

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is entered into by and between Michael DiPirro, (“DiPirro”) a California citizen, and Antex (Electronics) Limited, a corporation organized under the laws of Great Britain (“Antex”). DiPirro and Antex will be referred to collectively as the “Parties”. The Parties agree to the following terms and conditions:

WHEREAS:

A. DiPirro is an individual residing in California who seeks to promote awareness of exposures of toxic chemicals and improve human health by reducing or eliminating hazardous substances contained in consumer and industrial products;

B. Antex is a foreign company that manufactures and distributes certain components and sub-assemblies of soldering equipment, as well as certain finished products, such as soldering stations and soldering stands;

C. A list of the products covered by this Agreement is provided in Exhibit A (the “Products”). The Products have been manufactured, distributed or sold by Antex into the United States since at least September 15, 1994;

D. On April 29, 1999, DiPirro first served Antex and all of the requisite public enforcement agencies with a document entitled “60-Day Notice” which provided such public enforcers with notice that Antex and certain other companies were allegedly in violation of Health & Safety Code section 25249.6 for failing to warn purchasers that certain products it sells in California, when used in a reasonable and foreseeable manner, expose users to Proposition 65-listed chemicals, including, lead and formaldehyde;

E. On July 16, 1999, Michael DiPirro filed a complaint entitled Michael DiPirro v. Antex Electronics Limited; Allied Electronics (case no. H208371-51) in Alameda County Superior Court, naming Antex as a defendant and alleging violations of Business & Professions Code section 17200 and Health & Safety Code section 25249.6 on behalf of individuals in California who allegedly have been exposed to lead and other Proposition 65 listed chemicals from the use of Antex's products without adequate warnings (the “Lawsuit”); and

F. Antex at all times has denied the material factual and legal allegations contained in the 60-Day Notice and the Complaint, disputes that it is in violation of Health & Safety Code section 25249.6, or Business and Professions Code section 17200. Antex further asserts that California does not have jurisdiction over Antex with respect to the claims asserted by DiPirro, but recognizes that DiPirro asserts that California has jurisdiction over some or all of Antex's product sellers including Allied Electronics, a distributor of Antex's products.

G. The Parties now wish to settle the dispute.

NOW THEREFORE, DIPIRRO AND ANTEX AGREE AS FOLLOWS:

1. Product Warnings. Antex shall begin to revise its health hazard warnings for its Products to provide the language set forth in sections 1.1, 1.2 and 1.3 below. Antex agrees that it will not knowingly ship (or cause to be shipped) any Product to California customers unless said Product complies with sections 1.1, 1.2 or 1.3:

1.1 For completed products, such as soldering stations and stands, the Antex Products which may be sold into California shall bear the following warning statement on the product or product label within 45 days of the execution of this settlement agreement:

“WARNING: Normal use of this product is likely to expose the user to solders containing lead which is known to the State of California to cause cancer and birth defects (or other reproductive harm), or exposure to other Proposition 65 listed chemicals.”

The warning statement shall be prominent and displayed with such conspicuousness, as compared with other words, statements, or designs as to render it likely to be read and understood by an ordinary individual.

1.2 For all smaller products, such as soldering components and soldering assemblies identified in Exhibit A attached, Antex shall provide the following warning slip described below with the shipment of these products:

“WARNING: This shipment includes soldering components, soldering sub-assemblies and other soldering equipment.

Normal use of soldering products is likely to expose the user to solders containing lead, which is known to the State of California to cause cancer and birth defects (or other reproductive harm), or expose the user to other Proposition 65 listed chemicals.”

1.3 As an alternative to steps outlined in Section 1.2 above, Antex may, at its option, utilize the following warning affixed to or included with its Products identified in Exhibit A attached:

“WARNING: Normal use of this product is likely to expose the user to solders containing lead, which is known to the State of California to cause cancer and birth defects (or other reproductive harm), or expose the user to other Proposition 65 listed chemicals.”

2. Payment Pursuant to Health & Safety Code Section 25249.7(b). Pursuant to Health & Safety Code section 25249.7(b), Antex shall pay a civil penalty of \$1,000. The payment of \$1,000 shall be paid within five (5) business days after receipt of a conformed copy of the dismissal with prejudice of the Lawsuit, and shall be made payable to “Chanler Law Group

In Trust For Michael DiPirro.” Penalty monies shall be apportioned by DiPirro in accordance with Health & Safety Code section 25192, with 75% of these funds remitted to the State of California Department of Toxic Substances Control.

