

CANADA

SUPERIOR COURT

PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

JEFFREY ROSEN

Petitioner

N°: 500-06-000498-101

- vs -

GAIAM, INC.

Respondent

SETTLEMENT AGREEMENT

This Settlement Agreement (the "**Settlement**"), dated as of December 12, 2011, is entered into on behalf of (i) Jeffrey Rosen (the "**Plaintiff**"), in his capacity as Plaintiff on behalf of a class of all purchasers of Gaiam's aluminum water bottles (the "**Class**"), and (ii) Defendant Gaiam, Inc. ("**Gaiam**" or the "**Company**"). Plaintiff and Gaiam are referred to herein as the "**Parties**" or the "**Settling Parties**."

The Settlement is intended by the Settling Parties to fully, finally, and forever resolve, discharge, settle and release the **Released Claims** (as defined herein), and to settle the present case without any further recourse against Gaiam, subject to the terms and conditions herein and the approval of the Superior Court of Québec, District of Montreal (the "**Superior Court**") in accordance with Article 1025 of the *Québec Code of Civil Procedure*.

I. THE LITIGATION

The present litigation involves a Motion to be authorized to institute a consumer class action case against Gaiam that was filed on or around January 28, 2010, in the Province of Québec, District of Montreal, arising out of Gaiam's advertising and sale of certain aluminum water bottles (the "**Gaiam Québec Action**"). In October 2009, two similar class actions against Gaiam were filed in the United States, and have been settled pursuant to an Order entered on April 6, 2011 and it is the Parties' intention to settle the Gaiam Québec Action on similar terms.

II. GAIAM'S STATEMENT AND DENIALS OF WRONGDOING AND LIABILITY

Gaiam is a lifestyle media and fitness company dedicated to providing environmental and socially responsible solutions to the many facets of healthy and eco-conscious living. Gaiam is committed to its customers' satisfaction, and all of its products are unconditionally guaranteed. Consistent with those core values, when Plaintiff brought his concerns to the Company's attention, Gaiam acted promptly and responsibly. And to ensure that every consumer who purchased one of Gaiam's Aluminum Water Bottles is completely satisfied, the Company is entering into this Settlement.

Although early settlement is a desirable outcome for Gaiam, Gaiam denies and continues to deny each and all of the claims and contentions alleged by Plaintiff on behalf of the Class, and Gaiam has asserted and continues to assert many defenses thereto, which Gaiam believes would ultimately be meritorious should this case proceed.

Gaiam also has denied and continues to deny, *inter alia*, the allegations that Gaiam misled consumers, that Gaiam sought to capitalize on media attention concerning BPA, and that Gaiam did nothing to address consumer concerns about BPA in Gaiam's water bottles. Indeed, Gaiam's core business value is corporate responsibility, and Gaiam undertakes significant efforts to educate and satisfy its customers and to provide them with safe products. Gaiam firmly believes it did so in this case as well. Nonetheless, Gaiam has concluded that it is desirable that the Gaiam Québec Action be fully and finally settled as set forth in the Settlement to limit further expense, inconvenience, and distraction, to dispose of the burden of protracted litigation, and to permit the operation of Gaiam's business without further expensive litigation and diversion of Gaiam's executive personnel. Gaiam also has taken into account the uncertainty and risks inherent in any litigation. Gaiam has, therefore, determined that entering into this Settlement is advisable.

III. TERMS AND AGREEMENT OF SETTLEMENT

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by and among Plaintiff, for himself and on behalf of the Class in his capacity as Plaintiff, and Gaiam, that, subject to the approval of the Superior Court, the Gaiam Québec Action and the Released Claims shall be finally, fully, and forever compromised, settled, and released, and that the Gaiam Québec Action shall be settled without any further recourse against Gaiam, as to all Parties, upon and subject to the terms and conditions of the Settlement, and upon approval of the Superior Court, as follows:

1. Definitions

As used in the Settlement, the following terms have the meanings specified below:

1.1 **"Aluminum Water Bottles"** means water bottles with an aluminum exterior shell that contain an interior plastic lining and that were manufactured by or on behalf of Gaiam, or marketed or sold by Gaiam or a reseller of Gaiam's products, on or before December 31, 2010, excluding any Next-Generation Aluminum Water Bottles.

1.2 **"Authorized Claimant"** or **"Claimant"** means any Class Member who submits a timely Claim Form and is eligible to receive consideration under the Settlement.

1.3 **"Claim Form"** shall mean a form substantially identical to **Exhibit A**.

1.4 **"Claims Period"** shall mean the time period during which claims may be made by Settlement Class Members. It begins on the Notice Date and ends 120 days thereafter. This 120-day period shall include weekends and holidays, except that if the last day of the Claims Period falls on a weekend or federal or provincial holiday, then the end of the Claims Period shall be the next following day that is not a weekend or federal or provincial holiday.

1.5 **"Class"** means all Canadian residents who purchased an Aluminum Water Bottle manufactured by or on behalf of Gaiam, or sold by Gaiam or a reseller of Gaiam's products, prior to December 31, 2010. Excluded from the Class are Gaiam, its employees, members of their immediate families, any entity in which any Gaiam has a controlling interest, and the legal representatives, heirs, successors, or assigns of any such excepted Person.

1.6 **"Class Action"** means the Gaiam Québec Action.

1.7 **"Class Counsel"** or **"Plaintiffs' Counsel"** means the attorneys representing Jeffrey Rosen and the Class: Jeff Orenstein of Consumer Law Group Inc., attorney.

1.8 **"Class Members," "Members of the Class,"** and **"Settlement Class Members"** means a Person or Persons who falls within the definition of the Class as set forth in 1.5 of the Settlement.

1.9 **"Class Notice"** shall mean the Superior Court approved form of notice for Class Members who are known in substantially the same form as **Exhibit B.** in accordance with Articles 1025 and 1046 of the *Québec Code of Civil Procedure*.

1.10 **"Class Period"** shall mean the time period beginning on January 1, 2008, and ending on December 31, 2010.

1.11 **"Court"** means the Superior Court of the Province of Québec, District of Montreal.

1.12 **"Defendant"** or **"Gaiam"** or the **"Company"** means Gaiam, Inc., and all of its present and former directors, officers, employees, and controlling shareholders and all of its predecessors, successors, parents, subsidiaries, affiliates, divisions, joint ventures, assigns, partners, principals, agents, underwriters, attorneys, accountants, auditors, independent contractors, banks, investment banks or investment bankers, advisors, administrators, personal or legal representatives, insurers, and reinsurers.

1.13 **"Effective Date"** means the date by which all of the following have occurred:

- a) The Settlement has been fully executed by the Parties and their Counsel;
- b) The Parties have agreed upon and submitted to the Superior Court all forms of the motions, memoranda, proposed order(s), exhibits and any other materials contemplated by this Settlement as necessary to complete this settlement;
- c) The Superior Court has rendered a judgment approving the Settlement and granting the authorization to institute the Gaiam Québec Action for Settlement purposes only and such judgment has not been vacated or modified in any material way, upon appeal or otherwise; and

- d) The judgment has become final and is no longer subject to appeal or review, which shall be deemed to occur if no appeal or other form of appellate review of the judgment has been sought by any person, the thirty-first (31st) day after the time for the filing of a notice of appeal has commenced under Article 494 of the *Québec Code of Civil Procedure*.

1.14 "**Exchange Program**" means the process by which Gaiam, subject to the terms and conditions set forth in Section 5 of the Settlement, will allow Class Members who purchased during the Class Period a Gaiam Aluminum Water Bottle to receive a New Replacement Water Bottle.

1.15 "**Final Approval Hearing**" or "**Approval Hearing**" means a hearing to be scheduled by the Superior Court as soon as practicable after the Notice Date to review any comments regarding the proposed Settlement and to consider the fairness, reasonableness, and adequacy of the proposed Settlement and to consider whether the Superior Court should issue a final Judgment approving the Settlement and granting the authorization to institute the Gaiam Québec Action for Settlement purposes only.

