2022 Annual General Meeting
Invitation, Proxy Statement and Annual Report

TO OUR SHAREHOLDERS, PARTNERS, CUSTOMERS AND EMPLOYEES

logitech®

Fiscal Year 2022 was a year of milestones here at Logitech.

We turned forty years old. And Bracken finished his tenth year at the company. More important than either of those, Logitech grew for its ninth consecutive year. That may not seem special at first, however, this year's results were on top of the prior year's remarkable 74% record growth. That means that FY 2022 further established a new scale for Logitech and our long-term growth strategy.

REACHING NEW HEIGHTS

This past decade, we have transformed Logitech into a design company and built a diverse, innovative portfolio of products that tap into some of the most exciting long-term trends touching us all today. The four trends that drive our business are undeniable: the explosion of hybrid work and learning, video communication's unstoppable path to replacing audio-only calls, the massive growth of esports for participants and spectators, and the emergence of millions of digital content creators.

These trends have grown our business for many years, accelerated dramatically during the pandemic and continued to grow our business to the new heights we saw in FY 2022.

Throughout the fiscal year we remained agile and prepared for change, but kept our eyes squarely on the strong, long-term path we charted years ago. We remained committed to our proven strategy and capabilities, and continued to lead in our product categories while selectively adding new ones in other long-term growth areas. We continued to execute and continued to grow, on top of the exceptional previous year and in the face of industry-wide supply headwinds.

We saw the results. We gained market share across the portfolio and, together, our key categories - Pointing Devices, Keyboards & Combos, Gaming and Video Collaboration - grew 12% in constant currency in the year. In fact, by the close of Fiscal Year 2022, we had doubled our sales in four years, more than doubled our profits in two years and returned a record annual amount to shareholders via dividends and share repurchases - more than $0.5 billion.

CONSISTENT, PROVEN STRATEGY

Over the years, Logitech has faced challenges, from currency fluctuation and China tariffs, to supply chain headwinds and sadly, today, war. These create uncertainty.

Experience tells us there will always be uncertainty. So Logitech focuses on the factors we can control: executing with discipline on our consistent, proven strategy, and using external challenges to help us build ever more resilience in our capabilities, including the strength and agility of our operations.

To the outside world, this is revealed through the product experiences we create, a diverse portfolio that taps into the long-term growth trends you are now familiar with:

1) Work or learn from anywhere (hybrid work):
   The global lockdown, and now, the gradual return to hybrid forms of work, have demonstrated unequivocally that we can work or learn from anywhere. Individuals have an opportunity to shape where and when they work; and organizations have an opportunity to define what hybrid work means to them, to refit their meeting rooms, classrooms and IT equipment. For Logitech, the world's 1 billion knowledge workers are just the beginning of an opportunity, many with more than one workspace, each with individual needs to help them work productively, creatively and comfortably wherever they are.
2) Video everywhere:
   We are all social beings. No matter where we are, we want to connect - to collaborate and communicate with human intimacy on an equal and inclusive basis. The proliferation of workspaces, in offices, homes and on the go, coupled with approximately 90 million conference rooms that are not equipped with video equipment, are where that connection will take place. And it will be by video. Everywhere.
3) Rise of esports:
   Competitive gaming, known as esports, is huge. There are 3.1 billion gamers around the world, but gaming isn't limited to those who play. Like any mainstream sport, there is also a big audience of engaged fans who connect and communicate around their passion. YouTube has nearly 0.5 million gaming channels run by gamers who stream their gameplay. In total, creators across all platforms livestreamed nearly 35 billion hours of content last year. And the most competitive play - esports - was viewed by 474 million people.
4) Democratization of content creation:
   Content creation is more than gaming. In the past, we relied on a few hundred studios and media companies to produce content millions of us could consume; today millions of content creators broadcast their activities to an audience of billions around the world. Creation is a profession, making millionaire stars of the best in the field. And anyone can emulate them, because the tools they have to code, design, create art, make music, game and broadcast are the same democratized tools everyone has access to.

These trends are big. They are growing. They are here for the long term. And that's where our focus is, both for our consumer offering and for our enterprise business. Because for every individual who is seeking a Logitech solution for their personal needs, there is a school, hospital or business looking for reliable tools for their organization and those in their care - from video collaboration equipment to ergonomic mice and keyboards at personal workstations.

GROWING WITH PURPOSE

Another area of long-term focus for Logitech is sustainability - it's central to our company's purpose.

It has been clear for too long now that the earth is warming. Unless we act to address climate change, we will create untold damage to the planet and humanity itself. And, we also feel strongly that humanity must work to address the inequalities around the world. If we address this we can unlock so much potential.

On both issues - environment and equality - we must act. And that is what Logitech has been doing. We placed both at the heart of our company purpose and values, and at the top of our design principles. We made it part of our culture; we set targets to rapidly effect change; and we're reporting back transparently in our annual Sustainability Report.

In Fiscal Year 2022, we accelerated our climate strategy. Logitech became certified carbon neutral across all our products and operations, which set us on a path to be climate positive when, one day, we will capture more carbon than we create. We continued to roll out carbon labeling of our products, having become the first consumer electronics company to commit to such transparency across all our products. We also made great progress in moving to the use of recycled plastics throughout our products. We had committed to eliminate around 11,000 tons of carbon per year in our mice and keyboard product lines...so we eliminated 19,000 tons.

People noticed. For the second year in a row, Logitech was credited as a sustainability leader within the Dow Jones Sustainability Europe Index. We also topped the Financial Times-Statista list of Europe's Climate Leaders. And Forbes recognized us as one of the world's top female-friendly companies - just one example of our ongoing commitment to ensuring equitable actions drive a more inclusive environment inside and outside of Logitech.

This recognition of our efforts illustrates the incredible dedication of our teams across the company. Yet, there is a lot more to do.

BIG AMBITIONS

In this letter, we have outlined many of the attributes that have contributed to Logitech's nine consecutive years of growth: our consistent strategy, the strength of our capabilities, our agile and resilient operations, the long-term trends that help us grow, and the ambitious scope of our purpose - to help all people pursue their passions and to do so in a way that is good for the planet.

We have yet to mention the Logitech community – you, our customers and consumers, our employees, partners and shareholders. In spite of our new-found scale, Logitech remains the small company that is familiar to so many. Many of you have come a long way with us on this journey, and we appreciate your loyalty and passion. We know we must earn that trust every year. We have a long way to go, and big ambitions. We're excited to be traveling with you.

Bracken Darell

Bracken P. Darrell
President and Chief Executive Officer

Wendy Becker
Chairperson of the Board

2022 Annual General Meeting
Invitation, Proxy Statement and Annual Report

FORWARD-LOOKING INFORMATION

This Invitation, Proxy Statement and Annual Report, including the letter to shareholders, contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on beliefs of our management as of the initial date of making such statements. These forward-looking statements include, among other things, statements related to:

- Our strategy for growth, future revenues, earnings, cash flow, uses of cash and other measures of financial performance, and market position;
- Our business strategy and investment priorities in relation to competitive offerings and evolving consumer demand trends affecting our products and markets, worldwide economic and capital market conditions, fluctuations in currency exchange rates, and current and future general regional economic conditions for fiscal year 2023 and beyond;
- Our climate, environment, sustainability and equality strategies and focus;
- The scope, nature or impact of acquisition, strategic alliance, and divestiture activities and restructuring of our organizational structure;
- Our expectations regarding the success of our strategic acquisitions, including integration of acquired operations, products, technology, internal controls, personnel and management teams;
- Our expectations regarding our effective tax rate, future tax benefits, tax settlements, the adequacy of our provisions for uncertain tax positions;
- Our expectations regarding our potential indemnification obligations, and the outcome of pending or future legal proceedings and tax audits;
- Our business and product plans and development and product innovation and their impact on future operating results and anticipated operating costs for fiscal year 2023 and beyond;
- Opportunities for growth and our ability to execute on and take advantage of them, market opportunities and marketing initiatives and strategy and our expectations regarding the success thereof;
- Potential tariffs, their effects and our ability to mitigate their effects;
- Capital investments and research and development;
- Our expectations regarding our share repurchase and dividend programs;
- The sufficiency of our cash and cash equivalents, cash generated from operations, and available borrowings under our bank lines of credit to fund capital expenditures and working capital needs;
- The effects of environmental and other laws and regulations in the United States and other countries in which we operate; and
- The impact of global events, such as the coronavirus ("COVID-19") pandemic and Russia’s invasion of Ukraine, and any associated economic downturn and impacts to our business and future operating and financial performance.

Forward-looking statements also include, among others, those statements including the words "anticipate," "believe," "could," "estimate," "expect," "forecast," "intend," "may," "plan," "project," "predict," "should," "will" and similar language. These statements reflect our views and assumptions as of the initial date of making such statements. All forward-looking statements involve risks and uncertainties that could cause our actual performance to differ materially from those anticipated in the forward-looking statements depending on a variety of factors. Important information as to these factors can be found in our Annual Report on Form 10-K for the fiscal year ended March 31, 2022 under the headings of “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” “Overview,” “Critical Accounting Estimates” and “Liquidity and Capital Resources,” among others. Factors that might cause or contribute to such differences include, but are not limited to, those discussed under Item 1A "Risk Factors," as well as elsewhere in our Annual Report on Form 10-K for the fiscal year ended March 31, 2022 and in our other filings with the U.S. Securities and Exchange Commission. You are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the initial date of making such statements. We undertake no obligation to publicly release any revisions to the forward-looking statements or reflect events or circumstances after the initial date of making such statements.

July 26, 2022

To our shareholders:

You are cordially invited to attend Logitech's 2022 Annual General Meeting. The meeting will be held on Wednesday, September 14 at 2:00 p.m. at the SwissTech Convention Center, EPFL, in Lausanne, Switzerland.

Enclosed is the Invitation and Proxy Statement for the meeting, which includes an agenda and discussion of the items to be voted on at the meeting, instructions on how you can exercise your voting rights, information concerning Logitech's compensation of its Board members and executive officers, and other relevant information.

Whether or not you plan to attend the Annual General Meeting, your vote is important, and you should take the steps required so that your shares are represented at the 2022 Annual General Meeting.

Thank you for your continued support of Logitech.

Wendy Becker
Chairperson of the Board

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LOGITECH INTERNATIONAL S.A.
Invitation to the Annual General Meeting
Wednesday, September 14, 2022
2:00 p.m. Central European Summer Time (registration starts at 1:30 p.m.)
SwissTech Convention Center, EPFL – Lausanne, Switzerland

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AGENDA

Reports

Report on Operations for the fiscal year ended March 31, 2022

Proposals

1. Approval of the Annual Report, the consolidated financial statements and the statutory financial statements of Logitech International S.A. for fiscal year 2022
2. Advisory vote to approve executive compensation
3. Appropriation of retained earnings and declaration of dividend
4. Amendment of the Articles regarding the creation of an authorized capital
5. Amendment of the Articles regarding the holding of virtual shareholder meetings
6. Amendment of the Articles regarding the name of the municipality in which Logitech's registered seat is located
7. Amendment and restatement of the 2006 Stock Incentive Plan, including an increase to the number of shares available for issuance under the Plan
8. Release of the Board of Directors and Executive Officers from liability for activities during fiscal year 2022
9. Elections to the Board of Directors
   - 9.A. Re-election of Dr. Patrick Aebischer
   - 9.B. Re-election Ms. Wendy Becker
   - 9.C. Re-election of Dr. Edouard Bugnion
   - 9.D. Re-election of Mr. Bracken Darrell
   - 9.E. Re-election of Mr. Guy Gecht
   - 9.F. Re-election of Ms. Marjorie Lao
   - 9.G. Re-election of Ms. Neela Montgomery
   - 9.H. Re-election of Mr. Michael Polk
   - 9.I. Re-election of Ms. Deborah Thomas
   - 9.J. Election of Mr. Christopher Jones
   - 9.K. Election of Mr. Kwok Wang Ng
   - 9.L. Election of Mr. Sascha Zahnd
10. Election of the Chairperson of the Board
11. Elections to the Compensation Committee
   - 11.A. Re-election of Dr. Edouard Bugnion
   - 11.B. Re-election of Ms. Neela Montgomery
   - 11.C. Re-election of Mr. Michael Polk
   - 11.D. Election of Mr. Kwok Wang Ng

12. Approval of Compensation for the Board of Directors for the 2022 to 2023 Board Year
13. Approval of Compensation for the Group Management Team for fiscal year 2024
14. Re-election of KPMG AG as Logitech’s auditors and ratification of the appointment of KPMG LLP as Logitech’s independent registered public accounting firm for fiscal year 2023
15. Re-election of Etude Regina Wenger & Sarah Keiser-Wüger as Independent Representative

Hautemorges, Switzerland, July 26, 2022

The Board of Directors

Questions and Answers about The Logitech 2022 Annual General Meeting

General Information for All Shareholders

WHY AM I RECEIVING THIS "INVITATION AND PROXY STATEMENT"?

This document is designed to comply with both Swiss corporate law and U.S. proxy statement rules. Outside of the U.S. and Canada, this Invitation and Proxy Statement will be made available to registered shareholders with certain portions translated into French and German. We made copies of this Invitation and Proxy Statement available to shareholders beginning on July 26, 2022.

The Response Coupon is requested on behalf of the Board of Directors of Logitech for use at Logitech's Annual General Meeting. The meeting will be held on Wednesday, September 14, 2022 at 2:00 p.m., Central European Summer Time, at the SwissTech Convention Center, EPFL, in Lausanne, Switzerland.

WHO IS ENTITLED TO VOTE AT THE MEETING?

Shareholders registered in the Share Register of Logitech International S.A. (including in the sub-register maintained by Logitech's U.S. transfer agent, Computershare) on Thursday, September 8, 2022 have the right to vote. No shareholders will be entered in the Share Register between September 8, 2022 and the day following the meeting. As of June 30, 2022, there were 90,386,380 shares registered and entitled to vote out of a total of 164,055,142 Logitech shares outstanding. The actual number of registered shares that will be entitled to vote at the meeting will vary depending on how many more shares are registered, or deregistered, between June 30, 2022 and September 8, 2022.

For information on the criteria for the determination of the U.S. and Canadian "street name" beneficial owners who may vote with respect to the meeting, please refer to "Further Information for U.S. and Canadian "Street Name" Beneficial Owners" below.

WHO IS A REGISTERED SHAREHOLDER?

If your shares are registered directly in your name with us in the Share Register of Logitech International S.A., or in our sub-register maintained by our U.S. transfer agent, Computershare, you are considered a registered shareholder, and this Invitation and Proxy Statement and related materials are being sent or made available to you by Logitech.

Questions and Answers about The Logitech 2022 Annual General Meeting

WHO IS A BENEFICIAL OWNER WITH SHARES REGISTERED IN THE NAME OF A CUSTODIAN, OR "STREET NAME" OWNER?	Shareholders that have not requested registration on our Share Register directly, and hold shares through a broker, trustee or nominee or other similar organization that is a registered shareholder, are beneficial owners of shares registered in the name of a custodian. If you hold your Logitech shares through a U.S. or Canadian broker, trustee or nominee or other similar organization (also called holding in "street name"), which is the typical practice of our shareholders in the U.S. and Canada, the organization holding your account is considered the registered shareholder for purposes of voting at the meeting, and this Invitation and Proxy Statement and related materials are being sent or made available to you by them. You have the right to direct that organization on how to vote the shares held in your account.
WHY IS IT IMPORTANT FOR ME TO VOTE?	Logitech is a public company and certain key decisions can only be made by shareholders. Whether or not you plan to attend, your vote is important so that your shares are represented.
HOW MANY REGISTERED SHARES MUST BE PRESENT OR REPRESENTED TO CONDUCT BUSINESS AT THE MEETING?	There is no quorum requirement for the meeting. Under Swiss law, public companies do not have specific quorum requirements for shareholder meetings, and our Articles of Incorporation do not otherwise provide for a quorum requirement.
WHERE ARE LOGITECH'S PRINCIPAL EXECUTIVE OFFICES?	Logitech's principal executive office in Switzerland is at EPFL – Quartier de l'Innovation, Daniel Borel Innovation Center, 1015 Lausanne, Switzerland, and our principal executive office in the United States is at c/o Logitech Inc., 7700 Gateway Boulevard, Newark, California 94560. Logitech's main telephone number in Switzerland is +41-(0)21-863-5111 and our main telephone number in the United States is +1-510-795-8500.
HOW CAN I OBTAIN LOGITECH'S PROXY STATEMENT, ANNUAL REPORT AND OTHER ANNUAL REPORTING MATERIALS?	A copy of our 2022 Annual Report to Shareholders, this Invitation and Proxy Statement and our Annual Report on Form 10-K for fiscal year 2022 filed with the U.S. Securities and Exchange Commission (the "SEC") are available on our website at *http://ir.logitech.com*. Shareholders also may request free copies of these materials at our principal executive offices in Switzerland or the United States, at the addresses and phone numbers above.
WHERE CAN I FIND THE VOTING RESULTS OF THE MEETING?	We intend to announce voting results at the meeting and issue a press release promptly after the meeting. We will also file the results on a Current Report on Form 8-K with the SEC by Tuesday, September 20, 2022. A copy of the Form 8-K will be available on our website at *http://ir.logitech.com.*

Questions and Answers about The Logitech 2022 Annual General Meeting

IF I AM NOT A REGISTERED SHAREHOLDER, CAN I ATTEND AND VOTE AT THE MEETING?

You may not attend the meeting and vote your shares in person at the meeting unless you either become a registered shareholder by September 8, 2022 or you obtain a “legal proxy” from the broker, trustee or nominee that holds your shares, giving you the right to vote the shares at the meeting. If you hold your shares through a non-U.S. or non-Canadian broker, trustee or nominee, you may become a registered shareholder by contacting our Share Registrar at Logitech International S.A., c/o Devigus Shareholder Services, Birkenstrasse 47, CH-6343 Rotkreuz, Switzerland, and following their registration instructions or, in certain countries, by requesting registration through the bank or brokerage through which you hold your shares. If you hold your shares through a U.S. or Canadian broker, trustee or nominee, you may become a registered shareholder by contacting your broker, trustee or nominee, and following their registration instructions.

Further Information for Registered Shareholders

HOW CAN I VOTE IF I CANNOT ATTEND THE MEETING?

If you do not plan to attend the meeting, you may appoint the Independent Representative, Etude Regina Wenger & Sarah Keiser-Wüger, to represent you at the meeting. Please provide your voting instructions by marking the applicable boxes beside the agenda items on the Internet voting site for registered shareholders, *gvmanager-live.ch/logitech* for shareholders on the Swiss share register or *www.proxyvote.com* for shareholders on the U.S. share register, or on the Response Coupon or Proxy Card, as applicable.

SWISS SHARE REGISTER – INTERNET VOTING – Go to the Internet voting site *gvmanager-live.ch/logitech* and log in with your access code on the Response Coupon. Please use the menu item “Grant Procuration” and submit your instructions by clicking on the “Send” button.

SWISS SHARE REGISTER – **RESPONSE COUPON** – Mark the box under Option 3 on the enclosed Response Coupon. Please sign, date and promptly mail your completed Response Coupon to Etude Regina Wenger & Sarah Keiser-Wüger using the appropriate enclosed postage-paid envelope (Logitech International S.A., c/o Devigus Shareholder Services, Birkenstrasse 47, 6343 Rotkreuz, Switzerland).

U.S. SHARE REGISTER – **INTERNET VOTING** – Go to the Internet voting site *www.proxyvote.com* and log in with your 16-digit voting control number printed in the box marked by the arrow on the Notice of Internet Availability of Proxy Materials that you received from us. Please follow the menus to select the Independent Representative, Etude Regina Wenger & Sarah Keiser-Wüger, to represent you at the meeting. Please submit your instructions by clicking on the "Submit" button.

U.S. SHARE REGISTER – **PROXY CARD** – If you have requested a Proxy Card, mark the box “Yes” on the Proxy Card to select the Independent Representative, Etude Regina Wenger & Sarah Keiser-Wüger, to represent you at the meeting. Please sign, date and promptly mail your completed Proxy Card to Broadridge using the enclosed postage-paid envelope.

Questions and Answers about The Logitech 2022 Annual General Meeting

HOW CAN I ATTEND THE MEETING?	If you wish to attend the meeting, you will need to obtain an admission card. You may order your admission card on the Internet voting site for registered shareholders, *www.gvmanager-live.ch/logitech* for shareholders on the Swiss share register or *www.proxyvote.com* for shareholders on the U.S. share register, or on the Response Coupon or Proxy Card, as applicable, and we will send you an admission card for the meeting. If an admission card is not received by you prior to the meeting and you are a registered shareholder as of September 8, 2022, you may attend the meeting by presenting proof of identification at the meeting.
	SWISS SHARE REGISTER – INTERNET VOTING – Go to the Internet voting site *gvmanager-live.ch/logitech* and log in with your access code on the Response Coupon. Please use the menu item "Order Admission Card". **SWISS SHARE REGISTER – RESPONSE COUPON** – Mark the box under Option 1 on the enclosed Response Coupon. Please send the completed, signed and dated Response Coupon to Logitech using the enclosed postage-paid envelope by Thursday, September 8, 2022.
	U.S. SHARE REGISTER – INTERNET VOTING – Go to the Internet voting site *www.proxyvote.com* and log in with your 16-digit voting control number printed in the box marked by the arrow on the Notice of Internet Availability of Proxy Materials that you received from us. Please follow the menus to indicate that you will personally attend the meeting. **U.S. SHARE REGISTER – PROXY CARD** – If you have requested a Proxy Card, mark the box "Yes" on the Proxy Card to indicate that you will personally attend the meeting. Please sign, date and promptly mail your completed Proxy Card to Broadridge using the enclosed postage-paid envelope by Thursday, September 8, 2022.
CAN I HAVE ANOTHER PERSON REPRESENT ME AT THE MEETING?	Yes. If you would like someone other than the Independent Representative to represent you at the meeting, please mark Option 2 on the Response Coupon (for shareholders on the Swiss share register) or, if you requested a Proxy Card (for shareholders on the U.S. share register), mark the box on the Proxy Card to authorize the person you name on the reverse side of the Proxy Card. On either the Response Coupon or the Proxy Card, please provide the name and address of the person you want to represent you. Please return the completed, signed and dated Response Coupon to Logitech or Proxy Card to Broadridge, using the enclosed postage-paid envelope by September 8, 2022. We will send an admission card for the meeting to your representative. If the name and address instructions you provide are not clear, Logitech will send the admission card to you, and you must forward it to your representative. If you requested and received an admission card to attend the meeting, you can also authorize someone other than the Independent Representative to represent you at the meeting on the admission card and provide that signed, dated and completed admission card to your representative, together with your voting instructions.

Questions and Answers about The Logitech 2022 Annual General Meeting

CAN I SELL MY SHARES BEFORE THE MEETING IF I HAVE VOTED?	Logitech does not block the transfer of shares before the meeting. However, if you sell your Logitech shares before the meeting and Logitech's Share Registrar is notified of the sale, your votes with those shares will not be counted. Any person who purchases shares after the Share Register closes on Thursday, September 8, 2022 will not be able to register them until the day after the meeting and so will not be able to vote the shares at the meeting.
IF I VOTE BY PROXY, CAN I CHANGE MY VOTE AFTER I HAVE VOTED?	You may change your vote by Internet or by mail through September 8, 2022. You may also change your vote by attending the meeting and voting in person. For shareholders on the Swiss share register, you may revoke your vote by requesting a new access code and providing new voting instructions at *gvmanager-live.ch/logitech*, or by requesting and submitting a new Response Coupon from our Swiss Share Register at Devigus Shareholder Services (by telephone at +41-41-798-48-33 or by e-mail at *logitech@devigus.com*). For shareholders on the U.S. share register, you may revoke your vote by providing new voting instructions at *www.proxyvote.com*, if you voted by Internet, or by requesting and submitting a new Proxy Card. Your attendance at the meeting will not automatically revoke your vote or Response Coupon or Proxy Card unless you vote again at the meeting or specifically request in writing that your prior voting instructions be revoked.
	SWISS SHARE REGISTER – INTERNET VOTING – After you receive the new access code, go to the Internet voting site *gvmanager-live.ch/logitech* and log in. Please use the menu item "Grant Procuration". Follow the directions on the site to complete and submit your new instructions until Thursday, September 8, 2022, 23:59 (Central European Summer Time), or you may attend the meeting and vote in person. **SWISS SHARE REGISTER – RESPONSE COUPON –** If you request a new Response Coupon and wish to vote again, you may complete the new Response Coupon and return it to us by September 8, 2022, or you may attend the meeting and vote in person.
	U.S. SHARE REGISTER – INTERNET VOTING – Go to the Internet voting site www.proxyvote.com and log in with your 16-digit voting control number printed in the box on the Notice of Internet Availability of Proxy Materials that you received from us. Please follow the menus to submit your new instructions until Thursday, September 8, 2022, 11:59 p.m. (U.S. Eastern Daylight Time), or you may attend the meeting and vote in person. **U.S. SHARE REGISTER – PROXY CARD –** If you request a new Proxy Card and wish to vote again, you may complete the new Proxy Card and return it to Broadridge by September 8, 2022, or you may attend the meeting and vote in person.
IF I VOTE BY PROXY, WHAT HAPPENS IF I DO NOT GIVE SPECIFIC VOTING INSTRUCTIONS?	**SWISS SHARE REGISTER – INTERNET VOTING –** If you are a registered shareholder and vote using the Internet voting site, you have to give specific voting instructions for all agenda items before you can submit your instructions. **SWISS SHARE REGISTER – RESPONSE COUPON –** If you are a registered shareholder and sign and return a Response Coupon without giving specific voting instructions for some or all agenda items, you thereby give instructions to the Independent Representative to vote your shares in accordance with the recommendations of the Board of Directors for such agenda items as well as for new and amended proposals that could be formulated during the course of the meeting.

Questions and Answers about The Logitech 2022 Annual General Meeting

	U.S. SHARE REGISTER – INTERNET VOTING – If you are a registered shareholder and vote using the Internet voting site without giving specific voting instructions for some or all agenda items, you thereby give instructions to the Independent Representative to vote your shares in accordance with the recommendations of the Board of Directors for such agenda items as well as for new and amended proposals that could be formulated during the course of the meeting. **U.S. SHARE REGISTER – PROXY CARD –** If you are a registered shareholder and sign and return a Proxy Card without giving specific voting instructions for some or all agenda items, you thereby give instructions to the Independent Representative to vote your shares in accordance with the recommendations of the Board of Directors for such agenda items as well as for new and amended proposals that could be formulated during the course of the meeting.
WHO CAN I CONTACT IF I HAVE QUESTIONS?	If you have any questions or need assistance in voting your shares, please call us at +1-510-713-4220 or e-mail us at *logitechIR@logitech.com.*

Questions and Answers about The Logitech 2022 Annual General Meeting

Further Information for U.S. or Canadian “Street Name” Beneficial Owners

WHY DID I RECEIVE A ONE-PAGE NOTICE IN THE MAIL REGARDING THE INTERNET AVAILABILITY OF PROXY MATERIALS INSTEAD OF A FULL SET OF PROXY MATERIALS?

We have provided access to our proxy materials over the Internet to beneficial owners holding their shares in “street name” through a U.S. or Canadian broker, trustee or nominee. Accordingly, such brokers, trustees or nominees are forwarding a Notice of Internet Availability of Proxy Materials (the “Notice”) to such beneficial owners. All such shareholders will have the ability to access the proxy materials on a website referred to in the Notice or request to receive a printed set of the proxy materials. Instructions on how to access the proxy materials over the Internet or to request a printed copy may be found on the Notice. In addition, beneficial owners holding their shares in street name through a U.S. or Canadian broker, trustee or nominee may request to receive proxy materials in printed form by mail or electronically by email on an ongoing basis.

HOW CAN I GET ELECTRONIC ACCESS TO THE PROXY MATERIALS?

The Notice will provide you with instructions regarding how to:

- View our proxy materials for the meeting on the Internet; and
- Instruct us to send our future proxy materials to you electronically by email.

Choosing to receive your future proxy materials by email will save us the cost of printing and mailing documents to you and will reduce the impact of our annual shareholders’ meetings on the environment. If you choose to receive future proxy materials by email, you will receive an email next year with instructions containing a link to those materials and a link to the proxy voting site. Your election to receive proxy materials by email will remain in effect until you terminate it.

WHO MAY PROVIDE VOTING INSTRUCTIONS FOR THE MEETING?

For purposes of U.S. or Canadian beneficial shareholder voting, shareholders holding shares through a U.S. or Canadian broker, trustee or nominee organization on July 11, 2022 may direct the organization on how to vote. Logitech has made arrangements with a service company to U.S. and Canadian brokers, trustees and nominee organizations for that service company to provide a reconciliation of share positions of U.S. and Canadian “street name” beneficial owners between July 11, 2022 and September 1, 2022, which Logitech determined is the last practicable date before the meeting for such a reconciliation. These arrangements are intended to result in the following adjustments: If a U.S. or Canadian “street name” beneficial owner as of July 11, 2022 votes but subsequently sells their shares before September 1, 2022, their votes will be cancelled. A U.S. or Canadian “street name” beneficial owner as of July 11, 2022 that has voted and subsequently increases or decreases their shareholdings but remains a beneficial owner as of September 1, 2022 will have their votes increased or decreased to reflect their shareholdings as of September 1, 2022.

If you acquire Logitech shares in “street name” after July 11, 2022 through a U.S. or Canadian broker, trustee or nominee, and wish to vote at the meeting or provide voting instructions by proxy, you must become a registered shareholder. You may become a registered shareholder by contacting your broker, trustee or nominee, and following their registration instructions. In order to allow adequate time for registration, for proxy materials to be sent or made available to you, and for your voting instructions to be returned to us before the meeting, please begin the registration process as far before September 8, 2022 as possible.

Questions and Answers about The Logitech 2022 Annual General Meeting

IF I AM A U.S. OR CANADIAN "STREET NAME" BENEFICIAL OWNER, HOW DO I VOTE?	If you are a beneficial owner of shares held in "street name" and you wish to vote in person at the meeting, you must obtain a valid proxy from the organization that holds your shares. If you do not wish to vote in person, you may vote by proxy. You may vote by proxy over the Internet, by mail or by telephone by following the instructions provided in the Notice or on the Proxy Card.
WHAT HAPPENS IF I DO NOT GIVE SPECIFIC VOTING INSTRUCTIONS?	If you are a beneficial owner of shares held in "street name" in the United States or Canada and do not provide your broker, trustee or nominee with specific voting instructions, then under the rules of various national and regional securities exchanges, your broker, trustee or nominee may generally vote on routine matters but cannot vote on non-routine matters. If the organization that holds your shares does not receive instructions from you on how to vote your shares on a non-routine matter, your shares will not be voted on such matter and will not be considered votes cast on the applicable Proposal. We encourage you to provide voting instructions to the organization that holds your shares by carefully following the instructions provided in the Notice. We believe the following Proposals will be considered non-routine: Proposal 2 (Advisory vote to approve executive compensation), Proposal 3 (Appropriation of retained earnings and declaration of dividend), Proposal 4 (Amendment of the Articles regarding the creation of an authorized capital), Proposal 5 (Amendment of the Articles regarding the holding of virtual shareholder meetings), Proposal 6 (Amendment of the Articles regarding the name of the municipality in which Logitech's registered seat is located), Proposal 7 (Amendment and restatement of the 2006 Stock Incentive Plan, including an increase to the number of shares available for issuance under the Plan), Proposal 8 (Release of the Board of Directors and Executive Officers from liability for activities during fiscal year 2022), Proposal 9 (Elections to the Board of Directors), Proposal 10 (Election of the Chairperson), Proposal 11 (Elections to the Compensation Committee), Proposal 12 (Approval of Compensation for the Board of Directors for the 2022 to 2023 Board Year), Proposal 13 (Approval of Compensation for the Group Management Team for fiscal year 2024), Proposal 15 (Re-election of the Independent Representative). All other Proposals involve matters that we believe will be considered routine. Any "broker non-votes" on any Proposals will not be considered votes cast on the Proposal.
WHAT IS THE DEADLINE FOR DELIVERING MY VOTING INSTRUCTIONS?	If you hold your shares through a U.S. or Canadian bank or brokerage or other custodian, you have until 11:59 pm (U.S. Eastern Daylight Time) on Thursday, September 8, 2022 to deliver your voting instructions.
CAN I CHANGE MY VOTE AFTER I HAVE VOTED?	You may revoke your proxy and change your vote at any time before the final vote at the meeting. You may vote again on a later date on the Internet or by telephone (only your latest Internet or telephone proxy submitted prior to the meeting will be counted), or by signing and returning a new proxy card with a later date, or by attending the meeting and voting in person if you have a "legal proxy" that allows you to attend the meeting and vote. However, your attendance at the Annual General Meeting will not automatically revoke your proxy unless you vote again at the meeting or specifically request in writing that your prior proxy be revoked.

Questions and Answers about The Logitech 2022 Annual General Meeting

HOW DO I OBTAIN A SEPARATE SET OF PROXY MATERIALS OR REQUEST A SINGLE SET FOR MY HOUSEHOLD IN THE UNITED STATES?

We have adopted a procedure approved by the SEC called "householding" for shareholders in the United States. Under this procedure, shareholders who have the same address and last name and do not participate in electronic delivery of proxy materials will receive only one copy of our proxy statement and annual report unless one or more of these shareholders notifies us that they wish to continue receiving individual copies. This procedure reduces our printing costs and postage fees. Each U.S. shareholder who participates in householding will continue to be able to access or receive a separate Proxy Card.

If you wish to receive a separate proxy statement and annual report at this time, please request the additional copy by contacting our mailing agent, Broadridge, by telephone at +1-866-540-7095 or by e-mail at *sendmaterial@proxyvote.com* If any shareholders in your household wish to receive a separate proxy statement and annual report in the future, they may call our investor relations group at +1-510-713-4220 or write to Investor Relations, 7700 Gateway Boulevard, Newark, California 94560. They may also send an email to our investor relations group at *logitechIR@logitech.com*. Other shareholders who have multiple accounts in their names or who share an address with other stockholders can authorize us to discontinue mailings of multiple proxy statements and annual reports by calling or writing to our investor relations group.

Further Information for Shareholders with Shares Registered Through a Bank or Brokerage as Custodian (Outside the U.S. or Canada)

HOW DO I VOTE BY PROXY IF MY SHARES ARE REGISTERED THROUGH MY BANK OR BROKERAGE AS CUSTODIAN?

Your broker, trustee or nominee should have enclosed or provided voting instructions for you to use in directing the broker, trustee or nominee how to vote your shares. If you did not receive such instructions you must contact your bank or brokerage for their voting instructions.

WHAT IS THE DEADLINE FOR DELIVERING MY VOTING INSTRUCTIONS IF MY LOGITECH SHARES ARE REGISTERED THROUGH MY BANK OR BROKERAGE AS CUSTODIAN?

Banks and brokerages typically set deadlines for receiving instructions from their account holders. Outside of the U.S. and Canada, this deadline is typically two to three days before the deadline of the company holding the general meeting. This is so that the custodians can collect the voting instructions and pass them on to the company holding the meeting. If you hold Logitech shares through a bank or brokerage outside the U.S. or Canada, please check with your bank or brokerage for their specific voting deadline and submit your voting instructions to them as far before that deadline as possible.

Questions and Answers about The Logitech 2022 Annual General Meeting

Other Meeting Information

Meeting Proposals

There are no other matters that the Board intends to present, or has reason to believe others will present, at the Annual General Meeting.

If you are a registered shareholder:

SWISS SHARE REGISTER	**INTERNET VOTING –** If you are a registered shareholder and vote using the Internet voting site, you have to give specific voting instructions to all agenda items before you can submit your instructions. **RESPONSE COUPON –** If you are a registered shareholder and sign and return a Response Coupon without giving specific voting instructions for some or all agenda items, you thereby give instructions to the Independent Representative to vote your shares in accordance with the recommendations of the Board of Directors for such agenda items as well as for new and amended proposals that could be formulated during the course of the meeting.
U.S. SHARE REGISTER	**INTERNET VOTING –** If you are a registered shareholder and vote using the Internet voting site without giving specific voting instructions for some or all agenda items, you thereby give instructions to the Independent Representative to vote your shares in accordance with the recommendations of the Board of Directors for such agenda items as well as for new and amended proposals that could be formulated during the course of the meeting. **PROXY CARD –** If you are a registered shareholder and sign and return a Proxy Card without giving specific voting instructions for some or all agenda items, you thereby give instructions to the Independent Representative to vote your shares in accordance with the recommendations of the Board of Directors for such agenda items as well as for new and amended proposals that could be formulated during the course of the meeting.

If you are a beneficial owner of shares held in “street name” in the United States or Canada, if other matters are properly presented for voting at the meeting and you have provided discretionary voting instructions on a voting instruction card or through the Internet or other permitted voting mechanisms or have not provided voting instructions, your shares will be voted in accordance with the recommendations of the Board of Directors at the meeting on such matters.

Proxy Solicitation

Certain of our directors, officers and other employees, without additional compensation, may contact shareholders personally or in writing, by telephone, e-mail or otherwise in connection with the proposals to be made at the meeting. In the United States, we are required to request that brokers and nominees who hold shares in their names furnish our proxy material to the beneficial owners of the shares, and we must reimburse such brokers and nominees for the expenses of doing so in accordance with certain U.S. statutory fee schedules.

We have also engaged Morrow Sodali S.P.A., Taunustor 1, 60310 Frankfurt, Germany, to assist in contacting shareholders in connection with the meeting and will pay Morrow Sodali a fee of approximately $12,900, plus reimbursement of out-of-pocket expenses.

Questions and Answers about The Logitech 2022 Annual General Meeting

Tabulation of Votes

Representatives of at least two Swiss banks will serve as scrutineers of the vote tabulations at the meeting. As is typical for Swiss companies, our Share Registrar will tabulate the voting instructions of registered shareholders that are provided in advance of the meeting.

Shareholder Proposals and Nominees

Shareholder Proposals for 2022 Annual General Meeting

Under our Articles of Incorporation, one or more registered shareholders who together represent shares representing at least the lesser of (i) one percent of our issued share capital or (ii) an aggregate par value of one million Swiss francs may demand that an item be placed on the agenda of a meeting of shareholders. Any such proposal must be included by the Board in our materials for the meeting. A request to place an item on the meeting agenda must be in writing and describe the proposal. With respect to the 2022 Annual General Meeting, the deadline to receive proposals for the agenda was July 15, 2022. In addition, under Swiss law registered shareholders, or persons holding a valid proxy from a registered shareholder, may propose alternatives to items on the 2022 Annual General Meeting agenda before or at the meeting.

Shareholder Proposals for 2023 Annual General Meeting

We anticipate holding our 2023 Annual General Meeting on or about September 13, 2023. One or more registered shareholders who satisfy the minimum shareholding requirements in the Company's Articles of Incorporation may demand that an item be placed on the agenda for our 2023 Annual General Meeting of shareholders by delivering a written request describing the proposal to the Secretary of Logitech at our principal executive office in either Switzerland or the United States no later than July 17, 2023. In addition, if you are a registered shareholder and satisfy the shareholding requirements under Rule 14a-8 of the U.S. Securities Exchange Act of 1934 (the "Exchange Act"), you may submit a proposal for consideration by the Board of Directors for inclusion in the 2023 Annual General Meeting agenda by delivering a request and a description of the proposal to the Secretary of Logitech at our principal executive office in either Switzerland or the United States no later than March 28, 2023. The proposal will need to comply with Rule 14a-8 of the Exchange Act, which lists the requirements for the inclusion of shareholder proposals in company-sponsored proxy materials under U.S. securities laws. Under the Company's Articles of Incorporation only registered shareholders are recognized as Logitech shareholders. As a result, if you are not a registered shareholder you may not make proposals for the 2023 Annual General Meeting.

Nominations of Director Candidates

Nominations of director candidates by registered shareholders must follow the rules for shareholder proposals above.

Provisions of Articles of Incorporation

The relevant provisions of our Articles of Incorporation regarding the right of one or more registered shareholders who together represent shares representing at least the lesser of (i) one percent of our issued share capital or (ii) an aggregate par value of one million Swiss francs to demand that an item be placed on the agenda of a meeting of shareholders are available on our website at *http://ir.logitech.com*. You may also contact the Secretary of Logitech at our principal executive office in either Switzerland or the United States to request a copy of the relevant provisions of our Articles of Incorporation.

Agenda Proposals and Explanations

Proposal 1

Approval of the Annual Report, the Consolidated Financial Statements and the Statutory Financial Statements of Logitech International S.A. for Fiscal Year 2022

Proposal

The Board of Directors proposes that the Annual Report, the consolidated financial statements and the statutory financial statements of Logitech International S.A. for fiscal year 2022 be approved.

Explanation

The Logitech consolidated financial statements and the statutory financial statements of Logitech International S.A. for fiscal year 2022 are contained in Logitech's Annual Report, which was made available to all registered shareholders on or before the date of this Invitation and Proxy Statement. The Annual Report also contains the reports of Logitech's auditors on the consolidated financial statements and on the statutory financial statements, Logitech's Compensation Tables prepared in compliance with the Ordinance Against Excessive Compensation in Stock Exchange Listed Companies in Switzerland (the so-called "Minder Ordinance") (the "Remuneration Report") as well as the report of the statutory auditors on the Remuneration Report, additional information on the Company's business, organization and strategy, and information relating to corporate governance as required by the SIX Swiss Exchange directive on corporate governance. Copies of the Annual Report are available on the Internet at *http://ir.logitech.com*.

Under Swiss law, the annual report and financial statements of Swiss companies must be submitted to shareholders for approval or disapproval at each annual general meeting. In the event of a negative vote on this proposal by shareholders, the Board of Directors will call an extraordinary general meeting of shareholders for reconsideration of this proposal by shareholders.

Approval of this proposal does not constitute approval or disapproval of any of the individual matters referred to in the Annual Report or the consolidated or statutory financial statements for fiscal year 2022.

KPMG AG, as Logitech auditors, issued an unqualified recommendation to the Annual General Meeting that the consolidated and statutory financial statements of Logitech International S.A. be approved. KPMG AG expressed their opinion that the consolidated financial statements for the year ended March 31, 2022 present fairly, in all material respects, the financial position, the results of operations and the cash flows in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) and comply with Swiss law. They further expressed their opinion and confirmed that the statutory financial statements and the proposed appropriation of available earnings comply with Swiss law and the Articles of Incorporation of Logitech International S.A. and the Remuneration Report contains the information required by Swiss law.

Voting Requirement to Approve Proposal

The affirmative "FOR" vote of a majority of the votes cast at the Annual General Meeting, not counting abstentions.

Recommendation

The Board of Directors recommends a vote "**FOR**" approval of the Annual Report, the consolidated financial statements and the statutory financial statements of Logitech International S.A. for fiscal year 2022.

Proposal 2
Advisory Vote to Approve Executive Compensation

Proposal

The Board of Directors proposes that shareholders approve, on an advisory basis, the compensation of Logitech's named executive officers disclosed in Logitech's Compensation Report for Fiscal Year 2022.

Explanation

Since 2009, the Logitech Board of Directors has asked shareholders each year to approve Logitech's compensation philosophy, policies and practices, as set out in the "Compensation Discussion and Analysis" section of the Compensation Report, in a proposal commonly known as a "say-on-pay" proposal. Beginning with the 2011 Annual General Meeting, a say-on-pay advisory vote was required for all public companies, including Logitech, that are subject to the applicable U.S. proxy statement rules. Shareholders have been supportive of our compensation philosophy, policies and practices in each of those years.

At the 2017 Annual General Meeting, shareholders approved a proposal to take the say-on-pay vote annually. Accordingly, the Board of Directors is asking shareholders to approve, on an advisory basis, the compensation of Logitech's named executive officers disclosed in the Compensation Report, including the "Compensation Discussion and Analysis," the Summary Compensation table and the related compensation tables, notes, and narrative. This vote is not intended to address any specific items of compensation or any specific named executive officer, but rather the overall compensation of our named executive officers and the philosophy, policies and practices described in the Compensation Report.

This say-on-pay vote is advisory and therefore is not binding. It is carried out as a best practice and to comply with applicable U.S. proxy statement rules, and is consequently independent from, and comes in addition to, the binding vote on the Approval of Compensation of the Board of Directors for the 2022 to 2023 Board Year contemplated in Proposal 12 below and the binding vote on the Approval of Compensation for the Group Management Team for fiscal year 2024 contemplated in Proposal 13 below. However, the say-on-pay vote will provide information to us regarding shareholder views about our executive compensation philosophy, policies and practices, which the Compensation Committee of the Board will be able to consider when determining future executive compensation. The Committee will seek to determine the causes of any significant negative voting result.

As discussed in the Compensation Discussion and Analysis section of Logitech's Compensation Report for Fiscal Year 2022, Logitech has designed its compensation programs to:

- provide compensation sufficient to attract and retain the level of talent needed to create and manage an innovative, high-growth, global company in highly competitive and rapidly evolving markets;
- support a performance-oriented culture;
- place most of total compensation at risk based on Logitech's performance, while maintaining controls over inappropriate risk-taking by factoring in both annual and long-term performance;
- provide a balance between short-term and long-term objectives and results;
- align executive compensation with shareholders' interests by tying a significant portion of compensation to increasing share value; and
- reflect an executive's role and past performance through base salary and short-term cash incentives, and his or her potential for future contribution through long-term equity incentive awards.

Agenda Proposals and Explanations

While compensation is a central part of attracting, retaining and motivating the best executives and employees, we believe it is not the sole or exclusive reason why exceptional executives or employees choose to join and stay at Logitech, or why they work hard to achieve results for shareholders. In this regard, both the Compensation Committee and management believe that providing a working environment and opportunities in which executives and employees can develop, express their individual potential, and make a difference are also a key part of Logitech's success in attracting, motivating and retaining executives and employees.

The Compensation Committee of the Board has developed a compensation program that is described more fully in the Compensation Report for Fiscal Year 2022 included in this Invitation and Proxy Statement. Logitech's compensation philosophy, compensation program risks and design, and compensation paid during fiscal year 2022 are also set out in the Compensation Report.

Voting Requirement to Approve Proposal

The affirmative "FOR" vote of a majority of the votes cast at the Annual General Meeting, not counting abstentions.

Recommendation

The Board of Directors recommends a vote "**FOR**" approval of the following advisory resolution:

"Resolved, that the compensation paid to Logitech's named executive officers as disclosed in the Compensation Report for Fiscal Year 2022, including the "Compensation Discussion and Analysis," the "Summary Compensation Table for Fiscal Year 2022" and the related compensation tables, notes, and narrative discussion, is hereby approved."

Proposal 3

Appropriation of Retained Earnings and Declaration of Dividend

Proposal

The Board of Directors proposes that CHF 1,693,500,610 (approximately USD 1,832,788,940 based on the exchange rate on March 31, 2022) of retained earnings be appropriated as follows:

		Year ended March 31, 2022
Retained earnings available at the end of fiscal year 2022	CHF	1,693,500,610
Proposed dividends	CHF	(166,545,879)
Balance of retained earnings to be carried forward	CHF	1,526,954,731

The Board of Directors approved and proposes a gross distribution of CHF 0.9621 per registered share or approximately USD 1.0412 per share based on the exchange rate on March 31, 2022. Based on the current shares issued (173,106,620 shares) and the proposed dividend per share, the maximum aggregate gross dividend would be CHF 166,545,879 (approximately USD 180,244,072 based on the exchange rate on March 31, 2022).

No distribution shall be made on shares held in treasury by the Company and its subsidiaries.

If the proposal of the Board of Directors is approved, the dividend payment of CHF 0.9621 per share (or approximately CHF 0.6254 per share after deduction of 35% Swiss withholding tax whenever required) will be made on or about September 28, 2022 to all shareholders on record as of the record date (which will be on or about September 27, 2022). We expect that the shares will be traded ex-dividend as of approximately September 26, 2022. For payments made in U.S. dollars, we expect to use the currency exchange rate as of the date of the meeting, September 14, 2022.

Explanation

Under Swiss law, the use of retained earnings must be submitted to shareholders for approval or disapproval at each annual general meeting. The retained earnings at the disposal of Logitech shareholders at the 2022 Annual General Meeting are the earnings of Logitech International S.A., the Logitech parent holding company.

The proposal of the Board of Directors to distribute a gross dividend of CHF 0.9621 per share represents an increase of 10% over the prior year, following another year of strong cash flow from operations, and is an indication of the Board of Directors' confidence in the future of the Company. Since fiscal year 2013, the Board of Directors decided on a recurring annual gross dividend and not on an occasional one. As a consequence, the Company expects to propose such a dividend to the shareholders of the Company every year (subject to the approval of the Company's statutory auditors in the applicable year).

Other than the distribution of the dividend, the Board of Directors proposes the carry-forward of retained earnings based on the Board's belief that it is in the best interests of Logitech and its shareholders to retain Logitech's earnings for future investment in the growth of Logitech's business, for share repurchases, and for the possible acquisition of other companies or lines of business.

Voting Requirement to Approve Proposal

The affirmative "FOR" vote of a majority of the votes cast at the Annual General Meeting, not counting abstentions.

Recommendation

The Board of Directors recommends a vote "**FOR**" approval of the proposed appropriation of retained earnings with respect to fiscal year 2022, including the payment of a dividend to shareholders of CHF 0.9621 per registered share.

Agenda Proposals and Explanations

Proposal 4

Amendment of the Articles of Incorporation Regarding the Creation of an Authorized Capital

Proposal

The Board of Directors proposes that shareholders authorize the Board of Directors to issue up to 17,310,662 new registered shares with a par value of CHF 0.25 each until September 14, 2024 and that a new Article 27 be added to that effect in the Articles of Incorporation of the Company in replacement of the existing Article 27 with the following text:

Article 27

The Board of Directors is authorized at any time until September 14, 2024 to increase the share capital of the Company by a maximum aggregate amount of CHF 4,327,666 through the issuance of not more than 17,310,662 registered shares with a par value of CHF 0.25 each, which will have to be fully paid in.

Increases in partial amounts are permitted. The Board of Directors may authorize the issuance of new shares by means of an underwriting or similar process carried out by one or more banks or other financial institutions with a view to offering the new shares to existing shareholders or to third parties. The Board of Directors shall determine the type of contributions, the issue price, the time of the issue, the conditions for the exercise of the preferential subscription rights, the use of unexercised preferential subscription rights and the date upon which the new shares shall become entitled to dividends. The Board of Directors may authorize, restrict or exclude the trading of preferential subscription rights.

If preferential subscription rights are granted, but not exercised, the Board of Directors shall use the rights associated with the relevant shares in the interest of the Company.

The Board of Directors may restrict or withdraw the preferential subscription rights of existing shareholders, and allocate such rights to third parties or to the Company for valid reasons, in particular if the new shares are being issued in connection with: (a) the acquisition of companies, enterprises, participations, assets, intellectual property rights, licenses or new investment projects; (b) a public offering or private placement of shares for the financing and/or refinancing of an acquisition of the kind referred to under (a) above; (c) a public offering or private placement of shares, under circumstances in which such public offering or private placement would be difficult to carry out or could likely only be carried out under less favourable terms if the preferential subscription rights of existing shareholders were not restricted or withdrawn; (d) the acquisition of a stake in the Company by a strategic partner; or (e) the broadening of the shareholder base of the Company in certain jurisdictions or in the context of a listing or admission to trading on a domestic or foreign stock exchange.

Other provisions under Title VIII of the Articles of Incorporation of the Company remain unchanged. The French text of the proposed new Article 27 (which shall be the only legally binding) can be found at http://ir.logitech.com.

Explanation

The Board of Directors proposes to create a new authorized share capital in replacement of the authorized share capital contemplated in the existing Article 27 of the articles of incorporation of the Company, which will expire on September 9, 2022. In compliance with Swiss company law, the Board of Directors proposes that the new authorized share capital be created for a period of two years from the date of the Annual General Meeting (*i.e.* until September 14, 2024). The Board of Directors further proposes that the new authorized share capital be limited to 10% of the existing share capital of the Company, consistent with the existing Article 27. The authorized share capital will make it possible for the Company to raise capital in a fast and flexible manner whenever necessary and to carry out or finance acquisitions or strategic transactions or relationships.

Voting Requirement to Approve Proposal

The affirmative "FOR" vote of a two-thirds majority of the shares represented at the Annual General Meeting, not counting abstentions.

Recommendation

The Board of Directors recommends a vote "**FOR**" approval of the proposed amendment to the Articles of Incorporation to create an authorized share capital.

Agenda Proposals and Explanations

Proposal 5

Amendment of the Articles of Incorporation Regarding the Holding of Virtual Shareholder Meetings

Proposal

The Board of Directors proposes to supplement as follows Article 8 of the Company's Articles of Incorporation, with effect upon the entry into effect of the Swiss corporate law reform of 2020 on January 1, 2023, to make it possible for the Board of Directors to hold general meetings virtually:

> Article 8
>
> *Paragraphs 1 and 2: Unchanged.*
>
> *Paragraph 3 (new):*
>
> *"As from January 1, 2023, the Board of Directors may also decide to hold General Meetings in several locations or virtually without any physical place of meeting."*
>
> *The rest of Article 8 remains unchanged.*

The French text of the proposed Article 8, as amended (which shall be the only legally binding), can be found at http://ir.logitech.com.

Explanation

The Swiss corporate law reform, which was adopted in June 2020 and will become effective in January 2023, makes it possible for Swiss corporations to hold their general meetings in several locations simultaneously or virtually without any physical place of meeting. A general meeting can however only be held virtually if the Articles of Incorporation of the relevant company specifically contemplate that possibility. While the Board of Directors expects to continue to hold its annual general meeting in Switzerland, to create the flexibility to take advantage of this new possibility and hold virtual general meetings in the future whenever appropriate, the Board of Directors proposes to supplement Article 8 of the Company's Articles of Incorporation to that effect.

Voting Requirement to Approve Proposal

The affirmative "FOR" vote of a majority of the votes cast in person or by proxy at the Annual General Meeting, not counting abstentions.

Recommendation

The Board of Directors recommends a vote "**FOR**" approval of the proposed amendment to the Articles of Incorporation regarding the convening of shareholder meetings.

Proposal 6

Amendment of the Articles of Incorporation Regarding the Name of the Municipality in which Logitech's Registered Seat is Located

Proposal

The Board of Directors proposes that shareholders approve an amendment to the Article 1 of the Articles of Incorporation of the Company to change the location of the registered office from Apples to Hautemorges further to a merger between the municipality of Apples, in which the Company's registered seat is located, and five other municipalities.

> *Article 1*
>
> *Sentences 1 and 2: Unchanged.*
>
> *Sentence 3 (amended):*
>
> *"The registered office is in Hautemorges."*

The French text of the proposed Article 1, as amended (which shall be the only legally binding), can be found at http://ir.logitech.com.

Explanation

On May 28, 2018, the citizens of the municipalities of Apples, Bussy-Chardonney, Cottens, Pampigny, Reverolle and Sévery, in the Canton of Vaud, Switzerland, approved the merger of their municipalities to create the municipality of Hautemorges. This merger entered into effect on July 1, 2021. As a consequence of this merger, the name of the municipality in which the Company's registered office is located, Apples, has changed to Hautemorges. The Board of Directors proposes to amend the Articles of Incorporation of the Company to take into account this administrative change.

Voting Requirement to Approve Proposal

The affirmative "FOR" vote of a majority of the votes cast in person or by proxy at the Annual General Meeting, not counting abstentions.

Recommendation

The Board of Directors recommends a vote "**FOR**" approval of the proposed amendment to the Articles of Incorporation regarding the name of the municipality in which the Company's registered seat is located.

