

## SETTLEMENT AGREEMENT AND RELEASE

THIS SETTLEMENT AGREEMENT AND RELEASE (“Agreement”) is entered into this 25<sup>th</sup> day of July 2006, by and between Ford Motor Company of Canada, Limited, and Ford Motor Company (collectively, “Ford”) and the Plaintiffs in (a) *Reid v. Ford Motor Co.*, No. S023572 in the Vancouver Registry of the Supreme Court of British Columbia (the “Reid Action”), and in (b) 1344882 Ontario Inc. o/a Royal Fine Cars v. Ford Motor Company and others, No.02-CV-2359 in the Toronto Registry of the Ontario Superior Court of Justice (the “Royal Action”) (collectively the “Related Actions”);

WHEREAS, in the Related Actions, the Plaintiffs allege that Ford knew, but concealed from the public and from government officials, information that its TFI-IV modules, an ignition-system component that Ford installed on the distributors of Class Vehicles (as defined below), had an inordinately high propensity for failure due to overheating. The Plaintiffs also allege that when the TFI-IV module fails, the engine of the vehicle can stall suddenly and unexpectedly, even while traveling on the roadway, thereby creating an unreasonable risk to the safety of the occupants of the Class Vehicles;

WHEREAS, Ford denies each and every one of these allegations, and denies any wrongdoing of any kind;

WHEREAS, the Parties have vigorously litigated their respective positions in connection with all aspects of the Related Actions;

WHEREAS, as a result of several years of litigation the Parties are thoroughly familiar with the factual and legal issues presented by their respective claims and defences and

recognize the uncertainties as to the ultimate outcome in the Related Actions and the likelihood that any final result would require years of further complex litigation and substantial expense;

WHEREAS, Class Counsel believe that the claims the Plaintiffs have asserted have merit; however, Class Counsel also recognize that (a) it would be necessary to continue prosecuting the litigation against Ford through a trial of the common issues and, even if successful there, through a series of possible appeals, and then a trial or trials of the individual issues, and possible appeals therefrom, all of which will delay substantially the Class Members' receipt of benefits from the Related Actions and will require separate, additional litigation, and (b) there are significant risks in this litigation, whose outcome is uncertain; therefore, balancing the costs, risks, and delay of continued litigation against the benefits of the settlement, Class Counsel have concluded that settlement as provided in this Agreement will be in the best interests of the Class Members;

WHEREAS, this Agreement was entered into after extensive arm's-length discussions and negotiations between Class Counsel and counsel for Ford on numerous occasions over an extended period;

WHEREAS, the Parties desire to compromise and settle all issues and claims relating to TFI Modules, as this term is defined below, that have been brought or could have been brought, against Ford in the Related Actions;

WHEREAS, counsel for Ford and Class Counsel agree that the settlement contemplated by this Agreement (the "Settlement") is a fair, reasonable, and adequate resolution of the claims advanced in the Related Actions;

WHEREAS, the Parties desire and intend to seek court approval of the Settlement of the Related Actions as set forth in this Agreement, and, upon such court approval, the Parties intend also to seek consent dismissal orders dismissing the claims of all Plaintiffs and Settlement Class Members in the Related Actions with prejudice;

NOW, THEREFORE, it is agreed that in consideration of the promises and mutual covenants set forth in this Agreement and the entry by the Courts of final orders approving the terms and conditions of the Settlement as set forth in this Agreement and providing for dismissal with prejudice of the claims asserted in the Related Actions substantially in the form attached hereto as **Schedule C** (the "Settlement Approval Orders"), the Related Actions shall be settled and compromised under the terms and conditions contained herein.

#### **A. DEFINITIONS**

Whenever the following capitalized terms are used in this Agreement and in the Schedules annexed hereto (in addition to any definitions elsewhere in this Agreement), they shall have the following meanings:

a) "Appeal Forms" refers to any material filed by the Class Members appealing a decision on a Reimbursement Claim or Extended Warranty Claim;

b) "Claim Forms" means the Reimbursement Claim Forms and supporting documentation, and the Extended Warranty Declaration;

c) "Claims Period" refers to the 120 day period immediately following the Effective Date of Settlement;

d) "Class Members" refers to the members of the class certified by the Court in the Reid Action on October 29, 2003 and in the Royal Action on May 3, 2005;

e) "Class Counsel" refers to Branch MacMaster, Camp Fiorante Matthews, Teplitzky Colson, and Stevensons LLP; and the predecessors and/or successors of each of these law firms;

f) "Class Notice" refers to the notice to the Settlement Class Members of this Settlement, in the manner described in Paragraphs 6 and 8 of this Agreement;

g) "Class Vehicles" means 1983 through 1995 model-year Ford, Lincoln, and Mercury vehicles equipped with a TFI Module as hereinafter defined. A complete list of the models comprising the Class Vehicles is set forth in **Schedule A** and incorporated into this definition by reference;

h) "Courts" means the Supreme Court of British Columbia in Vancouver and the Ontario Superior Court of Justice in Toronto. For Settlement Class Members resident in British Columbia, any reference to Court shall be to the Supreme Court of British Columbia. For Settlement Class Members resident elsewhere in Canada, any reference to Court shall be to the Ontario Superior Court of Justice;

i) "Dealers" means Ford Motor Company of Canada, Limited authorized Ford and Ford – Lincoln dealers;

j) "Distribution Date" means the last day on which a cheque is sent to a Class Member in payment of claims pursuant to paragraphs 30, 31 or 32 of this Agreement;

k) "Effective Date of Settlement" means the date on which all appellate rights with respect to the Settlement Approval Orders in the Related Actions, described in paragraphs 2 and 3 below, have expired or have been exhausted with the Settlement Approval Orders being upheld;

l) "Ford Related Parties" means Ford, their present or former officers, directors, employees, agents, heirs, executors, administrators, successors, reorganized successors, spin-offs, assignees, subsidiaries, affiliates, parents, divisions, and predecessors, and their authorized dealers;

m) "Parties" means Ford, the Plaintiffs, and the Settlement Class Members, as each of those terms is defined herein;

n) "Plaintiffs" means all representative plaintiffs in the Related Actions;

o) "Released Claims" collectively means all claims, demands, rights, liabilities, and causes of action relating to TFI Modules of every nature and description whatsoever that were, or could have been, brought in either of the Related Actions, known or unknown, matured or unmatured, whether at law or in equity, and whether now liquidated or unliquidated, whether or not concealed or hidden, asserted or that might have been asserted, including under any provincial or federal statute or administrative rule or regulation, by any Plaintiff or Settlement Class Member (together with their predecessors, successors, representatives, parents, subsidiaries and affiliates, and the heirs, executors, administrators, successors, and assignees) against Ford and/or Ford Related Parties, arising out of, based upon, or related to the subject matter of the Related Actions, including any and all claims arising out of, based upon, or related to the Settlement or resolution of the Related Actions. "Released Claims" does *not* include any claims

arising out of, based upon, or related to personal injury or wrongful death, regardless of whether the claim is brought in an action or matter making allegations pertaining to a TFI Module or its effects, and regardless of whether such claims arose before or after the Settlement;

p) "Repair Order" means the repair order, invoice for work performed, or over-the-counter parts purchase receipt originally provided to the Settlement Class Member in respect of the replacement of a TFI Module prior to the Effective Date of Settlement, or a copy of such documentation obtained from the person or party who carried out the replacement of the TFI Module, which has not previously been reimbursed by Ford or any other person;

q) "Settlement Administrator" refers to the dedicated group at the Customer Relationship Centre at Ford Motor Company of Canada, Limited assigned by Ford to administer the Settlement herein;

r) "Settlement Class Members" means all Class Members in the Related Actions who did not validly and timely request exclusion from the Class;

s) "Settlement Fund" means \$1,500,000CDN plus any interest accrued thereon up to the 40th day after the Claims Period;

t) "TFI Module" means a Motorcraft® brand of distributor-mounted TFI-IV Module manufactured by or on behalf of Ford in a Class Vehicle.