1.16 "**Insurance Carriers**" means those insurance companies that issued liability or other insurance policies providing coverage to Gaiam during the period when the Gaiam Québec Action occurred, those insurance companies' parent companies, subsidiaries, and affiliates, and their respective directors, officers, employees, agents, attorneys, reinsurers, representatives, members, brokers, predecessors, successors, and assigns.

1.17 "**Judgment**" means the judgment to be rendered by the Superior Court approving the Settlement and granting the authorization to institute the Gaiam Québec Action for Settlement purposes only.

1.18 "**New Replacement Water Bottle**" means a Gaiam stainless steel water bottle or, in the alternative, a Next Generation Aluminum Water Bottle.

1.19 "**Next-Generation Aluminum Water Bottle**" shall mean a Gaiam aluminum water bottle with a plastic liner that does not contain any amount of BPA.

1.20 "**Notice Date**" shall mean the date upon which Class Notice is published.

1.21 "**Notice Program**" means the program for disseminating the Class Notice to Settlement Class Members, in accordance with the terms set forth in **Exhibit D**.

1.22 "**Opt-Out**" or "**Request for Exclusion**" shall mean a Settlement Class member who properly and timely submits a request for exclusion from the Settlement Class as set forth below in Section 7.

1.23 "**Opt-Out Deadline**" shall mean 45 days from the Notice Date, and is the date by which any Settlement Class Members who do not wish to be included in the Settlement Class and participate in the Settlement must complete the acts necessary to properly effect such election to opt out. This 45-day period shall

include weekends and holidays, provided that if the last day of the Opt-Out Deadline falls on a weekend, provincial or federal holiday, then the end of the Opt-Out Deadline shall be the next following day that is not a weekend, provincial or federal holiday.

1.24 "**Opt-Out Notice**" or "**Opt-Out**" shall mean a Request for Exclusion.

1.25 "**Parties**" or "**Settling Parties**" means, collectively, each of Gaiam and the Plaintiff on behalf of himself and the Class Members.

1.26 "**Person(s)**" means a all Canadian residents included in the Class.

1.27 "**Postcard Notice**" shall mean the Superior Court-approved form of notice, in substantially the same form as **Exhibit E**, for Class Members for whom Gaiam does not have a working email address.

1.28 "**Released Claims**" means all claims demands, rights, liabilities, suits, obligations, debts, and causes of action of every nature, kind, or description whatsoever, whether asserted or unasserted, contingent or absolute, matured or unmatured, disclosed or undisclosed, suspected or unsuspected, discoverable or undiscoverable, and whether or not concealed or hidden, whether known or unknown (including "**Unknown Claims**" as defined in 1.36 hereof), regardless of upon what legal theory based, and regardless of whether grounded in common law, civil law, statute, administrative rule or regulation, contract, tort, equity or otherwise, including, without limitation, claims or causes of action for fraud, the violation of any state, provincial or federal consumer protection or deceptive trade practices law, the violation of the laws of any state, province or territory pertaining to negligence, gross negligence, negligent misrepresentation, breach of the duty of care, breach of the duty of loyalty, breach of fiduciary duty, indemnification and contribution, by any Plaintiff or Class Member, and any entity now or previously controlled by any of them or by any of their heirs, executors, administrators, successors, assigns, representatives, agents, and attorneys, other than any person or entity who has opted out of the Class against the Released Persons arising out of, or in any way relating to, either directly or indirectly, any of the acts, facts, events, transactions, occurrences, omissions, or representations alleged, embraced, encompassed, or otherwise referred to in the Gaiam Québec Action.

1.29 "**Released Persons**" means Gaiam and all resellers of Gaiam's Aluminum Water Bottles, including, without limitation, all of the entities listed in **Exhibit F**, as well as their present and former directors, officers, employees, and controlling shareholders and all of its predecessors, successors, parents, subsidiaries, affiliates, divisions, joint ventures, assigns, partners, principals, agents, underwriters, attorneys, accountants, auditors, independent contractors, banks, investment banks or investment bankers, advisors, administrators, personal or legal representatives, insurers, and reinsurers.

1.30 "**Request for Exclusion**" shall mean any request by any Settlement Class Member for exclusion from the Settlement Class in compliance with Section 7 herein.

1.31 "**Settlement**" or "**Settlement Agreement**" means this Settlement Agreement.

1.32 "**Settlement Telephone Number**" means the dedicated number of 1-866-262-3622 established by Gaiam to provide information about the Settlement.

1.33 "**Settlement Website**" means a website established by Gaiam to provide information about the Settlement, with a World Wide Web address of www.gaiam.com/waterbottleexchangeinfo.

1.34 "**Short Form Notice**" shall mean the Superior Court-approved form of notice to provide notice to Class Members who cannot be identified, in substantially the same form as **Exhibit C** in accordance with Articles 1025 and 1046 of the *Québec Code of Civil Procedure*.

1.35 "**Superior Court**" means the Superior Court of the Province of Québec, District of Montreal.

1.36 "**Unknown Claims**" means any Released Claims which Plaintiff or any Class Member does not know or suspect to exist in his, her or its favor, now or as of the Effective Date, including claims which, if known by him, her, or it, might have affected his, her, or its settlement with and release of the Released Persons, or any other action set forth in or contemplated by this Settlement or related to Plaintiffs' purchase of the Gaiam Aluminum Water Bottles.

2. Settlement Terms

2.1 In full and complete satisfaction and settlement of the Gaiam Québec Action and all Released Claims, the Parties agree to the following:

- a) According and subject to the Exchange Program set forth in Section 5 of the Settlement, Gaiam will allow Class Members who purchased during the Class Period one or more Gaiam Aluminum Water Bottles to receive a New Replacement Water Bottle(s). Gaiam will offer to pay the full shipping and handling costs associated with providing Class Members with a New Replacement Water Bottle.
- b) Gaiam will pay the costs of providing Class Members with reasonable notice of the Settlement and the Exchange Program.
- c) Gaiam will pay the costs of providing notification of the proposed Settlement.

3. Releases

3.1 In exchange for the consideration described above, upon the Effective Date, the Class Members, on behalf of themselves and their respective predecessors, successors, and assigns, hereby fully, finally, and forever release, relinquish, and discharge the Released Persons from the Released Claims, and, also upon the Effective Date, and regardless of whether or not Class Members participate in the Exchange Program, or execute and deliver the Claim Form

provided for in Section 5 of the Settlement, all Class Members, on behalf of themselves and their respective predecessors, successors, and assigns, shall be deemed to have fully, finally, and forever released, relinquished, and discharged Gaiam from the Released Claims, and, by operation of the Judgment, all of the Released Claims that any Class Member has or may have had against the Released Persons shall be settled without any further recourse against Gaiam.

3.2 Upon the Effective Date, Gaiam, hereby and by operation of the Judgment, fully, finally, and forever releases, relinquishes, and forever discharges Plaintiffs, Class Members, and Plaintiffs' Counsel from all claims, including Unknown Claims, that arise out of, relate to, or are based in any way upon the institution, prosecution, assertion, or resolution of the Gaiam Québec Action or the Released Claims.

3.3 Only those Class Members submitting valid and timely Claim Forms shall be entitled to participate in the Exchange Program. The Claim Forms to be executed by the Class Members shall contain a release whereby the Class Member releases Gaiam from all Released Claims. All Class Members shall be bound by the releases set forth herein, in the Judgment, and in the Claim Form, whether or not they submit a valid and timely Claim Form.

