission Diagnostic Test does not identify any fluid contamination of either clutch, does not measure the rpm fluctuations on either clutch in excess of 250 rpm, or does not identify any Transmission Control Module error codes, the Class Vehicle shall have passed the Transmission Diagnostic Test. If the Transmission Diagnostic Test identifies any fluid contamination of a clutch, rpm fluctuations on either clutch in excess of 250 rpm, or Transmission Control Module error codes, the Class Vehicle shall have failed the Transmission Diagnostic Test.

The Ford Dealer who performs the Transmission Diagnostic Test will provide a copy of the Transmission Diagnostic Test Form to you, to Ford and to the Claims Administrator. The Claims Administrator will determine whether the Class Vehicle has passed or failed the Transmission Diagnostic Test. The Ford Dealer shall certify that the Transmission Diagnostic Test was properly performed according

to Ford's Technical Service Bulletins and shall provide the Claims Administrator with verification of the results of the Transmission Diagnostic Test (e.g. photographic evidence of fluid contamination, print-out of the rpm fluctuations as measured by the Ford-approved diagnostic equipment and/or print-out of the Transmission Control Module error codes as measured by the Ford-approved diagnostic equipment).

If the Class Vehicle passes the Transmission Diagnostic Test but you are still experiencing an issue with his or her Class Vehicle, then you may elect to have a second Ford Dealership perform the Transmission Diagnostic Test on the Class Vehicle (the "Second Opinion Test"). You must follow the same procedure as you did with respect to the first Transmission Diagnostic Test of notifying the Claims Administrator and receiving the Transmission Diagnostic Test Form.

If the Class Vehicle is within seven (7) years or 160,000km of the Warranty Start Date (whichever occurs first), Ford will pay for the Transmission Diagnostic Test. If the Class Vehicle is outside seven (7) years or 160,000km of the Warranty Start Date (whichever occurs first), you must pay for the Transmission Diagnostic Test.

#### **44. How will the Subsequent Repair work?**

If a Class Vehicle fails a Transmission Diagnostic Test and Ford elects to perform a Subsequent Repair, you must notify the Claims Administrator of which Ford Dealership you'd like to perform the Subsequent Repair. You must book an appointment and make the Class Vehicle available to the Ford Dealership to have the Subsequent Repair performed by the Ford Dealership.

Following the Subsequent Repair, you will have 1 year from the date the Class Vehicle was returned by the Ford Dealership to you following the Subsequent Repair to notify the Claims Administrator that the transmission is continuing to malfunction. At the same time of notifying the Claims Administrator that the transmission is continuing to malfunction, you must notify the Claims Administrator of which Ford Dealership you choose to perform the Transmission Diagnostic Test to confirm if the transmission continues to malfunction following the Subsequent Repair.

You may only inform the Claims Administrator on one (1) occasion within the one year following the Subsequent Repair that the transmission is continuing to malfunction.

Ford shall deliver the necessary service parts to the applicable Ford Dealer within 30 days of the Ford Dealer ordering such service parts.

#### **45. How will the alternative benefits be determined?**

- (1) If you qualify, based on the criteria listed in question 41 and you are the current and original owner of the Class Vehicle, then Ford will, subject to its right to make an offer to repurchase the Class Vehicle, make an **Alternative Cash Payment (Original Owner)** based on the following formula:

**Alternative Cash Payment (Original Owner) = Purchase Price – ((mileage (in km) on the vehicle's odometer at the time of the Subsequent Repair Failed Test /193,000) x Purchase Price) – Residual Value of vehicle.**

- (2) If you qualify, based on the criteria listed in question 41 and you are the current but not the original owner of the Class Vehicle, then Ford will, subject to its right to make an offer to repurchase the Class Vehicle, make an **Alternative Cash Payment (Subsequent Owner)** based on the following formula:

**Alternative Cash Payment (Subsequent Owner) = Purchase Price – ((mileage (in km) on the vehicle's odometer from the date of the Subsequent Owner's Purchase of the Class Vehicle to the time of the Subsequent Repair Failed Test /193,000) x Purchase Price) – Residual Value of vehicle.**

Note: In all cases Ford may, in its sole discretion, elect to offer to repurchase the Class Vehicle from an eligible claimant on terms set by Ford. You may then elect to either accept such offer or demand the Alternative Cash Payment (Owner) or Alternative Cash Payment (Subsequent Owner), as the case may be. In the event that you accept Ford's offer to repurchase the Class Vehicle, the gross amount (i.e. the amount before deducting the amount payable to Class Counsel and the Law Foundation) of the Alternative Cash Payment (Owner) or Alternative Cash Payment (Subsequent Owner) as the case may be will constitute a part of the repurchase price and Ford will make a direct payment to you to make up the balance of agreed to repurchase price. On payment of the repurchase price, you will deliver up your Class Vehicle to Ford. You will not be entitled to any other relief or benefits.