3. Reimbursement Of Fees and Costs. Within five (5) business days of the receipt of a conform copy of the dismissal with prejudice of the Lawsuit, Antex shall reimburse DiPirro for his investigation, expert and attorneys’ fees and costs incurred as a result of investigating, bringing this matter to Antex’s attention, litigating and negotiating a settlement in the public interest. Antex shall pay: \$9,000 for pre-notice investigation fees; \$490 for expert, investigation and litigation costs; and \$100 in attorneys’ and post-notice investigation fees. Payment should be made payable to “Chanler Law Group.”

4. DiPirro’s Release. DiPirro, by this agreement, on behalf of himself, his agents, representatives, attorneys, assigns and the citizens of the State of California, waives all rights to institute and participate in, directly or indirectly, any form of legal action, and releases all claims, liabilities, obligations, losses, costs, expenses, fines and damages, against Antex and its distributors, retailers, customers, directors, officers, employees, affiliates, successors and assigns, whether under Proposition 65 or the Business & Professions Code section 17200 et seq. based on failure to warn about exposure to lead and other listed Proposition 65 chemicals arising from the normal and foreseeable use of the Products.

5. Antex’s Release. Antex, by this Agreement, waives all rights to institute any form of legal action against DiPirro, and his attorneys or representatives, for all actions or statements made by DiPirro, and his attorneys or representatives, in the course of seeking enforcement of Proposition 65 or Business & Professions Code section 17200 against Antex.

6. Dismissal with Prejudice. Within five (5) days after the execution of this Agreement by the Parties, DiPirro and Antex shall execute and file a Request For Dismissal with Prejudice of the Lawsuit in its entirety against all named defendants.

7. Antex Sales Data. Antex understands that the sales data provided to counsel for DiPirro by Antex was a material factor upon which Antex has relied to determine the amount of penalties in this Agreement. To the best of Antex's knowledge, the sales data provided is true and accurate. In the event DiPirro discovers facts which demonstrate to a reasonable degree of certainty that the sales data is materially inaccurate, the parties shall meet in a good faith attempt to resolve the matter within thirty (30) days of Antex's receipt of notice from DiPirro of his intent to challenge the accuracy of the sales data.

8. Change in Law. In the event that any law, rule, regulation, or final decision of any legislative, judicial, or executive body with jurisdiction becomes effective or is entered which renders the warning provisions described under Sections 1.1, 1.2 and 1.3 unnecessary to comply with applicable laws, Antex, at its option, may cease providing such warnings on or with its Products, to the extent provided by such change in law, rule, regulation, or final decision, of any legislative, judicial, or executive body.

9. No Admissions. Nothing in this agreement shall be construed as an admission by Antex of any fact, issue of law, or violation of law, nor shall compliance with this Agreement constitute or be construed as an admission by Antex of any fact, finding, conclusion, issue of law, or violation of law. Nothing in this agreement shall be construed as an admission that California has jurisdiction over Antex with respect to the claims asserted by DiPirro. However, this paragraph shall not diminish or otherwise affect the obligations, responsibilities, and duties of Antex under this Agreement.

10. Severability. In the event that any of the provisions of this Agreement are held by a court to be unenforceable, the validity of the enforceable provisions shall not be adversely effected.

11. Attorney's Fees. In the event that a dispute arises with respect to any provision(s) of this Agreement, the prevailing party shall be entitled to recover costs and reasonable attorneys' fees.

12. Governing Law. The terms of this Agreement shall be governed by the laws of the State of California.

13. Notices. All correspondence to Michael DiPirro shall be mailed to:

Clifford A. Chanler, Esq.
CHANLER LAW GROUP
Magnolia Lane
New Canaan, Connecticut 06840-3801

All correspondence to Antex shall be mailed to:

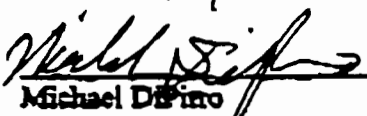
Gregory J. Patterson, Esq.
PROSKAUER ROSE LLP
2049 Century Park East
32nd Floor
Los Angeles, California 90067

with a copy to:

Jim Lunt
Antex (Electronics) Limited
2 Westbridge Industrial Estate
Tavistock Devon PL19 8 DE

14. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same document.

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

AGREED TO:
DATE: 11/8/99

Michael DiPino

AGREED TO:
DATE: _____

Amex (Electronics) Limited

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

AGREED TO:

AGREED TO:

DATE: _____

DATE: 17 November 1999

Michael DiPirro

I. J. Lunt.
Antex (Electronics) Limited

I. J. LUNT.