3.4 Plaintiff and Plaintiff's Counsel recognize and acknowledge that, by this Settlement, Plaintiff and Class Members are releasing Unknown Claims. They further recognize and acknowledge that they may hereafter discover facts in addition to or different from those which they now know or believe to be true with respect to the subject matter of the Released Claims. Plaintiff nevertheless hereby stipulates and agrees that upon the Effective Date, Plaintiff shall have fully, finally, and forever settled and released, and by operation of the Judgment, each Class Member shall be deemed to and shall have, fully, finally, and forever settled and released, any and all Released Claims, regardless of whether those claims were unknown, unsuspected, undisclosed, concealed, or hidden, and without regard to the subsequent discovery of facts different from or additional to the facts known to them as of the Effective Date. By this Settlement, Plaintiff expressly waives and relinquishes, and each Class Member shall be deemed to have waived and relinquished, any right they may have by statute, common law, civil law, equity, or otherwise to set aside or avoid the release of unknown Released Claims for any reason whatsoever. Plaintiff, furthermore, acknowledges that he has consulted with his lawyers with regard to this waiver; that he is entering into this waiver of his own free will, with full knowledge of its consequences; and that this waiver was bargained for and is a key element of the Settlement.

4. Required Events

4.1 Class Counsel and Defendant's Counsel shall use their best efforts to cause the Superior Court to set an Approval Hearing and render Judgment.

4.2 Class Counsel and Defendant's Counsel will use their best efforts, consistent with the terms of this Settlement, to obtain a final Judgment from the Superior Court approving the Settlement and granting the authorization to institute the Gaiam Québec Action for Settlement purposes only.

4.3 Class Counsel and Defendant's Counsel agree to use their best efforts, consistent with this Settlement, to cure any defect identified by the Superior Court during the course of the Approval Hearing to obtain Judgment.

4.4 Any disputes regarding the Parties' obligations under this Settlement shall be submitted for decision by the Superior Court, which shall be binding on the Parties.

4.5 Neither this Settlement nor any action or conduct by a Party pursuant to its terms, nor any negotiations, shall be construed, offered, received as, or deemed to be evidence of an admission or concession by Plaintiffs or the Class of lack of merit with respect to any claims asserted in the Gaiam Québec Action, or by Defendant of any liability or wrongdoing whatsoever, whether as alleged in the Gaiam Québec Action or otherwise. Defendant specifically denies that the conduct alleged in the Gaiam Québec Action gives rise to any such liability and specifically denies that any class relating to such allegations properly could be certified as a class for litigation purposes.

4.6 In the event that the Superior Court does not approve any part of this Settlement, then this entire Settlement shall become null and void except that Plaintiff, Class Counsel, and Defendant may agree in writing to proceed with a modified settlement and apply for Court approval of that modified settlement. In the event that this Settlement shall become null and void for any reason and all conduct pursuant to its terms, and all negotiations surrounding it will remain confidential and on a without prejudice basis. No admission of law or fact, or combination thereof, will be found to exist as a result of this Settlement, its terms, or the Parties' conduct pursuant to them. If this Settlement fails to be approved or otherwise fails to be consummated in accordance with its terms:

- a) Plaintiff shall be entitled to continue Gaiam Québec Action on behalf of himself and the Class in accordance with the rulings, circumstances, and procedural posture that existed in this case on the date on which Plaintiff, Class Counsel, and Defendant agreed to the terms of this Settlement.
- b) Defendant shall retain all rights to continue its defense to this case in accordance with the rulings, circumstances, and procedural posture that existed in this case on the date on which Plaintiff, Class Counsel, and Defendant agreed to the terms of this Settlement.

5. Exchange Program

5.1 After the Effective Date, and subject to such further approval and further order(s) of the Superior Court as may be required, Class Members who purchased during the Class Period one or more Gaiam Aluminum Water Bottles, and who timely submit Claim Forms, will receive a New Replacement Water Bottle in exchange for each returned Gaiam Aluminum Water Bottle, subject to the following conditions: To receive a New Replacement Water Bottle, Class Members must submit with their Claim Form their Gaiam Aluminum Water Bottle(s). Alternatively, if a Class Member no longer possesses their Gaiam Aluminum Water Bottle, the Class Member can still participate in the Exchange

Program by filling out the Claim Form and submitting with it a receipt or proof of purchase with sufficient detail to demonstrate that the Class Member purchased a Gaiam Aluminum Water Bottle:

- a) Within 120 days after the Notice Date, each Person claiming to be an Authorized Claimant who desires to receive one or more New Replacement Water Bottles shall be required to submit to Gaiam, along with each of their Gaiam Aluminum Water Bottles or, if the Class Member no longer has their Gaiam Aluminum Water Bottle, receipt or proof of purchase with sufficient detail to demonstrate that the Class Member purchased a Gaiam Aluminum Water Bottle prior to December 31, 2010, along with a separate completed Claim Form.
- b) Except as otherwise ordered by the Superior Court, all Class Members who fail to timely submit a valid Claim Form within 120 days after the Notice Date, or who fail to validly exclude themselves from the entire Settlement before the Opt-Out Date, will in all respects be subject to and bound by the provisions of the entire Settlement, the entire settlement and releases contained herein, and the Judgment.

5.2 Gaiam shall establish the following procedure by which Class Members may exchange their Gaiam Aluminum Water Bottles for New Replacement Water Bottles, at no cost to the Class Member, and shall include in the Class Notice instructions to Class Members on how to exchange Aluminum Water Bottles:

- a) Gaiam will make available prepaid shipping labels that will allow Class Members to return Gaiam Aluminum Water Bottles at no cost to Class Members. Class Members may obtain a prepaid shipping label by one of the following methods:
 - Accessing the Settlement Website, downloading a file displaying the prepaid shipping label, and printing the prepaid shipping label; or
 - Calling the Settlement Telephone Number and requesting that a prepaid shipping label be mailed to the Class Member.
- b) Using the prepaid shipping label, Class Members may ship one or more Gaiam Aluminum Water Bottles, along with a Claim Form for each such bottle, directly to Gaiam at the address printed on the prepaid shipping label.

5.3 After Gaiam timely receives one or more Gaiam Aluminum Bottles (or if the Class Member no longer possesses the purchased Gaiam Aluminum Water Bottle, after Gaiam received a timely receipt or proof of purchase with sufficient detail to demonstrate that the Class Member purchased a Gaiam Aluminum Water Bottle prior to December 31, 2010), and corresponding Claim Forms from a Class Member, Gaiam will ship a New Replacement Water Bottle to that Class Member within a reasonable time of the Effective Date.

5.4 Gaiam shall preserve the originals of the Claim Forms for a period of three (3) years from the Effective Date and shall make copies of these documents available to any of the Parties upon request.

5.5 Other than Gaiam paying the costs of providing Class Members with reasonable notice of the settlement and Exchange Program, providing New Replacement Water Bottles, and offering to pay shipping and handling costs associated with providing New Replacement Water Bottles, neither Gaiam nor its counsel shall have any responsibility for, interest in, or liability whatsoever with respect to: (a) the provision of Class Notice, locating Class Members, soliciting Class claims, or claims administration; (b) any expense, costs, or losses incurred in connection with (a). No Person shall have any claim of any kind against Gaiam or its counsel with respect to the matters set forth in this paragraph.

6. Notice to Class Members

6.1 Notice that comports with due process and satisfies the requirements of Article 1046 of the *Québec Code of Civil Procedure* shall be provided by Gaiam in the form and manner agreed upon by the parties and as set forth in the Notice Program attached as **Exhibit D**. The Parties recognize that it will be necessary to provide notice to different groups of Class Members in different forms and/or manners.

6.2 For Class Members who can be identified, Gaiam will send the Class Notice and/or the Postcard Notice, in substantially the same form as **Exhibits B** and **E**, respectively, subject to Superior Court approval.

6.3 For Class Members who cannot be identified, Gaiam will provide notice to such Class Members via the Short Form Notice, in substantially the same form as **Exhibit C** and per the Notice Program agreed upon by the Parties, subject to Court approval.