## **B. TERMS OF SETTLEMENT AGREEMENT AND RELEASE**

1. This Agreement is for settlement purposes only, and neither the fact of, nor any provision contained in, this Agreement nor any action taken hereunder shall constitute, or be construed as, any admission of the validity of any claim or any factual allegation that was or could have been made by the Plaintiffs and Settlement Class Members in the Related Actions, or of any wrongdoing, fault, violation of law, or liability of any kind on the part of Ford or any admission by Ford of any claim or allegation made in any action or proceeding against Ford. This Agreement shall not be offered or be admissible in evidence by or against Ford or cited or referred to in any other action or proceeding, except (1) in any action or proceeding brought by or against the Parties to enforce or otherwise implement the terms of this Agreement, or (2) in any action involving the Plaintiffs, Settlement Class Members, or any of them, to support a defense of *res judicata*, estoppel, release, or other theory of claim preclusion, issue preclusion, or similar defense.

2. Class Counsel and counsel for Ford shall present this Agreement to the Courts for approval as soon as is practicable after the execution of this Agreement, along with a Motion for Approval substantially in the form attached hereto as **Schedule B** (“Approval Motions”). The Parties shall take all appropriate steps to obtain the Settlement Approval Orders granting the Approval Motions.

3. Promptly after the date on which all appellate rights with respect to the Settlement Approval Orders have expired, Ford and the Settlement Administrator will carry out the further obligations under this Agreement specified below.

4. The Settlement Administrator shall have the following responsibilities: (a) administration of the Settlement website as provided in this Agreement; (b) administration of the Settlement toll-free number as provided in this Agreement; (c) responding to written requests for documents, including requests for the Reimbursement Claim Form in the form attached hereto as **Schedule D**, as provided in this Agreement; (d) posting a series of relevant questions and answers agreed upon by the Parties on the website for which the Settlement Administrator is responsible, as provided in this Agreement; (e) recording and safekeeping the Claim Forms, Appeal Forms, claim denials, and accompanying documentation and maintaining a log of all calls for a period of 12 months after the Distribution Date; (f) sending notices and appeal forms to persons whose claims are denied as provided in this Agreement; (g) receiving and recording the receipt of appeals from the denial of claims; (h) providing Settlement Class Members who request a Reimbursement Claim Form or an Extended Warranty Declaration with a copy of such form either by email or through the website referred to in (i) below in response to requests by mail and calls to a toll-free telephone number maintained by the Settlement Administrator or, where the Settlement Class Member identifies their Class Vehicle and indicates that they do not have e-mail or web access, the Reimbursement Claim Form or the Extended Warranty Declaration shall be mailed to the Settlement Class Member; (i) maintaining a website at which the contents of the Class Notice and the Reimbursement Claim Form will be available; and (j) if requested, informing Settlement Class Members of possible sources for obtaining Vehicle Identification Numbers (“VIN”) for their vehicles and documentation to support their claims.

5. If the Settlement Approval Orders are not granted or if they are reversed or modified on appeal and either Ford or the Plaintiffs so elect, (1) this Agreement shall be null and void, shall have no further force and effect with respect to any Party in the Related Actions, and

shall not be offered in evidence or used in any litigation (including the Related Actions) for any purpose, (2) all orders in existence as of the date on which this Settlement was executed shall become operative and fully effective, as if proceedings relating to this Settlement had not occurred. In such event, the Parties reserve all rights to object to or otherwise challenge all such pre-existing orders.

6. Within 10 days of the Effective Date of Settlement, Class Counsel shall publish at Ford's expense not to exceed \$50,000CDN, the Notice of Settlement attached as **Schedule E** pursuant to the Notice Program set out in **Schedule F**.

7. Within 10 days of the Effective Date of Settlement, Ford shall arrange for the deposit of the Settlement Fund in an interest-bearing trust account with the Toronto law firm Hodgson Shields DeBrisay O'Donnell Mackillop Squire LLP ("Hodgson") with a chartered bank selected by Hodgson. The interest earned on such fund up to the 40th day after the Claims Period shall become part of the Settlement Fund. Interest earned thereafter shall be for the benefit of Ford Motor Company of Canada, Limited.

8. Within 10 days of the Effective Date of Settlement, Class Counsel shall at their own expense, mail to all Class Members of whom they are aware a copy of the Notice of Settlement attached as **Schedule E** and the Reimbursement Claim Form attached as **Schedule D**.

9. Ford agrees as follows:

(a) Subject to paragraphs 10-15, Ford shall provide current-owner Settlement Class Members an extension of new vehicle warranty coverage with respect to TFI

Modules to the first 160,000 kilometres of vehicle operation (the “Extended Warranty Program”); and

(b) Subject to paragraphs 16-29, Ford shall reimburse Settlement Class Members for the actual amounts paid by them for costs (i.e. parts, labour, and towing) incurred, up to a maximum of \$325.00CDN (inclusive of taxes), in replacing TFI Modules in Class Vehicles that had been in operation for 160,000 kilometres or less at the time of such replacement (“the Reimbursement Program”).

***The Extended Warranty Program:***

10. All conditions and provisions in Ford’s limited written vehicle warranty, other than the time and mileage limitation, shall apply during the extension period of the warranty for TFI Modules pursuant to the Extended Warranty Program; however, this Settlement shall not affect any rights under warranties provided with TFI modules sold as replacements for original equipment in Class Vehicles.

11. Settlement Class Members who claim warranty service under the Extended Warranty Program will be required to sign a sworn statement attached as **Schedule G** (the “Extended Warranty Declaration”) at a Dealer (which need not be notarized) attesting that, to the best of the owner’s knowledge (i) the vehicle has been in operation for 160,000 kilometres or less at the time of service, (ii) if the vehicle has a 5-digit odometer, it is on the first time around, and (iii) the Settlement Class Member did not request exclusion from the Related Actions.

12. Ford shall make the Extended Warranty Declaration available to all Dealers, and will advise them of the terms of the Extended Warranty Program. A dealer will have the

right to refuse extended warranty service if it has a good-faith reasonable belief that the vehicle has been in operation for more than 160,000 kilometres based on the circumstances, including past service records (if available) and inspection of the condition of the vehicle.

13. Ford shall request that, in the event a Dealer determines that a Settlement Class Member is ineligible for extended warranty service, the Dealer provide to the Settlement Class Member a written explanation of the reasons for this determination (the “Warranty Denial Explanation”). The Dealer shall make a contemporaneous record of the denial and the reasons therefore and shall promptly send this record and a copy of the Warranty Denial Explanation (collectively, the “Warranty Denial Record”) to Ford.

14. Settlement Class Members shall be notified by the Dealer that they have thirty (30) days to file an appeal of the denial of extended warranty service to the Settlement Administrator; provided however, Settlement Class Members have no right of appeal if the Settlement Class Member and the Dealer agree that (i) the vehicle in question is not a Class Vehicle; or (ii) mileage on the vehicle’s odometer is over 160,000 kilometres. The extended warranty appeal form is attached as **Schedule H**.

15. If the appealing Settlement Class Member states that the Dealer failed to provide the Settlement Class Member with the Warranty Denial Explanation, then Ford shall have an opportunity within sixty (60) days of receipt of the appeal to present evidence that the Dealer did or attempted to supply the Settlement Class Member with the Warranty Denial Explanation at the time of denial of service. If no such evidence is obtained, the Court shall grant the appeal. If such evidence is obtained, a copy of the Warranty Denial Explanation shall

be provided to the Settlement Class Member by the Settlement Administrator. The Settlement Class Member shall then have the option to withdraw the appeal.

