



VTech Technologies Canada Ltd.

February 23, 2016

PERSONAL AND CONFIDENTIAL

DELIVERED BY HAND

Patrick Fox
203 - 3846 Sunset Street
Burnaby, BC V5G 1T3

Dear Patrick,

Re: Termination of Employment

Further to our meeting today, we confirm that your employment with VTech Technologies Canada Ltd. (the "Company") is terminated effective immediately.

Recent media coverage of your website and vindictive campaign against your former wife has made it impossible for your employment with the Company to continue. While the impacts to the Company are ongoing, we note the following to date:

1. We have had numerous customer complaints about you being associated with our Company. Some have stated they will not deal with us because you are employed here; and
2. Your co-workers find your conduct such that they do not wish to work with you.

You will also receive your wages through to today's date (the "Termination Date"), including earned but not taken vacation pay.

While we believe we have just cause for terminating your employment without notice or severance, we would prefer to offer, on a without prejudice basis, a severance package to allow you to transition to employment elsewhere provided you maintain confidentiality in respect of your departure. Specifically, the Company is prepared to provide you with severance on the following terms:



VTech Technologies Canada Ltd.

- A. Your base salary will be continued for a total of eight weeks from today's date (the "Severance Period"). You will be paid on regular paydays;
- B. In return, and as material consideration for the Company paying the severance outlined above, you agree that you will not:
- I. Discuss or publicize in any manner and in any forum, including, without limitation, on social media, your website(s) or in interviews with the media, that your employment with VTech has been terminated or the reasons therefore, including, without limitation, the content of our meeting today, prior discussions with you last week and the fact of or terms of this offer and any resulting agreement. You may only disclose this information and this offer to a lawyer for the purpose of seeking advice, on the condition it remain confidential;
 - II. You will not disparage or defame VTech, its employees, managers, officers, directors and products in any manner, including by postings or other communications on the internet or interviews with the media. Without limiting the generality of the foregoing, any communication which disparages or criticizes any of the foregoing parties in relation to the termination of your employment would be a breach of this covenant; and
 - III. You will otherwise abide by the confidentiality provisions of your Employment Agreement;
- C. In the event that you breach any of the foregoing obligations to the Company, the Company shall be entitled, without limiting other remedies available to it, to terminate all further payment of severance outlined above and you agree that you will be liable to repay the amount of severance paid to you pursuant to this agreement. You further acknowledge that repayment of the severance paid to you is a reasonable pre-estimate of damages that would likely be suffered by the Company in the event that you breach these obligations to the Company. You acknowledge that proving and quantifying the actual damages resulting from such breach would difficult and therefore it is appropriate to agree to this liability; and
- D. You will sign and return a copy of this letter confirming your agreement to these terms and the full and final Release of all claims enclosed
- (the "Terms of Separation").

Whether or not you accept above, you are required to return all Company property in your possession immediately. The Company expects you to maintain the confidentiality of the termination of your employment, this offer, and all other confidential information of the Company regardless of whether you accept the offer above. If you choose to disclose or publicize this offer, other than to a lawyer as permitted above, it shall automatically be deemed null and void.

12111 Jacobson Way
Richmond, B.C., Canada V6W 1L5
Tel: (604) 273-5131
Fax: (604) 273-1425



VTech Technologies Canada Ltd.

Your benefit coverage will cease effective today. You may be eligible to convert some group insurance coverage to individual coverage without medical examination. If you are interested in such conversion, you must contact and arrange for conversion within thirty days of termination of your group benefit coverage.

The offer above is available for five business days from the date of this letter, provided you comply with the conditions of this offer above before and after acceptance.

We regret this step has become necessary but we believe that your conduct has left the Company with no alternative.

Yours very truly,

VTech Technologies Canada Ltd.

Per:

Gordon S. Chow
President

A blue ink signature of Gordon S. Chow, written over a horizontal line.

Ralph Tischler
Director of Engineering

A blue ink signature of Ralph Tischler, written over a horizontal line.

The undersigned, having had the opportunity to seek legal advice, hereby accepts the Terms of Separation above and agrees to comply with the conditions thereof. The undersigned further confirms that he has complied with those conditions up to the date of accepting this offer.

Patrick Fox

Date

CC: Human Resources