

IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF FLORIDA

IN RE FARO TECHNOLOGIES
SECURITIES LITIGATION

Case No. 6:05-cv-1810-Orl-22DAB

NOTICE OF PENDENCY AND PROPOSED SETTLEMENT OF CLASS ACTION

IF YOU PURCHASED OR OTHERWISE ACQUIRED THE COMMON STOCK AND/OR OTHER PUBLICLY-TRADED SECURITIES OF FARO TECHNOLOGIES, INC. BETWEEN APRIL 15, 2004 AND MARCH 15, 2006, INCLUSIVE (THE "CLASS"), YOU COULD GET A PAYMENT FROM A CLASS ACTION SETTLEMENT.

A federal court authorized this Notice. This is not a solicitation from a lawyer.

Settlement Fund: \$6,875,000 in cash. If you are in the Class, your recovery will depend on the number of shares of common stock and/or other publicly-traded securities you purchased or otherwise acquired and the timing of your purchases and any sales. Depending on the number of eligible shares or options that participate in the Settlement and when those shares or options were purchased or otherwise acquired and sold, the estimated average recovery per share of common stock for Members of the Class will be approximately \$0.505 per damaged share before deduction of any taxes on the income thereof, notice and administration costs and the attorneys' fees and expense award as determined by the Court.¹ A Class Member's actual recovery will be a proportion of the Net Settlement Fund determined by that claimant's recognized claim as compared to the total recognized claims submitted. Depending on the number of claims submitted, when during the Class Period a Class Member purchased or otherwise acquired FARO common stock and/or other publicly-traded securities, the purchase price paid, and whether those shares of common stock or other publicly-traded securities were held at the end of the Class Period or sold during the Class Period, and, if sold, when they were sold and the amount received, an individual Class Member may receive more or less than this estimated average amount. See Plan of Allocation attached as Exhibit A hereto for more information on your Recognized Claim.

Reasons for Settlement: The Settlement resolves a lawsuit by Lead Plaintiff alleging that FARO Technologies, Inc. ("FARO") and certain of its officers, Simon Raab, Gregory Fraser and Barbara Smith (collectively the "Defendants"), improperly overstated FARO's financial results and made certain false and misleading statements regarding FARO's business prospects during the Class Period. The Defendants deny the allegations in the lawsuit. The Settlement provides a substantial recovery now and avoids the costs and risks associated with continued litigation, including the danger of no recovery for the Class.

If the Case Had Not Settled: Continuing with the case could have resulted in dismissal or loss at trial. The parties do not agree on the amount of money that could have been obtained if the Class prevailed at trial. Lead Plaintiff and Defendants disagree about: (1) the method for determining whether FARO's securities were artificially inflated during the relevant period; (2) the amount of any such inflation; (3) the extent that various alleged conduct was materially false or misleading; (4) the extent that various alleged conduct influenced the trading price of FARO securities during the relevant period; and (5) whether the misrepresentations and omissions alleged were material, false, misleading, or otherwise actionable under the securities laws.

Attorneys' Fees and Expenses: Court-appointed Plaintiffs' Co-Lead Counsel have not received any payment for their work investigating the facts, conducting this Litigation and negotiating the Settlement on behalf of the Class. Plaintiffs' Co-Lead Counsel will ask the Court for attorneys' fees of 30% of the Settlement Fund and for reimbursement of out-of-pocket expenses not to exceed \$200,000 to be paid from the Settlement Fund, plus interest. Over the past several years, Plaintiffs' Co-Lead Counsel have expended considerable time and effort in the prosecution of this litigation on a contingent fee basis and advanced the expenses of the litigation in the expectation that, if they were successful in obtaining a recovery for the Class, they would be paid from such recovery. In this type of litigation it is customary for counsel to be awarded a percentage of the common fund recovery as their attorneys' fees. The requested fees and maximum costs to be sought amount to an average of approximately \$0.166 per damaged share.

Court Hearing on Fairness of Settlement: October 3, 2008, at 9:00 a.m. The purpose of the hearing will be to determine: (1) whether the Settlement is fair, reasonable and adequate to Members of the Class, (2) whether the proposed plan to distribute the Settlement proceeds is fair, reasonable and adequate, and (3) whether the application by Plaintiffs' Co-Lead Counsel and Lead Plaintiff for an award of attorneys' fees and expenses should be approved.

¹This estimate solely reflects average recovery per alleged damaged share of FARO Technologies, Inc. ("FARO") common stock. Actual recovery per share will reflect adjustment for any non-common stock securities that are subject to this Settlement.

Contact the Parties Below to Obtain More Information About the Settlement:

Claims Administrator:	Plaintiff's Co-Lead Counsel:
<p><i>FARO Shareholder Litigation</i> Claims Administrator c/o Strategic Claims Services 600 N Jackson Street, Suite 3 Media, PA 19063 Tel: 866-274-4004 Fax: 610-565-7985</p>	<p>Scott R. Shepherd Shepherd, Finkelman, Miller & Shah, LLP 1640 Town Center Circle Weston, FL 33326 Tel: 954-943-9191 Fax: 954-943-9173</p>

- Your legal rights are affected whether you act or don't act. Read this Notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
SUBMIT A CLAIM FORM	The only way to get a payment. The deadline for submitting a claim is October 30, 2008.
EXCLUDE YOURSELF	Get no payment. This is the only option that allows you to participate in another lawsuit against the Defendants relating to the legal claims in this lawsuit. The deadline for requesting exclusion is September 12, 2008.
OBJECT	You may write to the Court if you don't like this Settlement. The deadline for objection is September 12, 2008.
GO TO A HEARING	You may ask to speak in Court about the fairness of the Settlement.
DO NOTHING	Get no payment.

- These rights and options are explained in this Notice.
- The Court in charge of this case must decide whether to approve the Settlement. Payments will be made if the Court approves the Settlement and, if there are any appeals, after appeals are resolved. Please be patient.

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BASIC INFORMATION

1. Why Did I Get This Notice Package?

You or someone in your family may have purchased or otherwise acquired FARO securities between April 15, 2004 (after the close of trading) and March 15, 2006, inclusive.

You received this Notice because you have the right to know about the proposed Settlement of a consolidated securities class action lawsuit, and about all of your options, before the Court decides whether to approve the Settlement. If the Court approves the Settlement and after any objections or appeals are resolved, the Claims Administrator appointed by the Court will make the payments that the Settlement allows.

This package explains the lawsuit, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of the case is the United States District Court for the Middle District of Florida, Orlando Division, and the case is known as *In re FARO Technologies Securities Litigation*, Case No. 6:05-cv-1810-Orl-22DAB. The Party that sued is called the Lead Plaintiff, and the company and the individuals being sued, FARO, Simon Raab, Gregory Fraser and Barbara Smith, are called the Defendants.

2. What Is This Lawsuit About?

This case was brought as a securities class action alleging that the Defendants falsely represented FARO's financial results by misrepresenting certain information regarding FARO's financial performance and systems of internal controls. Lead Plaintiff asserts that these actions resulted in the artificial inflation of the price of FARO's securities between April 15, 2004 (after the close of trading) and March 15, 2006, inclusive.

3. Why Is This A Class Action?

In a class action, one or more people called class representatives sue on behalf of people who have similar claims. In this instance, the Court-appointed Lead Plaintiff, Kornitzer Capital Management, Inc., represents the Class. One court resolves the issues for all Class Members, except for those who exclude themselves from the Class. The Honorable Anne C. Conway is the Judge in charge of this class action.

4. Why Is There A Settlement?

The Court did not decide in favor of Lead Plaintiff or Defendants. Instead, both sides agreed to a settlement. That way, they avoid the cost of a trial, and eligible Class Members who make a valid claim will get compensation. The Lead Plaintiff and its attorneys think the Settlement is a very good result for all Class Members. Defendants deny liability and deny that Lead Plaintiff and Members of the Class suffered any damage. Further, assuming Lead Plaintiff prevailed at trial, any favorable verdict would have likely been the subject of appeal and the Class recovery would have remained uncertain and further delayed.

WHO IS IN THE SETTLEMENT

To see if you will get money from this Settlement, you first have to determine if you are a Class Member.

5. How Do I Know If I Am Part Of The Settlement?

The Class includes all Persons who purchased or otherwise acquired FARO securities between April 15, 2004 (after the close of trading) and March 15, 2006, inclusive.

6. What Are The Exceptions To Being Included?

You are not a Class Member if you are a Defendant, a member of the immediate family of one of the Individual Defendants listed in question 1, an entity in which any Defendant has a controlling interest and the legal representatives, heirs, successors, predecessors in interest or assigns of any excluded party, or the Judge(s) assigned to this case.

7. I'm Still Not Sure If I Am Included.

If you are still not sure whether you are included, you can ask for free help. You can call Strategic Claims Services at 866-274-4004 for more information, or you can fill out and return the Proof of Claim form described in question 10 to see if you qualify.

THE SETTLEMENT BENEFITS—WHAT YOU GET

8. What Does The Settlement Provide?

Defendants have agreed to pay \$6.875 million in cash (funded by FARO's Insurer) to be divided among eligible Class Members who send in valid Proof of Claim forms, after payment of Court-approved attorneys' fees and expenses, reimbursement of expenses of Lead Plaintiff and the costs of claims administration, including the costs of printing and mailing this Notice and the cost of publishing newspaper notice (the "Net Settlement Fund").

9. How Much Will My Payment Be?

Your share of the Net Settlement Fund will depend on the number of valid Proof of Claim forms that Class Members send in and how many shares of FARO common stock or other publicly-traded securities you purchased or otherwise acquired during the relevant period and when you bought and sold them. Your actual recovery per share will depend upon the total number of securities participating in the Settlement. The date of purchase or sale of a security is the "contract" or "trade" date, and not the "settlement" date.

For Class Members who held FARO securities at the beginning of the Class Period or purchased, otherwise acquired or sold FARO securities on multiple occasions during the Class Period, the first-in, first-out ("FIFO") method will be applied to such holdings, purchases, acquisitions and sales for purposes of calculating a claim. Under the FIFO method, purchases, acquisitions or sales of securities during the Class Period will be matched, in chronological order, first against securities held at the beginning of the Class Period. The remaining purchases, acquisitions or sales of securities during the Class Period will then be matched, in chronological order, against securities purchased, otherwise acquired or sold during the Class Period.

A Class Member will be eligible to receive a distribution from the Net Settlement Fund only if a Class Member had a net trading loss (i.e., after all profits from transactions in FARO securities during the Class Period are subtracted from all losses).

The payment you get will reflect your pro rata share of the Net Settlement Fund. Depending on the number of securities that participate in the Settlement and when those securities were purchased or otherwise acquired and sold, the estimated average payment for Class Members will be approximately \$0.505 for each share of common stock before deduction of Court-approved fees and expenses. As detailed in the attached Plan of Allocation, damages for call options or put options will be calculated using the Black-Scholes option pricing formula (using the implied volatility for an at-the-money call or put option on that day and one year risk-free U.S. Treasury rate). The number of claimants who send in Proof of Claim forms varies widely from case to case. If fewer than anticipated Class Members send in a Proof of Claim form, you could get more money.