7. Exclusions and Objections

7.1 The provisions of this paragraph shall apply to any Opt-Out, or Request for Exclusion. Any Settlement Class Member may make a Request for Exclusion by notifying the Superior Court clerk of his decision by registered or certified mail or by mailing or delivering such request in writing to counsels of record as provided in Section 11.7 within forty-five (45) days from the Notice Date (*i.e.*, the Opt-Out Deadline). Any Request for Exclusion must be postmarked not later than the Opt-Out Deadline to be considered timely. Any Request for Exclusion shall state the name, address, and telephone number of the person requesting exclusion and contain a clear statement communicating that such person elects to be excluded from the entire Settlement, does not wish to be a Settlement Class Member and elects to be excluded from any judgment entered pursuant to the entire Settlement, in substantially the same form as **Exhibit G**.

7.2 Any Settlement Class Member who submits a timely Request for Exclusion may not file an objection to the entire Settlement and shall be deemed to have waived any rights or benefits under this Settlement.

7.3 Class Counsel agree that they will not represent any individuals who opt

out from the entire Settlement in asserting claims against Defendant that are the subject of this Agreement.

7.4 Any Settlement Class Member who wishes to be heard orally at the Approval Hearing to present their arguments to the court as regards the Settlement Agreement must file a written notice of objection in accordance with the terms set out by the Superior Court.

7.5 The agreed-upon procedures and requirements for filing objections in connection with the Approval Hearing are intended to ensure the efficient administration of justice and the orderly presentation of any Settlement Class Members' objections to the Settlement, in accordance with such Settlement Class Members' due process rights.

8. Attorney's Fees, Expenses and Costs

8.1 The Parties have agreed that Plaintiff's Counsel will be paid an amount of \$75,765 Canadian dollars to which will apply the GST and PST for all legal fees, costs and expenses incurred in relation with the Settlement of the Gaiam Québec Action as per the terms of the Settlement Agreement, the whole on a without prejudice basis and without Plaintiff's counsel being entitled to payment of any amount if the Gaiam Québec Action is not settled. Payment of the aforesaid amount will take place within thirty (30) days after the Judgment is rendered.

9. Representations and Warranties

9.1 Plaintiff, who is the signatory hereof, represents and warrants that he has the authority, on behalf of the Class, to execute, deliver, and perform this Settlement and to consummate all of the transactions contemplated hereby. This Settlement has been duly and validly executed and delivered by Plaintiff, on his behalf and on behalf of the Class, and constitutes their legal valid and binding obligation.

9.2 Gaiam, through its Vice President of Corporate Development and Secretary, John Jackson, represents and warrants that it has the authority to execute, deliver, and perform this Settlement and to consummate the transactions contemplated hereby. The execution, delivery, and performance by Gaiam of this Settlement and the consummation by it of the actions contemplated hereby have been duly authorized by all necessary corporate action on the part of Gaiam. This Settlement has been duly and validly executed and delivered by Gaiam and constitutes its legal, valid, and binding obligation.

10. Conditions of Settlement, Effect Of Disapproval, Cancellation, or Termination

10.1 If the Effective Date does not occur within thirty-six (36) months of execution of this Settlement, then the Settlement shall be canceled and terminated unless Plaintiff's Counsel and counsel for Gaiam mutually agree in writing to proceed with the Settlement.

10.2 In the event that the Settlement is not finally approved by the Court or the settlement set forth in the Settlement is terminated or fails to become effective in

accordance with its terms, the Parties shall be restored to their respective positions in the Gaiam Québec Action as of the date on which this Settlement was executed. In such event, the terms and provisions of the Settlement shall have no further force and effect with respect to the Parties and neither the terms of, nor the Parties' conduct under, the Settlement may be used in or be admissible in this litigation or in any other proceeding for any purpose; and any Judgment or order entered by the Superior Court in accordance with the terms of the Settlement shall be treated as vacated, *nunc pro tunc*, including, without limitation, the order certifying the Class. No order of the Superior Court or modification or reversal on appeal of any order of the Superior Court concerning the Plaintiff's Counsel's fees, expenses and costs shall constitute grounds for cancellation or termination of the Settlement.

11. Miscellaneous Provisions

11.1 The Parties: (i) acknowledge that it is their intent to consummate this Settlement; and (ii) agree to cooperate to the extent necessary to effectuate and implement all terms and conditions of the Settlement and to exercise their best efforts to accomplish the foregoing terms and conditions of the Settlement.

11.2 Gaiam warrants that the Exchange Program and any expenses incurred to implement that program or the Notice Program under this agreement shall not make it insolvent. This representation is made for itself and is not made by counsel for Gaiam.

11.3 Defendants agree that the Exchange Program, as well as the other terms of the settlement, reflect a good faith settlement of Plaintiff's and the Class's claims, reached voluntarily after arms' length negotiation and consultation with experienced legal counsel. Neither the Settlement nor the settlement contained therein, nor any act performed or document executed pursuant to or in furtherance of the Settlement or the settlement: (i) is or may be deemed to be or may be used as an admission of, or evidence of, the validity of any Released Claim, or of any wrongdoing or liability of the Released Persons; or (ii) is or may be deemed to be or may be used as an admission of, or evidence of, any fault or omission of any of the Released Persons in any civil, criminal or administrative proceeding in any court, administrative agency or other tribunal. Released Persons may file the Settlement and/or the Judgment from this action in any other action that may be brought against them in order to support a defense or counterclaim based on principles of res judicata, collateral estoppel, release, good faith settlement, judgment bar or reduction or any theory of claim preclusion or issue preclusion or similar defense or counterclaim.

11.4 All forms of Orders, Notices, Releases, and the Judgment contemplated by this Settlement which are necessary to complete this settlement are material and integral to this Settlement. In the event that the Parties are unable to agree upon and submit these documents to the Superior Court within ninety (90) days of the execution of this Settlement (unless such date is extended by mutual agreement of the Parties in writing and filed with the Superior Court or unless such date is extended by the judge), this Settlement shall be rendered null and void, except as may otherwise be expressly provided herein, and the Parties shall be returned to their status in the Gaiam Québec Action as of the date of this Settlement.

11.5 The Settlement may be amended or modified only by a written instrument signed by or on behalf of all Parties or their successors.

11.6 The Settlement constitutes the entire agreement among the Parties hereto and no representations, warranties, or inducements have been made to any party concerning the Settlement other than the representations, warranties, and covenants contained and memorialized in such documents. Except as otherwise provided herein, each Party shall bear his, her, or its own costs.

11.7 Whenever, under the terms of this Settlement, a person is required to provide service or written notice to Gaiam or Plaintiff's Counsel, such service or notice shall be directed to the individuals and addresses specified below:

As to Plaintiffs :

Jeff Orenstein
Consumer Law Group Inc.
1123 Clark St, 3rd Floor
Montreal, Québec, H2Z 1K3

Telephone: (514) 266-7863
Fax: (514) 868-9690

Email: jorenstein@clg.org
Website: www.clg.org

As to Defendant Gaiam :

Julie-Martine Loranger
Gowling Lafleur Henderson LLP
1 Place Ville-Marie
37th floor
Montreal, Québec, H3B 3P4

Telephone: (514) 878-9641
Fax: (514) 878-1450

Email: juliemartine.loranger@gowlings.com

11.8 Plaintiff represents and warrants that he is expressly authorized on behalf of the Class to enter into this Settlement and to take all appropriate action required or permitted to be taken by the Class pursuant to the Settlement to effectuate its terms and also is expressly authorized to enter into any modifications or amendments to the Settlement on behalf of the Class that he deems appropriate.

11.9 The Settlement may be executed by facsimile and in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument. Counsel for the Parties to the Settlement shall exchange among themselves original signed counterparts and a complete set of original executed counterparts shall be filed with the Superior Court.

11.10 The Settlement shall be binding upon, and inure to the benefit of, the successors and assigns of the Parties hereto.