Proposal 7

Amendment and Restatement of the 2006 Stock Incentive Plan, including an increase to the number of shares available for issuance under the Plan

Proposal

The Board of Directors proposes that shareholders approve amendments to and the restatement of the Logitech International S.A. 2006 Stock Incentive Plan (the "Plan") to authorize three million two hundred fifty thousand (3,250,000) additional shares for issuance under the Plan, to reflect change in tax law, to modify certain Plan provisions to conform to the Company's governance practices, and to implement other best practices.

Explanation

The Board of Directors believes a key component of the Company's continued ability to be successful is due to its talented employee base and that future success depends on the ability to attract and retain high-caliber employees. The Board believes the continued ability to grant equity awards is a necessary and essential recruiting and retention tool for the Company to attract and retain the high-caliber employees, officers and directors critical to the Company's success.

The 2006 Stock Incentive Plan is the Company's only active employee equity plan (other than its Employee Stock Purchase Plans), and as of March 31, 2022 we have approximately 6.43 million shares remaining for the grant of new awards under the Plan. We estimate that this remaining pool will be exhausted within the next two to three years despite the fact that, to maximize shareholder value, the Company actively manages its program to use its equity plan resources as effectively as possible.

In determining the number of additional shares to allocate to the Plan, the Company analyzed various metrics, including the Company's run rate and the dilutive impact of the proposed share reserve increase. The Company considered public information published by proxy advisors as well as the proxy voting guidelines of certain institutional advisors. The Company has calculated its average gross "run rate" for awards that have been granted under the Plan in the last three fiscal years as approximately 1.0%. "Run rate" is the number of shares subject to awards granted (in the case of performance share units ("PSUs"), calculated based on the target number of PSUs) divided by the basic weighted average number of shares outstanding. The average gross run rate has been calculated based on the average of awards granted under the Plan for each of fiscal years 2020, 2021 and 2022 without applying any multiplier to the number of restricted stock units ("RSUs") or other full-value awards granted based, in part, because investors and proxy advisors may vary in their approach with respect to the value of any multiplier, if any is used at all.

The Board of Directors also considered the Company's prospective equity compensation requirements and the dilutive impact of the proposed share increase under the Plan. The potential dilution to current shareholders that could result from the future issuance of shares reserved under our equity plans, including the shares being considered by this proposal, determined as of March 31, 2022, would be approximately 7.8% (expressed as a percentage where the numerator is the sum of 3.25 million shares (the additional shares being considered under this proposal), plus 6.43 million shares currently available for the grant of future awards, plus 4.44 million shares subject to outstanding awards (for PSUs, calculated assuming the target performance level is attained), and the denominator is the sum of the numerator, plus 167.45 million shares, the basic weighted number of shares outstanding).

The Compensation Committee anticipates that the additional shares requested will enable the Company to fund the equity compensation program for an additional one to two years, based on historical grant patterns, accommodating anticipated grants relating to the hiring, retention and promotion of employees and providing reasonable flexibility for acquisitions, understanding that the share reserve could last for a longer or shorter period of time based on various factors that cannot be predicted at this time. The table below sets out the shares currently available under the Plan and if this proposal is approved:

2006 Stock Incentive Plan Share Reservation	Shares (in millions)
Initial shares authorized under the Plan	14.00
Additional shares authorized at subsequent Annual General Meetings	16.55
Shares awarded from June 2006 through March 31, 2022, net of cancellations	(24.12)
Additional shares requested under this proposal	3.25
Total shares available for issuance at March 31, 2022 (as if proposal approved)	9.68

Awards Outstanding under the Plan as of March 31, 2022

As of March 31, 2022, approximately 1.39 million shares were issuable upon exercise of stock options outstanding under the Plan with a weighted average exercise price of USD 61.88 per share and a weighted average term of 8.3 years, and an aggregate of approximately 3.05 million shares were subject to RSUs and PSUs (calculated assuming target performance level is attained) outstanding under the Plan with no exercise price.

The Board is not proposing an increase to the Company's conditional capital for Logitech's employee equity incentive plans. Since 2000, Logitech has used shares held in treasury from its share repurchase programs to cover its issuance obligations under employee equity incentive grants, including grants made under the Plan. It expects to continue to do so.

Logitech has granted equity incentives to employees since its very earliest days in the 1980s. The use of equity compensation in part reflects market practice, especially in California's Silicon Valley, where the Company has a significant presence. However, it is also a key differentiator in attracting and retaining employees in employment markets outside of the United States where, historically, equity incentive compensation was not or is not common. The Board of Directors believes that having the ability to offer equity incentives continues to be a key part of Logitech's compensation program and the Company's long-term success.

Material Changes to the Plan

The following summary highlights the proposed material changes to the Plan.

- The number of shares reserved for future issuance pursuant to awards granted under the Plan has been increased by three million two hundred fifty thousand (3,250,000) additional shares from 30.55 million shares to 33.80 million shares.

- The Plan has been amended to delete provisions previously required under the Internal Revenue Code of 1986, as amended (the "Code") to grant awards intended to constitute "qualified performance-based compensation" under Section 162(m) of the Code, including the calendar year award limits, in light of the elimination of the qualified performance-based compensation exemption from the compensation deductibility limitation on compensation in excess of $1 million dollars to certain "covered employees" resulting from the amendments to the Code under the Tax Cuts and Jobs Act of 2017.

- The Plan has been amended to clarify that the payment of dividends and dividend equivalent rights that accrue or are granted with respect to restricted share awards and RSUs, respectively, are conditioned on the vesting of the underlying award.

The following summary of certain material features of the Plan is qualified in its entirety by reference to the Plan, which is attached to this proxy statement as Appendix A.

Key Terms of the Plan at a Glance

The following is a summary of the key provisions of the Plan, as amended and restated.

Agenda Proposals and Explanations

Plan Term:	The Plan, as amended and restated, will become effective on the date the shareholders approve the Plan and will continue in effect until terminated by the Board of Directors. The proposed amendments generally will apply to previously granted awards that are outstanding as well as to awards that are granted after the effective date of the Plan amendment.
Eligible Participants:	Employees, directors, and consultants of the Company, a parent, a subsidiary or an affiliate generally are eligible to receive each type of award offered under the Plan. Only employees of the Company, a parent or a subsidiary are eligible to receive incentive stock options (ISOs) under the Plan.
Shares Available for Awards:	If the amendments are approved by the shareholders, 33.80 million shares will be available for awards over the entire term of the Plan, of which approximately 9.68 million shares will be available for the grant of new awards under the Plan as of March 31, 2022 (based on awards granted through March 31, 2022), subject to adjustment in the event of certain changes in the capitalization of the Company.
Award Types	(1) Options (2) SARs (3) Restricted shares (4) RSUs
Award Terms:	Options and SARs will have a term of no longer than ten years.
ISO Limits:	No more than the maximum number of shares reserved for issuance may be granted as ISOs under the Plan.
Minimum Vesting:	Minimum one-year service vesting requirements are applicable to all newly granted awards, except that 5% of the number of shares reserved for issuance under the Plan and substitute awards granted in connection with certain corporate transactions are not subject to this minimum service vesting requirement.
No Dividends / Dividend Equivalent Right on Unvested Awards or Options/SARs:	Payments or credits of dividends or dividend equivalent rights shall be prohibited on unvested restricted shares and RSUs. The Plan also prohibits the granting of dividends and dividend equivalents on all options and SARs.
No Evergreen:	The Plan does not include an automatic share reserve replenishment feature.
Not Permitted:	The following are not permitted under the Plan: (1) **Discounted Options or SARs** – Granting options or SARs at a price below fair market value of the Company's shares on the date of grant. (2) **Repricing** – Unless approved by the shareholders, repricing or reducing the exercise price of an underwater option or SAR, or exchanging underwater options or SARs for (i) a new option or SAR with a lower exercise price, (ii) a cash payment or (iii) any other award. (3) **Recycling of Shares Subject to Options/SARs** – Adding shares back to the number of shares available for issuance when (i) shares covered by an option or SAR are surrendered in payment of the option exercise price or in satisfaction of tax withholding obligations related to exercise or settlement of an option or SAR, (ii) shares are not issued or delivered as a result of net settlement of an outstanding SAR or option, and (iii) shares are repurchased on the open market with the proceeds of the exercise of an option. (4) **Automatic Vesting Acceleration Upon Change of Control.**

Summary of the Plan

Administration of the Plan. The Board of Directors or the Compensation Committee, which is made up entirely of independent directors (collectively referred to herein as the administrator), administers the Plan. The administrator selects the employees, consultants and directors who will receive awards, determines the number of shares covered by the awards, and, subject to the terms and limitations in the Plan, establishes the terms, conditions and other provisions of each award agreement. The administrator may interpret the Plan and establish, amend and rescind any rules relating to the Plan. The administrator may delegate to a committee of one or more officers of the Company the ability to grant awards, to the extent permitted by the Company's corporate governing documents. The administrator also may adopt sub-plans and corresponding rules, procedures and forms of award agreement for the purposes of granting awards to participants outside the U.S. and complying with non-U.S. laws.

Share Reserve. The maximum number of shares that we have authorized for issuance under the Plan is 33.8 million shares.

Any shares subject to an award that expires or terminates unexercised or before settlement, is not earned in full or is forfeited, is settled in cash, or shares used to satisfy tax withholding obligations for awards other than an option or SAR, will again become available for issuance under the Plan. Any dividend equivalents credited under the Plan and paid in cash shall not be applied against the number of shares that may be issued under the Plan.

The following shares will be counted against the maximum number of shares reserved for issuance and will not be returned to the Plan for future issuance: (i) shares covered by an option or a SAR that are surrendered in payment of the option exercise price or due to tax withholding at exercise, (ii) shares that are not issued or delivered as a result of net settlement of an outstanding SAR or option, and (iii) shares that are repurchased on the open market with the proceeds of the exercise of an option.

Eligibility. Only employees of the Company, a parent or a subsidiary are eligible to receive ISOs. Employees, directors and consultants of the Company, a parent, a subsidiary or an affiliate are eligible to receive nonstatutory options, SARs, restricted shares, and RSUs. As of March 31, 2022, the Company had approximately 8,200 employees, ten non-employee directors and approximately 400 consultants eligible to receive awards under the Plan. Consultants, however, may only be granted awards to the extent permitted by the Company's corporate governing documents.

Awards. Awards granted under the Plan may include any of the following:

<u>Options</u>. An option is the right to purchase shares of the Company at a fixed exercise price for a fixed period of time. Each option is evidenced by an award agreement and is subject to the following terms and conditions:

Number of Options. The administrator will determine the number of shares subject to an option granted to any participant.

Exercise Price. The administrator will determine the exercise price of options granted under the Plan at the time the options are granted, but the exercise price generally must be at least equal to the fair market value of a share of the Company on the date of grant. The fair market value of a share generally is determined with reference to the closing sale price for a share of the Company on the day the option is granted on either the SIX Swiss Exchange (for options denominated in Swiss francs) or the NASDAQ Global Select Market (for options denominated in U.S. dollars). The fair market value on the date of grant also may be determined based on an average of trading prices in a period before or after the date of grant. As of June 1, 2022, the closing price of a share of the Company was CHF 58.46 on the SIX Swiss Exchange and USD 60.28 on the NASDAQ Global Select Market.

Exercise of Option; Form of Consideration. The administrator determines when options become exercisable, subject to the minimum vesting requirements described below and may, in its discretion, accelerate the vesting of outstanding options under certain circumstances. The means of payment for shares issued upon exercise of an option is specified in each award agreement. To the extent permitted by applicable law, the Plan permits payment to be made by cash, cash equivalents, promissory note, other shares (with some restrictions), cashless exercise, net exercise, any combination of the prior methods of payment or any other form of consideration permitted by applicable law.

Term of Option. The term of an option will be stated in the award agreement. However, the term of an option may not exceed ten years. No option may be exercised after the expiration of its term.

Agenda Proposals and Explanations

Termination of Service. After termination of service, an option holder may exercise his or her option for the period of time determined by the administrator and stated in the award agreement. If no period of time is stated in a participant's award agreement, a participant may exercise the option within ninety days after such termination, to the extent that the option is vested on the date of termination (but in no event later than the expiration of the term of such option as set forth in the award agreement), unless such participant's service terminates due to the participant's death or disability, in which case the participant (or, if the participant has died, the participant's estate, designated beneficiary or the person who acquires the right to exercise the option by bequest or inheritance) may exercise the option, to the extent the option was vested on the date of termination (or to the extent the vesting is accelerated upon the participant's death), within one year after the date of such termination. However, unless a participant's service is terminated for cause, if a participant is prevented from exercising an option within the applicable post-termination time period due to legal compliance issues relating to the issuance of shares, the option will remain exercisable for thirty days after the date on which the Company notifies the participant that the option is exercisable, but in any event no later than the expiration of the term of the option.

Stock Appreciation Rights. A SAR is the right to receive the appreciation in the fair market value of shares of the Company between the grant date and the exercise date, for that number of shares of the Company with respect to which the SAR is exercised. The Company may pay the appreciation in cash, shares of the Company with equivalent value, or in some combination thereof, as determined by the administrator. Each award of SARs is evidenced by an award agreement specifying the terms and conditions of the award. The administrator determines the number of shares granted to a service provider pursuant to an award SARs. The administrator also determines the exercise price of SARs, the vesting schedule, subject to the minimum vesting requirements described below, and other terms and conditions of SARs. However, the exercise price must be at least equal to the fair market value of a share of the Company on the date of grant, and the term of a SAR may not exceed ten years.

After termination of service, a participant will be able to exercise the vested portion of his or her SAR for the period of time determined by the administrator and provided in the award agreement. If no period of time is provided in a participant's award agreement, a participant or, in the case of participant's death, his or her estate or beneficiary, will generally be able to exercise his or her vested SAR for (i) 90 days after his or her termination for reasons other than death or disability, and (ii) one year following his or her termination due to death or disability. In no event may a SAR be exercised after the expiration of its term.

Restricted Shares. Restricted share awards are awards of shares of the Company that vest in accordance with terms and conditions established by the administrator, subject to the minimum vesting requirements described below. Each award of restricted shares is evidenced by an award agreement specifying the terms and conditions of the award. Vesting can be conditioned on continued employment, the passage of time, or performance goals. The administrator will determine the number of restricted shares granted to any participant. The administrator also determines the purchase price, if any, of restricted shares and, unless the administrator determines otherwise, unvested restricted shares typically will be subject to forfeiture upon the voluntary or involuntary termination of a participant's service for any reason including death or disability.

Restricted Stock Units (including Performance-Based Restricted Stock Units). RSUs are awards that represent the right to receive shares of the Company or cash equal to the value of the shares, or some combination of both as determined by the administrator, if the RSUs vest. RSUs vest in accordance with terms and conditions established by the administrator, as set forth in the applicable award agreement and subject to the minimum vesting requirements describe below. Vesting can be conditioned on continued employment, the passage of time, or performance goals. RSUs that are subject to performance goals are referred to as performance-based restricted stock units. No condition that is subject to performance goals may be based on performance over a period of less than one year. The award agreement may provide for forfeiture or cancellation of the RSUs, in whole or in part, in the event of termination of the participant's service.

Minimum One-Year Service Vesting Requirement. No award granted under the amended Plan may vest prior to the date that the participant has completed one year of service following the grant date, except that 5% of the number of shares reserved for future issuance under the Plan as of the date the Plan amendment becomes effective is not subject to this minimum service vesting requirement. Substitute awards granted in connection with a corporate transaction are not subject to this minimum service vesting requirement.

Vesting Acceleration. The administrator has the authority to accelerate the vesting of awards in any circumstance, including upon a participant's termination of service for any reason (including death, disability or retirement) or upon a corporate transaction or change of control.

Nontransferability of Awards. Unless otherwise determined by the administrator, awards granted under the Plan are not transferable other than by will, by beneficiary designation (if such a designation is permitted by the administrator) or by the laws of descent and distribution, and may be exercised during the participant's lifetime only by the participant. If the administrator makes an award transferable, the award shall contain such additional terms and conditions as the administrator deems appropriate.

Adjustments upon Change in Capitalization. In the event that the shares of the Company or other securities change by reason of a stock dividend (including with respect to the stock of a subsidiary), stock split, reverse stock split, spin-off, combination or reclassification of shares, extraordinary dividend of cash or assets, recapitalization, reorganization or any similar event affecting the shares of the Company or other securities, the administrator will make adjustments to the number and kind of the shares of the Company or other securities subject to the Plan, including the maximum number of shares that may be issued pursuant to the exercise of an ISO and the annual limits on the number of shares that may be granted with respect to an ISO award, or subject to awards previously granted, and the exercise or settlement price of awards previously granted, in order to reflect the change and to preclude a dilution or enlargement of benefits under an award.

Adjustments upon Dissolution or Liquidation. Effective upon the consummation of the Company's liquidation or dissolution, any unexercised award generally will terminate. The administrator may, in its discretion, provide that a participant will have the right to exercise all or any part of an award, including shares as to which an award would not otherwise be exercisable, prior to the consummation of such proposed action.

Adjustments upon Merger or Change in Control. In the event the Company is a party to a merger, consolidation or reorganization, or the sale of substantially all of its assets, then each outstanding award will be subject to the applicable award agreement, which must provide for one or more of the following: the continuation, assumption, or substitution of outstanding awards; full exercisability or vesting of outstanding awards (which may be contingent on the closing of the transaction); or the cancellation of outstanding awards and the payment to the holder in cash or shares of an amount equal to the per share amount that shareholders of the Company are entitled to receive or realize in connection with the applicable transaction with respect to the number of shares subject to the applicable award (which payment may be made subject to continued vesting).

Amendment and Termination of the Plan. The Plan will continue in effect until the Board of Directors terminates it. In addition, the Board of Directors has the authority to amend, alter, suspend or terminate the Plan, but no amendment, alteration, suspension or termination may impair the rights of any participant under an outstanding award, unless agreed otherwise between the participant and the administrator. The Plan or an award agreement may be amended, altered, suspended or terminated without consent from the participant if required to facilitate compliance with applicable laws.

U.S. Federal Tax Consequences

The U.S. federal tax rules applicable to the Plan under the Code are summarized below. This summary does not include the tax laws of any municipality or state or any country outside the United States in which a participant resides or to which he or she may be subject.

Nonstatutory Options. An optionee does not recognize any taxable income at the time he or she is granted a nonstatutory option. Upon exercise, the optionee recognizes taxable income generally measured by the excess of the then fair market value of the shares over the exercise price. Any taxable income recognized in connection with an option exercise by an employee is subject to tax withholding. The Company's U.S. operating subsidiary is generally entitled to a deduction in the same amount as the ordinary income recognized by the optionee. Upon a disposition of the shares by the optionee, any difference between the sale price and the optionee's exercise price, to the extent not recognized as taxable income as provided above, is treated as long-term or short-term capital gain or loss, depending on the holding period.

Stock Appreciation Rights. No taxable income is reportable when a SAR is granted to a participant. Upon exercise, the participant will recognize ordinary income in an amount equal to the amount of cash received and the fair market value of any shares received. Any additional gain or loss recognized upon any later disposition of the shares would be long-term or short-term capital gain or loss, depending on the holding period.

Logitech Inc., the Company's U.S. operating subsidiary, generally will be entitled to a tax deduction in connection with an award under the Plan in an amount equal to the ordinary income realized by a participant subject to U.S. taxation and at the time such participant recognizes such income.

Restricted Shares. A participant generally will not have taxable income at the time an award of restricted shares is granted. Instead, he or she will recognize ordinary income in the first taxable year in which his or her interest in the restricted shares becomes either (i) freely transferable or (ii) no longer subject to substantial risk of forfeiture (e.g., vested). However, a holder of restricted shares may elect to recognize income at the time he or she is granted the award (to the extent it is not vested) in an amount equal to the fair market value of the shares underlying the award less any amount paid for the shares on the date the award is granted. Upon the sale of any shares received, any gain or loss, based on the difference between the sale price and the fair market value on the settlement date, will be taxed as a long-term or short-term capital gain or loss, depending on the holding period.

Logitech Inc. generally will be entitled to a tax deduction equal to the amount of ordinary income recognized by the participant on the date the shares are freely transferable or no longer subject to a substantial risk of forfeiture, except to the extent such deduction is limited by applicable provisions of the Code.

Restricted Stock Units. A participant generally will not have taxable income at the time an award of RSUs is granted. Upon the settlement of the award, the participant normally will recognize ordinary income in the year of receipt in an amount equal to the cash received and the fair market value of any non-restricted shares received. Upon the sale of any shares received, any gain or loss, based on the difference between the sale price and the fair market value on the settlement date, will be taxed as a long-term or short-term capital gain or loss, depending on the holding period.
Logitech Inc. generally will be entitled to a tax deduction equal to the amount of ordinary income recognized by the participant on the settlement date, except to the extent such deduction is limited by applicable provisions of the Code.
Limits on Deductions Under Code Section 162(m). Special rules limit the deductibility of compensation paid to certain individuals meeting the requirements of a "covered employee." Under Section 162(m) of the Code, the annual compensation paid to a covered employee may not be deductible to the extent it exceeds USD 1 million.

New Plan Benefits

The amount and timing of awards granted under the Plan are determined in the sole discretion of the administrator and therefore cannot be determined in advance. The future awards that would be received under the Plan by executive officers and other employees are discretionary and are therefore not determinable at this time.

Historical Grants under the Plan

The following table shows, for each of the individuals and groups indicated, the aggregate number of shares subject to awards that have been granted to the individuals and groups indicated below under the Plan since its inception through March 31, 2022:

Name of Individual or Group	Number of Shares Underlying Awards Granted
Named Executive Officers	
Bracken Darrell	2,556,148
Nate Olmstead	128,074
Prakash Arunkundrum	228,029
Samantha Harnett	29,070
Current Executive Officers as a Group	2,941,321
Current Non-Employee Directors as a Group	248,858
Non-Employee Director Nominees	
Patrick Aebischer	23,737
Wendy Becker	18,537
Edouard Bugnion	36,837
Guy Gecht	10,289
Marjorie Lao	13,862
Neela Montgomery	18,537
Michael Polk	10,289
Deborah Thomas	5,307
Christopher Jones	—
Kwok Wang Ng	—
Sascha Zahnd	—
All Current Employees, other than Executive Officers, as a Group	13,766,736

Voting Requirement to Approve Proposal

The affirmative "FOR" vote of a majority of the votes cast in person or by proxy at the Annual General Meeting, not counting abstentions.

Recommendation

The Board of Directors recommends a vote "**FOR**" approval of the proposed amendments to and restatement of the 2006 Stock Incentive Plan, including the increase by three million two hundred fifty thousand (3,250,000) to the number of shares available for issuance under the Plan.

Proposal 8

Release of the Board of Directors and Executive Officers from Liability for Activities during Fiscal Year 2022

Proposal

The Board of Directors proposes that shareholders release the members of the Board of Directors and Executive Officers from liability for activities during fiscal year 2022.

Explanation

As is customary for Swiss corporations and in accordance with Article 698, subsection 2, item 5 of the Swiss Code of Obligations, shareholders are requested to release the members of the Board of Directors and the Executive Officers from liability for their activities during fiscal year 2022 that have been disclosed to shareholders. This release from liability exempts members of the Board of Directors or Executive Officers from liability claims brought by the Company or its shareholders on behalf of the Company against any of them for activities carried out during fiscal year 2022 relating to facts that have been disclosed to shareholders. Shareholders that do not vote in favor of the proposal, or acquire their shares after the vote without knowledge of the approval of this resolution, are not bound by the result for a period ending six months after the vote.

Voting Requirement to Approve Proposal

The affirmative “FOR” vote of a majority of the votes cast at the Annual General Meeting, not counting abstentions and not counting the votes of any member of the Board of Directors or of any Logitech executive officers.

Recommendation

The Board of Directors recommends a vote “**FOR**” the proposal to release the members of the Board of Directors and Executive Officers from liability for activities during fiscal year 2022.

Proposal 9
Elections to the Board of Directors

Our Board of Directors is presently composed of eleven members. Each director was elected for a one-year term ending at the closing of the 2022 Annual General Meeting.

At the recommendation of the Nominating and Governance Committee, the Board has nominated the twelve individuals below to serve as directors for a one-year term, beginning in each case as of the Annual General Meeting on September 14, 2022. Nine of the twelve nominees currently serve as members of the Board of Directors. Their current terms expire upon the closing of the Annual General Meeting on September 14, 2022. The other nominees were recommended by the Nominating and Governance Committee of the Board and approved by the Board in June 2022 as nominees for election to the Board. The candidacy of Mr. Christopher Jones was recommended by Spencer Stuart, a search firm that we engaged to identify director candidates. The candidacies of Mr. Kwok Wang Ng and Sascha Zahnd were recommended by Dr. Bjorn Johansson Associates, a search firm that we engaged to identify director candidates. Dr. Neil Hunt, having served the Company as a member of the Board for twelve years, which is the limit for non-employee directors under our Organizational Regulations, and Mr. Riet Cadonau are not standing for re-election.

The term of office ends at the closing of the next Annual General Meeting. There will be a separate vote on each nominee.

Under Swiss law, Board members may only be appointed by shareholders. If the individuals below are elected, the Board will be composed of twelve members, restoring the Board to its 12-member composition from prior to the 2021 Annual General Meeting. The Board has no reason to believe that any of our nominees will be unwilling or unable to serve if elected as a director.

For further information on the Board of Directors, including the current members of the Board, the Committees of the Board, the means by which the Board exercises supervision of Logitech's executive officers, and other information, please see "Corporate Governance and Board of Directors Matters" below.

9.A Re-election of Dr. Patrick Aebischer

Proposal: The Board of Directors proposes that Dr. Patrick Aebischer be re-elected to the Board for a one-year term ending at the closing of the 2023 Annual General Meeting.

For biographical information and qualifications of Dr. Aebischer, please refer to "Corporate Governance and Board of Directors Matters – Members of the Board of Directors" on page 40.

9.B Re-election of Ms. Wendy Becker

Proposal: The Board of Directors proposes that Ms. Wendy Becker be re-elected to the Board for a one-year term ending at the closing of the 2023 Annual General Meeting.

For biographical information and qualifications of Ms. Becker, please refer to "Corporate Governance and Board of Directors Matters – Members of the Board of Directors" on page 40.

9.C Re-election of Dr. Edouard Bugnion

Proposal: The Board of Directors proposes that Dr. Edouard Bugnion be re-elected to the Board for a one-year term ending at the closing of the 2023 Annual General Meeting.

For biographical information and qualifications of Dr. Bugnion, please refer to "Corporate Governance and Board of Directors Matters – Members of the Board of Directors" on page 41.

9.D Re-election of Mr. Bracken Darrell

Proposal: The Board of Directors proposes that the Company's President and Chief Executive Officer, Mr. Bracken Darrell, be re-elected to the Board for a one-year term ending at the closing of the 2023 Annual General Meeting.

For biographical information and qualifications of Mr. Darrell, please refer to "Corporate Governance and Board of Directors Matters – Members of the Board of Directors" on page 42.

Agenda Proposals and Explanations

9.E Re-election of Mr. Guy Gecht

Proposal: The Board of Directors proposes that Mr. Guy Gecht be re-elected to the Board for a one-year term ending at the closing of the 2023 Annual General Meeting.

For biographical information and qualifications of Mr. Gecht, please refer to "Corporate Governance and Board of Directors Matters – Members of the Board of Directors" on page 42.

9.F Re-election of Ms. Marjorie Lao

Proposal: The Board of Directors proposes that Ms. Marjorie Lao be re-elected to the Board for a one-year term ending at the closing of the 2023 Annual General Meeting.

For biographical information and qualifications of Ms. Lao, please refer to "Corporate Governance and Board of Directors Matters – Members of the Board of Directors" on page 43.

9.G Re-election of Ms. Neela Montgomery

Proposal: The Board of Directors proposes that Ms. Neela Montgomery be re-elected to the Board for a one-year term ending at the closing of the 2023 Annual General Meeting.

For biographical information and qualifications of Ms. Montgomery, please refer to "Corporate Governance and Board of Directors Matters – Members of the Board of Directors" on page 44.

9.H Re-election of Mr. Michael Polk

Proposal: The Board of Directors proposes that Mr. Michael Polk be re-elected to the Board for a one-year term ending at the closing of the 2023 Annual General Meeting.

For biographical information and qualifications of Mr. Polk, please refer to "Corporate Governance and Board of Directors Matters – Members of the Board of Directors" on page 44.

9.I Re-election of Ms. Deborah Thomas

Proposal: The Board of Directors proposes that Ms. Deborah Thomas be re-elected to the Board for a one-year term ending at the closing of the 2023 Annual General Meeting.

For biographical information and qualifications of Ms. Thomas, please refer to "Corporate Governance and Board of Directors Matters – Members of the Board of Directors" on page 45.

9.J Election of Mr. Christopher Jones

Proposal: In accordance with the recommendation of the Nominating and Governance Committee, the Board of Directors proposes that Mr. Christopher Jones be elected to the Board for a one-year term ending at the closing of the 2023 Annual General Meeting.

Christopher Jones is the Chief Product Officer at Amperity, Inc., a company providing an intelligent customer data platform that empowers global consumer brands. He has served in that position since June 2018. Prior to joining Amperity, Mr. Jones spent twenty-seven years at Microsoft Corporation, a multinational technology corporation that produces computer software, consumer electronics, personal computers and related services, from 1991 to 2018, most recently as the Director, Healthcare NExT from October 2015 to May 2018. At Microsoft, he was also Corporate Vice President, OneDrive & SharePoint from 2014 to 2015, Corporate Vice President, Oulook.com, OneDrive and Windows Services from 2006 to 2014, Corporate Vice President, Windows from 2000 to 2006, Group Manager & Group Program Manager, Internet Explorer from 1995 to 2000, Technical Assistant from 1994 to 1995, and Group Program Manager, Microsoft Publisher from 1991 to 1994. Mr. Jones serves on the Board of RealNetworks, Inc., a provider of artificial intelligence and computer vision-based products and a pioneer in Internet streaming media delivery software and services. Mr. Jones holds a BS degree in Mathematical and Computational Sciences from Stanford University. He is 53 years old and a U.S. national.

Mr. Jones brings significant expertise in technology, product development leadership and strategy, consumer and enterprise software and services, artificial intelligence and cybersecurity, as well as senior leadership and brand identification experience, to the Board from leading technology companies such as Amperity and Microsoft.

The Board of Directors has determined that he will be an independent director.

Agenda Proposals and Explanations

9.K Election of Mr. Kwok Wang Ng

Proposal: In accordance with the recommendation of the Nominating and Governance Committee, the Board of Directors proposes that Mr. Kwok Wang Ng be elected to the Board for a one-year term ending at the closing of the 2023 Annual General Meeting.

Kwok Wang Ng is the Chief Executive Officer of SGS S.A., a testing, inspection and certification company, a position he has held since March 2015. He has held management roles at SGS since 1994, including Executive Vice President, Industrial Services from 2012 to 2015, Executive Vice President, Consumer Testing Services from 2005 to 2012, Regional Managing Director, SGS U.S. Testing North America from 2002 to 2005, Operations Manager, Consumer Testing Services from 1998 to 2002, Division Manager, Consumer Products, Standard Technical Services from 1996 to 1998. Mr. Ng started his career as a Quality Assurance Engineer at Sodeco S.A., a company specializing in metering and phone systems, from 1987 to 1989. Mr. Ng holds a BA degree in Economics and Econometrics from the University of Essex and a Diploma in Engineering from the Engineering School of Geneva. He is 55 years old and a Swiss and Chinese national.

As CEO of a globally operating Swiss SMI company, and through his broad range of management roles in Europe, China and the U.S., Mr. Ng brings senior leadership, consumer product, operations, Swiss investor base and governance, and global experience to the Board.

The Board of Directors has determined that he will be an independent director.

9.L Election of Mr. Sascha Zahnd

Proposal: In accordance with the recommendation of the Nominating and Governance Committee, the Board of Directors proposes that Mr. Sascha Zahnd be elected to the Board for a one-year term ending at the closing of the 2023 Annual General Meeting.

Sascha Zahnd is the former Vice President, EMEA and Global Supply Chain of Tesla Inc., an automotive and clean energy company. At Tesla, Mr. Zahnd was the Vice President, EMEA from June 2019 to December 2020 and the Vice President, Global Supply Chain from May 2016 to May 2019. Prior to joining Tesla, Mr. Zahnd was the Vice President, Supply & Procurement at ETA S.A./The Swatch Group, a company designing and manufacturing watches and calibers for the watch industry, from 2010 to April 2016. From 2001 to 2010, Mr. Zahnd held a series of management positions at IKEA, a multinational conglomerate that designs and sells furniture, appliances and home accessories among other goods and home services, including Head of Supply Division Asia Pacific at IKEA Asia Pacific from 2006 to 2010, Sales Manager and Deputy to General Manager at IKEA Retail from 2005 to 2006, Leader Task Force, Supply Mexico, Turnaround at IKEA Trading (Purchasing), Mexico from 2003 to 2005, Project Leader, European Distribution Strategy at IKEA of Sweden in 2003, and Regional Logistic Manager at IKEA Distribution South Europe from 2001 to 2003. Mr. Zahnd serves as the non-executive Chairman and a member of the Audit Committee of Valora Holding AG, a retail holding company, and on the Board and Audit Committee of myTheresa.com, a fashion e-commerce company. He also serves as President and a member of the Executive and Steering Committees of the Board of digitalswitzerland, an association and foundation of leading companies, organizations, academia and politics with the goal of establishing Switzerland as a leading global digital innovation hub. Mr. Zahnd holds an Executive MBA degree from IMD Business School in Lausanne and a BA degree in Business Administration from University of Applied Sciences in Basel.

Mr. Zahnd brings significant expertise in retail, production and supply chain, as well as senior leadership, Swiss investor and governance, and global experience, to the Board from his roles as part of Tesla's leadership team and in leading technology and retail companies in Europe, the U.S., Mexico and Asia/China. He is 47 years old and a Swiss national.

The Board of Directors has determined that he will be an independent director.

Voting Requirement to Approve Proposals

The affirmative "FOR" vote of a majority of the votes cast at the Annual General Meeting, not counting abstentions.

Recommendation

The Board of Directors recommends a vote "**FOR**" the election to the Board of each of the above nominees.

Proposal 10

Election of the Chairperson of the Board

Pursuant to the so-called “Minder Ordinance”, Swiss law requires that the Chairperson of the Board of Directors be elected on the occasion of each Annual General Meeting for a one-year term ending at the closing of the following Annual General Meeting. In line with current corporate governance best practices, the Board of Directors has selected Ms. Wendy Becker as its nominee to continue to lead the Board of Directors as an independent Chairperson. Ms. Becker has been the Chairperson since 2019, is a non-executive member of the Board of Directors since September 2017, and is the current Chairperson of the Company's Nominating and Governance Committee. As noted in her biographical information and qualifications in "Corporate Governance and Board of Directors Matters - Members of the Board of Directors" on page 40, Ms. Becker has extensive senior leadership experience as well as broad and diverse experience with boards of directors and trustee positions.

Proposal

The Board of Directors proposes that Ms. Wendy Becker be re-elected as Chairperson of the Board of Directors for a one-year term ending at the closing of the 2023 Annual General Meeting.

Voting Requirement to Approve Proposal

The affirmative “FOR” vote of a majority of the votes cast at the Annual General Meeting, not counting abstentions.

Recommendation

The Board of Directors recommends a vote “**FOR**” the re-election of Ms. Wendy Becker as Chairperson of the Board of Directors.

Proposal 11

Elections to the Compensation Committee

Our Compensation Committee is presently composed of five members, three of whom are standing for re-election to the Board of Directors and to the Compensation Committee. Following the amendment to the Swiss corporate law on January 1, 2014, the members of the Compensation Committee are to be elected annually and individually by the shareholders. Only members of the Board of Directors can be elected as members of the Compensation Committee.

At the recommendation of the Nominating and Governance Committee, the Board of Directors has nominated the four individuals below to serve as members of the Compensation Committee for a term of one year. Three of the nominees currently serve as members of the Compensation Committee and, as required by our Compensation Committee charter, all of the nominees are independent in accordance with the requirements of the listing standards of the Nasdaq Stock Market, the outside director definition of Section 162(m) of the U.S. Internal Revenue Code of 1986, as amended, the definition of a “non-employee director” for purposes of Rule 16b-3 promulgated by the U.S. Securities and Exchange Commission, and Rule 10C-1(b)(1) of the U.S. Securities Exchange Act of 1934, as amended.

The term of office ends at the closing of the next Annual General Meeting. There will be a separate vote on each nominee.

11.A Re-election of Dr. Edouard Bugnion

Proposal: The Board of Directors proposes that Dr. Edouard Bugnion be re-elected to the Compensation Committee for a one-year term ending at the closing of the 2023 Annual General Meeting.

For biographical information and qualifications of Dr. Bugnion, please refer to “Corporate Governance and Board of Directors Matters – Members of the Board of Directors” on page 41.

11.B Re-election of Ms. Neela Montgomery

Proposal: The Board of Directors proposes that Ms. Neela Montgomery be re-elected to the Compensation Committee for a one-year term ending at the closing of the 2023 Annual General Meeting.

For biographical information and qualifications of Ms. Montgomery, please refer to "Corporate Governance and Board of Directors Matters – Members of the Board of Directors" on page 44.

11.C Re-election of Mr. Michael Polk

Proposal: The Board of Directors proposes that Mr. Michael Polk be re-elected to the Compensation Committee for a one-year term ending at the closing of the 2023 Annual General Meeting.

For biographical information and qualifications of Mr. Polk, please refer to “Corporate Governance and Board of Directors Matters – Members of the Board of Directors” on page 44.

11.D Election of Mr. Kwok Wang Ng

Proposal: The Board of Directors proposes that Mr. Kwok Wang Ng be elected to the Compensation Committee for a one-year term ending at the closing of the 2023 Annual General Meeting.

For biographical information and qualifications of Mr. Ng, please refer to Proposal 9, "Elections to the Board of Directors", on page 31.

Voting Requirement to Approve Proposals

The affirmative “FOR” vote of a majority of the votes cast at the Annual General Meeting, not counting abstentions.

Recommendation

Our Board of Directors recommends a vote “**FOR**” the election to the Compensation Committee of each of the above nominees.

Proposal 12

Approval of Compensation for the Board of Directors for the 2022 to 2023 Board Year

Proposal

The Board of Directors proposes that the shareholders approve a maximum aggregate amount of the compensation of the Board of Directors of CHF 3,900,000 for the term of office from the 2022 Annual General Meeting until the 2023 Annual General Meeting (the “2022 – 2023 Board Year”).

Explanation

Pursuant to the so-called “Minder Ordinance”, the compensation of the Board of Directors must be subject each year to a binding shareholder vote, in the manner contemplated by Logitech’s Articles of Incorporation. Article 19 quater, paragraph 1(a) of Logitech’s Articles of Incorporation allows shareholders to approve the maximum aggregate amount of the compensation of the Board of Directors for the period up to the next Annual General Meeting.

Under the Company’s Articles of Incorporation, the compensation of the members of the Board of Directors who do not have management responsibilities consists of cash payments and shares or share equivalents. The value of cash compensation and shares or share equivalents corresponds to a fixed amount, which reflects the functions and responsibilities assumed. The value of shares or share equivalents is calculated at market value at the time of grant.

The proposed maximum amount of CHF 3,900,000 has been determined based on eleven non-executive members of the Board of Directors and on the following non-binding assumptions:

With respect to the eleven non-executive members of the Board of Directors:

- Cash payments of a maximum of CHF 1,300,000. Cash payments for non-executive members of the Board of Directors include annual retainers for Board and committee service and an annual retainer for a non-executive Chairperson.
- Share or share equivalent awards of a maximum of CHF 2,200,000. The value of share or share equivalent awards corresponds to a fixed amount and the number of shares granted will be calculated at market value at the time of their grant.
- Other payments, including accrual of the Company's estimated contributions to social security, of a maximum of CHF 400,000.

In his capacity as a member of the Group Management Team, Mr. Bracken Darrell is not entitled to compensation for his services on the Company’s Board of Directors.

Shareholders are approving the maximum aggregate amount of compensation set forth in the proposal. The assumptions set forth in this explanation are based on the Company’s current expectations about future compensation plans and decisions. The Company may redesign its compensation plans or make alternative compensation decisions within the maximum aggregate amount of compensation approved by shareholders. The actual compensation awarded to the members of the Board of Directors for the 2022 - 2023 Board Year will be disclosed in the Compensation Report in the Invitation and Proxy Statement for the 2024 Annual General Meeting.

In the event of a negative vote on this proposal by shareholders, the Board of Directors will submit an alternative proposal to the same or a subsequent general meeting.

Voting Requirement to Approve Proposal

The affirmative “FOR” vote of a majority of the votes cast at the Annual General Meeting, not counting abstentions.

Recommendation

The Board of Directors recommends a vote “**FOR**” the approval of the maximum aggregate amount of the compensation of the members of the Board of Directors of CHF 3,900,000 for the term of office from the 2022 Annual General Meeting until the 2023 Annual General Meeting.

Proposal 13

Approval of Compensation for the Group Management Team for Fiscal Year 2024

Proposal

The Board of Directors proposes that the shareholders approve a maximum aggregate amount of the compensation of the Group Management Team of USD 24,900,000 for fiscal year 2024.

Explanation

Pursuant to the so-called “Minder Ordinance”, the compensation of the Company’s Group Management Team must be subject each year to a binding shareholder vote, in the manner contemplated by Logitech’s Articles of Incorporation. Article 19 quater, paragraph 1(b) of Logitech’s Articles of Incorporation allows shareholders to approve the maximum aggregate amount of the compensation of the Group Management Team for the next fiscal year. As the 2022 Annual General Meeting takes place in the middle of Logitech’s fiscal year 2023, the applicable next fiscal year is fiscal year 2024. This required, binding vote on the compensation of the Group Management Team is independent from, and comes in addition to, the non-binding, advisory say-on-pay vote contemplated in Proposal 2.

Logitech’s Group Management Team currently consists of Mr. Bracken Darrell, President and Chief Executive Officer. Mr. Nate Olmstead, Chief Financial Officer, Mr. Prakash Arunkundrum, Head of Global Operations and Sustainability, and Ms. Samantha Harnett, General Counsel.

Logitech’s compensation philosophy, compensation program risks and design, and compensation paid during fiscal year 2022 are set forth in the Compensation Report.

The proposed maximum amount of USD 24,900,000 has been determined based on the following non-binding assumptions for Logitech’s Group Management Team as an aggregate group:

- The Group Management Team will include four members.
- Gross base salaries of a maximum of USD 2,800,000.
- Performance-based cash compensation of a maximum of USD 5,400,000. Performance-based cash compensation in the form of incentive cash payments may be earned under the Logitech Management Performance Bonus Plan (the “Bonus Plan”) or other cash bonuses approved by the Compensation Committee. Payout under the Bonus Plan is variable, and is based on the achievement of the Company’s, individual executives’ or other performance goals, and for fiscal year 2024 is expected to continue to range from 0% to 200% of the executive’s target incentive. The maximum amount of the performance-based bonus for fiscal year 2024 assumes a maximum achievement of all performance goals.
- Equity incentive awards of a maximum of USD 15,800,000. Long-term equity incentive awards are generally granted in the form of performance-based restricted stock units, or PSUs. Beginning in fiscal year 2021, we shifted our CEO's equity compensation to 100% PSUs and in fiscal year 2023 the remaining executive officers received 100% of their equity compensation in the form of PSUs. In order to align with the methodology used in the Compensation Report, where the value of PSUs is disclosed based on estimated fair value at the time of grant, the fair value at grant has been considered to calculate the maximum amount of the long-term equity awards. The target number of PSU awards granted to our Group Management Team in fiscal year 2024 will be determined at the beginning of the three-year performance period and the number of shares that will vest at the end of the three-year performance period is expected to continue to range from 0% to 200% of the executive's target number of shares depending on our corporate performance.
- Other compensation of a maximum of USD 900,000. Other compensation may include tax preparation services and related expenses, 401(k) savings plan matching contributions, premiums for group term life insurance and long-term disability insurance, employer’s contribution to medical premiums, relocation or extended business travel-related expenses, defined benefit pension plan employment contributions, accrual of estimated employer's contribution to social security and Medicare, and other awards. The Company generally does not provide all of these components of other compensation to all executives each year, but the proposed maximum amount of compensation has been formulated to provide flexibility to cover these compensation components as applicable.

Shareholders are approving the maximum aggregate amount of compensation set forth in the proposal. The assumptions set forth in this explanation are based on the Company’s current expectations about future compensation plans and decisions. The Company may redesign its compensation plans or make alternative compensation decisions within the maximum aggregate amount of compensation approved by shareholders. The actual compensation awarded to the members of the Group Management Team for fiscal year 2024 will be disclosed in the Compensation Report in the Invitation and Proxy Statement for the 2024 Annual General Meeting.

In the event of a negative vote on this proposal by shareholders, the Board of Directors will submit an alternative proposal to the same or a subsequent general meeting.

Voting Requirement to Approve Proposal

The affirmative "FOR" vote of a majority of the votes cast at the Annual General Meeting, not counting abstentions.

Recommendation

The Board of Directors recommends a vote "**FOR**" the approval of the maximum aggregate amount of the compensation of the Group Management Team of USD 24,900,000 for fiscal year 2024.

Proposal 14

Re-election of KPMG AG as Logitech's Auditors and Ratification of the Appointment of KPMG LLP as Logitech's Independent Registered Public Accounting Firm for Fiscal Year 2023

Proposal

The Board of Directors proposes that KPMG AG be re-elected as auditors of Logitech International S.A. for a one-year term and that the appointment of KPMG LLP as Logitech's independent registered public accounting firm for fiscal year 2023 be ratified.

Explanation

KPMG AG, upon recommendation of the Audit Committee of the Board, is proposed for re-election for a further year as auditors for Logitech International S.A. KPMG AG assumed its first audit mandate for Logitech during fiscal year 2015.

The Audit Committee has also appointed KPMG LLP, the U.S. affiliate of KPMG AG, as the Company's independent registered public accounting firm for the fiscal year ending March 31, 2023 for purposes of U.S. securities law reporting. Logitech's Articles of Incorporation do not require that shareholders ratify the appointment of KPMG LLP as the Company's independent registered public accounting firm. However, Logitech is submitting the appointment of KPMG LLP to shareholders for ratification as a matter of good corporate governance. If shareholders do not ratify the appointment, the Audit Committee will reconsider whether to retain KPMG LLP. Even if the appointment is ratified, the Audit Committee may, in its discretion, change the appointment during the year if the Committee determines that such a change would be in the best interests of Logitech and its shareholders.

Information on the fees paid by Logitech to KPMG AG and KPMG LLP, the Company's auditors and independent registered public accounting firm for fiscal year 2022, respectively, as well as further information regarding KPMG AG and KPMG LLP, is set out below under the heading "Independent Auditors" and "Report of the Audit Committee."

Members of KPMG AG will be present at the Annual General Meeting.

Voting Requirement to Approve Proposal

The affirmative "FOR" vote of a majority of the votes cast at the Annual General Meeting, not counting abstentions.

Recommendation

Our Board of Directors recommends a vote **"FOR"** the re-election of KPMG AG as auditors of Logitech International S.A. and the ratification of the appointment of KPMG LLP as Logitech's independent registered public accounting firm, each for the fiscal year ending March 31, 2023.

Agenda Proposals and Explanations

Proposal 15

Re-election of Etude Regina Wenger & Sarah Keiser-Wüger as Independent Representative

Pursuant to the so-called "Minder Ordinance", Swiss law requires that the independent representative of the shareholders (Independent Representative) be elected on the occasion of each Annual General Meeting for a one-year term ending at the closing of the following Annual General Meeting.

Proposal

The Board of Directors proposes that Etude Regina Wenger & Sarah Keiser-Wüger be re-elected as Independent Representative for a one-year term ending at the closing of the 2023 Annual General Meeting.

Explanation

In accordance with Swiss law, each shareholder may be represented at the general meeting by the Independent Representative, Etude Regina Wenger & Sarah Keiser-Wüger. Ms. Regina Wenger, a principal of Etude Regina Wenger & Sarah Keiser-Wüger, is a respected notary public based in Lausanne, Switzerland and is the former Chairwoman of the Swiss Federation of Notaries.

Under Swiss corporate law, the Independent Representative must satisfy strict independence requirements. General voting instructions can be given with respect to a particular general meeting of shareholders with respect to proposals and agenda items that have not been disclosed in the invitation to the general meeting.

Voting Requirement to Approve Proposal

The affirmative "FOR" vote of a majority of the votes cast at the Annual General Meeting, not counting abstentions.

Recommendation

Our Board of Directors recommends a vote "**FOR**" the re-election of Etude Regina Wenger & Sarah Keiser-Wüger as Independent Representative.

Corporate Governance and Board of Directors Matters

The Board of Directors is elected by the shareholders and holds the ultimate decision-making authority within Logitech, except for those matters reserved by law or by Logitech's Articles of Incorporation to its shareholders or those that are delegated to the executive officers under the organizational regulations (also known as by-laws). The Board makes resolutions through a majority vote of the members present at the meetings. In the event of a tie, the vote of the Chairperson decides.

Logitech's Articles of Incorporation set the minimum number of directors at three. We had eleven members of the Board of Directors as of June 30, 2022. If all of the nominees to the Board presented in Proposal 9 are elected, the Board will have twelve members, restoring the Board to its 12-member composition from prior to the 2021 Annual General Meeting.

Board of Directors Independence

The Board of Directors has determined that each of our directors and director nominees, other than Bracken Darrell, qualifies as independent in accordance with the published listing requirements of the Nasdaq Stock Market and Swiss corporate governance best practices guidelines. The Company's independent directors and director nominees include Patrick Aebischer, Wendy Becker, Edouard Bugnion, Riet Cadonau, Guy Gecht, Neil Hunt, Marjorie Lao, Neela Montgomery, Michael Polk, Deborah Thomas, Christopher Jones, Kwok Wang Ng and Sascha Zahnd. The Nasdaq independence definition includes a series of objective tests, such as that the director is not an employee of the company and has not engaged in various types of business dealings with the company. In addition, as further required by Nasdaq rules, the Board has made a subjective determination as to each independent director that no relationships exist which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. In making these determinations, the directors reviewed and discussed information provided by the directors and the Company with regard to each director's business and personal activities as they may relate to Logitech and Logitech's management.

Corporate Governance and Board of Directors Matters

Members of the Board of Directors

The members of the Board of Directors, including their principal occupation, business experience, and qualifications, are set out below.

Patrick Aebischer 67 Years Old Director since 2016

President Emeritus, Swiss Federal Institute of Technology (EPFL)
Swiss national

Patrick Aebischer is the former President of the École Polytechnique Fédérale de Lausanne (EPFL), a position to which he was nominated by the Swiss Federal Council and that he held from March 2000 through December 2016. Dr. Aebischer was also a Professor in Neurosciences at the EPFL and Director of the Neurodegenerative Disease Laboratory at the Brain Mind Institute, EPFL from 2000 to May 2017. Prior to these positions, he was a Professor and Director of the Surgical Research Division and Gene Therapy Center at the University Hospital of Lausanne, Chairman of the Section of Artificial Organs, Biomaterials and Cellular Technology of the Division of Biology and Medicine at Brown University, and held other positions in medical sciences at Brown University. Dr. Aebischer is also the founder of four biotech companies. He currently serves on the Board of Nestlé S.A., a leading nutrition, health and wellness company, and as Vice-Chairman of PolyPeptide Group AG, a global leader in peptide manufacturing and development. He also serves as Chairman of the Novartis Venture Fund, a venture fund investing in innovative life science companies, as a Senior Partner of ND Capital, a venture fund investing in disruptive technologies, and on the Boards of the Claude Nobs Foundation, Jacobs Foundation, Fondation Defitech, Fondation Swiss Polar (Chairman), Geneva Science & Diplomacy Anticipator Foundation (Vice-Chairman), Fondation du Domaine de Villette, Fondation ArtTech (Chairman) and Verbier Festival Foundation. Dr. Aebischer holds a M.D. from the University of Geneva and University of Fribourg, Switzerland, and four Honorary Doctorate degrees.

Dr. Aebischer brings senior leadership, governance, innovation and technology expertise, a global world view and strategic experience to the Board from his role as the President of the EPFL, his experience founding technology companies, and as a member of the senior leadership of leading Swiss companies.

Dr. Aebischer currently serves on the Nominating and Governance Committee and the Technology and Innovation Committee. The Board of Directors has determined that he is an independent Director.

Wendy Becker 56 Years Old Director since 2017

Chairperson, Logitech International S.A. and Former Chief Executive Officer of Jack Wills Limited

British, U.S. and Italian national

Wendy Becker has served as Chairperson of the Logitech Board of Directors since September 2019. Ms. Becker is the former Chief Executive Officer of Jack Wills Limited, a British-based manufacturer and retailer of brand name clothing, a position she held from October 2013 to September 2015. She was the Chief Operating Officer of Jack Wills from August 2012 to October 2013. Ms. Becker served as Group Chief Marketing Officer of Vodafone Group Plc, a global telecommunications company, from September 2009 to January 2011. Prior to Vodafone, she served as the Managing Director of TalkTalk Residential, a subsidiary of the Carphone Warehouse Group plc, a provider of fixed line broadband, voice telephony, mobile and television services, a Partner responsible for the United Kingdom consumer practice at McKinsey & Company, an international management consulting firm, and in various marketing and brand roles at The Procter & Gamble Company. Ms. Becker currently serves as a non-executive Director of the Sony Corporation, a global conglomerate across a number of media, technology and other industries, and of Oxford Nanopore Technologies plc, a developer and seller of nanopore sequencing technology and products. She also serves as a member of the governing body of the University of Oxford and related subsidiaries. Ms. Becker holds a BA degree in Economics from Dartmouth College and an MBA from Stanford University's Graduate School of Business.

Ms. Becker brings senior leadership, governance, strategic, consumer brand marketing, telecom and design experience to the Board from her positions at Jack Wills, Vodafone, McKinsey and TalkTalk as well as her board and trustee positions.

Ms. Becker currently is Chairperson of the Nominating and Governance Committee. The Board of Directors has determined that she is an independent Director.

Edouard Bugnion 52 Years Old Director since 2015

Professor, School of Computer and Communication Sciences, EPFL
Swiss national

Edouard Bugnion is a Professor in the School of Computer and Communication Sciences at the École Polytechnique Fédérale de Lausanne (EPFL) and also served as the Vice President for Information Systems at the EPFL from January 2017 to December 2020. Prior to joining the EPFL in August 2012, Dr. Bugnion was a Founder and Chief Technology Officer of Nuova Systems, Inc., a developer of enterprise data center solutions, from October 2005 to May 2008. Nuova Systems was funded by and acquired by Cisco Systems, Inc., a worldwide leader in Internet Protocol-based networking products and services. He joined Cisco as a Vice President and Chief Technology Officer of Cisco's Server Access and Virtualization Business Unit from May 2008 to June 2011. Prior to Nuova, Dr. Bugnion was a Founder of VMware, a leading provider of cloud and virtualization software and services, where he held many positions, including Chief Technology Officer, from 1998 to 2005. Dr. Bugnion currently serves on the Boards of InnoSuisse, a Swiss agency for innovation promotion (a position to which he was appointed by the Swiss Federal Council) and of the Fondation de l'Hermitage (a museum) and is a member of the Assembly of the International Committee of the Red Cross. Dr. Bugnion holds an Engineering *Diplom* from ETH Zürich, a Master's degree from Stanford University and a Ph.D. from Stanford University, all in Computer Science.

Dr. Bugnion's significant expertise in technology, software and cloud computing and cybersecurity, and his experience founding technology companies and as a member of the senior leadership of leading technology companies, provides the Board with technology and product strategy expertise as well as senior leadership.