HOW YOU GET A PAYMENT—SUBMITTING A CLAIM FORM

10. Assuming the Settlement Is Approved, How Will I Get A Payment?

To qualify for payment, you must be an eligible Class Member and you must send in a completed Proof of Claim form. A Proof of Claim form is enclosed with this Notice. Read the instructions carefully, fill out the form, include all the documents the form asks for, sign it, and mail it postmarked no later than October 30, 2008.

11. Assuming The Settlement Is Approved, When Will I Get My Payment?

The Court will hold a hearing on October 3, 2008, at 9:00 a.m., to decide whether to approve the Settlement. If the Court approves the Settlement, there may be appeals. It is always uncertain how these appeals are resolved, and resolving them can take time, perhaps several years. Please be patient.

12. What Am I Giving Up To Get A Payment Or Stay In The Case?

Unless you exclude yourself, you are staying in the Class and that means that you cannot sue, continue to sue, or be part of any other lawsuit against the Defendants about the same legal issues that were or could have been raised in this case. It also means that all of the Court's orders will apply to you and legally bind you and you will release your claims in this case against the Defendants. The terms of the release are included in the Proof of Claim form that is enclosed.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you don't want a payment from this Settlement, but you want to keep the right to sue or continue to sue the Defendants on your own about the same legal issues that were or could have been raised in this case, then you must take steps to get out of the Class. This is called excluding yourself, or is sometimes referred to as "opting out" of the Class.

13. How Do I Get Out Of The Class?

To exclude yourself from the Class, you must send a letter by mail stating that you want to be excluded from the class in *In re FARO Technologies Securities Litigation*, Case No. 6:05-cv-1810-Orl-22DAB. You must include your name, address, telephone number, and signature, and the number of shares of FARO common stock and/or the number of other publicly-traded FARO securities you purchased or otherwise acquired between April 15, 2004 (after the close of trading) and March 15, 2006, inclusive, the number of securities sold during this time period, if any, and for each purchase, acquisition or sale, the date of such purchase, acquisition or sale, the number of shares, options or other securities purchased, acquired or sold, and the price paid or received per share, option or other security for each purchase, acquisition or sale. You must mail your exclusion request and have it post-marked no later than September 12, 2008 to:

FARO Shareholder Litigation
Claims Administrator
c/o Strategic Claims Services
600 North Jackson Street, Suite 3
Media, PA 19063

You cannot exclude yourself by telephone or e-mail. If you ask to be excluded, you are not eligible to get any settlement payment, you cannot object to the Settlement, and you will not be legally bound by anything that happens in this lawsuit.

14. If I Do Not Exclude Myself, Can I Sue The Defendants For The Same Thing Later?

No. Unless you exclude yourself, you give up any right to sue the Defendants for the legal issues that were or could have been raised in this Litigation. If you have a pending lawsuit against any of the Defendants, speak to your lawyer in that case immediately. Remember, the exclusion deadline is September 12, 2008.

15. If I Exclude Myself, Can I Get Money From This Settlement?

No. If you exclude yourself, do not send in a Proof of Claim form. But, you may sue, continue to sue, or be part of a different lawsuit against the Defendants.

THE LAWYERS REPRESENTING YOU

16. Do I Have A Lawyer In This Case?

The Court appointed the law firms of Shepherd, Finkelman Miller & Shah, LLP and The Edgar Law Firm, LLC to represent all Members of the Class.

These lawyers are called Plaintiffs' Co-Lead Counsel. You will not be charged for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

17. How Will The Lawyers Be Paid?

Plaintiffs' Co-Lead Counsel will ask the Court for attorneys' fees of 30% of the Settlement Fund (an average of \$.151 per damaged share of common stock) and for reimbursement of out-of-pocket expenses up to \$200,000

(less than \$0.015 per damaged share of common stock), which were advanced in connection with the Litigation, plus interest on such amounts. Such sums, as may be approved by the Court, will be paid from the Settlement Fund. Class Members are not personally liable for any such fees and expenses.

The attorneys' fees and expenses requested will be the only payment to Plaintiffs' Co-Lead Counsel for their efforts in achieving this Settlement and for their risk in undertaking this representation on a wholly contingent basis. To date, Plaintiffs' Co-Lead Counsel have not been paid for their services for conducting this Litigation on behalf of the Lead Plaintiff and the Class nor for their substantial out-of-pocket expenses. The fee requested will compensate Plaintiffs' Co-Lead Counsel for their work in achieving the Settlement and is within the range of fees awarded to class counsel under similar circumstances in other cases of this type. The Court may award less than this amount.

OBJECTION TO THE SETTLEMENT

You can tell the Court that you don't agree with the Settlement or some part of it, with Plaintiffs' Co-Lead Counsel's request for attorneys' fees and reimbursement of expenses, and/or with the Plan of Allocation.

18. How Do I Tell The Court That I Don't Like The Settlement, The Fee And Expense Request And/Or The Plan Of Allocation?

If you are a Class Member, you can object to the Settlement if you don't like any part of it. You can give reasons why you think the Court should not approve it. The Court will consider your views. To make an objection, you must send a letter saying that you object to the Settlement, the request for attorneys' fees and expenses, and/or the Plan of Allocation in *In re FARO Technologies Securities Litigation*, Case No. 6:05-cv-1810-Orl-22DAB. Be sure to include your name, address, telephone number, signature, and the reasons you object to the Settlement, as well as the number of shares of FARO common stock and/or the number of other publicly-traded FARO securities you purchased, acquired and/or sold between April 15, 2004 (after the close of trading) and March 15, 2006, inclusive. Any objection to the Settlement must be mailed or delivered to the following attorneys, and filed with the Clerk by no later than September 12, 2008.

<i>Court:</i>	<i>Co-Lead Counsel for Plaintiffs:</i>	<i>Counsel for the Defendants:</i>
CLERK OF THE COURT UNITED STATES DISTRICT COURT MIDDLE DISTRICT OF FLORIDA ORLANDO DIVISION 401 West Central Boulevard Suite 1200 Orlando, FL 32801-0120	Scott R. Shepherd Shepherd, Finkelman, Miller & Shah, LLP 1640 Town Center Circle Suite 216 Weston, FL 33326 Tel: (954) 943-9191 Fax: (954) 943-9173	Jay B. Kasner Skadden, Arps, Slate, Meagher & Flom LLP Four Times Square New York, NY 10036 Tel: (212) 735-3000 Fax: (212) 735-2000

19. What's The Difference Between Objecting And Excluding?

Objecting is simply telling the Court that you don't like something about the Settlement. You can object **only if** you stay in the Class. Excluding yourself is telling the Court that you don't want to be part of the Class. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE COURT'S FAIRNESS HEARING

The Court will hold a hearing to decide whether to approve the Settlement. You may attend and you may ask to speak, but you don't have to.

20. When And Where Will The Court Decide Whether To Approve The Settlement?

The Court will hold a fairness hearing at 9:00 a.m., on October 3, 2008, at the United States District Court for the Middle District of Florida, 401 West Central Boulevard, Suite 1200, Orlando, Florida. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. The Court will listen to people who have asked to speak at the hearing. The Court will also consider how much to pay Plaintiffs' Co-Lead Counsel. The Court may decide these issues at the hearing or take them under consideration. We do not know how long these decisions will take.

21. Do I Have To Come To The Hearing?

No. Plaintiffs' Co-Lead Counsel will answer questions from the Court, but you are welcome to attend at your own expense. If you send an objection, you don't have to come to Court to talk about it. As long as you delivered your

written objection on time, as described in question 18 above, the Court will consider it. You may also pay your own lawyer to attend, but your lawyer's attendance is not necessary.

22. May I Speak At The Hearing?

You may ask the Court for permission to speak at the fairness hearing. To do so, you must send a letter stating that it is your intention to appear in *In re FARO Technologies Securities Litigation*, Case No. 6:05-cv-1810-Orl-22DAB. Be sure to include your name, address, telephone number and signature. You must include the number of FARO securities you purchased or otherwise acquired and sold between April 15, 2004 (after the close of trading) and March 15, 2006, inclusive. Your notice of intention to appear must be mailed or delivered no later than September 12, 2008, to the Clerk of the Court, Plaintiffs' Co-Lead Counsel, and the Defendants' Counsel, at the three addresses listed in question 18. You cannot speak at the hearing if you exclude yourself from the Class.

IF YOU DO NOTHING

23. What Happens If I Do Nothing At All?

If you do nothing, you'll get no money from this Settlement. But, unless you exclude yourself, you won't be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against the Defendants about the same legal issues that were or could have been raised in this Litigation.

GETTING MORE INFORMATION

24. Are There More Details About The Settlement?

This Notice summarizes the proposed Settlement. More details are in the Stipulation of Settlement dated as of April 9, 2008. You can get a copy of the Stipulation of Settlement by writing to FARO Shareholder Litigation, Claims Administrator, c/o Strategic Claims Services, 600 North Jackson Street, Suite 3, Media, PA 19063 or from the Clerk's office at the United States District Court for the Middle District of Florida, 401 West Central Boulevard, Orlando, Florida during regular business hours or by visiting the following website: www.strategicclaims.net.

25. How Do I Get More Information?

You can call 866-274-4004 or write to FARO Shareholder Litigation, c/o Strategic Claims Services at 600 North Jackson Street, Suite 3, Media, PA 19063 or e-mail to info@strategicclaims.net, or visit the website at www.strategicclaims.net.

DO NOT TELEPHONE THE COURT REGARDING THIS NOTICE.

SPECIAL NOTICES TO NOMINEES

If you hold any FARO securities purchased or otherwise acquired between April 15, 2004 (after the close of trading) and March 15, 2006, inclusive, as nominee for a beneficial owner, then, within ten (10) days after you receive this Notice, you must either: (1) send a copy of this notice by first class mail to all such owners; or (2) provide a list of the names and addresses of such persons to the Claims Administrator at the following address:

FARO Shareholder Litigation
Claims Administrator
c/o Strategic Claims Services
600 North Jackson Street, Suite 3
Media, PA 19063

If you choose to mail the Notice and Proof of Claim yourself, you may obtain from the Claims Administrator (without cost to you) as many additional copies of these documents as you will need to complete the mailing.

Regardless of whether you choose to complete the mailing yourself or elect to have the mailing performed for you, you may obtain reimbursement for or advancement of reasonable administrative costs actually incurred or expected to be incurred in connection with forwarding the Notice and which would not have been incurred but for the obligation to forward the Notice upon submission of appropriate documentation to the Claims Administrator.

