

SETTLEMENT AGREEMENT

1. INTRODUCTION

1.1 Parties

This Settlement Agreement is entered into by and between Russell Brimer (“Brimer”) and Logitech Inc. (“Logitech”), with Brimer and Logitech collectively referred to as the “Parties.” Brimer is an individual residing in California who seeks to promote awareness of exposures to toxic chemicals and improve human health by reducing or eliminating hazardous substances contained in consumer products. Logitech employs ten or more persons and is a person in the course of doing business for purposes of the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health & Safety Code § 25249.6, *et seq.* (“Proposition 65”).

1.2 General Allegations

Brimer alleges that Logitech manufactures, distributes, sells, and/or offers for sale in the State of California headsets with cords containing di(2-ethylhexyl)phthalate (“DEHP”) without the requisite Proposition 65 health hazard warning. DEHP is listed pursuant to Proposition 65 as a chemical known to the State of California to cause birth defects and other reproductive harm.

1.3 Product Description

The products that are covered by this Settlement Agreement are defined as headsets with cords containing DEHP which were manufactured, distributed, sold and/or offered for sale in California with the following SKU numbers: #981-000014; #981-000308; #981-000310; and #981-000318. The products referenced in this section are hereinafter referred to collectively as the “Products.”

1.4 Notice of Violation

On or about March 29, 2012, Brimer served Logitech and various public enforcement agencies with a “60-Day Notice of Violation” (“Notice”), alleging that Logitech was in violation of Proposition 65 for failing to warn its customers and consumers in California that the Products exposed users to DEHP. To the best of the Parties’ knowledge, no public enforcer has

commenced and is diligently prosecuting the allegations set forth in the Notice.

1.5 No Admission

Logitech denies the material, factual, and legal allegations contained in the Notice and maintains that all of the products it has manufactured, imported, distributed, and/or sold in California, including the Products, have been, and are, in compliance with all laws. Nothing in this Settlement Agreement shall be construed as an admission by Logitech of any fact, finding, conclusion of law, issue of law, or violation of law; nor shall compliance with this Settlement Agreement constitute or be construed as an admission by Logitech of any fact, finding, conclusion of law, issue of law, or violation of law, such being specifically denied by Logitech. This section shall not, however, diminish or otherwise affect Logitech's obligations, responsibilities, and duties under this Settlement Agreement.

1.6 Effective Date

For purposes of this Settlement Agreement, the term "Effective Date" shall mean December 3, 2012.

2. INJUNCTIVE RELIEF

2.1 No more than 30 days after the execution of this Settlement Agreement, Logitech shall provide the reformulation standard for DEHP in Reformulated Products to its then-current Vendors of Products that will be sold or offered for sale to California consumers and shall instruct each Vendor to use reasonable efforts to provide Reformulated Products expeditiously. In addressing the obligation set forth in the preceding sentence, Logitech shall not employ statements that will encourage a Vendor to delay compliance with the reformulation standard. Upon request, Logitech shall provide Brimer with copies of such Vendor notification and Brimer shall regard such copies as confidential business information. As used herein the term "Vendor" means a person or entity that manufactures, imports, distributes, or otherwise supplies Products to Logitech. Additionally, as used herein, the term "Reformulated Products" shall mean Products containing no more than 1,000 parts per million (0.1%) of DEHP when analyzed pursuant to EPA testing methodologies 3580A and 8270C, or equivalent methodologies utilized

by state or federal agencies for the purpose of determining DEHP content in a solid substance.

2.2 Commencing on the Effective Date, Logitech shall only import or cause to be imported, manufacture or cause to be manufactured or acquire for distribution and/or sale in California Reformulated Products.

2.3 Provided that Logitech has complied with Section 2.1 above, sales of Products that were supplied to unaffiliated third parties prior to May 15, 2013, shall not be separately actionable in another case brought pursuant to Section 25249.7(d) of the Health & Safety Code alleging a failure to warn for DEHP under Proposition 65.

