

## **FAQ<sup>1</sup>**

1. **Is the class action settled?**

The class action brought by Rebecca Romeo et al against Ford Motor Company and Ford Motor Company of Canada bearing Court File No: CV-15-539855-00-CP (the “Class Action”) was certified on November 13, 2018 for settlement purposes. The Class Action is now settled, subject to Court approval.

2. **When is the Court approval hearing?**

The case management judge will decide whether to approve the settlement on March 18, 2019 at a settlement approval hearing in Toronto. Particulars of the time and courtroom have yet to be determined. The particulars will be posted on this website when available.

3. **What happens next if the settlement is approved?**

After the settlement approval hearing takes place and assuming the judge releases a decision approving the settlement, there will be a 30 day waiting period before class members can start to submit claims to the claims administrator.

4. **Who is a class member?**

Anyone in Canada who currently owns or leases or formerly owned or leased a Ford Fiesta for model years 2011 to 2016 equipped with a dual clutch transmission or a Ford Focus for model years 2012 to 2016 equipped with a dual clutch transmission.

5. **What is a claims administrator?**

In class action settlements, the parties typically hire a company that specializes in administering claims submitted by class members. A claims administrator handles class member inquiries and will process and pay eligible claims, in accordance with the settlement agreement.

6. **Am I eligible to be compensated just because I am a class member?**

No. To be eligible, you must meet one or more of the criteria as set out in the term sheet. The criteria are summarized in the short-form notice and in more detail in the long-form notice. You can access the term sheet and both the short-form and long-form notice on this webpage.

7. **What are alternative benefits?**

Alternative benefits provide **CURRENT** owners and **CURRENT** lessees (who meet the eligibility criteria) with an opportunity to recover a partial refund for what you paid for your vehicle and/or for your lease payments, plus a limited refund for interest paid by owners who incurred interest payments, less a reduction for usage and a reduction for owners to account for the vehicle's residual value, since owners will retain the car unless Ford exercises its right to make an offer to purchase the vehicle and the owner accepts the offer. Ford intends to buy back all the leased vehicles from current lessees who are eligible.

8. **Are alternative benefits available to former owners and/or former lessees?**

No. You must currently own or currently lease the car or be a lessee who opted to buy the car who continues to own the car to be eligible for alternative benefits.

9. **What compensation is available for class members who no longer own or lease the car?**

There are certain cash payments and/or "Owner Appreciation Certificates" for 3 or more service visits for Transmission Hardware Replacements ("THRs")<sup>1</sup> or Software Flashes which may be available to all class members including former owners and/or former lessees.

If class members have replaced the clutch on vehicles manufactured after June 5, 2013 twice and a third clutch replacement is required, Ford will reimburse class members for the third clutch replacement.

**Transition Period/Alternative Benefits**

During the period before the commencement of the claims program, which is estimated to begin in April or May 2019, current owners and lessees should consider whether to have a THR completed now or wait until the claims program begins.

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<sup>1</sup> The term THR stands for transmission hardware replacement, which is a defined term in the term sheet located at page 4 of the term sheet, which lists various transmission parts. If any one or more of these transmission parts have been replaced at one service visit, then that service visit counts as a THR.

Your safety and the safety of passengers in your vehicle should always be a priority in terms of deciding whether or not a THR is immediately required. Having said that, if you can wait, there are situations where it may be preferable to have the THR conducted after the claims program begins if you intend to claim alternative benefits.

10. **When would it be preferable to delay a THR until the claims program begins?**

If your vehicle is about to undergo its first or second THR while you have owned or leased it, then there is no benefit to waiting. To be eligible for alternative benefits your vehicle must have at least two THRs performed before you can access the claims program for alternative benefits. So if you have a second THR now and the transmission problems return you can then apply for alternative benefits. To be eligible for alternative benefits, your vehicle has to first undergo at least two THRs in circumstances where the transmission problems return after the second THR has been completed.

If your vehicle has undergone two THRs and your dealer is recommending a third, then subject to the deadlines including the limitation period and warranty period requirements which are set out in the term sheet, there may be certain advantages to waiting until the claims program begins before your dealer conducts the third THR. If the third THR is conducted as part of the claims program, meaning that after two THRs your vehicle continues to have transmission problems and you apply for alternative benefits, then the third THR will count as Ford's one last chance to repair the transmission. On the other hand if you have the third THR done now and it fails again then you would have to have a fourth THR during the claims program and the THR would have to fail again before you would be eligible for alternative benefits.

11. **What if my vehicle has already undergone three THRs while I owned it and now the dealer is recommending a fourth?**

If you are about to have your fourth THR while you owned the vehicle then it is preferable to go ahead with the repair now. This way, if the transmission problems return at some point after the 4<sup>th</sup> THR is completed then subject to the deadlines including the limitation period and warranty period requirements which are set out in the term sheet, you are automatically eligible for alternative benefits. Ford is not

entitled to another chance to repair the transmission if the vehicle has 4 or more THRs while you own/lease it and the transmission problems have returned.

12. **What if my vehicle has already undergone four or more THRs while I owned it and the transmission problems have returned?**

If your dealer thinks it's time to have another THR then subject to the deadlines including the limitation period and warranty period requirements which are set out in the term sheet, there are certain advantages to waiting until the claims program begins. If you wait and submit a claim for alternative benefits on the basis of four or more THRS, you must prove the problems have returned. If you have another THR now, the problems may not return right away or at all – in which case you will not be eligible for alternative benefits.

13. **What is a Transmission Diagnostic Test?**

To be eligible for alternative benefits, your vehicle must continue to experience significant transmission problems. In order to provide an impartial assessment as to whether the vehicle is truly undergoing significant transmission problems, the parties have agreed on a test called the Transmission Diagnostic Test which is administered by a Ford dealership.

14. **So in the simplest terms how do you become eligible for alternative benefits?**

Your car has to have undergone at least two THRs while you have owned it or leased it in circumstances where after the second THR, the transmission problems returned and are serious enough for your car to fail the Transmission Diagnostic Test. Ford then has one last chance to fix it. If the problems return again, you can recover alternative benefits subject to meeting the deadlines and criteria set out in the term sheet. If your car has already undergone four THRs while you owned/leased it, then subject to meeting the deadlines including the limitation period and warranty period requirements which are set out in the term sheet, you are eligible for alternative benefits without Ford having another chance to fix it, assuming the transmission problem has returned and is serious enough for your car to again fail the Transmission Diagnostic Test.

15. **What if I bought the car second hand and I am just now experiencing transmission problems?**

The claims program will be open for several years. Depending on how old your vehicle is, whether it's still under warranty and certain other time deadlines set out

in the term sheet, your car may be eligible for alternative benefits if during the course of your ownership the car requires two or more THRs. In other words, just because you are not currently eligible for alternative benefits today, does not mean you will not be eligible for alternative benefits in the future if your car continues to have or should develop transmission problems. You will have to review the deadlines set out in the term sheet to fully understand your individual circumstances.

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<sup>1</sup>Please note the Frequently Asked Questions and Answers Section is intended to provide general information about the settlement. It is not intended to be a complete review of all of the important criteria and deadlines set out in the term sheet. You should consult the term sheet for your individual circumstances, as well as the draft short-form and long form notices for details of the settlement which may be applicable to you.