11.11 The Superior Court shall retain jurisdiction with respect to implementation and enforcement of the terms of the Settlement, and all Parties hereto and their counsel submit to the jurisdiction of the Superior Court for purposes of implementing and enforcing the settlement embodied in the Settlement.

11.12 The Settlement shall be considered to have been negotiated, executed and delivered, and to be wholly performed, in the Province of Québec, and the rights and obligations of the Parties to the Settlement shall be construed and enforced in accordance with the laws of the Province of Québec without giving effect to that province's choice-of-law principles.

11.13 The headings contained in this Settlement are for convenience only, do not constitute part of the Settlement, and shall not limit, be used to interpret, or otherwise affect in any way the provisions of this Settlement.

11.14 In construing this Settlement, the use of the singular includes the plural (and vice versa) and the use of the masculine includes the feminine (and vice versa).

11.15 This Settlement will be signed in English. A French translation of this Settlement will be prepared by counsel to Gaiam and filed into the court record of the Superior Court. In all cases, the provisions of the English version of the Settlement will take precedence over those contained in the French translation of the Settlement.

11.16 This Settlement constitutes a transaction between the parties in accordance with Articles 2631 and following of the Civil Code of Québec.

IN WITNESS WHEREOF, the Parties hereto, with respect to the Québec Class Members, have caused the Settlement to be executed as of December 12, 2011.

Respectfully submitted,

As to Plaintiff :

Jeffrey Rosen

As to Defendant Gaiam :

John Jackson
Vice President of Corporate Development
and Secretary
833 W South Boulder Rd.
PO Box 3095
Boulder, Colorado, U.S.A.
80307-3095

EXHIBIT A

Rosen v. Gaiam, Inc., No. 500-06-000498-101 (Superior Court of Québec)

CLAIM FORM AND RELEASE

PLEASE READ THE INSTRUCTIONS AND CLAIM FORM CAREFULLY

To receive a New Replacement Bottle, you **MUST** fill out this Claim Form and the Release attached at the end of these instructions (the "Claim Form") and send it to Gaiam along with your Gaiam Aluminum Water Bottle(s). If you purchased a Gaiam Aluminum Water Bottle(s) but no longer possess it, you can still receive a New Replacement water Bottle by filling out this Claim Form and submitting it with a receipt or proof of purchase with sufficient detail to demonstrate that you purchased a Gaiam Aluminum Water Bottle prior to December 31, 2010.

The completed and signed Claim Form ***must be postmarked by August 14, 2012. If you do not send it in by August 14, 2012, you will not be able to receive a new Replacement Water Bottle from Gaiam. You must sign on the last page.*** You must submit it with your Gaiam Aluminum Water Bottles or in another properly addressed envelope to the following address:

5455 West Chester Rd., West Chester, Ohio, U.S.A., 45069

If you no longer have your Gaiam Aluminum Water Bottle, then you should send your completed and signed Claim Form and receipt or proof of purchase to Gaiam at the following address:

PO Box 3095, Boulder, Colorado, U.S.A., 80307-3095

Visit the Settlement Website as www.gaiam.com/waterbottleexchangeinfo for additional details about the Settlement. You may also get additional information by calling 1-866-262-3622 or by writing to Gaiam at PO Box 3095, Boulder, Colorado, U.S.A., 80307-3095. All Settlement Class Members who do not exclude themselves are bound by the terms of the judgment. This is true whether you send in a Claim Form or not.

If you have asked to be excluded, do not submit a Claim Form.

I. WHO IS IN THE SETTLEMENT CLASS?

Everyone who fits the following description is a Settlement Class Member: All Canadian residents who purchased an Aluminum Water Bottle manufactured by or on behalf of Gaiam, or sold by Gaiam or resellers of Gaiam's products, prior to December 31, 2010. Excluded from the Class are Gaiam, its employees, members of their immediate families, any entity in which Gaiam has a controlling interest, and the legal representatives, heirs, successors, or assigns of any such excepted person.

If you have questions about these requirements, please visit the Settlement Website at www.gaiam.com/waterbottleexchangeinfo.

II. CLAIM FORM INSTRUCTIONS

- A. Please type or neatly print all the information that is asked for.
- B. If you believe you are entitled to receive a New Replacement Water Bottle, you must complete the parts of the Claim Form that apply to you and submit it by the deadline.
- C. By signing below, you are attesting, under solemn declaration, that the information you have included is correct. You also agree to provide additional information to Class Counsel or Gaiam to support your claim. They may ask you to do this in the future.
- D. By signing below, you are also attesting that you have not filed a claim or lawsuit relating to Gaiam's Aluminum Water Bottles, that you did not ask anyone else to file one for you, and that you don't know of anyone who might have filed one for you.
- E. **Please read the instructions carefully.** Your claim will be checked and verified by Gaiam and/or Class Counsel. You should keep copies of all documents that support your claim while this is going on.
- F. A Claim Form will be considered submitted to Gaiam if it is included with your returned Aluminum Water Bottle(s) or if it is submitted with a receipt or proof of purchase with sufficient detail to demonstrate that you purchased a Gaiam Aluminum Water Bottle prior to December 31, 2010.
- G. Gaiam will not tell you when it receives your Claim Form. It will take some time to process all the forms and ship New Replacement Water Bottles. This work will be done as fast as possible, but each claim must be checked for accuracy and recorded.
- H. Please write or call Gaiam if your address changes.
- I. If you do not know exactly when or where you bought your Gaiam Aluminum Water Bottle or the name of the model of bottle that you bought, but believe you are still a Class Member, you should file a claim. If you are unsure whether your aluminum Water Bottle was manufactured or sold by Gaiam, you can get more information by visiting www.gaiam.com/waterbottleexchangeinfo or by calling [1-866-262-3622](tel:1-866-262-3622). You may still be asked to provide more information about your case.

THE CLAIM FORM MUST BE FILLED OUT AND SIGNED IF YOU WANT TO DETERMINE IF YOU ARE ENTITLED TO GET RELIEF UNDER THE SETTLEMENT. IT MUST BE *POSTMARKED NO LATER THAN AUGUST 14, 2012* AND MUST BE MAILED TO GAIAM PER THE INSTRUCTIONS ABOVE.

III. **CLAIM FORM**

Rosen v. Gaiam, Inc., No. 500-06-000498-101 (Superior Court of Québec)

PART 1: CLAIMANT IDENTIFICATION

Claimant's Name: _____

Mailing Address: _____

City: _____, Canada

Postal Code: _____

Number of Gaiam Aluminum Water Bottle(s) that your purchased: _____

Date(s) on which you purchased Gaiam Aluminum Water Bottle(s), if known:

Location/place where you purchased your Gaiam Aluminum Water Bottle(s):

Model Number of your New Replacement Aluminum Water Bottle(s), if you have a preference: _____

(You can review the New Replacement Water Bottles available through the Exchange Program by visiting the Settlement Website at www.gaiam.com/waterbottleexchangeinfo)

Contact information:

_____ (daytime)

_____ (cell)

_____ (evening)

_____ (Email)

IV. SUBMISSION TO JURISDICTION OF THE COURT

By signing below, I agree that the Superior Court of the District of Montreal, Province of Québec, had the power to rule on my claim as a Settlement Class Member, and that it has the power to enforce the Release described below.

V. RELEASE

By signing below, I agree to release and discharge Defendant Gaiam, Inc. ("Gaiam"), all resellers of Gaiam's Aluminum Water Bottles, and all of their respective parents, subsidiaries, affiliates, predecessors, successors and assigns, officers, agents, representatives, and employees (the "Released Parties"), from any and all claims or causes of action that were or that I could have asserted based upon or related to Gaiam's marketing of Aluminum Water Bottles, or related to my purchase of the Gaiam Aluminum Water Bottles.