DATED: July 2, 2008

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION

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EXHIBIT A

Plan of Allocation Section for FARO Technologies, Inc. Securities Litigation

The following plan of allocation was developed based on event study analyses adjusted to reflect the outcome of discovery and the terms of the Settlement. It is estimated that a total of 13.6 million shares allegedly have been damaged as a result of the claims set forth in Plaintiff's Consolidated Second Amended Class Action Complaint. Given the gross settlement amount of \$6.875 million, the expected average recovery per damaged share will be approximately \$0.505, if all purchasers file claims pursuant to this notice.

Damages for Rule 10b-5 Claims for Common Shares

Rule 10b-5 claims shall be available for all persons that purchased FARO Technologies, Inc. common shares in the open market after the close of trading on April 15, 2004², and on or before March 15, 2006, and sold their shares on or after November 4, 2005, or have continued to hold their shares. Damages per share shall be determined based on the inflation in the share price at the date of purchase minus the inflation in share price at the date of sale. Inflation in the share price shall be determined by the price paid or received in each transaction multiplied times the inflation percentage applicable to the transaction date as set forth in Table 1. Table 1 is adjusted to reflect that portion of the declines in the share price of FARO Technologies, Inc. that can be explained by identified events that allegedly revealed corrective information as determined by an event study by Plaintiff's damages expert and as a result of deliberations of Lead Plaintiff and Lead Plaintiff's Counsel.

Table 1: Inflation as a Percentage of the Share Price During the Rule 10b-5 Class Period

Period	Start Date	End Date	Inflation Percentage
1	4/16/04	5/6/04	15.69%
2	5/7/04	7/15/04	20.87%
3	7/16/04	10/14/04	23.50%
4	10/15/04	11/3/05	25.85%
5	11/4/05	11/6/05	17.30%

Period	Start Date	End Date	Inflation Percentage
6	11/7/05	1/19/06	15.38%
7	1/20/06	2/23/06	9.17%
8	2/24/06	3/15/06	7.83%
9	3/16/06	Current	0.00%

Damages per share shall be further limited by the following limitations: (i) if a share was sold prior to June 13, 2006, damages per share shall not exceed the difference between the purchase price and the selling price; (ii) if a share was sold on or between March 16, 2006 and June 13, 2006, then damages per share shall not exceed the purchase price minus the average closing price on the date of sale as set forth in Table 2; and (iii) if a share was not sold before June 13, 2006, then damages per share shall not exceed the purchase price per share minus \$14.88.

Any trading activity during the Class Period resulting in trading profits will be netted against trading losses to determine net trading losses, if any.

Table 2: Average Closing Prices for the 90 Days After the Class Period

Sale Date	Closing Price	Average Closing Price From 3/16/06
3/16/2006	13.37	13.37
3/17/2006	13.44	13.41
3/20/2006	13.92	13.58
3/21/2006	13.88	13.65
3/22/2006	14.15	13.75
3/23/2006	14.35	13.85
3/24/2006	14.40	13.93
3/27/2006	13.95	13.93
3/28/2006	13.96	13.94

Sale Date	Closing Price	Average Closing Price From 3/16/06
3/29/2006	14.10	13.95
3/30/2006	14.03	13.96
3/31/2006	14.25	13.98
4/3/2006	13.90	13.98
4/4/2006	13.85	13.97
4/5/2006	13.84	13.96
4/6/2006	13.82	13.95
4/7/2006	13.87	13.95
4/10/2006	13.77	13.94

² The Company issued a press release for first quarter 2004 earnings after the close of trading on April 15, 2004 at 5 pm (Eastern). Therefore, shares purchased on April 15, 2004 prior to the issuance of this press release are not considered eligible purchases. Shares purchased after the issuance of this press release on April 15, 2004, however, are considered eligible purchases and shall be deemed to have occurred on April 16, 2004 for purposes of calculating the inflation in any such share of common stock and to calculate the damages, if any, that are recoverable. The same methodology shall be applied with respect to the purchase or sale of any options on April 15, 2004.

Sale Date	Closing Price	Average Closing Price From 3/16/06
4/11/2006	13.63	13.92
4/12/2006	13.80	13.91
4/13/2006	14.06	13.92
4/17/2006	13.98	13.92
4/18/2006	14.19	13.94
4/19/2006	14.57	13.96
4/20/2006	14.85	14.00
4/21/2006	15.05	14.04
4/24/2006	15.16	14.08
4/25/2006	15.26	14.12
4/26/2006	15.80	14.18
4/27/2006	15.54	14.22
4/28/2006	15.19	14.26
5/1/2006	15.14	14.28
5/2/2006	16.08	14.34
5/3/2006	16.03	14.39
5/4/2006	16.12	14.44
5/5/2006	16.48	14.49
5/8/2006	17.00	14.56
5/9/2006	16.73	14.62
5/10/2006	16.78	14.67
5/11/2006	16.26	14.71

Sale Date	Closing Price	Average Closing Price From 3/16/06
5/12/2006	16.37	14.75
5/15/2006	16.16	14.79
5/16/2006	16.54	14.83
5/17/2006	16.49	14.87
5/18/2006	16.25	14.90
5/19/2006	16.29	14.93
5/22/2006	16.09	14.95
5/23/2006	15.81	14.97
5/24/2006	15.45	14.98
5/25/2006	15.60	14.99
5/26/2006	15.46	15.00
5/30/2006	15.10	15.00
5/31/2006	15.03	15.00
6/1/2006	15.28	15.01
6/2/2006	15.05	15.01
6/5/2006	14.67	15.00
6/6/2006	14.30	14.99
6/7/2006	14.13	14.98
6/8/2006	13.78	14.96
6/9/2006	13.62	14.93
6/12/2006	13.21	14.91
6/13/2006	13.57	14.88

Damages for Rule 10b-5 Claims for Options

Rule 10b-5 claims shall be available for all persons that purchased call options on FARO Technologies, Inc. common shares in the open market on or after April 16, 2004, and on or before March 15, 2006, and did not sell, exercise or have their call options expire until on or after November 4, 2005. For each call option, the percentage inflation at the time of purchase, sale, exercise or expiration shall be determined based on the percentage difference between the Black-Scholes predicted option price for FARO Technologies, Inc. common shares at the closing price on each applicable date (Table 3) as compared with the Black-Scholes predicted option price for FARO Technologies, Inc. common shares based on the “true value” of the shares as determined by the closing price reduced by the percentage inflation set forth in Table 3. For each Black-Scholes calculation, the term of the option shall be as stated for the option and the exercise or strike price shall be as stated for the option, the implied volatility for the date of purchase shall be set for the applicable date in Table 3 and the risk-free interest rates shall be the US Treasury rate for a one-year composite US government security for the applicable date in Table 3. Damages for each call option purchase shall be the inflation in the purchase price (purchase price paid for the call option times the percentage inflation on the date of purchase) minus the inflation received or realized upon sale, exercise or expiration (as determined by the sale, exercise or expiration proceeds received or realized times the percentage inflation on the applicable date).

Rule 10b-5 claims shall be available for all persons that sold (wrote) put options on FARO Technologies, Inc. common shares in the open market on or after April 16, 2004, and on or before March 15, 2006, and did not repurchase, experience an exercise, or have the put options expire until on or after November 4, 2005. For each put option, the amount of inflation at the time of purchase, sale, exercise or expiration shall be determined based on the difference between the Black-Scholes predicted option price for FARO Technologies, Inc. common shares based on the “true value” of the shares as determined by the closing price reduced by the percentage inflation set forth in Table 3 minus the Black-Scholes predicted option price for FARO Technologies, Inc. common shares at the closing price on each applicable date in Table 3. For each Black-Scholes calculation, the term and exercise (or strike) price of the option shall be as stated for the option, the implied volatility for the date of purchase shall be set for the applicable date in Table 3 below and the risk-free interest rates shall be the US Treasury rate for a one-year composite US government security for the applicable date in Table 3 below. Damages for each put option purchase shall be the amount of inflation in the selling price minus the amount of inflation received or realized upon repurchase, exercise or expiration on the applicable date.

Table 3: Share Price, Volatility and Interest Rates for Option Pricing

Date	Closing Price (\$)	True Value (\$)	Implied Volatility (%)	Interest Rate (APR %)
4/16/2004	22.44	18.92	70.96	1.40
4/19/2004	22.02	18.57	64.00	1.43
4/20/2004	21.95	18.51	62.80	1.46
4/21/2004	22.25	18.76	62.14	1.52
4/22/2004	22.21	18.73	63.45	1.49
4/23/2004	22.16	18.68	61.89	1.59
4/26/2004	21.50	18.13	70.74	1.57
4/27/2004	20.30	17.11	73.49	1.53
4/28/2004	19.83	16.72	73.12	1.54
4/29/2004	18.82	15.87	74.45	1.55
4/30/2004	17.78	14.99	75.09	1.55
5/3/2004	17.63	14.86	77.63	1.60
5/4/2004	18.35	15.47	78.19	1.57
5/5/2004	19.23	16.21	77.63	1.56
5/6/2004	18.31	15.44	80.00	1.61
5/7/2004	23.00	18.20	71.05	1.83
5/10/2004	23.30	18.44	70.83	1.85
5/11/2004	23.95	18.95	66.83	1.83
5/12/2004	23.48	18.58	69.75	1.81
5/13/2004	23.30	18.44	69.60	1.84
5/14/2004	23.41	18.52	70.42	1.81
5/17/2004	22.99	18.19	68.58	1.80
5/18/2004	22.94	18.15	69.34	1.83
5/19/2004	23.49	18.59	72.30	1.85
5/20/2004	24.29	19.22	68.05	1.81
5/21/2004	25.75	20.37	65.05	1.84
5/24/2004	26.28	20.79	67.45	1.86
5/25/2004	26.58	21.03	68.10	1.84
5/26/2004	26.48	20.95	67.67	1.81
5/27/2004	26.46	20.94	69.63	1.77
5/28/2004	26.74	21.16	64.36	1.83
6/1/2004	26.49	20.96	67.56	1.89
6/2/2004	25.94	20.53	68.52	1.92
6/3/2004	25.90	20.49	69.01	1.91
6/4/2004	26.27	20.79	65.91	1.97
6/7/2004	26.58	21.03	68.40	1.96
6/8/2004	27.89	22.07	64.07	2.02
6/9/2004	26.38	20.87	68.00	2.14
6/10/2004	25.75	20.37	64.99	2.14
6/14/2004	24.25	19.19	67.53	2.25
6/15/2004	24.72	19.56	65.54	2.16
6/16/2004	24.11	19.08	69.35	2.24
6/17/2004	23.68	18.74	72.13	2.21
6/18/2004	23.69	18.74	68.44	2.24
6/21/2004	22.98	18.18	67.56	2.17
6/22/2004	23.58	18.66	65.93	2.21
6/23/2004	24.55	19.43	59.06	2.15
6/24/2004	25.46	20.15	58.86	2.11
6/25/2004	25.67	20.31	60.04	2.14