Dr. Bugnion currently serves on the Compensation Committee and the Technology and Innovation Committee. The Board of Directors has determined that he is an independent Director.

Riet Cadonau 61 Years Old Director since 2021

Chairman, dormakaba Holding AG
Swiss national

Riet Cadonau is the non-executive Chairman of dormakaba Holding AG, a global provider of products, solutions and services for access to buildings and rooms. He has served as the Chairman since October 2018 and was the Chief Executive Officer from September 2015 through March 2021. Mr. Cadonau was the Chief Executive Officer of Kaba Holding AG, a provider of integrated access management solutions, from July 2011 to September 2015 when it merged with Dorma Holding to form dormakaba. Prior to Kaba, Mr. Cadonau spent eight years in management at Ascom Holding AG, a telecommunications company focusing on wireless on-site communications, as the Chief Executive Officer from August 2007 to March 2011, and in various executive and management roles and as a member of the Executive Board from 2001 to 2005. He joined Affiliated Computer Services Inc. (ACS), an information technology company, as Managing Director, Transport Revenue and subsequently as Senior Vice President, Europe from 2005 to 2007 after ACS acquired Ascom's Transport Revenue division, before returning to Ascom as Chief Executive Officer. He also spent approximately eleven years at IBM Corporation, a multinational technology company, in Switzerland, most recently as a member of the Management Board and Director of Global Services from 1998 to 2001. Mr. Cadonau serves on the Board and Compensation Committee of Georg Fischer AG, an international industrial corporation, and on the Board and as Chairperson of the Nomination and Compensation Committee of the Zehnder Group AG, an international provider of solutions for a healthy indoor climate. Mr. Cadonau holds a BA in Business and Economics from the University of Basel and an MA in Economics and Business Administration from the University of Zurich. He also attended the Advanced Management Program at INSEAD.

Mr. Cadonau brings senior leadership, governance and global experience with mechanical, electronic and cloud-based technology, technology incubation, digitalization, manufacturing, M&A, Swiss/international investor bases, and developing solutions combining hardware, software and services to the Board from his leadership roles at dormakaba, Ascom, ACS and IBM as well as his Swiss public company board and governance roles.

Mr. Cadonau currently serves on the Compensation Committee. The Board of Directors has determined that he is an independent Director. Mr. Cadonau will not stand for re-election at the 2022 Annual General Meeting.

Corporate Governance and Board of Directors Matters

Bracken Darrell 59 Years Old Director since 2013

President and Chief Executive Officer, Logitech International S.A.
U.S. national

Bracken Darrell joined Logitech as President in April 2012 and became Chief Executive Officer in January 2013. Prior to joining Logitech, Mr. Darrell served as President of Whirlpool EMEA and Executive Vice President of Whirlpool Corporation, a home appliance manufacturer and marketing company, from January 2009 to March 2012. Previously, Mr. Darrell had been Senior Vice President, Operations of Whirlpool EMEA from May 2008 to January 2009. From 2002 to May 2008, Mr. Darrell was with P&G (The Procter & Gamble Company), a consumer brand company, most recently as the President of its Braun GmbH subsidiary. Prior to rejoining P&G in 2002, Mr. Darrell served in various executive and managerial positions with General Electric Company from 1997 to 2002, with P&G from 1991 to 1997, and with PepsiCo Inc. from 1987 to 1989. Mr. Darrell holds a BA degree from Hendrix College and an MBA from Harvard University.

In addition to being the President and Chief Executive Officer of the Company, Mr. Darrell brings senior leadership, new product development, consumer brand marketing and global experience to the Board.

Guy Gecht 57 Years Old Director since 2019

Co-Chief Executive Officer, E.Merge Technology Acquisition Corp.
Israeli and U.S. national

Guy Gecht is the Co-Chief Executive Officer of E.Merge Technology Acquisition Corp., a "blank check" company or "special purpose acquisition company" (SPAC) formed for the purpose of effecting a business combination with a software or internet technology company. Prior to co-founding E.Merge in June 2020, Mr. Gecht was the Chief Executive Officer of Electronics for Imaging, Inc., an international company specializing in digital printing technology, a position he held from January 2000 to October 2018. He served at Electronics for Imaging as President from May 2012 to October 2018 and from July 1999 to January 2000, as Vice President and General Manager of Fiery products from January 1999 to July 1999, and as Director of Software Engineering from October 1995 to January 1999. Prior to joining Electronics for Imaging, Mr. Gecht was Director of Engineering at Interro Systems, Inc., a diagnostic technology company, from 1993 to 1995, Software Manager of ASP Computer Products, Inc., a networking company, from 1991 to 1993, and Chief Technology Officer for Apple Israel from 1990 to 1991. He serves on the Board of Check Point Software Technology Ltd., a multinational provider of software and combined hardware and software products for IT security. Mr. Gecht holds a BS in Computer Science and Mathematics from Ben Gurion University in Israel.

Mr. Gecht brings senior leadership, governance as well as technology and cybersecurity expertise and strategy, M&A and international experience to the Board, having led the transformation and growth of Electronics for Imaging into a global leader in digital imaging.

Mr. Gecht currently is Chairperson of the Technology and Innovation Committee and serves on the Audit Committee. The Board of Directors has determined that he is an independent Director.

Neil Hunt 60 Years Old Director since 2010

Chief Product Officer, Vibrant Planet
U.K. and U.S. national

Neil Hunt is the Chief Product Officer of Vibrant Planet, a public benefit corporation building tools for forest ecosystem management. Prior to joining Vibrant Planet in December, 2020, Dr. Hunt served as the Chief Strategy Officer, from November 2018 to December 2020, and Chief Executive Officer, from January 2018 to November 2018, of Curai, Inc., a venture-backed health technology company building technology to apply artificial intelligence and machine learning to primary care medicine. Prior to Curai, Dr. Hunt was the Chief Product Officer of Netflix, Inc., a California-based company offering the world's largest Internet TV service operating in more than 50 countries worldwide. He was with Netflix from 1999 through July 2017, and was responsible for the design, implementation and operation of the technology at Netflix. Prior to becoming Chief Product Officer, he served as Vice President, Internet Engineering at Netflix from 1999 to 2002. From 1997 to 1999, Dr. Hunt was Director of Engineering for Rational Software, a California-based maker of software development tools, and he served in engineering roles at predecessor companies from 1991 to 1997. Dr. Hunt currently serves on the Board and Compensation Committee of Roku, Inc., a manufacturer and seller of players that allow streaming video or audio services through televisions, and on the Board and Nomination and Compensation Committee of Here International B.V., a location data and technology platform. He holds a PhD in Computer Science from the University of Aberdeen, U.K. and a BSc degree and honorary DSc degree from the University of Durham, U.K.

Dr. Hunt's significant expertise in technology, product development leadership and strategy, and his experience as a member of the senior leadership of a leading digital subscription company, provides the Board with technology, cybersecurity, product strategy and global expertise as well as senior leadership and governance.

Dr. Hunt currently serves on the Compensation Committee and the Technology and Innovation Committee. The Board of Directors has determined that he is an independent Director. Dr. Hunt is not standing for re-election at the 2022 Annual General Meeting, having reached the limit of 12 years of service as a non-employee director under our Organizational Regulations.

Marjorie Lao 48 Years Old Director since 2018

Former Chief Financial Officer of the LEGO Group
Philippine national

Marjorie Lao is the former Chief Financial Officer of the LEGO Group, a privately held, family-owned company whose main activity is the development, production, marketing and sales of play materials based on the LEGO brick, a position she held from February 2017 to March 2020. She previously served at the LEGO Group as the Senior Vice President, Finance from January 2014 to January 2017. Prior to joining the LEGO Group, Ms. Lao was the Vice President, Projects of Seadrill, a deepwater drilling contractor, from February 2013 to December 2013. She served as the Chief Financial Officer and Senior Vice President, Finance of Tandberg ASA, a key player in the videoconferencing industry, from November 2006 to April 2010 and the Vice President, Business Development and M&A from January 2006 to October 2006. Tandberg was acquired by Cisco Systems, Inc., a worldwide leader in Internet Protocol-based networking products and services, and Ms. Lao joined Cisco as the Senior Director, Finance and Senior Director, Strategy and Business Analytics from April 2010 to February 2012. She also served as an Associate and Engagement Manager of McKinsey & Company, an international management consulting firm, from 2002 to 2005 and a Finance Manager and Internal Controls Manager of The Procter & Gamble Company, a consumer brand company, from 1996 to 2000. Ms. Lao serves on the Board and chairs the Audit Committee of myTheresa.com, a fashion e-commerce company. She also serves on the Board and as Chairperson of the Audit Committee of Modern Times Group MTG AB, an esports and gaming entertainment company. Ms. Lao holds a BSc degree in Business Administration and Accountancy from the University of the Philippines and an MBA from Harvard Business School. She was certified as a public accountant in the Philippines in 1996.

Ms. Lao has extensive finance expertise developed through her Chief Financial Officer and other leadership positions at companies in Europe, the United States and Asia. She brings to the Board an understanding of the videoconferencing and gaming industries and enterprise go-to-market strategies and senior leadership, governance, strategy, M&A and corporate responsibility experience from leading technology and brand and consumer marketing companies.

Ms. Lao currently serves on the Audit Committee. The Board of Directors has determined that she is an independent Director.

Neela Montgomery 47 Years Old Director since 2017

Board Partner, Greycroft
British national

Neela Montgomery is a Board Partner at Greycroft, a venture capital firm. Prior to assuming that role in January 2022, Ms. Montgomery was the President of CVS Pharmacy, the retail and pharmacy division of CVS Health, a diversified health services company, where she was also an Executive Vice President, from November 2020 to January 2022, Ms. Montgomery was a Board Partner at Greycroft from August 2020 to December 2020, and the Chief Executive Officer of Crate & Barrel Holdings, Inc., a global home furnishings retailer and leader in home ecommerce retailing and digital marketing, from August 2017 to August 2020. Ms. Montgomery was a Member of the Executive Board for Multichannel Retail at the Otto Group, GmbH, a globally operating retail and services group, from November 2014 to July 2017, overseeing all Group companies that operate in e-commerce and store-based retail as well as serving as Executive Chairwoman of Group operating companies including Crate & Barrel. Prior to joining the Otto Group, Ms. Montgomery was the UK General Merchandise Director on the UK Board of Tesco Plc, one of the world's largest retailers, from June 2012 to June 2014, supervising diverse areas such as Home, Electronics & Entertainment from a multichannel perspective. She served at Tesco since 2002, including as UK E-Commerce Director from March 2011 to December 2012 and as Chief Merchant for Tesco Malaysia from July 2007 to May 2011. Ms. Montgomery serves on the Board of Powered Brands, a "blank check" company or "special purpose acquisition company" (SPAC) formed for the purpose of creating a global conglomerate made up of sustainable and digitally focused beauty, wellness, and consumer-related brands and leadership teams. Ms. Montgomery studied English literature at Oxford University and holds an MBA from INSEAD having studied in France and Singapore. She is also a 2020 Henry Crown Fellow at the Aspen Institute.

Ms. Montgomery brings senior leadership, multichannel retail, e-commerce, brand oversight, home electronics and global experience to the Board from her positions in North America, EMEA and Asia Pacific at CVS Health, Crate & Barrel, the Otto Group and Tesco.

Ms. Montgomery currently serves on the Compensation Committee. The Board of Directors has determined that she is an independent Director.

Michael Polk 61 Years Old Director since 2019

Advisory Director, Berkshire Partners LLC and Chief Executive Officer, Implus LLC
U.S. national

Michael Polk is an Advisory Director of Berkshire Partners LLC, a private equity firm, and the Chief Executive Officer of a Berkshire portfolio company, Implus LLC, a global leader in fitness accessories and devices. He has served in his current positions since February 2020. Prior to Berkshire Partners, Mr. Polk was the President and Chief Executive Officer of Newell Brands Inc., a multinational consumer goods company, from July 2011 to June 2019. From 2003 to 2011, Mr. Polk held a series of executive positions at Unilever, a Dutch-Anglo multi-national consumer goods company, including President, Global Foods, Home & Personal Care from 2010 to 2011, President, Unilever Americas from 2007 to 2010, and President, Unilever USA from 2005 to 2007. From 2007 to 2011, Mr. Polk served as a member of the Unilever Global Executive Board reporting to the Group Chief Executive Officer. Prior to joining Unilever, Mr. Polk spent sixteen years at Kraft Foods Inc., a consumer foods company, from 1987 to 2003. At Kraft Foods, Mr. Polk was a member of the Kraft Foods Management Committee and served in executive and management positions, including Group Vice President Kraft Foods North America and President, Nabisco Biscuit and Snacks from 2001 to 2003, Group Vice President Kraft Foods International and President, Asia Pacific Region from 1999 to 2001, and Executive Vice President and General Manager, Post Cereal Division from 1998 to 1999. Mr. Polk started his career at Procter & Gamble Company, a consumer brand company, where he spent three years in paper products manufacturing and R&D from 1982 to 1985. Mr. Polk serves on the Board and as Chairperson of the People & Organization Committee of Colgate-Palmolive Company, a worldwide consumer products company. He holds a BS degree in Operations Research and Industrial Engineering from Cornell University and an MBA from Harvard University.

Mr. Polk brings senior leadership, governance, global marketing, consumer innovation, brand and customer development, operations, M&A and international experience to the Board from his leadership and governance roles at consumer and brand-focused multi-national companies such as Implus, Newell Brands, Unilever, Kraft Foods and Colgate-Palmolive.

Mr. Polk currently is the Chairperson of the Compensation Committee and serves on the Nominating and Governance Committee. The Board of Directors has determined that he is an independent Director.

Deborah Thomas 58 Years Old Director since 2020

Executive Vice President and Chief Financial Officer, Hasbro, Inc. U.S. national	*Deborah Thomas* is an Executive Vice President and the Chief Financial Officer of Hasbro, Inc., a global play and entertainment company. Ms. Thomas has served in her current position as Chief Financial Officer since June 2009 and as Executive Vice President since March 2013. She previously served at Hasbro as a Senior Vice President and Chief Financial Officer from June 2009 to February 2013, Senior Vice President and Head of Corporate Finance from June 2008 to May 2009, Senior Vice President and Controller from May 2003 to May 2008, and Vice President and Assistant Controller from August 1998 to April 2003. Prior to joining Hasbro, Ms. Thomas held Assurance positions at KPMG Peat Marwick, LLP in the United States and in the United Kingdom from 1986 to 1998, most recently as a Senior Manager. She serves on the Board and as Treasurer of the Rhode Island Airport Corporation, which operates and maintains six airports. Ms. Thomas is also a Certified Public Accountant. She holds a BS degree from Providence College. As the Chief Financial Officer of a leading consumer products, entertainment and media company, and with significant finance and accounting expertise developed over several decades at a global conglomerate and a Big 4 international accounting firm, Ms. Thomas brings senior leadership, governance, finance (including U.S. GAAP), information technology, M&A, international and multi-category, multi-brand consumer product, gaming, media and services experience to the Board. Ms. Thomas currently is the Chairperson of the Audit Committee. The Board of Directors has determined that she is an independent Director.

All members of the Board of Directors currently comply with the limitation on external mandates contemplated in Article 17bis of the Company's Articles of Incorporation.

Corporate Governance and Board of Directors Matters

Elections to the Board of Directors

Directors are elected at the Annual General Meeting of Shareholders, upon proposal of the Board of Directors. The proposals of the Board of Directors are made following recommendations of the Nominating and Governance Committee.

Shareholder Recommendations and Nominees

Under our Articles of Incorporation, one or more registered shareholders who together represent shares representing at least the lesser of (i) one percent of our issued share capital or (ii) an aggregate par value of one million Swiss francs may demand that an item be placed on the agenda of a meeting of shareholders, including a nominee for election to the Board of Directors. A request to place an item on the meeting agenda must be in writing, describe the proposal and be received by our Board of Directors at least 60 days prior to the date of the meeting. Demands by registered shareholders to place an item on the agenda of a meeting of shareholders should be sent to: Secretary to the Board of Directors, Logitech International S.A., EPFL - Quartier de l'Innovation, Daniel Borel Innovation Center, 1015 Lausanne, Switzerland, or c/o Logitech Inc., 7700 Gateway Boulevard, Newark, CA 94560, USA.

Under the Company's Articles of Incorporation only registered shareholders are recognized as shareholders of the company. As a result, beneficial shareholders do not have a right to place an item on the agenda of a meeting, regardless of the number of shares they hold. For information on how beneficial shareholders may become registered shareholders, see "Questions and Answers about the Logitech 2021 Annual General Meeting - If I am not a registered shareholder, can I attend and vote at the meeting?"

If the agenda of a general meeting of shareholders includes an item calling for the election of directors, any registered shareholder may propose a candidate for election to the Board of Directors before or at the meeting.

The Nominating and Governance Committee does not have a policy on consideration of recommendations for candidates to the Board of Directors from registered shareholders.

The Nominating and Governance Committee considers it appropriate not to have a formal policy for consideration of such recommendations because the evaluation of potential members of the Board of Directors is by its nature a case-by-case process, depending on the composition of the Board at the time, the needs and status of the business of the Company, and the experience and qualification of the individual. Accordingly, the Nominating and Governance Committee would consider any such recommendations on a case-by-case basis in their discretion, and, if accepted for consideration, would evaluate any such properly submitted nominee in consideration of the membership criteria set forth under "Board Composition" below. Shareholder recommendations to the Board of Directors should be sent to the above address.

Board Composition

The Nominating and Governance Committee is responsible for reviewing and assessing with the Board the appropriate skills, experience, and background sought of Board members in the context of our business and the then-current membership on the Board. The Nominating and Governance Committee has not formally established any specific, minimum qualifications that must be met by each candidate for the Board of Directors or specific attributes, qualities or skills that are necessary for one or more of the members of the Board of Directors to possess. However, we do not expect or intend that each director will have the same background, skills, and experience; we expect that Board members will have a diverse portfolio of backgrounds, skills, and experiences. One goal of this diversity is to assist the Board as a whole in its oversight and advice concerning our business and operations.

The review and assessment of Board candidates and the current Board composition by the Nominating and Governance Committee includes numerous diverse factors, such as: independence; senior leadership experience; corporate governance, including ESG, experience; understanding of and experience in technology, finance, marketing, sales, sustainability and operations; international experience and geographic representation; age; gender and ethnic diversity; and LGBTQ+ identification.

The priorities and emphasis of the Nominating and Governance Committee and of the Board with regard to these factors change from time to time to take into account changes in Logitech's business and other trends, as well as the portfolio of skills and experience of current and prospective Board members.

Listed below are key skills and experience that we currently consider important for our directors to have in light of our current business and structure. We do not expect each director to possess every attribute. The directors' biographies note each director's relevant experience, qualifications, and skills relative to this list.

- *Senior Leadership Experience.* Directors who have served in senior leadership positions are important to Logitech because they bring experience and perspective in analyzing, shaping, and overseeing the execution of important operational and policy issues at a senior level.
- *Governance Experience.* Directors with corporate governance experience are important to Logitech because they enable the Board to exercise its general oversight with respect to corporate governance and ESG matters.
- *Financial Expertise.* Knowledge of financial markets and accounting and financial reporting processes is important because it assists our directors in understanding, advising, and overseeing Logitech's structure, financial reporting, and internal control of such activities.
- *Industry and Technical Expertise.* Because we develop and manufacture hardware and software products, ship them worldwide, and sell to major consumer electronics distributors and retailers as well as to enterprise customers, expertise in hardware and software, and experience in supply chain, manufacturing, sales and consumer products is useful in understanding the opportunities and challenges of our business and in providing insight and oversight of management.
- *Brand Marketing Expertise.* Because we are a consumer products company, directors who have brand marketing experience can provide expertise and guidance as we seek to maintain and expand brand and product awareness and a positive reputation.
- *Global Expertise.* Because we are a global organization with research and development, and sales and other offices in many countries, directors with global expertise, particularly in Europe, the U.S. and Asia, can provide a useful business and cultural perspective regarding many significant aspects of our business.

Identification and Evaluation of Nominees for Directors

Our Nominating and Governance Committee uses a variety of methods for identifying and evaluating nominees for director. Our Nominating and Governance Committee regularly assesses the appropriate size and composition of the Board of Directors, the needs of the Board of Directors and the respective Committees of the Board of Directors, and the qualifications of candidates in light of these needs. Candidates may be identified through search firms and also may come to the attention of the Nominating and Governance Committee through shareholders, management, or current members of the Board of Directors. The evaluation of these candidates may include information provided to the Committee, discussions with persons familiar with the candidate, an interview of the candidate or other actions the Committee deems appropriate, and typically includes the use of paid third parties to review candidates to ensure the nominees have appropriate qualifications and skills.

Board Diversity

In addition to the above, the review and assessment of Board candidates and the current Board composition by the Nominating and Governance Committee includes an assessment of diversity with respect to international experience, geographic representation, age, gender, ethnicity, as well as other qualities and attributes that contribute to the total mix of viewpoints and experience represented on the Board. In addition, Swiss law requires companies to report publicly, starting with respect to fiscal year 2026, on whether the underrepresented gender comprises at least 30% of a company's board of directors. We are providing this information herein in advance of the Swiss statutory deadline and in accordance with Nasdaq Listing Rule 5605(f). In our current eleven-person Board, seven directors are men and four directors are women (i.e. 36% are female directors). Our director nominees include 8 men and 4 women and, if all nominees are elected at the 2022 Annual General Meeting, our Board will be composed of 33% female directors. The nationalities of our director nominees include Swiss, American, British/U.K., Chinese, Italian, Israeli, and Filipino. Six of our director nominees reside in Europe and six reside in the United States.

The following chart summarizes certain self-identified personal characteristics of our current directors, in accordance with Nasdaq Listing Rule 5605(f). Each term used in the table has the meaning given to it in the rule and related instructions.

Board Diversity Matrix (As of April 15, 2022)*

Country of Principal Executive Offices:			Switzerland	
Foreign Private Issuer:			No	
Disclosure Prohibited under Home Country Law:			No	
Board Size:				
Total Number of Directors:			11	
	Female	Male	Non-Binary	Did not Disclose Gender
Gender Identity:				
Directors	4	7	—	—
Demographic Background:				
African American or Black	—	—	—	—
Alaskan Native of Native American	—	—	—	—
Asian	2	—	—	—
Hispanic or Latinx	—	—	—	—
Native Hawaiian or Pacific Islander	—	—	—	—
White	2	7	—	—
Two or More Races or Ethnicities	—	—	—	—
LGBTQ+	—			
Did Not Disclose Demographic Background	3			
Additional Information: Nationalities				
Swiss	3			
American	6			
British/U.K.	3			
Italian	1			
Israeli	1			
Filipino	1			

*The Logitech Board Diversity Matrix includes current directors only.

Corporate Governance and Board of Directors Matters

Terms of Office of Directors

Each director is elected individually by a separate vote of shareholders for a one-year term. Nine of our eleven current directors are being presented for re-election to the Board of Directors at the 2022 Annual General Meeting. Each director is eligible for re-election until his or her seventieth birthday. Directors may not seek reelection after they have reached 70 years of age or have served on the Board of Directors as a non-employee member for 12 years, unless the Board of Directors adopts a resolution to the contrary. A member of the Board who reaches 70 years of age or 12 years of service as a non-employee member of the Board of Directors during the term of his or her directorship may remain a director until the expiration of the term. A director's term of office as Chairperson coincides with his or her term of office as a director. A director may be indefinitely re-elected as Chairperson, subject to the age and tenure limits mentioned above.

The year of appointment and remaining term of office as of March 31, 2022 for each director are as follows:

Name	Year First Appointed	Year Current Term Expires
Patrick Aebischer[(1)]	2016	2022 Annual General Meeting
Wendy Becker[(1)]	2017	2022 Annual General Meeting
Edouard Bugnion[(1)]	2015	2022 Annual General Meeting
Riet Cadonau[(1)(2)(3)]	2020	2022 Annual General Meeting
Bracken Darrell[(4)]	2013	2022 Annual General Meeting
Guy Gecht[(1)]	2019	2022 Annual General Meeting
Neil Hunt[(1)(5)]	2010	2022 Annual General Meeting
Marjorie Lao[(1)]	2018	2022 Annual General Meeting
Neela Montgomery[(1)]	2017	2022 Annual General Meeting
Michael Polk[(1)]	2019	2022 Annual General Meeting
Deborah Thomas[(1)]	2020	2022 Annual General Meeting

(1) Non-executive member of the Board of Directors.

(2) Mr. Cadonau was elected to the Board at the Annual General Meeting in September 2020 but, as reported at the time of his nomination and election, he did not join the Board until April 1, 2021.

(3) Mr. Cadonau is not standing for re-election at the 2022 Annual General Meeting.

(4) Executive member of the Board of Directors.

(5) Dr. Hunt, having reached the limit of 12 years of service as a non-employee director under our Organizational Regulations, is not standing for re-election at the 2022 Annual General Meeting.

Corporate Governance and Board of Directors Matters

Board Responsibilities and Structure

The Board of Directors is responsible for supervising the management of the business and affairs of the Company. In addition to the non-transferable powers and duties of boards of directors under Swiss law, the Logitech Board of Directors also has the following responsibilities:

- the signatory power of its members;
- the approval of the budget submitted by the Chief Executive Officer;
- the approval of investments or acquisitions of more than USD 10 million in the aggregate not included in the approved budgets;
- the approval of any expenditure of more than USD 10 million not specifically identified in the approved budgets; and
- the approval of the sale or acquisition, including related borrowings, of the Company's real estate.

The Board of Directors has delegated the management of the Company to the Chief Executive Officer and the executive officers, except where Swiss law or the Company's Articles of Incorporation or Organizational Regulations (By-Laws) provide differently.

Board Leadership Structure

The Board has an Independent Chairperson in line with current Swiss and U.S. best governance practices. The Chairperson of the Board is elected by the shareholders on an annual basis, at the Annual General Meeting of Shareholders. The Secretary of the Board of Directors is typically appointed at the Board meeting coinciding with the Annual General Meeting of Shareholders. As of June 30, 2022, the Secretary was Samantha Harnett, the Company's General Counsel.

Role of the Chairperson and of the Chief Executive Officer

The Chairperson has responsibility for managing the Board, managing the relationship between the Board and the Chief Executive Officer and senior management of the Company, representing the Board and the Company with shareholders, the press and other external persons, establishing objectives for and evaluating the performance of the Chief Executive Officer, ensuring succession planning, and, together with the Chief Executive Officer, setting the values, ethics and culture of the Company. The Chairperson also assumes a leading role in mid- and long-term strategic planning and the selection of top-level management, and supports major transaction initiatives of Logitech.

The Chief Executive Officer manages the day-to-day operations of Logitech, with the support of the other executive officers. The Chief Executive Officer has, in particular, the following powers and duties:

- defining and implementing short and medium term strategies;
- preparing the budget, which must be approved by the Board of Directors;
- reviewing and certifying the Company's annual report;
- appointing, dismissing and promoting any employees of Logitech other than executive officers and the head of the internal audit function;
- taking immediate measures to protect the interests of the Company where a breach of duty is suspected from executive officers until the Board has decided on the matter;
- carrying out Board resolutions;
- reporting regularly to the Chairperson of the Board of Directors on the activities of the business;
- preparing supporting documents for resolutions that are to be passed by the Board of Directors; and
- deciding on issues brought to his attention by executive officers.

The detailed authorities and responsibilities of the Board of Directors, the Chief Executive Officer and the executive officers are set out in the Company's Articles of Incorporation and Organizational Regulations. Please refer to *http://ir.logitech.com* for copies of these documents.

Lead Independent Director

In the absence of an independent Chairperson of the Board, the responsibilities of the Lead Independent Director include chairing meetings of the non-executive directors and serving as the presiding director in performing such other functions as the Board may direct. The decision of whether to have, and the election of, a Lead Independent Director is determined by the independent members of the Board. The Board currently does not have a Lead Independent Director. With the re-election of an Independent Chairperson of the Board, it is expected that the Board will continue not to have someone in that role.

Means by Which the Board of Directors Supervises Executive Officers

The Board of Directors is regularly informed on developments and issues in Logitech's business, and monitors the activities and responsibilities of the executive officers in various ways.

- At each regular Board meeting the Chief Executive Officer reports to the Board of Directors on developments and important issues. The Chief Executive Officer also provides updates to the Board members regarding Logitech's business between the dates of regular Board meetings.
- The offices of Chairperson and Chief Executive Officer are generally separated, to help ensure balance between leadership of the Board and leadership of the day-to-day management of Logitech. The Chairperson and the Chief Executive Officer have regularly scheduled meetings to discuss Logitech's business.
- Executive officers and other members of senior management, at the invitation of the Board, attend portions of meetings of the Board and its Committees to report on the financial results of Logitech, its operations, performance and outlook, and on areas of the business within their responsibilities, as well as other business matters. For further information on participation by executive officers and other members of senior management in Board and Committee meetings please refer to "Board Committees" below.
- There are regular quarterly closed sessions of the non-executive, independent members of the Board of Directors, led by the independent Chairperson, where Logitech issues are discussed without the presence of executive or non-independent members of the Board or executive officers.
- The Board holds quarterly closed sessions, where all Board members meet without the presence of non-Board members, to discuss matters appropriate to such sessions, including organizational structure and the hiring and mandates of executive officers.
- There are regularly scheduled reviews at Board meetings of Logitech strategic and operational issues, including discussions of issues placed on the agenda by the non-executive members of the Board of Directors.
- The Board reviews and approves significant changes in Logitech's structure and organization, and is actively involved in significant transactions, including acquisitions, divestitures and major investments.
- All non-executive Board members have access, at their request, to all internal Logitech information.
- The head of the Internal Audit function reports to the Audit Committee.

The Board's Role in Risk Oversight

One of the Board's functions is oversight of risk management at Logitech. "Risk" is inherent in business, and the Board seeks to understand and advise on risk in conjunction with the activities of the Board and the Board's Committees.

The largest risk in any business typically is that the products and services it offers will not be met by customer demand, because of poor strategy, poor execution, lack of competitiveness, or some combination of these or other factors. The Board implements its risk oversight responsibilities, at the highest level, through regular reviews of the Company's business, product strategy and competitive position, and through management and organizational reviews, evaluations and succession planning.

Within the broad strategic framework established by the Board, management is responsible for: identifying risk and risk controls related to significant business activities; mapping the risks to company strategy; and developing programs and recommendations to determine the sufficiency of risk identification, the balance of potential risk to potential reward and the appropriate manner in which to control risk.

The Board's risk oversight role is implemented at the full Board level, and also in individual Board Committees. The full Board receives specific reports on enterprise risk management, in which the identification and control of risk are the primary topics of the discussion. Presentations and other information for the Board and Board Committees generally identify and discuss relevant risk and risk control; and the Board members assess and oversee the risks as a part of their review of the related business, financial, or other activity of the Company. The Compensation Committee oversees issues related to the design and risk controls of compensation programs. The Audit Committee oversees issues related to internal control over financial reporting and Logitech's risk tolerance in cash-management investments. The Technology and Innovation Committee oversees the Company's cybersecurity, information security and other technology risks, controls and procedures, including review of the Company's current threat landscape, strategy to mitigate cybersecurity, information security and other technology risks, and critical incident response plans. The Board's role in oversight does not have a direct impact on the Board's leadership structure, which is discussed above.

Board Oversight of Environmental, Social and Governance (ESG)

We believe that full board oversight is important to ensure that ESG is part of, and aligned with, our overall Company strategy. As a result, our Board oversees our ESG programs, with support at the committee level. Our ESG programs include, but are not limited to, sustainability, human rights and labor, privacy and security, human capital resources, including diversity and inclusion, and governance practices.

To support the Board in its oversight efforts, the Nominating and Governance Committee evaluates and advises on the Board's process and cadence for oversight of the Company's ESG strategy.

Board Meetings

The Chairperson sets the agenda for Board meetings, in coordination with the Chief Executive Officer. Any member of the Board of Directors may request that a meeting of the Board be convened. The directors receive materials in advance of Board meetings allowing them to prepare for the handling of the items on the agenda.

The Chairperson and Chief Executive Officer recommend executive officers or other members of senior management who, at the invitation of the Board, attend portions of each quarterly Board meeting to report on areas of the business within their responsibility. Infrequently, the Board may also receive reports from external consultants such as executive search or succession experts, financial advisors or outside legal experts to assist the Board on matters it is considering.

The Board typically holds a regularly scheduled Board meeting each quarter for a review and discussion of the Company, its strategy or both, which lasts a full day to a day-and-a-half and in which all directors participate in person except in special individual circumstances. During the COVID-19 pandemic, the Board has been generally holding meetings by video and teleconference. In addition, the Chief Executive Officer and Chief Financial Officer provide a quarterly update to the Board prior to each earnings announcement. Additional meetings of the Board may be held by teleconference or video conference and the duration of such meetings varies depending on the subject matters considered.

Emergency Resolutions

In case of emergency, the Chairperson of the Board may have the power to pass resolutions which would otherwise be the responsibility of the Board. Decisions by the Chairperson of the Board made in this manner are subject to ratification by the Board of Directors at its next meeting or by way of written consent. No such emergency resolutions were passed during fiscal year 2022.

Independent Director Sessions

The Board of Directors has adopted a policy of regularly scheduled sessions of Board meetings where the independent directors meet to consider matters without management or non-independent directors present. During fiscal year 2022, separate sessions of the independent directors were held at four separate meetings.

Board Effectiveness

Our Board of Directors and Board Committees perform annual self-assessments to evaluate their effectiveness in fulfilling their obligations.

Board Committees

The Board has standing Audit, Compensation, Nominating and Governance, and Technology and Innovation Committees to assist the Board in carrying out its duties. Each of the Board committees is composed entirely of directors that are independent in accordance with the published listing requirements of the Nasdaq Stock Market and Swiss corporate governance best practices guidelines. At each quarterly Board meeting, each applicable Board Committee reports to the full Board on the substance of the Committee's meetings, if any, during the quarter.

Each Committee has a written charter approved by the Board. The chair of each Committee determines the Committee's meeting agenda. The Board Committee members receive materials in advance of Committee meetings allowing them to prepare for the meeting. The Charters of each Board Committee are available on Logitech's Investor Relations website at *http://ir.logitech.com*. Each of the Audit, Compensation and Nominating and Governance Committees has the authority to engage outside experts, advisors and counsel to the extent it considers appropriate to assist the Committee in its work. The members of the Committees are identified in the following table:

Director	Audit	Compensation	Nominating and Governance	Technology and Innovation
Patrick Aebischer			X	X
Wendy Becker			Chair	
Edouard Bugnion		X		X
Riet Cadonau		X		
Bracken Darrell				
Guy Gecht	X			Chair
Neil Hunt		X		X
Marjorie Lao	X			
Neela Montgomery		X		
Michael Polk		Chair	X	
Deborah Thomas	Chair			

Corporate Governance and Board of Directors Matters

Attendance at Board, Committee and Annual Shareholders' Meetings

In fiscal year 2022 the Board met six times, five of which were regularly scheduled meetings. In addition, the Audit Committee met nine times, the Compensation Committee met five times, the Nominating and Governance Committee met five times, and the Technology and Innovation Committee met five times. In addition to its meetings, the Board took two actions for approval by written consent during fiscal year 2022. We expect each director to attend each meeting of the Board and the Committees on which he or she serves, and also expect them to attend the Annual General Meeting of shareholders. Due to the limitations caused by the COVID-19 pandemic, only two of our directors attended the 2021 Annual General Meeting in person and our Chairperson attended by videoconference. All of the incumbent directors attended at least 75% of the meetings of the Board and the Committees on which he or she served. Detailed attendance information for Board and Board Committee meetings during fiscal year 2022 is as follows:

	Board of Directors	Audit Committee	Compensation Committee	Nominating and Governance Committee	Technology and Innovation Committee
# of meetings held	*6*	*9*	*5*	*5*	*5*
Patrick Aebischer	*6*			*4*	*4*
Wendy Becker	*6*			*5*	
Edouard Bugnion	*6*		*5*		*5*
Riet Cadonau	*6*		*5*		
Bracken Darrell	*6*				
Guy Gecht(1)	*6*	*3*			*5*
Didier Hirsch(2)	*3*	*4*		*2*	
Neil Hunt	*6*		*5*		*5*
Marjorie Lao	*6*	*9*			
Neela Montgomery(3)	*6*	*5*	*2*		
Michael Polk	*6*		*5*	5	
Deborah Thomas	*6*	*8*			

(1) Mr. Gecht was appointed to the Audit Committee as of September 8, 2021, and he attended three of the four Audit Committee meetings that were held after that date.

(2) Mr. Hirsch did not stand for re-election to the Board at the 2021 Annual General Meeting on September 8, 2021. He attended all three of the Board meetings, four of the five Audit Committee meetings and both of the Nominating and Governance Committee meetings that were held prior to the 2021 Annual General Meeting (noting that a portion of the September 2021 Board meeting was held prior to the 2021 Annual General Meeting).

(3) Ms. Montgomery was elected to the Compensation Committee and moved off the Audit Committee at the 2021 Annual General Meeting as of September 8, 2021, and she attended both of the Compensation Committee meetings that were held after the 2021 Annual General Meeting and all five of the Audit Committee meetings that were held prior to the 2021 Annual General Meeting.

Audit Committee

The Audit Committee is appointed by the Board to assist the Board in monitoring the Company's financial accounting, controls, planning and reporting. It is composed of only non-executive, independent Board members. Among its duties, the Audit Committee:

- reviews the adequacy of the Company's internal controls and disclosure controls and procedures;
- reviews the independence, fee arrangements, audit scope, and performance of the Company's independent auditors, and recommends the appointment or replacement of independent auditors to the Board of Directors;
- reviews and approves all non-audit work to be performed by the independent auditors;
- reviews the scope of Logitech's internal auditing and the adequacy of the organizational structure and qualifications of the internal auditing staff;
- oversees the Company's Code of Conduct and related compliance activities;
- reviews, before release, the quarterly results and interim financial data;
- reviews with management and the independent auditors the Company's major financial risk exposures and the steps management has taken to monitor and control those exposures, including the Company's guidelines and policies with respect to risk assessment and risk management; and
- reviews, before release, the audited financial statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and recommends that the Board of Directors include the audited financial statements in the annual report made available to shareholders.

The Audit Committee currently consists of Ms. Thomas, Chairperson, Mr. Gecht and Ms. Lao. Effective as of the 2022 Annual General Meeting, the Board of Directors has appointed Mr. Zahnd to the Audit Committee. The Board has determined that each member of the Audit Committee, as well as Mr. Zahnd meets the independence requirements of the Nasdaq Stock Market listing standards and the applicable rules and regulations of the SEC. In addition, the Board has determined that Ms. Thomas, Mr. Gecht and Ms. Lao are audit committee financial experts as defined by the applicable rules and regulations of the SEC.

The Audit Committee met nine times in fiscal year 2022. Four of the meetings were held by video and teleconference in advance of the regularly scheduled quarterly Board meetings, for approximately two-and-a-half to three-and-a-half hours, and four of the meetings were held by video and teleconference for approximately one hour preceding the Company's quarterly reports of financial results. The Committee received reports and presentations before the meetings in order to allow them time to prepare adequately. At the Committee's invitation, the Company's Chief Financial Officer, Corporate Controller, Head of Internal Audit, and General Counsel or Associate General Counsel attended each meeting, and representatives from the Company's auditors and independent registered public accounting firm, KPMG AG and KPMG LLP, respectively, also attended all nine of the meetings. Other members of the Board, including the Chairperson, and management, including the Chief Executive Officer, also participated in certain meetings. Five meetings also included a separate session with representatives of the auditors and independent registered public accounting firm, and four meetings included separate sessions with the Head of Internal Audit and with the Chief Financial Officer or other representatives of management.

Compensation Committee

The Compensation Committee reviews and approves, or recommends to the Board for approval, the compensation of executive officers and Board members and Logitech's compensation policies and programs, including share-based compensation programs and other incentive-based compensation. Within the guidelines established by the Board and the limits set forth in the Company's employee equity incentive plans, the Compensation Committee also has the authority to grant equity incentive awards to employees without further Board approval. The Committee is composed of only non-executive, independent Board members.

The Compensation Committee currently consists of Mr. Polk, Chairperson, Dr. Bugnion, Mr. Cadonau, Dr. Hunt and Ms. Montgomery. Following the 2022 Annual General Meeting, Mr. Cadonau and Dr. Hunt will no longer be members of the Board and Compensation Committee. The Board of Directors has nominated Mr. Ng to be elected to the Compensation Committee at the 2022 Annual General Meeting. The Board of Directors has determined that each member of the Compensation Committee, as well as Mr. Ng, meets the independence requirements of the Nasdaq Stock Market listing standards.

The Compensation Committee met five times in fiscal year 2022. Four of the meetings were held by video and teleconference in advance of the regularly scheduled quarterly Board meeting, for approximately one to three-and-a-half hours, and one meeting was held by video and teleconference for approximately half-an-hour. The Compensation Committee received reports and presentations before the meetings in order to allow them time to prepare adequately. At the Compensation Committee's invitation, the Company's Head of People & Culture and Head of Total Rewards and the Compensation Committee's independent advisors from Compensia and Agnès Blust Consulting attended each meeting. Other members of the Board, including the Chairperson, also participated in certain meetings.

In addition to its meetings, the Compensation Committee took five actions for approval by written consent during fiscal year 2022.

Please refer to the Company's Compensation Report for Fiscal Year 2022 for further information on the Compensation Committee's criteria and process for evaluating executive compensation.

Nominating and Governance Committee

The Nominating and Governance Committee is composed of only non-executive, independent directors. Among its duties, the Nominating and Governance Committee:

- evaluates the composition and size of the Board of Directors and its Committees, determines future requirements and makes recommendations to the Board of Directors for approval;
- determines on an annual basis the desired Board qualifications and expertise and conducts searches for potential directors with these attributes;
- evaluates and makes recommendations of nominees for election to the Board of Directors, as Chairperson of the Board, and to the Compensation Committee;
- evaluates and makes recommendations to the Board concerning the appointment of directors to Board Committees and the selection of Board Committee chairs;
- evaluates and makes recommendations to the Board concerning succession planning for the Company's Chairperson, Board Committee leaderships roles, Chief Executive Officer of the Company and key leadership roles;
- reviews developments relating to corporate governance and reviews and makes recommendations to the Board regarding changes to the Company's Corporate Governance Principles and other corporate governance-related documents as appropriate;
- evaluates and advises on the Board's process and cadence for oversight of the Company's environmental, social and governance (ESG) strategy;
- reviews directors' membership on the boards of directors or senior leadership of other companies or organizations, approves the Company Chief Executive Officer's and other Group Management Team members' service on the boards of directors or senior leadership of charitable or similar organizations, and evaluates and makes recommendations to the Board regarding their service on the boards of directors or senior leadership of other companies or legal entities; and
- considers any questions of actual or potential conflicts of interest of Board members and Group Management Team members.

The Nominating and Governance Committee typically retains an executive search firm to assist with the identification and evaluation of prospective Board nominees based on criteria established by the Committee. For information on the Nominating and Governance Committee's policies with respect to director nominations please see "Elections to the Board of Directors" above.

The Nominating and Governance Committee currently consists of Ms. Becker, Chairperson, Dr. Aebischer and Mr. Polk. The Board has determined that each member of the Nominating and Governance Committee meets the independence requirements of the Nasdaq Stock Market listing standards. Upon the Committee's recommendation of nominees for election to the Board of Directors, the nominees are presented to the full Board. Nominees are then selected by a majority of the independent members of the Board. The Nominating and Governance Committee met five times in fiscal year 2022. The meetings were held by video and teleconference and lasted approximately one hour to one-and-a-half hours.

Technology and Innovation Committee

The Technology and Innovation Committee is composed of at least two members. Among its duties, the Technology and Innovation Committee:

- reviews the Company's technology plans and strategies;
- monitors existing and future trends in technology related to the Company's business and advises the Board and the Company's senior technology management team with respect to such trends;
- reviews the Company's approaches to acquiring and maintaining the Company's technology position;
- meets with the Company's senior technology management team to review the Company's internal technology development and product innovation activities and provide input; and
- reviews the Company's cybersecurity, information security and other technology risks, controls and procedures.

The Technology and Innovation Committee currently consists of Mr. Gecht, Chairperson, Dr. Aebischer, Dr. Bugnion and Dr. Hunt, all of whom have advanced technical degrees and have been Chief Technology Officers at technology companies or have founded or managed technology companies. Following the 2022 Annual General Meeting, Dr. Hunt will no longer be a member of the Board and Technology and Innovation Committee. Effective as of the 2022 Annual General Meeting, the Board of Directors has appointed Mr. Jones to the Technology and Innovation Committee. The Technology and Innovation Committee met five times in fiscal year 2022. The meetings were held by video and teleconference and lasted approximately one hour to three-and-a-half hours. The Committee received reports and presentations before the meetings in order to allow them time to prepare adequately. At the Committee's invitation, the Company's Chief Technology Officer attended each meeting. Other members of the Board, including the Chairperson, and management, including the Chief Executive Officer, also participated in certain meetings.

Compensation Committee Interlocks and Insider Participation

None of the members of the Compensation Committee has been an officer or employee of Logitech. None of our executive officers serves on the board of directors or compensation committee of a company that has an executive officer that serves on our Board of Directors.

Communications with the Board of Directors

Shareholders may contact the Board of Directors about bona fide issues or questions about Logitech by sending an email to *generalcounsel@logitech.com* or by writing the Corporate Secretary at the following address:

Logitech International S.A.
Attn: Corporate Secretary
EPFL - Quartier de l'Innovation
Daniel Borel Innovation Center
1015 Lausanne, Switzerland

All such shareholder communications will be forwarded to the appropriate member or members of the Board of Directors or, if none is specified, to the Chairperson of the Board of Directors.

Security Ownership

Security Ownership of Certain Beneficial Owners and Management as of June 30, 2022

In accordance with the proxy statement rules under U.S. securities laws, the following table shows the number of our shares beneficially owned as of June 30, 2022 by:

- each person or group known by Logitech, based on filings pursuant to Section 13(d) or (g) under the U.S. Securities Exchange Act of 1934 or notifications to the Company under applicable Swiss laws, to own beneficially more than 5% of our outstanding shares as of June 30, 2022;
- each director and each nominee for director;
- the persons named in the Summary Compensation Table in the Compensation Report (the "named executive officers"); and
- all directors and current executive officers as a group.

	Number of Shares Owned[2]	Shares that May be Acquired Within 60 Days[3]	Total Beneficial Ownership	Total as a Percentage of Shares Outstanding[4]
5% Shareholders:[1]				
BlackRock, Inc.[5]	17,138,825	—	17,138,825	10.4 %
Directors, not including the CEO:				
Patrick Aebischer	20,348	—	20,348	*
Wendy Becker	16,109	—	16,109	*
Edouard Bugnion	35,643	—	35,643	*
Riet Cadonau [6]	807	—	807	*
Guy Gecht	5,605	—	5,605	*
Neil Hunt	68,609	—	68,609	*
Marjorie Lao	8,077	—	8,077	*
Neela Montgomery	7,801	—	7,801	*
Michael Polk	7,634	—	7,634	*
Deborah Thomas [6]	2,169	—	2,169	*
Named Executive Officers:				
Prakash Arunkundrum	53,404	54,923	108,327	*
Bracken Darrell	896,542	—	896,542	*
Samantha Harnett[7]	1,317	4,117	5,434	*
Nate Olmstead	14,715	56,697	71,412	*
Current Directors and Executive Officers as a Group (14)	1,138,780	115,737	1,254,517	*

* *Less than 1%*

(1) *Unless otherwise indicated, the address for each beneficial owner listed in this table is c/o Logitech International S.A., EPFL, Quartier de l'Innovation, Daniel Borel Innovation Center, 1015 Lausanne, Switzerland or c/o Logitech Inc., 7700 Gateway Boulevard, Newark, California 94560, USA.*

(2) *To Logitech's knowledge, except as otherwise noted in the footnotes to this table, each director and executive officer has sole voting and investment power over the shares reported as beneficially owned in accordance with SEC rules, subject to community property laws where applicable.*

(3) Includes shares represented by vested, unexercised options as of June 30, 2022 and options, restricted stock units and performance share units that are expected to vest within 60 days after June 30, 2022. These shares are deemed to be outstanding for the purpose of computing the percentage ownership of the person holding the options or restricted stock units, but are not treated as outstanding for the purpose of computing the percentage ownership of any other person.

(4) Based on 164,055,142 shares outstanding on June 30, 2022 (173,106,620 shares outstanding less 9,051,478 treasury shares outstanding).

(5) The number of shares held by BlackRock, Inc. is based on the number of shares reported as beneficially owned by BlackRock, Inc. and its subsidiaries on a notification filed with the SIX Swiss Exchange Regulation on February 22, 2022. The address of BlackRock, Inc. is 55 East 52nd Street, New York, NY 10055.

(6) Riet Cadonau and Deborah Thomas were first elected as directors of the Company at the Annual General Meeting on September 9, 2020. As reported at the time of his nomination and election, Mr. Cadonau did not join the Board until April 1, 2021.

(7) Samantha Harnett was designated as a member of the Group Management Team and as an executive officer on July 1, 2020.

Share Ownership Guidelines

Members of the Board of Directors and executive officers and other officers who report directly to the Chief Executive Officer are subject to share ownership guidelines.

Each director is required to own Logitech shares with a market value equal to 5 times the annual Board retainer under guidelines adopted by the Board in June 2006, revised in June 2013 and June 2019 (effective as of September 4, 2019), and recently revised again in July 2020. Directors are required to achieve this ownership within five years of joining the Board, or, in the case of directors serving at the time the revised guidelines were adopted in 2019, within five years of the effective date of adoption of the guidelines. If a director has not met the ownership guideline by the end of the five-year period or is below the guideline at any time after the five-year period, one-half of the director's annual Board retainer will be paid in Logitech shares until the ownership guideline has been satisfied. After reaching the share ownership guideline and then falling below the guideline solely as a result of Logitech's stock price dropping, the director will have until the later of the original five-year period or up to two years from falling below the guideline to return to compliance with the guideline. The guidelines will be adjusted to reflect any capital adjustments, and will be reevaluated by the Board from time to time. As of June 30, 2022, each director had either satisfied these ownership guidelines or had time remaining to do so.

The Compensation Committee adopted share ownership guidelines for executive officers and other officers who report directly to the Chief Executive Officer or President effective September 2008, and most recently revised in June 2021. These guidelines now apply to executive officers and other officers who report directly to the Chief Executive Officer. These guidelines require:

- the Chief Executive Officer to hold a number of Logitech shares with a market value equal to 5 times his or her annual base salary;
- the Chief Financial Officer to hold a number of Logitech shares with a market value equal to 3 times his or her annual base salary;
- executive officers, other than the Chief Executive Officer and Chief Financial Officer, each to hold a number of Logitech shares with a market value equal to 2 times his or her respective annual base salary; and
- remaining officers who report directly to the Chief Executive Officer each to hold a number of Logitech shares with a market value equal to his or her respective annual base salary.

Each officer subject to the guidelines is required to achieve his or her applicable guideline within five years of being appointed to the position making him or her subject to the guideline, or, in the case of such officers serving at the time the guidelines were originally adopted, within five years of the effective date of adoption of the guidelines. The ownership guideline may be met only through owned shares. If the ownership guideline is not met within five years or if the officer is below the guideline at any time after the five-year period, the Chief Executive Officer must hold 100% of his or her after-tax shares resulting from equity incentive awards until the guideline is reached, and all other executive officers and Chief Executive Officer direct reports must hold at least 50% of the net shares resulting from equity incentive awards until the guideline is reached. In addition, if the ownership guideline is not met or if the officer is below the guideline at any time after the five-year period, the officer will have 50% of the after-tax value of any earned bonuses under the Leadership Team Bonus Program paid in fully vested Logitech shares. After reaching the share ownership guideline and then falling below the guideline solely as a result of Logitech's stock price dropping, the officer will have until the later of the original five-year period or up to two years from falling below the guideline to return to compliance with the guideline. The guidelines will be adjusted to reflect any capital adjustments, and will be re-evaluated by the Compensation Committee from time to time. As of June 30, 2022, all of the executive officers had either satisfied these ownership guidelines or had time remaining to do so.

Certain Relationships and Related Transactions

Our Policies

It is our policy that all employees must not engage in any activities which could conflict with Logitech's business interests, which could adversely affect its reputation or which could interfere with the fulfillment of the responsibilities of the employee's job, which at all times must be performed in the best interests of Logitech. In addition, Logitech employees may not use their position with Logitech, or Logitech's information or assets, for their personal gain or for the improper benefit of others. These policies are included in our Code of Conduct, which covers our directors, executive officers and other employees. If in a particular circumstance the Board concludes that there is or may be a perceived conflict of interest, the Board will instruct our Legal department to work with our relevant business units to determine if there is a conflict of interest. Any waivers to these conflict rules with regard to a director or executive officer require the prior approval of the Board, and any transaction that is a related party transaction under U.S. securities laws must be approved by the Audit Committee or another independent committee of the Board.

Nasdaq Rules and Swiss Best Corporate Governance Practices

Nasdaq rules defining "independent" director status also govern conflict of interest situations, as do Swiss best corporate governance principles published by economiesuisse, a leading Swiss business organization. As discussed above, the Board of Directors has determined that each of our directors and director nominees, other than Mr. Darrell, qualifies as "independent" in accordance with the Nasdaq rules. The Nasdaq rules include a series of objective tests that would not allow a director to be considered independent if the director has or has had certain employment, business or family relationships with the company. The Nasdaq independence definition also includes a requirement that the Board review the relations between each independent director and the company on a subjective basis. In accordance with that review, the Board has made a subjective determination as to each independent director that no relationships exist that, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

SEC Rules

In addition to the Logitech and Nasdaq policies and rules described above, the SEC has specific disclosure requirements covering certain types of transactions involving Logitech and a director or executive officer or persons and entities affiliated with them.

During fiscal year 2022, Logitech did approximately USD 142,000 of business with SGS S.A. and its subsidiaries, primarily consisting of payments for standards testing and technical services. Mr. Kwok Wang Ng, the Chief Executive Officer of SGS S.A., is a new director nominee for election at our 2022 Annual General Meeting.

Other than SGS S.A., since April 1, 2021 we have not been a party to, and we have no plans to be a party to, any transaction or series of similar transactions in which the amount involved exceeded or will exceed USD 120,000 and in which any current director, director nominee, executive officer, holder of more than 5% of our shares, or any member of the immediate family of any of the foregoing, had or will have a direct or indirect material interest.

We have entered into an indemnification agreement with each of our directors and executive officers. The indemnification agreements require us to indemnify our directors and officers to the fullest extent permitted by Swiss and California law.

None of the following persons has been indebted to Logitech or its subsidiaries at any time since the beginning of fiscal year 2022: any of our directors or executive officers; any nominee for election as a director; any member of the immediate family of any of our directors, executive officers or nominees for director; any corporation or organization of which any of our directors, executive officers or nominees is an executive officer or partner or is, directly or indirectly, the beneficial owner of 10% or more of any class of equity securities (except trade debt entered into in the ordinary course of business); and any trust or other estate in which any of the directors, executive officers or nominees for director has a substantial beneficial interest or for which such person serves as a trustee or in a similar capacity.

Independent Auditors

Under Logitech's Articles of Incorporation, the shareholders elect or re-elect the Company's independent auditors each year at the Annual General Meeting.