***The Reimbursement Program:***

16. To be reimbursed for costs as described in paragraph 9(b) of this Agreement, Settlement Class Members must submit a sworn (but not notarized) Reimbursement Claim Form (Schedule D) supported by a Repair Order within the Claims Period. If the Repair Order does not show the Vehicle Identification Number (the "VIN"), the model and model year of the vehicle, the part that was replaced, the date of the repair and the mileage on the vehicle at the time of replacement, the Reimbursement Claim Form must provide this information and copies of the source documents from which this information was obtained must be submitted to the Settlement Administrator within the Claims Period. The Settlement Administrator may require a current owner to submit their vehicle to an inspection at a Dealer near the Settlement Class Member's residence, and may deny a claim if it concludes on a balance of probabilities that the eligibility requirements for this benefit have not been met.

17. Subject to paragraphs 21 and 22, Settlement Class Members who submit reimbursement claims bear the burden of proof as to all eligibility requirements for this benefit.

18. The Settlement Administrator shall decide whether to deny a claim for reimbursement within 120 days from the claim being submitted but no later than 30 days after the expiration of the Claims Period.

19. The Settlement Administrator shall provide by mail or email a copy of its written notice of denial and an appeal form to all Settlement Class Members whose claims are denied that are not precluded from appealing as specified in paragraph 20 of this Agreement,

together with information concerning procedures by which they may appeal the denial of their claim to Court. The appeal form is set out in **Schedule I**. The Settlement Class Member shall have thirty (30) days from the receipt of the Settlement Administrator's denial of his or her claim to file an appeal with the Settlement Administrator.

20. Notwithstanding anything to the contrary herein contained, if a reimbursement claim is denied for one or more of the following reasons, the Settlement Class Member has no right of appeal if the Settlement Class Member and the Settlement Administrator agree that: (a) the vehicle in question is not a Class Vehicle; (b) the mileage on the vehicle's odometer is over 160,000 kilometres at the time of TFI module replacement; (c) no VIN is provided for the vehicle; (d) no evidence of TFI module replacement is set out on the submitted Repair Order or other submitted source documentation.

21. In the event that:

- (a) Only one claim for reimbursement is submitted for TFI Module replacements for a given Class Vehicle, then the TFI module shall be presumed to be a TFI Module, unless the Reimbursement Claim Form or Repair Order indicates otherwise; or
- (b) more than one claim for reimbursement is submitted for TFI Module replacements on the same Class Vehicle, the claim based on the first replacement (in time) shall be presumed to be for replacement of a TFI Module unless the Reimbursement Claim Form or Repair Order indicates otherwise.

22. If a Settlement Class Member submitting a claim based on a second TFI Module (in time) replacement on the same vehicle does not answer Question No. 3 in Section II (Eligibility) of the Reimbursement Claim Form or answers "I don't know" (or the equivalent), the replaced TFI module will be presumed to have been a TFI Module only *if* the first Settlement Class Member indicates in response to Question No. 4 that he/she bought a replacement TFI Module.

23. A claim for reimbursement of reimbursable costs that have been incurred prior to the Effective Date of Settlement must be postmarked on or before the end of the Claims Period. Any claim for reimbursement received by the Settlement Administrator after the Distribution Date, regardless of whether it was postmarked before or after the end of the Claims Period, is ineligible for reimbursement and the Settlement Administrator shall have no obligation to respond to such claim.

24. No claims for reimbursement shall be accepted for reimbursement of costs incurred after the Effective Date of Settlement, at which time the extended warranty provided for in Paragraphs 9(a) and 10-15 will become effective. All rights for any reimbursement of costs incurred thereafter will be governed by Ford's procedures applicable to Ford's limited written vehicle warranty and this Agreement. Costs incurred for emergency repairs when a Dealer is not available may be reimbursed pursuant to Ford's procedures applicable to the terms of Ford's limited written vehicle warranty upon application to the Settlement Administrator together with a supporting receipt and written particulars of the emergency. The TFI Module that was replaced must be made available for inspection at a Dealer near the Settlement Class Member's residence.

25. All Settlement Class Members who fail to timely submit valid Reimbursement Claim Forms together with supporting documentation prescribed by this Agreement within the Claims Period shall be forever barred from receiving any payments pursuant to this Agreement, but will in all other respects be subject to and bound by the provisions and releases of this Agreement and the Settlement Approval Orders.

26. Claims may be made on behalf of bankrupt, deceased, or incompetent Settlement Class Members, and the Settlement Administrator shall pay otherwise valid claims to, their authorized representative, executor, trustee, or committee (as applicable) upon receipt of proof of capacity to act for or on behalf of the Settlement Class Member. In the event that the Class Vehicle is or was owned by joint owners (or leased by joint lessees), then the owner or owners who paid for the replacement shall be entitled to file a claim for reimbursement and shall so indicate on the Reimbursement Claim Form.

27. If the total value of allowed claims, including claims allowed on appeal, would exceed the Settlement Fund if paid in full, the amount of each allowed claim shall be reduced on a pro rata basis.

28. The Settlement Administrator shall have the obligation to attempt to pay valid claims once, by placing a cheque in the first-class mail to each of the allowed Settlement Class Members at the address shown on the relevant Reimbursement Claim Form or to such subsequent address provided by the Settlement Class Member in writing.

29. If a cheque reimbursing a Settlement Class Member under the provisions of paragraph 9(b) is not cashed within one hundred and eighty (180) days of the date of the cheque,

it shall be null and void and there shall be no further obligation to make payment to such Settlement Class Member.

***Distribution of Settlement Funds:***

30. If there are no appeals pursuant to paragraph 19, 85 days after the end of the Claims Period, the Settlement Administrator shall determine and distribute the amount payable to the Settlement Class Members.

31. If there are appeals pursuant to paragraph 19, and the total of all accepted claims, plus all denied claims, if accepted, is less than the value of the Settlement Fund, the Settlement Administrator shall determine and distribute the amount payable to each Settlement Class Member whose claim was accepted within 50 days of the end of the Claims Period, and shall determine and distribute the amount payable to any Settlement Class Member whose appeal is allowed within 10 days of the appeal decision.

32. If there are appeals pursuant to paragraph 19, and the total of all accepted claims, plus all denied claims, if accepted, is more than the value of the Settlement Fund, then the Settlement Administrator shall determine and distribute the amount payable to each Settlement Class Member 40 days after the resolution of all appeals pursuant to paragraph 38.

***Appeals:***

33. Within 90 days of the end of the Claims Period, the Settlement Administrator shall provide to counsel for Ford and Class Counsel copies of the appeal forms received in relation to the claims made under the Extended Warranty Program or the Reimbursement Program, the corresponding claim and supporting documents (if any), and the notices of denial by the Dealer or Settlement Administrator, as the case may be.

34. Upon receipt of the appeal material outlined in paragraph 33 above, Class Counsel shall have 14 days to deliver to counsel for Ford any response it has in relation to any of the appeals and counsel for Ford shall have the same 14 days to deliver any response it has in relation to any of the appeals to Class Counsel.

35. Within 10 days from receipt of any materials provided by Class Counsel in accordance with paragraph 34, counsel for Ford shall organize and submit claims for appeal to the appropriate Court, including any response from Class Counsel and counsel for Ford under paragraph 34, and in doing so, may group the appeals generally or on a subject by subject basis. For greater certainty, it is the intention of the Parties and their respective counsel to have any appeals from Settlement Class Members in British Columbia heard and determined by the Case Management Judge in the Reid Action and any appeals from Settlement Class Members elsewhere in Canada heard and determined by the Case Management Judge in the Royal Action.

36. Counsel for Ford shall seek to obtain the first available date convenient to all counsel for Ford, Class Counsel, and the Courts for the hearing of the appeal(s).