VI. SOLEMN DECLARATION

I, the undersigned, _____ (print name) solemnly affirm the following:

1. I filled out and signed this Proof of Claim and Release form on this ____ day of _____ 2012, in _____, Québec, Canada.
2. I enclose herewith my Gaiam Aluminum Water Bottle(s).
- I no longer have my Gaiam Aluminum Water Bottle(s) but enclose herewith a receipt or proof of purchase of my Gaiam Aluminum Water Bottle(s).
3. I have not filed a claim or a lawsuit relating to Gaiam's Aluminum Water Bottles, I did not ask anyone else to file such a claim or lawsuit on my behalf and am not aware of anyone who might have filed such a claim or lawsuit on my behalf.
4. I declare under solemn declaration that the information I provided in the Claim Form is accurate and true.

AND I HAVE SIGNED:

PRINT NAME:

EXHIBIT B

ROSEN V. GAIAM, INC., No. 500-06-000498-101 (SUPERIOR COURT OF QUEBEC)

CLASS NOTICE

If You Bought a Gaiam Aluminum Water Bottle, You May Be Entitled to a Free Replacement Bottle

The court in charge of this case authorized this notice. It is not from a lawyer. You are not being sued.

- There is a proposed Settlement of a class action lawsuit claiming that Gaiam, Inc. ("Gaiam") made certain misstatements and omissions related to its advertising and marketing of aluminum water bottles. Gaiam has denied and continues to deny these claims, but has agreed to settle the case.
- The proposed Settlement would entitle Class Members to exchange their aluminum water bottles for a new replacement water bottle from Gaiam. Gaiam has agreed to pay for the shipping and handling expenses for this exchange.
- Your legal rights are affected whether you act or don't act. Read this notice carefully.

These rights and options - **and the deadlines to exercise them** - are explained in this notice.

BASIC INFORMATION

1. Why did I get this notice package?

You were sent this notice because Gaiam's records show that you purchased one or more Gaiam aluminum water bottle(s) that are the subject of this lawsuit and proposed settlement directly from Gaiam through Gaiam's catalogue or website. Because Gaiam is committed to its customers' satisfaction and unconditionally guarantees all of its products, Gaiam is proposing to enter into the proposed Settlement to ensure that every consumer who purchased one of Gaiam's aluminum water bottles is completely satisfied. Gaiam is also entering into the proposed Settlement to avoid the risks and costs associated with continuing the lawsuit.

You have the right to know about a proposed Settlement of class action lawsuit, and about your options, before the Court decides whether to approve the Settlement. If the Court approves it, and after any possible objections and appeals are resolved, the Court will allow the new replacement water bottles to be distributed. You should understand that the process of Court approval may take some time.

This package explains the lawsuit, the proposed Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them. In particular, Class Members may receive a free new replacement water bottle from Gaiam.

The Court in charge of this case is the Superior Court of Québec for the District of Montreal, Canada. The case is called *Rosen v. Gaiam, Inc.* The person who sued (Rosen) is called the Plaintiff, and the company they sued (Gaiam) is called the Defendant.

2. What is this lawsuit about?

The plaintiff in this lawsuit claimed that Gaiam made certain misstatements and omissions related to its advertising and marketing of certain aluminum water bottles. The allegedly misleading statements and omissions related to whether the aluminum water bottles contained trace amounts of a plastic component called bisphenol A ("BPA"). Gaiam denies these allegations but has agreed to settle this lawsuit (the "Settlement").

3. Why is this a class action ?

In a class action, one or more people, called the Class Representatives (in this case, Rosen), sue on behalf of all people who have similar claims. All of these people are called Class Members. A class action resolves the issues for all Class Members, except for those who exclude themselves from the Class.

4. Why is there a proposed Settlement ?

The Court did not decide in favour of Plaintiff or Defendant. Instead, both sides agreed to a proposed Settlement. That way, they avoid the costs and risks of a trial, and the people affected will get certain benefits.

The Class Representative and his attorney think the proposed Settlement is best for everyone who purchased one or more of the aluminum water bottles at issue in this case. So does Gaiam. Gaiam is a lifestyle media and fitness company dedicated to providing environmental and socially responsible solutions to the many facets of healthy and eco-conscious living. Gaiam is committed to its customers' satisfaction, and all of its products are unconditionally guaranteed. Consistent with those core values, Gaiam acted promptly and responsibly by entering into the proposed Settlement to ensure that every consumer who purchased one of Gaiam's aluminum water bottles is completely satisfied.

5. How do I know if I am part of the proposed Settlement ?

You are a Class Member if you are a Canadian resident who purchased an aluminum water bottle manufactured or sold by Gaiam prior to December 31, 2010. Excluded from the Class are Gaiam, its employees, members of their immediate families, any entity in which any Gaiam has a controlling interest, and the legal representatives, heirs, successors, or assigns of any such excepted person.

If you are still not sure if you are included, you can ask for help. You can call **1-866-262-3622**, and Gaiam will help answer your questions. For more information, you can also visit the website, at www.gaiam.com/waterbottleexchangeinfo.

6. I bought a Gaiam aluminum water bottle, but don't have it anymore. Can I still participate in the exchange program ?

Yes. If you do not still own your old Gaiam aluminum water bottle, you can still participate in the exchange program by filling out the Claim Form and submitting with it a receipt of proof of purchase with sufficient detail to show that you purchased a Gaiam aluminum water bottle. Gaiam will cover the costs for this shipping.

7. Do I need to prove that I bought a Gaiam aluminum water bottle, and what does that mean ?

You can prove you bought a Gaiam aluminum water bottle by returning the Claim Form (which requires you to attest, under solemn declaration, that you purchased a Gaiam aluminum bottle) along with either (a) the water bottle itself; or (b) a receipt or other proof of your purchase.

8. What if I purchased more than one Gaiam aluminum water bottle ? Can I still participate in the proposed Settlement ?

Yes. You can return as many qualifying aluminum water bottles as you purchased to be exchanged for one or more new replacement water bottle(s) from Gaiam.

THE PROPOSED SETTLEMENT BENEFITS – WHAT YOU GET

9. What does the proposed Settlement provide?

As part of the proposed Settlement, Gaiam has agreed to establish an exchange program whereby the aluminum water bottles may be exchanged for new replacement water bottles. Gaiam has agreed to pay all shipping and handling costs associated with the exchange program. In addition, Gaiam has agreed to pay the costs associated with notifying Class Members and administering the Settlement and pay certain amounts for attorneys' fees and expenses.

A complete description of the proposed Settlement is provided in the Settlement Agreement which is subject to Court approval. You can get a copy of the proposed Settlement Agreement by visiting www.gaiam.com/waterbottleexchangeinfo or by calling **1-866-262-3622**.

10. When would I get my replacement water bottle?

The Court will hold a hearing on June 6, 2012 to decide whether to grant final approval to the Settlement. If the Court approves the proposed Settlement, there may be appeals. It is always uncertain whether and when those appeals can be resolved, and resolving them can take time, perhaps more than a year. Please be patient.

If and when the proposed Settlement becomes final, and if Gaiam has received your timely submitted Claim Form and Gaiam aluminum water bottle or other proof of purchase, Gaiam will ship your new replacement water bottle within a reasonable time of that date.

EXCLUDING YOURSELF FROM THE PROPOSED SETTLEMENT

If you do not want a new replacement water bottle from the proposed Settlement and you want to keep the right to sue or continue to sue Gaiam on your own, then you must take steps to preserve these rights. This is called "excluding yourself" and is sometimes referred to as "opting out" of the Settlement Class. If at the hearing with respect to the proposed Settlement, the Court approves the proposed Settlement, the Court will provide the process to follow to exclude yourself from the Settlement.

11. If I do not exclude myself, can I sue Gaiam for the same thing later?

No. unless you exclude yourself, you give up the right to sue Gaiam for the claims that the proposed Settlement involves. If you have a pending lawsuit, speak to your lawyer immediately. You must exclude yourself from this class action to continue your own lawsuit.