Logitech's independent auditors for fiscal year 2022 were KPMG AG, Zurich, Switzerland. KPMG AG assumed its first audit mandate for Logitech in fiscal year 2015. They were elected by the shareholders as Logitech's auditors at the Annual General Meeting in December 2014 and re-elected at the Annual General Meetings in September 2015, September 2016, September 2017, September 2018, September 2019, September 2020, and September 2021. For purposes of U.S. securities law reporting, KPMG LLP, San Francisco, California, served as the Company's independent registered public accounting firm for fiscal year 2022. Together, KPMG AG and KPMG LLP are referred to as "KPMG." As appointed by the Board, the Audit Committee is responsible for supervising the performance of the Company's independent auditors, and recommends the election or replacement of the independent auditors to the Board of Directors.

Representatives of KPMG were invited to attend all regular meetings of the Audit Committee. During fiscal year 2022, KPMG representatives attended all of the Audit Committee meetings. The Committee met separately five times with representatives of KPMG in closed sessions of Committee meetings.

On a quarterly basis, KPMG reports on the findings of their audit and/or review work including their audit of Logitech's internal control over financial reporting. These reports include their assessment of critical accounting policies and practices used, alternative treatments of financial information discussed with management, and other material written communication between KPMG and management. At each quarterly Board meeting, the Audit Committee reports to the full Board on the substance of the Committee meetings during the quarter. On an annual basis, the Audit Committee approves KPMG's audit plan and evaluates the performance of KPMG and its senior representatives in fulfilling its responsibilities. Moreover, the Audit Committee recommends to the Board the appointment or replacement of the independent auditors, subject to shareholder approval. The Audit Committee reviews the annual report provided by KPMG as to its independence.

Audit and Non-Audit Fees

The following table sets forth the aggregate fees billed to us for the audit and other services provided by KPMG during the fiscal years ended March 31, 2022 and 2021 (in thousands):

		2022		**2021**
Audit fees[1]	$	3,480	$	3,278
Audit-related fees[2]		70		380
Tax fees[3]		203		183
Total	$	3,753	$	3,841

(1) *Audit fees. This category includes fees for the audit of our financial statements in our Annual Report on Form 10-K, fees for the audit of our internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act of 2002, fees for the review of the interim condensed financial statements in our Quarterly Reports on Form 10-Q, fees for the audit of our consolidated financial statements in connection with the Swiss SIX filing, and fees for the services that are normally provided by KPMG in connection with statutory and regulatory filings or other engagements and accounting related to acquisitions.*

(2) *Audit-related fees. This category includes fees for the due diligence services for mergers and acquisitions.*

(3) *Tax fees. This category includes fees related to the 2021 and 2020 tax compliance and tax consulting services.*

Independent Auditors

Pre-Approval Procedures and Policies

The Audit Committee pre-approves all audit and non-audit services provided by KPMG. This pre-approval must occur before the auditor is engaged. The Audit Committee pre-approves categories of non-audit services and a target fee associated with each category. Usage of KPMG fees against the target is presented to the Audit Committee at each in-person quarterly meeting, with additional amounts requested as needed. Services that last longer than a year must be re-approved by the Audit Committee.

The Audit Committee can delegate the pre-approval ability to a single independent member of the Audit Committee. The delegate must communicate all services approved at the next scheduled Audit Committee meeting. The Audit Committee or its delegate can pre-approve types of services to be performed by KPMG with a set dollar limit per type of service. The Corporate Controller is responsible for ensuring that the work performed is within the scope and dollar limit as approved by the Audit Committee. Management must report to the Audit Committee the status of each project or service provided by KPMG.

Report of the Audit Committee

The Audit Committee is responsible for overseeing Logitech's accounting and financial reporting processes and audits of Logitech's financial statements. The Audit Committee acts only in an oversight capacity and relies on the work and assurances of management, which has primary responsibility for Logitech's financial statements and reports, Logitech's internal auditors, as well as KPMG, Logitech's independent auditors, which is responsible for expressing an opinion on the conformity of Logitech's audited financial statements to generally accepted accounting principles and attesting to the effectiveness of Logitech's internal control over financial reporting.

The Board of Directors has adopted a written charter for the Audit Committee. A copy of the Charter can be found on our website at *http://ir.logitech.com*. To view the charter, select "Audit Committee Charter" under "Corporate Governance."

The Audit Committee has reviewed and discussed our audited financial statements for the fiscal year ended March 31, 2022, with our management. In addition, the Audit Committee has discussed with the independent auditors the matters required to be discussed by the applicable requirements of the Public Company Accounting Oversight Board.

The Audit Committee has received the written disclosures and the letter from the independent accountant required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the Audit Committee concerning independence, and has discussed with the independent accountant the independent accountant's independence.

Based on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors that the audited consolidated financial statements be included in Logitech's Annual Report on Form 10-K for the fiscal year ended March 31, 2022.

Submitted by the Audit Committee of the Board

Deborah Thomas, Chairperson
Guy Gecht
Marjorie Lao

Delinquent Section 16(a) Reports

Section 16 of the Exchange Act requires Logitech's directors, executive officers and any persons who own more than 10% of Logitech's shares, to file initial reports of ownership and reports of changes in ownership with the SEC. Such persons are required by SEC regulation to furnish Logitech with copies of all Section 16(a) forms that they file. As a matter of practice, our administrative staff assists our executive officers and directors in preparing initial ownership reports and reporting ownership changes, and typically files these reports on their behalf.

We believe that all Section 16(a) filing requirements were met in fiscal year 2022, with the exception noted below:

- A late Form 4 report was filed for Nate Olmstead on June 17, 2021 to report sales of shares pursuant to a Rule 10b5-1 trading plan on May 20, 2021, May 27, 2021 and June 2, 2021.

Compensation Report for Fiscal Year 2022

This Compensation Report has been designed to comply with both the proxy statement disclosure rules under U.S. securities laws and Swiss regulations. For Swiss law purposes, this Report is supplemented by the Compensation Tables Audited Under Swiss Law prepared in compliance with the Ordinance against Excessive Compensation in Stock Exchange Listed Companies in Switzerland (the “Minder Ordinance”). This Report is an integrated part of our Annual Report, Invitation, and Proxy Statement for our 2022 Annual General Meeting.

Compensation Discussion and Analysis

This Compensation Discussion and Analysis is intended to assist our shareholders in understanding our executive compensation program by providing an overview of our executive compensation-related policies, practices, and decisions for fiscal year 2022. It also explains how we determined the material elements of compensation for our Chief Executive Officer ("CEO"), our Chief Financial Officer ("CFO"), and our other executive officers for fiscal year 2022, and who we refer to as our “Named Executive Officers.” For fiscal year 2022, our Named Executive Officers were:

- Bracken Darrell, President and Chief Executive Officer;
- Nate Olmstead, Chief Financial Officer;
- Prakash Arunkundrum, Head of Global Operations & Sustainability; and
- Samantha Harnett, General Counsel.

Executive Summary

The Compensation Committee believes the design of our executive compensation program has met and will continue to meet our goal of providing our executives with market-competitive compensation packages that provide for above-market rewards when Logitech outperforms both our internal goals and the overall market, and limited rewards when Logitech’s performance does not meet these objectives. Overall, our Compensation Committee has developed an executive compensation program that it trusts will provide an incentive to drive the Company’s performance and reward both our shareholders and our executives.

Fiscal Year 2022 Business Highlights

Logitech had a successful fiscal year 2022, demonstrating our resilient capabilities and the strength of our strategy.

- We delivered our highest ever fiscal year net sales at $5.48 billion, up 4 percent over fiscal year 2021 net sales in U.S. dollars, and sustaining our scale and growth on top of 76% net sales growth in fiscal year 2021 compared to fiscal year 2020.
- We successfully navigated supply challenges and higher component and freight costs to deliver gross margin within our long-term gross margin range.
- We delivered strong operating income, which exceeded our original operating income guidance and continued to support investment in our marketing and innovation initiatives.
- Our five-year cumulative total shareholder return for the period April 1, 2017 to March 31, 2022 outperformed the Russell 3000 Index and the SMI Expanded (the 50 companies with the highest capitalization in the Swiss equity market) for the same period. Our shareholder return over the last 5 years was 150% as compared to 88% for the Russell 3000 and 40% for the SMI Expanded.

Compensation Report for Fiscal Year 2022

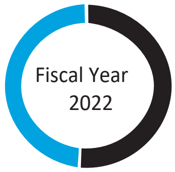
TOTAL SHAREHOLDER RETURN

964%	150%	94%	-31%
10 yr	5 yr	3 yr	1 yr

$575.7 million

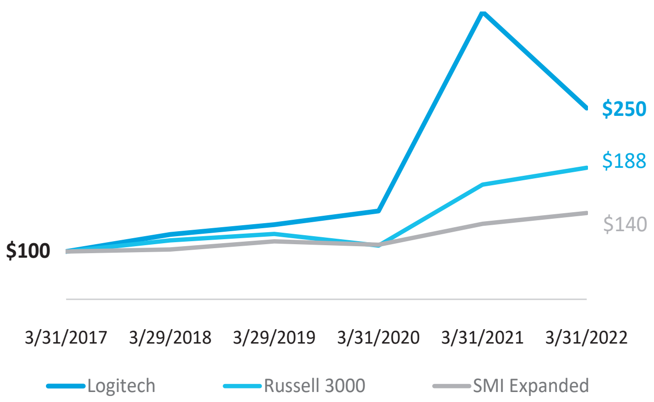
RETURNED TO SHAREHOLDERS

$412.0M in Share Repurchases



$159.4M in Dividends

COMPARISON OF FIVE-YEAR CUMULATIVE TOTAL SHAREHOLDER RETURN



Please see the section entitled *Management's Discussion and Analysis of Financial Condition and Results of Operations* in our Annual Report for a more detailed discussion of our fiscal year 2022 financial results.

Executive Compensation Highlights

Enhancements to Our Compensation Program

Following our shareholder engagement process (discussed further below), we committed to move all executive officers' equity compensation to 100% Performance-Based Units (PSUs). Due to the requirements and limitations of our Group Management Team Compensation Budget under our Articles and the Minder Ordinance, we achieved that in fiscal year 2023. In the interim we have taken the following actions:

- Beginning in fiscal year 2021, we shifted our CEO's equity compensation to 100% PSUs.
- As an interim measure for fiscal year 2022 and in response to shareholder feedback, we changed the vesting of the service-based RSUs granted to our executive officers (other than the CEO who did not receive RSUs) to 3-year cliff vesting rather than the 4-year annual vesting used in awards granted in fiscal year 2021

In our current fiscal year 2023 (which began April 1, 2022) the remaining executive officers received 100% of their equity compensation in the form of PSUs and will no longer receive any service-based restricted stock units (RSUs).

Commitment to ESG

Beginning in fiscal year 2022, and continuing in our current fiscal year 2023, we have incorporated an environmental, social and governance (ESG) scorecard that counts towards 10% of our annual incentive plan. The ESG scorecard is assessed as a composite based on five dimensions: net carbon reduction, carbon labeling, renewable electricity, design for sustainability principles, and external metric reporting. See *2022 Performance Results and Bonus Decisions* below for details of these five dimensions for fiscal year 2022.

Compensation Report for Fiscal Year 2022

Changes Undertaken Based on Shareholder Feedback

In connection with the design of our long-term incentive program the Compensation Committee incorporated feedback we received from our shareholders beginning in 2019, as described in the table below.

OUR RESPONSE TO SHAREHOLDER FEEDBACK

WHAT WE HEARD	OUR ACTIONS	WHY
Some of our shareholders indicated they prefer that our CEO's long-term incentive awards be performance-based.	Granted our CEO 100% PSUs since fiscal year 2021 and eliminated use of service-based RSUs for our CEO.	To further strengthen the alignment with shareholders' interests and the pay-for-performance connection.
Some of our shareholders indicated they are concerned with the use of service-based long-term incentive awards that vest in less than 3 years or without performance criteria.	Granted our CEO 100% PSUs since fiscal year 2021. Beginning in fiscal year 2023, all executive officers were granted 100% PSUs and the use of service-based RSUs in the annual grant was eliminated for all executive officers. As an interim measure, in fiscal year 2022, we granted our executive officers (other than the CEO who did not receive RSUs) 60% PSUs with the remaining 40% granted as service-based RSUs with 3-year cliff-vesting.	To align with our CEO and to further strengthen the alignment with shareholders' interests and the pay-for-performance connection.
Some of our shareholders indicated they prefer one-off or replacement awards to be granted with performance conditions.	As a general practice we do not grant one-off awards without performance conditions. However, we do consider one-off awards when we hire executives to replace forfeited equity from their prior employer as permitted under the Minder Ordinance.	As a Swiss company, our compensation practices are in compliance with the Minder Ordinance which allows replacement of forfeited compensation on a like-for-like basis.
Some of our shareholders are concerned that the absolute level of compensation for our CEO is too high.	Each year the Compensation Committee engages compensation consultants to provide information and analysis on our compensation program and to assist them in assessing the levels of overall compensation and each element of compensation for our CEO and other executive officers.	While the compensation levels and pay mix may differ from Swiss standards, the compensation levels of our CEO and other executive officers are in line with the tech market in Silicon Valley, where we compete for executive talent, and with our compensation peer group.

Compensation Report for Fiscal Year 2022

Summary of Fiscal Year 2022 Compensation Actions

The incentives created by our executive compensation program help to drive strong performance and have contributed to our growth and shareholder value creation and demonstrate our commitment to pay-for-performance. Consistent with our strong performance and compensation philosophy, the Compensation Committee took the following compensation actions for our executive officers for fiscal year 2022:

Named Executive Officer	FY 2022 Base Salary Increase from FY 2021	FY 2022 Annual Bonus as a Percentage of Target Bonus	FY 2020-2022 Performance-Based Units Vesting Level	FY 2022 Annual Performance-Based Restricted Stock Units Awards (Grant Date Approved Value[1])	FY 2022 Annual Service-Based Restricted Stock Units Awards (Grant Date Approved Value[1])
Bracken Darrell	3%	148%	200%	$7,000,000	$0
Nate Olmstead	5%	148%	200%	$930,000	$620,000
Prakash Arunkundrum	0%	155%	200%	$900,000	$600,000
Samantha Harnett	12%	155%	200%	$840,000	$560,000

1. *Reflects equity grant value approved by the Compensation Committee for each executive officer which may differ from the accounting Grant Date Fair Value reflected in the Summary Compensation Table. This Grant Date Approved Value was converted to a number of shares based on the closing price of our registered shares on the grant date, rounded up to the nearest whole share.*

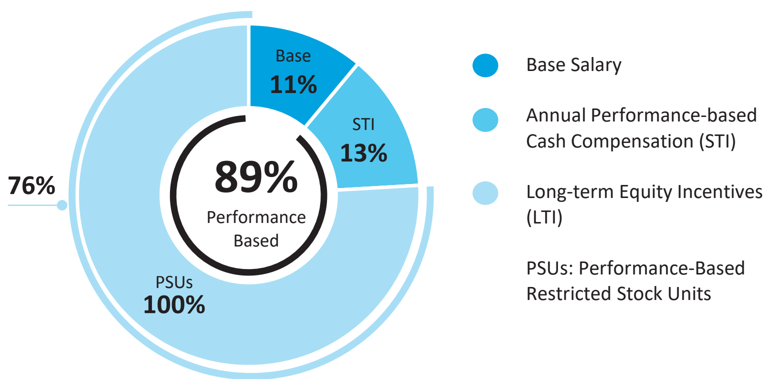
Emphasis on Variable and Performance-Based Compensation

The annual compensation of our executive officers varies from year to year based on our corporate financial and operational results and individual performance. Our executive compensation program emphasizes "variable" performance-based pay over "fixed" pay and seeks to balance short-term and long-term incentives as well as performance-based and service-based incentives.

In fiscal year 2022, the overwhelming majority (89%) of the target total direct compensation of our CEO consisted of performance-based pay, including cash awarded under our annual bonus plan and performance-based equity awards granted as long-term incentives for which value is based on achievement of pre-established performance criteria. Fixed pay, primarily consisting of base salary, made up only 11% of our CEO's target total direct compensation in fiscal year 2022.

The following chart shows the percentages of target "variable" performance-based pay versus target "fixed" pay and the composition of long-term equity incentives awarded to our CEO for fiscal year 2022:

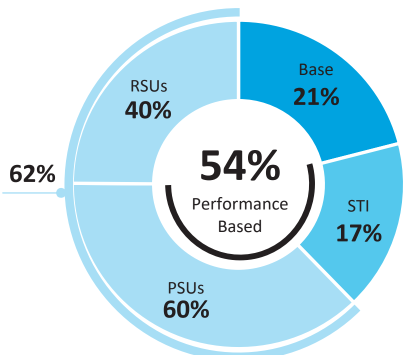
FY2022 CEO TARGET COMPENSATION MIX

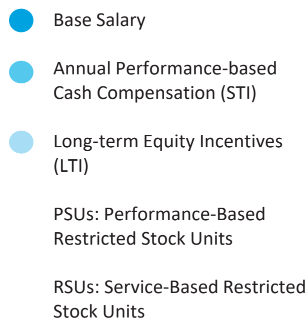


Compensation Report for Fiscal Year 2022

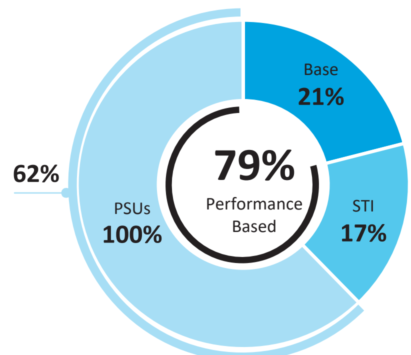
This same philosophy was applied to our other executive officers. The following charts show the percentages of target "variable" performance-based pay versus target "fixed" pay for fiscal year 2022 and with the new equity mix for fiscal year 2023:

FY2022 OTHER NEO TARGET COMPENSATION MIX





FY2023 OTHER NEO TARGET COMPENSATION MIX WITH NEW EQUITY MIX



Compensation Report for Fiscal Year 2022

Executive Compensation Best Practices

We strive to maintain sound executive compensation policies and practices, including compensation-related corporate governance standards, consistent with our executive compensation philosophy. We have the following executive compensation policies and practices in place, including both those that we have implemented to drive performance and those that either prohibit or minimize behaviors that we do not believe serve our shareholders' long-term interests:

What We Do

- ✓ ***Compensation Committee Independence –*** Our Board of Directors maintains a Compensation Committee comprised solely of independent directors.
- ✓ ***Independent Compensation Committee Advisors –*** The Compensation Committee engages and retains its own independent advisors and reviews their independence annually.
- ✓ ***Annual Compensation Review –*** The Compensation Committee conducts an annual review of our executive compensation philosophy and strategy, including a review of the compensation peer group and other information used for comparative purposes.
- ✓ ***Compensation-Related Risk Assessment –*** The Compensation Committee conducts an annual evaluation of our compensation programs, policies, and practices, to ensure that they are designed to reflect an appropriate level of risk-taking but do not encourage our employees to take excessive or unnecessary risks that could have a material adverse impact on the Company.
- ✓ ***Emphasize Performance-based Incentive Compensation –*** The Compensation Committee designs our executive compensation program to use performance-based short-term and long-term incentive compensation awards to align the interests of our executive officers with the interests of our shareholders. Beginning in fiscal year 2023, all executive officers were granted 100% PSUs and the use of service-based RSUs in the annual equity grant was eliminated for all executive officers.
- ✓ ***Emphasize Long-Term Equity Compensation –*** The Compensation Committee uses equity awards to deliver long-term incentive compensation opportunities to our executive officers. These equity awards vest or may be earned over multi-year periods, which better serves our long-term value creation goals and retention objectives.
- ✓ ***Limited Executive Perquisites –*** We generally do not provide perquisites or other personal benefits to our executive officers. The executive officers participate in our health and welfare benefit programs on the same basis as all of our employees.
- ✓ ***Stock Ownership Policy –*** We maintain a stock ownership policy for our directors and executive officers which requires each of them to own a specified amount of our registered shares as a multiple of their base salary or annual board retainer.
- ✓ ***Compensation Recovery Policy –*** We have adopted a policy that provides for the recoupment of bonus and other incentive compensation and equity compensation from our executive officers resulting from fraud or intentional misconduct of an executive officer or if the executive officer knew of the fraud or misconduct.
- ✓ ***"Double-Trigger" Change of Control Arrangements in Equity Award Agreements –*** The post-employment equity compensation arrangements for our executive officers are based on a "double-trigger" arrangement that provides for acceleration of vesting of equity only in the event of (i) a change in control of the Company and (ii) a qualifying termination of employment. As noted below, we do not provide any cash payment related to termination of employment or change of control.
- ✓ ***Prohibition on Hedging and Pledging –*** Under our Insider Trading Policy, we prohibit our executive officers from hedging any Company securities owned by them and from pledging any Company securities owned by them as collateral for a loan.
- ✓ ***Succession Planning –*** Our Board of Directors reviews on an annual basis our succession strategies and plans for our most critical positions.

Compensation Report for Fiscal Year 2022

What We Do Not Do

- ✘ ***No Severance or Change of Control Arrangements* –** To comply with the Minder Ordinance we have no severance or change of control arrangements (other than acceleration of vesting of equity awards as provided in our equity award agreements) for our executive officers.
- ✘ ***No Special Retirement Programs* –** Other than our Section 401(k) plan generally available to all employees in the U.S., we do not offer defined benefit or contribution retirement plans or arrangements for our executive officers.
- ✘ ***No Tax "Gross-Ups" or Payments* –** We do not provide any "gross-ups" or tax payments in connection with any compensation element for our executive officers, other than for our standard relocation benefits. This means we do not provide any excise tax "gross-up" or tax reimbursement in connection with any change of control payments or benefits.
- ✘ ***No Unearned Dividends* –** We do not pay dividends or dividend equivalents on unvested or unearned restricted stock unit or performance-based restricted stock unit awards.
- ✘ ***No Stock Option Repricing* –** We do not reprice options to purchase our registered shares without shareholder approval.
- ✘ ***No Stock Option Awards* –** We do not grant stock option awards to our executive officers.

Say-on-Pay

As required under the U.S. securities laws, Logitech provides our shareholders the ability to periodically cast advisory votes on executive compensation, as reflected in the proposals for our 2022 Annual General Meeting. We remain committed to providing clear and thorough disclosure on our executive compensation practices and actions, and our Compensation Committee will carefully consider the voting results.

Beginning in 2015, in compliance with the Minder Ordinance, we instituted annual binding shareholder votes on the maximum aggregate compensation amounts for our directors and for members of our Group Management Team consistent with the compensation structure that shareholders approved in amendments to our Articles of Incorporation at our 2014 Annual General Meeting.

At our 2020 Annual General Meeting, shareholders approved a maximum aggregate amount of compensation for the Group Management Team and for the Board of Directors. The total actual compensation amounts paid compared to the amounts approved were as follows:

	Period	Approved Maximum Aggregate Compensation	Actual Aggregate Compensation
Group Management Team [(1)]	Fiscal year 2022	$29,400,000	$19,041,303
Board of Directors	2020-2021 Board Year	CHF3,500,000	CHF3,359,315

1. *Approved maximum aggregate compensation amount based on four Group Management Team members.*

At our 2021 Annual General Meeting, 83% of the votes cast on our annual Say-on-Pay proposal supported the compensation of our named executive officers, 85% approved the aggregate compensation of our Group Management Team for fiscal year 2023 and 98% approved the aggregate compensation for the Board of Directors for the 2021 to 2022 Board Year.

Shareholder Engagement

Logitech's relationship with its shareholders is a critical part of our company's success and we have a long tradition of transparency and responsiveness to shareholder perspectives. The Compensation Committee was mindful of shareholder support for our pay-for-performance compensation philosophy in maintaining our general compensation practices and setting fiscal year 2022 compensation for our executive officers. Our CEO and CFO regularly speak with our shareholders about the Company, our performance and strategy and communicate any feedback on our compensation plans back to the Compensation Committee. Our Board Chair, our Compensation Committee Chair and other members of the Compensation Committee are also periodically involved in shareholder outreach and participated in such discussions in fiscal year 2022. The Committee considers this feedback when designing our compensation programs and making compensation decisions.

Compensation Report for Fiscal Year 2022

In fiscal year 2022, we engaged in discussions with institutional investors based in the United States and Europe representing approximately 50% of our outstanding shares. These investors expressed appreciation for our outreach efforts and recognized, that while we are a Swiss company, we need to consider United States Silicon Valley compensation practices to remain competitive in attracting and retaining our executives. The feedback received was summarized and presented to the Compensation Committee.

In response to investor feedback, we have:

- Continued to structure our compensation program to support a strong pay-for-performance alignment;
- Changed the mix of long-term equity awards for our CEO to 100% PSUs with three-year cliff vesting beginning with fiscal year 2021;
- Changed the mix of long-term equity awards for the rest of our executive officers to 100% PSUs with three-year cliff vesting beginning with fiscal year 2023;
- As an interim measure, changed the vesting of service-based RSUs granted to our executive officers in fiscal year 2022 (other than the CEO who does not receive RSUs) to 3-year cliff vesting; and
- Added a strategic ESG component to our annual incentive plan in fiscal year 2022.

We will continue to engage with our shareholders to gain valuable insights into the governance and compensation issues about which they care most and consider the results from this year's and future advisory and binding votes on executive compensation.

For more information regarding our annual Say-on-Pay proposal for fiscal year 2022 and our binding votes on aggregate compensation, see *Proposal 2 – Advisory Vote to Approve Executive Compensation, Proposal 12 – Approval of Compensation for the Board of Directors for the 2022 to 2023 Board Year and Proposal 13 – Approval of Compensation for the Group Management Team for Fiscal Year 2024*.

Compensation Philosophy and Guiding Principles

We have designed our executive compensation program to:

- Provide compensation sufficient to attract and retain the level of talent needed to create and manage an innovative, high-growth, global company in highly competitive and rapidly evolving markets;
- Support a performance-oriented culture;
- Place most of total compensation at risk based on the Company's performance, while maintaining controls over inappropriate risk-taking by factoring in both annual and long-term performance;
- Provide a balance between short-term and long-term objectives and results;
- Align executive compensation with shareholders' interests by tying a significant portion of compensation to increasing share value; and
- Reflect the executive's role and past performance through base salary and short-term cash incentives, and his or her potential for future contribution through long-term equity incentive awards.

However, while compensation is a central part of attracting, retaining, and motivating the best executives and employees, we believe it is not the sole or exclusive reason why exceptional executives or employees choose to join and stay at Logitech, or why they work hard to achieve results for our shareholders. In this regard, both the Compensation Committee and management believe that providing a working environment and opportunities in which executives and employees can develop, express their individual potential, and make a difference are also a key part of Logitech's success in attracting, motivating, and retaining executives and employees.

The Compensation Committee periodically reviews and analyzes market trends and the prevalence of various compensation delivery vehicles and adjusts the design and operation of our executive compensation program from time to time as it deems necessary or appropriate. In designing and implementing the various elements of our executive compensation program, the Compensation Committee considers market and industry practices, as well as our compensation structure's tax efficiency and its impact on our financial condition. While the Compensation Committee considers all of these factors in its deliberations, it places no formal weighting on any one factor.

Compensation Report for Fiscal Year 2022

The Compensation Committee evaluates our compensation philosophy and program objectives on an annual basis or more frequently as circumstances require.

Compensation-Setting Process

Role of the Compensation Committee

The Compensation Committee, among its other responsibilities, establishes our overall compensation philosophy and reviews and approves our executive compensation program, including the specific compensation of our executive officers. The Compensation Committee has the authority to retain compensation consultants and other advisors, including legal counsel, to assist in carrying out its responsibilities. The Compensation Committee's authority, duties, and responsibilities are described in its charter, which is reviewed annually and updated as warranted. The charter is available on our Company website at *http://ir.logitech.com*.

While the Compensation Committee determines our overall compensation philosophy and approves the compensation of our executive officers, it considers the recommendations of its compensation consultants and other advisors, as well as our CEO, our CFO, our head of People & Culture, and our compensation department. The Compensation Committee makes all final decisions regarding executive compensation, including base salary levels, target annual cash bonus opportunities, actual cash bonus payments, and long-term incentives in the form of equity awards. The Compensation Committee meets on a regularly-scheduled basis and at other times as needed. The Compensation Committee periodically reviews compensation matters with our Board of Directors. The chair of the Compensation Committee reports to the Board of Directors on the activities of the Compensation Committee at quarterly board meetings, and the minutes of the Compensation Committee meetings are available to the members of the Board of Directors.

Before the beginning of each fiscal year, the Compensation Committee reviews our executive compensation program to assess whether our compensation elements, actions, and decisions (i) are properly coordinated, (ii) are aligned with our vision, mission, values, and corporate goals, (iii) provide appropriate short-term and long-term incentives for our executive officers, (iv) achieve their intended purposes, and (v) are competitive with the compensation of executives in comparable positions at the companies with which we compete for executive talent. Following this assessment, the Compensation Committee makes any necessary or appropriate modifications to our existing plans and arrangements or adopts new plans or arrangements.

The Compensation Committee also conducts an annual review of our executive compensation strategy to ensure that it is appropriately aligned with our business strategy and achieving our desired objectives. Further, the Compensation Committee reviews market trends and changes in competitive compensation practices, as further described below.

The factors considered by the Compensation Committee in determining the compensation of our executive officers for fiscal year 2022 included:

- Each individual executive's performance and their contribution to a high-performing leadership team;
- Each individual executive's skills, experience, qualifications and marketability;
- The Company's performance against financial goals and objectives;
- The Company's performance relative to both industry competitors and its compensation peer group;
- The positioning of the amount of each executive's compensation in a ranking of peer compensation;
- The compensation practices of the Company's peer group;
- The alignment to shareholder interests;
- Balancing the compensation requirements and practices of a dual listed Swiss multinational technology company;
- Maintaining a diverse and inclusive environment that provides a competitive edge through varied insights; and
- The recommendations of our CEO (except with respect to his own compensation) as described below.

The Compensation Committee did not weight these factors in any predetermined or formulaic manner in making its decisions. The members of the Compensation Committee considered this information in light of their individual experience, knowledge of the Company, knowledge of each executive officer, knowledge of the competitive market, and business judgment in making their decisions regarding executive compensation and our executive compensation program.

As part of this process, our Chairperson works closely with the Compensation Committee in determining the compensation of our CEO. The non-employee members of the Board of Directors evaluate the performance of our CEO each year and the Compensation Committee incorporates that evaluation in its decisions regarding their base salary adjustments, target annual cash bonus opportunities, actual cash bonus payments, and long-term incentives in the form of equity awards. None of our officers, including our CEO, is present during any of the decision making regarding his or her own compensation.

Role of our CEO

Our CEO works closely with the Compensation Committee in determining the compensation of our other executive officers. Typically, our CEO works with the Compensation Committee to recommend the structure of the annual bonus plan, to identify and develop corporate performance objectives for such plan, and to evaluate actual performance against the selected measures. Our CEO also works with the Compensation Committee to determine the appropriate form and performance goals for our equity compensation program.

At the beginning of each year, our CEO reviews the prior year's performance of our executive officers who report to him and then makes recommendations to the Compensation Committee for each element of compensation. Using his evaluation of each executive officer's performance and taking into consideration historical compensation awards to our executive officers and our corporate performance during the preceding year, these recommendations cover base salary adjustments, target annual cash bonus opportunities, actual bonus payments, and long-term incentives in the form of equity awards for each of our executive officers (other than himself) based on our results, the individual executive officer's contribution to these results, and the executive officer's performance toward achieving the executive officer's individual performance goals. The Compensation Committee then reviews these recommendations and makes decisions as to the target total direct compensation of each executive officer, as well as each individual compensation element.

While the Compensation Committee considers our CEO's recommendations, as well as the competitive market analysis prepared by its compensation consultants, these recommendations and market data serve as only two of several factors in making its decisions with respect to the compensation of our executive officers. Ultimately, the Compensation Committee applies its own business judgment and experience to determine the individual compensation elements and amount of each element for our executive officers. Moreover, no executive officer participates in the determination of the amounts or elements of his or her own compensation.

Role of Compensation Consultants

Pursuant to its charter, the Compensation Committee has the authority to engage its own compensation consultants and other advisors, including legal counsel, as it determines in its sole discretion, to assist in carrying out its responsibilities. The Compensation Committee makes all determinations regarding the engagement, fees, and services of these advisors, and any such advisor reports directly to the Compensation Committee. The Compensation Committee may replace its compensation consultants or hire additional advisors at any time.

In fiscal year 2022, pursuant to this authority, the Compensation Committee engaged Compensia, Inc., a U.S. compensation consulting firm, and Agnès Blust Consulting AG, a Swiss compensation consulting firm (As of April 1, 2022, Agnès Blust Consulting AG is now a part of PwC Switzerland). The Compensation Committee engages compensation consultants to provide information, analysis, and other assistance relating to our executive compensation program on an ongoing basis. The nature and scope of the services provided to the Compensation Committee by the independent compensation consultants in fiscal year 2022 were as follows:

- reviewed and recommended updates to the compensation peer group;
- provided advice with respect to compensation best practices and market trends for executive officers and members of our Board of Directors;
- conducted an analysis of the levels of overall compensation and each element of compensation for our executive officers;
- conducted an analysis of the levels of overall compensation and each element of compensation for the members of our Board of Directors;
- conducted a compensation risk assessment;
- assisted in our equity compensation strategy; and
- provided legislative updates and ad hoc advice and support on compensation matters throughout the year.

Compensation Report for Fiscal Year 2022

The independent compensation consultants attend Compensation Committee meetings regularly and as requested and also communicate with the Compensation Committee outside of meetings. The compensation consultants report to the Compensation Committee rather than to management, although they typically meet with members of management, including our CEO and members of our executive compensation staff, for purposes of understanding proposals that management may make to the Compensation Committee.

The Compensation Committee has assessed the independence of the compensation consultants taking into account, among other things, the six independence-related factors as set forth in Exchange Act Rule 10C-1 issued by the SEC under the Dodd–Frank Wall Street Reform and Consumer Protection Act and the enhanced independence standards and factors set forth in the applicable listing standards of the Nasdaq Stock Market, and has concluded that its relationship with each independent compensation consultant and the work of each of them on behalf of the Compensation Committee has not raised any conflict of interest. Compensia and Agnès Blust Consulting have not provided any other services to us and have received no compensation other than with respect to the services described above.

Compensation Peer Group

As part of its deliberations, the Compensation Committee considers competitive market data on executive compensation levels and practices and a related analysis of such data. This data is drawn from a select group of peer companies developed by the Compensation Committee, as well as compensation survey data.

For fiscal year 2022, at the direction of the Compensation Committee, Compensia evaluated the existing compensation peer group and used the criteria set forth in the following table to objectively identify companies for inclusion in the group:

Criteria	Rationale
Industry	We compete for talent with companies in the following industries: • Technology • Consumer Products
Financial Scope	Our executive officer compensation should be similar to senior managers at companies that have comparable financial characteristics including revenue and market capitalization.
Other Factors	As appropriate, we utilize additional refinement criteria (objective or subjective) such as revenue growth, profitability, valuation, headcount, or business model. U.S. publicly traded companies. Although we are a Swiss company, we compete for executive management talent with technology companies in the United States, and particularly in the high-technology area of Silicon Valley.

Based on these criteria, the Compensation Committee selected the following peer group of 20 publicly-traded companies, which it subsequently approved and then used as a reference when making compensation decisions with respect to setting compensation for fiscal year 2022:

Arista Networks	Garmin Ltd.	Qorvo
Cadence Design Systems	Juniper Networks	Skyworks Solutions
Ciena	Keysight Technologies	Synopsys
Citrix Systems	Marvell Technology Group	Teradyne
Electronic Arts	NetApp	Trimble Navigation Limited
F5 Networks	Nuance Communications	Zebra Technologies Corporation
FLIR Systems	Pure Storage	

Belden and EchoStar were removed from our peer group because they no longer fell within the selection criteria for market capitalization. Cypress Semiconductor was removed because it was acquired. These companies were replaced by Arista Networks, Electronic Arts and NetApp because they were better aligned with our selection criteria.

The following table sets forth the revenue and market capitalization of the fiscal year 2022 compensation peer group as of February 2021 as compared to the same data for Logitech:

(in millions)	**Revenue**	**Market Capitalization**
75th Percentile	$4,032	$26,749
50th Percentile	$3,384	$20,599
25th Percentile	$2,493	$13,104
Logitech	$4,426	$17,648
Percentile Rank	89%	42%

The table reflects available revenue information for four quarters as of February 10, 2021 and 30-day average market capitalization as of February 10, 2021, as provided by Compensia.

The market analysis provided by Compensia, and considered by the Compensation Committee in its review of our executive officers' compensation, compares Logitech to multiple sources of data: the compensation peer group described above and a broad custom survey of similarly sized technology companies. The broad technology survey data, which is necessary to provide market data where we do not have publicly disclosed information from our peers, consists of 60 companies that participated in the Radford Global Technology Survey with comparable revenue and market profile to the compensation peer group.

The Compensation Committee believes that information regarding the compensation practices at other companies is useful in at least two respects. First, the Compensation Committee recognizes that our compensation policies and practices must be competitive in the marketplace. Second, this information is useful in assessing the reasonableness and appropriateness of individual executive compensation elements and of our overall executive compensation packages. This information is only one of several factors (as described above) that the Compensation Committee considers, however, in making its decisions with respect to the compensation of our executive officers.

Compensation Report for Fiscal Year 2022

Compensation Elements

The three primary elements of our executive compensation programs are (1) base salary, (2) annual cash bonus opportunities, and (3) long-term incentives in the form of equity awards, as described below:

	Base Salary	**Annual cash bonuses**	**Long-term incentives/equity awards**
What this compensation element rewards	Individual performance, level of experience, and contributions.	Achievement of pre-established short-term corporate performance objectives, as well as management objectives and individual contributions.	Achievement of pre-established corporate performance objectives designed to enhance long-term shareholder value and attract, retain, motivate, and reward executive officers over extended periods for achieving important corporate objectives.
Purpose and Key Features of Element	Provides competitive level of fixed compensation determined by the market value of the position, with actual base salaries established based on the facts and circumstances of each executive officer and each individual position.	Performance levels are established to motivate our executive officers to achieve or exceed performance objectives. For fiscal year 2022, payouts for corporate performance objectives could range from 0% to 200%, depending on actual achievement.	Provide a variable "at risk" pay opportunity that aligns executive and shareholder interests through annual equity awards that vest or are earned over multiple years. Because the ultimate value of these equity awards is directly related to the market price of our registered shares, and the awards are only earned over an extended period of time subject to vesting, they serve to focus executives on the creation and maintenance of long-term shareholder value. Vesting requirements promote retention.
Form of Payment	Cash	Cash	Our CEO receives 100% PSUs with vesting following a three-year performance period. For fiscal year 2022 and as an interim measure, other NEOs received 60% PSUs and 40% RSUs with three-year cliff vesting For fiscal year 2023, all of our NEOs received 100% PSUs and received no service-based equity (RSUs).
Performance Measures		45% Revenue (constant currency) 45% Non-GAAP Operating Income 10% ESG Scorecard	Primary Metric: three-year weighted average Revenue growth (constant currency) Modifier: three-year relative Total Shareholder Return (rTSR) versus Russell 3000 Gate: three-year cumulative Non-GAAP Operating Income

Each of these compensation elements is discussed in greater detail below, including a description of the particular element, how each element fits into our overall executive compensation program, and a discussion of the amounts of compensation paid to our executive officers in fiscal year 2022 under each of these elements. Our executive officers also participate in the standard employee benefit plans available to most of our employees.

Base Salary

We believe that a competitive base salary is a necessary element of our executive compensation program, so that we can attract and retain a stable management team. Base salaries for our executive officers are also intended to be competitive with those received by other individuals in similar positions at the companies with which we compete for talent, as well as equitable across the executive team.

Generally, we establish the initial base salaries of our executive officers through arm's-length negotiation at the time we hire the individual executive officer, taking into account his or her position, qualifications, experience, competitive and market considerations, and the base salaries of our other executive officers.

Thereafter, the Compensation Committee reviews the base salaries of our executive officers annually and makes adjustments to base salaries as it determines to be necessary or appropriate.

In fiscal year 2022, the Compensation Committee reviewed the base salaries of our executive officers, taking into consideration a competitive market analysis performed by Compensia, the scope of each executive officer's role and contribution to performance, and the recommendations of our CEO (except with respect to his own base salary), as well as the other factors described above. Following this review, the Compensation Committee adjusted the salary of Messrs. Darrell and Olmstead and Ms. Harnett to remain competitive with our peer group.

The base salaries of our executive officers for fiscal year 2022 were as follows:

Named Executive Officer	Fiscal Year 2022 Base Salary	Fiscal Year 2021 Base Salary	Percentage Adjustment
Bracken Darrell	$1,000,000	$975,000	3%
Nate Olmstead	$525,000	$500,000	5%
Prakash Arunkundrum	$500,000	$500,000	0%
Samantha Harnett	$475,000	$425,000	12%

The base salaries of our executive officers during fiscal year 2022 are set forth in the "2022 Summary Compensation Table" below.

Annual Cash Bonuses

We use annual bonuses to motivate our executive officers to achieve our short-term financial and operational objectives while making progress towards our longer-term growth and other goals. Consistent with our executive compensation philosophy, these annual bonuses are intended to help us to deliver a competitive total compensation opportunity to our executive officers. Annual cash bonuses are entirely performance-based, are not guaranteed, and may vary materially from year-to-year.

Typically, the Compensation Committee establishes cash bonus opportunities pursuant to a formal cash bonus plan that measures and rewards our executive officers for our actual corporate and their individual performance over our fiscal year. The cash bonus plan is designed to pay above-target bonuses when we exceed our annual corporate objectives and below-target bonuses or no bonus when we do not achieve these objectives.

In fiscal year 2022, the Compensation Committee determined cash bonus opportunities for our executive officers pursuant to the cash bonus plan for fiscal year 2022 under the Logitech Management Performance Bonus Plan (the "Bonus Plan"). Under the Bonus Plan, the Compensation Committee had the authority to select the performance measures and related target levels applicable to the annual cash bonus opportunities for our executive officers.

Compensation Report for Fiscal Year 2022

For fiscal year 2022, the target annual cash bonus opportunities for each of our executive officers under the Bonus Plan, expressed as a percentage of his or her annual base salary, were as follows:

Named Executive Officer	Annual Base Salary	Target Bonus Opportunity (as a percentage of base salary)	Target Bonus Opportunity ($)
Bracken Darrell	$1,000,000	125%	$1,250,000
Nate Olmstead	$525,000	80%	$420,000
Prakash Arunkundrum	$500,000	80%	$400,000
Samantha Harnett	$475,000	80%	$380,000

In setting the amount of the target annual cash bonus opportunities, the Compensation Committee takes into account competitive market data, the individual's role and contribution to performance, as well as the other factors described above. The Compensation Committee increased the target annual cash bonus opportunity for Ms. Harnett for fiscal year 2022 based on her performance, to align with the other executives and to be competitive with our peer group.

Corporate Performance Objectives

For purposes of the Bonus Plan, the Compensation Committee continued to use Revenue and Non-GAAP Operating Income as corporate performance measures for fiscal year 2022. The Compensation Committee believed these performance measures were appropriate for our business because they provided a balance between growing our business, generating revenue, managing our expenses, and increasing profitability, which it believes most directly influences long-term shareholder value. The Compensation Committee established target performance levels for each of these measures at levels that it believed to be challenging, but attainable, through the successful execution of our Board-approved annual operating plan.

Beginning in fiscal year 2022, we have incorporated an environmental, social and governance (ESG) scorecard that will be assessed as a composite based on five metrics: net carbon reduction, labeling the carbon footprint of our products, renewable electricity, design for sustainability principles, and external metric reporting.

For purposes of the Bonus Plan, the corporate performance measures and their weightings were to be calculated as follows:

45% REVENUE (CC)	Net Sales measured in "constant currency" (CC), which excludes the impact of currency exchange rate fluctuations. The target constant currency sales are calculated by translating sales in each local currency at the forecast exchange rate for that currency at the beginning of the performance period. The actual revenue in the performance period is translated in each local currency using the same forecast exchange rate to determine the performance achievement against the performance target. For additional information regarding "constant currency" sales, please refer to the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report.
45% NON-GAAP OPERATING INCOME	GAAP Operating Income from continuing operations, excluding share-based compensation expense, amortization and impairment of intangible assets, purchase accounting effect on inventory, acquisition-related costs, change in fair value of contingent consideration for business acquisition, restructuring charges (credits), gain (loss) on investment, investigation and related expenses, non-GAAP income tax adjustment and other items.
10% ESG SCORECARD	A composite environmental, social and governance (ESG) metric based on five metrics: net carbon reduction, carbon labeling of our products, renewable electricity, design for sustainability principles, and external metric reporting.

For any bonus payment to be made under the fiscal year 2022 Bonus Plan, the threshold performance requirements had to be met for each of the corporate performance measures. For the financial metrics, in the event of actual performance between the threshold and target, and target and maximum, performance levels, the payment amount was to be calculated ratably between each designated segment determined by straight-line interpolation. The ESG scorecard is assessed by the Compensation Committee and a composite score is determined between 0% and 200%.

Individual Performance

In addition to the corporate performance objectives, 25% of the annual cash bonuses for our executive officers, other than our CEO, can be adjusted up or down based on each executive officer's individual performance and other factors including diversity, equity and inclusion as reviewed and assessed by our CEO and determined by the Compensation Committee.

2022 Performance Results and Bonus Decisions

For fiscal year 2022, the Compensation Committee established the following threshold, target and maximum performance and payment levels for each of the corporate performance measures under the Bonus Plan and determined that our actual achievement with respect to the corporate financial objectives under the Bonus Plan was as follows:

Fiscal Year 2022 Annual Incentive Plan

Measure	Weight	Threshold	Target	Maximum	Actual
Revenue CC	45%	$5,054M	$5,586M	$5,852M	$5,549M
Performance Level		90%	100%	105%	99%
Payment Level		25%	100%	200%	**95%**
Non-GAAP Operating Income	45%	$700M	$800M	$900M	$904M
Performance Level		88%	100%	113%	113%
Payment Level		50%	100%	200%	**200%**
ESG Scorecard	10%	50%	100%	200%	150%
Overall Result					**148%**

Based on our achievements during fiscal year 2022 in net carbon reduction, in labeling our products with their carbon footprint, in our use of renewable energy (including within our supply chain or with our supplier factories), in expanded use of design for sustainability principles in several of our product categories, and in the high rankings we received from external companies that measure and report on greenhouse gas emissions or companies' ESG metrics, and in recognition of our sustainability leadership, the Compensation Committee assigned a composite ESG score of 150%.

The actual achievement under the Bonus Plan produced a funding percentage, based on the corporate performance measures, at a 148% level.

Based on its review of our overall corporate performance, and taking into account the CEO's recommendations with respect to individual performance for the executive officers, other than himself, the Compensation Committee approved bonus payments as follows for our executive officers for fiscal year 2022:

Named Executive Officer	Target Annual Cash Bonus Opportunity	Actual Annual Cash Bonus Payment	Percentage of Target Annual Cash Bonus Opportunity
Bracken Darrell	$1,250,000	$1,850,000	148 %
Nate Olmstead	$420,000	$621,600	148 %
Prakash Arunkundrum	$400,000	$620,000	155 %
Samantha Harnett	$380,000	$589,000	155 %

The Compensation Committee determined that the bonus amounts reflected our strong year and growth path, driven by our executive officers, and the challenges during fiscal year 2022. The bonuses for:

- Messrs. Darrell and Olmstead reflected the achievement of the corporate performance measures described above.
- Mr. Arunkundrum reflected the achievement of the corporate performance measures described above and reflected his continued success in driving the Company's ESG priorities both in sustainability and environmental, and through the Company's supplier diversity program.

- Ms. Harnett reflected the achievement of the corporate performance measures described above and reflected her continued success in driving forward ESG structure and principles, with a significant focus on governance, diversity, equity and inclusion.

The annual cash bonuses paid to our executive officers for fiscal year 2022 are set forth in the "Summary Compensation Table for Fiscal Year 2022" below.

Long-Term Incentive Compensation

We use long-term incentive compensation in the form of equity awards to motivate our executive officers by providing them with the opportunity to build an equity interest in the Company and to share in the potential appreciation of the value of our registered shares. We use PSU awards that may be settled for our registered shares as the principal vehicle for delivering long-term incentive compensation opportunities to our executive officers. Fiscal year 2022 is the last year we are granting annual RSUs to our executive officers; our CEO has received 100% PSUs since fiscal year 2021.

The Compensation Committee views equity awards, whether the awards are subject to service-based vesting requirements or are to be earned based on the attainment of specific performance objectives, as inherently variable since the grant date fair value of these awards may not necessarily be indicative of their value when, and if, our registered shares underlying these awards are ever earned or vested. The Compensation Committee further believes these awards enable us to attract and retain key talent in our industry and aligns our executive officers' interests with the long-term interests of our shareholders. The Compensation Committee primarily uses PSUs and RSUs because they are less dilutive than stock options.

In fiscal year 2022, the Compensation Committee approved equity awards for our executive officers in recognition of our financial results and each executive officer's individual performance for fiscal year 2021 and expected future contributions. In determining the amount of each executive officer's equity award, the Compensation Committee took into consideration the factors described above. The Compensation Committee considers the dilutive effect of our long-term incentive compensation practices, and the overall impact that these equity awards, as well as awards to other employees, will have on shareholder value. The Compensation Committee also considered the existing equity holdings of each executive officer, including the current economic value of their unvested equity awards and the ability of these unvested holdings to satisfy our retention objectives.

The equity awards granted to our executive officers in fiscal year 2022 were as follows:

	Performance Share Units		Restricted Stock Units	
Named Executive Officer	**Number of Shares**	**Grant Date Approved Value**[1]	**Number of Shares**	**Grant Date Approved Value**[1]
Bracken Darrell	62,995	$7,000,000	0	$0
Nate Olmstead	8,370	$930,000	5,580	$620,000
Prakash Arunkundrum	8,100	$900,000	5,400	$600,000
Samantha Harnett	7,560	$840,000	5,040	$560,000

1. *Reflects equity grant value approved by the Compensation Committee for each executive officer which may differ from the accounting Grant Date Fair Value reflected in the Summary Compensation Table. This Grant Date Approved Value was converted to a number of shares based on the closing price of our registered shares on the grant date, rounded up to the nearest whole share.*

The equity award granted to our CEO in fiscal year 2022 was composed of 100% PSUs and the equity awards for our other executive officers in fiscal year 2022 were composed of 60% PSUs and 40% service-based RSUs that may be settled for our registered shares. See the discussion in the Executive Summary regarding our shift to 100% PSUs for all executive officer in fiscal year 2023.

Performance-Based Units

The target number of PSU awards granted to our executive officers in fiscal year 2022 is determined at the beginning of a three-year performance period and the number of shares that will vest at the end of the three-year period will range from 0% to 200% of the target number of shares depending on our corporate performance, as measured by:

PRIMARY METRIC

Three-year weighted average **Revenue growth** measured in constant currency.

MODIFIER

Logitech's **relative TSR** rank against the Russell 3000 over the three-year performance period.

- Reduces the vesting level if our TSR is below the median.
- Enhances the vesting level if our TSR exceeds the median.

GATE

Requires achievement of a minimum level of cumulative **Non-GAAP Operating Income** over the three-year performance period for any award to vest.

The total number of shares that may vest at the end of the three-year period is capped at 200% of the target number of shares.

The Compensation Committee believes that measuring our performance with multiple metrics provides a more complete picture of our performance. The Compensation Committee believes the primary metric of weighted average Revenue growth will motivate top-line performance while the Non-GAAP Operating Income "gate" provides balance on bottom-line operational rigor. The modifying metric of relative TSR is well aligned to shareholders' interest as it focuses on relative share performance against other companies in the Russell 3000 index.

For purposes of the PSUs, relative TSR reflects (i) the aggregate change in the 30-day average closing price of Logitech shares against the companies in the Russell 3000 (the "TSR Peer Group"), and (ii) the value (if any) returned to shareholders in the form of dividends or similar distributions, assumed to be reinvested in shares when paid, each at the beginning and the end of a three-year performance period. The Compensation Committee changed the TSR peer group from the Nasdaq 100 to the Russell 3000 for grants made starting in fiscal year 2021 to provide a more appropriate broad-based index to compare Logitech performance against the whole market rather than a larger cap index like the Nasdaq 100 of which Logitech is not a member.

The vested percentage attributable to weighted average Revenue growth and a TSR Percentile Rank between Threshold and Target, or between Target and Maximum, is determined by straight-line interpolation.

PSUs Vesting in Fiscal Year 2022

The PSUs granted in April 2019 completed the three-year measurement period on March 31, 2022 and vested on May 15, 2022 at 200% of target.

Fiscal Years 2020-2022 PSUs (granted April 15, 2019 and vested May 15, 2022)

Measure	Threshold	Target	Maximum	Actual
Primary Metric:				
3-Year Weighted Average Revenue Growth (CC)	0%	7%	11%	**31.9%**
Vesting Level	0%	100%	200%	**200%**
Modifier:				
3-Year relative TSR vs Nasdaq 100 (percentile rank)	25th and below	50th	75th and above	**68.4th**
Modifier Factor on Vesting Level Achieved Under Primary Metric	-20%	No Adjustment	+20%	**+15%**
Gate:				
3-Year cumulative Non-GAAP Operating Income		$1,056M		**$2,563M**
Overall Result (capped at 200%)				**200%**

Compensation Report for Fiscal Year 2022

Our average stock price at the beginning of the period was $37.82 and our ending average stock price was $76.91 (assuming dividends were reinvested). Therefore, our TSR over the performance period from April 1, 2019 through March 31, 2022 was 103.4% and our stock performed at the 68.4th percentile relative to the companies in the Nasdaq 100 (the index used for grants made prior to fiscal year 2021), which resulted in a modifier of +15%. The total number of shares that vested was capped at 200% of the target number of shares.

Restricted Stock Unit Awards

The RSU awards granted to our executive officers (other than our CEO) in fiscal year 2022 were subject to a time-based vesting requirement and have a three-year cliff vesting period (this means that all the shares subject to the RSU will vest at the end of the three-year vesting period), based on the continued service of the executive officer on the vesting date.

The equity awards granted to our executive officers in fiscal year 2022 are set forth in the "Summary Compensation Table for Fiscal Year 2022" and the "Grants of Plan-Based Awards Table for Fiscal Year 2022" below.

Welfare and Health Benefits

We maintain a tax-qualified retirement plan under Section 401(k) of the Internal Revenue Code of 1986, as amended (the "Code"), for our employees in the U.S., including our executive officers, that provides them with an opportunity to save for retirement on a tax-advantaged basis. We intend for this plan to qualify under Sections 401(a) and 501(a) of the Code so that contributions by employees to the plan, and income earned on plan contributions, are not taxable to employees until distributed from the plan. In addition, all contributions are deductible by us when made.

All participants' interests in their deferrals are 100% vested when contributed under the plan. In fiscal year 2022, we made matching contributions into the Section 401(k) plan for our employees, including our executive officers. Under the plan, pre-tax contributions are allocated to each participant's individual account and then invested in selected investment alternatives according to the participants' directions.

In addition, we provide other benefits to our executive officers on the same basis as all of our full-time employees. These benefits include health, dental and vision benefits, health and dependent care flexible spending accounts, wellness programs, short-term and long-term disability insurance, accidental death and dismemberment insurance, and basic life insurance coverage. We provide vacation and other paid holidays to all employees, including our executive officers. We also offer our employees the opportunity to participate in the Logitech Employee Share Purchase Plans.

We design our employee benefits programs to be affordable and competitive in relation to the market, as well as compliant with applicable laws and practices. We adjust our employee benefits programs as needed based on regular monitoring of applicable laws and practices, the competitive market and our employees' needs.