3. MONETARY PAYMENTS

3.1 Payments Pursuant to Health & Safety Code § 25249.7(b)

Pursuant to Health & Safety Code § 25249.7(b), Logitech shall pay \$64,000 in civil penalties. Logitech shall pay an initial civil penalty of \$14,000 on or before the Effective Date and a final civil penalty of \$50,000 on or before May 28, 2013. However, the final civil penalty shall be waived in its entirety if an officer of Logitech provides Brimer with a written certification that, as of May 15, 2013 and continuing on into the future, Logitech will only manufacture, import, distribute, sell and/or offer for sale in California Products that are Reformulated Products. Brimer must receive any such certification no later than May 15, 2013.

The penalty payments will be allocated according to Health & Safety Code §§ 25249.12 (c)(1) & (d), with seventy-five percent (75%) of the penalty amount earmarked for the California Office of Environmental Health Hazard Assessment (“OEHHA”) and the remaining twenty-five (25%) of the penalty amount earmarked for Brimer. For the initial civil penalty, Logitech shall issue two checks made payable as follows: (a) to “The Chanler Group in Trust for OEHHA” in the amount of \$10,500; and (b) to “The Chanler Group in Trust for Russell Brimer” in the amount of \$3,500. Two 1099 forms shall also be provided to: (a) the “Office of Environmental Health Hazard Assessment,” P.O. Box 4010, Sacramento, CA 95814 (EIN: 68-0284486); and (b) “Russell Brimer,” whose address and tax identification number shall be furnished upon request after this Settlement Agreement is fully executed by the Parties. Payment shall be

delivered to Brimer's counsel on or before the Effective Date at the payment address provided in Section 3.3.

If the final civil penalty of \$50,000 referenced in this section is not waived, Logitech shall issue two checks made payable as follows: (a) to "The Chanler Group in Trust for OEHHA" in the amount of \$37,500; and (b) to "The Chanler Group in Trust for Russell Brimer" in the amount of \$12,500. Two 1099 forms shall also be provided to: (a) the "Office of Environmental Health Hazard Assessment," P.O. Box 4010, Sacramento, CA 95814 (EIN: 68-0284486); and (b) "Russell Brimer," whose address and tax identification number shall be furnished upon request after this Settlement Agreement is fully executed by the Parties. Payment of the final civil penalty if not waived, shall be delivered to Brimer's counsel on or before May 28, 2013 at the payment address provided in Section 3.3.

3.2 Reimbursement of Fees and Costs

The Parties reached an accord on the compensation due to Brimer and his counsel under general contract principles and the private attorney general doctrine codified at Code of Civil Procedure § 1021.5 for all work performed in this matter. Under these legal principles, Logitech shall pay \$31,000 for all fees and costs incurred investigating, bringing this matter to the attention of Logitech, and negotiating a settlement in the public interest. Logitech shall provide its payment in the form of a check payable to "The Chanler Group," issue a separate 1099 for fees and costs (EIN: 94-3171522), and deliver payment on or before the Effective Date at the Payment Address provided in Section 3.3.

3.3 Payment Address

All payments and tax documentation required by this Section 3 shall be delivered to Brimer's counsel at the following address:

The Chanler Group
Attn: Proposition 65 Controller
2560 Ninth Street
Parker Plaza, Suite 214
Berkeley, CA 94710

4. RELEASES

4.1 Brimer's Release of Logitech

This Settlement Agreement is a full, final and binding resolution between Brimer and Logitech, of any violation of Proposition 65 that was or could have been asserted by Brimer on behalf of himself, his past and current agents, representatives, attorneys, successors, and/or assignees, against Logitech, its parents, subsidiaries, affiliated entities under common ownership, directors, officers, employees, attorneys, and each entity to whom Logitech directly or indirectly distributes or sells Products, including, but not limited, to downstream distributors, wholesalers, customers, retailers, franchisees, cooperative members, and licensees ("Releasees"), based on their failure to warn about alleged exposures to DEHP contained in the Products that were manufactured, imported, distributed, sold, and/or offered for sale by Logitech in California before the Effective Date.

In further consideration of the promises and agreements herein contained, Brimer on behalf of himself, his past and current agents, representatives, attorneys, successors, and/or assignees, hereby waives all Brimer's rights to institute or participate in, directly or indirectly, any form of legal action and releases all claims that Brimer may have, including, without limitation, all actions, and causes of action, in law or in equity, suits, liabilities, demands, obligations, damages, costs, fines, penalties, losses, or expenses -- including, but not limited to, investigation fees, expert fees, and attorneys' fees, but exclusive of fees and costs on appeal -- limited to and arising under Proposition 65 with respect to DEHP in the Products manufactured, imported, distributed, sold and/or offered for sale by Logitech before the Effective Date, against Logitech and Releasees.