Date	Closing Price (\$)	True Value (\$)	Implied Volatility (%)	Interest Rate (APR %)
6/28/2004	25.36	20.07	62.41	2.30
6/29/2004	25.68	20.32	59.06	2.20
6/30/2004	25.67	20.31	58.03	2.09
7/1/2004	24.35	19.27	59.37	2.07
7/2/2004	24.13	19.09	59.43	2.02
7/6/2004	23.27	18.41	61.94	2.15
7/7/2004	22.84	18.07	62.68	2.00
7/8/2004	21.82	17.27	65.74	1.99
7/9/2004	22.40	17.72	62.46	2.00
7/12/2004	22.01	17.42	65.15	2.02
7/13/2004	22.06	17.45	63.70	2.05
7/14/2004	21.80	17.25	64.36	2.08
7/15/2004	21.81	17.26	65.88	2.11
7/16/2004	24.60	18.82	58.17	2.08
7/19/2004	23.96	18.33	60.58	2.10
7/20/2004	24.37	18.64	60.49	2.13
7/21/2004	23.25	17.79	61.90	2.14
7/22/2004	23.22	17.76	60.99	2.12
7/23/2004	22.58	17.27	63.25	2.12
7/26/2004	22.25	17.02	66.97	2.18
7/27/2004	22.44	17.17	64.34	2.19
7/28/2004	22.27	17.04	66.42	2.17
7/29/2004	23.36	17.87	66.49	2.15
7/30/2004	23.53	18.00	65.90	2.13
8/2/2004	23.69	18.12	66.53	2.12
8/3/2004	22.96	17.57	67.67	2.11
8/4/2004	22.45	17.18	65.96	2.11
8/5/2004	21.02	16.08	69.14	2.09
8/6/2004	19.48	14.90	71.57	1.91
8/9/2004	19.31	14.77	70.77	1.97
8/10/2004	19.97	15.28	69.55	2.01
8/11/2004	19.60	14.99	71.91	2.00
8/12/2004	19.18	14.67	70.51	1.99
8/13/2004	18.62	14.25	71.94	1.97
8/16/2004	19.49	14.91	67.69	2.01
8/17/2004	20.15	15.42	71.83	1.98
8/18/2004	21.40	16.37	64.06	1.97
8/19/2004	20.86	15.96	66.90	1.96
8/20/2004	20.94	16.02	68.75	1.98
8/23/2004	20.87	15.97	68.13	2.03
8/24/2004	20.45	15.65	66.71	2.03
8/25/2004	20.92	16.00	64.37	2.03
8/26/2004	20.86	15.96	61.08	2.02
8/27/2004	21.53	16.47	60.49	2.03
8/30/2004	20.56	15.73	64.48	2.04
8/31/2004	20.57	15.74	63.34	1.99
9/1/2004	20.75	15.87	64.76	1.99
9/2/2004	20.56	15.73	65.02	2.02
9/3/2004	20.21	15.46	63.25	2.12

Date	Closing Price (\$)	True Value (\$)	Implied Volatility (%)	Interest Rate (APR %)
9/7/2004	20.72	15.85	62.09	2.13
9/8/2004	20.63	15.78	62.50	2.09
9/9/2004	21.29	16.29	58.37	2.09
9/10/2004	21.41	16.38	59.92	2.08
9/13/2004	22.13	16.93	62.13	2.10
9/14/2004	21.97	16.81	61.45	2.08
9/15/2004	21.44	16.40	61.74	2.09
9/16/2004	21.88	16.74	60.05	2.06
9/17/2004	21.59	16.52	60.47	2.11
9/20/2004	21.85	16.72	59.91	2.10
9/21/2004	22.10	16.91	56.95	2.12
9/22/2004	21.97	16.81	58.01	2.12
9/23/2004	21.60	16.52	60.34	2.16
9/24/2004	21.38	16.36	60.20	2.20
9/27/2004	20.25	15.49	62.00	2.20
9/28/2004	19.99	15.29	63.95	2.18
9/29/2004	20.55	15.72	62.88	2.20
9/30/2004	20.34	15.56	62.44	2.21
10/1/2004	21.36	16.34	56.80	2.21
10/4/2004	21.76	16.65	58.90	2.25
10/5/2004	21.66	16.57	57.74	2.23
10/6/2004	21.69	16.59	57.11	2.26
10/7/2004	21.79	16.67	58.68	2.26
10/8/2004	21.47	16.43	58.32	2.21
10/11/2004	21.58	16.51	63.20	2.21
10/12/2004	21.25	16.26	62.07	2.20
10/13/2004	21.10	16.14	62.69	2.17
10/14/2004	20.55	15.72	65.18	2.15
10/15/2004	23.48	17.41	59.86	2.18
10/18/2004	23.43	17.37	57.92	2.21
10/19/2004	23.51	17.43	58.71	2.22
10/20/2004	23.82	17.66	51.74	2.20
10/21/2004	23.87	17.70	54.78	2.23
10/22/2004	23.75	17.61	54.79	2.23
10/25/2004	23.27	17.26	59.97	2.24
10/26/2004	23.50	17.43	60.63	2.24
10/27/2004	23.91	17.73	57.08	2.30
10/28/2004	24.62	18.26	54.22	2.29
10/29/2004	24.85	18.43	54.68	2.28
11/1/2004	24.73	18.34	57.85	2.34
11/2/2004	25.34	18.79	55.01	2.33
11/3/2004	25.05	18.58	56.68	2.32
11/4/2004	25.90	19.21	57.62	2.34
11/5/2004	24.86	18.43	54.28	2.44
11/8/2004	24.71	18.32	53.82	2.47
11/9/2004	24.45	18.13	55.57	2.46
11/10/2004	24.15	17.91	53.97	2.47
11/11/2004	24.16	17.92	54.00	2.48
11/12/2004	24.26	17.99	54.38	2.49
11/15/2004	24.48	18.15	54.77	2.53

Date	Closing Price (\$)	True Value (\$)	Implied Volatility (%)	Interest Rate (APR %)
11/16/2004	25.44	18.86	55.89	2.54
11/17/2004	25.97	19.26	53.84	2.50
11/18/2004	26.17	19.41	50.28	2.51
11/19/2004	25.17	18.66	55.48	2.56
11/22/2004	25.41	18.84	53.44	2.60
11/23/2004	26.35	19.54	52.51	2.60
11/24/2004	26.50	19.65	52.90	2.60
11/26/2004	26.35	19.54	52.44	2.61
11/29/2004	26.61	19.73	52.38	2.66
11/30/2004	27.20	20.17	51.71	2.63
12/1/2004	27.28	20.23	49.02	2.60
12/2/2004	27.25	20.21	50.16	2.62
12/3/2004	27.08	20.08	52.63	2.58
12/6/2004	26.89	19.94	52.79	2.60
12/7/2004	26.28	19.49	53.35	2.60
12/8/2004	26.45	19.61	51.10	2.59
12/9/2004	26.90	19.95	49.82	2.59
12/10/2004	28.90	21.43	46.45	2.61
12/13/2004	29.78	22.08	44.16	2.66
12/14/2004	29.64	21.98	47.59	2.65
12/15/2004	29.38	21.79	48.28	2.64
12/16/2004	29.63	21.97	47.94	2.66
12/17/2004	30.12	22.34	46.31	2.67
12/20/2004	30.38	22.53	50.83	2.72
12/21/2004	30.60	22.69	48.18	2.72
12/22/2004	31.11	23.07	47.32	2.71
12/23/2004	31.15	23.10	46.61	2.70
12/27/2004	31.35	23.25	47.31	2.78
12/28/2004	31.64	23.46	46.46	2.77
12/29/2004	31.85	23.62	47.46	2.77
12/30/2004	31.21	23.14	49.33	2.76
12/31/2004	31.18	23.12	46.47	2.75
1/3/2005	30.33	22.49	43.70	2.79
1/4/2005	29.33	21.75	44.85	2.82
1/5/2005	28.63	21.23	45.08	2.83
1/6/2005	29.57	21.93	44.91	2.82
1/7/2005	29.24	21.68	44.64	2.82
1/10/2005	29.10	21.58	45.28	2.86
1/11/2005	28.68	21.27	46.85	2.86
1/12/2005	28.70	21.28	46.36	2.84
1/13/2005	29.00	21.50	46.03	2.84
1/14/2005	29.55	21.91	45.90	2.87
1/18/2005	29.38	21.79	46.11	2.90
1/19/2005	29.71	22.03	44.06	2.88
1/20/2005	28.56	21.18	46.41	2.85
1/21/2005	28.30	20.99	45.08	2.83
1/24/2005	27.73	20.56	47.07	2.86
1/25/2005	27.71	20.55	45.94	2.88
1/26/2005	28.40	21.06	46.41	2.90
1/27/2005	28.53	21.16	46.71	2.91

Date	Closing Price (\$)	True Value (\$)	Implied Volatility (%)	Interest Rate (APR %)
1/28/2005	28.42	21.07	46.76	2.89
1/31/2005	28.84	21.39	46.23	2.96
2/1/2005	28.74	21.31	46.40	2.95
2/2/2005	28.85	21.39	46.43	2.95
2/3/2005	28.44	21.09	45.78	2.96
2/4/2005	29.20	21.65	43.28	2.93
2/7/2005	28.74	21.31	44.77	2.96
2/8/2005	29.46	21.85	43.37	2.97
2/9/2005	28.33	21.01	44.18	2.93
2/10/2005	28.06	20.81	44.96	2.96
2/11/2005	28.75	21.32	44.31	3.00
2/14/2005	28.49	21.13	45.19	3.03
2/15/2005	28.18	20.90	45.19	3.03
2/16/2005	28.17	20.89	44.58	3.05
2/17/2005	28.20	20.91	44.03	3.03
2/18/2005	27.52	20.41	46.32	3.09
2/22/2005	25.92	19.22	47.32	3.12
2/23/2005	26.10	19.35	46.38	3.12
2/24/2005	26.13	19.38	45.69	3.13
2/25/2005	26.39	19.57	44.68	3.15
2/28/2005	26.45	19.61	45.72	3.20
3/1/2005	26.40	19.58	45.09	3.20
3/2/2005	26.03	19.30	43.97	3.19
3/3/2005	26.02	19.29	43.74	3.19
3/4/2005	25.88	19.19	43.35	3.20
3/7/2005	25.49	18.90	42.68	3.22
3/8/2005	25.02	18.55	45.05	3.23
3/9/2005	24.44	18.12	52.00	3.24
3/10/2005	22.85	16.94	43.81	3.25
3/11/2005	23.87	17.70	44.12	3.28
3/14/2005	24.13	17.89	44.37	3.32
3/15/2005	24.34	18.05	43.60	3.32
3/16/2005	23.91	17.73	43.23	3.30
3/17/2005	23.31	17.29	44.25	3.29
3/18/2005	23.51	17.43	42.43	3.32
3/21/2005	23.36	17.32	42.84	3.33
3/22/2005	23.05	17.09	42.02	3.40
3/23/2005	22.90	16.98	43.09	3.38
3/24/2005	23.01	17.06	42.72	3.41
3/28/2005	23.02	17.07	43.13	3.43
3/29/2005	23.00	17.06	43.65	3.41
3/30/2005	23.00	17.06	42.89	3.39
3/31/2005	23.54	17.46	42.72	3.35
4/1/2005	24.07	17.85	40.48	3.34
4/4/2005	24.11	17.88	40.38	3.34
4/5/2005	24.54	18.20	39.72	3.34
4/6/2005	24.74	18.35	39.61	3.31
4/7/2005	25.00	18.54	39.55	3.32
4/8/2005	24.98	18.52	37.41	3.35
4/11/2005	24.84	18.42	38.48	3.37