Deferred Compensation Plan

Eligible employees, including our executive officers based in the U.S., may also participate in the Logitech Inc. Deferred Compensation Plan, which are unfunded and unsecured plans that allow employees of Logitech Inc., the Logitech subsidiary in the United States, who earn more than a threshold amount the opportunity to defer U.S. taxes on up to 80% of their base salary and up to 90% of their bonus or commission compensation.

Under the plan, compensation may be deferred until termination of employment or other specified dates chosen by the participants, and deferred amounts are credited with earnings based on investment benchmarks chosen by the participants from a number of mutual funds selected by Logitech Inc.'s 401(k) and Deferred Compensation Committee. The earnings credited to the participants are intended to be funded solely by the plan investments. Logitech does not make contributions to this plan. Information regarding executive officer participation in the deferred compensation plans can be found in the "Non-Qualified Deferred Compensation Table for Fiscal Year 2022" below.

Because the executive officers do not receive preferential or above-market rates of return under the deferred compensation plan, earnings under the plan are not included in the Summary Compensation table, but are included in the "Non-Qualified Deferred Compensation Table for Fiscal Year 2022" below.

Perquisites and Other Personal Benefits

Currently, we do not view perquisites or other personal benefits as a significant component of our executive compensation program. Accordingly, Logitech's executive officer benefit programs are substantially the same as for all other eligible employees. All future practices with respect to perquisites or other personal benefits will be approved and subject to periodic review by the Compensation Committee.

Employment Arrangements

We have extended written employment agreements or offer letters or both to each of our executive officers, including our CEO and our other executive officers. Each of these arrangements was approved on our behalf by our Board of Directors or the Compensation Committee, as applicable. We believe that these arrangements were appropriate to induce these individuals to forego other employment opportunities or leave their current employer for the uncertainty of a demanding position in a new and unfamiliar organization.

In filling these executive positions, our Board of Directors or the Compensation Committee, as applicable, was aware that it would be necessary to recruit or retain candidates with the requisite experience and skills to manage a growing business in a dynamic environment.

Accordingly, it recognized that it would need to develop competitive compensation packages to attract or retain qualified candidates in a highly competitive labor market. At the same time, our Board of Directors or the Compensation Committee, as applicable, was sensitive to the need to integrate new executive officers into the executive compensation structure that it was seeking to develop, balancing both competitive and internal equity considerations.

Each of these employment arrangements provides for “at will” employment and sets forth the initial compensation arrangements for the executive officer, including an initial base salary, a target annual cash bonus opportunity, and, in some instances, a recommendation for an equity award.

Post-Employment Compensation

In 2015, to comply with the Minder Ordinance, we eliminated all change of control and severance arrangements with our executive officers, including all members of our Group Management Team. However, the Company continues to provide “double trigger” change of control equity vesting acceleration arrangements in equity award agreements. Starting in 2015, the "double-trigger" acceleration of vesting in equity award agreements only applied to service-based vesting. Given the move over the past couple years to provide all of our executive officers with only performance-based equity awards, the fact that those equity awards represent approximately 80% or more of total compensation, and potential difficulty of translating performance metrics following a change of control, we recently provided for conversion of PSUs to service-based RSUs following a change of control and pro-rated acceleration of vesting of those converted awards upon a "double trigger" following the change of control.

The purpose of the Change of Control provisions in equity award agreements is to support retention in the event of a prospective change of control. The RSU and PSU award agreements for our executive officers generally provide for the acceleration of vesting of the RSUs and PSUs subject to the award agreements if the executive officer is subject to an involuntary termination within 12 months after a change of control because his or her employment is terminated without cause or the executive resigns for good reason (a “double trigger”).

In the event of a Change of Control:

- At the time of the change of control, prior to the involuntary termination, the PSU would be converted into service-based RSUs that would continue to vest for the duration of the original vesting period with the number of shares based on the attainment of actual performance as determined by the Compensation Committee.

In the event of an involuntary termination within 12 months after a change of control:

- The vesting of RSUs originally subject to service-based vesting would accelerate in full.
- The vesting of converted PSUs would accelerate such that the executive officer would receive a prorated number of shares based on their length of service during the performance period.

To determine the level of acceleration of equity awards that may be provided in connection with a change of control, the Compensation Committee considered the requirements of the Minder Ordinance, the impact on shareholders, and market practices.

Logitech does not provide any payments to reimburse its executive officers for additional taxes incurred (also known as “gross-ups”) in connection with a change of control.

For a summary of the post-employment compensation arrangements with our executive officers, see “Payments upon Termination or Change in Control” below.

Other Compensation Policies

Stock Ownership Policy

We believe that stock ownership by our directors and executive officers is important to link the risks and rewards inherent in stock ownership of these individuals and our shareholders. The Compensation Committee has adopted a stock ownership policy that requires our executive officers to own a minimum number of our registered shares. These mandatory ownership levels are intended to create a clear standard that ties a portion of these individuals' net worth to the performance of our stock price. The current ownership levels are as follows:

Named Executive Officer	Minimum Required Level of Stock Ownership
Chief Executive Officer	5x Base Salary
Chief Financial Officer	3x Base Salary
Other Executive Officers	2x Base Salary

Equity interests that count toward the satisfaction of the ownership guidelines include only shares owned outright by the executive officer. Newly hired or promoted executives have five years from the date of the commencement of their appointment to attain these ownership levels. If an executive officer does not meet the applicable ownership guideline by the end of the five-year period or is below the guideline at any time after the five-year period, the CEO must hold 100% of his or her after-tax shares resulting from equity incentive awards until the guideline is reached, and all other executive officers must hold at least 50% of the after-tax shares resulting from equity incentive awards until the guideline is reached. In addition, if an executive officer does not meet the applicable guideline by the end of the five-year period or is below the guideline at any time after the five-year period, the executive officer will have 50% of the after-tax value of any earned bonuses under the Leadership Team Bonus Program paid in fully vested Logitech shares. After reaching the stock ownership guideline and then falling below the guideline solely as a result of Logitech's stock price dropping, the executive officer will have until the later of the original five-year period or up to two years from falling below the guideline to return to compliance with the guideline. Our CEO and each of our other executive officers have either currently satisfied his or her required stock ownership level or have remaining time to achieve the required levels of ownership.

Additionally, we have instituted stock ownership guidelines for our non-employee directors. For information regarding these guidelines, see the section entitled "Security Ownership - Share Ownership Guidelines" above.

Compensation Recovery Policy

In June 2010, the Compensation Committee adopted a policy regarding the recovery of compensation paid to an executive officer or the principal accounting officer of the Company (a "clawback"). Under the terms of the policy we may recover bonus amounts, equity awards or other incentive compensation awarded or paid within the prior three years to a covered officer if the Compensation Committee determines the compensation was based on any performance goals that were met or exceeded as a result, in whole or in part, of the officer's fraud or misconduct, or the officer knew at the time of the existence of fraud or misconduct that resulted in performance goals being met or exceeded, and a lower amount would otherwise have been awarded or paid to the officer. In addition, under the policy Logitech may recover gains realized on the exercise of stock options or on the sale of vested shares by an executive officer or the principal accounting officer if, within three years after the date of the gains or sales, Logitech discloses the need for a significant financial restatement, other than a financial restatement solely because of revisions to U.S. GAAP, and the Compensation Committee determines that the officer's fraud or misconduct caused or partially caused the need for the restatement, or the covered officer knew at the time of the existence of fraud or misconduct that resulted in the need for such restatement.

In addition, our 2006 Stock Incentive Plan and our Management Performance Bonus Plan provide that awards under the plans are suspended or forfeited if the plan participant, whether or not an executive officer:

- has committed an act of embezzlement, fraud or breach of fiduciary duty;
- makes an unauthorized disclosure of any Logitech trade secret or confidential information; or
- induces any customer to breach a contract with Logitech.

Any decision to suspend or cause a forfeiture of any award held by an executive officer under the 2006 Stock Incentive Plan or the Management Performance Bonus Plan is subject to the approval of the Board of Directors. The

Compensation Committee will amend the policy, as necessary, to comply with the final SEC rules regarding clawback policies required by the Dodd-Frank Wall Street Reform and Consumer Protection Act.

Equity Award Grant Practices

Determination of long-term equity incentive awards

The Compensation Committee is responsible for approving which executive officers should receive equity incentive awards, when the awards should be made, the vesting schedule, and the number of shares or other rights to be granted. Long-term equity incentive awards to executive officers may be granted only by the Compensation Committee or the full Board of Directors. The Compensation Committee regularly reports its activity, including approvals of grants, to the Board.

Timing of grants

Long-term equity incentive award grants to executive officers are typically and predominantly approved at regularly scheduled, predetermined meetings of the Compensation Committee. These meetings are generally scheduled at least 18 months in advance and take place before the regularly scheduled, predetermined meetings of the full Board. On limited occasions, grants may be approved at an interim meeting of the Compensation Committee or by written consent, for the purpose of approving the hiring and compensation package for newly hired or promoted executives or for other special circumstances.

In fiscal year 2022, grants were made to non-executive officer employees through written consents of the Compensation Committee or regularly scheduled monthly approval by the CEO pursuant to authority delegated to him by the Compensation Committee. We do not have any program, plan, or practice to select equity compensation grant dates in coordination with the release of material non-public information, nor do we time the release of information for the purpose of affecting value. We do not backdate options or grant options retroactively.

Derivatives Trading, Hedging, and Pledging Policies

We have adopted a policy prohibiting our employees, including our executive officers, and members of our Board of Directors from speculating in our equity securities, including the use of short sales, “sales against the box” or any equivalent transaction involving our equity securities. In addition, they may not engage in any other hedging transactions, such as “cashless” collars, forward sales, equity swaps and other similar or related arrangements, with respect to the securities that they hold. Finally, no employee, including an executive officer or member of our Board of Directors, may acquire, sell, or trade in any interest or position relating to the future price of our equity securities.

We also have adopted a policy prohibiting the pledging of our securities by our employees, including our executive officers, and members of our Board of Directors.

Tax and Accounting Considerations

Accounting and Tax Treatment of Executive Compensation

The accounting and tax treatment of the various elements of our executive compensation program are a relevant consideration in its design.

However, the Company and the Compensation Committee have placed a higher priority on structuring flexible compensation programs to promote the recruitment, retention, and performance of our officers than on maximizing tax deductibility. Section 162(m) of the Code, as amended (the “Tax Code”), places a limit of $1 million on the amount of compensation that Logitech may deduct in any one year with respect to certain executive officers. The Tax Cuts and Jobs Act (the “Tax Act”) enacted on December 22, 2017, significantly modified Section 162(m) of the Tax Code. The Tax Act eliminated the “qualified performance-based compensation” exception to the deductibility limitation under Section 162(m) of the Code for tax years commencing after December 31, 2017. Regardless, we intend to maintain an approach to executive compensation that strongly links pay to performance.

In addition to considering the tax consequences, the Compensation Committee considers the accounting consequences, including the impact of the Financial Accounting Standard Board’s Accounting Standards Codification Section 718, on its decisions in determining the forms of different equity awards.

Compensation Report for Fiscal Year 2022

Compensation Risks Assessment

The Compensation Committee conducts an annual review, with the assistance of Compensia our compensation consultant, our head of People & Culture, and our compensation department, of Logitech's compensation programs to assess the risks associated with their design and associated risk controls. The Compensation Committee reviews in particular the following compensation programs and associated practices:

- Equity awards granted under the 2006 Stock Incentive Plan.
- Management Performance Bonus Plan.
- Employee Performance Bonus Plan.
- Sales Commission Plans.
- Change of Control Agreements.

As in past years, based on its March 2022 review, the Compensation Committee has concluded that our compensation policies and practices do not create risks that are reasonably likely to have a material adverse effect on the Company.

Report of the Compensation Committee

The Logitech Compensation Committee, which is composed solely of independent members of the Logitech Board of Directors, assists the Board in fulfilling its responsibilities with regard to compensation matters. The Compensation Committee has reviewed and discussed the "Compensation Discussion and Analysis" section of this Compensation Report with management. Based on this review and discussion, the Compensation Committee recommended to the Board of Directors that the "Compensation Discussion and Analysis" be included in Logitech's 2022 Invitation and Proxy Statement and Annual Report.

Compensation Committee

Michael Polk, Chairperson
Edouard Bugnion
Riet Cadonau
Neil Hunt
Neela Montgomery

Compensation Report for Fiscal Year 2022

Summary Compensation Table for Fiscal Year 2022

The following table provides information regarding the compensation and benefits earned during fiscal years 2022, 2021, and 2020 by our Named Executive Officers. For more information, please refer to the “Compensation Discussion and Analysis,” as well as the “Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards Table.”

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)[1]	Option Awards ($)	Non-equity Incentive Plan Compensation ($)[2]	Changes in Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)[3]	Total ($)
Bracken Darrell	FY22	999,231	—	7,633,104	—	1,850,000	—	14,855	10,497,190
President and Chief Executive Officer	FY21	973,654	—	7,598,281	—	2,437,500	—	16,670	11,026,105
	FY20	925,000	—	5,717,237	—	1,387,500	—	19,170	8,048,907
Nate Olmstead[4]	FY22	524,231	—	1,619,974	—	621,600	—	12,889	2,778,694
Chief Financial Officer	FY21	498,788	75,000	1,615,371	—	800,000	—	12,063	3,001,222
	FY20	413,942	135,508	3,105,656	—	509,600	—	9,498	4,174,204
Prakash Arunkundrum[5]	FY22	500,000	—	1,567,717	—	620,000	—	11,960	2,699,677
Head of Global Operations & Sustainability	FY21	497,981	—	1,563,304	—	800,000	—	12,063	2,873,348
Samantha Harnett[6]	FY22	473,462	—	1,463,202	—	589,000	—	12,068	2,537,732
General Counsel	FY21	318,750	—	1,065,150	—	552,500	—	5,957	1,942,357

(1) *These amounts do not represent the actual economic value realized by the named executive officer. Under SEC rules, the values reported in the “Stock Awards” column reflect the aggregate grant date fair value of stock awards granted to each of the listed officers in the fiscal years shown. The key assumptions and methodology of valuation of stock awards and stock options are presented in Note 5 to the Consolidated Financial Statements included in Logitech’s Annual Report to Shareholders. No stock options were granted to our named executive officers during fiscal years* 2020, 2021 *or* 2022.

For FY22: The amount shown includes an aggregate grant date fair value of the shares issuable for PSUs granted in fiscal year 2022 at target achievement. Assuming the highest level of performance is achieved, the maximum possible value of the PSUs allocated in FY22, using the market value of our shares traded on Nasdaq Global Select Market on the grant date of the PSUs, was: (a) in the case of Mr. Darrell, $14,000,009; (b) in the case of Mr. Olmstead, $1,860,149; (c) in the case of Mr. Arunkundrum, $1,800,144; and (d) in the case of Ms. Harnett, $1,680,134.

For FY21: The amount shown includes an aggregate grant date fair value of the shares issuable for PSUs granted in fiscal year 2021 *at target achievement. Assuming the highest level of performance is achieved, the maximum possible value of the PSUs allocated in FY21, using the market value of our shares traded on Nasdaq Global Select Market on the grant date of the PSUs, was: (a) in the case of Mr. Darrell, $13,500,023; (b) in the case of Mr. Olmstead, $1,550,055; and (c) in the case of Mr. Arunkundrum, $1,500.096.*

For FY20: The amount shown includes an aggregate grant date fair value of the shares issuable for PSUs granted in fiscal year 2020 *at target achievement. Assuming the highest level of performance is achieved, the maximum possible value of the PSUs allocated in FY20, using the market value of our shares traded on Nasdaq Global Select Market on the grant date of the PSUs, was: (a) in the case of Mr. Darrell, $7,500,071; and (b) in the case of Mr. Olmstead, $1,680,007.*

(2) *Reflects amounts earned under the Logitech Management Performance Bonus Plan. This non-equity incentive plan compensation was earned during the applicable fiscal year but, for executive officers, was paid during the next fiscal year in accordance with the terms of the Logitech Management Performance Bonus Plan.*

(3) *Details regarding the various amounts included in this column are provided in the following table entitled “All Other Compensation.”*

(4) *Mr. Olmstead was appointed our Interim Chief Financial Officer effective June 1, 2019 and promoted to Chief Financial Officer on July 22, 2019. The "Bonus" amount for Mr. Olmstead includes compensation payable to him as interim Chief Financial Officer.*

(5) *Mr. Arunkundrum was designated as an executive officer in May 2020.*

(6) *Ms. Harnett joined the Company as General Counsel in June 2020 and was designated as an executive officer in July 2020.*

All Other Compensation Table

Name	Year	401(k) ($)[1]	Group Term Life Insurance and LTD ($)	Other[2]	Total ($)
Bracken Darrell	FY22	8,873	5,982	—	14,855
	FY21	8,896	7,774	—	16,670
	FY20	8,400	10,770	—	19,170
Nate Olmstead	FY22	8,844	3,545	500	12,889
	FY21	8,985	3,078	—	12,063
	FY20	7,084	2,414	—	9,498
Prakash Arunkundrum	FY22	8,700	3,260	—	11,960
	FY21	8,939	3,124	—	12,063
Samantha Harnett	FY22	8,988	3,080	—	12,068
	FY21	3,889	2,068	—	5,957

(1) *Represents 401(k) savings plan matching contributions, which are available to all of our regular employees who are on our U.S. payroll.*

(2) *Represents a wellness reimbursement, which is available to all of our regular employees globally.*

Grants of Plan-Based Awards Table for Fiscal Year 2022

The following table sets forth certain information regarding grants of plan-based awards to each of our executive officers during fiscal year 2022. For more information, please refer to the “Compensation Discussion and Analysis.”

				Estimated Future Payouts Under Non-Equity Incentive Plan Awards				Estimated Future Payouts Under Equity Incentive Plan Awards				
Name	Type	Grant Date (MM/DD/YY)	Approval Date	Threshold ($)(1)	Target ($)(1)	Maximum ($)(1)	Actual $(2)	Threshold (#)	Target (#)	Maximum (#)	All Other Stock Awards Number of Shares of Stock or Units (#)(3)	Grant Date Fair Value ($)(4)
Bracken Darrell	PSU	04/15/21		—	—	—	—	—	62,995	125,990	—	7,633,104
	FY22 Bonus	n/a	n/a	484,375	1,250,000	2,500,000	1,850,000	—	—	—	—	—
Nate Olmstead	RSU	04/15/21		—	—	—	—	—	—	—	5,580	605,781
	PSU	04/15/21		—	—	—	—	—	8,370	16,740	—	1,014,193
	FY22 Bonus	n/a	n/a	162,750	420,000	840,000	621,600	—	—	—	—	—
Prakash Arunkundrum	RSU	04/15/21		—	—	—	—	—	—	—	5,400	586,240
	PSU	04/15/21		—	—	—	—	—	8,100	16,200	—	981,477
	FY22 Bonus	n/a	n/a	155,000	400,000	800,000	620,000	—	—	—	—	—
Samantha Harnett	RSU	04/15/21		—	—	—	—	—	—	—	5,040	547,157
	PSU	04/15/21		—	—	—	—	—	7,560	15,120	—	916,045
	FY22 Bonus	n/a	n/a	147,250	380,000	760,000	589,000	—	—	—	—	—

(1) *The amounts in these columns reflect potential payouts with respect to each applicable performance period for the fiscal year 2022 bonus programs under the Bonus Plan described in “Compensation Discussion and Analysis” above.*

(2) *The amounts in this column reflect actual payouts with respect to the applicable performance period for the fiscal year 2022 bonus program under the Bonus Plan. The actual payout amounts are reflected in the "Non-Equity Incentive Plan Compensation" column of the "Summary Compensation Table for Fiscal Year 2022" above.*

(3) *RSUs cliff vest on the third anniversary of the grant date.*

(4) *These amounts do not represent the actual economic value realized by the named executive officer. Amounts in this column represent the grant date fair value of RSUs and PSUs calculated in accordance with Accounting Standards Codification (ASC) 718 but does not include any reduction for estimated forfeitures. PSUs granted in fiscal year 2022 are based on non-GAAP Operating income, Weighted Average Constant Currency Revenue Growth Rate ("WACCR") and relative TSR versus the Russell 3000 Index TSR benchmark over the performance period and that number is calculated by multiplying the value determined using the Monte Carlo method assuming the WACCR is at targeted growth and the non-GAAP Operating income gate is achieved by the target number of units awarded. The key assumptions for the valuation of the PSUs are presented in Note 5 to the Consolidated Financial Statements included in Logitech’s Annual Report to Shareholders and Annual Report on Form 10-K for fiscal year 2022. All shares subject to the PSU vesting conditions are unvested. The actual amount, if any, of shares that will vest under the PSU grants will not be known until May 15, 2024.*

Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards Table

Employment Agreements

We have entered into employment agreements with each of our named executive officers. The employment agreements generally provide that the compensation of the named executive officer is subject to the sole discretion of the Compensation Committee or the Board of Directors. The compensation earned by the named executive officers in fiscal year 2022 was not the result of any terms of their employment agreements.

Performance-Based Vesting Conditions

Please refer to "Compensation Discussion and Analysis—Compensation Elements—Annual Cash Bonuses" for a discussion of the performance measures applicable to the Bonus Plan during fiscal year 2022. In addition, please refer to "Compensation Discussion and Analysis—Compensation Elements—Long-Term Incentive Compensation" for a discussion of performance measures under the PSUs granted to executive officers during fiscal year 2022.

Compensation Mix

Please refer to "Compensation Discussion and Analysis—Executive Compensation Highlights—Emphasis on Variable and Performance-Based Compensation" for an explanation of the amount of salary and bonus in proportion to total compensation for our executive officers during fiscal year 2022.

Outstanding Equity Awards at Fiscal Year 2022 Year-End Table

The following table provides information regarding outstanding equity awards for each of our named executive officers as of March 31, 2022. This table includes unexercised stock options, unvested PSUs, and unvested RSUs.

The market value for stock options is calculated by taking the difference between the closing price of Logitech shares on the Nasdaq Global Select Market on the last trading day of the fiscal year ($73.78 on March 31, 2022) and the option exercise price, and multiplying it by the number of outstanding options. The market value for stock awards (RSUs and PSUs at target) is determined by multiplying the number of shares subject to such awards by the closing price of Logitech shares on the Nasdaq Global Select Market on the last trading day of the fiscal year.

Compensation Report for Fiscal Year 2022

		Option Awards				Stock Awards			
Name	Grant Date (M/D/Y)	Number of Securities Underlying Unexercised Options (#) Exercisable	Option Exercise Price ($) Share	Option Exercise Date (M/D/Y)	Market Value of Unexercised Options ($)	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)
Bracken Darrell	04/15/18	—	—	—	—	14,849 (6)	1,095,559	—	—
	05/15/19	—	—	—	—	30,310 (6)	2,236,272	90,932 (2)	6,708,963
	06/15/20	—	—	—	—	—	—	112,952 (1)	8,333,599
	04/15/21	—	—	—	—	—	—	62,995 (1)	4,647,771
	Total	**—**	**—**	**—**	**—**	**45,159**	**3,331,831**	**266,879**	**19,690,333**
Nate Olmstead	05/15/19	—	—	—	—	5,224 (3)	385,427	—	—
	08/15/19	—	—	—	—	17,553 (4)	1,295,060	—	—
	08/15/19	—	—	—	—	7,372 (6)	543,906	22,117 (2)	1,631,792
	04/15/20	—	—	—	—	12,797 (6)	944,163	—	—
	06/15/20	—	—	—	—	—	—	12,969 (1)	956,853
	04/15/21	—	—	—	—	5,580 (7)	411,692	8,370 (1)	617,539
	Total	**—**	**—**	**—**	**—**	**48,526**	**3,580,248**	**43,456**	**3,206,184**
Prakash Arunkundrum	04/15/18	—	—	—	—	1,620 (6)	119,524	—	—
	03/15/19	54,923 (8)	38.65	3/15/2029	1,929,445	—	—	—	—
	04/15/19	—	—	—	—	3,394 (6)	250,409	10,185 (2)	751,449
	04/15/20	—	—	—	—	12,384 (6)	913,692	—	—
	06/15/20	—	—	—	—	—	—	12,551 (1)	926,013
	04/15/21	—	—	—	—	5,400 (7)	398,412	8,100 (1)	597,618
	Total	**54,923**	**38.65**	**—**	**1,929,445**	**22,798**	**1,682,037**	**30,836**	**2,275,080**
Samantha Harnett	07/15/20	—	—	—	—	12,352 (5)	911,331	—	—
	04/15/21	—	—	—	—	5,040 (7)	371,851	7,560 (1)	557,777
	Total	**—**	**—**	**—**	**—**	**17,392**	**1,283,182**	**7,560**	**557,777**

(1) The actual conversion, if any, of the PSUs granted in fiscal year 2021 and 2022 into Logitech shares following the conclusion of the 3-year performance period will range between 0% and 200% of that target amount, depending on the achievement of WACCR, non-GAAP operating income, and TSR versus the Russell 3000 TSR benchmark over the performance period.

(2) The actual conversion of the PSUs based on relative TSR granted in fiscal year 2020 into Logitech shares was 200% of that target amount, based on the achievement of WACCR, non-GAAP operating income, and Logitech's TSR performance versus the Nasdaq-100 index TSR benchmark from April 1, 2019 to March 31, 2022, which was confirmed by the Compensation Committee subsequently in May 2022.

(3) New hire award provided as part of the offer package when Mr. Olmstead joined Logitech as Vice President of Business Finance in April 2019. The RSU award vests in four equal annual installments over a four-year vesting period based on the continued service of the executive officer on each such vesting date.

(4) Mr. Olmstead received an RSU grant when he was appointed Chief Financial Officer. The RSU award vests over four years with 33% vesting in two years, 33% vesting in three years and the final 33% vesting in four years from the grant date.

(5) New hire award provided as part of the offer package when Ms. Harnett joined Logitech as General Counsel in June 2020, including RSUs to offset equity that was forfeited at her prior employer.

(6) RSUs vest at a rate of 25% per year on each of the first four anniversaries of the grant date.

(7) RSUs cliff vest on the third anniversary of the grant date.

(8) Options vests over three years with 25% vesting in one year, 25% vesting in two years and the final 50% vesting in three years from the grant date. Mr. Arunkundrum received this stock option award prior to becoming a NEO.

Option Exercises and Stock Vested Table for Fiscal Year 2022

The following table provides the number of shares acquired and the value realized upon exercise of stock options and the vesting of PSUs and RSUs during fiscal year 2022 by each of our named executive officers.

	Option Award		Stock Awards	
Name	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($)(1)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ($)(2)
Bracken Darrell	—	—	224,314	23,890,511
Nate Olmstead	—	—	19,342	2,090,107
Prakash Arunkundrum	—	—	47,265	4,368,655
Samantha Harnett	—	—	4,118	492,183

(1) The value realized equals the difference between the option exercise price and the fair market value of Logitech shares on the date of exercise, multiplied by the number of shares for which the option was exercised.

(2) Based on the closing trading price of Logitech shares on the Nasdaq Global Select Market on the date of vesting of the underlying awards.

Pension Benefits Table for Fiscal Year 2022

No executive officers are beneficiaries under any pension plan benefits maintained by Logitech.

Non-qualified Deferred Compensation Table for Fiscal Year 2022

The following table sets forth information regarding the participation by our named executive officers in the Logitech Inc. U.S. Deferred Compensation Plan during fiscal year 2022 and at fiscal year-end.

Name	Executive Contributions in Last Fiscal Year ($)(1)	Logitech Contributions in Last Fiscal Year ($)	Aggregate Earnings in Last Fiscal Year ($)(2)	Aggregate Withdrawals/ Distributions ($)	Aggregate Balance at Last Fiscal Year End ($)
Bracken Darrell	—	—	—	—	—
Nate Olmstead	—	—	—	—	—
Prakash Arunkundrum	725,000	—	357	335,446	1,963,574
Samantha Harnett	—	—	—	—	—

(1) Amounts are included in the "Summary Compensation Table for Fiscal Year 2022" in the “Non-equity Incentive Plan Compensation” column for fiscal year 2022. All contributions were made under the Logitech Inc. Deferred Compensation Plan.

(2) These amounts are not included in the "Summary Compensation Table for Fiscal Year 2022" because plan earnings were not preferential or above market.

Narrative Disclosure to Non-Qualified Deferred Compensation Table

Please refer to “Compensation Discussion and Analysis—Compensation Elements—Deferred Compensation Plan” for a discussion of the Logitech Inc. U.S. Deferred Compensation Plan, effective January 1, 2009, as amended and restated effective January 1, 2017.

Payments upon Termination or Change in Control

We have entered into agreements that provide for payments under certain circumstances in the event of termination of employment or service of our executive officers. These agreements include:

- PSU and RSU award agreements that provide for the accelerated vesting of the shares subject to the award agreements under certain circumstances described below.
- Employment or other agreements with our named executive officers, under which each of them is entitled to receive a 12 or nine-month notice period or becomes subject to non-competition provisions if we terminate his or her employment or if he or she resigns.

Other than the agreements above, there are no agreements or arrangements for the payment of compensation to a named executive officer in the event of his involuntary termination with or without cause.

PSU and RSU Award Agreements

The treatment of equity upon termination of employment depends on the reason for termination and the employee's age and length of service at termination.

Change of Control

The PSU and RSU award agreements for named executive officers provide for the acceleration of vesting of the equity awards subject to the award agreements if the named executive officer is subject to an involuntary termination of employment within 12 months after a change of control because his or her employment is terminated without cause or the executive resigns for good reason. In the event of such an involuntary termination following a change of control all shares subject to the RSUs will vest. At the time of the change of control, the PSUs would be converted into service-based RSUs that would continue to vest for the duration of the original vesting period with the number of shares based on the attainment of actual performance as determined by the Compensation Committee. If, following the change of control, a separation of service occurs during the performance period, the award accelerates and the employee receives a prorated number of the shares based on the length of service during the performance period.

Death and Disability

If an executive officer dies or has a separation of service due to disability, all shares subject to the RSUs will vest. For PSUs, if the separation of service occurs during the performance period, the vesting accelerates and the employee or the employee's estate receives a prorated number of the target shares based on the length of service during the performance period.

Retirement

If an executive officer has a separation of service after meeting the age and service requirement, as applicable, all shares subject to the RSUs will continue to vest. For PSUs, if separation of service occurs during the performance period, the award continues to vest and the employee receives a prorated number of the actual earned shares at the regular vesting date based on the length of service during the performance period. The age and service requirement for the named executive officers is generally age 55 with at least ten years of service.

Tables of Potential Payments Upon Termination or Change in Control

The table below estimates the amount of compensation that would be paid in the event of an involuntary termination of employment of a named executive officer without cause after a change in control, assuming that each of the terminations was effective as of March 31, 2022, subject to the terms of the PSU and RSU award agreements with each of the listed executive officers. Since December 2015, we do not have any cash payment related to termination of employment or change of control in compliance with the Minder Ordinance.

As of March 31, 2022, no compensation amounts were payable to any named executive officer in the event of a mutual agreement to terminate employment, whether upon retirement or otherwise.

The price used for determining the value of accelerated vesting of outstanding and unvested equity awards in the tables below was the closing price of Logitech's shares on the Nasdaq Global Select Market on March 31, 2022, the last business day of the fiscal year, of $73.78 per share.

POTENTIAL PAYMENTS UPON INVOLUNTARY TERMINATION AFTER CHANGE IN CONTROL

Name	Value of Accelerated Equity Awards[(1)] ($)
Bracken Darrell	23,853,295
Nate Olmstead	7,687,360
Prakash Arunkundrum	4,001,237
Samantha Harnett	1,468,886

(1) *Represents, as of March 31, 2022, the aggregate market value of shares underlying all unvested RSUs and PSUs, in each case held by the named executive officer as of March 31, 2022 that are subject to acceleration according to the terms of an equity award agreement. For the PSUs granted on April 15, 2019 based on non-GAAP Operating income, WACCR and relative TSR, as of March 31, 2022 the performance condition was at a level which would have produced a payout percentage of 200%; therefore, 200% of such value was attributed to the shares subject to such PSUs.*

Pay Ratio

For fiscal year 2022:

- the median of the annual total compensation of all employees of our company (other than our CEO) was $47,386; and
- the annual total compensation of Mr. Bracken Darrell, our President and Chief Executive Officer, was $10,497,190.

Based on this information, for fiscal year 2022 the ratio of the annual total compensation of Mr. Darrell to the median of the annual total compensation of all employees was 222 to 1. This ratio is a reasonable estimate calculated in a manner consistent with Item 402(u) of Regulation S-K under the Securities Exchange Act of 1934.

As permitted by SEC rules, to identify our median employee, we selected base pay, which we calculated as annual base pay using a reasonable estimate of the hours worked during fiscal year 2022 for hourly employees and using annual salary levels for our remaining employees, as the compensation measure to be used to compare the compensation of our employees as of January 31, 2022 for the ten-month period from April 1, 2021 through January 31, 2022. We annualized base pay for any permanent employees who commenced work during fiscal year 2022. We did not include any contractors or other non-employee workers in our employee population.

Using this approach, we selected the individual at the median of our employee population, who was an employee based in Taiwan. We then calculated annual total compensation for this individual using the same methodology we use for our Named Executive Officers as set forth in our "Summary Compensation Table for Fiscal Year 2022". We determined that such individual’s annual total compensation for the fiscal year ended March 31, 2022 was $47,386.

During fiscal year 2022, Mr. Darrell served as our President and Chief Executive Officer. We determined Mr. Darrell’s annual total compensation for the fiscal year ended March 31, 2022 was $10,497,190, as reported in our "Summary Compensation Table for Fiscal Year 2022" on page 89.

Compensation of Non-Employee Directors

For fiscal year 2022, the compensation of the members of the Board of Directors that are not Logitech employees, or non-employee directors, was determined by the Compensation Committee, consisting entirely of independent directors, and recommended to the full Board for approval.

The general policy is that compensation for non-employee directors should consist of a mix of cash and equity-based compensation. For fiscal year 2022, to assist the Compensation Committee in its annual review of director compensation, Compensia provided a written analysis of director pay practices and compensation data compiled from the annual reports and proxy statements of companies within our compensation peer group.

For fiscal year 2022, cash compensation of non-employee directors consists solely of annual retainers based on Board and committee service. Non-employee directors also receive an annual RSU grant based on a fixed market value. During fiscal year 2022, these annual RSU grants were made on the day of our Annual General Meeting with a one-year vesting period.

Directors who are Logitech employees do not receive any compensation for their service on the Board of Directors. Non-employee director compensation for the 2021 to 2022 Board Year consists of the following elements:

	Amount (CHF)	**Amount ($)(1)**
Annual cash retainer	60,000	65,304
An additional annual cash retainer for the non-executive chairperson	150,000	163,260
An additional annual cash retainer for the lead independent director	20,000	21,768
Annual retainer for the Audit Committee chair	40,000	43,536
Annual retainer for the Compensation Committee chair	40,000	43,536
Annual retainer for the Nominating and Governance Committee chair	15,000	16,326
Annual retainer for the Technology and Innovation Committee chair	11,000	11,972
Annual retainer for non-chair Audit Committee members	20,000	21,768
Annual retainer for non-chair Compensation Committee members	15,000	16,326
Annual retainer for non-chair Nominating and Governance Committee members	6,500	7,075
Annual retainer for non-chair Technology and Innovation Committee members	6,500	7,075
Annual RSU grant	200,000	217,680
Reimbursement of reasonable expenses for non-local travel (business class)		

(1) Amounts in Swiss Francs were converted using the 12-month average (April 2021 to March 2022) exchange rate of 1 Swiss Franc to 1.0884 U.S. Dollars.

Non-employee Board members may elect to receive their Board fees in shares, net of withholding at the market price on the date of the Annual General Meeting. Any such shares are to be issued under the 2006 Stock Incentive Plan.

Compensation Report for Fiscal Year 2022

The following table summarizes the total compensation earned or paid by Logitech during fiscal year 2022 to members of the Board of Directors who were not executive officers as of March 31, 2022. Because the table is based on Logitech's fiscal year, and annual service for purposes of Board compensation is measured between the dates of Logitech's Annual General Meetings, usually held in September each year, the amounts in the table do not necessarily align with the description of Board compensation above.

Information regarding compensation paid to and the stock awards held by Bracken Darrell, a member of the Board of Directors that is a Logitech executive officer as of fiscal year-end 2022, are presented in the "Summary Compensation Table for Fiscal Year 2022" and the "Outstanding Equity Awards at Fiscal Year 2022 Year-End Table", respectively.

NON-EMPLOYEE DIRECTOR COMPENSATION TABLE FOR FISCAL YEAR 2022

Name	Fees Earned in Cash ($)(1)	Stock Awards ($)(2)	Total ($)
Patrick Aebischer	78,093	215,177	293,270
Wendy Becker(3)	244,890	215,177	460,067
Edouard Bugnion	90,745	215,177	305,922
Riet Cadonau(4)	83,500	309,784	393,284
Guy Gecht	87,254	215,177	302,431
Didier Hirsch	47,618	—	47,618
Neil Hunt	88,024	215,177	303,201
Marjorie Lao	87,072	215,177	302,249
Neela Montgomery	83,897	215,177	299,074
Michael Polk(3)	115,234	215,177	330,411
Deborah Thomas	99,770	215,177	314,947

(1) *Amounts in Swiss Francs were converted using the 12-month average (April 2021 to March 2022) exchange rate of 1 Swiss Franc to 1.0884 U.S. Dollars.*

(2) *Amounts shown do not reflect compensation actually received by the directors. Instead, the amount shown is the aggregate grant date fair value of stock-related awards granted in fiscal year 2022 computed in accordance with ASC Topic 718 -- Compensation -- Stock Compensation, disregarding forfeiture assumptions. The grant date fair value used to calculate the aggregate value for fiscal year 2022 was CHF 91.61 per share for the September 8, 2021 grants and CHF 101.16 per share for the April 15, 2021 grant for Riet Cadonau.*

(3) *Wendy Becker and Michael Polk elected to receive all or a portion of their Board fees in shares.*

(4) *Riet Cadonau was first elected as a director at the Annual General Meeting in September 2020 but, as reported at the time of his nomination and election, he did not join the Board until April 1, 2021 and did not receive any compensation in fiscal year 2021. Mr. Cadonau received a prorated cash retainer and prorated RSU grant for his 2020 to 2021 Board Year service in fiscal year 2022.*

The following table presents additional information with respect to the equity awards held as of March 31, 2022 by members of the Board of Directors who were not executive officers as of fiscal year-end.

The market value for RSUs is determined by multiplying the number of shares subject to the award by the closing price of Logitech shares on the Nasdaq Global Select Market on the last trading day of the fiscal year.

OUTSTANDING EQUITY AWARDS FOR NON-EMPLOYEE DIRECTORS AT FISCAL YEAR 2022 YEAR-END

		Option Awards				Stock Awards	
Name	Grant Date (M/D/Y)	Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options Unexercisable (#)	Option Exercise Price / Share ($)	Market Value of Unexercised Options ($)	Number of Shares or Units of Stock That Have Not Vested (#)[1]	Market Value of Shares or Units of Stock That Have Not Vested ($)
Patrick Aebischer	9/8/2021	—	—	—	—	2,163	159,586
Wendy Becker	9/8/2021	—	—	—	—	2,163	159,586
Edouard Bugnion	9/8/2021	—	—	—	—	2,163	159,586
Riet Cadonau[2]	4/15/2021					863	63,672
	9/8/2021					2,163	159,586
Guy Gecht	9/8/2021	—	—	—	—	2,163	159,586
Didier Hirsch[3]	n/a	—	—	—	—	—	—
Neil Hunt	9/8/2021	—	—	—	—	2,163	159,586
Marjorie Lao	9/8/2021	—	—	—	—	2,163	159,586
Neela Montgomery	9/8/2021	—	—	—	—	2,163	159,586
Michael Polk	9/8/2021	—	—	—	—	2,163	159,586
Deborah Thomas	9/8/2021	—	—	—	—	2,163	159,586

(1) *The shares subject to these stock awards vest in full on the first anniversary of the grant date or, if earlier and only if the director is not re-elected as a director at such annual general meeting, the date of the next annual general meeting following the grant date. If the non-employee director ceases to provide service prior to the applicable vesting date (for reasons other than death or disability), all unvested stock awards are forfeited. If a non-employee director dies or has a separation of service due to disability, all shares subject to the stock award will vest.*

(2) *Riet Cadonau was elected to the Board at the Annual General Meeting in September 2020 but, as reported at the time of his nomination and election, he did not join the Board until April 1, 2021 and did not receive any stock awards in fiscal year 2021. Mr. Cadonau received an RSU grant on April 15, 2021 for 863 shares that will vest based on the same criteria set forth in footnote 1 above.*

(3) *Didier Hirsch did not stand for re-election as a director at the Annual General Meeting in September 2021.*

Compensation Report for Fiscal Year 2022

Compensation Tables Audited Under Swiss Law

1. Introduction

This section includes the compensation tables that are audited according to Article 17 of the Swiss Ordinance against Excessive Compensation in Listed Stock Corporations.

2. Compensation of members of the Group Management Team in Fiscal Years 2022 and 2021

The following tables sets forth the total amount of compensation paid to members of the Group Management Team for services performed in the fiscal years ended March 31, 2022 and 2021:

Fiscal Year 2022

(in CHF)[1]	Base Salary	Bonus[2]	Stock Awards[3]	Other Compensation[4]	Total
Bracken Darrell, President and Chief Executive Officer	918,073	1,699,743	7,013,142	273,662	9,904,620
Nate Olmstead, Chief Financial Officer	481,653	571,114	1,488,399	94,159	2,635,325
Prakash Arunkundrum, Head of Global Operations & Sustainability	459,390	569,644	1,440,387	76,829	2,546,250
Samantha Harnett, General Counsel	435,007	541,161	1,344,361	88,042	2,408,571
Total Group Management Team	**2,294,123**	**3,381,662**	**11,286,289**	**532,692**	**17,494,766**

Fiscal Year 2021

(in CHF)[7]	Base Salary	Bonus[2]	Stock Awards[3]	Other Compensation[4]	Total
Bracken Darrell, President and Chief Executive Officer	900,448	2,254,231	7,026,987	287,665	10,469,331
Nate Olmstead, Chief Financial Officer	461,285	809,211	1,493,916	96,611	2,861,023
Prakash Arunkundrum, Head of Global Operations & Sustainability[5]	378,818	739,850	780,825	82,847	1,982,340
Samantha Harnett, General Counsel[6]	284,202	510,959	985,064	71,623	1,851,848
Total Group Management Team	**2,024,753**	**4,314,251**	**10,286,792**	**538,746**	**17,164,542**

1) *Fiscal year 2022 U.S. Dollar amounts converted to Swiss Francs using the 12 month average (April 2021 to March 2022) exchange rate of 1CHF = US$1.0884.*
2) *Bonus reflects amounts earned under the Logitech Management Performance Bonus Plan. The amounts for Nate Olmstead include a special bonus received in fiscal year 2021 after Mr. Olmstead's promotion to Chief Financial Officer and appointment to the Group Management Team.*
3) *Amounts shown reflect the grant date fair value, by fiscal year, of stock awards granted in such fiscal year. The key assumptions and methodology for valuation of stock awards are presented in Note 5 to Logitech's consolidated financial statements on page 67 of the Company's 2022 Annual Report. For fiscal year 2021, the amount for Prakash Arunkundrum reflects stock grants awarded after he was appointed a member of the Group Management Team.*
4) *Other compensation includes term life insurance premiums, long-term disability insurance premiums, employer's contribution to medical premiums, wellness reimbursements, matching contributions made by the Company to the Logitech Inc. 401(k) plan, payout of accrued and unused vacation time for departing members, and employer's contribution to social security and Medicare.*
5) *Prakash Arunkundrum was appointed as a member of the Group Management Team on May 27, 2020. His reported compensation for fiscal year 2021 reflects payments received and stock grants awarded after Mr. Arunkundrum's appointment to the Group Management Team.*

6) Samantha Harnett joined the Company as General Counsel on June 22, 2020 and was appointed as a member of the Group Management Team as of July 1, 2020. Her reported compensation for fiscal year 2021 reflects payments received and stock grants awarded after Ms. Harnett's appointment to the Group Management Team.

7) Fiscal year 2021 U.S. Dollar amounts converted to Swiss Francs using the 12 month average (April 2020 to March 2021) exchange rate of 1CHF = US$1.0813.

The Company paid a former Group Management Team member CHF 181,985 in fiscal year 2021 in connection with a non-compete agreement.

3. Compensation of Board of Directors in Fiscal Years 2022 and 2021

The following tables set forth compensation Logitech paid or accrued for payment to the individual members of the Board of Directors for services performed in the fiscal years ended March 31, 2022 and 2021:

Fiscal Year 2022

(in CHF)[1]	Base Salary[2]	Bonus[3]	Stock Awards[4]	Other Compensation[5]	Total
Patrick Aebischer	71,750	—	197,700	26,063	295,513
Wendy Becker	225,000	—	197,700	39,875	462,575
Edouard Bugnion	83,375	—	197,700	27,111	308,186
Riet Cadonau[6]	76,718	—	284,623	34,345	395,686
Guy Gecht	80,167	—	197,700	26,822	304,689
Didier Hirsch[7]	43,750	—	—	—	43,750
Neil Hunt	80,875	—	197,700	26,885	305,460
Marjorie Lao	80,000	—	197,700	26,807	304,507
Neela Montgomery	77,083	—	197,700	26,544	301,327
Michael Polk	105,875	—	197,700	29,139	332,714
Deborah Thomas	91,667	—	197,700	27,858	317,225
Total Board Members[8]	**1,016,260**	**—**	**2,063,923**	**291,449**	**3,371,632**

Fiscal Year 2021

(in CHF)[11]	Base Salary[2]	Bonus[3]	Stock Awards[4]	Other Compensation[5]	Total
Patrick Aebischer	70,000	—	199,437	26,058	295,495
Wendy Becker	225,000	—	199,437	40,026	464,463
Edouard Bugnion	86,000	—	199,437	27,500	312,937
Guerrino De Luca[9]	216,975	250,198	443,306	48,019	958,498
Guy Gecht	65,000	—	199,437	25,608	290,045
Didier Hirsch	105,000	—	199,437	—	304,437
Neil Hunt	80,000	—	199,437	26,960	306,397
Marjorie Lao	80,000	—	199,437	26,960	306,397
Neela Montgomery	80,000	—	199,437	26,960	306,397
Michael Polk	102,917	—	199,437	29,029	331,383
Deborah Thomas[10]	46,667	—	199,437	23,956	270,060
Total Board Members[8]	**1,157,559**	**250,198**	**2,437,676**	**301,076**	**4,146,509**

1) *Fiscal year 2022 U.S. Dollar amounts converted to Swiss Francs using the 12 month average (April 2021 to March 2022) exchange rate of 1CHF = US$1.0884.*
2) *Base salary for non-employee members of the Board of Directors includes annual Board and committee retainers.*
3) *Bonus includes amounts earned under the Logitech Management Performance Bonus Plan.*
4) *Amounts shown reflect the grant date fair value of the annual stock award. The key assumptions and methodology for valuation of stock awards are presented in Note 5 to Logitech's consolidated financial statements on page 67 of the Company's 2022 Annual Report.*
5) *Other compensation for Mr. De Luca includes term life insurance premiums, long-term disability insurance premiums, employer's contribution to medical premiums, matching contributions made by the Company to the Logitech Inc. 401(k) plan and employer's contribution to social security and Medicare. Other compensation for the non-employee members of the Board includes Logitech's contributions to social security.*
6) *Riet Cadonau was elected to the Board at the Annual General Meeting in September 2020 but, as reported at the time of his nomination and election, he did not join the Board until April 1, 2021 and did not receive any compensation in fiscal year 2021. Mr. Cadonau received a prorated cash retainer and prorated RSU grant for his 2020 to 2021 Board Year Service in fiscal year 2022.*
7) *Didier Hirsch did not stand for re-election as a director at the Annual General Meeting in September 2021.*
8) *Total Board Members does not include the compensation of Bracken Darrell, Logitech's President and Chief Executive Officer, who is also a member of the Board. Mr. Darrell's compensation is included as part of Total Group Management Team.*
9) *Guerrino De Luca did not stand for re-election as a director at the Annual General Meeting in September 2020 and his reported compensation for fiscal year 2021 reflects stock grants awarded and the period of time in fiscal year 2021 during which Mr. De Luca was a member of the Board. As a former executive member of the Board of Directors through the Annual General Meeting in September 2020 and former Chairperson through the Annual General Meeting in September 2019, his compensation was structured similarly to the members of the Group Management Team and other employees, as applicable. He did not receive the retainers or equity awards used to compensate the non-employee members of the Board.*
10) *Deborah Thomas was first elected as a director at the Annual General Meeting in September 2020.*
11) *Fiscal year 2021 U.S. Dollar amounts converted to Swiss Francs using the 12 month average (April 2020 to March 2021) exchange rate of 1CHF = US$1.0813.*

4. Loans, credits and other payments

There were no loans or credits made or outstanding at any time during fiscal years 2022 and 2021 to any current or former members of the Board of Directors or Group Management Team. In addition, no compensation was paid or loans made during fiscal years 2022 and 2021 to parties closely related to members of the Board of Directors or Group Management Team.

No additional fees or compensation have been paid during fiscal years 2022 and 2021 to any current or former members of the Board of Directors or Group Management Team other than as noted above.

Report of the Statutory Auditor

To the General Meeting of Logitech International S.A., Hautemorges

We have audited the accompanying compensation report of Logitech International S.A. for the year ended 31 March 2022. The audit was limited to the information according to articles 14-16 of the Ordinance against Excessive Compensation in Stock Exchange Listed Companies contained in the sections Compensation Tables Audited under Swiss Law of the Compensation Report.

Responsibility of the Board of Directors

The Board of Directors is responsible for the preparation and overall fair presentation of the compensation report in accordance with Swiss law and the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance). The Board of Directors is also responsible for designing the compensation system and defining individual compensation packages.

Auditor's Responsibility

Our responsibility is to express an opinion on the accompanying compensation report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the compensation report complies with Swiss law and articles 14 – 16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the compensation report with regard to compensation, loans and credits in accordance with articles 14 – 16 of the Ordinance. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatements in the compensation report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of compensation, as well as assessing the overall presentation of the compensation report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the compensation report for the year ended 31 March 2022 of Logitech International S.A., complies with Swiss law and articles 14 – 16 of the Ordinance.

KPMG AG

Regula Tobler
Licensed Audit Expert
Auditor in Charge

Stefan Widmer
Licensed Audit Expert

Zurich, May 18, 2022

Enclosure:
– Compensation Tables Audited under Swiss Law

KPMG AG, Badenerstrasse 172, CH-8036 Zurich

Equity Compensation Plan Information

The following table summarizes the shares that may be issued upon the exercise of options (including PSOs and PPOs), RSUs, PSUs, and other rights under our employee equity compensation plans as of March 31, 2022. These plans include the 1996 Employee Share Purchase Plan (U.S.) and 2006 Employee Share Purchase Plan (Non-U.S.) (together, the “ESPPs”) and the 2006 Stock Incentive Plan.

Plan Category	(a) Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (#)	(b) Weighted Average Exercise Price of Outstanding Options, Warrants and Rights(1)	(c) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (#)
Equity Compensation Plans Approved by Security Holders	4,439,690 (2)	$62	10,538,195
Equity Compensation Plans Not Approved by Security Holders	— (3)	$0	—
Total	4,439,690 (4)	$62	10,538,195 (5)

(1) The weighted average exercise price is calculated based solely on outstanding options.

(2) Includes options and rights to acquire shares outstanding under our 1996 Employee Share Purchase Plan (U.S.), 2006 Employee Share Purchase Plan (Non-U.S.) and 2006 Stock Incentive Plan.

(3) Includes options and rights to acquire shares outstanding under our 2012 Stock Inducement Equity Plan adopted under the Nasdaq rules.

(4) Represents approximately 2.7% of the issued and outstanding share capital of the Company as of March 31, 2022.

(5) Represents approximately 6.4% of the issued and outstanding share capital of the Company as of March 31, 2022.

2012 Stock Inducement Equity Plan

Under the 2012 Stock Inducement Equity Plan, stock options and RSUs may be granted to eligible employees to serve as inducement material to enter into employment with the Company. Awards under the 2012 Stock Inducement Equity Plan may be conditioned on continued employment, the passage of time or the satisfaction of performance vesting criteria, based on individual written employment offer letters. An aggregate of 1.8 million shares were reserved for issuance under the 2012 Plan, and all of the reserved shares had been issued before the 2012 Plan expired on March 28, 2022.

2006 Stock Incentive Plan

The Logitech International S.A. 2006 Stock Incentive Plan provides for the grant to eligible employees and non-employee members of the Board of Directors of stock options, stock appreciation rights, restricted stock, and restricted stock units. As of March 31, 2022, Logitech has granted stock options (including PSOs), RSUs, and PSUs under the 2006 Stock Incentive Plan and has made no grants of restricted shares or stock appreciation rights. Stock options granted under the 2006 Stock Incentive Plan generally will have terms not exceeding ten years and will be issued at exercise prices not less than the fair market value on the date of grant. Awards under the 2006 Stock Incentive Plan may be conditioned on continued employment, the passage of time, or the satisfaction of performance vesting criteria. As of March 31, 2022, an aggregate of 30,550,000 shares was reserved for issuance under the 2006 Stock Incentive Plan. As of March 31, 2022, a total of 6,428,860 shares were available for issuance under this plan.

Employee Share Purchase Plans

Logitech maintains two employee share purchase plans, one for employees in the United States and one for employees outside the United States. The plan for employees outside the United States is named the 2006 Employee Share Purchase Plan (Non-U.S.), or 2006 ESPP, and was approved by the Board of Directors in June 2006. The plan for employees in the United States is named the 1996 Employee Share Purchase Plan (U.S.), or 1996 ESPP. The 1996 ESPP was the worldwide plan until the adoption of the 2006 ESPP in June 2006. Under both plans, eligible employees may purchase shares with up to 10% of their earnings at the lower of 85% of the fair market value at the beginning or the end of each six-month offering period. Purchases under the plans are limited to a fair value of $25,000 in any one year, calculated in accordance with U.S. tax laws. During each offering period, payroll deductions of employee participants are accumulated under the share purchase plan. Subject to continued participation in these plans, purchase agreements are automatically executed at the end of each offering period. As of March 31, 2021, an aggregate of 29,000,000 shares was reserved for issuance under both the 1996 and 2006 ESPPs. As of March 31, 2022, a total of 4,109,335 shares were available for issuance under the ESPPs.

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Appendix A

LOGITECH INTERNATIONAL S.A.
2006 STOCK INCENTIVE PLAN

The following constitute the terms and conditions of the Logitech International S.A. 2006 Stock Incentive Plan, as amended and restated on September 14, 2022. These terms and conditions apply to all Awards granted under the Plan on or after September 14, 2022, and, unless the Plan expressly provides otherwise, as well as to all outstanding Awards granted under the Plan prior to September 14, 2022.

1. Purposes of the Plan. The purposes of this Plan are:

- to attract and retain the best available personnel for positions of substantial responsibility,
- to provide additional incentive to Employees, Consultants and Directors, and
- to promote the success of the Company's business.

2. Definitions. As used herein, the following definitions shall apply:

(a) "Administrator" means the Board or any of its Committees as shall be administering the Plan, in accordance with Section 4 of the Plan.

(b) "Affiliate" means any entity other than a Subsidiary, if the Company and/or one or more Subsidiaries own not less than 50% of such entity.

(c) "Applicable Laws" means the requirements relating to the administration of stock plans under Swiss laws, U.S. state corporate laws, U.S. federal and state securities laws, the Code, any stock exchange or quotation system on which the Shares are listed or quoted and the applicable laws governing the grant of Awards and the issuance of Shares pursuant to Awards in any foreign country or jurisdiction where Awards are, or will be, granted under the Plan.