12. If I exclude myself, can I get a replacement bottle under the proposed Settlement?

No, but you may sue, continue to sue, or be part of a different lawsuit against Gaiam.

THE LAWYERS AND INDIVIDUALS REPRESENTING YOU

13. Do I have a lawyer in this case?

Yes. The Court appointed lawyers to represent the Class. The lawyers are called “Class Counsel”. As part of approving the Settlement, the Court may approve the Class Counsel’s requested fees and expense award of \$75,765 plus taxes. 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.

14. What is the difference between objecting and excluding myself?

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

THE COURT’S HEARING ON THE PROPOSED SETTLEMENT

The Court will hold a hearing to decide whether to approve the proposed Settlement. You may attend and you may ask to speak, but you do not have to do so.

15. When and where will the court decide whether to approve the proposed Settlement?

On June 6, 2012, the Superior Court of Québec for the District of Montreal, 1 Notre-Dame Street East, Montreal, Québec H2Y 1B6, will hold a hearing in Courtroom 2.13 at 9:30 AM, to determine whether the proposed Settlement is fair, adequate, and reasonable. The Court will listen to people who have asked to speak at the hearing. This hearing may be continued or rescheduled by the Court without further notice. We do not know how long it will take the Court to give its decision.

16. Do I have to come to the hearing?

No. Class Counsel will answer any questions the Court may have, but you are welcome to come at your own expense.

17. May I speak at the hearing?

You may ask the Court for permission to speak at the hearing to object to the proposed Settlement or make other representations. To do so, you must be present at the hearing to make your representations.

GETTING MORE INFORMATION

18. Are there more details about the proposed Settlement?

This Notice summarizes the proposed Settlement. More details are in a Settlement Agreement. You can get a copy of the Settlement Agreement by writing to Gaiam at PO Box 3095, Boulder, CO 80307-3095 or by visiting www.gaiam.com/waterbottleexchangeinfo. You can also call 1-866-262-3622 to obtain answers to common questions about the proposed Settlement, a Claim Form, plus other information to help you determine whether you are a Class Member and whether you are eligible to receive a new replacement water bottle from Gaiam.

EXHIBIT C

SHORT FORM NOTICE

LEGAL NOTICE

**If You Bought a Gaiam Aluminum Water Bottle,
You May Be Entitled to a Free Replacement Bottle**

A settlement has been proposed in a class action lawsuit about Gaiam, Inc.'s marketing and sale of certain aluminum water bottles.

Who's Included?

You are a Class Member and are eligible to receive a new replacement water bottle if you are a Canadian resident and you purchased an aluminum water bottle manufactured by or on behalf of Gaiam, before December 31, 2010.

What's This About?

The plaintiffs in this lawsuit claimed that Gaiam made certain misstatements and omissions related to its sale of certain aluminum water bottles. These statements and omissions related to whether the aluminum water bottles contained trace amounts of a plastic component called bisphenol A ("BPA"). Gaiam denies these claims but has agreed to settle this lawsuit.

What Does the Settlement Provide?

Under the settlement, Class Members are entitled to receive a new replacement water bottle. Gaiam has agreed to pay for the administrative costs of the Settlement, including the entire cost of Class Members shipping their aluminum water bottles to Gaiam and shipping the new replacement water bottles to Class Members. Gaiam has also agreed, subject to Court approval, to pay agreed attorneys' fees and costs to the lawyers representing the Class.

How Do I Receive A Replacement Water Bottle?

A detailed Notice and Claim Form package contains everything you need. Just visit www.gaiam.com/waterbottleexchangeinfo or call 1-866-262-3622 to get one. To receive a new replacement water bottle, you must send in a Claim Form, along with your current Gaiam aluminum water bottle. If you no longer have your Gaiam aluminum water bottle, you must send in a Claim Form and a receipt or proof of purchase with sufficient detail to demonstrate that you purchased a Gaiam aluminum water bottle prior to December 31, 2010. **Claim forms must be postmarked by August 14, 2012.**

What Are My Other Options?

If you don't want the Settlement benefits or don't want to be legally bound by the Settlement, you must exclude yourself. If you exclude yourself, you can't get any benefits from this Settlement, but you may sue Gaiam separately, if you want to. If you stay in the Settlement, you may make your representations at the hearing with the Court's permission. The detailed notice, available by visiting the settlement website or calling 1-866-262-3622, explains how to exclude yourself or object.

The court will hold a hearing in this case on June 6, 2012 at 9:30 AM in room 2.13 of the Montreal Courthouse, 1 Notre-Dame Street East, Montreal, Québec H2Y 1B6, to consider whether to approve the Settlement and to consider a request by the lawyers representing all Class Members for an award of attorneys' fees, costs, and expenses in the amount of \$75,765 plus taxes. You may ask to appear at the hearing, but you don't have to.

For more information:
Visit www.gaiam.com/waterbottleexchangeinfo or
Call 1-866-262-3622

Class Counsel

Jeff Orenstein
Consumer Law Group Inc.
1123 Clark St, 3rd Floor
Montreal, Québec H2Z 1K3
Phone: 1-888-909-7863
Email: jorenstein@clg.org
Website: www.clg.org

EXHIBIT D

NOTICE PROGRAM

The Parties recognize that it will be necessary to provide notice to different groups of Class Members in different forms and/or manners, Accordingly, the Parties developed the Notice Program described herein after consulting with a marketing expert.

Notice to Gaiam's customers that can be readily identified : For Class Members who can be identified, Gaiam will send the Postcard Notice in substantially the same form as **Exhibit E** to each such Class Member. The full text of the Postcard Notice, in substantially the same form as **Exhibit B**, will be available at the office of the court and at the Settlement Website (www.gaiam.com/waterbottleexchangeinfo). In the event of a discrepancy between the Postcard Notice and the full text of the notice, the latter will prevail.

Notice to consumers that cannot be readily identified : For Class Members who cannot be readily identified, Gaiam will provide notice to such Class Members via the Short Form Notice, in substantially the same form as **Exhibit C**, by publishing the Short Form Notice in The National Post, The Globe and Mail, The Montreal Gazette and La Presse for two (2) consecutive weeks. The Short Form notice will be published in an ad with the following dimensions: 4 columns x 7 cm in standard 6 point font. The full text of the Short Form Notice, in substantially the same form as **Exhibit B**, will be available at the office of the court and at the Settlement Website (www.gaiam.com/waterbottleexchangeinfo). In the event of a discrepancy between the Short Form Notice and the full text of the notice, the latter will prevail.

Settlement Website and Toll-Free Phone Number : Gaiam will create and maintain a Settlement Website: www.gaiam.com/waterbottleexchangeinfo. The Settlement Website will include materials to help potential Class Members determine if they purchased a Gaiam Aluminum Water Bottle; a downloadable/printable Claim Form; a copy of the Settlement Agreement; a copy of the Class Notice; and a mechanism that will enable Class Members to download and print a prepaid shipping label. Gaiam will also maintain a toll-free number of **1-866-262-3622** that can be used by Class Members to address any questions or concerns relating to the Settlement.

EXHIBIT E

POSTCARD NOTICE

LEGAL NOTICE

**If You Bought a Gaiam Aluminum Water Bottle,
You May Be Entitled to a Free Replacement Bottle**

A settlement has been proposed in a class action lawsuit about Gaiam, Inc.'s marketing and sale of certain aluminum water bottles.

Who's Included?

You are a Class Member and are eligible to receive a new replacement water bottle if you are a Canadian resident and you purchased an aluminum water bottle manufactured by or on behalf of Gaiam, before December 31, 2010.

What's This About?

The plaintiffs in this lawsuit claimed that Gaiam made certain misstatements and omissions related to its sale of certain aluminum water bottles. These statements and omissions related to whether the aluminum water bottles contained trace amounts of a plastic component called bisphenol A ("BPA"). Gaiam denies these claims but has agreed to settle this lawsuit.