Date	Closing Price (\$)	True Value (\$)	Implied Volatility (%)	Interest Rate (APR %)
4/12/2005	25.96	19.25	40.05	3.34
4/13/2005	28.92	21.45	40.25	3.32
4/14/2005	27.27	20.22	40.38	3.30
4/15/2005	27.82	20.63	39.37	3.26
4/18/2005	28.25	20.95	39.84	3.29
4/19/2005	28.40	21.06	38.26	3.26
4/20/2005	28.49	21.13	39.15	3.25
4/21/2005	28.43	21.08	38.50	3.31
4/22/2005	27.45	20.36	39.45	3.30
4/25/2005	27.89	20.68	40.48	3.34
4/26/2005	28.04	20.79	40.72	3.35
4/27/2005	27.40	20.32	40.68	3.33
4/28/2005	26.89	19.94	40.23	3.30
4/29/2005	26.85	19.91	40.58	3.33
5/2/2005	27.00	20.02	41.23	3.34
5/3/2005	26.70	19.80	41.31	3.35
5/4/2005	26.98	20.01	41.93	3.32
5/5/2005	27.76	20.59	41.39	3.29
5/6/2005	27.31	20.25	40.30	3.37
5/9/2005	28.51	21.14	44.03	3.40
5/10/2005	29.77	22.08	39.99	3.37
5/11/2005	30.31	22.48	39.90	3.35
5/12/2005	29.40	21.80	39.93	3.34
5/13/2005	27.69	20.53	42.63	3.29
5/16/2005	27.64	20.50	42.03	3.33
5/17/2005	27.83	20.64	43.95	3.32
5/18/2005	28.35	21.02	40.44	3.29
5/19/2005	28.42	21.07	40.29	3.31
5/20/2005	28.40	21.06	40.93	3.35
5/23/2005	28.71	21.29	41.39	3.35
5/24/2005	28.33	21.01	39.97	3.32
5/25/2005	27.64	20.50	40.32	3.32
5/26/2005	28.00	20.76	39.59	3.31
5/27/2005	28.20	20.91	39.38	3.31
5/31/2005	27.82	20.63	40.79	3.32
6/1/2005	27.69	20.53	40.94	3.25
6/2/2005	26.93	19.97	40.68	3.26
6/3/2005	27.45	20.36	39.55	3.28
6/6/2005	27.16	20.14	41.36	3.30
6/7/2005	26.78	19.86	41.20	3.28
6/8/2005	26.77	19.85	42.00	3.30
6/9/2005	26.49	19.64	41.18	3.31
6/10/2005	26.13	19.38	40.24	3.33
6/13/2005	25.56	18.95	43.07	3.38
6/14/2005	25.15	18.65	41.88	3.39
6/15/2005	25.22	18.70	40.82	3.39
6/16/2005	25.90	19.21	39.13	3.38
6/17/2005	26.25	19.47	41.37	3.39
6/20/2005	26.26	19.47	41.05	3.42
6/21/2005	26.30	19.50	40.22	3.42

Date	Closing Price (\$)	True Value (\$)	Implied Volatility (%)	Interest Rate (APR %)
6/22/2005	25.95	19.24	40.48	3.37
6/23/2005	26.00	19.28	40.00	3.39
6/24/2005	26.01	19.29	40.50	3.38
6/27/2005	26.07	19.33	41.22	3.42
6/28/2005	27.05	20.06	40.60	3.46
6/29/2005	27.06	20.07	40.36	3.44
6/30/2005	27.26	20.21	39.08	3.45
7/1/2005	26.80	19.87	39.99	3.51
7/5/2005	27.66	20.51	40.19	3.55
7/6/2005	28.11	20.84	39.11	3.53
7/7/2005	28.10	20.84	37.92	3.48
7/8/2005	28.34	21.02	38.41	3.52
7/11/2005	28.37	21.04	38.36	3.58
7/12/2005	28.02	20.78	39.78	3.59
7/13/2005	27.83	20.64	40.76	3.59
7/14/2005	27.80	20.61	38.53	3.60
7/15/2005	28.10	20.84	37.90	3.61
7/18/2005	27.71	20.55	40.39	3.66
7/19/2005	25.05	18.58	38.17	3.65
7/20/2005	23.48	17.41	42.50	3.66
7/21/2005	22.97	17.03	41.96	3.72
7/22/2005	23.67	17.55	36.99	3.72
7/25/2005	23.78	17.63	40.57	3.77
7/26/2005	23.70	17.57	41.13	3.76
7/27/2005	23.65	17.54	40.61	3.77
7/28/2005	23.73	17.60	39.59	3.75
7/29/2005	23.68	17.56	39.38	3.80
8/1/2005	23.90	17.72	40.49	3.83
8/2/2005	24.07	17.85	39.25	3.84
8/3/2005	23.83	17.67	39.92	3.82
8/4/2005	23.55	17.46	39.83	3.83
8/5/2005	23.26	17.25	42.30	3.87
8/8/2005	23.04	17.09	40.60	3.93
8/9/2005	21.44	15.90	42.77	3.90
8/10/2005	21.88	16.22	42.86	3.90
8/11/2005	21.79	16.16	42.13	3.89
8/12/2005	21.95	16.28	41.31	3.88
8/15/2005	22.46	16.66	41.43	3.91
8/16/2005	22.12	16.40	41.67	3.88
8/17/2005	22.26	16.51	41.16	3.89
8/18/2005	22.49	16.68	38.57	3.86
8/19/2005	22.14	16.42	42.45	3.89
8/22/2005	21.93	16.26	41.98	3.89
8/23/2005	21.78	16.15	42.36	3.88
8/24/2005	21.61	16.02	42.94	3.87
8/25/2005	21.19	15.71	41.34	3.87
8/26/2005	20.89	15.49	40.91	3.90
8/29/2005	20.54	15.23	42.97	3.91
8/30/2005	20.40	15.13	43.31	3.85
8/31/2005	20.66	15.32	42.82	3.77

Date	Closing Price (\$)	True Value (\$)	Implied Volatility (%)	Interest Rate (APR %)
9/1/2005	20.68	15.34	42.92	3.66
9/2/2005	21.07	15.62	40.82	3.67
9/6/2005	21.65	16.05	42.73	3.73
9/7/2005	21.34	15.82	42.50	3.77
9/8/2005	21.27	15.77	43.00	3.77
9/9/2005	21.21	15.73	41.64	3.78
9/12/2005	20.86	15.47	43.25	3.83
9/13/2005	20.80	15.42	43.23	3.81
9/14/2005	20.70	15.35	42.63	3.81
9/15/2005	20.53	15.22	43.45	3.81
9/16/2005	20.55	15.24	40.37	3.86
9/19/2005	20.30	15.05	44.46	3.87
9/20/2005	20.22	14.99	44.03	3.92
9/21/2005	21.04	15.60	42.42	3.88
9/22/2005	20.22	14.99	43.63	3.86
9/23/2005	20.39	15.12	42.61	3.89
9/26/2005	19.94	14.79	43.33	3.95
9/27/2005	19.14	14.19	43.91	3.95
9/28/2005	19.37	14.36	43.52	3.95
9/29/2005	19.43	14.41	43.70	3.97
9/30/2005	19.49	14.45	43.57	4.01
10/3/2005	19.81	14.69	43.63	4.09
10/4/2005	20.26	15.02	43.30	4.09
10/5/2005	19.85	14.72	42.23	4.07
10/6/2005	19.77	14.66	43.46	4.07
10/7/2005	19.59	14.53	45.35	4.06
10/10/2005	19.26	14.28	43.56	4.10
10/11/2005	19.00	14.09	44.29	4.14
10/12/2005	18.34	13.60	45.73	4.14
10/13/2005	18.62	13.81	44.17	4.14
10/14/2005	18.43	13.67	47.30	4.15
10/17/2005	18.51	13.73	46.49	4.21
10/18/2005	18.50	13.72	47.24	4.19
10/19/2005	19.44	14.42	46.18	4.18
10/20/2005	19.23	14.26	47.67	4.20
10/21/2005	19.60	14.53	46.99	4.18
10/24/2005	19.74	14.64	44.91	4.22
10/25/2005	19.74	14.64	45.12	4.26
10/26/2005	19.93	14.78	44.68	4.27
10/27/2005	19.61	14.54	44.60	4.26
10/28/2005	19.64	14.56	44.40	4.28
10/31/2005	20.76	15.39	45.39	4.31
11/1/2005	20.68	15.34	47.41	4.31
11/2/2005	22.47	16.66	49.15	4.31
11/3/2005	22.38	16.60	53.21	4.33
11/4/2005	17.99	14.88	55.16	4.34
11/7/2005	16.50	13.96	57.41	4.36
11/8/2005	17.00	14.39	51.56	4.34
11/9/2005	17.79	15.05	53.92	4.37
11/10/2005	19.67	16.65	47.47	4.34