37. On an appeal of a denied warranty claim, the Court shall decide the appeal based on the Settlement Agreement, the appeal form, the Warranty Denial Explanation and, any response thereto that the Settlement Class Member may submit, and any response by Class Counsel and counsel for Ford.

38. On an appeal of a denial of reimbursement claim, the Courts shall determine the appeal based on the Settlement Agreement, the appeal form, the Reimbursement Claim Form, the Repair Order and supporting documents (if any), the Settlement Administrator's notice of denial, and any response by Class Counsel and counsel for Ford.

39. The decision of the Courts on any appeal shall be final and binding. No costs shall be sought nor awarded in respect of any appeal.

***Further Distribution of Settlement Fund:***

40. Within fifteen (15) days of the Effective Date of Settlement, Ford shall pay to Class Counsel the all inclusive amount of \$300,000CDN for their fees, disbursements and taxes.

41. A further \$200,000CDN or less for fees, disbursements, and taxes may be paid to Class Counsel pursuant to paragraph 44(a).

42. Ford agrees not to object to an award of Class Counsel's fees and expenses no greater than as set out in paragraphs 40 and 41.

43. Ford shall not be liable for any further fees or expenses or any claim by Class Counsel, any other counsel, Plaintiff or Settlement Class Member for additional fees or expenses relating to the allegations that form, or could have formed, the basis of the Related Actions or that in any way relate to this Agreement.

44. Ford may withdraw monies from the Settlement Fund from time to time up to, but not exceeding, the amount that Ford has paid out to the Settlement Class Members for allowed claims and claims allowed on appeal as at the date of any such withdrawal. If there remain amounts in the Settlement Fund one hundred and eighty (180) days after all amounts are paid to Settlement Class Members pursuant to paragraphs 30, 31, or 32 as applicable after subtracting all amounts paid to and cashed by Settlement Class Members for allowed claims and claims allowed on appeal, the monies shall, after provision of a final report in accordance with paragraph 46(b), be distributed as follows:

(a) the first \$200,000CDN shall be paid to Class Counsel, in accordance with paragraph 41; and

(b) the balance and any interest accrued after the 40th day after the Claims Period shall be returned to Ford.

45. The parties agree that Ford is in no way liable for any taxes Class Counsel, the Plaintiffs, Settlement Class Members, or others may be required to pay as a result of the receipt of settlement benefits. The parties also agree that neither Class Counsel, nor the Plaintiffs, nor Settlement Class Members are in any way liable for any taxes Ford may be required to pay as a result of the payments under or the administration of this Agreement.

***Administration of Settlement:***

46. The Settlement Administrator shall provide reports to Class Counsel on the claims administration as set forth in this Paragraph:

- (a) Every 60 days after the Effective Date of Settlement, until the Distribution Date, the Settlement Administrator shall provide a report on the status of the claims received, including but not limited to: (a) the number of claims for reimbursement submitted to date, the number of such claims that have been approved or denied and a summary of the reasons for denial; and (b) the number of appeals that have been filed under the Reimbursement Program and the Extended Warranty Program; and
- (b) 180 days after all amounts are paid to Settlement Class Members pursuant to paragraphs 30, 31 or 32, the Settlement Administrator shall deliver to Class Counsel a final report on (a) the number of claims for reimbursement that were paid, and the amounts paid for same; (b) the number of cheques that were sent to Settlement Class Members in payment of their claims but which were not cashed; (c) the amounts

drawn by Ford from the Settlement Fund pursuant to paragraph 45; and (d) any balance remaining in the Settlement Fund.

47. Ford shall pay all costs and expenses required for the administration of the Settlement, by the Settlement Administrator.

48. Ford agrees that the Settlement Administrator shall act in good faith, and shall not favour the interests of Ford to those of the Settlement Class Members. Class Counsel shall have the right to audit the files of the Settlement Administrator on reasonable notice.

***Releases:***

49. Upon the Effective Date of Settlement, the Plaintiffs and Settlement Class Members, and each of them, forever release, discharge, and covenant not to sue Ford and the Ford Related Parties regarding any of the Released Claims, as that term is defined at Paragraph "o" of the Definitions section of this Agreement. The Parties acknowledge that the foregoing waiver was bargained for and is a material element of the Agreement. The Parties also acknowledge that the foregoing waiver shall be null and void if: (a) the approval of the Agreement and the Settlement is reversed or modified on appeal; or (b) the Settlement Approval Orders, or either of them, are reversed or modified on appeal; and (c) either Ford or the Plaintiffs elect to make this Agreement null and void pursuant to paragraph 5 above.

50. No Settlement Class Member shall have any claim against the Representative Plaintiffs, Class Counsel, the Settlement Administrator, or any agent designated by Class Counsel for the Settlement Class Members, based on the payments made or warranty service provided and made substantially in accordance with this Agreement or with further Orders of the Courts or any appellate court.

***General Provisions:***

51. Subject to other provisions of this Agreement, the parties to this Agreement agree to cooperate fully, to execute any and all supplementary documents reasonably necessary to effectuate the terms of this Agreement, and to take all additional actions and reasonable steps which may be necessary or appropriate to obtain judicial approval of this Agreement and to give this Agreement full force and effect. The Parties agree that the Settlement embodied in this Agreement is fair and reasonable as to all Parties.

52. Any forms that are sent to a Settlement Class Member pursuant to this Agreement will be deemed to have been received by the Settlement Class Member within 5 business days from the date the said form is mailed or e-mailed, as the case may be.

53. This Agreement and its attachments shall constitute the entire Agreement of the Parties and shall not be subject to any change, modification, amendment, or addition without the express written consent of counsel on behalf of all Parties to the Agreement. This Agreement supersedes and replaces all prior negotiations and proposed agreements, written or oral.

54. All Schedules are incorporated into this Agreement by reference.

55. This Agreement shall be binding upon and inure to the benefit of the Parties hereof and their representatives, heirs, successors, and assignees.

56. In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision if Ford and Class Counsel, on

behalf of the Plaintiffs and Settlement Class Members, mutually elect to proceed as if such invalid, illegal, or unenforceable provision had never been included in this Agreement.

57. The Courts shall retain continuing and exclusive jurisdiction over the Parties hereto, including the Plaintiffs and all Settlement Class Members, and over the administration and enforcement of the Settlement and the benefits to the Plaintiffs and Settlement Class Members hereunder. Any disputes or controversies arising with respect to the interpretation, enforcement, or implementation of this Agreement must be made by motion to the Court.

58. The undersigned Class Counsel warrant that they are fully authorized to execute this Agreement on behalf of the Plaintiffs and Settlement Class Members and to execute and legally bind all the Plaintiffs to this Agreement. Class Counsel further warrant that no other lawyers who have appeared on any documents filed on behalf of the Plaintiffs or Settlement Class Members have any claim for legal fees, disbursements or taxes separate from those fees, disbursements or taxes to be paid to Class Counsel pursuant to Paragraphs 40 and 41.

59. The Parties hereby agree to stay all proceedings in the Related Actions until the approval of this Agreement has been finally determined, *except* the stay of proceedings shall not prevent the filing of any motions, affidavits, and other matters necessary to the approval of this Agreement.

60. Ford and the Plaintiffs acknowledge that they have been represented and advised by independent legal counsel throughout the negotiations that have culminated in the execution of this Agreement, and that they have voluntarily executed the Agreement with the consent and on the advice of counsel.

61. This Agreement may be executed in counterpart by the parties hereto, and a facsimile signature shall be deemed an original signature for purposes of this Agreement.

62. This Agreement shall be construed under and governed by the laws of the Province of British Columbia, in so far as it relates to the Reid Action and by the laws of Ontario in so far as it relates to the Royal Action.