What Does the Settlement Provide?

Under the settlement, Class Members are entitled to receive a new replacement water bottle. Gaiam has agreed to pay for the administrative costs of the Settlement, including the entire cost of Class Members shipping their aluminum water bottles to Gaiam and shipping the new replacement water bottles to Class Members. Gaiam has also agreed, subject to Court approval, to pay agreed attorneys' fees and costs to the lawyers representing the Class.

How Do I Receive A Replacement Water Bottle?

A detailed Notice and Claim Form package contains everything you need. Just visit www.gaiam.com/waterbottleexchangeinfo or call 1-866-262-3622 to get one. To receive a new replacement water bottle, you must send in a Claim Form, along with your current Gaiam aluminum water bottle. If you no longer have your Gaiam aluminum water bottle, you must send in a Claim Form and a receipt or proof of purchase with sufficient detail to demonstrate that you purchased a Gaiam aluminum water bottle prior to December 31, 2010. **Claim forms must be postmarked by August 14, 2012.**

What Are My Other Options?

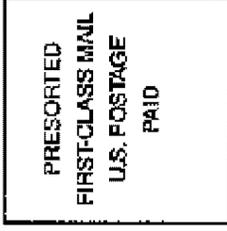
If you don't want the Settlement benefits or don't want to be legally bound by the Settlement, you must exclude yourself. If you exclude yourself, you can't get any benefits from this Settlement, but you may sue Gaiam separately, if you want to. If you stay in the Settlement, you may make your representations at the hearing with the Court's permission. The detailed notice, available by visiting the settlement website or calling 1-866-262-3622, explains how to exclude yourself or object.

The court will hold a hearing in this case on June 6, 2012 at 9:30 AM in room 2.13 of the Montreal Courthouse, 1 Notre-Dame Street East, Montreal, Québec H2Y 1B6, to consider whether to approve the Settlement and to consider a request by the lawyers representing all Class Members for an award of attorneys' fees, costs, and expenses in the amount of \$75,765 plus taxes. You may ask to appear at the hearing, but you don't have to.

For more information:
Visit www.gaiam.com/waterbottleexchangeinfo or
Call 1-866-262-3622

Court-Ordered Legal Notice

**Galam, Inc.
PO Box 3085
Boulder, CO 80307-3095**



Important Notice About Galam Aluminum Water Bottles

**NAME
ADDRESS
CITY, PROVINCE, POSTAL CODE**

EXHIBIT F

LIST OF RELEASED PERSONS

Adam Zwyer
AEC One Stop Group
Amazon.Com
As Seen On TV & More
Bartell Drug Corporate
Bashas- Dip
Best Buy
BGI Fulfillment Center
BI-LO Supermarkets
Blockbuster Distribution Corp
Books A Million / AWBC
Brainstorm Logistics LLC
Brooke S Peterson
Bruce Levelle
Christine Wiken
Cid's Food Market, Inc
Coborn's, Inc. Corporate
Colorado Home Fitness
David Guinn
Daxar Multimedia LLC
Dicks Sporting Goods
Dillon's Corp Div of Kroger
Divers Supply & Sports Supply
Drugstore.Com
E-1 Films Canada
Earth Fare Corporate
eDiets.Com Inc
Entertainment One Limited Partnership
Federated Department Stores
Fitness 4 Home Superstore, Inc
Fitness Mart, Inc
Fleet Feet Sports Cincinnati
Gaiam Americas Trade Sales Support
Gaiam Donations
Gaiam International Samples
Gaiam Marketing
Gaiam Returns Company
Gaiam Trade Shows
Gaiam, Inc.- Exe
Gap Inc- Athleta
Gary's World of Wellness
Giant Eagle Corporate
Glenn Atamaniuk
Glenn Parat
Global Sports Interactive
Golub Corporation
Gurney's Inn International
Gym Source

HAB International
Hannaford Corporate
Hastings
H-E-B Corporate
Henry Ford Health System
Herb Flentye
HMSHost Corp
Hudson Square Pharmacy LLC
Hy-Vee Corporate
Ingram Entertainment.com
J&R Music World
Jackie Lawes
JLW TW Corp d/b/a Suntan Supply
Joseph-Beth Booksellers
Kazos Group Inc, d/b/a Azulio
Kevin Kingston
Kings Pharmacy - Greenpoint
KMart
Kroger
Lakeshore Natural Foods
Laura Franklin
Leslie Kennedy
Limited Service Corp
Liz Erickson
Lotus Light Wholesale Distributors
LOWE's Corporate
Mark Slater
Marmaxx Group, The
Martha Van Gelder
Mass Closeouts d/b/a Arcadia Sport
Max-Wellness LLC
Mayo Gift Shop
Meijer
Merry Chatzis
MGM Corporate
Midwest Sports Supply
Montecito Sports
Mothers Market & Kitchen
Mustard Corporate
New Leaf Distributing
Olympia Sports (OSC Sports)
Online Fitness LLC
Pat Miles
Pharmaca Corporate
Play It Again Sports #10448
Premier Physical Medicine & Wellness Clinic LLC
Primer Group of Companies d/b/a Uniglobe Travelware Co
Professional Account Sales Rep Laura Franklin
Professional Account David Guinn
Promotions Unlimited
Ralphs Corporate
Real Holistic Living

Reini Reiter
Safeway Corporate
Sarah Meyer
Seventh Avenue Inc
Shopko Stores, Inc.
Smart and Final
SPRI Trade Shows
Sprout Corporate
Stacy King
Sunflower Corporate
Sweatshop, LLC
SYL, LLC/ Filene's Basement
Synergex Corporation
Target Northern Oper. Center
Target.Com Div of Target Corp
Tattered Cover Bookstore, The
Tennis Co, The
Ten X Club- Canton Club
The Markets, LLC
Toys R Us
Ukrops Corporate
Ulta.Com - Cosmetics and Fragrance Inc
United Supermarkets / Market Street
Vickerey.Com
Virtua Retail
Vitamin Cottage
Vitamin Shoppe
VPD, Inc.
Wal-Mart Stores, Inc.
Walgreens Corporate
Weis Markets
Whole Foods Mkt Corp
Wild By Nature Corporate

EXHIBIT G

Must be
Postmarked No
Later Than
August 14,
2012

Jeff Orenstein
Consumer Law Group Inc.
1123 Clark St, 3rd Floor
Montreal, Québec H2Z 1K3
Phone: 1-888-909-7863
Email: jorenstein@clg.org

REQUEST FOR EXCLUSION FORM

Rosen v. Gaiam, Inc.
Québec Superior Court, District of Montreal
No. 500-06-000498-101

I HAVE RECEIVED AND/OR REVIEWED NOTICE OF A PROPOSED SETTLEMENT IN THE CASE OF *ROSEN V. GAIAM, INC.*, QUÉBEC SUPERIOR COURT DISTRICT OF MONTRÉAL CASE NO. 500-06-000498-101. IT IS MY DECISION NOT TO PARTICIPATE IN THE CLASS ACTION SETTLEMENT REFERRED TO IN THE NOTICE, AND NOT TO BE INCLUDED IN THE CLASS OF PLAINTIFFS IN THAT CLASS ACTION.

I confirm that I have received notice of the proposed Settlement in this action, I have decided to be excluded from the Class, and I have decided **not** to participate in the proposed Settlement, I understand that, by excluding myself from the Settlement, I am not entitled to receive a New Replacement Water Bottle in exchange for each returned Gaiam Aluminum Water Bottle, as defined in the Settlement Agreement, to the extent that I am otherwise eligible.

1) Name : _____

2) Address : _____

3) City, Province Postal Code : _____

4) Telephone number _____

Date : _____

Signature: _____

QUESTIONS? CALL 1-866-262-3622 OR VISIT www.gaiam.com/waterbottleexchangeinfo