- (3) If you qualify, based on the criteria listed in question 41 and are a current lessee of the Class Vehicle, then Ford will repurchase the Class Vehicle from the lessor, pay off the amount to the lessor in accordance with the lease agreement and make an **Alternative Cash Payment (Lessee)** to you based on the following formula:

**Alternative Cash Payment (Lessee) = Lease Payments – ((mileage (in km) on the vehicle's odometer at the time of**



**the Subsequent Repair Failed Test (/193,000) x Lease Payments).**

The Alternative Benefits will be reduced if you are paid a Cash Payment or receive an Owner Appreciation Certificate under a separate category of compensation.

**Claiming Your Benefits**

Claims for benefits cannot be submitted until after the Court grants final approval of the Settlement, and (as explained below) certain claims must be submitted within 180 days of the date the Court grants final approval (the "Approval Date"). However, no claims will be processed, and no benefits will be paid or available, until the Effective Date. The Effective Date is the date on which all appeals from the order approving the Settlement have been resolved. Once they are known, the Approval Date and the Effective Date of the Settlement will be posted at [INSERT WEBSITE] or can be obtained by calling [INSERT].

<b>PROCEDURE</b>	
<p><b>I Want to Submit a Claim for a Cash Payment or a Vehicle Discount for a Transmission Hardware Replacement</b></p>	<p>If you had 3 or more Service Visits to an authorized Ford Dealer to replace a qualifying hardware part in your PowerShift Transmission (a "Transmission Hardware Replacement") while you owned or leased the Class Vehicle and within 7 years or 160,000 kilometres of delivery of the Class Vehicle to the first retail customer, whichever occurs first, you may submit a claim to the Claims Administrator by using claim forms that will be available at [INSERT WEBSITE], or by calling [INSERT], after the Approval Date. Alternatively, you may submit claims electronically through [INSERT WEBSITE], using links that will become active after the Approval Date.</p> <p>You may choose to receive a cash payment OR a Vehicle Discount Certificate toward the purchase of a new Ford vehicle.</p> <p>As explained more fully in the "Understanding the Settlement" section, you must support your claim with certain documentation such as repair orders or receipts or other documents that establish the following: (1) the Vehicle Identification Number ("VIN"); (2) the date of the repair and your vehicle's mileage at the time of the repair; (3) the name and address of the dealer that performed the repair; (4) a description of the repair and services rendered; and (5) proof you owned the vehicle at the time of each repair on which your claim is based. For Transmission Hardware Replacements performed prior to the Approval Date of the Settlement, you must submit a claim within 180 days of the Approval Date. (When available, the Approval Date will be posted at [INSERT WEBSITE] or</p>

	<p>can be obtained by calling [INSERT].</p> <p>For Transmission Hardware Replacements performed after the Approval Date of the Settlement, you must submit claims within 180 days of the repair.</p>
<p><b>I Want to Submit a Claim for a Cash Payment for Software Flashes</b></p>	<p>If you had 3 or more Service Visits to an authorized Ford Dealer to perform Software Flashes on your vehicle while you owned or leased the vehicle and within 7 years or 160,000 kilometres of delivery of the Class Vehicle to the first retail customer, whichever occurs first, you may submit a claim to the Claims Administrator by using claim forms that will be available at [INSERT WEBSITE], or by calling [INSERT], after the Approval Date. Alternatively, you may submit claims electronically through [INSERT WEBSITE], using links that will become active after final approval.</p> <p>As explained more fully in the "Understanding the Settlement" section, you must support your claim with certain documentation such as repair orders or receipts or other documents that establish the following: (1) the VIN; (2) the date of the Software Flash and your vehicle's mileage at the time of the Software Flash; (3) the name and address of the dealer that performed the Software Flash; (4) a description of the repair and services rendered; and (5) proof you owned the vehicle at the time of each Software Flash on which your claim is based. For Software Flashes performed prior to the Approval Date, you must submit a claim within 180 days of the Approval Date. (When available, the Approval Date will be posted at [INSERT WEBSITE] or can be obtained by calling [INSERT].</p> <p>For Software Flashes performed after the Approval Date of the Settlement, you must submit claims within 180 days of the repair.</p>
<p><b>I Want to Submit a Claim for a Repurchase or Compensation</b></p>	<p>Claims for repurchase or compensation may be filed with the Claims Administrator after the Approval Date, but no claims will be processed until the Effective Date. (When available, the Approval Date and the Effective Date will be posted at [INSERT WEBSITE] or can be obtained by calling [INSERT]. Appropriate forms will be available at [INSERT WEBSITE].</p> <p>If a Ford Dealer has made no more than 3 repair attempts on the PowerShift Transmission, Ford is entitled make 1 final attempt to fix the problem, at no charge to you, before the Claims Administrator can award a repurchase of your vehicle. If your vehicle has been subject to 4 or more repair visits, you are not obligated to provide Ford with any additional repair attempts.</p> <p>Your claim must include documentation supporting your claims such</p>