63. The Parties have negotiated and fully reviewed the terms of this Agreement, and the rule that uncertainty or ambiguity is to be construed against the drafter shall not apply to the construction of this Agreement by a court of law or any other adjudicating body.

64. Whenever, under the terms of this Agreement, a person is required to provide service or written notice to Ford or to Class Counsel, such service or notice shall be directed to the individuals and addresses specified below, unless those individuals or their successors give notice to the other Parties in writing:

As to Class Counsel:

Luciana Brasil  
Branch MacMaster

As to Ford:

Ian Giroday  
Hobbs Giroday

IN WITNESS THEREOF, the Parties hereto have executed this Agreement as

follows:

ON BEHALF OF PLAINTIFFS AND SETTLEMENT CLASS MEMBERS:

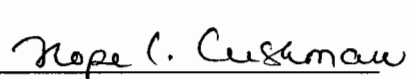

By:   
Ward K. Branch

BRANCH MACMASTER

ON BEHALF OF FORD MOTOR COMPANY:

By:   
FORD MOTOR COMPANY  
Title: ~~Assistant Secretary~~

ON BEHALF OF FORD MOTOR COMPANY OF CANADA, LIMITED:

By:    
FORD MOTOR COMPANY OF CANADA,  
LIMITED  
Title: Secretary

**SCHEDULES:**

- A – List of Class Vehicles
- B – Approval Motion
- C – Settlement Approval Order
- D – Reimbursement Claim Form
- E – Notice of Settlement
- F – Notice Program
- G – Extended Warranty Declaration
- H – Extended Warranty Appeal Form
- I – Appeal Form

## SCHEDULE A

**Distributor-Mounted TFI-IV Class Vehicle List**  
(No diesel powered vehicles are included in the class list.)

Model	Model Year(s)	Engine Code*	Engine Type	Endnotes
Aerostar	1986	A	2.3L	
Aerostar	1986	S	2.8L	
Aerostar	1986-1990	U	3.0L	
Bronco	1984	Y	4.9L	Note 1
Bronco	1985	Y	4.9L	Note 1
Bronco	1985-1991	N	5.0L	
Bronco	1986-1991	Y	4.9L	
Bronco	1988 - 1991	H	5.8L	
Bronco II	1984-1985	S	2.8L	
Bronco II	1986-1990	T	2.9L	
Capri	1983-1984	W	2.3L (Turbo)	
Capri	1984-1985	M	5.0L(HO)	Note 2
Capri	1986	A	2.3L	
Capri	1986	3	3.8L	
Capri	1986	M	5.0L(HO)	
Continental	1984-1987	F	5.0L	
Cougar	1984-1986	W	2.3L (Turbo)	
Cougar	1984-1988	F	5.0L	
Crown Victoria	1986-1991	F	5.0L	
E-Series	1984	Y	4.9L	Note 1, Note 3
E-Series	1985	Y	4.9L	Note 1, Note 4
E-Series	1985	F	5.0L	Note 5
E-Series	1986	Y	4.9L	Note 6
E-Series	1986-1991	N	5.0L	
E-Series	1987-1991	Y	4.9L	
E-Series	1987-1989	9	4.9L (LPG)	Note 7
E-Series	1988-1989	G	7.5L	
E-Series	1988-1991	H	5.8L	
Escort	1983 - 1985	5	1.6L (EFI)	
Escort	1985	8	1.6L (Turbo)	
Escort	1986-1990	J	1.9L (EFI)	
Escort	1987-1990	9	1.9L (CFI)	
EXP	1984 - 1985	8	1.6L (Turbo)	
F-Series	1984	Y	4.9L	Note 1, Note 8
F-Series	1985	Y	4.9L	Note 1, Note 9
F-Series	1985	F	5.0L	Note 5

Model	Model Year(s)	Engine Code*	Engine Type	Endnotes
F-Series	1985-1991	N	5.0L	
F-Series	1986	Y	4.9L	Note 10
F-Series	1987-1991	Y	4.9L	
F-Series	1988-1991	H	5.8L	
F-Series	1988-1990	9	4.9L	Note 7
F-Series	1988-1989	G	7.5L	
F-Stripped Chassis	1989	G	7.5L	
Grand Marquis	1986-1991	F	5.0L	
LTD	1984-1985	M	5.0L (HO)	Note 2
LTD	1984	6	4.9L (LPG)	Note 7
LTD	1986	A	2.3L	
Lynx	1983 - 1984	5	1.6L (EFI)	
Lynx	1986	J	1.9L (EFI)	
Mark	1984-1987	F	5.0L	
Mark	1985	M	5.0L (HO)	Note 2
Mark	1986-1987	M	5.0L (HO)	
Mark	1988-1992	E	5.0L (HO)	
Marquis	1984	6	4.9L (LPG)	Note 7
Marquis	1985	M	5.0L	Note 2
Marquis	1986	A	2.3L OHC	
Merkur	1985 - 1989	W	2.3L (Turbo)	
Mustang	1983-1984	W	2.3L (Turbo)	
Mustang	1984-1986	T	2.3L (Turbo)	
Mustang	1984-1985	M	5.0L (HO)	Note 2
Mustang	1986	3	3.8L	
Mustang	1986	M	5.0L (HO)	
Mustang	1986-1990	A	2.3L	
Mustang	1987-1993	E	5.0L	
Probe	1990 - 1992	U	3.0L	
Ranger	1983-1985	S	2.8L	
Ranger	1985-1988	A	2.3L	
Ranger	1986-1992	T	2.9L	
Sable	1986	D	2.5L (HSC)	
Sable	1986-1995	U	3.0L	
Scorpio	1988 - 1989	V	2.9L	
Taurus	1986-1990	D	2.5L (HSC)	
Taurus	1986-1995	U	3.0L	

<b>Model</b>	<b>Model Year(s)</b>	<b>Engine Code*</b>	<b>Engine Type</b>	<b>Endnotes</b>
<b>Tempo</b>	1985-1991	S	2.3L	
<b>Tempo</b>	1985-1994	X	2.3L	
<b>Tempo</b>	1992-1994	U	3.0L	
<b>Thunderbird</b>	1983-1987	W	2.3L (Turbo)	
<b>Thunderbird</b>	1984-1985	F	5.0L	Note 2
<b>Thunderbird</b>	1986-1988	F	5.0L	
<b>Topaz</b>	1985-1991	S	2.3L	
<b>Topaz</b>	1985-1994	X	2.3L	
<b>Topaz</b>	1992-1994	U	3.0L	
<b>Town Car</b>	1984 - 1990	F	5.0L	

\*\*\* See following sheet for Endnotes \*\*\*

## Endnotes

\*Engine code refers to position 8 in the vehicle identification number (VIN). The information described in the column named "Engine Type" is designated by the Engine Code.

According to all presently known information, the following notes provide a detailed explanation of which vehicles within certain vehicle lines have distributor-mounted TFI-IV module ("DMTFI") technology.