(d) "Award" means any award of an Option, a SAR, a Restricted Share or a Restricted Stock Unit under the Plan.

(e) "Award Agreement" means an agreement between the Participant and the Company setting forth the terms and conditions of an Award. Each Award Agreement shall be subject to the terms and conditions of the Plan.

(f) "Board" means the Board of Directors of the Company.

(g) "Code" means the U.S. Internal Revenue Code of 1986, as amended.

(h) "Committee" means a Committee appointed by the Board in accordance with Section 4 of the Plan.

(i) "Company" means Logitech International S.A., a company incorporated under the laws of Switzerland, and any successor thereto.

(j) "Consultant" means a consultant or adviser who provides bona fide services to the Company, a Parent, a Subsidiary or an Affiliate as an independent contractor.

(k) "Corporate Transaction" has the meaning ascribed to it in Section 16 of the Plan.

(l) "Director" means a member of the Board.

(m) "Disability" means total and permanent disability as defined in Section 22(e)(3) of the Code with respect to Incentive Stock Options. With respect to all other Awards, "Disability" means that a Participant is unable to carry out the responsibilities and functions of the position held by the Participant by reason of any medically determined physical or mental impairment for a period of not less than ninety (90) consecutive days; a Participant shall not be considered to have incurred a Disability unless he or she furnishes proof of such impairment sufficient to satisfy the Administrator in its discretion.

(n) "Employee" means any person, including officers and Directors, providing services to the Company or any Parent, Subsidiary or Affiliate as an employee. Neither service as a Director nor payment of a director's fee by the Company shall be sufficient to constitute "employment" by the Company.

(o) "Exchange Act" means the U.S. Securities Exchange Act of 1934, as amended.

(p) "Fair Market Value" means, as of any given date, (a) if the Shares are publicly traded and the date in question is a market trading day, the value of a Share determined as the closing sales price for the Shares (or the closing bid, if no sales were reported) as quoted on the SIX Swiss Exchange or the Nasdaq Global Select Market or on such other exchange or system on which the Shares are traded, as reported in such source as the Administrator deems reliable, or, if the date in question is not a market trading day, the closing price or bid, if applicable, as so reported for the last market trading day preceding the day in question, except that "Fair Market Value" may, if designated by the Administrator, also mean the average of the closing sales prices for the Shares as so quoted or reported over a period of not more than 30 days before and/or after the date in question; or (b) if the Shares are not publicly traded, the value of a Share determined by the Administrator acting in good faith. Such determination shall be conclusive and binding on all persons.

(q) "Incentive Stock Option" shall mean an option described in Section 422 of the Code.

(r) "Nonstatutory Stock Option" shall mean an option other than an option described in Section 422 of the Code.

(s) "Option" means an Incentive Stock Option or a Nonstatutory Stock Option granted pursuant to the Plan.

(t) "Outstanding Qualified Performance-Based Compensation" means any compensation granted prior to November 3, 2017 and that is outstanding as of the 2022 Amendment Date and is intended to qualify as "qualified performance-based compensation" as described in Section 162(m)(4)(C) of the Code. For the avoidance of doubt, all provisions of the Plan governing Outstanding Qualified Performance-Based Compensation that were in effect prior to the 2022 Amendment Date shall continue in effect with respect to the Outstanding Qualified Performance-Based Compensation, notwithstanding the elimination of such provisions from the Plan.

(u) "Parent" means a "parent corporation," whether now or hereafter existing, as defined in Section 424(e) of the Code.

(v) "Participant" means an Employee, Consultant or Director who holds an outstanding Award.

(w) "Performance Criteria" means any one or more performance criteria, either individually, alternatively or in any combination, applied to either the Company as a whole or to a business unit or Subsidiary, either individually, alternatively or in any combination, and measured either annually or cumulatively over a period of years, on an absolute basis or relative to a pre-established target, to previous years' results or to a designated comparison group, in each case as specified by the Administrator in the Award, which may include, but are not limited to: (i) brand recognition/acceptance, (ii) cash flow, (iii) cash flow return on investment, (iv) contribution to profitability, (v) cost control, (vi) cost positions, (vii) cost of capital, (viii) customer satisfaction, (ix) development of products, (x) earnings before interest, taxes and amortization, (xi) earnings per share, (xii) economic profit, (xiii) economic value added, (xiv) free cash flow, (xv) income or net income, (xvi) income before income taxes, (xvii) market segment share, (xviii) new product innovation, (xix) operating income or net operating income, (xx) operating margin or profit margin, (xxi) operating profit or net operating profit, (xxii) process excellence, (xxiii) product cost reduction, (xxiv) product mix, (xxv) product release schedules, (xxvi) product ship targets, (xxvii) quality, (xxviii) return on assets or net assets, (xxix) return on capital, (xxx) return on capital employed, (xxxi) return on equity, (xxxii) return on invested capital, (xxxiii) return on operating revenue, (xxxiv) return on sales, (xxxv) revenue, (xxxvi) sales, (xxxvii) share price performance, (xxxviii) strategic alliances, (xxxix) total shareholder return, (xl) working capital, and (xli) environmental, social and governance (ESG) measures, which could include, but are not limited to, performance measures based on the Company's efforts related to sustainability, furthering climate-positive actions, human capital management, promoting diversity, equity and inclusion, and fostering health and wellbeing, workplace culture and employee engagement or satisfaction.

(x) "Plan" means this Logitech International S.A. 2006 Stock Incentive Plan, as amended from time to time.

(y) "Restricted Share" means Shares, the grant, issuance, retention and/or vesting of which is subject to such conditions as are expressed in the agreement evidencing the Award of Restricted Shares.

(z) "Restricted Stock Unit" means a bookkeeping entry representing the equivalent of one Share, as awarded under the Plan, the grant, issuance, retention and/or vesting of which is subject to such conditions as are expressed in the agreement evidencing the Award of Restricted Stock Units.

(aa) "SAR" means a right to receive, in cash or stock (as determined by the Committee and set out in the Award Agreement evidencing the SAR), value with respect to a specific number of Shares equal to or otherwise based on the excess of (i) the market value of a Share at the time of exercise over (ii) the exercise price of the right, subject to such terms and conditions as are expressed in the agreement evidencing the SAR.

(bb) "Service" means service as a Service Provider. Service shall not terminate solely as a result of a Service Provider's change in status from Director or Consultant to Employee or from Employee to Consultant or Director. Service shall not terminate in the case of transfers between locations of the Company or among the Company, any Parent, any Subsidiary, any Affiliate or any successor. The Administrator, in its sole discretion, shall determine all questions relating to termination of Service for purposes of an Award, including whether a particular leave of absence constitutes a termination of Service.

(cc) "Service Provider" means a Director, Consultant or Employee.

(dd) "Share" means a registered share of the Company, as adjusted in accordance with Section 15 of the Plan.

(ee) "Subsidiary" means a "subsidiary corporation," whether now or hereafter existing, as defined in Section 424(f) of the Code.

(ff) "Unrestricted Share Pool" means a number of Shares equal to five percent (5%) of the total number of Shares reserved for issuance under the Plan, subject to adjustment as provided in Section 15 of the Plan.

(gg) "2016 Amendment Date" means September 7, 2016.

(hh) "2022 Amendment Date" means September 14, 2022.

3. Shares Subject to the Plan.

(a) Basic Limitation. Subject to adjustment as provided in Section 15 of the Plan, the maximum aggregate number of Shares that may be subject to Awards and issued under the Plan is thirty three million eight hundred thousand (33,800,000)[1] Shares, all of which may be issued upon exercise of Incentive Stock Options. The Shares may be authorized but unissued, conditionally issued or acquired Shares.

(b) Shares Returned to Reserve. Any Shares subject to an Award which for any reason expires or terminates unexercised or before settlement, is not earned in full or is forfeited, is settled in cash, or Shares that are tendered by the Participant or withheld by the Company to satisfy any tax withholding obligations with respect to an Award other than an Option or a SAR (or any other Award that is not a full value Award) shall again become available for issuance under the Plan. The following Shares shall be counted against the maximum number of Shares available for issuance pursuant to Section 3(a) hereof and shall not be returned to the Plan: (i) Shares covered by an Option or SAR which are surrendered in payment of the Option exercise price or in satisfaction of tax withholding obligations incident to the exercise or settlement of an Option or SAR; (ii) Shares that are not issued or delivered as a result of the net settlement of an outstanding SAR or Option; or (iii) Shares that are repurchased on the open market with the proceeds of the exercise of an Option. To the extent permitted by Applicable Laws, Shares issued in assumption of, or in substitution for, any outstanding awards of any entity acquired in any form of combination by the Company or any Subsidiary or Affiliate shall not be counted against Shares available for grant pursuant to this Plan. Anything in this Section 3(b) to the contrary notwithstanding, no Shares may again be optioned, granted or awarded if such action would cause an Incentive Stock Option to fail to qualify as an incentive stock option under Section 422 of the Code.

(c) Dividend Equivalents. Any dividend equivalents credited under the Plan and paid in cash shall not be applied against the number of Shares that may be issued under the Plan.

1 This number reflects the initial reserve of 7,000,000 million shares, a 2 for 1 share / ADR split effective July 14, 2006, a 3,500,000 share increase authorized by the Board on June 23, 2009 and by shareholders on September 1, 2009, a 7,300,000 share increase authorized by the Board on June 27, 2012, as amended on August 9, 2012, and by shareholders on September 5, 2012, a 5,750,000 share increase authorized by the Board on July 7, 2016, and by shareholders on September 7, 2016, and a 3,250,000 share increase authorized by the Board on June 29, 2022, and by shareholders on September 14, 2022.

4. Administration of the Plan.

(a) Procedure.

(i) Multiple Administrative Bodies. The Plan may be administered by different Committees with respect to different groups of Service Providers.

(ii) Section 162(m). With respect to Outstanding Qualified Performance-Based Compensation, the Plan shall be administered by a Committee of two or more “outside directors” within the meaning of Section 162(m) of the Code.

(iii) Rule 16b-3. To the extent desirable to qualify transactions hereunder as exempt under Rule 16b-3 of the Exchange Act, the Plan shall be administered by a Committee of two or more “non-employee directors” within the meaning of Rule 16b-3.

(iv) Other Administration. Other than as provided above or in Section 4(c) below, the Plan shall be administered by (A) the Board or (B) a Committee, which committee shall be constituted to satisfy Applicable Laws.

(b) Powers of the Administrator. Subject to the express provisions and limitations set forth in this Plan and, in the case of a Committee, subject to the specific duties delegated by the Board to such Committee, the Administrator shall be authorized and empowered to do all things necessary or desirable, in its sole discretion, in connection with the administration of the Plan, including, without limitation, the following:

(i) to determine the Fair Market Value of the Shares, in accordance with Section 2(l) of the Plan;

(ii) to select the Employees, Consultants and Directors to whom Awards may be granted hereunder, to determine the timing of any such Awards, and to grant Awards;

(iii) to determine whether and to what extent Options, SARs, Restricted Shares or Restricted Stock Units, or any combination thereof, are granted hereunder;

(iv) to determine the number of Shares to be covered by each Award granted hereunder;

(v) to approve and amend forms of Award Agreements or other documents evidencing Awards made under the Plan (which need not be identical);

(vi) to grant Awards under this Plan and determine the terms and conditions, not inconsistent with the terms of the Plan, of any Award granted hereunder. Such terms and conditions include, but are not limited to, the exercise price, the time or times when Awards may be exercised or vest (which may be based on performance criteria), any vesting acceleration or waiver of forfeiture restrictions, and any restriction or limitation regarding any Award or Shares relating thereto, based in each case on such factors as the Administrator, in its sole discretion, shall determine;

(vii) to construe and interpret the terms of the Plan and awards granted pursuant to the Plan;

(viii) to establish, adopt, rescind or revise any rules and regulations as it may deem necessary or advisable to administer the Plan, including adopting sub-plans to the Plan or special terms for Award Agreements, for the purposes of complying with non-U.S. laws and/or taking advantage of tax favorable treatment for Awards granted to Participants outside the United States (as further set forth in Section 4(d)) as it may deem necessary or advisable to administer the Plan;

(ix) to modify or amend any Award, including the discretionary authority to accelerate the exercisability or vesting of all or part of any Award or to extend the post-termination exercisability period of Options, provided that no amendment (other than an amendment that the Administrator determines is necessary or desirable to facilitate compliance with Applicable Laws) shall impair the rights of any Participant under an existing Award, unless mutually agreed otherwise between the Participant and the Administrator, which agreement must be in writing and signed by the Participant and the Company;

(x) to authorize any person to execute on behalf of the Company any instrument required to effect the grant of an Award previously granted by the Administrator;

(xi) to allow Participants to satisfy withholding tax obligations by electing to have the Company withhold from the Shares to be issued upon exercise or settlement of an Award. All elections by a Participant to have

Shares withheld for this purpose shall be made in such form and under such conditions as the Administrator may deem necessary or advisable; and

(xii) to make all other determinations and decisions deemed necessary or advisable for administering the Plan.

(c) Delegation of Authority. To the extent permitted by Applicable Laws and the Company's corporate governing documents, the Board or the Committee may from time to time delegate to one or more officers of the Company the authority to grant Awards to Employees and Consultants who are not Directors and are not considered executive officers of the Company under Section 16 of the Exchange Act. Any delegation hereunder shall be subject to the restrictions and limits that the Board or Committee specifies at the time of such delegation, and the Board or the Committee as applicable may at any time rescind the authority so delegated or appoint a new delegate. At all times, the delegate appointed under this Section 4(c) shall serve in such capacity at the satisfaction and discretion of the Board or the Committee.

(d) Non-U.S. Participants. Notwithstanding any provision of the Plan to the contrary, to facilitate compliance with the laws in countries outside the United States in which the Company and its Subsidiaries and Affiliates operate or in which Service Providers work or reside, the Administrator, in its sole discretion, shall have the power and authority to: (i) determine which Service Providers outside the United States shall be eligible to participate in the Plan; (ii) modify the terms and conditions of any Award granted to Participants outside the United States without seeking the consent of the affected Participant; (iii) establish sub-plans and modify exercise procedures and other terms and procedures and rules, to the extent such actions may be necessary or advisable, including adoption of rules, procedures or sub-plans applicable to particular Subsidiaries or Affiliates or Participants in particular locations; provided, however, that no such sub-plans and/or modifications shall take precedence over Section 3 of the Plan or otherwise require shareholder approval; and (iv) take any action, before or after an Award is granted, that it deems advisable to obtain approval or comply with any necessary local governmental regulatory exemptions or approvals. Without limiting the generality of the foregoing, the Administrator is specifically authorized to adopt rules, procedures and sub-plans with provisions that limit or modify rights on eligibility to receive an Award under the Plan or on death, disability, retirement or other termination of Service, available methods of exercise or settlement of an Award, payment of income, social insurance contributions and payroll taxes, the shifting of employer tax liability to the Participant, the withholding procedures and handling of any Share certificates or other indicia of ownership. Notwithstanding the foregoing, the Board may not take any actions hereunder, and no Awards shall be granted, that would violate Applicable Laws.

(e) Effect of Administrator's Decision. The Administrator's decisions, determinations and interpretations shall be final and binding on all Participants and any other holders of Awards.

5. Eligibility. Only Employees of the Company, a Parent or Subsidiary shall be eligible to be granted Incentive Stock Options. Subject to Section 4(d) of the Plan, Employees, Consultants (to the extent permitted by the Company's corporate governing documents) and Directors shall be eligible to be granted Nonstatutory Stock Options, SARs, Restricted Shares or Restricted Stock Units. If otherwise eligible, an Employee, Consultant or Director who has been granted an Award may be granted additional Awards at the sole discretion of the Administrator.

6. Limitations.

(a) No Right to Continued Employment, Future Grants. Neither the Plan nor any Award shall confer upon a Participant any right with respect to continuing the Participant's employment with the Company or a Subsidiary thereof, nor shall they interfere in any way with the Participant's right or the Company's or any Subsidiary's right to terminate such employment at any time, with or without cause. A Participant's rights, if any, in respect of or in connection with any Award is derived solely from the discretionary decision of the Company to permit the individual to participate in the Plan and to benefit from a discretionary Award. By accepting an Award under the Plan, a Participant expressly acknowledges that there is no obligation on the part of the Company to continue the Plan and/or grant any additional Awards.

(b) Minimum Vesting Requirements and Discretionary Vesting Acceleration Authority. Except for Awards granted in substitution for outstanding awards in connection with a corporate transaction or Awards relating to Shares in the Unrestricted Share Pool, Awards granted after the 2016 Amendment Date shall not vest prior to the date the Participant has provided Services for not less than one year; provided, however, that the Committee shall have the discretion to accelerate the vesting or exercisability of an Award in any circumstance, including upon a Corporate Transaction or change in control of the Company or the termination of the Participant's Service for any reason, including the Participant's death, Disability or retirement.

7. Effective Date. The Plan was adopted by the Board of Directors on June 15, 2006 and became effective on June 16, 2006, upon approval of the Plan by the shareholders of the Company. The Plan shall continue in effect until no Shares remain available for issuance under the Plan (including, for the avoidance of any doubt, Shares that remain

available for issuance under Awards outstanding under the Plan) or until terminated under Section 20 of the Plan, if earlier. Awards that are outstanding as of the termination of the Plan shall remain in force according to the terms of the Plan and the applicable Award Agreement.

8. Options

(a) Stock Option Agreement. Each grant of an Option under the Plan shall be evidenced by an agreement between the Participant and the Company in such form (including by electronic communications) and such terms, conditions and restrictions as may be approved by the Administrator (the "Stock Option Agreement"). Such Option shall be subject to all applicable terms of the Plan and may be subject to any other terms that are not inconsistent with the Plan. The Stock Option Agreement shall specify whether the Option is an Incentive Stock Option or a Nonstatutory Stock Option. The provisions of the various Stock Option Agreements entered into under the Plan need not be identical.

(b) Number of Shares. Each Stock Option Agreement shall specify the number of Shares subject to the Option and shall provide for the adjustment of such number in accordance with Section 15.

(c) Option Exercise Price. The per Share exercise price for which one Share may be purchased upon exercise of an Option shall be determined by the Administrator and set out in the Stock Option Agreement; provided that the per Share exercise price shall in no event be less than 100% of the Fair Market Value of a Share on the date of grant.

(d) Exercisability and Term. Each Stock Option Agreement shall specify the date or event when all or any installment of the Option is to become exercisable. The Stock Option Agreement shall also specify the term of the Option; provided that the term of an Option shall in no event exceed 10 years from the date of grant. Anything in this Section 8(d) to the contrary notwithstanding, Options shall be subject to the minimum vesting requirement set forth in Section 6(b). Options may be awarded in combination with SARs, and such an Award may provide that the Options will not be exercisable unless the related SARs are forfeited.

(e) Buyout Provisions. Subject to Section 20(b), the Administrator may at any time (a) offer to buy out for a payment in cash or cash equivalents an Option previously granted or (b) authorize a Participant to elect to cash out an Option previously granted, in either case at such time and based upon such terms and conditions as the Administrator shall establish.

(f) Option Exercise Consideration. The Administrator shall determine the acceptable form of consideration for exercising an Option, including the method of payment. Such consideration may consist entirely of: (i) cash, (ii) cash equivalents, (iii) full-recourse promissory note, (iv) other Shares that have a fair market value on the date of surrender equal to the aggregate exercise price of the Shares as to which said Option shall be exercised; (v) consideration received by the Company under a cashless exercise program implemented by the Company in connection with the Plan, (vi) the amount attributable to the fair market value of Shares withheld under a "net exercise" arrangement, (vii) any combination of the foregoing methods of payment; or (viii) such other consideration and method of payment for the issuance of Shares to the extent permitted by Applicable Laws. If the Company is subject to Section 13(k) of the Exchange Act, and if the Participant is a Director or executive officer of the Company, he or she may pay the exercise price with a promissory note only to the extent permitted by Section 13(k).

(g) No Rights as Shareholder. No Participant shall have any rights as a shareholder with respect to any Shares subject to Options until such Shares have been issued. No dividends (or dividend equivalents) shall be granted, accrue or otherwise become payable with respect to an Option.

(h) Termination of Participant's Service. Upon termination of a Participant's Service, the Participant (or any person having the right to exercise the Option after his or her death) may exercise his or her Option within such period of time as is specified in the Stock Option Agreement to the extent that he or she is entitled to exercise it on the date of termination (but in no event later than the expiration of the term of such Option as set forth in the Stock Option Agreement). In the absence of a specified time in the Stock Option Agreement, the Option shall remain exercisable for ninety (90) days following the termination of the Participant's Service for any reason other than death or Disability, and the Option shall remain exercisable for one (1) year following the termination of the Participant's Service for reason of death or Disability. Notwithstanding the foregoing, other than where a Participant's Service is terminated for cause (as determined by the Administrator), if the exercise of an Option within the applicable time periods set forth above or in the Stock Option Agreement, as applicable, is prevented as a result of the provisions set forth in Section 21(a) regarding legal compliance with respect to the issuance of Shares, the Option shall remain exercisable until thirty (30) days after the date the Participant is no longer prevented from exercising the Option. If, on the date of termination of Service, the Participant is not entitled to exercise his or her entire Option, the Shares covered by the unexercisable portion of the Option shall revert to the Plan. If, after termination of Service, the Participant does not exercise his or her Option within the time specified by the Administrator, the Option shall terminate, and the Shares covered by such Option shall revert to the Plan.

9. Restricted Shares.

(a) Restricted Stock Agreement. Each grant of Restricted Shares under the Plan shall be evidenced by an agreement between the Participant and the Company in such form (including by electronic communications) and such terms, conditions and restrictions as may be approved by the Administrator (the "Restricted Stock Agreement"). Such Restricted Shares shall be subject to all applicable terms of the Plan and may be subject to any other terms that are not inconsistent with the Plan. The provisions of the various Restricted Stock Agreements entered into under the Plan need not be identical.

(b) Payment for Awards. Restricted Shares may be granted, sold or awarded under the Plan for such purchase price, if any, or consideration as the Administrator may determine, including (without limitation) cash, cash equivalents, property, full-recourse promissory notes, past services and future services. If the Company is subject to Section 13(k) of the Exchange Act, and if the Participant is a Director or executive officer of the Company, he or she may pay for Restricted Shares with a promissory note only to the extent permitted by Section 13(k). Subject to Section 20(b), within the limitations of the Plan, the Committee may accept the cancellation of outstanding Options in return for the grant of Restricted Shares.

(c) Vesting. The grant, issuance, retention and/or vesting of Shares under Restricted Share Awards shall be at such time and in such installments as determined by the Administrator or under criteria established by the Administrator. The Administrator shall have the right, but shall not be required, to make the timing of the grant and/or the issuance, ability to retain and/or vesting of Shares under Restricted Share Awards subject to continued employment, passage of time and / or performance goals as deemed appropriate by the Administrator. The Administrator shall determine the level of achievement against any performance goals and such determination shall be final and binding. Anything in this Section 9(c) to the contrary notwithstanding, a Restricted Stock Agreement shall be subject to the minimum vesting requirement set forth in Section 6(b) of the Plan.

(d) Voting and Dividend Rights. The holders of Restricted Shares awarded under the Plan shall have the same voting, dividend and other rights as the Company's other shareholders. To the extent Restricted Shares are subject to a vesting condition, dividends shall be accumulated and subject to any restrictions and risk of forfeiture to which the underlying Restricted Shares are subject and the Participant shall not be entitled to the dividends until the vesting conditions of the Award have been satisfied. A Restricted Stock Agreement, however, may require that the holders of Restricted Shares invest any cash dividends received in additional Restricted Shares. Such additional Restricted Shares shall be subject to the same conditions and restrictions as the Award with respect to which the dividends were paid.

(e) Termination of Employment. The Restricted Stock Agreement may provide for the forfeiture or cancellation of the Restricted Share Award, in whole or in part, in the event of the termination of Service of the Participant to whom it was granted.

10. Stock Appreciation Rights.

(a) SAR Agreement. Each grant of a SAR under the Plan shall be evidenced by an agreement between the Participant and the Company in such form (including by electronic communications) and such terms, conditions and restrictions as may be approved by the Administrator (the "SAR Agreement"). Such SAR shall be subject to all applicable terms of the Plan and may be subject to any other terms that are not inconsistent with the Plan. The provisions of the various SAR Agreements entered into under the Plan need not be identical.

(b) Number of Shares and Exercise Price. Each SAR Agreement shall specify the number of Shares to which the SAR pertains and shall provide for the adjustment of such number in accordance with Section 15. Each SAR Agreement shall specify the exercise price; provided that the exercise price shall in no event be less than 100% of the Fair Market Value of a Share on the date of grant.

(c) Exercisability and Term. Each SAR Agreement shall specify the date when all or any installment of the SAR is to become exercisable. The SAR Agreement shall also specify the term of the SAR; provided that the term of a SAR shall in no event exceed 10 years from the date of grant. Anything in this Section 10(c) to the contrary notwithstanding, SARs shall be subject to the minimum vesting requirement set forth in Section 6(b) of the Plan. SARs may be awarded in combination with Options, and such an Award may provide that the SARs will not be exercisable unless the related Options are forfeited. A SAR may be included in an Incentive Stock Option only at the time of grant but may be included in a Nonstatutory Stock Option at the time of grant or thereafter. A SAR granted under the Plan may provide that it will be exercisable only in the event of a Change in Control.

(d) Exercise of SARs. Upon exercise of a SAR, the Participant (or any person having the right to exercise the SAR after his or her death) shall receive from the Company consideration in the form of (a) Shares, (b) cash or (c) a combination of Shares and cash, as set out in the SAR Agreement or as the Administrator shall determine. Each SAR Agreement shall specify the amount and/or Fair Market Value of the consideration that the Participant will receive upon exercising the SAR; provided that the aggregate consideration shall not exceed the amount by which the Fair Market Value (on the date of exercise) of the Shares subject to the SAR exceeds the exercise price of the SAR. A SAR Agreement may provide for the automatic exercise of a SAR on (i) the date when the SAR expires if the exercise price of the SAR is less than the Fair Market Value of the Shares subject to the SAR on such date but any portion of the SAR has not yet been exercised, or (ii) an earlier date.

(e) No Rights as Shareholder. No Participant shall have any rights as a shareholder with respect to any Shares covered by SARs until such Shares, if any, have been issued. No dividends (or dividend equivalents) shall be granted, accrue or otherwise become payable with respect to a SAR.

(f) Termination of Participant's Service. Upon termination of a Participant's Service, the Participant (or any person having the right to exercise the SAR after his or her death) may exercise his or her SAR within such period of time as is specified in the SAR Agreement to the extent that he or she is entitled to exercise it on the date of termination (but in no event later than the expiration of the term of such SAR as set forth in the SAR Agreement). In the absence of a specified time in the SAR Agreement, the SAR shall remain exercisable for ninety (90) days following the termination of the Participant's Service for any reason other than death or Disability, and the Option shall remain exercisable for one (1) year following the termination of the Participant's Service for reason of death or Disability. If, on the date of termination of Service, the Participant is not entitled to exercise his or her entire SAR, the Shares covered by the unexercisable portion of the SAR shall revert to the Plan. If, after termination of Service, the Participant does not exercise his or her SAR within the time specified by the Administrator, the SAR shall terminate, and the Shares covered by such SAR shall revert to the Plan.

11. Restricted Stock Units.

(a) Restricted Stock Unit Agreement. Each grant of Restricted Stock Units under the Plan shall be evidenced by an agreement between the Participant and the Company in such form (including by electronic communications) and such terms, conditions and restrictions as may be approved by the Administrator (the "Restricted Stock Unit Agreement"). Such Restricted Stock Units shall be subject to all applicable terms of the Plan and may be subject to any other terms that are not inconsistent with the Plan. The provisions of the various Restricted Stock Unit Agreements entered into under the Plan need not be identical.

(b) Payment for Awards. To the extent that an Award is granted in the form of Restricted Stock Units, no cash consideration shall be required of the Participant.

(c) Vesting Conditions. The grant, issuance, retention and/or vesting of Shares under Restricted Stock Unit Awards shall be at such time and in such installments as determined by the Administrator or under criteria established by the Administrator. The Administrator shall have the right, but shall not be required, to make the timing of the grant and/or the issuance, ability to retain and/or vesting of Shares under Restricted Stock Unit Awards subject to continued employment, passage of time and/or performance goals as deemed appropriate by the Administrator. The Administrator shall determine the level of achievement against any performance goals and such determination shall be final and binding. Anything in this Section 11(c) to the contrary notwithstanding, a Restricted Stock Unit Agreement shall be subject to the minimum vesting requirement set forth in Section 6(b) of the Plan.

(d) Voting, Dividend and Dividend Equivalent Rights. No Participant shall have any rights as a shareholder, including the right to vote or receive dividends with respect to any Shares covered by Restricted Stock Units until such Shares, if any, have been issued. A Restricted Stock Unit awarded under the Plan may, at the Administrator's sole discretion, carry with it a right to dividend equivalents. Such right entitles the Participant to be credited with an amount equal to all cash dividends paid on one Share, as of the dividend payment dates during the period between the date of grant and the date the Restricted Stock Unit is vested or settled, as determined by the Administrator. Dividend equivalents may be converted into additional Restricted Stock Units. Settlement of dividend equivalents may be made in the form of cash, in the form of Shares, or in a combination of both. Any dividend equivalents credited to Restricted Stock Units shall be subject to the same conditions (including, without limitation, vesting or performance conditions, if any) and restrictions as the Restricted Stock Units to which they attach (dividend equivalents that accrue with respect to a Restricted Stock Units Award shall not be paid unless the vesting conditions applicable to the underlying Award are satisfied).

(e) Form and Time of Settlement of Restricted Stock Units. Settlement of vested Restricted Stock Units may be made in the form of (i) cash, (ii) Shares or (iii) any combination of both, as set out in the Restricted Stock Unit

Agreement or as the Administrator shall determine. The actual number of Restricted Stock Units eligible for settlement may be larger or smaller than the number included in the original Award, based on predetermined performance factors. Methods of converting Restricted Stock Units into cash may include (without limitation) a method based on the average Fair Market Value of Shares over a series of trading days. Vested Restricted Stock Units may be settled in a lump sum or in installments. The distribution may occur or commence when all vesting conditions applicable to the Restricted Stock Units have been satisfied or have lapsed, or it may be deferred to any later date. The amount of a deferred distribution may be increased by an interest factor or by dividend equivalents. Until an Award of Restricted Stock Units is settled, the number of such Restricted Stock Units shall be subject to adjustment pursuant to Section 15. Unless the Administrator provides for the issuance of fractional Shares, any fractional Shares that vest may be settled in cash or rounded up or down to the next whole number of Shares, as set forth in the Award Agreement.

(f) Death of Recipient. Any Award of Restricted Stock Units that becomes payable after the Participant's death shall be distributed to the Participant's estate or, to the extent the Participant is permitted by the Administrator (in its sole discretion) to designate a beneficiary and has done so, to the Participant's designated beneficiary or beneficiaries, provided, however, that the Administrator shall retain the discretion to determine whether any beneficiary designation shall be given effect in the case of any question of the validity and/or enforceability of such designation.

(g) Termination of Employment. The Restricted Stock Unit Agreement may provide for the forfeiture or cancellation of the Restricted Share Award, in whole or in part, in the event of the termination of Service of the Participant to whom it was granted.

(h) Creditors' Rights. A holder of Restricted Stock Units shall have no rights other than those of a general creditor of the Company. Restricted Stock Units represent an unfunded and unsecured obligation of the Company, subject to the terms and conditions of the applicable Restricted Stock Unit Agreement.

12. Evaluation of Performance Criteria. The Administrator may appropriately adjust any evaluation of performance under a Performance Criteria to exclude any of the following events that occurs during a performance period: (i) asset write-downs, (ii) litigation or claim judgments or settlements, (iii) the effect of changes in tax law, accounting principles or other such laws or provisions affecting reported results, (iv) accruals for reorganization and restructuring programs and (v) any unusual, infrequently occurring or non-recurring event, item, transaction or development as determined in accordance with accounting principles and/or as described in management's discussion and analysis of financial condition and results of operations appearing in the Company's annual report for the applicable year. Notwithstanding satisfaction or completion of any Performance Criteria, to the extent specified at the time of grant of an Award, the number of Shares, Options, SARs, Restricted Shares, Restricted Stock Units or other benefits granted, issued, retainable and/or vested under an Award on account of satisfaction of such Performance Criteria may be reduced by the Administrator on the basis of such further considerations as the Administrator in its sole discretion shall determine.

13. Suspension or Termination of Awards. If at any time (including after a notice of exercise has been delivered) the Administrator reasonably believes that a Participant, other than an independent Director, has committed an act of misconduct as described in this Section 13, the Administrator may suspend the Participant's right to exercise any Award, pending a determination of whether an act of misconduct has been committed. If the Administrator determines that a Participant, other than an independent Director, has committed an act of embezzlement, fraud or breach of fiduciary duty, or if a Participant makes an unauthorized disclosure of any trade secret or confidential information of the Company or any of its Subsidiaries, or induces any customer to breach a contract with the Company or any of its Subsidiaries, neither the Participant nor his or her estate shall be entitled to exercise unexercised Options or SARs or continue vesting in Restricted Shares or Restricted Stock Units, and any unexercised Options and SARs, unvested Restricted Shares and unvested and/or vested but not yet settled Restricted Stock Units shall be forfeited. Any determination by the Administrator with respect to the foregoing shall be final, conclusive and binding on all interested parties. For any Participant who is a Vice President or above the determination of the Administrator shall be subject to the approval of the Board.

14. Non-Transferability of Awards. Unless determined otherwise by the Administrator, an Award may not be sold, pledged, assigned, hypothecated, transferred or disposed of in any manner other than by will, by beneficiary designation or by the laws of descent or distribution and may be exercised, during the lifetime of the Participant, only by the Participant. If the Administrator makes an Award transferable, such Award shall contain such additional terms and conditions as the Administrator deems appropriate.

15. Adjustments Upon Changes in Capitalization.

(a) Changes in Capitalization. In the event of a declaration of a stock dividend (including with respect to the stock of a Subsidiary), stock split, reverse stock split, spin-off, combination or reclassification of shares, extraordinary dividend or other distribution of cash and/or assets, recapitalization, reorganization or any similar event affecting the Shares or other securities of the Company, the Administrator shall appropriately and equitably adjust the number and kind of Shares or other securities which are subject to this Plan, including the maximum number of Shares that may be issued pursuant to the exercise of Incentive Stock Options, or the number of Shares or other securities subject to any Awards previously granted, and/or the exercise or settlement prices of such Awards, in order to reflect such change and thereby preclude a dilution or enlargement of benefits under an Award.

(b) No Rights. The existence of outstanding Awards shall not affect in any way the right or power of the Company or its shareholders to make or authorize any or all adjustments, recapitalizations, reorganizations, exchanges, or other changes in the Company's capital structure or its business, or any merger or consolidation of the Company or any issuance of Shares or other securities or subscription rights thereto, or any issuance of bonds, debentures, preferred or prior preference securities ahead of or affecting the Shares or other securities of the Company or the rights thereof, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise. Further, except as expressly provided in this Plan (i) the issuance by the Company of shares or any class of securities convertible into shares of any class, for cash, property, labor or services, upon direct sale, upon the exercise of rights or warrants to subscribe therefore, or upon conversion of shares or obligations of the Company convertible into such shares or other securities, (ii) the payment of a dividend in property other than Shares, or (iii) the occurrence of any similar transaction, and in any case whether or not for fair value, shall not affect, and no adjustment by reason thereof shall be made with respect to, the number of Shares subject to Options or other Awards previously granted or the purchase price per Share.

(c) No Fractional Shares. No right to purchase fractional Shares shall result from any adjustment in Options or SARs pursuant to this Section 15. In case of any such adjustment, the Shares subject to the Option or SAR shall be rounded down to the nearest whole share.

(d) Dissolution or Liquidation. In the event of the proposed dissolution or liquidation of the Company, the Administrator shall notify each Participant as soon as practicable prior to the effective date of such proposed transaction. The Administrator in its discretion may provide for a Participant to have the right to exercise an Option or SAR until ten (10) days prior to such transaction as to all of the Shares covered thereby, including Shares as to which the Option or SAR would not otherwise be exercisable. In addition, the Administrator may provide that any forfeiture condition applicable to any Shares issued under the Plan shall lapse as to all such Shares, provided the proposed dissolution or liquidation takes place at the time and in the manner contemplated. To the extent it has not been previously exercised, an Option or SAR will terminate immediately prior to the consummation of such proposed action.

16. Merger, Reorganization or Asset Sale. In the event the Company is a party to a merger, consolidation or reorganization, or the sale of substantially all of the assets of the Company (a "Corporate Transaction"), then each outstanding Award shall be subject to the agreement evidencing the Corporate Transaction. Such agreement shall provide for one or more of the following:

(a) The continuation of outstanding Awards by the Company (if the Company is the surviving corporation).

(b) The assumption of outstanding Awards by the surviving corporation or its parent.

(c) The substitution by the surviving corporation or its parent of new awards for outstanding Awards.

(d) Full exercisability of outstanding Options and SARs and full vesting of the Shares subject to them, followed by the cancellation of such Options and SARs. The full exercisability of outstanding Options and SARs and full vesting of such Shares, and any exercise of outstanding Options and SARs, shall be contingent on the closing of the merger, reorganization, consolidation or asset sale.

(e) The cancellation of outstanding Options and SARs and a payment to the holding Participants equal to the excess of (i) the per Share amount that shareholders are entitled to receive or realize in connection with the applicable transaction with respect to the number of Shares subject to such Options and SARs (whether or not such Options and SARs are then exercisable or such Shares are then vested) as of the closing date of such merger, reorganization, consolidation or asset sale, over (ii) their Exercise Price. Such payment shall be made in the form of cash, cash equivalents, or securities of the surviving corporation or its parent with a Fair Market Value equal to the required amount. Such payment may be made in installments and may be deferred until the date or dates when such Options and SARs would have become exercisable or such Shares would have vested. Such payment may be subject to vesting based on the Participant's continuing Service, provided that the vesting schedule shall not be less favorable to the Participant than the schedule under which such Options and SARs would have become exercisable or such Shares would have vested. If the Exercise Price of the Shares subject to such Options and SARs exceeds the Fair Market Value of such Shares, then such Options and SARs may be cancelled without making a payment to the Participants. For purposes of this Subsection (e), the Fair Market Value of any security shall be determined without regard to any vesting conditions that may apply to such security.

(f) The cancellation of outstanding Restricted Stock Units and a payment to the Participants equal to the Fair Market Value of the Shares subject to such Restricted Stock Units (whether or not such Restricted Stock Units are then vested) as of the closing date of such merger or consolidation. Such payment shall be made in the form of cash, cash equivalents, or securities of the surviving corporation or its parent with a Fair Market Value equal to the required amount. Such payment may be made in installments and may be deferred until the date or dates when such Restricted Stock Units would have vested. Such payment may be subject to vesting based on the Participant's continuing Service, provided that the vesting schedule shall not be less favorable to the Participant than the schedule under which such Stock Units would have vested. For purposes of this Subsection (f), the Fair Market Value of any security shall be determined without regard to any vesting conditions that may apply to such security.

For the avoidance of any doubt, nothing in this Section 16 is intended, or shall be construed, to provide for automatic vesting acceleration of any Award upon a Corporate Transaction or other change in control of the Company without additional action by the Committee.

17. Date of Grant. The date of grant of an Award shall be, for all purposes, the date on which the Administrator makes the determination granting such Award, or such other later date as is determined by the Administrator. Notice of the determination shall be provided to each Participant within a reasonable time after the date of such grant.

18. Tax Withholding. The Company or any Subsidiary or Affiliate shall have the authority and the right to deduct or withhold (by any means set forth herein or in an Award Agreement), or require a Participant to remit to the Company or a Subsidiary or Affiliate, an amount sufficient to satisfy federal, state, local and foreign income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to participation in the Plan and legally applicable to Participant and required by Applicable Laws to be withheld. The Administrator may, in its discretion and in satisfaction of the foregoing requirement, allow a Participant to elect to have the Company withhold Shares otherwise issuable under an Award (or allow the tender of Shares previously acquired by the Participant) having a fair market value equal to the amount required to be withheld. The Company shall not be required to issue Shares or to recognize the disposition of such Shares until any withholding obligations on the part of the Company, a Subsidiary or an Affiliate are satisfied.

19. Unfunded Plan. Insofar as it provides for Awards, the Plan shall be unfunded. Although bookkeeping accounts may be established with respect to Participants who are granted Awards under this Plan, any such accounts will be used merely as a bookkeeping convenience. The Company shall not be required to segregate any assets which may at any time be represented by Awards, nor shall this Plan be construed as providing for such segregation, nor shall the Company or the Administrator be deemed to be a trustee of securities or cash to be awarded under the Plan.

20. Amendment and Termination of the Plan.

(a) Amendment and Termination. The Board may at any time amend, alter, suspend or terminate the Plan.

(b) Shareholder Approval. The Company shall obtain shareholder approval of any Plan amendment to the extent necessary and desirable to comply with Applicable Laws, including the requirements of any exchange or quotation system on which the Shares are listed or quoted. Such shareholder approval, if required, shall be obtained in such a manner and to such a degree as is required by Applicable Laws. Notwithstanding any provision in this Plan to the contrary, absent approval of the shareholders of the Company,

(i) No Option or SAR may be amended to reduce the exercise price of such Option or SAR below the Fair Market Value of the Shares as of the date the Option or SAR was granted, and

(ii) Except as permitted by Section 15, and at any time when the then-current fair market value of a Share is less than the Fair Market Value of a Share on the date that an outstanding Option or SAR was granted, such outstanding Option or SAR may not be cancelled or surrendered in exchange for (A) cash, (B) an Option or SAR having an exercise price that is less than the Fair Market Value of a Share on the date that the original Option or SAR was granted, or (C) any other Award.

(c) Effect of Amendment or Termination. No amendment, alteration, suspension or termination of the Plan shall impair the rights of any Participant under an existing Award, unless mutually agreed otherwise between the Participant and the Administrator, which agreement must be in writing and signed by the Participant and the Company. Anything to the contrary notwithstanding, any amendment, alteration, suspension or termination of the Plan (or an amendment to an outstanding Award) to facilitate compliance with Applicable Laws shall not require consent from any Participant or any other beneficiary.

21. Conditions Upon Issuance of Shares.

(a) Legal Compliance. Shares shall not be issued under the Plan unless the issuance and delivery of such Shares shall comply with Applicable Laws, and shall be further subject to the approval of counsel for the Company with respect to such compliance.

(b) Investment Representations. As a condition to the issuance of Shares under the Plan, the Company may require the Participant to represent and warrant at the time of any such issuance that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation is required.

22. Liability of Company.

(a) Inability to Obtain Authority; Tax Consequences. The Company shall not be liable to a Participant or other persons as to: (a) the non-issuance or sale of Shares as to which the Company has been unable to obtain from any regulatory body having jurisdiction the authority deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder; and (b) any tax consequence expected, but not realized, by any Participant or other person due to the receipt, exercise or settlement of any Option or other Award granted under this Plan.

(b) Grants Exceeding Allotted Shares. If the number of Shares covered by an Award exceeds, as of the date of grant, the number of Shares that may be issued under the Plan without additional shareholder approval, such Award shall be void with respect to such excess Shares, unless shareholder approval of an amendment sufficiently increasing the number of Shares subject to the Plan is timely obtained in accordance with Section 20(b) of the Plan.

23. Clawback/Recovery. All Awards granted under the Plan will be subject to recoupment in accordance with any clawback policy that the Company is required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or as is otherwise required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other Applicable Laws. In addition, the Administrator may impose such other clawback, recovery or recoupment provisions on an Award as the Administrator determines necessary or appropriate, including but not limited to a reacquisition right in respect of previously acquired Shares or other cash or property upon the occurrence of cause (as determined by the Administrator).

24. Section 409A. To the extent applicable, the Plan and Award Agreements shall be interpreted in accordance with Section 409A of the Code and U.S. Department of Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the Plan effective date. Notwithstanding any provision of the Plan to the contrary, in the event that the Administrator determines that any Award may be subject to Section 409A of the Code and related U.S. Department of Treasury guidance (including such U.S. Department of Treasury guidance as may be issued after the Plan effective date), the Administrator may adopt such amendments to the Plan and the applicable Award Agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, that the Administrator determines are necessary or appropriate to (a) exempt the Award from Section 409A of the Code and/or preserve the intended tax treatment of the benefits provided with respect to the Award, or (b) comply with the requirements of Section 409A of the Code and related U.S. Department of Treasury guidance and thereby avoid the application of any penalty taxes under such Section, but the Company shall not be under any obligation to make any such amendment. Nothing in this Plan shall provide a basis for any person to take action against the Company or any Subsidiary or Affiliate based on matters covered by Section 409A of the Code, including the tax treatment of any Award granted or Shares issued or amount paid under the Plan, and neither the Company nor any of its Subsidiaries or Affiliates shall under any circumstances have any liability to any Participant or his or her estate or any other party for any taxes, penalties or interest due on Awards granted under this Plan, including taxes, penalties or interest imposed under Section 409A of the Code.

Annual Report
Fiscal Year 2022

Annual Report Fiscal Year 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following Management's Discussion and Analysis of Financial Condition and Results of Operations contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these statements as a result of certain factors, including those set forth above in Item 1A "Risk Factors," and below in Item 7A, "Quantitative and Qualitative Disclosures about Market Risk." Please read the following discussion and analysis of our financial condition and results of operations together with our consolidated financial statements and related notes included under Item 8 of this Annual Report on Form 10-K.

Overview of Our Company

Logitech is a world leader in designing, manufacturing and marketing products that help connect people to digital and cloud experiences. Forty years ago, Logitech created products to improve experiences around the personal computer ("PC") platform, and today it is a multi-brand, multi-category company designing products that enable people to pursue their passions and connect to the world. Logitech’s products align with several large secular trends including work and learn from anywhere, video everywhere, the increasing popularity of gaming as a spectator and participant sport, and the democratization of content creation. Logitech's brands include Logitech, Logitech G, ASTRO Gaming, Streamlabs, Blue Microphones, and Ultimate Ears. Our Company's website is www.logitech.com.

Our products participate primarily in four large market opportunities: Creativity & Productivity, Gaming, Video Collaboration and Music. We sell our products to a broad network of domestic and international customers, including direct sales to retailers, e-tailers and enterprise customers, and indirect sales through distributors. Our worldwide channel network includes consumer electronics distributors, retailers, e-tailers, mass merchandisers, specialty stores, computer and telecommunications stores, value-added resellers and online merchants. We primarily sell our services directly to end customers.

From time to time, we may seek to partner with or acquire, when appropriate, companies that have products, personnel, and technologies that complement our strategic direction. For example, in February 2021, we acquired Mevo Inc. ("Mevo") to complement our PC webcams portfolio and enable us to offer end-to-end solution for streaming and content creation, and in October 2019, we acquired General Workings, Inc. ("Streamlabs") to complement our Gaming portfolio (see Note 3 to the consolidated financial statements). We continually review our product offerings and our strategic direction in light of our profitability targets, competitive conditions, changing consumer trends and the evolving nature of the interface between the consumer and the digital world.

Impacts of COVID-19 to Our Business

In March 2020, the World Health Organization declared the outbreak of COVID-19 as a pandemic, which continues to spread throughout the world. The spread of COVID-19 has caused public health officials to recommend precautions to mitigate the spread of the virus and, in certain markets in which we operate, government authorities have from time to time issued orders that require the closure of or restrictions on non-essential businesses and people to be quarantined or to shelter-at-home. The ongoing COVID-19 pandemic has curtailed global economic activity, caused volatility and disruption in global financial and commercial markets, and is likely to continue to cause uncertainty for an indeterminate amount of time. While most of our offices have at least partially reopened or will be reopening in the near future, we are conducting our business with substantial modifications, such as employee remote work in many non-manufacturing facilities and travel limitations, among other changes. We are continuing to actively monitor the situation and may take further actions that alter our business operations as may be required by federal, state or local authorities in the countries in which we operate, or that we determine are in the best interest of our employees, customers, partners, suppliers or shareholders.

Since the outbreak of COVID-19 in early 2020 we experienced disruptions to our supply chain and logistics, inventory constraints, and increased logistics costs, as we attempted to address the effects of the COVID-19 pandemic. At the same time, due to the shelter-at-home requirements or other restrictions in many countries, there was an acceleration of work-from-anywhere, learn-from-anywhere, gaming, video collaboration and streaming trends and high demand and consumption of certain of our products that led to increased sales and operating income. While we continued to experience increased sales in fiscal year 2022 compared to fiscal year 2021, we also experienced supply and demand volatility, as the COVID-19 pandemic and related safety measures and restrictions have evolved differently across the world. Further, the demand volatility has led to, and could continue to lead to in the future, higher promotions and marketing expenses, or excess inventories, or both, which could have an adverse impact on our results of operations.

In addition, the COVID-19 pandemic has resulted in, and could continue to result in, industry-wide global supply chain challenges, including manufacturing, transportation and logistics. We purchase certain products and key components from a limited number of sources, and depend on the supply chain, including freight, to receive components, transport finished goods and deliver our products across the world. While we proactively manage our supply chain, we expect to continue to be impacted by higher logistics and component costs, prolonged delays, and challenges with component availability. Most recently, Shanghai, China, began a lockdown in late March 2022 due to another outbreak of COVID-19, resulting in a lockdown of the city, closures of ports and airports, and disruption of commercial activities, further constraining our supply chain. If the Shanghai lockdown is extended, including to our Suzhou manufacturing facility, and to other places where our suppliers and partners are located, such measures, depending on their duration, could cause additional negative impact on our business and results of operations.

It is still difficult to predict the progression, the duration and all of the effects of COVID-19, how business restrictions and shelter-at-home guidelines will continue evolving on a global basis, how consumer demand, supply chain challenges, including inventory and logistical effects and costs, may change over time, and the impact on our future sales and results of operations. The full extent of the impact of the COVID-19 pandemic on our business and our operational and financial performance remains uncertain and will depend on many factors outside our control. For additional information, see "*Liquidity and Capital Resources*" below and Item 1A "*Risk Factors,*" including under the caption "*The full effect of the COVID-19 pandemic is still uncertain and cannot be predicted, and could adversely affect our business, results of operations and financial condition.*", "*If we do not successfully coordinate the worldwide manufacturing and distribution of our products, we could lose sales" and "We purchase key components and products from a limited number of sources, and our business and operating results could be adversely affected if supply were delayed or constrained or if there were shortages of required components.*"

Impacts of Macroeconomic and Geopolitical Conditions on our Business

Adverse macroeconomic conditions, including but not limited to inflation, slower growth or recession, new or increased tariffs, changes to fiscal and monetary policy, higher interest rates and currency fluctuations could adversely affect demand for our products. In addition, in February 2022, Russia invaded Ukraine resulting in, among other things, broad economic sanctions being imposed on Russia, which has further increased existing global supply chain, logistics, and inflationary challenges. Such global or regional economic and political conditions may also have a significant impact on our suppliers, contract manufacturers, logistics providers, and distributors, causing increases in cost of materials. Furthermore, these conditions may lead to price increases in certain of our product markets. Price increases may not successfully offset cost increases or may cause us to lose market share and in turn adversely impact our operations.

In the fourth quarter of fiscal year 2022, we indefinitely ceased all sales and shipments to Russia. Our sales in Ukraine have also been halted due to the ongoing military operations on the Ukrainian territory. Our business in Russia and Ukraine were not material to our results and accounted for approximately 2% of total revenue for fiscal year 2022.

For additional information, see item 1A "*Risk Factors*," including under the caption *"We purchase key components and products from a limited number of sources, and our business and operating results could be adversely affected if supply were delayed or constrained or if there were shortages of required components," "Our principal manufacturing operations and third-party contract manufacturers are located in China and Southeast Asia, which exposes us to risks associated with doing business in that geographic area as well as potential tariffs, adverse tax consequences and pressure to move or diversify our manufacturing locations" and "If we do not accurately forecast market demand for our products, our business and operating results could be adversely affected."*

Summary of Financial Results

Our total sales for fiscal year 2022 increased 4% compared to fiscal year 2021, primarily driven by growth in sales in Gaming, Keyboards & Combos, and Pointing Devices, partially offset by a decline in sales of Tablet & Other Accessories, Audio & Wearables, and Video Collaboration.

Sales for fiscal year 2022 increased 5% and 10% in the Americas and Asia Pacific, respectively, and declined 1% in EMEA, compared to fiscal year 2021.

Gross margin for fiscal year 2022 decreased by 320 basis points to 41.3%, compared to fiscal year 2021, due to increased promotional spending, higher reserves for excess inventories, and higher material and logistic costs, partially offset by favorable impacts from product mix and changes in currency exchange rates.

Operating expenses for fiscal year 2022 were $1,489.0 million, or 27.2% of sales, compared to $1,187.6 million, or 22.6% of sales, for fiscal year 2021. The increase in operating expenses was primarily driven by $195.6 million higher third-party costs to support our long-term growth opportunities and branding development as well as $124.6 million higher personnel-related costs due to additional headcount across departments to support business growth. These increases were partially offset by a $30 million contribution into a charitable donor advised fund in fiscal year 2021 to support our social giving strategies.

Included in the income tax provision of $131.3 million and $200.9 million in fiscal year 2022 and 2021 was $88.7 million and $152.6 million, respectively, of tax expense from Switzerland that reflects the post enactment of the Tax Reform and AHV Financing (“TRAF") by the canton of Vaud. TRAF was enacted in the fourth quarter of fiscal year 2020 and took effect as of January 1, 2020.

Net income for fiscal year 2022 was $644.5 million, compared to $947.3 million for fiscal year 2021.

Trends in Our Business

Our products participate primarily in four large multi-category market opportunities, including Creativity & Productivity, Gaming, Video Collaboration and Music. The following discussion represents key trends specific to our market opportunities.

Trends Specific to Our Market Opportunities

Creativity & Productivity: In the past few years, new PC shipments were strong due to work-from-home and learn-from-home trends. We believe that innovative PC peripherals, such as our mice and keyboards, can renew the PC usage experience and help improve the productivity and engagement of remote work and learning, thus providing growth opportunities. Hybrid work culture will also greatly expand the number of new workspaces to which we can attach our PC peripherals. Increasing adoption of various cloud-based applications has led to multiple unique consumer use cases, which we are addressing with our innovative product portfolio and a deep understanding of our customer base. The popularity of streaming coupled with work-from-home trends, provide growth opportunities for our webcam products as well as other products in our portfolio. Smaller mobile computing devices, such as tablets, have created new markets and usage models for peripherals and accessories. We offer a number of products to enhance the use of mobile devices, including a combo backlit keyboard case with trackpad for the iPad.

Gaming: The PC gaming and console gaming platforms continue to show strong structural growth opportunities as online gaming, multi-platform experiences, and esports gain greater popularity and gaming becomes more social. We expect gaming will increasingly become one of the largest participant and spectator sports in the world. We believe Logitech is well positioned to benefit from the overall gaming market growth. In addition, our acquisition of Streamlabs provides a solid platform to deliver recurring services and subscriptions to gamers and streamers.

Video Collaboration: The near and long-term structural growth opportunities in the video collaboration market continue to be strong as commercial and consumer adoption of video has seen substantial growth since the start of the COVID-19 pandemic. Video meetings continue to be an opportunity as companies want lower-cost, cloud-based solutions that can provide their employees with the ability to work from anywhere. We are continuing our efforts to create and sell innovative products to accommodate the increasing demand from home offices and small-size meeting rooms, such as huddle rooms, to medium and large-sized meeting rooms. We will continue to invest in the development of select business-specific products (both hardware and software), targeted product marketing and sales channel development. The digitization of learning and hybrid learning environments have also created demand and growth opportunities in the education market.