Date	Closing Price (\$)	True Value (\$)	Implied Volatility (%)	Interest Rate (APR %)
11/11/2005	19.18	16.23	46.08	4.37
11/14/2005	19.22	16.26	45.25	4.40
11/15/2005	19.52	16.52	46.80	4.38
11/16/2005	19.18	16.23	48.32	4.34
11/17/2005	19.05	16.12	49.15	4.32
11/18/2005	19.51	16.51	44.57	4.34
11/21/2005	19.55	16.54	45.97	4.33
11/22/2005	19.68	16.65	45.70	4.26
11/23/2005	19.68	16.65	45.62	4.31
11/25/2005	19.51	16.51	46.02	4.29
11/28/2005	19.17	16.22	47.01	4.32
11/29/2005	19.09	16.15	45.71	4.35
11/30/2005	19.02	16.10	45.14	4.34
12/1/2005	19.65	16.63	42.91	4.36
12/2/2005	19.63	16.61	42.13	4.35
12/5/2005	19.50	16.50	42.44	4.39
12/6/2005	19.51	16.51	42.88	4.36
12/7/2005	19.38	16.40	43.39	4.35
12/8/2005	19.22	16.26	43.85	4.30
12/9/2005	20.63	17.46	40.40	4.33
12/12/2005	22.03	18.64	40.19	4.38
12/13/2005	20.95	17.73	41.35	4.37
12/14/2005	21.28	18.01	41.82	4.32
12/15/2005	20.54	17.38	41.16	4.33
12/16/2005	20.54	17.38	40.44	4.32
12/19/2005	20.77	17.58	39.30	4.38
12/20/2005	20.59	17.42	38.77	4.39
12/21/2005	20.85	17.64	42.07	4.38
12/22/2005	20.82	17.62	43.20	4.35
12/23/2005	20.61	17.44	42.94	4.33
12/27/2005	20.04	16.96	43.81	4.35
12/28/2005	20.12	17.03	44.15	4.34
12/29/2005	19.96	16.89	44.54	4.35
12/30/2005	20.00	16.92	43.40	4.38
1/3/2006	20.29	17.17	43.83	4.38
1/4/2006	20.44	17.30	44.24	4.35
1/5/2006	20.45	17.31	44.12	4.36
1/6/2006	19.48	16.48	45.56	4.38
1/9/2006	19.97	16.90	44.21	4.39
1/10/2006	20.04	16.96	44.09	4.42
1/11/2006	20.09	17.00	44.05	4.44
1/12/2006	20.02	16.94	43.82	4.42

Date	Closing Price (\$)	True Value (\$)	Implied Volatility (%)	Interest Rate (APR %)
1/13/2006	20.15	17.05	44.09	4.40
1/17/2006	20.02	16.94	44.57	4.42
1/18/2006	20.05	16.97	44.68	4.42
1/19/2006	20.70	17.52	45.11	4.43
1/20/2006	15.40	13.99	56.09	4.44
1/23/2006	15.00	13.62	55.99	4.45
1/24/2006	15.06	13.68	56.48	4.46
1/25/2006	15.99	14.52	53.42	4.51
1/26/2006	15.64	14.21	53.18	4.52
1/27/2006	15.85	14.40	52.95	4.54
1/30/2006	16.00	14.53	53.39	4.59
1/31/2006	15.93	14.47	53.37	4.58
2/1/2006	16.00	14.53	53.97	4.60
2/2/2006	15.56	14.13	54.15	4.61
2/3/2006	15.88	14.42	51.85	4.62
2/6/2006	15.98	14.52	52.68	4.66
2/7/2006	16.07	14.60	53.92	4.65
2/8/2006	16.09	14.62	52.34	4.66
2/9/2006	16.12	14.64	53.20	4.66
2/10/2006	15.71	14.27	53.68	4.70
2/13/2006	14.95	13.58	57.23	4.70
2/14/2006	15.51	14.09	54.20	4.71
2/15/2006	15.60	14.17	53.57	4.70
2/16/2006	15.67	14.23	54.08	4.69
2/17/2006	15.45	14.03	49.69	4.68
2/21/2006	15.33	13.92	53.17	4.73
2/22/2006	15.37	13.96	54.23	4.69
2/23/2006	15.15	13.76	54.25	4.73
2/24/2006	14.36	13.24	47.26	4.73
2/27/2006	14.73	13.58	46.00	4.76
2/28/2006	15.99	14.74	45.24	4.73
3/1/2006	15.97	14.72	44.34	4.74
3/2/2006	15.85	14.61	45.03	4.74
3/3/2006	15.95	14.70	44.70	4.75
3/6/2006	15.72	14.49	44.89	4.77
3/7/2006	15.74	14.51	45.26	4.77
3/8/2006	15.49	14.28	45.84	4.76
3/9/2006	15.70	14.47	45.17	4.76
3/10/2006	15.93	14.68	44.38	4.77
3/13/2006	15.86	14.62	44.33	4.80
3/14/2006	16.03	14.77	46.47	4.75
3/15/2006	16.41	15.12	43.24	4.77

General Provisions:

1. The date of purchase or sale is the “contract” or “trade” date and not the “settlement” date.
2. In processing claims, the first-in, first-out basis (“FIFO”) will be applied to purchases and sales.
3. Brokerage commissions, fees, and taxes should be excluded in the purchase and sale prices of FARO securities.
4. Gifts and transfers are not eligible purchases.

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**IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF FLORIDA**

IN RE FARO TECHNOLOGIES
SECURITIES LITIGATION

Case No. 6:05-cv-1810-Orl-22DAB

PROOF OF CLAIM AND RELEASE

I. GENERAL INSTRUCTIONS

1. To recover as a member of the Class based on your claims in the action entitled *In re FARO Technologies Securities Litigation*, Case No. 6:05-cv-1810-Orl-22DAB, you must complete and, on page 23 hereof, sign this Proof of Claim and Release. If you fail to file a properly addressed (as set forth in paragraph 3 below) Proof of Claim and Release, your claim may be rejected and you may be precluded from any recovery from the Settlement Fund created in connection with the proposed Settlement of the Litigation.

2. Submission of this Proof of Claim and Release, however, does not assure that you will share in the proceeds of Settlement in this Litigation.

3. YOU MUST MAIL YOUR COMPLETED AND SIGNED PROOF OF CLAIM AND RELEASE POSTMARKED ON OR BEFORE OCTOBER 30, 2008 ADDRESSED AS FOLLOWS:

FARO Shareholder Litigation
Claims Administrator
c/o Strategic Claims Services
600 North Jackson Street, Suite 3
Media, PA 19063

If you are NOT a member of the Class, as defined in the Notice of Pendency and Proposed Settlement of Class Action ("Notice"), DO NOT submit a Proof of Claim and Release form.

4. If you are a member of the Class, you are bound by the terms of any judgment entered in the Litigation, WHETHER OR NOT YOU SUBMIT A PROOF OF CLAIM AND RELEASE FORM.

II. DEFINITIONS

1. "Class" means all persons (as defined in the Parties' Stipulation of Settlement) who purchased or otherwise acquired the common stock and/or other publicly-traded securities of FARO Technologies, Inc. ("FARO") during the period April 15, 2004 (after the close of trading) through and including March 15, 2006. Excluded from the Class are Defendants and members of each Individual Defendant's immediate family, any entity in which a Defendant has a controlling interest, and the legal representatives, heirs, successors, predecessors in interest or assigns, of any such excluded party. Also excluded from the Class are the Judge(s) to whom this case is assigned and those persons who submit a valid request to be excluded from the Class pursuant to the Notice of Pendency and Proposed Settlement of Class Action.

2. "Class Period" means the time period April 15, 2004 (after the close of trading) to and including March 15, 2006.

3. "Defendants" means FARO and Simon Raab, Gregory A. Fraser and Barbara R. Smith.

III. CLAIMANT IDENTIFICATION

1. If you purchased or otherwise acquired the common stock and/or other publicly-traded securities of FARO and held the certificate(s) in your name, you are the beneficial purchaser as well as the record purchaser. If, however, the certificate(s) were registered in the name of a third party, such as a nominee or brokerage firm, you are the beneficial purchaser and the third party is the record purchaser.

2. Use Part 1 of this form, which is entitled "Claimant Identification," to identify each purchaser of record ("nominee"), if different from the beneficial purchaser of FARO securities. THIS CLAIM MUST BE FILED BY THE ACTUAL BENEFICIAL PURCHASER OR PURCHASERS, OR THE LEGAL REPRESENTATIVE OF SUCH PURCHASER OR PURCHASERS OF FARO SECURITIES UPON WHICH THIS CLAIM IS BASED.

3. All joint purchasers must sign this claim. Executors, administrators, guardians, conservators and trustees must complete and sign this claim on behalf of the Persons represented by them and their authority must accompany

this claim and their titles or capacities must be stated. The Social Security (or taxpayer identification) number and telephone number of the beneficial owner may be used in verifying the claim. Failure to provide the foregoing information could delay verification of your claim or result in rejection of the claim.

IV. CLAIM FORM

1. Use Part II of this form, which is entitled “Schedule of Transactions in FARO securities,” to supply all required details of your FARO securities purchases and sales during the Class Period. If you need more space or additional schedules, attach separate sheets giving all of the required information in substantially the same form. Sign and print or type your name on each additional sheet.

2. On the schedules, provide all of the requested information with respect to **all** of your purchases and **all** of your sales of FARO securities which took place at any time between April 15, 2004 (after the close of trading) and March 15, 2006, inclusive, whether such transactions resulted in a profit or a loss. Failure to report all such transactions may result in the rejection of your claim.

3. List each transaction in the Class Period separately and in chronological order, by trade date, beginning with the earliest. You must accurately provide the month, day and year of each transaction you list.

4. Broker confirmations or other documentation of your transactions in FARO securities should be attached to your claim. Failure to provide this documentation could delay verification of your claim or result in rejection of your claim.

5. The above requests are designed to provide the minimum amount of information necessary to process the most simple claims. The Claims Administrator may request additional information as required to efficiently and reliably calculate your losses. In some cases where the Claims Administrator cannot perform the calculation accurately or at a reasonable cost to the Class with the information provided, the Claims Administrator may condition acceptance of the claim upon the production of additional information and/or the hiring of an accounting expert at the Claimant’s cost.

**UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO TAMPA DIVISION**

In re FARO Technologies Securities Litigation
Case No. 6:05-cv-1810-Orl-22DAB

PROOF OF CLAIM AND RELEASE

Must Be Postmarked No Later Than: October 30, 2008

Please Type or Print

PART I: CLAIMANT IDENTIFICATION

--

Beneficial Owner's Name (First, Middle, Last)

--

Record Owner's Name (First, Middle, Last) (if different from beneficial owner listed above)

--

Street Address

--	--	--	--	--	--

City

State

Zip Code

--

--

Foreign Province

Foreign Country

Social Security Number:

 -

 -

 OR Taxpayer Identification Number:

 -

 -

(for individuals) (for estates, trusts, corporations, etc.)