- Note 1: Only listed vehicles with catalyst/unleaded fuel have DMTFI. Listed vehicles without catalysts and take leaded fuel do not have DMTFI.
- Note 2: Only listed vehicles with automatic transmission have DMTFI. Listed vehicles with manual transmission do not have DMTFI.
- Note 3: All E-150 with catalyst/unleaded fuel have DMTFI;  
All E-250 with catalyst/unleaded fuel have DMTFI except for E-250 with C6 transmission, some E-250 with catalyst/unleaded fuel and with C6 transmission have DMTFI and some do not;  
All E-350 do not have DMTFI.
- Note 4: All E-150 with catalyst/unleaded fuel have DMTFI;  
All E-250 with catalyst/unleaded fuel have DMTFI except for E-250 with body style 82 and C6 transmission, E-250 with both body style 82 and C6 transmission do not have DMTFI;  
All E-350 do not have DMTFI.
- Note 5: Service manuals indicate DMTFI application for some of these vehicles.
- Note 6: All E-150 have DMTFI;  
All E-250 have DMTFI except for E-250 with body style 82 and C6 transmission, E-250 with both body style 82 and C6 transmission do not have DMTFI;  
All E-350 do not have DMTFI.
- Note 7: Liquid propane gas ("LPG") engine types are classified as DMTFI equipped vehicles. Detailed verified information for this limited application is not available.
- Note 8: All F-150 with catalyst/unleaded fuel have DMTFI;  
All F-250 under 8500lb Gross Vehicle Weight with catalyst/unleaded fuel have DMTFI, some F-250 over 8500lb. Gross Vehicle Weight with catalyst/unleaded fuel have DMTFI and some do not;  
All F-350 do not have DMTFI.
- Note 9: All F-150 with catalyst/unleaded fuel have DMTFI;  
All F-250 under 8500lb. Gross Vehicle Weight with catalyst/unleaded fuel have DMTFI, F-250 over 8500lb. Gross Vehicle Weight with catalyst/unleaded fuel do not have DMTFI (except high altitude manual transmission), some F-250 over

8500lb. Gross Vehicle Weight with catalyst/unleaded fuel high altitude manual transmission have DMTFI and some do not;  
All F-350 do not have DMTFI.

Note 10:

All F-150 have DMTFI;  
All F-250 under 8500lb. Gross Vehicle Weight have DMTFI, F-250 over 8500lb. Gross Vehicle Weight do not have DMTFI (except high altitude manual transmission), some F-250 over 8500lb. Gross Vehicle Weight high altitude manual transmission have DMTFI and some do not;  
All F-350 do not have DMTFI.

**SCHEDULE B**

No. S023572  
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

BETWEEN:

BARBARA REID

PLAINTIFF

AND:

FORD MOTOR COMPANY  
FORD MOTOR COMPANY OF CANADA, LIMITED/FORD  
DU CANADA LIMITEE

DEFENDANTS

**NOTICE OF MOTION**

TO: The Plaintiff  
AND TO: The Plaintiff's Solicitors  
AND TO: The Defendants  
AND TO: The Defendants' Solicitors

TAKE NOTICE that an application will be made jointly by the parties to the Honourable Madam Justice Gerow at the Court House at 800 Smithe Street, Vancouver, British Columbia on the 15<sup>th</sup> day of September, 2006 at 9:45 a.m., or so soon thereafter as counsel may be heard, for the following Order:

1. that the settlement of this action be approved on the terms set out in the Settlement Agreement and Release (the "Settlement Agreement") dated July 25, 2006;
2. a declaration that the settlement binds every member of the class who has not opted out of this action;
3. that the method of notice to the class members of the settlement as set out in the Notice Plan Schedule attached to and forming part of the Settlement Agreement be approved;
4. that this action be dismissed, without costs to any party, and that such dismissal be of the same force and effect as if the action proceeded to trial on the merits and was dismissed;

5. that the Defendants be released from the Released Claims as defined and provided for in the Settlement Agreement; and
6. that class counsel fees and disbursements as provided for in the Settlement Agreement be approved.

The applicants will rely on:

1. Section 35 of the *Class Proceedings Act*

At the hearing of the application, the applicants will rely on the following affidavits and other documents:

1. ◆

The applicants estimate that the application will take 2 hours.

If you wish to receive notice of the time and date of hearing or to respond to the application, you must, within the proper time for Response,

- (a) deliver to the applicant:
  - (i) 2 copies of a Response; and
  - (ii) 2 copies of each of the Affidavits and other documents, not already in the Court file, on which you intend to rely at the hearing, and
- (b) deliver to every other party of record:
  - (i) one copy of a Response in Form 124; and
  - (ii) one copy of each Affidavit and other document, not already in the Court file, on which you intend to rely at the hearing.

#### TIME FOR RESPONSE

If the application is for a final judgment under Rule 18A, the Response must be delivered on or before the 11th day after the delivery to you of the Notice of Motion.

In all cases, the Response must be delivered on or before the 8th day after the later of:

- (a) the last date fixed for entry of Appearance by you; and
- (b) the date on which the Notice of Motion was delivered to you.

Dated:

\_\_\_\_\_  
Solicitor for the Defendants

This Notice of Motion was prepared by Ian Giroday of the law firm of Hobbs Giroday whose place of business is PO Box 49270, Three Bentall Centre, #983 - 595 Burrard Street, Vancouver, BC, V7X 1L3, Telephone: (604) 669-6609, Facsimile: (604) 669-6612.

NO. S023572  
VANCOUVER REGISTRY

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**IN THE SUPREME COURT OF BRITISH COLUMBIA**

BETWEEN:

BARBARA REID

PLAINTIFF

AND:

FORD MOTOR COMPANY  
FORD MOTOR COMPANY  
OF CANADA,  
LIMITED/FORD DU  
CANADA LIMITEE

DEFENDANTS

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**NOTICE OF MOTION**

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**HOBBS GIRODAY**  
Barristers & Solicitors  
Suite 983 – 595 Burrard Street  
P.O. Box 49270  
Vancouver, B.C.  
V7X 1L3  
**Attention: Ian Giroday**

**SCHEDULE C**

No. S023572  
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

BETWEEN:

BARBARA REID

PLAINTIFF

AND:

FORD MOTOR COMPANY  
FORD MOTOR COMPANY OF CANADA, LIMITED/FORD  
DU CANADA LIMITEE

DEFENDANTS

**ORDER**

BEFORE THE HONOURABLE )  
MADAM JUSTICE GEROW )  
FRIDAY, THE 15TH DAY  
OF SEPTEMBER, 2006

THE APPLICATION of the parties, coming on for hearing at Vancouver, British Columbia on the 15<sup>th</sup> day of September, 2006, and on hearing, Ward K. Branch and Luciana P. Brasil, counsel for the Plaintiff, and Ian Giroday, counsel for the Defendants; and upon reading the pleadings and proceedings had and taken herein;

THIS COURT ORDERS that

1. the settlement of this action is approved on the terms set out in the Settlement Agreement and Release (the "Settlement Agreement") dated July 25, 2006;
2. the settlement binds every member of the class who has not opted out of this action;
3. the method of notice to the class members of the settlement as set out in the Notice Plan Schedule attached to and forming part of the Settlement Agreement is approved;

4. this action is dismissed, without costs to any party, and the dismissal is of the same force and effect as if the action proceeded to trial on the merits and was dismissed;
5. the Defendants are released from the Released Claims as defined and provided for in the Settlement Agreement; and
6. class counsel fees and disbursements as provided for in the Settlement Agreement are approved.

BY THE COURT

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DISTRICT REGISTRAR

APPROVED AS TO FORM:

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Solicitor for the Plaintiff

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Solicitor for the Defendants

NO. S023572  
VANCOUVER REGISTRY

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**IN THE SUPREME COURT OF BRITISH COLUMBIA**

BETWEEN:

BARBARA REID

PLAINTIFF

AND:

FORD MOTOR COMPANY  
FORD MOTOR COMPANY  
OF CANADA,  
LIMITED/FORD DU  
CANADA LIMITEE

DEFENDANTS

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**ORDER**

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**HOBBS GIRODAY**  
Barristers & Solicitors  
Suite 983 – 595 Burrard Street  
P.O. Box 49270  
Vancouver, B.C.  
V7X 1L3  
**Attention: Ian Giroday**

## SCHEDULE D

### **FORD TFI MODULE CLASS ACTION SETTLEMENT REIMBURSEMENT CLAIM FORM**

**Please complete the designated sections below  
and return this form no later than \_\_\_\_, 2007, to [address]**

#### Instructions

1. **Eligibility.** You are eligible to submit this claim for reimbursement if you meet the following criteria: **(a)** you are a Settlement Class Member, as described in the Notice of Settlement; **and (b)** you have paid or otherwise incurred out-of-pocket expense for replacing a Motorcraft® brand of distributor-mounted TFI-IV module(s) manufactured by or on behalf of Ford ("Motorcraft® TFI-IV Module") in a class vehicle that had been in operation for 160,000 kilometres or less at the time the Motorcraft® TFI-IV Module was replaced.