Music: Consumers are optimizing their audio experiences on their tablets and smartphones with a variety of music peripherals including wireless mobile speakers and in-ear and other headphones. However, the mobile speaker market has matured and the integration of personal voice assistants has increased competition in the speaker category. In addition, the retail footprint has decreased significantly due to the COVID-19 pandemic. These factors have led to a decline in our Mobile Speakers category sales in the past three years. In the wireless headphone industry, the largest growth in recent years has been in true wireless headphones while traditional wireless headphones have declined significantly. We will continue developing wireless audio products as growth in the wireless headphone market is expected for the next several years.

Business Seasonality and Product Introductions

We have historically experienced higher sales in our third fiscal quarter ending December 31, compared to other fiscal quarters in our fiscal year, primarily due to the increased consumer demand for our products during the year-end holiday buying season and year-end spending by enterprises. Additionally, new product introductions and business acquisitions can significantly impact sales, product costs and operating expenses. Product introductions can also impact our sales to distribution channels as these channels are filled with new product inventory following a product introduction, and often channel inventory of an earlier model product declines as the next related major product launch approaches. Sales can also be affected when consumers and distributors anticipate a product introduction or changes in business circumstances. However, neither historical seasonal patterns nor historical patterns of product introductions should be considered reliable indicators of our future pattern of product introductions, future sales or financial performance. Furthermore, cash flow is correspondingly lower in the first half of our fiscal year as we typically build inventories in advance for the third quarter and we pay an annual dividend following our Annual General Meeting, which is typically in September.

Swiss Federal Tax Reform

As we described above, the canton of Vaud in Switzerland enacted TRAF on March 10, 2020 that took effect as of January 1, 2020. Our cash tax payments have increased in Switzerland beginning in fiscal year 2020 as a result of our transition out of our longstanding tax ruling from the canton of Vaud.

Capitalization and amortization of research and development expenses in the U.S.

Pursuant to the Tax Cuts and Jobs Act of 2017, research and development expenses are required to be capitalized and amortized over five years for U.S. tax purposes if the research and development activities are performed in the U.S, effective for tax year beginning after December 31, 2021. Absent a change in legislation, the provision is effective for us beginning in fiscal year 2023 which will delay the deductibility of research and development expenses. Cash tax payments in the U.S. are expected to increase beginning in fiscal year 2023.

Critical Accounting Estimates

The preparation of financial statements and related disclosures in conformity with U.S. GAAP requires us to make judgments, estimates, and assumptions that affect reported amounts of assets, liabilities, sales and expenses, and the disclosure of contingent assets and liabilities.

We consider an accounting estimate critical if it: (i) requires management to make judgments and estimates about matters that are inherently uncertain; and (ii) is important to an understanding of our financial condition and operating results.

We base our estimates on historical experience and various other factors that we believe to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of current events and actions that may impact us in the future, actual results could differ from those estimates. Management has discussed the development, selection and disclosure of these critical accounting estimates with the Audit Committee of the Board of Directors.

We believe the following accounting estimates are most critical to our business operations and to an understanding of our financial condition and results of operations and reflect the more significant judgments and estimates used in the preparation of our consolidated financial statements.

Accruals for Customer Programs and Product Returns

We record accruals for cooperative marketing, customer incentive, pricing programs ("Customer Programs") and product returns. The estimated cost of these programs is usually recorded as a reduction of revenue. Significant management judgments and estimates must be used to determine the cost of these programs in any accounting period. Customer Programs require management to estimate the percentage of those programs that will not be claimed in the current period or will not be earned by customers, which is commonly referred to as "breakage." Breakage is estimated based on historical claim experience, the period in which the claims are expected to be submitted, specific terms and conditions with customers, and other factors. If we receive a separately identifiable benefit from a customer and can reasonably estimate the fair value of that benefit, the cost of the Customer Programs is recognized in operating expenses.

Customer Incentive Programs. Customer incentive programs include performance-based incentives and consumer rebates. We offer performance-based incentives to our customers and indirect partners based on predetermined performance criteria. Consumer rebates are offered from time to time at our discretion for the primary benefit of end-users. Customer incentive programs are considered variable consideration, which we estimate and record as a reduction to revenue at the time of sale based on negotiated terms, historical experiences, forecasted incentives, the anticipated volume of future purchases, and inventory levels in the channel.

Product Returns. We grant limited rights to return products. Return rights vary by customer and range from just the right to return the defective product to stock rotation rights limited to a percentage of sales approved by management. Estimates of expected future product returns are recognized at the time of sale based on analyses of historical return trends by the customer and by product, inventories owned by and located at customers, current customer demand, current operating conditions, and other relevant customer and product information. Upon recognition, we reduce sales and cost of goods sold for the estimated return. Return trends are influenced by product life cycle status, new product introductions, market acceptance of products, sales levels, product sell-through, the type of customer, seasonality, product quality issues, competitive pressures, operational policies and procedures, and other factors. Return rates can fluctuate over time but are sufficiently predictable to allow us to estimate expected future product returns.

We apply a breakage rate to reduce our accruals of Customer Programs based on the estimated percentage of these Customer Programs that will not be claimed or earned. The breakage rate is applied at the time of sale. Assessing the period in which claims are expected to be submitted and the relevance of the historical claim experience require significant management judgment to estimate the breakage of Customer Programs in any accounting period.

We regularly evaluate the adequacy of our accruals for Customer Programs and product returns. Future market conditions and product transitions may require us to take action to increase such programs. In addition, when the variables used to estimate these costs change, or if actual costs differ significantly from the estimates, we would be required to record incremental increases or reductions to revenue or operating expenses.

Inventory Valuation

We must order components for our products and build inventory in advance of customer orders. Further, our industry is characterized by rapid technological change, short-term customer commitments and rapid changes in demand.

We record inventories at the lower of cost and net realizable value and record write-downs of inventories that are obsolete or in excess of anticipated demand or net realizable value. A review of inventory is performed each fiscal quarter that considers factors including the marketability and product lifecycle stage, product development plans, component cost trends, historical sales, and demand forecasts that consider the assumptions about future demand and market conditions. Inventory on hand that is not expected to be sold or utilized is considered excess, and we recognize the write-down in the cost of goods sold at the time of such determination. The write-down is determined by the excess of cost over net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation. At the time of loss recognition, new cost basis per unit and the lower-cost basis for that inventory are established and subsequent changes in facts and circumstances would not result in an increase in the cost basis. If there is an abrupt and substantial decline in demand for Logitech's products or an unanticipated change in technological or customer requirements, we may be required to record additional write-downs that could adversely affect gross margins in the period when the write-downs are recorded. We also extend the assessment to non-cancelable purchase orders if the inventories are considered excess and record the liability that is reasonably possible to be incurred in accrued and other liabilities.

Accounting for Income Taxes

We operate in multiple jurisdictions and our profits are taxed pursuant to the tax laws of these jurisdictions. Our effective income tax rate may be affected by the changes in or interpretations of tax laws and tax agreements in any given jurisdiction, utilization of net operating loss and tax credit carryforwards, changes in geographical mix of income and expense, and changes in our assessment of matters such as the ability to realize deferred tax assets. As a result of these considerations, we must estimate income taxes in each of the jurisdictions in which we operate. This process involves estimating current tax exposure together with assessing temporary differences resulting from the different treatment of items for tax and accounting purposes. These differences result in deferred tax assets and liabilities, which are included in the consolidated balance sheet.

We assess the likelihood that our deferred tax assets will be recovered from future taxable income, considering all available evidence such as historical levels of income, expectations and risks associated with estimates of future taxable income and ongoing prudent and feasible tax strategies. When we determine that it is not more likely than not that we will realize all or part of our deferred tax assets, an adjustment is charged to earnings in the period when such determination is made. Likewise, if we later determine that it is more likely than not that all or a part of our deferred tax assets would be realized, the previously provided valuation allowance would be reversed.

We make certain estimates and judgments about the application of tax laws, the expected resolution of uncertain tax positions and other matters surrounding the recognition and measurement of uncertain tax benefits. In the event that uncertain tax positions are resolved for amounts different than our estimates, or the related statutes of limitations expire without the assessment of additional income taxes, we will be required to adjust the amounts of the related assets and liabilities in the period in which such events occur. Such adjustments may have a material impact on our income tax provision and our results of operations.

Business Acquisitions

Accounting for business acquisitions requires us to make significant estimates and assumptions, especially at the acquisition date with respect to tangible and intangible assets acquired and liabilities assumed and pre-acquisition contingencies. We use our best estimates and assumptions to accurately assign fair value to the tangible and intangible assets acquired and liabilities assumed at the acquisition date.

Examples of critical estimates in valuing certain intangible assets and goodwill we have acquired and liabilities we have assumed include but are not limited to:

- assumptions regarding royalty rate range and forecasted revenue growth rate;
- assumptions regarding the estimated useful life of the acquired intangibles;
- discount rates;
- projected risk-based net revenues forecast; and
- asset volatility.

Unanticipated events and circumstances may occur that may affect the accuracy or validity of such assumptions, estimates or actual results.

The economic useful life of the developed technology from the business acquisitions was determined based on the technology cycle related to developed technology of existing products, as well as the cash flows over the forecasted periods.

The economic useful life of the customer relationships from the business acquisitions was determined based on historical customer turnover rates and the industry benchmarks.

The economic useful life of the trademarks and trade names from the business acquisitions was determined based on the expected life of the trade names and the cash flows anticipated over the forecasted periods.

For additional information about our Critical Accounting Estimates, see Note 2—Summary of Significant Accounting Policies in our Notes to our consolidated financial statements below.

Adoption of New Accounting Pronouncements

Refer to Note 2 to the consolidated financial statements included in this Annual Report on Form 10-K for recent accounting pronouncements adopted and to be adopted.

Constant Currency

We refer to our net sales growth rates excluding the impact of currency exchange rate fluctuations as "constant currency" sales growth rates. Percentage of constant currency sales growth is calculated by translating prior period sales in each local currency at the current period’s average exchange rate for that currency and comparing that to current period sales.

Given our global sales presence and the reporting of our financial results in U.S. Dollars, our financial results could be affected by significant shifts in currency exchange rates. See “Results of Operations” for information on the effect of currency exchange results on our sales. If the U.S. Dollar appreciates or depreciates in comparison to other currencies in future periods, this will affect our results of operations in future periods as well.

References to Sales

The term “sales” means net sales, except as otherwise specified and the sales growth discussion and sales growth rate percentages are in U.S. Dollars, except as otherwise specified.

Results of Operations

In this section, we discuss the results of our operations for the year ended March 31, 2022 compared to the year ended March 31, 2021. For a discussion of the year ended March 31, 2021 compared to the year ended March 31, 2020, please refer to Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K filed with the SEC on May 12, 2021.

Net Sales

Our sales in fiscal year 2022 increased 4%, compared to fiscal year 2021. The increase in sales was primarily driven by growth in sales in Gaming, Keyboards & Combos, and Pointing Devices, partially offset by a decline in sales of Tablet & Other Accessories, Audio & Wearables, and Video Collaboration. Our sales growth in fiscal year 2022 was driven by continued demand from hybrid work trends and popularity of esports and social gaming, partially offset by the negative impacts from higher promotions and industry-wide supply chain challenges, including supply availability and logistics delays. If currency exchange rates had been constant in 2022 and 2021, our constant currency sales growth rate would have remained at 4%.

Sales Denominated in Other Currencies

Although our financial results are reported in U.S. Dollars, a portion of our sales was generated in currencies other than the U.S. Dollar, such as the Euro, Chinese Renminbi, Japanese Yen, Australian Dollar, Canadian Dollar, Pound Sterling and New Taiwan Dollar. For the years ended March 31, 2022 and 2021, approximately 50% and 52%, respectively, of our sales were denominated in currencies other than the U.S. Dollar.

Sales by Region

The following table presents the change in sales by region for fiscal year 2022 compared with fiscal year 2021:

	2022 vs. 2021	
	Sales Growth Rate	Sales Growth Rate in Constant Currency
Americas	5 %	4 %
EMEA	(1)	—
Asia Pacific	10	9

Americas:

The increase in sales in the Americas region for fiscal year 2022, compared to fiscal year 2021, was primarily driven by growth in sales of Video Collaboration, Keyboards & Combos, Gaming, and Tablet & Other Accessories, partially offset by declines in sales of Audio & Wearables and Mobile Speakers.

EMEA:

The decrease in sales in the EMEA region for fiscal year 2022, compared to fiscal year 2021, was primarily driven by decline in sales of Video Collaboration, Audio & Wearables, and PC Webcams, partially offset by growth in sales of Gaming, Keyboards & Combos, Pointing Devices, and Tablets & Other Accessories.

Asia Pacific:

The increase in sales in the Asia Pacific region for fiscal year 2022, compared to fiscal year 2021, was primarily driven by growth in sales of a majority of our product categories, partially offset by decline in sales of Tablet & Other Accessories.

Sales by Product Categories

Sales by product categories for fiscal years 2022 and 2021 were as follows (Dollars in thousands):

	Years Ended March 31,		Change
	2022	2021	2022 vs. 2021
Pointing Devices	$ 781,108	$ 680,907	15 %
Keyboards & Combos	967,301	784,488	23
PC Webcams	403,651	439,865	(8)
Tablet & Other Accessories	310,123	384,301	(19)
Gaming (1)	1,451,883	1,239,005	17
Video Collaboration	997,164	1,044,935	(5)
Mobile Speakers	149,782	174,895	(14)
Audio & Wearables	401,424	468,776	(14)
Smart Home	18,463	34,394	(46)
Other (2)	202	713	(72)
Total Sales	$ 5,481,101	$ 5,252,279	4 %

(1) Gaming includes streaming services revenue generated by Streamlabs.
(2) Other includes products that we phased out because they are no longer strategic to our business.

Sales by Product Categories:

Creativity & Productivity market:

Pointing Devices

Our Pointing Devices category comprises PC- and Mac-related mice including trackballs, touchpads and presentation tools.

During fiscal year 2022, Pointing Devices sales increased 15%, compared to fiscal year 2021, primarily driven by the increase in sales for cordless and corded mice.

Keyboards & Combos

Our Keyboards & Combos category comprises PC keyboards, keyboard/mice combo products, and living room keyboards.

During fiscal year 2022, Keyboards & Combos sales increased 23%, compared to fiscal year 2021, driven by increases in sales of cordless and corded keyboards and keyboard/mice combos.

PC Webcams

Our PC Webcams category comprises PC-based webcams targeted primarily at consumers, including streaming cameras.

During fiscal year 2022, PC Webcams sales decreased 8%, compared to fiscal year 2021, primarily driven by decline in sales of 1080P PRO Webcam, HD Pro Webcam 920, Streamcam, partially offset by an increase in sales of Mevo Video Cameras.

Tablet & Other Accessories

Our Tablet & Other Accessories category primarily comprises keyboards for tablets.

During fiscal year 2022, Tablet & Other Accessories sales decreased 19%, compared to fiscal year 2021, primarily driven by decline in sales of Rugged Folio and Slim Folio Products, partially offset by sales of Combo Touch for iPad Pro 12.9-inch, introduced in the second quarter of fiscal year 2022, Combo Touch for iPad Pro 11-inch and Combo Touch for iPad Air, introduced in the first quarter of fiscal year 2022.

Gaming market:

Gaming

Our Gaming category comprises gaming mice, keyboards, headsets, gamepads, steering wheels, simulation controllers, console gaming headsets, console gaming controllers, and Streamlabs services.

During fiscal year 2022, Gaming sales increased 17%, compared to fiscal year 2021, primarily driven by strong performance in nearly all of our Gaming sub-categories, including our gaming mice, gaming steering wheels, and gaming headsets, partially offset by a decline in the sales of our console gaming headsets and console gaming controllers.

Video Collaboration market:

Video Collaboration

Our Video Collaboration category includes Logitech's ConferenceCams, which combine affordable enterprise-quality audio and high definition 4K video to bring video conferencing to businesses of any size, as well as webcams and headsets that turn any desktop into an instant collaboration space.

During fiscal year 2022, Video Collaboration sales decreased 5%, compared to fiscal year 2021, primarily driven by the decline in sales of webcams and headsets, partially offset by the increase in sales of conference peripherals.

Music market:

Mobile Speakers

Our Mobile Speakers category is made up entirely of Bluetooth wireless speakers.

During fiscal year 2022, Mobile Speakers sales decreased 14%, compared to fiscal year 2021, primarily due to a decline in sales of most of our Mobile Speaker sub-categories, partially offset by an increase in sales of our Boom 3 speakers.

Audio & Wearables

Our Audio & Wearables category comprises PC speakers, PC headsets, in-ear headphones, premium wireless audio wearables and studio-quality Blue Microphones for professionals and consumers.

During fiscal year 2022, Audio & Wearables sales decreased 14%, compared to fiscal year 2021, primarily due to the decrease in sales of Blue Microphone products, cordless headsets and Jaybird products, partially offset by an increase in sales of our Ultimate Ears custom and wireless headsets.

In the third quarter of fiscal year 2022, we made a decision to cease future product launches under the Jaybird brand, but plan to continue developing wireless audio products such as Ultimate Ears.

Smart Home market:

Smart Home

Our Smart Home category is mainly comprised of our Harmony line of advanced home entertainment controllers and home security cameras.

During fiscal year 2022, Smart Home sales decreased 46%, compared to fiscal year 2021. In the fourth quarter of fiscal year 2021, we made the decision to discontinue manufacturing and selling our Harmony line of advanced home entertainment controllers as the way people consume content has shifted to streaming services across multiple screens. Fiscal year 2022 included sales of remaining Harmony products in inventory. We continue to sell our Circle home security cameras within the Smart Home product category.

Gross Profit

Gross profit for fiscal years 2022 and 2021 was as follows (Dollars in thousands):

	Years Ended March 31,		
	2022	2021	Change
Net sales	$5,481,101	$5,252,279	4.4 %
Gross profit	$2,263,006	$2,335,735	(3.1)%
Gross margin	41.3 %	44.5 %	

Gross profit consists of sales, less cost of goods sold (which includes materials, direct labor and related overhead costs, costs of manufacturing facilities, royalties, costs of purchasing components from outside suppliers, distribution costs, warranty costs, customer support costs, shipping and handling costs, outside processing costs and write-down of inventories), and amortization of intangible assets.

Gross margin decreased by 320 basis points to 41.3% during fiscal year 2022, compared to fiscal year 2021. The decrease in gross margin was primarily due to increased promotional spending, higher reserves for excess inventories, higher material costs and logistic costs, partially offset by favorable impacts from a shift in product mix and currency exchange rates. The higher material costs were due to industry-wide supply chain challenges and supply availability.

Operating Expenses

Operating expenses for fiscal years 2022 and 2021 were as follows (Dollars in thousands):

	Years Ended March 31,	
	2022	2021
Marketing and selling	$1,025,899	$ 770,284
% of sales	18.7 %	14.7 %
Research and development	291,844	226,023
% of sales	5.3 %	4.3 %
General and administrative	148,648	166,577
% of sales	2.7 %	3.2 %
Amortization of intangible assets and acquisition-related costs	16,947	19,064
% of sales	0.3 %	0.4 %
Impairment of intangible assets	7,000	—
% of sales	0.1 %	— %
Change in fair value of contingent consideration for business acquisition	(3,509)	5,716
% of sales	(0.1)%	0.1 %
Restructuring charges (credits), net	2,165	(54)
% of sales	— %	— %
Total operating expenses	$1,488,994	$1,187,610
% of sales	27.2 %	22.6 %

The increase in total operating expenses during fiscal year 2022, compared to fiscal year 2021, was mainly due to increases in marketing and selling expenses, research and development expenses, impairment of intangible assets and restructuring charges related to the Jaybird exit, partially offset by decrease in general and administrative expenses and change in fair value of contingent consideration for business acquisition.

Marketing and Selling

Marketing and selling expenses consist of personnel and related overhead costs, corporate and product marketing, promotions, advertising, trade shows, technical support for customer experiences and facilities costs.

During fiscal year 2022, marketing and selling expenses increased $255.6 million, compared to fiscal year 2021. The higher expenses were primarily related to increases of $172.8 million in third-party costs and $73.5 million in personnel-related costs. The increase in third-party costs was primarily due to increased marketing and advertising spend to support our investment in brand awareness and consideration. The higher personnel spend was driven by increased headcount to support business growth and go-to-market expansion.

Research and Development

Research and development expenses consist of personnel and related overhead costs for contractors and outside consultants, supplies and materials, equipment depreciation and facilities costs, all associated with the design and development of new products and enhancements of existing products.

During fiscal year 2022, research and development expenses increased $65.8 million, compared to fiscal year 2021. The increases were primarily driven by $39.9 million of additional personnel-related costs due to increased headcount to support our investment in innovation. Higher third-party costs of $18.2 million also contributed to the growth in research and development expense and were mainly comprised of costs for contractors to support the increased research and development initiatives.

General and Administrative

General and administrative expenses consist primarily of personnel and related overhead, information technology, and facilities costs for the infrastructure functions such as finance, information systems, executives, human resources and legal.

During fiscal year 2022, general and administrative expenses decreased $17.9 million, compared to fiscal year 2021. The decrease was primarily driven by a $30.0 million contribution into a charitable donor advised fund in fiscal year 2021, partially offset an increase of $10.2 million in personnel-related costs due to increased headcount to support business growth.

Amortization of Intangible Assets and Acquisition-Related Costs

Amortization of intangible assets included in operating expense and acquisition-related costs during fiscal years 2022 and 2021 were as follows (in thousands):

	Years Ended March 31,	
	2022	**2021**
Amortization of intangible assets	$ 16,156	$ 18,489
Acquisition-related costs	791	575
Total	$ 16,947	$ 19,064

Amortization of intangible assets consists of amortization of acquired intangible assets, including customer relationships and trademarks and trade names. Acquisition-related costs include legal expense, due diligence costs, and other professional costs incurred for business acquisitions.

The decrease in amortization of intangible assets and acquisition-related costs from fiscal year 2021 to 2022 was primarily driven by write-off Jaybird intangible assets in fiscal year 2022, partially offset by full year of amortization in fiscal year 2022 for intangible assets acquired through acquisitions completed in the fourth quarter of fiscal year 2021.

Impairment of Intangible Assets

During fiscal year 2022, we recognized a pre-tax impairment charge of $7.0 million, related to the intangibles acquired as part of the Jaybird acquisition due to our decision to discontinue Jaybird-branded products.

Change in Fair Value of Contingent Consideration for Business Acquisition

The change in fair value of contingent consideration was a decrease of $3.5 million for fiscal year 2022, primarily due to the release of the contingent consideration from the acquisition of Mevo as a result of not achieving the net sales milestone upon completion of the earn-out period. The change in fair value of contingent consideration was an increase of $5.7 million for fiscal year 2021, primarily due to growth in Streamlabs' net sales and the achievement of the net sales targets during the six-month earn-out period ended June 30, 2020.

Restructuring Charges (Credits), Net

During fiscal year 2022, we recorded restructuring charges of $2.1 million related to our decision to exit Jaybird-branded products. The total charges consisted of $1.3 million, primarily related to costs of production cancellation, and $0.8 million related to cash severance and termination benefits. We expect to complete the restructuring within the next nine months.

Interest Income

Interest income for fiscal years 2022 and 2021 was as follows (in thousands):

	Years Ended March 31,	
	2022	2021
Interest Income	$ 1,246	$ 1,784

We invest in highly liquid instruments with an original maturity of three months or less at the date of purchase, which are classified as cash equivalents. The decrease in interest income for fiscal year 2022, compared to fiscal year 2021, was primarily driven by the decline in interest rates.

Other Income (Expense), Net

Other income and expense for fiscal years 2022 and 2021 was as follows (in thousands):

	Years Ended March 31,	
	2022	2021
Investment income related to the deferred compensation plan	$ 1,231	$ 5,916
Currency exchange loss, net	(4,604)	(2,688)
Loss on investments, net	(1,683)	(5,910)
Other	5,616	893
Total	$ 560	$ (1,789)

Investment income related to the deferred compensation plan for fiscal years 2022 and 2021 represents earnings, gains, and losses on marketable securities related to a deferred compensation plan offered by one of our subsidiaries. The decrease in investment income for fiscal year 2022 compared to fiscal year 2021 primarily relates to the change in market performance of the underlying securities.

Currency exchange loss, net, relates to balances denominated in currencies other than the functional currency in our subsidiaries, as well as the sale of currencies, and gains or losses recognized on currency exchange forward contracts. We do not speculate in currency positions, but we are alert to opportunities to maximize currency exchange gains and minimize currency exchange losses. The loss for fiscal year 2022 was primarily related to the strengthening of the Chinese Renminbi against the U.S. Dollar.

Loss on investments, net, represents the realized gain (loss) on sales of investment, unrealized gain (loss) from the fair value change of investment and gain (loss) on equity-method investments during the periods presented.

Other, includes the components of net periodic benefit cost other than the service costs component. The increase in the net gains for fiscal year 2022, compared to fiscal year 2021, was related to the actuarial gains primarily resulting from change in termination rate assumption used for one of our defined benefit plans.

Provision for Income Taxes

The provision for income taxes and the effective income tax rate for fiscal years 2022 and 2021 were as follows (Dollars in thousands):

	Years Ended March 31,	
	2022	2021
Provision for income taxes	$ 131,305	$ 200,863
Effective income tax rate	16.9 %	17.5 %

The change in the effective income tax rate between fiscal years 2022 and 2021 was primarily due to the mix of income and losses in the various tax jurisdictions in which we operate.

We recognized excess tax benefits from share-based payments, net of shortfalls of $16.3 million and $8.7 million in the United States in fiscal years 2022 and 2021, respectively, and recognized income tax benefit from the reversal of uncertain tax positions from the expiration of statutes of limitations in the amount of $4.9 million and $4.7 million in fiscal years 2022 and 2021, respectively. In addition, we recognized income tax benefit of $3.7 million from the reversal of uncertain tax positions from an effective settlement of a foreign income tax audit in fiscal year 2022.

As of March 31, 2022 and 2021, the total amount of unrecognized tax benefits due to uncertain tax positions was $176.0 million and $160.3 million, respectively, all of which would affect the effective income tax rate if recognized.

As of March 31, 2022 and 2021, we had $83.4 million and $59.2 million, respectively, in non-current income taxes payable, including interest and penalties, related to our income tax liability for uncertain tax positions. We recognized $1.5 million and $1.1 million, in interest and penalties related to unrecognized tax positions in income tax expense during fiscal years 2022 and 2021, respectively. As of March 31, 2022 and 2021, we had $3.6 million and $4.9 million, respectively, of accrued interest and penalties related to uncertain tax positions.

We file Swiss and foreign tax returns. We received final tax assessments in Switzerland through fiscal year 2019. For other material foreign jurisdictions such as the United States and China, we are generally not subject to tax examinations for years prior to fiscal year 2019 and calendar year 2019, respectively. In the United States, the federal and state tax agencies have the authority to examine periods prior to fiscal year 2019, to the extent allowed by law, where tax attributes were generated, carried forward, and being utilized in subsequent years. We are under examination in foreign tax jurisdictions. If the examinations are resolved unfavorably, there is a possibility that they may have a material negative impact on our results of operations.

Liquidity and Capital Resources

Cash Balances, Available Borrowings, and Capital Resources

As of March 31, 2022, we had cash and cash equivalents of $1,328.7 million, compared with $1,750.3 million as of March 31, 2021. Our cash and cash equivalents consist of bank demand deposits and short-term time deposits, of which 70% is held in Switzerland, 12% is held in China (including Hong Kong), and 10% is held in Germany. We do not expect to incur any material adverse tax impact except for what has already been recognized, or to be significantly inhibited by any country in which we do business from the repatriation of funds to Switzerland, our home domicile.

As of March 31, 2022, our working capital was $1,651.8 million, compared with working capital of $1,477.5 million as of March 31, 2021. The increase was primarily driven by higher inventories, higher accounts receivable, net, lower accounts payable and lower accrued and other current liabilities, partially offset by lower cash and cash equivalents.

We had several uncommitted, unsecured bank lines of credit aggregating to $195.0 million as of March 31, 2022. There are no financial covenants under these lines of credit with which we must comply. As of March 31, 2022, we had outstanding bank guarantees of $25.5 million under these lines of credit.

The following table presents selected financial information and statistics as of March 31, 2022 and 2021 (Dollars in thousands):

	March 31, 2022	March 31, 2021
Accounts receivable, net	$ 675,604	$ 612,225
Accounts payable	$ 636,306	$ 823,233
Inventories	$ 933,124	$ 661,116
Days sales in accounts receivable (DSO)(Days)[1]	49	36
Days accounts payable outstanding (DPO) (Days)[2]	78	90
Inventory turnover (ITO)(x)[3]	3.2	5.0

(1) DSO is determined using ending accounts receivable, net as of the most recent quarter-end and sales for the most recent quarter.
(2) DPO is determined using ending accounts payable as of the most recent quarter-end and cost of goods sold for the most recent quarter.
(3) ITO is determined using ending inventories and annualized cost of goods sold (based on the most recent quarterly cost of goods sold).

DSO as of March 31, 2022 increased by 13 days to 49 days, as compared to 36 days as of March 31, 2021, primarily due to the timing of sales and customer payments within the quarter.

DPO as of March 31, 2022 decreased 12 days, compared to March 31, 2021, primarily due to lower inventory purchases than prior year as well as timing of purchases and related payments.

ITO as of March 31, 2022 was lower compared to March 31, 2021, primarily due to lower demand than prior year and industry wide logistic delays.

If we are not successful in launching and phasing in our new products, or market competition increases, or we are not able to sell the new products at the prices planned, it could have a material impact on our sales, gross profit margin, operating results including operating cash flow, and inventory turnover in the future.

During fiscal year 2022, we generated $298.3 million in cash from operating activities, resulting from net income of 644.5 million, a favorable impact from adding back non-cash expenses totaling $245.7 million, and an unfavorable net change in operating assets and liabilities of $591.9 million. Non-cash expenses were primarily related to share-based compensation expenses, depreciation, amortization, and deferred income taxes. The increase in accounts receivable, net was primarily driven by timing of sales. The increase in inventories was primarily driven by higher inventory levels compared to the previously constrained supply from COVID-19 impacts and industry wide logistic delays. The decrease in accounts payable was primarily driven by lower inventory purchases than prior years as well as the timing of purchases and related payments. The decrease in accrued and other liabilities was primarily driven by a higher annual bonus accrual and a higher annual income tax payment, both due to strong business performance in fiscal year 2021.

For fiscal year 2022, net cash used in investing activities was $107.9 million, primarily due to purchases of property, plant, and equipment of $89.2 million and payments for an acquisition, net of cash acquired, of $16.2 million. Our expenditures for property, plant and equipment during fiscal year 2022 were primarily for tooling and equipment as well as computer hardware and software.

For fiscal year 2022, net cash used in financing activities was $606.8 million, resulting from repurchases of our registered shares of $412.0 million, payments of cash dividends of $159.4 million, and tax withholdings related to net share settlements of restricted stock units of $64.2 million, partially offset by proceeds from exercise of stock options and purchase rights of $29.6 million.

During fiscal year 2022, there was a $5.2 million loss from currency exchange rate effect on cash and cash equivalents, primarily due to the weakening of the Euro and Australian dollar versus the U.S. Dollar by 3%, and 5%, respectively.

Cash Outlook

Our principal sources of liquidity are our cash and cash equivalents, cash flow generated from operations and, to a much lesser extent, capital markets and borrowings. Our future working capital requirements and capital expenditures may increase to support investments in product innovations and growth opportunities or to acquire or invest in complementary businesses, products, services, and technologies. The future impact of COVID-19 cannot be predicted with certainty and may increase our costs of capital and otherwise adversely affect our business, results of operations, financial condition and liquidity.

In May 2022, the Board of Directors recommended that we pay cash dividends for fiscal year 2022 of CHF 0.96 per share (approximately $1.04 per share based on the exchange rate on March 31, 2022). Based on our shares outstanding, net of treasury shares, as of March 31, 2022 (165,252,020 shares), this would result in an aggregate gross dividend of approximately CHF 159.0 million (or approximately $172.1 million based on the exchange rate on March 31, 2022). In fiscal year 2022, we paid a cash dividend of CHF 0.87 per share, or CHF 147.0 million (U.S. Dollar amount of $159.4 million) on an aggregate gross basis, out of fiscal year 2021 retained earnings. In fiscal year 2021, we paid a cash dividend of CHF 0.79 per share, or CHF 134.0 million (U.S. Dollar amount of $146.7 million) on an aggregate gross basis, out of fiscal year 2020 retained earnings. In fiscal year 2020, we paid a cash dividend of CHF 0.73 per share, or CHF 121.8 million (U.S. Dollar amount of $124.2 million) on an aggregate gross basis, out of fiscal year 2019 retained earnings.

In May 2020, our Board of Directors approved a new share repurchase program, which authorizes us to invest up to $250.0 million to purchase our own shares, following the expiration date of the 2017 share repurchase program. In April 2021, our Board of Directors approved an increase of $750.0 million of the 2020 share repurchase program, to an aggregate amount of $1.0 billion. The Swiss Takeover Board approved this increase and it became effective on May 21, 2021. As of March 31, 2022, $423.7 million was available for repurchase under the 2020 repurchase program.

Although we enter into trading plans for systematic repurchases (e.g., 10b5-1 trading plans) from time to time, our share repurchase program provides us with the opportunity to make opportunistic repurchases during periods of favorable market conditions and is expected to remain in effect for a period of three years through July 27, 2023. Shares may be repurchased from time to time on the open market, through block trades or otherwise. Opportunistic purchases may be started or stopped at any time without prior notice depending on market conditions and other factors.

For over ten years, we have generated positive cash flows from our operating activities, including cash from operations of $298.3 million, and $1,458.6 million during fiscal years 2022 and 2021, respectively. If we do not generate sufficient operating cash flows to support our operations and future planned cash requirements, our operations could be harmed and our access to credit facilities could be restricted or eliminated. However, we believe that the trend of our historical cash flow generation, our projections of future operations and our available cash balances will provide sufficient liquidity to fund our operations for at least the next 12 months.

Our other contractual obligations and commitments that require cash are described in the following sections.

Contractual Obligations and Commitments

Purchase Commitments

As of March 31, 2022, we had non-cancelable purchase commitments of $736.9 million for inventory purchases made in the normal course of business from original design manufacturers, contract manufacturers and other suppliers, the majority of which are expected to be fulfilled during the first two quarters of fiscal year 2023. We recorded a liability for firm, non-cancelable, and unhedged inventory purchase commitments in excess of anticipated demand or net realizable value consistent with our valuation of excess and obsolete inventory. As of March 31, 2022, the liability for these purchase commitments was $46.4 million and is recorded in accrued and other current liabilities in the consolidated balance sheet.

We have firm purchase commitments of $29.5 million for capital expenditures, primarily related to commitments for tooling and equipment for new and existing products. We expect to continue making capital expenditures in the future to support product development activities and ongoing and expanded operations.

Although open purchase commitments are considered enforceable and legally binding, the terms generally allow us to reschedule or adjust our requirements based on business needs prior to delivery of goods or performance of services.

Operating Leases Obligation

We lease facilities under operating leases, certain of which require us to pay property taxes, insurance and maintenance costs. Operating leases for facilities are generally renewable at our option and usually include escalation clauses linked to inflation. The remaining terms of our non-cancelable operating leases expire in various years through 2031. See Note 17 - Leases in our Notes to the consolidated financial statements included in this report for more information on leases.

Income Taxes Payable

As of March 31, 2022, we had $83.4 million in non-current income taxes payable, including interest and penalties, related to our income tax liability for uncertain tax positions. At this time, we are unable to make a reasonably reliable estimate of the timing of payments in individual years in connection with these tax liabilities.

Indemnifications

We indemnify certain suppliers and customers for losses arising from matters such as intellectual property disputes and product safety defects, subject to certain restrictions. The scope of these indemnities varies, but in some instances includes indemnification for damages and expenses, including reasonable attorneys' fees. As of March 31, 2022, no amounts have been accrued for indemnification provisions. We do not believe, based on historical experience and information currently available, that it is probable that any material amounts will be required to be paid under our indemnification arrangements.

We also indemnify our current and former directors and certain current and former officers. Certain costs incurred for providing such indemnification may be recoverable under various insurance policies. We are unable to reasonably estimate the maximum amount that could be payable under these arrangements because these exposures are not capped, the obligations are conditional in nature, and the facts and circumstances involved in any situation that might arise are variable.

ADDITIONAL FINANCIAL DISCLOSURES

MARKETING, SALES AND DISTRIBUTION

Design

In the past few years, Logitech has strengthened its design capabilities by building a world-class team of internal designers. Our designs have an everyday place in people's lives, connecting them to the digital experiences they care about. These products have been earning prestigious design awards - 202 design awards during the past three fiscal years - and enthusiastic reviews in the media. This is one indication that Logitech's strategic aim to become a design company is working. During fiscal year 2022, we won 50 design awards. As Logitech establishes itself as a design company, design thinking and culture are used as a strategic and cultural differentiator. Design also helps to reduce product costs through increased collaboration between our design, engineering and manufacturing teams. Our key design centers are in Switzerland, Ireland, the United States, and Taiwan.

Engineering

Our decades-long expertise in key engineering disciplines such as sensors, acoustics, optics, wireless, and power management is a core competitive advantage of Logitech. Furthermore, we continue to extend our engineering capabilities into more advanced technologies such as software, apps, cloud, data analytics, machine learning and some core building blocks of navigation and tracking in augmented reality ("AR") / virtual reality ("VR"). Our engineering team has expertise in developing products for a broad array of platforms such as PCs, mobile and personal voice assistants (such as Amazon Alexa and Google Assistant). These engineering capabilities combined with our award-winning design team form the basis of Logitech's key innovation engine.

Go-To-Market

Over the past 30-plus years, Logitech has built an extensive global go-to-market network that can be leveraged as we introduce new products, enter new market categories and optimize the value of our existing products and product categories. We have multiple opportunities to drive growth - existing products in existing and new retailers, and e-tailers as well as new products in existing and new retailers and e-tailers. Beyond online and offline retail and distribution channels, we have also strengthened other commercial channels. As we increase our investments in Video Collaboration, we are also expanding our enterprise sales coverage through our sales force as well as various channel partners. And with expansions into new channels, there are numerous cross-selling opportunities across our broad product portfolio. We have established Logitech as a neutral technology supplier that can work with a variety of leading technology vendors and platforms as well as provide connections among their products and ecosystems.

Marketing

As Logitech continues to expand into multiple categories, we are focusing on enhancing our marketing capabilities around brand strategy and execution, digital marketing, and marketing technology. With our products and designs as a foundation, we are building in consumer-centricity and demonstrating the relevancy of our products in the lives of our consumers. We are increasing our brand marketing investments to drive greater brand awareness and consideration, delivering advertising campaigns across our brand, our categories, and our products, which enables us to drive brand value and pivot from a push model to a demand generating pull model. Most of the marketing and creative efforts that were once outsourced to outside marketing agencies are now executed through our internal teams from concept to execution, which improves speed and cost efficiency. We are increasing our leverage of digital media channels and programs, and building relationships with creators to drive brand engagement and purchase across B2B and B2C. We are also increasing our focus on marketing analytics and platforms to improve our understanding of marketing investments and to maximize our return on investment. Additionally, we are making investments to upgrade and expand all aspects of our marketing technology infrastructure, including the re-platforming of our websites to support the global expansion of our brands across countries, enabling direct relationships with our consumers and customers and building the foundation for the acceleration of more personalized consumer communication and commerce.

Sales and Distribution

Principal Markets

Sales by geographic region (based on customers' location) for fiscal years 2022, 2021 and 2020 are as follows (in thousands):

	Year Ended March 31,		
	2022	2021	2020
Americas	$ 2,317,941	$ 2,206,552	$ 1,286,527
EMEA	1,724,027	1,735,682	941,211
Asia Pacific	1,439,133	1,310,045	748,113
Total Sales	$ 5,481,101	$ 5,252,279	$ 2,975,851

Revenues from sales to customers in Switzerland, our home domicile, represented 3%, 3% and 4% of our sales in fiscal years 2022, 2021 and 2020, respectively. In fiscal years 2022, 2021 and 2020, revenues from sales to customers in the United States represented 34%, 35% and 36% of our sales, respectively. In fiscal years 2022, 2021 and 2020, revenues from sales to customers in Germany represented 15%, 16% and 15% of our sales, respectively. Revenues from sales to customers in China represented 10% of our sales for fiscal year 2022. No other country represented more than 10% of our sales for fiscal years 2022, 2021 or 2020.

Sales and Distribution

Our sales and marketing activities are organized into three geographic regions: the Americas (North and South America), EMEA (Europe, Middle East, Africa) and Asia Pacific (China, Japan, Australia, Taiwan, India and other countries).

We sell our products primarily to a network of distributors, retailers and e-tailers. We support these channels with our direct sales force and third-party distribution centers located in North America, South America, Europe and Asia Pacific.

Our distributor customers typically resell products to retailers, value-added resellers, systems integrators and other distributors with whom Logitech does not have a direct relationship.

Logitech's products can be purchased in a number of major retail chains, where we typically have access to significant shelf space. In addition, Logitech products can be purchased online either directly or indirectly from Logitech.com or through e-tailers, the websites of our major retail chains, and others. Logitech products are also carried by business-to-business direct market resellers.

In fiscal years 2022, 2021 and 2020, Amazon Inc. and its affiliated entities together accounted for 17%, 13% and 14% of our gross sales, respectively. In fiscal years 2022, 2021 and 2020, Ingram Micro Inc. and its affiliated entities together accounted for 15%, 14% and 12% of our gross sales, respectively. Two of our customers merged during fiscal year 2022 and the combined company, TD Synnex, accounted for 14% of our gross sales for fiscal year 2022. No other customer individually accounted for more than 10% of our gross sales during fiscal years 2022, 2021 or 2020.

MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Logitech's shares are listed and traded on both the SIX Swiss Exchange, where the share price is denominated in Swiss francs and on the Nasdaq Global Select Market, where the share price is denominated in U.S. Dollars. The trading symbol for Logitech shares is LOGN on the SIX Swiss Exchange and LOGI on the Nasdaq Global Select Market. As of May 4, 2022, there were 173,106,620 shares issued (including 8,422,457 shares held as treasury stock) held by 43,886 holders of record, and the closing price of our shares was CHF 61.32 ($62.71 based on exchange rates on such date) per share on the SIX Swiss Exchange and $65.88 per share as reported by the Nasdaq Global Select Market.

Dividends

Under Swiss law, a corporation may only pay dividends upon a vote of its shareholders. This vote typically follows the recommendation of the corporation's Board of Directors. In May 2022, the Board of Directors recommended that the Company increase the cash dividend per share for fiscal year 2022 by 10% to approximately CHF 0.96 per share (approximately $1.04 per share based on the exchange rate on March 31, 2022). Based on our shares outstanding, net of treasury shares, as of March 31, 2022 (165,252,020 shares), this would result in an aggregate gross dividend of approximately CHF 159.0 million (approximately $172.1 million based on the exchange rate on March 31, 2022). This amount may vary based on the number of shares outstanding, net of treasury shares, as of the record date for the dividend, but will not exceed approximately CHF 166.5 million (based on our shares currently issued or 173,106,620 shares). This recommendation will be voted on by our shareholders at the Company's Annual General Meeting in September 2022.

On September 8, 2021, Logitech's shareholders approved a cash dividend payment of CHF 147.0 million out of retained earnings to Logitech's shareholders who owned shares on September 21, 2021. Eligible shareholders were paid CHF 0.87 per share ($0.95 per share in U.S. Dollars), totaling $159.4 million in U.S. Dollars on September 22, 2021. On September 9, 2020, Logitech's shareholders approved a cash dividend payment of CHF 134.0 million out of retained earnings to Logitech shareholders who owned shares on September 21, 2020. Eligible shareholders were paid CHF 0.79 per share ($0.87 per share in U.S. Dollars), totaling $146.7 million in U.S. Dollars on September 22, 2020.

Dividends paid and similar cash or in-kind distributions made by Logitech to a holder of Logitech shares (including dividends or liquidation proceeds and stock dividends), other than distributions of qualifying additional paid-in-capital if it is available under the current Swiss tax regime, are subject to a Swiss federal anticipatory tax at a rate of 35%. The anticipatory tax must be withheld by Logitech from the gross distribution and paid to the Swiss Federal Tax Administration.

A Swiss resident holder and beneficial owner of Logitech shares may qualify for a full refund of the Swiss anticipatory tax withheld from such dividends. A holder and beneficial owner of Logitech shares who is a non-resident of Switzerland, but a resident of a country that maintains a double tax treaty with Switzerland, may qualify for a full or partial refund of the Swiss anticipatory tax withheld from such dividends by virtue of the provisions of the applicable treaty between Switzerland and the country of residence of the holder and beneficial owner of the Logitech shares.

In accordance with the tax convention between the United States and the Swiss Confederation (Treaty), a mechanism is provided whereby a U.S. resident (as determined under the Treaty), and U.S. corporations, other than U.S. corporations having a "permanent establishment" or a fixed base, as defined in the Treaty, in Switzerland, generally can obtain a refund of the Swiss anticipatory tax withheld from dividends in respect of Logitech shares, to the extent that 15% of the gross dividend is withheld as final withholding tax (i.e. 20% of the gross dividend may generally be refunded). In specific cases, U.S. companies not having a "permanent establishment" or a fixed base in Switzerland owning at least 10% of Logitech registered shares may receive a refund of the Swiss anticipatory tax withheld from dividends to the extent it exceeds 5% of the gross dividend (i.e., 30% of the gross dividend may be refunded). To get the benefit of a refund, holders must beneficially own Logitech shares at the time such dividend becomes due.

Share Repurchases

In fiscal year 2022, the following approved share repurchase program was in place (in thousands):

Share Repurchase Program	Approved Shares	Approved Amounts (1)
May 2020	17,311	$ 1,000,000

(1) In April 2021, our Board of Directors approved an increase of $750.0 million of the 2020 share repurchase program, to an aggregate amount of $1.0 billion. The Swiss Takeover Board approved this increase and it became effective on May 21, 2021.

The following tables present certain information related to purchases made by Logitech of its equity securities under its publicly announced share repurchase programs (in thousands, except per share amounts):

		Weighted Average Price Per Share		Remaining Amount that May Yet Be Repurchased under the Program
During Fiscal Year Ended	**Shares Repurchased****	**CHF (LOGN)**	**USD (LOGI)**	
March 31, 2020 *	1,251	38.91	—	$ 137,386
March 31, 2021	1,845	81.35	89.20	$ 85,382
March 31, 2022	4,607	82.15	89.36	$ 423,696

* The 2017 share repurchase program expired in April 2020 and the unused amount was forfeited.

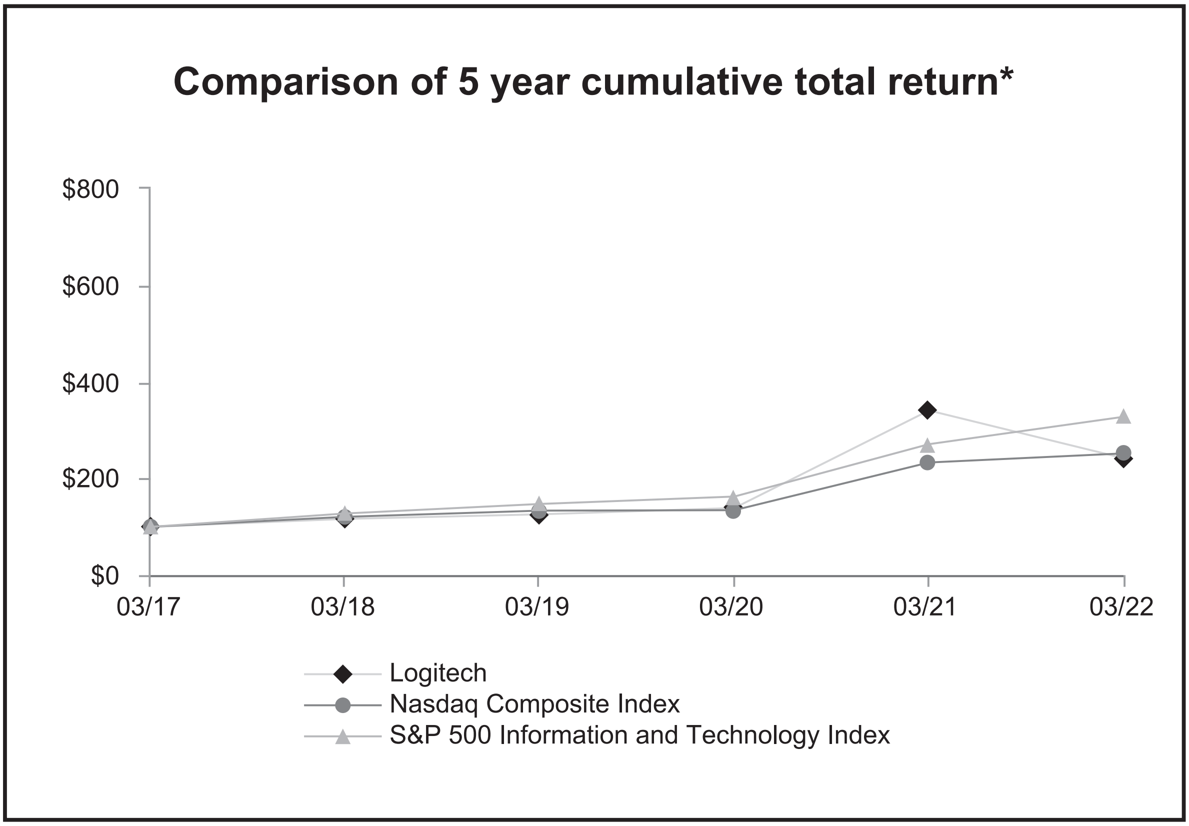
** All shares were repurchased on the SIX in fiscal year 2020. In fiscal year 2021, 969 thousand shares were repurchased on the SIX and 876 thousand shares on NASDAQ. In fiscal year 2022, 3,921 thousand shares were repurchased on the SIX and 686 thousand shares on NASDAQ.

		Weighted Average Price Paid Per Share		Remaining Amount that May Yet Be Repurchased under the Program
During the three months ended March 31, 2022	**Total Number of Shares Repurchased**	**CHF (LOGN)**	**USD (LOGI)**	
Month 1				
January 1, 2022 to January 28, 2022				
SIX	449	75.01	—	$ 508,293
Nasdaq	63	—	82.15	503,093
Month 2				
January 29, 2022 to February 25, 2022				
SIX	379	72.93	—	473,171
Month 3				
February 26, 2022 to March 31, 2022				
SIX	652	67.77	—	425,692
Nasdaq	29	—	69.55	423,696
	1,572	71.33	77.20	$ 423,696

Performance Graph

The information contained in the Performance Graph shall not be deemed to be "soliciting material" or "filed" with the SEC or subject to the liabilities of Section 18 of the Securities Exchange Act of 1934, as amended (the Exchange Act), except to the extent that we specifically incorporate it by reference into a document filed under the Securities Act of 1933, as amended (the Securities Act), or the Exchange Act.

The following graph compares the cumulative total stockholder return on our shares, the Nasdaq Composite Index, and the S&P 500 Information and Technology Index. The graph assumes that $100 was invested in our LOGI shares, the Nasdaq Composite Index and the S&P 500 Information and Technology Index on March 31, 2017 and calculates the annual return through March 31, 2022. The stock price performance on the following graph is not necessarily indicative of future stock price performance.



*$100 invested on March 31, 2017, in stock or index, including reinvestment of dividends.
Fiscal year ending March 31.

	March 31,					
	2017	2018	2019	2020	2021	2022
Logitech	$ 100	$ 117	$ 126	$ 139	$ 341	$ 242
Nasdaq Composite Index	$ 100	$ 121	$ 134	$ 135	$ 233	$ 252
S&P 500 Information and Technology Index	$ 100	$ 128	$ 147	$ 163	$ 271	$ 328

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market Risk

Market risk represents the potential for loss due to adverse changes in the fair value of financial instruments. As a company with global operations, we face exposure to adverse movements in currency exchange rates and interest rates. These exposures may change over time as business practices evolve and could have a material adverse impact on our financial results.

Currency Exchange Rates

We report our results in U.S. Dollars. Changes in currency exchange rates compared to the U.S. Dollar can have a material impact on our results when the financial statements of our non-U.S. subsidiaries are translated into U.S. Dollars. The functional currency of our operations is primarily the U.S. Dollar. Certain operations use the Swiss Franc or the local currency of the country as their functional currencies. Accordingly, unrealized currency gains or losses resulting from the translation of net assets or liabilities denominated in other currencies to the U.S. Dollar are accumulated in the cumulative translation adjustment component of accumulated other comprehensive income (loss) ("AOCI") in shareholders' equity.

We are exposed to currency exchange rate risk as we transact business in multiple currencies, including exposure related to anticipated sales, anticipated purchases and assets and liabilities denominated in currencies other than the U.S. Dollar. We transact business in over 30 currencies worldwide, of which the most significant to operations are the Euro, Chinese Renminbi, Japanese Yen, Australian Dollar, Canadian Dollar, Pound Sterling and New Taiwan Dollar. For the year ended March 31, 2022, approximately 50% of our sales were in non-U.S. denominated currencies, with 25% of our sales denominated in Euro. The mix of our costs of goods sold and operating expenses by currency are significantly different from the mix of our sales, with a larger portion denominated in U.S. Dollar and less denominated in Euro and other currencies. A strengthening U.S. Dollar has a more unfavorable impact on our sales compared to the favorable impact on our cost of goods sold and operating expenses, resulting in an adverse impact on our operating results.

We enter into currency forward and swap contracts to reduce the short-term effects of currency fluctuations on certain receivables or payables denominated in currencies other than the functional currencies of our subsidiaries. These contracts generally mature within one month. The gains or losses on these contracts are recognized in earnings based on the changes in fair value.

If an adverse 10% foreign currency exchange rate change had been applied to total monetary assets and liabilities denominated in currencies other than the functional currencies at the balance sheet dates, it would have resulted in an adverse effect on income before income taxes of approximately $24.4 million and $37.8 million as of March 31, 2022 and 2021, respectively. The adverse effect as of March 31, 2022 and 2021 is after consideration of the offsetting effect of approximately $15.9 million and $12.4 million, respectively, from foreign exchange contracts in place as of such dates.

We enter into cash flow hedge contracts to protect against exchange rate exposure of forecasted inventory purchases. These hedging contracts mature within four months. Gains and losses in the fair value of the effective portion of the hedges are deferred as a component of AOCI until the hedged inventory purchases are sold, at which time the gains or losses are reclassified to cost of goods sold.

If the U.S. dollar had weakened by 10%, the amount recorded in AOCI related to our foreign exchange contracts before tax effect as of March 31, 2022 and 2021 would have been approximately $12.5 million and $16.5 million lower, respectively. The change in the fair value recorded in AOCI would be expected to offset a corresponding foreign currency change in cost of goods sold when the hedged inventory purchases are sold.

REPORT ON CORPORATE GOVERNANCE 2022

REPORT ON CORPORATE GOVERNANCE

Logitech is a world leader in designing, manufacturing and marketing products that help connect people to digital and cloud experiences. Forty years ago, Logitech created products to improve experiences around the personal computer (PC) platform, and today it is a multi-brand, multi-category company designing products that enable people to pursue their passions and connect to the world. Logitech's products align with several large secular trends including work and learn from anywhere, video everywhere, the increasing popularity of gaming as a spectator and participant sport, and the democratization of content creation. Logitech's brands include Logitech, Logitech G, ASTRO Gaming, Streamlabs, Blue Microphones and Ultimate Ears.