Check one:

Individual(s) Corporation Other (specify) _____

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Area Code Telephone Number (Work) Area Code Telephone Number (Home) Area Code Fax Number

--

E-Mail Address

PART II: SCHEDULE OF TRANSACTIONS IN FARO SECURITIES COMMON STOCK

A. Number of shares of common stock held by you at the close of trading on April 15, 2004: _____

B. Purchases of FARO common stock (after the close of trading on April 15, 2004 through, and including, March 15, 2006):

	Trade Date (List Chronologically) (Month / Day / Year)	Number of Shares Purchased	Total Purchase Price (excluding commissions)
1.	<table border="1" style="display: inline-table; width: 60px; height: 15px;"></table> / <table border="1" style="display: inline-table; width: 60px; height: 15px;"></table> / <table border="1" style="display: inline-table; width: 60px; height: 15px;"></table>	<table border="1" style="display: inline-table; width: 100px; height: 15px;"></table>	\$ <table border="1" style="display: inline-table; width: 100px; height: 15px;"></table> . <table border="1" style="display: inline-table; width: 60px; height: 15px;"></table>
2.	<table border="1" style="display: inline-table; width: 60px; height: 15px;"></table> / <table border="1" style="display: inline-table; width: 60px; height: 15px;"></table> / <table border="1" style="display: inline-table; width: 60px; height: 15px;"></table>	<table border="1" style="display: inline-table; width: 100px; height: 15px;"></table>	\$ <table border="1" style="display: inline-table; width: 100px; height: 15px;"></table> . <table border="1" style="display: inline-table; width: 60px; height: 15px;"></table>
3.	<table border="1" style="display: inline-table; width: 60px; height: 15px;"></table> / <table border="1" style="display: inline-table; width: 60px; height: 15px;"></table> / <table border="1" style="display: inline-table; width: 60px; height: 15px;"></table>	<table border="1" style="display: inline-table; width: 100px; height: 15px;"></table>	\$ <table border="1" style="display: inline-table; width: 100px; height: 15px;"></table> . <table border="1" style="display: inline-table; width: 60px; height: 15px;"></table>

IMPORTANT: Identify all purchases in which you covered a "short sale": _____

C. Between March 16, 2006 and June 13, 2006, inclusive, you purchased a total of shares of FARO common stock: _____ (If none, write 0)

D. Sales of FARO common stock (April 15, 2004 – June 13, 2006, inclusive):

	Trade Date (List Chronologically) (Month / Day / Year)	Number of Shares Sold	Total Sale Proceeds (excluding commissions)
1.	<input type="text"/> / <input type="text"/> / <input type="text"/>	<input type="text"/>	\$ <input type="text"/> . <input type="text"/>
2.	<input type="text"/> / <input type="text"/> / <input type="text"/>	<input type="text"/>	\$ <input type="text"/> . <input type="text"/>
3.	<input type="text"/> / <input type="text"/> / <input type="text"/>	<input type="text"/>	\$ <input type="text"/> . <input type="text"/>

E. Number of shares of FARO common stock held by you on June 13, 2006: _____

If you require additional space, attach extra schedules in the same format as above. Sign and print your name on each additional page.

Note: To check to see if you have accounted for all your common shares, please be sure the beginning balance of common shares you held at the close of trading on April 15, 2004 (II A. above), plus purchases of common shares (II B. and II C. above), less sales of common shares (II D. above), is equal to the ending balance of common shares you held at the close of trading on June 13, 2006 (II E. above).

F. Acquisitions of FARO Options

1. Beginning Holdings of FARO Options. Please state the number of FARO options that you owned at the close of trading on April 15, 2004:

Option Type	Number of contracts	Date & strike price option contract (i.e., 10/\$50) (List Chronologically) (Month / Day / Year)	Total amount paid for option contracts (excluding commissions)	Proof enclosed
Put <input type="checkbox"/> Call <input type="checkbox"/>	<input type="text"/>	<input type="text"/> / <input type="text"/> / <input type="text"/>	\$ <input type="text"/> . <input type="text"/>	Y <input type="checkbox"/> N <input type="checkbox"/>
Put <input type="checkbox"/> Call <input type="checkbox"/>	<input type="text"/>	<input type="text"/> / <input type="text"/> / <input type="text"/>	\$ <input type="text"/> . <input type="text"/>	Y <input type="checkbox"/> N <input type="checkbox"/>
Put <input type="checkbox"/> Call <input type="checkbox"/>	<input type="text"/>	<input type="text"/> / <input type="text"/> / <input type="text"/>	\$ <input type="text"/> . <input type="text"/>	Y <input type="checkbox"/> N <input type="checkbox"/>

2. Acquisitions of FARO Options. List by date, number of option contracts acquired, price paid per contract, expiration date (month/year), and strike price for each acquisition of FARO option contracts from after the close of trading on April 15, 2004 through March 15, 2006, inclusive. Please indicate if option was assigned, exercised or expired. If none, check here

Option Type	Dates of acquisition (List Chronologically) (Month / Day / Year)	No. of Option Contracts	Expiry month & year	Strike price	Acquisition price per Option Contract (excluding commissions)	[X] expired [A] assigned [E] exercised	Proof of acquisition enclosed
Put <input type="checkbox"/>	<input type="text"/> / <input type="text"/> / <input type="text"/>	<input type="text"/>	<input type="text"/> / <input type="text"/>	\$ <input type="text"/> . <input type="text"/>	\$ <input type="text"/> . <input type="text"/>	<input type="checkbox"/>	Y <input type="checkbox"/>
Call <input type="checkbox"/>	<input type="text"/> / <input type="text"/> / <input type="text"/>	<input type="text"/>	<input type="text"/> / <input type="text"/>	\$ <input type="text"/> . <input type="text"/>	\$ <input type="text"/> . <input type="text"/>	<input type="checkbox"/>	N <input type="checkbox"/>
Put <input type="checkbox"/>	<input type="text"/> / <input type="text"/> / <input type="text"/>	<input type="text"/>	<input type="text"/> / <input type="text"/>	\$ <input type="text"/> . <input type="text"/>	\$ <input type="text"/> . <input type="text"/>	<input type="checkbox"/>	Y <input type="checkbox"/>
Call <input type="checkbox"/>	<input type="text"/> / <input type="text"/> / <input type="text"/>	<input type="text"/>	<input type="text"/> / <input type="text"/>	\$ <input type="text"/> . <input type="text"/>	\$ <input type="text"/> . <input type="text"/>	<input type="checkbox"/>	N <input type="checkbox"/>
Put <input type="checkbox"/>	<input type="text"/> / <input type="text"/> / <input type="text"/>	<input type="text"/>	<input type="text"/> / <input type="text"/>	\$ <input type="text"/> . <input type="text"/>	\$ <input type="text"/> . <input type="text"/>	<input type="checkbox"/>	Y <input type="checkbox"/>
Call <input type="checkbox"/>	<input type="text"/> / <input type="text"/> / <input type="text"/>	<input type="text"/>	<input type="text"/> / <input type="text"/>	\$ <input type="text"/> . <input type="text"/>	\$ <input type="text"/> . <input type="text"/>	<input type="checkbox"/>	N <input type="checkbox"/>
Put <input type="checkbox"/>	<input type="text"/> / <input type="text"/> / <input type="text"/>	<input type="text"/>	<input type="text"/> / <input type="text"/>	\$ <input type="text"/> . <input type="text"/>	\$ <input type="text"/> . <input type="text"/>	<input type="checkbox"/>	Y <input type="checkbox"/>
Call <input type="checkbox"/>	<input type="text"/> / <input type="text"/> / <input type="text"/>	<input type="text"/>	<input type="text"/> / <input type="text"/>	\$ <input type="text"/> . <input type="text"/>	\$ <input type="text"/> . <input type="text"/>	<input type="checkbox"/>	N <input type="checkbox"/>
Put <input type="checkbox"/>	<input type="text"/> / <input type="text"/> / <input type="text"/>	<input type="text"/>	<input type="text"/> / <input type="text"/>	\$ <input type="text"/> . <input type="text"/>	\$ <input type="text"/> . <input type="text"/>	<input type="checkbox"/>	Y <input type="checkbox"/>
Call <input type="checkbox"/>	<input type="text"/> / <input type="text"/> / <input type="text"/>	<input type="text"/>	<input type="text"/> / <input type="text"/>	\$ <input type="text"/> . <input type="text"/>	\$ <input type="text"/> . <input type="text"/>	<input type="checkbox"/>	N <input type="checkbox"/>

3. Sales of FARO Options. List by date, number of option contracts sold, price received per contract, expiration date (month/year), and strike price for each sale of FARO option contracts from April 15, 2004 through March 15, 2006, inclusive. Please indicate if option was assigned, exercised or expired. If none, check here

Option Type	Dates of sale (List Chronologically) (Month / Day / Year)	No. of Option Contracts Sold	Expiry month & year	Strike price	Sale price per Option Contracts (excluding commissions)	[X] expired [A] assigned [E] exercised	Proof of Sale enclosed
Put <input type="checkbox"/>	<input type="text"/> / <input type="text"/> / <input type="text"/>	<input type="text"/>	<input type="text"/> / <input type="text"/>	\$ <input type="text"/> . <input type="text"/>	\$ <input type="text"/> . <input type="text"/>	<input type="checkbox"/>	Y <input type="checkbox"/>
Call <input type="checkbox"/>	<input type="text"/> / <input type="text"/> / <input type="text"/>	<input type="text"/>	<input type="text"/> / <input type="text"/>	\$ <input type="text"/> . <input type="text"/>	\$ <input type="text"/> . <input type="text"/>	<input type="checkbox"/>	N <input type="checkbox"/>
Put <input type="checkbox"/>	<input type="text"/> / <input type="text"/> / <input type="text"/>	<input type="text"/>	<input type="text"/> / <input type="text"/>	\$ <input type="text"/> . <input type="text"/>	\$ <input type="text"/> . <input type="text"/>	<input type="checkbox"/>	Y <input type="checkbox"/>
Call <input type="checkbox"/>	<input type="text"/> / <input type="text"/> / <input type="text"/>	<input type="text"/>	<input type="text"/> / <input type="text"/>	\$ <input type="text"/> . <input type="text"/>	\$ <input type="text"/> . <input type="text"/>	<input type="checkbox"/>	N <input type="checkbox"/>
Put <input type="checkbox"/>	<input type="text"/> / <input type="text"/> / <input type="text"/>	<input type="text"/>	<input type="text"/> / <input type="text"/>	\$ <input type="text"/> . <input type="text"/>	\$ <input type="text"/> . <input type="text"/>	<input type="checkbox"/>	Y <input type="checkbox"/>
Call <input type="checkbox"/>	<input type="text"/> / <input type="text"/> / <input type="text"/>	<input type="text"/>	<input type="text"/> / <input type="text"/>	\$ <input type="text"/> . <input type="text"/>	\$ <input type="text"/> . <input type="text"/>	<input type="checkbox"/>	N <input type="checkbox"/>
Put <input type="checkbox"/>	<input type="text"/> / <input type="text"/> / <input type="text"/>	<input type="text"/>	<input type="text"/> / <input type="text"/>	\$ <input type="text"/> . <input type="text"/>	\$ <input type="text"/> . <input type="text"/>	<input type="checkbox"/>	Y <input type="checkbox"/>
Call <input type="checkbox"/>	<input type="text"/> / <input type="text"/> / <input type="text"/>	<input type="text"/>	<input type="text"/> / <input type="text"/>	\$ <input type="text"/> . <input type="text"/>	\$ <input type="text"/> . <input type="text"/>	<input type="checkbox"/>	N <input type="checkbox"/>
Put <input type="checkbox"/>	<input type="text"/> / <input type="text"/> / <input type="text"/>	<input type="text"/>	<input type="text"/> / <input type="text"/>	\$ <input type="text"/> . <input type="text"/>	\$ <input type="text"/> . <input type="text"/>	<input type="checkbox"/>	Y <input type="checkbox"/>
Call <input type="checkbox"/>	<input type="text"/> / <input type="text"/> / <input type="text"/>	<input type="text"/>	<input type="text"/> / <input type="text"/>	\$ <input type="text"/> . <input type="text"/>	\$ <input type="text"/> . <input type="text"/>	<input type="checkbox"/>	N <input type="checkbox"/>