Class vehicles are 1983 through 1995 model-year Ford, Lincoln and Mercury vehicles that were equipped with distributor-mounted Motorcraft® TFI-IV Modules. The Settlement Agreement contains a list of the Ford, Lincoln and Mercury models that comprise the class vehicles. The Settlement Agreement, the Notice of Settlement and other settlement-related information is available at [www.tfisettlement.ca](http://www.tfisettlement.ca). *If you should have any question about the class definition, you should review the class description set forth in the Notice of Settlement to determine whether you are a Settlement Class Member, or you may contact the Settlement Administrator at <number>.*

2. **Reimbursement Benefit.** The reimbursement benefit applies to costs you incurred in replacing a Motorcraft® TFI-IV Module within the first 160,000 kilometres of vehicle operation, even if the replacement TFI module you paid for was manufactured by a company other than Ford or by a company on behalf of Ford. The reimbursement benefit *does not* apply to costs incurred in replacing a TFI module other than a Motorcraft® TFI-IV Module.

Upon approval of a valid claim, the Settlement Administrator will reimburse you up to a maximum of \$325.00CDN for replacing a Motorcraft® TFI-IV Module within the first 160,000 kilometres of vehicle operation, limited to the cost of the replacement TFI module(s), labour charges, related towing charges, if any, and taxes. If your claim is accepted, you will receive a cheque in the mail from the Settlement Administrator in approximately X months, or -----, 2007. Please note you will not receive notice that your claim has been accepted other than receiving a cheque in the mail. If your claim for reimbursement is denied, you will be advised of the denial and the reason(s) for the denial within 120 days of submitting your claim.

3. **Claim Validation.** Your claim must establish that you paid to replace a Motorcraft® TFI-IV Module within the first 160,000 kilometres of vehicle operation. **Your claim must be supported by documents pertaining to the replacement of the Motorcraft®**

**TFI-IV Module, that is, original copies of a repair order, an invoice, or an over the counter parts purchase receipt or a copy of such documentation obtained from the person or party who carried out the replacement of the Motorcraft® TFI-IV Module, which has not previously been paid or reimbursed by Ford or any other person. (“Repair Order”), together with other information requested in this claim form. If the Repair Order does not indicate the Vehicle Identification Number, the model and model year of the vehicle and the mileage on the vehicle at the time of the replacement, this Reimbursement Claim Form must provide this information and you must submit with this Reimbursement Claim Form and the Repair Order the source documents from which this information was obtained. Source documents that may contain some of this information include other repair orders for the vehicle, vehicle insurance or ownership certificates or documents obtained from the Motor Vehicle Branch. The Settlement Administrator will then evaluate your claim based on all the information you have provided. If the Settlement Administrator denies your claim, the Settlement Administrator will inform you of that denial and of your rights of appeal.**

4. **Claims Supported by Documentation.** To be reimbursed for the costs you incurred for replacing a Motorcraft® TFI-IV Module(s), you must complete this Reimbursement Claim Form **in full**, sign it, and submit it, together with the Repair Order and copies of any other source documents to the Settlement Administrator. **Please ensure that you keep a copy of all documents submitted as the documents you send to the Settlement Administrator will not be returned to you.** The claim form does not need to be notarized but you must acknowledge, by signing this Reimbursement Claim Form, that the submission of a false claim constitutes a criminal offence. The Settlement Administrator reserves the right to audit all claims, including the right to require vehicle inspection by current owners of class vehicles at a Ford dealership if circumstances reasonably warrant such an inspection, and to deny a claim if it believes there is good reason to conclude that the eligibility requirements for this benefit have not been met. If you replaced more than one Motorcraft® TFI-IV Module, please copy this Reimbursement Claim Form and submit a separate claim for each replacement. The submission of a false claim constitutes a criminal offence.

5. **Deadline for Submitting Claims.** You must mail this form the Repair Order and any source documents postmarked no later than [date], 2007 to the Settlement Administrator, at [address].

6. **Extended Warranty Coverage.** As of the [effective date of settlement] Ford is providing to current owners of class vehicles an extension of vehicle warranty coverage with respect to Motorcraft® TFI-IV Modules to the first 160,000 kilometres of vehicle operation. As at that date, service under this extended warranty will be available at all Ford dealers and accordingly claim forms for reimbursement of costs incurred thereafter will not be accepted. Any rights for reimbursement of such costs will be governed by Ford’s procedures applicable to Ford’s limited written vehicle warranty and the Settlement Agreement.

**Section I — Claimant Information**

**Please print or type clearly.**

1. Name(s) of the person(s) or business (es) to which the class vehicle was registered during the period in which you owned or leased that vehicle:

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2. Claimant(s) current address:

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3. Claimant(s) current email address:

---

4. Claimant(s) current telephone number, including area code:

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5. If you jointly owned or leased the class vehicle at the time of the replacement, please identify the other joint owner(s).

---

6. Model year and model of the class vehicle to which this claim relates (e.g., 1989 Taurus):

---

7. Vehicle Identification Number (VIN) of the class vehicle to which this claim relates (information as to where the VIN can be found or obtained is found at the end of this form):

---

8. Did you purchase or lease the class vehicle when it was new? (yes or no)

---

9. Did the class vehicle to which this claim relates have an automatic or manual (standard) transmission?

---

10. Did the class vehicle to which this claim relates run on leaded or unleaded gas?

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**Section II — Eligibility**

1. Please itemize the amount or amounts that you paid in replacing a Motorcraft® TFI module:

a. Cost of replacement TFI module: \$ \_\_\_\_\_.

b. Cost of labour charged for replacing the Motorcraft® TFI-IV Module:  
\$ \_\_\_\_\_.

c. Amount charged for related towing, if any: \$ \_\_\_\_\_.

d. Taxes: \$ \_\_\_\_\_.

2. If you cannot itemize these amounts, then please provide the total amount you paid for replacing a Motorcraft® TFI-IV Module:

---

3. If you have information that indicates that the TFI module you replaced was a Motorcraft® TFI-IV Module) please provide it here.

(Please note that if your claim is for a second replacement rather than a replacement of the original module, some supporting information must be provided.)

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4. Please identify the manufacturer of the replacement TFI module you purchased for installation in your class vehicle:

- a. Ford (*i.e.*, Motorcraft® brand) \_\_\_\_\_
- b. Other manufacturer \_\_\_\_\_
- c. I don't know \_\_\_\_\_

5. Please provide the name and location (*i.e.*, street address, city and province or territory) of the provider of the replacement TFI module and of any installation service (*e.g.*, a Ford dealer, garage or repair shop, or parts store):

\_\_\_\_\_

\_\_\_\_\_

6. Please provide the date on which the Motorcraft® TFI-IV Module was replaced:

\_\_\_\_\_

7. Please provide the mileage on your class vehicle at the time the Motorcraft® TFI-IV Module was replaced: \_\_\_\_\_ kilometres.

8. Please describe the documents that you are submitting in support of this claim:

\_\_\_\_\_

\_\_\_\_\_

9. If the Repair Order enclosed with this Reimbursement Claim Form does not specifically refer to the amount(s) you identified in your response to question Nos. 1 or 2, please explain how you arrived at those amounts:

\_\_\_\_\_

\_\_\_\_\_

### Section III — Certification

I declare as follows:

- 1. I have read the Notice of Settlement and, based on that Notice, I am a member of the Settlement Class.
- 2. I have not requested to be excluded from the Settlement Class.