	as repair orders or receipts and proof of ownership at the time of each repair.
<p style="text-align: center;"><b>I Want to Submit a Claim for Reimbursement for a Clutch Replacement</b></p>	<p>If (1) your vehicle was manufactured after June 5, 2013, (2) you had 2 clutch replacements performed by a Ford Dealer while you owned or leased the Class Vehicle and within 5 years or 100,000 kilometres of delivery of the Class Vehicle to the first retail customer (whichever occurs first), (3) a Ford Dealer performs appropriate diagnostic procedures and determines you need an additional clutch replacement, <b>and</b> (4) you pay for the additional clutch replacement, then you are entitled to reimbursement of out-of-pocket costs for the additional clutch replacement if it is performed within 7 years or 160,000 kilometres of delivery of the Class Vehicle to the first retail customer, whichever comes first.</p> <p>After the Approval Date, you may submit a claim to the Claims Administrator using claim forms that will be available at [INSERT WEBSITE] after the Approval Date. Alternatively, you may submit claims electronically through [INSERT WEBSITE], using links that will become active after the Approval Date.</p> <p>As explained more fully below in the "Understanding the Settlement" section, you must support your claim with certain documentation such as repair orders or receipts or other documents that establish the following: (1) the VIN; (2) the dates the clutches were replaced and your vehicle's mileage when the clutches were replaced; (3) the name and address of the Ford Dealer(s) that replaced the clutches; (4) a description of the clutch replacements and other services rendered; (5) diagnostic procedures performed by the Ford Dealer that show that a post-warranty clutch replacement was necessary; (6) the amount you paid for the post-warranty clutch replacement; <b>and</b> (7) proof you owned the vehicle at the time of each clutch replacement.</p> <p>Claims for reimbursement for post-warranty clutch replacements under this Section that were performed prior to or on the Approval Date must be submitted within 180 days of the Approval Date.</p> <p>Claims for reimbursement for post-warranty clutch replacements under this Section that were performed after the Approval Date must be submitted within 180 days of the replacement. (When available, the Approval Date will be posted at [INSERT WEBSITE] or can be obtained by calling [INSERT]).</p>

### Timeline for Receiving Benefits

Please be advised that, while you may submit claims on or after the Approval Date (the date when the Court enters an order finally approving the proposed settlement), **your claim will not be processed until the Effective Date (the date after all appeals are resolved). The Effective Date could be months or even years after the Approval Date.**

Please check the Settlement Website regularly at [INSERT WEBSITE] for updates and for news about when your claims can be filed and processed.

### **Contact Information**

For copies of Settlement documents or for further information on how to submit claims for cash payments or Vehicle Discount Certificates to the Claims Administrator, go to [INSERT WEBSITE] or call [INSERT].

For all other questions, contact Class Counsel:

Charney Lawyers P.C.  
150 Bloor Street West, Suite 602  
Toronto, ON. M5S 1S4  
Phone: (416) 964-7950  
e-mail: info@charneylawyers.com

**Please do not contact the clerk of the court, the judge, Ford, or Ford's lawyers with inquiries.**

### **INTERPRETATION**

This Notice has been approved by the Court and is a summary of some of the terms of the proposed settlement. If there is a conflict between the provisions of this Notice and the terms of the Settlement Agreement, the Settlement Agreement prevails.

**THIS NOTICE HAS BEEN AUTHORIZED BY THE ONTARIO SUPERIOR COURT OF JUSTICE.**

REBECCA ROMEO et al.

**Plaintiffs**

**-and- FORD MOTOR COMPANY and  
FORD MOTOR COMPANY OF CANADA, LIMITED  
Defendants**

**Court File No.: CV-15-539855-00-**

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

Proceedings commenced in TORONTO

**ORDER**  
(Motion for Certification for Settlement  
Purposes)

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