4. Unsold Holdings of FARO Options. Please state the number of FARO options that you owned as of the close of trading on March 15, 2006. If none, check here

Option Type	Number of contracts	Date & strike price Option Contracts (i.e., 10/\$50) (List Chronologically) (Month / Day / Year)	Total amount paid for Option Contracts (excluding commissions)	Proof enclosed
Put <input type="checkbox"/> Call <input type="checkbox"/>	<input type="text"/>	<input type="text"/> / <input type="text"/> / <input type="text"/>	\$ <input type="text"/> . <input type="text"/>	Y <input type="checkbox"/> N <input type="checkbox"/>
Put <input type="checkbox"/> Call <input type="checkbox"/>	<input type="text"/>	<input type="text"/> / <input type="text"/> / <input type="text"/>	\$ <input type="text"/> . <input type="text"/>	Y <input type="checkbox"/> N <input type="checkbox"/>
Put <input type="checkbox"/> Call <input type="checkbox"/>	<input type="text"/>	<input type="text"/> / <input type="text"/> / <input type="text"/>	\$ <input type="text"/> . <input type="text"/>	Y <input type="checkbox"/> N <input type="checkbox"/>

Note: To check and see if you have accounted for all your options, please be sure the beginning balance of options you held at the close of trading on April 15, 2004 (F 1. above), plus purchases of options (F 2. above), less sales of options (F 3. above) is equal to the ending balance of options you held at the close of trading on March 15, 2006 (F 4. above).

YOU MUST READ AND SIGN THE RELEASE ON PAGE 23.

PART III. SUBMISSION TO JURISDICTION OF COURT AND ACKNOWLEDGMENTS

I (We) submit this Proof of Claim and Release under the terms of the Stipulation of Settlement dated as of April 9, 2008 (“Stipulation”) described in the Notice. I (We) also submit to the jurisdiction of the United States District Court for the Middle District of Florida, Orlando Division, with respect to my claim as a Class Member (as defined in the Notice) and for purposes of enforcing the release set forth herein. I (We) further acknowledge that I am (we are) bound by and subject to the terms of any judgment that may be entered in the Litigation. I (We) agree to furnish additional information to the Claims Administrator or Plaintiffs’ Co-Lead Counsel to support this claim if required to do so. I (We) have not submitted any other claim covering the purchases of FARO securities during the relevant time period and know of no other Person having done so on my (our) behalf.

PART IV. RELEASE

1. “Released Claims” collectively means any and all claims (including “Unknown Claims” as defined below), demands, rights, causes of action or liabilities, of every nature and description whatsoever, whether based in law or equity, on federal, state, local, statutory or common law, or any other law, rule or regulation, including both known claims and Unknown Claims, that have been or could have been asserted in any forum by the Class Members, or any of them, or the successors or assigns of any of them, whether directly, indirectly, derivatively, representatively

or in any other capacity against any of the Released Parties (as defined below), which arise out of, or relate in any way, directly or indirectly, to the allegations, transactions, facts, events, matters, occurrences, acts, representations or omissions involved, set forth, referred to, or that could have been asserted in the Litigation, including, without limitation, claims for negligence, gross negligence, breach of duty of care, breach of duty of loyalty, breach of duty of candor, fraud, negligent misrepresentation, and breach of fiduciary duty, arising out of, based upon or related in any way to the purchase, acquisition, sale or disposition of FARO common stock or other publicly-traded securities by any Class Member during the Class Period. Specifically excluded are any claims asserted in the following pending action: *Alverson v. Caldwell et al*, 6:08-cv-00045-ACC-DAB (M.D.Fla.).

2. “Released Parties” means Lead Plaintiff, the Class, Plaintiffs’ Counsel, Defendants, Grant Thornton LLP, Ernst & Young LLP, Deloitte & Touche LLP, and their respective past or present affiliates, parents, subsidiaries, representatives, shareholders, creditors, partners, principals, officers, directors, employees, insurers, reinsurers, professional advisors, financial advisors, accountants, auditors, associates, general and limited partners and partnerships, heirs, executors, administrators, attorneys, agents, successors in interest (including but not limited to a trustee appointed in a Chapter 7 or 11 proceeding, a receiver, an assignee for the benefit of creditors, or any similar successors other than securities broker dealers who were not named as parties in the Amended Complaint), and assigns.

3. “Unknown Claims” means any Released Claims (as defined above) that Lead Plaintiff or any Class Member does not know or suspect to exist in his, her or its favor at the time of the release of the Released Parties, which, if known by him, her or it, might have affected his, her or its settlement with and release of the Released Parties, or might have affected his, her or its decision(s) not to object to this Settlement. Upon the Effective Date (as defined in the Stipulation), the Settling Parties, and all other Persons and entities whose claims are being released, shall be deemed to have, or shall have, expressly waived and relinquished, to the fullest extent permitted by law, the provisions, rights and benefits of §1542 of the California Civil Code, which provides as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

The Lead Plaintiff, Defendants and the Released Parties have, and each of the Class Members shall be deemed to have and – by operation of the Judgment – shall have, expressly waived any and all provisions, rights and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable and equivalent to California Civil Code § 1542. The Lead Plaintiff, Defendants and the Released Parties may hereafter discover facts in addition to or different from those which he, she or it now knows or believes to be true with respect to the subject matter of the Released Claims, but Lead Plaintiff and each Class Member, upon the Effective Date, shall be deemed to have, and – by operation of the Judgment – shall have fully, finally, and forever settled and released any and all Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct which is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to subsequent discovery or existence of such different or additional facts. Lead Plaintiff and the Class Members shall be deemed by operation of the Judgment to have acknowledged, that the foregoing waiver of Unknown Claims was separately bargained for and a key element of the Settlement of which this release is a part.

4. I (We) hereby acknowledge full and complete satisfaction of, and do hereby fully, finally and forever settle, release, relinquish and discharge, all of the Released Claims (as defined above) against Defendants, Grant Thornton LLP, Ernst & Young LLP, Deloitte & Touche LLP, and their respective past or present affiliates, parents, subsidiaries, representatives, shareholders, creditors, partners, principals, officers, directors, employees, insurers, reinsurers, professional advisors, financial advisors, accountants, auditors, associates, general and limited partners and partnerships, heirs, executors, administrators, attorneys, agents, successors in interest (including but not limited to a trustee appointed in a Chapter 7 or 11 proceeding, a receiver, an assignee for the benefit of creditors, or any similar successors other than securities broker dealers who were not named as parties in the Amended Complaint), and assigns.

5. This release shall be of no force or effect unless and until the Court issues a Final Judgment approving the Stipulation and it becomes effective on the Effective Date.

6. I (We) hereby warrant and represent that I (we) have not assigned or transferred or purported to assign or transfer, voluntarily or involuntarily, any matter released pursuant to this release or any other part or portion thereof.

7. I (We) hereby warrant and represent that I (we) have included information about all of my (our) transactions in FARO securities that occurred during the time period covered by this Proof of Claim, and the number of FARO common stock shares held by me (us) at the close of trading on April 15, 2004 and at the close of trading on June 13, 2006; and, if applicable, the number of FARO options held by me (us) at the close of trading on April 15, 2004 and at the close of trading on March 15, 2006.

SUBSTITUTE FORM W-9

Request for Taxpayer Identification Number ("TIN") and Certification

SECTION I

NAME: _____

Check appropriate box: Individual/Sole Proprietor Corporation Partnership Trust
 IRA Pension Plan Other _____

Enter TIN on appropriate line.

For individuals, this is your Social Security Number ("SSN").

For sole proprietors, you must show your individual name, but you may also enter your business name or "doing business as" name. You may enter either your SSN or your Employer Identification Number ("EIN").

For other entities, it is your EIN.

____-____-____-____ or _____-____-____-____-____
Social Security Number Employer Identification Number

SECTION II

For Payees Exempt from Backup Withholding

If you are exempt from backup withholding, enter your correct TIN in Section I and write "exempt" on the following line: _____

SECTION III

Certification and Release

UNDER THE PENALTY OF PERJURY, I (WE) CERTIFY THAT:

- 1. The number shown on this form is (our) my correct TIN; and
- 2. I (We) certify that I am (we are) NOT subject to backup withholding under the provisions of Section 3406 (a) (1)(C) of the Internal Revenue Code because: (a) I am (we are) exempt from backup withholding; or (b) I (we) have not been notified by the Internal Revenue Service that I am (we are) subject to backup withholding as a result of a failure to report all interest or dividends; or (c) the Internal Revenue Service has notified me (us) that I am (we are) no longer subject to backup withholding.

NOTE: If you have been notified by the Internal Revenue Service that you are subject to backup withholding, you must cross out Item 2 above.

SEE ENCLOSED FORM W-9 INSTRUCTIONS

The Internal Revenue Service does not require your consent to any provision of this document other than the certification required to avoid backup withholding.

I (We) declare and certify that I (we) understand that, by executing this Certification and Release, I (we) are specifically releasing and giving up forever all of the Released Claims against the Released Parties identified in Part IV of this Proof of Claim and Release Form.

I (We) declare under penalty of perjury under the laws of the United States of America that the foregoing information supplied by the undersigned is true and correct.

Executed this _____ day of _____ (Month/Year),

in _____, _____
(City) (State/Country)

(Sign your name here)

(Type or print your name here)

(Signature of Joint Claimant, if any)

(Type or print your name here)

(Capacity of person(s) signing, e.g., Beneficial Purchaser, Executor, Administrator, Trustee, etc.)

In re FARO Technologies Securities Litigation
Claims Administrator
c/o Strategic Claims Services
P.O. Box 230
600 N Jackson Street, Suite 3
Media, PA 19063

FIRST CLASS MAIL
U.S. POSTAGE
PAID
PERMIT NO. 138
PHILADELPHIA, PA

FIRST CLASS MAIL

PLEASE FORWARD—IMPORTANT LEGAL NOTICE

**ACCURATE CLAIMS PROCESSING TAKES A
SIGNIFICANT AMOUNT OF TIME.
THANK YOU FOR YOUR PATIENCE.**

Reminder Checklist:

1. Please sign the above certification and release.
2. Remember to attach supporting documentation.
3. Do not send original stock certificates.
4. Keep a copy of your Proof of Claim form for your records.
5. If you desire an acknowledgment of receipt of your Proof of Claim form, please send it Certified Mail, Return Receipt Requested.
6. If you move, please send us your new address.