3. If I owned or leased the class vehicle jointly at the time of replacement, and the other owner is not co-signing this Reimbursement Claim Form, then I swear that I will be responsible for giving the other joint owner(s)/lessee(s) their fair share, if any, of the reimbursement I receive.

4. Documents submitted in support of this claim are in the case of the Repair Order, an original copy or a copy obtained from the person or party who carried out the replacement of the Motorcraft® TFI-IV Module which has not previously been paid or reimbursed by Ford or any other person, and in the case of other source documents, original copies or true and correct legible copies of the original documents.

5. All of my answers to the questions on this Reimbursement Claim Form are true, correct and complete.

6. I acknowledge and understand that the submission of a false claim constitutes a criminal offence.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

SFI:443332.1

## HOW TO OBTAIN VIN INFORMATION:

VIN stands for Vehicle Identification Number. All vehicles are assigned a VIN when they are manufactured. They are used to uniquely identify all vehicles and typically consist of an alphanumeric sequence of 17 digits.

The VIN can typically be found on the driver's side dash (viewable through the windshield), or on the front of the engine block and on the driver door jam (viewable as you open the door).

The VIN is also often recorded in ownership and insurance records, and on any repair documents.

If you no longer own the vehicle and do not have any other documentation on which the VIN is recorded, you may be able to obtain the VIN information through the following offices:

**British Columbia:** Contact ICBC Customer Service by phone at (604) 661-2800

**Alberta:** Contact the Provincial Registry at (403) 277-7777

**Saskatchewan:** Contact SGI Canada (Saskatchewan Government Insurance) at 1-800-667-9868 or Customer Service at (306) 775-6900

**Manitoba:** Contact Vehicle Registrations, Search Department at (204) 985-1999

**Ontario:** Contact Ministry of Transportation at 1-800-387-3445

**Quebec:** Contact S.A.A.Q. at 1-800-361-7620 or (514) 873-7620

**Prince Edward Island:** Attend at Highway Safety Building in person – 33 Riverside Drive, Charlottetown, PEI

**Nova Scotia:** go to any Access Office and fill out the request for certified letter

**New Brunswick:** Contact Mr. West of New Brunswick Public Safety Department at (506) 453-2410

**Newfoundland & Labrador:** Contact Motor Vehicle Registration Division at (709) 729-2519

**Yukon Government:** Call (867) 667-5811 or attend personally at the Whitehorse office to get the information – 2071 Second Avenue

**Northwest Territories:** complete form obtained from Local Issuing Office or by phoning (867) 873-7893.

## SCHEDULE E

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### NOTICE OF SETTLEMENT OF FORD TFI CLASS ACTION

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- TO: 1 Canadian residents who currently own 1983 through 1995 model year Ford, Lincoln or Mercury vehicles with a Motorcraft ® distributor-mounted Thick Film Ignition IV Module; and
2. Canadian residents who previously owned or leased a 1983 through 1995 model year Ford, Lincoln, or Mercury vehicle with a Motorcraft ® distributor-mounted Thick Film Ignition IV Module and paid or were charged for the cost of replacing or repairing such a module.

You are in the class of persons covered by a settlement of class action litigation, unless you have already opted out of the case.

You may be entitled to receive the following benefits:

- (1) reimbursement of certain costs for replacing a component known as a Motorcraft ® distributor-mounted TFI-IV module during the first 160,000 kms of vehicle operation; and
- (2) an extended warranty on a Motorcraft® distributor-mounted TFI-IV Module in your vehicle up to the first 160,000 kms of vehicle operation.

In order to take advantage of these benefits, you will need to take certain steps, including submitting a completed claim form with certain supporting documents to the Settlement Administrator by <date>.

For a claim form and a list of vehicles within the class definition, go to the Settlement Administrator's website at [www.tfisettlement.ca](http://www.tfisettlement.ca). The website also contains a copy of the settlement agreement. You can also obtain information by calling the Settlement Administrator at 1-800-XXX-XXXX.

## **SCHEDULE F**

### **FORD CLASS ACTION NOTICE PLAN SCHEDULE**

#### **A. Direct Notice:**

Within 10 days of the Effective Date of Settlement (as this term is defined in the parties' Settlement Agreement), Class Counsel will mail to all Class Members of whom they are aware a copy of the Notice in an agreed-upon form.

#### **B. Newspaper Notice:**

Within 10 days of the Effective Date of Settlement, Class Counsel will publish the Notice in the following newspapers:

1. Vancouver Sun and The Province (1/4 page, black and white);
2. The Globe and Mail (1/4 page, black and white);
3. The National Post (1/4 page, black and white);
4. Journal de Montreal (1/4 page, black and white);
5. Halifax Chronicle Herald (1/6 page, black and white);
6. Halifax Daily News (1/6 page, black and white);
7. Montreal Gazette (1/6 page, black and white);
8. Calgary Herald (1/6 page, black and white);
9. Saskatoon Leader (1/4 page, black and white);
10. Winnipeg Free Press (1/6 page, black and white) and
11. Victoria Times Colonist (1/6 page, black and white).

#### **C. Auto Magazines Notice:**

Within 10 days of the Effective Date of Settlement, Class Counsel will publish the Notice in each automotive publication that Auto Trader runs in Canada (1/2 page, black and white).

**SCHEDULE G**

**FORD TFI MODULE LITIGATION SETTLEMENT**

**Extended Warranty Declaration**

Please complete the following:

Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_

Province: \_\_\_\_\_

Postal Code: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Email Address: \_\_\_\_\_

Model & Model Year of Vehicle: \_\_\_\_\_

Vehicle Identification Number ("VIN"): \_\_\_\_\_

I, \_\_\_\_\_, declare that:  
(please print name)

1. I am the owner of the vehicle whose VIN appears above;
2. To the best of my knowledge, the vehicle has been in operation for 160,000 kilometres or less at the time I am presenting it to a Ford dealer for consideration of extended warranty coverage on the distributor-mounted Motorcraft® TFI-IV Module and the 5-digit odometer (if so equipped) is on the first time around; and
3. I have not requested to be excluded from the Settlement Class.

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

**SCHEDULE H**

**FORD TFI MODULE LITIGATION SETTLEMENT**

**Extended Warranty Appeal Form**

This Appeal Form should be filled out and sent to the Settlement Administrator if the following situation has occurred:

- Your class vehicle experienced a failure of a Motorcraft® brand of distributor-mounted TFI-IV Module (“Motorcraft® TFI-IV Module”) in the first 160,000 kilometres of vehicle operation;
- you brought your class vehicle to a Ford dealer seeking a replacement TFI module;
- the Ford dealer refused to cover the replacement of the Motorcraft® TFI-IV Module under the terms of the extended warranty that resulted from the Settlement of the Ford TFI Class Action; **and**
- you wish to appeal the decision of the Ford dealer to deny the extended warranty coverage to the Court.

If you wish to file an appeal to the Court, please provide the following information:

Name	VIN
Address	Ford Dealer Name
City                      Province      Postal Code	Ford Dealer Address
Area Code      Phone Number	City                      Province      Postal Code
Email Address	Area Code      Ford Dealer Phone Number

Did the Ford dealer provide you with a written explanation for its decision that you were not eligible for the extended warranty coverage?

Yes \_\_\_\_\_ No \_\_\_\_\_

Please state the reason(s) you believe that the Ford dealer's decision was improper under the terms of the Settlement of the Ford TFI Class Action:

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Signature: \_\_\_\_\_

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Please mail this Appeal Form to the Settlement Administrator. The mailing address of the Settlement Administrator is ....

***In addition***, you must include in the mail the written explanation given to you by the Ford dealer for its decision that you were not eligible for the extended warranty coverage covering the replacement of your Motorcraft® TFI-IV Module.