4.2 Logitech's Release of Brimer

Logitech on behalf of itself, its past and current agents, representatives, attorneys, successors, and/or assignees, hereby waives any and all claims against Brimer and his attorneys and other representatives, for any and all actions taken or statements made (or those that could have been taken or made) by Brimer and his attorneys and other representatives, whether in the

course of investigating claims, otherwise seeking to enforce Proposition 65 against it in this matter, or with respect to the Products.

5. POST-EXECUTION CONVERSION TO CONSENT JUDGMENT

Within twelve months of the execution of this Settlement Agreement, Logitech may send Brimer a written request to draft and file a complaint, to incorporate the terms of this Settlement Agreement into a proposed consent judgment that provides a release in the public interest for the released Products, and to seek court approval of the consent judgment pursuant to Health & Safety Code § 25249.7, or as may be otherwise allowed by law. If so requested, Brimer and Logitech agree to reasonably cooperate, and to use their best efforts and that of their counsel to support the entry of the terms of this Settlement Agreement as a consent judgment by a superior court in California in a timely manner.

If so requested by Logitech in writing, pursuant to Code of Civil Procedure §§ 1021 and 1021.5, Logitech will reimburse Brimer and his counsel for their reasonable fees and costs incurred drafting and filing the complaint, converting this Settlement Agreement into a proposed consent judgment, and seeking judicial approval of the settlement in an amount not to exceed \$16,000, exclusive of fees and costs incurred on appeal, if any. Logitech shall remit payment to The Chanler Group at the payment address provided in section 3.3 within five business days of receiving a monthly invoice from Brimer's counsel for work performed under this section.

6. SEVERABILITY

If, subsequent to the execution of this Settlement Agreement, any provision is held by a court to be unenforceable, the validity of the enforceable provisions remaining shall not be adversely affected.

7. GOVERNING LAW

The terms of this Settlement Agreement shall be governed by the laws of the State of California and apply within the State of California.

8. NOTICES

Unless specified herein, all correspondence and notices required to be provided pursuant to this Settlement Agreement shall be sent by: (i) personal delivery; (ii) first-class, registered or certified mail, return receipt requested; or (iii) overnight courier on any party by the other party at the following addresses:

For Logitech:

Kathryn H. Edwards
Orrick, Herrington & Sutcliffe LLP
The Orrick Building
405 Howard Street
San Francisco, CA 94105-2669

For Brimer:

Proposition 65 Coordinator
The Chanler Group
2560 Ninth Street
Parker Plaza, Suite 214
Berkeley, CA 94710-2565

With a copy to:

Catherine Valentine
General Counsel
Logitech Inc.
7600 Gateway Boulevard
Newark, CA 94560

Any party may, from time to time, specify in writing to the other party a change of address to which all notices and other communications shall be sent.

9. COUNTERPARTS; FACSIMILE SIGNATURES

This Settlement Agreement may be executed in counterparts and by facsimile or portable document format (“.pdf”) signature, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same document.

10. POST-EXECUTION ACTIVITIES

Brimer agrees to comply with the reporting form requirements referenced in Health & Safety Code § 25249.7 (f).

11. MODIFICATION

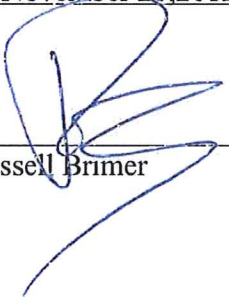
This Settlement Agreement may be modified only by a written agreement of the Parties.

12. AUTHORIZATION

The undersigned are authorized to execute this Settlement Agreement on behalf of their respective Parties and have read, understood and agree to all of the terms and conditions of this Settlement Agreement.


AGREED TO:

Date: November 20, 2012

By: 
Russell Brimer

AGREED TO:

Date: 11/21/12

By: 
Logitech Inc.

JOE SULLIVAN
SNR V.P. WW OPERATIONS