Logitech was founded in Switzerland in 1981, and Logitech International S.A. has been the parent holding company of Logitech since 1988. Logitech International S.A. is a Swiss holding company with its registered office in Hautemorges, Switzerland, which conducts its business through subsidiaries in the Americas (including North and South America), EMEA (Europe, Middle East, Africa) and Asia Pacific (including, among other countries, China, Taiwan, Japan, India and Australia).

Logitech believes that sound corporate governance practices are essential to an open and responsible corporation. Our corporate governance practices reflect a continuing commitment to corporate accountability, sound judgment, and transparency to shareholders.

As a company whose securities are listed on both the SIX Swiss Exchange and the Nasdaq Global Select Market, our commitment to sound corporate governance principles is guided by the legal and regulatory requirements of both Switzerland and the United States. In addition, Logitech's internal guidelines regarding corporate governance are provided in our Articles of Incorporation, Organizational Regulations (Bylaws), Corporate Governance Principles, and Board Committee Charters.

This Report has been designed to comply with the Corporate Governance Directive of the SIX Swiss Exchange. Portions of the Report are also incorporated by reference from elsewhere in our Invitation, Proxy Statement and Annual Report for the 2022 Annual General Meeting, of which this Report is a part.

1. Group Structure and Shareholders

1.1 Operational Group Structure

Shares of Logitech International S.A. are listed on both the SIX Swiss Exchange (Ticker: LOGN; security number: 2575132) and the Nasdaq Global Select Market (Ticker: LOGI, CUSIP H50430232). The International Securities Identification Number (ISIN) of our shares is CH0025751329. As of March 31, 2022, our market capitalization, based on outstanding shares of 165,252,020, net of treasury shares, amounted to approximately $12.2 billion (CHF 11.4 billion). Refer to section 1.2 below for information on Logitech International S.A.'s holdings in its shares as of March 31, 2022.

References in this Report on Corporate Governance to the "Company" refers to Logitech International S.A. References to "Logitech," "we," "our," and "us" refer to Logitech International S.A. and its consolidated subsidiaries.

Logitech International S.A. directly or indirectly owns 100% of all the companies in the Logitech group, through which it carries on its business and operations. Principal operating subsidiaries include: Logitech Europe S.A. (Lausanne, Switzerland), Logitech Inc. (Newark, California, USA), and Logitech Technology (Suzhou) Co., Ltd. (Suzhou, China). For a list of Logitech subsidiaries, refer to the table in Note 4 of our Swiss Statutory Financial Statements on pages 99 to 101 of this Annual Report. None of Logitech International S.A.'s subsidiaries have securities listed on a stock exchange as of March 31, 2022.

Please refer to Management's Discussion and Analysis of Financial Condition and Results of Operations under the heading "Overview of our Company" on page 2 of this Annual Report for further information on Logitech's operational group structure.

1.2 Significant Shareholders

Greater than 3% Shareholders as of March 31, 2022

Under Swiss law any person who owns or has the discretionary authority to exercise voting rights exceeding certain percentage thresholds of a company incorporated in Switzerland whose equity securities are listed on a stock exchange in Switzerland is required to notify the company and the relevant Swiss exchange of such holdings. Following receipt of this notification, the company is required to inform the public. With respect to Logitech, the notices received by the Company pursuant to these rules can be accessed on an internet platform operated by the SIX Swiss Exchange at *https://www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html*.

To the knowledge of the Company, the beneficial owners holding more than 3% of the voting rights of the Company as of March 31, 2022, other than the Company itself, were as follows:

Name	Number of Shares[1]	Percentage of Voting Rights[2]	Relevant Date
BlackRock, Inc.[3]	17,138,825	9.9%	February 17, 2022
The Capital Group Companies, Inc.[4]	5,246,538	3.0%	March 9, 2021

(1) In accordance with Swiss law, the number of shares set forth includes (i) shares beneficially owned or deemed to be beneficially owned by the relevant shareholder, (ii) shares borrowed from third parties, held in connection with a repurchase agreement or as a collateral, and (iii) shares held for the account of third parties with a discretionary authority to exercise voting rights. The table does not include positions in derivatives. Positions in derivatives can be accessed on the internet platform operated by the SIX Swiss Exchange at *https://www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html.*

(2) Shareholdings are calculated based on the aggregate number of voting rights entered into the Swiss commercial register. This aggregate number was 173,106,620 voting rights as of March 31, 2022.

(3) The number of shares held by BlackRock, Inc. is based on a notification filed with the SIX Swiss Exchange Regulation on February 22, 2022.

(4) The number of shares held by The Capital Group Companies, Inc. is based on a notification filed with the SIX Swiss Exchange Regulation on March 12, 2021.

Information on the share ownership of the Company by directors, executive officers and large shareholders as of June 30, 2022, as required by Swiss law, based on the number of the Company's shares outstanding (which is equal to the shares issued less the shares held in the Company's treasury), is set forth on pages 59 and 60 in the Company's Invitation, Proxy Statement and Annual Report for the 2022 Annual General Meeting, available at http://ir.logitech.com, under the heading "Security Ownership of Certain Beneficial Owners and Management as of June 30, 2022." Information of the own shares held by the Company in treasury is set forth in Section 2.3 below.

1.3 Cross-shareholdings

Logitech has no shareholdings in companies that to its knowledge have shareholdings in Logitech.

2. Capital Structure

2.1 Share Capital

As of March 31, 2022, Logitech International S.A.'s nominal share capital was CHF 43,276,655, consisting of 173,106,620 shares with a par value of CHF 0.25 each.

Nominal conditional share capital designated to cover the potential issuance of shares under employee equity incentive plans amounts to CHF 6,250,000, consisting of 25,000,000 shares. In addition, nominal conditional share capital designated to cover conversion rights that may be granted in connection with a future issuance of debt obligations convertible into Logitech shares amounts to CHF 6,250,000, consisting of 25,000,000 shares. During the 2020 Annual General Meeting, the shareholders of the Company authorized the Board of Directors to issue up to an additional 17,310,662 shares of the Company until September 9, 2022. Refer to section 2.2 for more information on the Company's authorized and conditional capital.

2.2 Details on the Company's Authorized and Conditional Share Capital

Authorized share capital. Under Swiss corporate law, the total nominal par value of the shares authorized by shareholders for future issuance, other than to cover derivative securities, is referred to as authorized share capital.

In September 2020, the Board of Directors was authorized to issue up to 17,310,662 new registered shares with a par value of CHF 0.25 each (representing 10% of the Company's share capital as of March 31, 2022). The authorization is valid until September 9, 2022. The purpose of the authorized share capital is to make it possible for the Company to raise capital in a fast and flexible manner whenever necessary to carry out or finance acquisitions or strategic transactions or relationships.

The Board of Directors determines the type of contributions, the issue price, the time of the issue, the conditions for the exercise of the preferential subscription rights, the use of unexercised preferential subscription rights and the date upon which the new shares shall become entitled to dividends. The Board of Directors may authorize the issuance of new shares by means of an underwriting or similar process carried out by one or more banks or other financial institutions with a view to offering the new shares to existing shareholders or to third parties. The Board of Directors may authorize, restrict or exclude the trading of preferential subscription rights. If preferential subscription rights are granted, but not exercised, the Board of Directors shall use the rights associated with the relevant shares in the interest of the Company.

The Board of Directors may restrict or withdraw the preferential subscription rights of existing shareholders, and allocate such rights to third parties or to the Company for valid reasons, in particular if the new shares are being issued in connection with: (a) the acquisition of companies, enterprises, participations, assets, intellectual property rights, licenses or new investment projects; (b) a public offering or private placement of shares for the financing and/or refinancing of an acquisition of the kind referred to under (a) above; (c) a public offering or private placement of shares, under circumstances in which such public offering or private placement would be difficult to carry out or could likely only be carried out under less favorable terms if the preferential subscription rights of existing shareholders were not restricted or withdrawn; (d) the acquisition of a stake in the Company by a strategic partner; or (e) the broadening of the shareholder base of the Company in certain jurisdictions or in the context of a listing or admission to trading on a domestic or foreign stock exchange.

Conditional share capital. Under Swiss corporate law, the total nominal par value of the shares authorized by shareholders for future issuance on the conversion or exercise of derivative securities issued by a company is referred to as conditional share capital. Under Swiss law, a company must have sufficient conditional capital or available treasury shares to cover any conversion rights under derivative securities at the time the derivative securities are issued.

Pursuant to Article 25 of the Company's Articles of Incorporation, the share capital of the Company may be increased by CHF 6,250,000 through the issuance of up to 25,000,000 shares with a par value of CHF 0.25 each (representing 14.4% of the Company's share capital as of March 31, 2022). The purpose of this conditional share capital is to cover option or other equity rights granted or that may be granted to employees, officers and directors of Logitech under its employee equity incentive plans. The conditional share capital increase does not have an expiration date. The shareholders do not have pre-emptive rights to subscribe to the newly issued shares issued out of conditional share capital. For more information on Logitech's employee equity incentive plans please refer to Note 5 - Employee Benefit Plans - to our Consolidated Financial Statements on pages 65 to 73 of this Annual Report.

Although the Company has been authorized by its shareholders to use conditional capital to meet its obligations to deliver shares as a result of employee purchases or exercises under its employee equity incentive plans, the Company has for some years used shares held in treasury to fulfill its obligations under the plans.

In addition, pursuant to Article 26 of the Company's Articles of Incorporation, the share capital of the Company may also be increased by CHF 6,250,000 through the issuance of up to 25,000,000 shares with a par value of CHF 0.25 each (representing 14.4% of the Company's share capital as of March 31, 2022). The purpose of this conditional share capital is to cover conversion rights that may be granted in connection with a future issuance of bonds convertible into Logitech shares. The conditional share capital increase does not have an expiration date. The shareholders do not have preemptive rights to subscribe to the newly issued shares issuable on conversion of the bonds.

The Board of Directors may limit or withdraw the shareholders' right to subscribe for the bonds by preference for valid reasons, in particular (a) if the bonds are issued in connection with the financing or refinancing of the acquisition of one or more companies, businesses or parts of businesses, or (b) to facilitate the placement of the bonds on the international markets or to increase the security holder base of the Company. If the shareholders' right to subscribe for the bonds by preference is limited or withdrawn, the bonds must be issued at market conditions, the exercise period of the conversion rights must not exceed 7 years from the date of issuance of the bonds, and the conversion price must be set at a level that is not lower than the market price of the shares preceding the determination of the final conditions for the bonds.

2.3 Changes in Shareholders' Equity

No shares have been issued during fiscal years 2022, 2021 and 2020.

As of March 31, 2022, 2021 and 2020, balances in shareholders' equity of Logitech International S.A., based on the parent company's Swiss Statutory Financial Statements, were as follows (in thousands):

	As of March 31,					
	2022		2021		2020	
Share capital	CHF	43,277	CHF	43,277	CHF	43,277
Legal capital reserves:						
- Reserve for capital contributions		1,265		1,265		1,265
Legal retained earnings reserves						
- General retained earnings reserves		9,580		9,580		9,580
		10,845		10,845		10,845
Available Retained earnings		1,693,501		1,193,523		1,096,286
Treasury shares		(584,158)		(262,373)		(182,181)
Total shareholders' equity	CHF	1,163,465	CHF	985,272	CHF	968,227

The following table shows authorized and conditional share capital as of the last three fiscal year ends (in thousands):

	As of March 31,					
	2022		2021		2020	
Authorized share capital	CHF	8,655	CHF	8,655	CHF	8,655
First conditional share capital	CHF	6,250	CHF	6,250	CHF	6,250
Second conditional share capital	CHF	6,250	CHF	6,250	CHF	6,250

For information on Logitech's shareholders' equity as of March 31, 2022 and 2021, refer to the Swiss Statutory Balance Sheets on page 94 of this Annual Report.

A summary of the approved share buyback program during fiscal years 2022, 2021 and 2020 is shown in the following table (in thousands, excluding transaction costs).

	Approved		Repurchased	
Share Buyback Program	**Shares**	**Amounts**	**Shares**	**Amounts**
March 2017	17,311	$250,000	2,902	112,614
May 2020	17,311	$1,000,000	6,452	576,303

Share Repurchases

In March 2017, the Company's Board of Directors approved the 2017 share repurchase program, which authorizes the Company to use up to $250.0 million to purchase up to 17.3 million of Logitech shares. This share repurchase program expired in April 2020.

In May 2020, the Company's Board of Directors approved the 2020 share repurchase program, which authorized the Company to use up to $250.0 million to purchase up to 17.3 million of Logitech shares. The Company's share repurchase program is expected to remain in effect for a period of three years through July 27, 2023. Shares may be repurchased from time to time on the open market, through block trades or otherwise. Purchases may be started or stopped at any time without prior notice depending on market conditions and other factors. In April 2021, the Company's Board of Directors approved an increase of $750.0 million of the 2020 share repurchase program, to an aggregate amount of $1.0 billion. The Swiss Takeover Board approved this increase and it became effective on May 21, 2021. As of March 31, 2022, $423.7 million was available for repurchase under the 2020 repurchase program.

During fiscal year 2022, approximately 4.6 million shares were repurchased for approximately $412.0 million. During fiscal year 2021, approximately 1.8 million shares were repurchased for approximately $165.0 million. During fiscal year 2020, approximately 1.3 million shares were repurchased for approximately $50.4 million.

For further information on Logitech's share repurchases please refer to "Additional Financial Disclosures - Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities" on pages 21 and 22 in this Annual Report.

2.4 Share Categories

Registered Shares. Logitech International S.A. has only one category of shares - registered shares with a par value of CHF 0.25 per share. Each of the 173,106,620 issued shares carries the same rights. There are no preferential rights. However, a shareholder must be entered in the share register of the Company to exercise voting rights and the rights deriving therefrom (such as the right to convene a general meeting of shareholders or the right to put an item on the meeting's agenda). Refer to section 6 for an outline of participation rights of the Company's shareholders.

Each share entitles its owner to dividends declared, even if the owner is not registered in the share register of the Company. Under Swiss law, a company pays dividends upon approval by its shareholders. This request for shareholder approval typically follows the recommendation of the Board. Until 2013, other than a one-time distribution to shareholders of additional paid-in capital out of its capital contribution reserves in fiscal year 2012, Logitech had not paid dividends since 1996, using retained earnings to invest in the growth of the Company and, in more recent years, to repurchase the Company's shares. In 2013, the Board proposed that, beginning with fiscal year 2013 and subject to approval by the Company's shareholders and statutory auditors each year, Logitech distribute a recurring annual gross dividend.

The approximate amounts of dividend distributed to date are reflected below:

Year	2014	2015	2016	2017	2018	2019	2020	2021
Amount per Share in CHF	0.2625	0.51	0.56	0.61	0.67	0.73	0.79	0.87

In September 2021, the Board distributed a gross dividend of approximately CHF 0.87 per share. On May 16, 2022, the Board approved, subject to approval by the Company's shareholders and other Swiss statutory requirements, a gross dividend of CHF 0.9621 per share - see "Proposal 3 - Appropriation of Retained Earnings and Declaration of Dividend" on page 15 in our Proxy Statement.

Unless this right is restricted in compliance with Swiss law and the Company's Articles of Incorporation, shareholders have the pre-emptive right to subscribe for newly issued shares. Refer to section 2.2 for a description of the provisions of the Company's Articles of Incorporation relating to the restriction of the shareholders' pre-emptive subscription rights.

2.5 Non-Voting Shares and Bonus Certificates

The Company has not issued non-voting shares ("bons de participation," "Partizipationsscheine"). The Company has not issued certificates or equity securities that provide financial rights in consideration for services rendered or claims waived (referred to as "bonus certificates," "bons de jouissance," or "Genussscheine").

2.6 Limitations on Transferability and Nominee Registration

The Company and its agents Devigus Shareholder Services, as primary transfer agent, and Computershare, as U.S. transfer agent, maintain a share register that lists the names of the registered owners of the Company's shares. Registration in the share register occurs upon request and is not subject to any conditions. Nominee companies and trustees can be entered into the share register with voting rights. There are no restrictions on transfers of shares under the Company's Articles of Incorporation or Swiss law. However, only holders of shares that are recorded in the share register are recognized as shareholders, and a transfer of shares reflected in the share register is recognized by the Company only to the extent we are notified of the transfer.

Refer to section 6.1 for the conditions for exercise of shareholders' voting rights.

2.7 Conversion and Option Rights

Logitech does not have any outstanding bonds or other securities with conversion rights and has not issued warrants on its shares.

Logitech has issued stock options, including performance-based stock options and premium-priced stock options, and restricted stock units, including performance-based restricted stock units, to its employees and directors. Please refer to pages 105 to 106 of our Invitation and Proxy Statement for the 2022 Annual General Meeting, under the heading “Equity Compensation Plan Information”, for details on option rights and restricted stock units issued under our employee equity incentive plans, as well as other information regarding those plans, and to Note 5 - Employee Benefit Plans - included in our Consolidated Financial Statements on pages 65 to 73 of this Annual Report.

3. The Board of Directors

3.1 and 3.2 Members of the Board of Directors and their Activities Outside of the Logitech Group

For the current members of our Board of Directors, further information regarding the Board of Directors and their material activities outside of the Logitech group, please see pages 39 to 58 of our Invitation and Proxy Statement for the 2022 Annual General Meeting, under the heading “Corporate Governance and Board of Directors Matters”.

3.3 Permitted Activities

Pursuant to Article 17 bis of the Company’s Articles of Incorporation, each member of our Board of Directors may assume up to ten mandates in supreme management or supervisory bodies of legal entities outside the Logitech group, of which no more than four may be in listed companies. In addition, each member of our Board of Directors may assume up to ten mandates in the governing bodies of charitable or similar organizations.

The following mandates are not subject to these limitations:

a) mandates in companies controlled by the Company or that control the Company;
b) mandates that a member of our Board of Directors assumes at the request of the Company or of a company controlled by it; and
c) mandates in companies that are not required to be registered in the commercial registry in Switzerland or in an equivalent registry outside of Switzerland.

Mandates for legal entities under common control or at the request of such legal entities are counted as a single mandate for purposes of determining permitted activities.

Each member of our Board of Directors is currently in compliance with the above-mentioned requirements.

3.4 Elections and terms of office

For information regarding the time of first election and term of office of each member of our Board of Directors, please see pages 39 to 58 of our Invitation and Proxy Statement for the 2022 Annual General Meeting, under the heading “Corporate Governance and Board of Directors Matters”.

Pursuant to Article 14 of the Company’s Articles of Incorporation, the members of the Board of Directors shall be elected individually by the General Meeting for a term of office expiring after completion of the subsequent Annual General Meeting. Each member of our Board of Director shall be indefinitely re-eligible.

The Company’s Articles of Incorporation do not differ from the statutory legal provisions with regard to the appointment of the chairperson, the members of the compensation committee and the independent proxy.

3.5 Organization

For information regarding the organization of the Board of Directors and its committees, please see pages 39 to 58 of our Invitation and Proxy Statement for the 2022 Annual General Meeting, under the heading “Corporate Governance and Board of Directors Matters”.

3.6 Definition of areas of responsibility

Information regarding the powers and duties of the Board of Directors, the Company's Chairperson, the Company’s Chief Executive Officer and the Company's Lead Independent Director are set forth on pages 39 to 58 of our Invitation and Proxy Statement for the 2022 Annual General Meeting, under the heading “Corporate Governance and Board of Directors Matters”, including under the subheadings "Board Responsibilities and Structure" on pages 50 to 52 and "Board Committees" on pages 53 to 57. These powers and duties are further detailed in the Company's Organizational Regulations, which can be accessed on the Company's website at http://ir.logitech.com/corporate-governance/governance-documents/default.aspx, in Sections 2 ("The Board"), 3 ("The Chairperson of the Board"), 4 ("The Chief Executive Officer") and 5 ("The Group Management Team").

3.7 Information and control instruments

The means by which the Board of Directors supervises the Company's executive officers are described on pages 39 to 58 of our Invitation and Proxy Statement for the 2022 Annual General Meeting, under the heading “Corporate Governance and Board of Directors Matters”.

Additional information and control instruments include: (i) the Company's external auditors, KPMG AG, and independent registered public accounting firm, KPMG LLP, who conduct their audits in compliance with Swiss law and Swiss Auditing Standards and the regulations of the U.S. Securities and Exchange Commission (the "SEC") and the Public Company Accounting Oversight Board (the "PCAOB"), respectively, as well as Auditing Standards Generally Accepted in the United States of America ("U.S. GAAP"); and (ii) the Company's Internal Audit function. Logitech Internal Audit covers all of the Company's business and operations worldwide and completes assignments based on annual internal audit plans approved by the Audit Committee of the Board. Logitech Internal Audit assesses the reliability of financial and operational information and the effectiveness of controls and processes for compliance with internal, legal, regulatory and statutory requirements. Findings are communicated to management and to the Audit Committee in regular quarterly reports as well as in interim communications with the Audit Committee or the Audit Committee Chairperson. The Audit Committee Chairperson provides updates to the Board at least quarterly. The Audit Committee reviews and monitors management's responsiveness to Internal Audit's findings and recommendations and, as appropriate, follow-up audits are planned to ensure proper remediation. The Audit Committee oversees the Logitech Internal Audit function. Logitech's Compliance function - including Legal, Internal Audit and, where appropriate, People & Culture - also conducts investigations in connection with Internal Audit's findings or other internal or external reports. The Head of Logitech Internal Audit reports administratively to the Chief Financial Officer and has a functional reporting line and direct access to the Audit Committee Chairperson. In addition to overseeing Logitech Internal Audit function, including reviewing the scope of work, the recommendations made and the progress of implementation, the Audit Committee has responsibility for determining the compensation of the Head of Logitech Internal Audit.

The Board's role in risk oversight is described on page 51 of our Invitation and Proxy Statement for the 2022 Annual General Meeting, under the heading “Corporate Governance and Board of Directors Matters” and the sub-heading "The Board's Role in Risk Oversight". In addition, both executive management and other senior leaders and managers provide risk assessments on various aspect of the Company's business and regions in regular reports to the Board.

The Audit Committee reviews with management and the independent auditors the Company’s major financial risk exposures and the steps management has taken to monitor and control those exposures, including the Company’s guidelines and policies with respect to risk assessment and risk management.

The Technology and Innovation Committee of the Board reviews the Company’s cybersecurity, information security and other technology risks, controls and procedures, including review of the Company’s current threat landscape, strategy to mitigate cybersecurity, information security and other technology risks, and critical incident response plans.

Logitech Internal Audit also has responsibility for enterprise risk management. Logitech Internal Audit conducts an annual survey from across the Company - including all business functions, product categories and regions - of the Company's key risks. The findings and details of this assessment, together with a heat map and recommendations, are presented at least once a year to the Audit Committee by the Head of Internal Audit. The enterprise risk management assessment factors into the development by Logitech Internal Audit and the Audit Committee of the annual Internal Audit plan and internal controls, which are then implemented or overseen by Logitech Internal Audit. Progress on the Internal Audit Plan and on internal controls is provided to the Audit Committee in regular quarterly reports as well as in interim communications with the Audit Committee or the Audit Committee Chairperson.

The risks identified by Logitech are set forth in the Company's Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission and posted to the Company's Investor Relations website (*https://ir.logitech.com*), under the headings "Item 1A, Risk Factors" on pages 16 to 34 and "Item 7A, Quantitative and Qualitative Disclosures about Market Risk" on page 55. Logitech's financial condition and results of operations, including the manner in which the main risks identified by Logitech may affect those, are discussed under the heading "Item 7 Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 39 to 54 of the Company's Annual Report on Form 10-K referred to above.

4. Group Management Team

4.1 Members of the Group Management Team

The members of our Group Management Team as of March 31, 2022 are set forth below:

Bracken Darrell
59 Years Old
President and
Chief Executive Officer
U.S. national

Bracken Darrell joined Logitech as President in April 2012 and became Chief Executive Officer in January 2013. Prior to joining Logitech, Mr. Darrell served as President of Whirlpool EMEA and Executive Vice President of Whirlpool Corporation, a home appliance manufacturer and marketing company, from January 2009 to March 2012. Previously, Mr. Darrell had been Senior Vice President, Operations of Whirlpool EMEA from May 2008 to January 2009. From 2002 to May 2008, Mr. Darrell was with the Procter & Gamble Company (P&G), a consumer brand company, most recently as the President of its Braun GmbH subsidiary. Prior to rejoining P&G in 2002, Mr. Darrell served in various executive and managerial positions with General Electric Company from 1997 to 2002, with P&G from 1991 to 1997, and with PepsiCo Inc. from 1987 to 1989. Mr. Darrell holds a BA degree from Hendrix College and an MBA from Harvard University.

Nate Olmstead
50 Years Old
Chief Financial Officer
U.S. national

Nate Olmstead joined Logitech in April 2019 as Vice President of Business Finance and was appointed interim Chief Financial Officer as of June 2019 and Chief Financial Officer as of July 2019. Prior to joining Logitech, Mr. Olmstead served in various financial management roles at Hewlett-Packard Company and Hewlett-Packard Enterprise, a multinational information technology company, most recently as the Vice President of Finance for Global Operations at Hewlett-Packard Enterprise from June 2017 to March 2019. He also served as Vice President of Finance, EG Global Supply Chain and Quality from February 2015 to June 2017, Vice President of Finance, HP Storage and HP Converged Systems from 2009 to February 2015, and Director, HP Investor Relations from 2006 to 2009. Mr. Olmstead holds a BA degree from Stanford University and an MBA from Harvard University.

Prakash Arunkundrum
47 Years Old
Head of Global Operations &
Sustainability
U.S. national

Prakash Arunkundrum is Logitech's Head of Global Operations & Sustainability, a position he has held since May 2018. He joined Logitech in 2015 and held operations positions as Vice President New Product Introductions & Strategic Initiatives from August 2015 to July 2016 and Vice President Global Sourcing and New Product Introductions from July 2016 to May 2018. Prior to joining Logitech, Mr. Arunkundrum was a Principal at A.T. Kearney, a global management consulting firm, from July 2014 to August 2015. He also served as Director, Management Consulting at PricewaterhouseCoopers, a multinational professional services network of firms, from September 2011 to July 2014 and Principal at PRTM Management Consultants LLC, a management consulting firm acquired by PricewaterhouseCoopers, from March 2010 to September 2011. Prior to his management consulting roles, Mr. Arunkundrum held several management positions at i2 Technologies, a supply chain management company acquired by JDA Software, from March 2007 to February 2010. Early in his career, he held product management positions at supply chain startups and i2 Technologies. Mr. Arunkundrum holds a BTech degree in Chemical Engineering from Central ElectroChemical Research Institute (CECRI) in Karaikudi, India and a Master of Science in Materials Engineering from University of Maryland at College Park.

Samantha Harnett
46 Years Old
General Counsel
U.S. national

Samantha Harnett joined Logitech as General Counsel in June 2020. Prior to joining Logitech, Ms. Harnett served in various legal and management roles at Eventbrite, Inc., a global self-service ticketing and experience technology platform, most recently as Chief Legal and Operations Officer from October 2019 to June 2020. While at Eventbrite, she also served as Senior Vice President, General Counsel from May 2018 to October 2019 and Vice President, General Counsel from November 2015 to May 2018. From March 2005 to November 2015, Ms. Harnett served in various positions at ZipRealty, Inc., a real estate technology and online brokerage company, including most recently as General Counsel and Senior Vice President of Business Development from October 2009 to November 2015. She also served as an associate at Wilson Sonsini Goodrich and Rosati, P.C. Ms. Harnett currently serves on the board of directors of GLAAD, a non-profit organization. Ms. Harnett holds a BA degree from California State University, Chico and a JD from Santa Clara University School of Law.

4.2 Involvements outside Logitech of the Members of the Group Management Team

No member of Logitech's Group Management Team currently has material supervisory, management, or advisory functions outside Logitech or holds any official functions or political posts.

4.3 Permitted Activities

Pursuant to Article 18 ter of the Company's Articles of Incorporation, each member of our Group Management Team may assume up to five mandates in supreme management or supervisory bodies of legal entities outside the Logitech group, of which no more than two may be in listed companies. In addition, each member of our Group Management Team may assume up to five mandates in the governing bodies of charitable or similar organizations.

The following mandates are not subject to these limitations:

a) mandates in companies controlled by the Company or that control the Company;
b) mandates that a member of our Group Management Team assumes at the request of the Company or of a company controlled by it; and
c) mandates in companies that are not required to be registered in the commercial registry in Switzerland or in an equivalent registry outside of Switzerland.

Mandates for legal entities under common control are counted as a single mandate for purposes of determining permitted activities.

Each member of our Group Management Team is currently in compliance with the above-mentioned requirements.

4.4 Management Contracts

Logitech has not entered into any contractual relationships regarding the management of the Company or its subsidiaries.

5. Compensation, Shareholdings and Loans

5.1 Compensation Principles

Please refer to Logitech's Compensation Report for Fiscal Year 2022 on pages 66 to 104 of our Invitation and Proxy Statement for the 2022 Annual General Meeting for information on Logitech's compensation of its Board members and executive officers, and regarding how and why we make compensation decisions.

In addition, for information required to be disclosed under Swiss law regarding compensation during fiscal year 2022 of the individual members of the Board and of the members of the Group Management Team, in aggregate, and regarding the security ownership of members of the Board of Directors and of members of the Group Management Team as of March 31, 2022, among other disclosures, please refer to the Compensation Tables on pages 100 to 104 of our Invitation and Proxy Statement (the "Remuneration Report") for the 2022 Annual General Meeting and Note 8 - Share Ownership of Board Members and Group Management Team - in the Company's Statutory Financial Statements included on pages 107 to 109 of this Annual Report.

5.2 Rules in the Company's Articles of Incorporation

Pursuant to Article 19 bis of the Company's Articles of Incorporation, compensation of non-executive members of our Board of Directors consists of cash payments and shares or share equivalents corresponding to a fixed amount and reflecting the functions and responsibilities assumed.

Pursuant to Article 19 bis and ter of the Company's Articles of Incorporation, compensation of members of our Board of Directors who have delegated management responsibilities and of our Group Management Team consists principally of (i) base salary, (ii) performance-based cash compensation in the form of incentive cash payments, and (iii) equity incentive awards. Base salary rewards executives for their individual contribution to the Company and their expected day-to-day services. Performance-based cash compensation takes appropriate account of the achievement of the Company's, individual employees' or other performance goals. The target level of the performance-based cash compensation elements is determined as a percentage of the base salary. Performance-based cash compensation may amount up to a predetermined multiplier of the target level. Its amount may also reflect an overall assessment of the executive's performance or the Company's objectives. Equity incentive awards provide a direct incentive for future performances and align the interest of the executives with those of the Company's shareholders. Equity incentive awards are governed by performance metrics that take into account strategic or other objectives of the Company or by reference to the duration of the executive's service to the Company or companies controlled by it. The performance metrics and target levels applicable to performance-based cash compensation and equity incentive awards, as well as their achievement, are determined by our Compensation Committee.

Compensation to executives may also be paid or granted in the form of financial instruments or similar units and executives may participate in share purchase plans established by the Company or companies controlled by it, under the terms of which eligible employees may allocate a portion of their compensation to the purchase of shares of the Company at a discount to market price.

Our Compensation Committee decides upon each grant as well as the applicable vesting, blocking, exercise and forfeiture conditions; it may provide for continuation, acceleration or removal of vesting and exercise conditions, for payment or grant of compensation assuming target achievement or for forfeiture in the event of predetermined events such as termination of employment or office or change of control. Compensation may be paid by the Company or companies controlled by it.

Pursuant to Article 19 quater of the Company's Articles of Incorporation, upon proposal of the Board of Directors, the General Meeting approves the maximum aggregate amount of the compensation of (i) the Board of Directors, for the period up to the next Annual General Meeting, and (ii) the Group Management Team, for the next business year. The Board of Directors may submit to the General Meeting for approval proposals in respect of maximum aggregate amounts and/or individual compensation components for other time periods and/or propose the payment of additional amounts for special or extraordinary services of some or all of the members of the Board of Directors or of the Group Management Team. If the General Meeting rejects a proposal submitted by the Board of Directors, the Board of Directors will submit an alternative proposal to the same or a subsequent General Meeting. The Company or companies controlled by it may grant or pay compensation subject to subsequent ratification at a General Meeting and claw-back by the Company in case of rejection by the General Meeting.

Pursuant to Article 19 quinquies of the Company's Articles of Incorporation, if the maximum aggregate amount of compensation already approved by the General Meeting is not sufficient to also cover the compensation of one or more persons who become members of the Group Management Team during a compensation period for which the General Meeting has already approved the compensation of the Group Management Team (new hire), the Company or companies controlled by it are authorized to pay an additional amount with respect to the compensation period already approved. Such additional amount may not exceed: for the head of the Management Team (CEO), 140% of the total annual compensation of the former CEO; and for any new hire other than the CEO, 140% of the highest total annual compensation of any member of the Management Team other than the CEO.

Pursuant to Article 19 sexies of the Company's Articles of Incorporation, members of the Board of Directors and of the Group Management Team may not receive credits or loans from the Company or from a company controlled by it. Compensation paid to members of the Board of Directors or of the Group Management Team for activities in companies that are controlled by the Company is permitted, and this compensation will be included in the total compensation payable to the Board of Directors or to the Group Management Team, as applicable, which is subject to the approval of the General Meeting. Pension contributions and benefits will be made or provided in accordance with the regulations applicable to the pension schemes in which the Company or the companies controlled by it participate in Switzerland or abroad.

6. Shareholders' Participation Rights

6.1 Exercise and Limitations to Shareholders' Voting Rights

Each registered share confers the right to one vote at a general meeting of shareholders. There are no limitations to the number of voting rights that a shareholder or group of shareholders is entitled to exercise, and there are no preferential voting rights. To exercise voting rights at a general meeting of shareholders, a shareholder must have registered their shares by the date set by the Board of Directors for the closing of the share register before each general meeting of shareholders. Refer to section 2.6 for more information on the registration process.

Any shareholder may be represented at a meeting by a person of its choice who need not be a shareholder of the Company. The power of attorney must be made in writing. The use of a form prepared by the Company may be required.

There are currently no limitations under Swiss law or in the Company's Articles of Incorporation restricting the rights of shareholders outside Switzerland to hold or vote Logitech shares.

The Company's Articles of Incorporation contain no rules on giving instructions to the independent proxy and no provisions on electronic participation in the general meeting.

6.2 Shareholders' Resolutions for which a Particular Majority is Required

In general, the resolutions of the general meeting of shareholders are passed with a simple majority of the votes cast. However, a number of resolutions may only be passed with a majority of two-thirds of the votes represented, including the following:

- change in the Company's corporate purpose;
- creation of shares with privileged voting rights;
- restriction of the transferability of the shares;
- creation of authorized or conditional capital;
- capital increases to be paid-in by means of existing reserves, against contributions in kind, or conducted with a view to the acquisition of specific assets;
- grant of special benefits;
- suppression or limitation of the shareholders' preferential subscription right;
- change of the registered office of the Company; and
- liquidation of the Company.

6.3 Convocation of the General Meeting of Shareholders

The Board of Directors generally convenes a general meeting of shareholders. The convocation notice is made in writing and under Swiss law must be sent to each registered shareholder at the address recorded in the share register at least 20 days prior to the meeting.

Under our Articles of Incorporation one or more shareholders who represent together at least 10% of the share capital of the Company may demand that the Board of Directors convene a meeting. Such demands must be made in writing and received by the Board of Directors at least 60 days before the date of the proposed meeting.

The Company has received an exemption from compliance with a Nasdaq listing standard that requires that the quorum for shareholder meetings be at least 33⅓% of the outstanding voting shares. Under Swiss law, public companies do not have specific quorum requirements for shareholder meetings. Accordingly, Logitech, like most other Swiss public companies, does not observe quorum requirements with respect to its shareholder meetings. In compliance with Swiss law, Logitech sends an invitation to all of its registered shareholders and publishes the notice of the meeting in the Swiss financial press. It also sends a proxy statement, or a notice of availability of the proxy statement, in either case prepared in accordance with U.S. securities laws, to all registered shareholders and all beneficial shareholders where requested by the registered shareholder or required by law. Logitech has combined the invitation required under Swiss law and the proxy statement required under U.S. law into one document, titled Invitation and Proxy Statement, for its 2022 Annual General Meeting, and combined it with its Annual Report required under Swiss law and U.S. law to create one convenient document for shareholders. Also, to encourage attendance, Logitech holds its Annual General Meeting close to its operations in Switzerland.

6.4 Shareholders' Right to Place Items on the Agenda of a Meeting

Under the Company's Articles of Incorporation, one or more registered shareholders who together represent shares representing at least the lesser of (i) one percent of the Company's issued share capital or (ii) an aggregate par value of one million Swiss francs, may demand that an item be placed on the agenda of a meeting of shareholders.

A request to place an item on the meeting agenda must be in writing, describe the proposal and be received by our Board of Directors at least 60 days prior to the date of the meeting. Demands by registered shareholders to place an item on the agenda of a meeting of shareholders should be sent to:

Secretary to the Board of Directors, Logitech International S.A., EPFL - Quartier de l'Innovation, Daniel Borel Innovation Center 1015 Lausanne, Switzerland, or c/o Logitech Inc., 7700 Gateway Boulevard, Newark, CA 94560, USA.

6.5 Registration in the Company's Share Register

Registration into the Company's share register, or the sub-register maintained by the Company's U.S. transfer agent, Computershare, occurs upon request and is not subject to any condition. The Company's share register closes before a general meeting of shareholders on a date designated by the Board of Directors. Only those shareholders who are registered in the share register on the day the share register is closed have the right to vote at the meeting.

7. Mandatory Offer and Change of Control Provisions

7.1 Mandatory Offer

Under Swiss law any shareholder who acquires more than 33⅓% of the voting rights of a Swiss company whose shares are listed in whole or in part in Switzerland is required to make an offer to acquire all listed equity securities of the company at a minimum price. Logitech International S.A.'s Articles of Incorporation do not remove this requirement. The Articles do not increase the participation threshold above which an offer must be made. Consequently, any person having acquired more than a third of the Company's voting rights will be required to make an offer for all outstanding shares of the Company.

7.2 Change of Control Provisions

Please refer to our Compensation Report for Fiscal Year 2022 on pages 66 to 104 of our Invitation and Proxy Statement for the 2022 Annual General Meeting for information on the consequences of change of control on equity awards made to members of the Board of Directors and the Group Management Team.

8. Auditors

Under the Company's Articles of Incorporation, the shareholders elect the Company's independent auditors each year at the Annual General Meeting. Re-election is permitted.

The Company's auditors are currently KPMG AG, Badenerstrasse 172, CH-8036, Zürich, Switzerland. KPMG assumed its first audit mandate for Logitech in 2014. The responsible principal audit partner as of March 31, 2022 is Regula Tobler, who replaced Rolf Hauenstein following the Company's 2021 Annual General Meeting due to partner rotation requirements. The responsible principal audit partner changes at least once every seven years, as required under Swiss law. For purposes of U.S. securities law reporting, KPMG LLP, San Francisco, California, serves as the Company's independent registered public accounting firm.

Please refer to the "Corporate Governance and Board of Directors Matters", "Independent Auditors" and "Report of the Audit Committee" sections on pages 39 to 58, 63 to 64, and 64, respectively, of Logitech's Invitation, Proxy Statement and Annual Report for the 2022 Annual General Meeting for further information regarding the audit and non-audit fees paid by Logitech to KPMG during fiscal year 2022, pre-approval policies for non-audit work by KPMG, and the supervisory and control instruments of the Board of Directors, including the Audit Committee of the Board, over the work and activities of KPMG.

9. Information Policy

The Company reports its financial results quarterly with an earnings press release. Quarterly financial results are currently scheduled to be released as follows:

Q1 FY'23 Earnings Release and Conference Call	July 25-26, 2022
Q2 FY'23 Earnings Release and Conference Call	October 24-25, 2022
Q3 FY'23 Earnings Release and Conference Call	January 23-24, 2023
Q4 FY'23 Earnings Release and Conference Call	May 1-2, 2023

The Company's 2022 Annual General Meeting is to be held September 14, 2022 at the SwissTech Convention Center, EPFL, Lausanne, Switzerland.

All registered shareholders and all shareholders in the United States that hold their shares through a U.S. bank or brokerage or other nominee receive a copy of the Logitech Invitation, Proxy Statement and Annual Report, or a notice that such documents are available. The Annual Report section of the document contains an overview of Logitech's business in the fiscal year, audited financial statements for the group and the Company, the Report on Corporate Governance and other key financial and business information. The Invitation and Proxy Statement section of the document includes a description of the matters to be acted upon at the Annual General Meeting of shareholders, a Compensation Report on executive officer and Board member compensation, the Remuneration Report required under Swiss law, and other disclosures required under applicable Swiss and U.S. laws.

Logitech holds public conference calls after our quarterly earnings releases to discuss the results and present an opportunity for institutional analysts to ask questions to the Chief Executive Officer and Chief Financial Officer. Logitech also holds periodic analyst days where senior management present reviews of Logitech's business. These events are webcast and remain available on Logitech's Investor Relations website for a period of time after the events. Logitech senior management also regularly participates in institutional investor seminars and roadshows, many of which are also webcast.

Our Investor Relations website is located at *http://ir.logitech.com*. We post and maintain an archive of our earnings and other press releases, current reports, annual and quarterly reports, earnings release schedule, information regarding annual general meetings, further information on corporate governance, and other information regarding the Company on the Investor Relations website. The information we post includes, and in the future will include, filings we make with the U.S. Securities and Exchange Commission, or SEC, including reports on Forms 10-K, 10-Q and 8-K, our proxy statement related to our annual shareholders' meeting, including our Compensation Report on executive officer and Board member compensation, and any amendments to those reports or statements filed or furnished pursuant to U.S. securities laws or Swiss laws. All such filings and information are available free of charge on the website, and we make them available on the website as soon as reasonably possible after we file or furnish them with the SEC. The contents of these websites are not intended to be incorporated by reference into this report or in any other report or document we file and our references to these websites are intended to be inactive textual references only.

In addition, Logitech publishes press releases upon occurrence of significant events within Logitech. Shareholders and members of the public may elect to receive e-mails when Logitech issues press releases upon occurrence of significant events within Logitech or other press releases by subscribing through *http://ir.logitech.com/alerts.cfm*.

As a Swiss company traded on the SIX Swiss Exchange, and as a company subject to the provisions of Section 16 of the Securities Exchange Act of 1934, as amended, we file reports on transactions in Logitech securities by members of Logitech's Board of Directors and executive officers. The reports that we file with the SEC on Forms 3, 4 and 5 may be accessed on our website or on the SEC's website at *http://www.sec.gov*, and the reports that we file that are published by the SIX Swiss Exchange may be accessed at *http://www.six-exchange-regulation.com/obligations/management_transactions_en.html*.

For no charge, a copy of our annual reports and filings made with the SEC are available on our website and can be requested by contacting our Investor Relations department: Logitech Investor Relations, 7700 Gateway Boulevard, Newark, CA 94560 USA, Main +1-510-795-8500, e-mail: *LogitechIR@logitech.com*.

10. Global Quarterly Blackout Period

No director, officer or employee of Logitech, or any consultant or contractor with access to Logitech confidential information, may directly or through others trade in Logitech's securities during the period starting on the 15th day of the last month of each fiscal quarter until two days after our earnings are released to the public.

11. Consolidated Subsidiaries

For the listing of consolidated subsidiaries as of March 31, 2022, please refer to Note 4 - Investments in Subsidiaries - in the Company's Statutory Financial Statements included in this Annual Report.

SWISS EQUALITY PAY ANALYSIS

Beginning 1 July 2020, employers in Switzerland with 100 or more employees are obliged to carry out an internal equality pay analysis within one year. Logitech, in combination with an independent audit firm, completed the internal equity pay analysis of our Logitech Europe S.A. legal entity in accordance with the Swiss Federal Act of 24 March 1995 on Gender Equality. The result of this analysis was audited by an independent audit firm and confirmed that equal pay requirements between women and men was met.

LOGITECH INTERNATIONAL S.A.

CONSOLIDATED FINANCIAL STATEMENTS

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Statutory Auditor's Report

To the General Meeting of Logitech International S.A., Hautemorges

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Logitech International S.A. and its subsidiaries (the Group), which comprise the consolidated balance sheets as of March 31, 2022 and 2021, and the related consolidated statements of operations, comprehensive income, cash flows, and changes in shareholders' equity for each of the years in the three-year period ended March 31, 2022, and related notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as of December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the years in the three-year period ended March 31, 2022, in accordance with U.S. generally accepted accounting principles and comply with Swiss law.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and in accordance with Swiss law and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, and have fulfilled our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit, which include relevant ethical requirements in the United States of America, with the provisions of Swiss law and the requirements of the Swiss audit profession. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

EVALUATION OF THE SIGNIFICANT ASSUMPTIONS UNDERLYING THE BREAKAGE RATES FOR CERTAIN CUSTOMER PROGRAMS

ASSESSMENT OF THE ACCRUALS FOR CERTAIN CUSTOMER PROGRAMS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

EVALUATION OF THE SIGNIFICANT ASSUMPTIONS UNDERLYING THE BREAKAGE RATES FOR CERTAIN CUSTOMER PROGRAMS

Key Audit Matter

The Group recorded accounts receivable allowances of $274,629 thousand as of March 31, 2022 for various cooperative marketing arrangements and customer incentive and pricing programs (collectively, Customer Programs). The Group estimates the percentage of Customer Programs which will not be claimed or will not be earned by customers, which is commonly referred to as "breakage". Breakage reduces the Group's accruals for certain Customer Programs and it is applied at the time of sale. The Group uses judgment in assessing the period in which claims are expected to be submitted and the relevance of historical claim experience.

The significant assumptions in the breakage rates estimates include 1) the determination of the period in which the claims are expected to be submitted by the customers, 2) the assessment of the relevance of historical customer claim experience and 3) the assessment of the relevance of the historical trend of claims submitted after the expected period. The evaluation of the significant assumptions required a high degree of auditor judgment due to the inherent uncertainties related to such assumptions as well as recent changes noted in certain customer's claims processing behaviour in the current economic environment and therefore required increased audit consideration.

Our response

We have analyzed management's processes and controls established to estimate the breakage applied to allowances for Customer Programs. We have evaluated the design and tested the operating effectiveness of internal controls related to the process to determine the breakage rate estimate.
This included controls related to the Group's evaluation of significant assumptions in the breakage rates estimate.

Furthermore, in relation to the assumptions underlying the breakage rates related to certain Customer Pro-grams we have, amongst others, performed the following procedures:

- We evaluated the underlying information related to the expected period that a customer claim will be submitted and assessed the relevance of historical claim experience by analyzing the trend in the customers' historical claims and accruals information for certain Customer Programs.
- We assessed the relevance of the historical trend of claims submitted after the expected period by analyzing the trend of historical claims received after the expected period compared to the total earned amount of each respective period.
- We evaluated the Group's ability to estimate the breakage rates by comparing the estimated breakage from fiscal year 2021 to actual subsequent breakage in fiscal year 2022.

For further information on evaluation of the significant assumptions underlying the breakage rates for certain Customer Programs refer to the following:

- Note 2 - Summary of Significant Accounting Policies
- Note 8 - Balance Sheet Components

ASSESSMENT OF THE ACCRUALS FOR CERTAIN CUSTOMER PROGRAMS

Key Audit Matter

The Group recorded accrued Customer Program liabilities of $232,393 thousand as of March 31, 2022. The Group records these accruals as a reduction of revenue at the time of sale. The Group estimated these accruals based on historical data or future commitments that are planned and controlled by the Group. The Group uses judgment in analyzing historical trends, inventories owned by and located at the customers, products sold by the direct customers to end customers or resellers, known product quality issues, negotiated terms and other relevant customer and product information, such as stage of product lifecycle, which are expected to experience unusually high discounting.

A significant assumption in the estimates for Customer Programs accruals is that historical experience is predictive of Customer Programs' earned amounts. Due to the inherent uncertainties, the assessment of the relevance of the predictive historical experience to the determination of the estimate required a high degree of auditor judgment and required increased audit consideration.

Our response

We have analyzed management's processes and controls to estimate these accruals for customer programs. We have evaluated the design and tested the operating effectiveness of internal controls related to the accrual process for certain Customer Programs. This included controls related to the Group's assessment of whether historical experience is predictive of Customer Programs' earned amounts and the Company's validation of the underlying channel inventory data used to estimate the accruals for Customer Programs.

Furthermore, we have, amongst others, performed the following procedures:

– We assessed the historical experience used in estimating the accruals for certain Customer Programs using a combination of the Group's internal historical information of sales, Customer Programs' earned amounts, third-party contracts, and relevant and reliable third-party channel inventory and sell-through data.
– We inspected selected customer contracts to assess the terms and conditions related to certain Customer Programs.
– We analyzed channel inventory data trends by product and by region comparing fiscal 2022 quarterly channel inventory weeks on-hand ratios to prior fiscal years.
– We evaluated the Group's ability to estimate the accruals for certain Customer Programs by comparing recorded accruals from fiscal year 2021 to actual subsequent Customer Programs' earned amounts in fiscal year 2022.

For further information on assessment of the accruals for certain Customer Programs refer to the following:

– Note 2 - Summary of Significant Accounting Policies
– Note 8 - Balance Sheet Component

Responsibilities of the Board of Directors for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with U.S. generally accepted accounting principles and the provisions of Swiss law, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Group's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued; to disclose, as applicable, matters related to going concern; and to use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Swiss Law, and Swiss Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, Swiss Law, and Swiss Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Group's ability to continue as a going concern for a reasonable period of time.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit of the Group. We remain solely responsible for our audit opinion.

We are required to communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters, including any significant deficiencies, that we identified during the audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Information in the Annual Report

The Board of Directors is responsible for the other information included in the annual report. The other information comprises the information included in the annual report but does not include the consolidated financial statements, the stand-alone financial statements of the group, the remuneration report, and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report. We have nothing to report in this regard.

Report on Other Legal and Regulatory Requirements

In accordance with article 728a para. 1 item 3 CO and the Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We recommend that the financial statements submitted to you be approved.

KPMG AG

Regula Tobler	Stefan Widmer
Licensed Audit Expert Auditor in Charge	Licensed Audit Expert

Zurich, May 18, 2022

Enclosure:
- Consolidated Statements

KPMG AG, Badenerstrasse 172, CH-8036 Zurich

LOGITECH INTERNATIONAL S.A.

CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share amounts)

	Years Ended March 31,		
	2022	**2021**	**2020**
Net sales	$ 5,481,101	$ 5,252,279	$ 2,975,851
Cost of goods sold	3,204,072	2,903,215	1,838,685
Amortization of intangible assets	14,023	13,329	14,785
Gross profit	2,263,006	2,335,735	1,122,381
Operating expenses:			
Marketing and selling	1,025,899	770,284	533,324
Research and development	291,844	226,023	177,593
General and administrative	148,648	166,577	94,015
Amortization of intangible assets and acquisition-related costs	16,947	19,064	17,563
Impairment of intangible assets	7,000	—	—
Change in fair value of contingent consideration for business acquisition	(3,509)	5,716	23,247
Restructuring charges (credits), net	2,165	(54)	144
Total operating expenses	1,488,994	1,187,610	845,886
Operating income	774,012	1,148,125	276,495
Interest income	1,246	1,784	9,619
Other income (expense), net	560	(1,789)	38,212
Income before income taxes	775,818	1,148,120	324,326
Provision for (benefit from) income taxes	131,305	200,863	(125,397)
Net income	$ 644,513	$ 947,257	$ 449,723
Net income per share:			
Basic	$ 3.85	$ 5.62	$ 2.70
Diluted	$ 3.78	$ 5.51	$ 2.66
Weighted average shares used to compute net income per share:			
Basic	167,447	168,523	166,837
Diluted	170,414	171,775	169,381

The accompanying notes are an integral part of these consolidated financial statements.

LOGITECH INTERNATIONAL S.A.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In thousands)

	Years Ended March 31,		
	2022	**2021**	**2020**
Net income	$ 644,513	$ 947,257	$ 449,723
Other comprehensive income (loss):			
Currency translation gain (loss):			
Currency translation gain (loss), net of taxes	(14,051)	12,695	(8,270)
Reclassification of cumulative translation adjustments included in other income (expense), net	1,051	(1,738)	—
Defined benefit plans:			
Net gain (loss) and prior service costs, net of taxes	22,328	(4,701)	(6,846)
Reclassification of amortization included in other income (expense), net	(2,623)	1,517	762
Hedging gain (loss):			
Deferred hedging gain (loss), net of taxes	6,308	(4,071)	205
Reclassification of hedging loss (gain) included in cost of goods sold	(8,221)	8,043	(813)
Total other comprehensive income (loss)	4,792	11,745	(14,962)
Total comprehensive income	$ 649,305	$ 959,002	$ 434,761

The accompanying notes are an integral part of these consolidated financial statements.

LOGITECH INTERNATIONAL S.A.

CONSOLIDATED BALANCE SHEETS

(In thousands, except per share amounts)

	March 31, 2022	March 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	$ 1,328,716	$ 1,750,327
Accounts receivable, net	675,604	612,225
Inventories	933,124	661,116
Other current assets	135,478	135,650
Total current assets	3,072,922	3,159,318
Non-current assets:		
Property, plant and equipment, net	109,807	114,060
Goodwill	448,175	429,604
Other intangible assets, net	83,779	115,148
Other assets	320,722	324,248
Total assets	$ 4,035,405	$ 4,142,378
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	$ 636,306	$ 823,233
Accrued and other current liabilities	784,848	858,617
Total current liabilities	1,421,154	1,681,850
Non-current liabilities:		
Income taxes payable	83,380	59,237
Other non-current liabilities	132,133	139,502
Total liabilities	1,636,667	1,880,589
Commitments and contingencies (Note 13)		
Shareholders' equity:		
Registered shares, CHF 0.25 par value:	30,148	30,148
Issued shares —173,106 at March 31, 2022 and 2021		
Additional shares that may be issued out of conditional capitals — 50,000 at March 31, 2022 and 2021		
Additional shares that may be issued out of authorized capital — 17,311 at March 31, 2022 and 2021		
Additional paid-in capital	129,925	129,519
Shares in treasury, at cost — 7,855 and 4,799 shares at March 31, 2022 and 2021, respectively	(632,893)	(279,541)
Retained earnings	2,975,681	2,490,578
Accumulated other comprehensive loss	(104,123)	(108,915)
Total shareholders' equity	2,398,738	2,261,789
Total liabilities and shareholders' equity	$ 4,035,405	$ 4,142,378

The accompanying notes are an integral part of these consolidated financial statements.

LOGITECH INTERNATIONAL S.A.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	Years Ended March 31,		
	2022	**2021**	**2020**
Cash flows from operating activities:			
Net income			
Adjustments to reconcile net income to net cash provided by operating activities:	$ 644,513	$ 947,257	$ 449,723
Depreciation	88,361	50,752	42,893
Amortization of intangible assets	30,179	31,818	30,858
Impairment of intangible assets	7,000	—	—
Investment impairment	—	2,011	—
Loss on investments	1,683	3,899	756
Share-based compensation expense	93,479	86,019	54,870
Deferred income taxes	27,334	34,484	(159,853)
Change in fair value of contingent consideration for business acquisition	(3,509)	5,716	23,247
Gain on sale of investment in a privately held company	—	—	(39,767)
Other	1,140	(1,784)	(936)
Changes in assets and liabilities, net of acquisitions:			
Accounts receivable, net	(71,510)	(201,220)	(15,768)
Inventories	(276,640)	(427,501)	60,388
Other assets	(18,169)	(67,708)	18,319
Accounts payable	(181,303)	553,960	(24,250)
Accrued and other liabilities	(44,240)	440,935	(15,480)
Net cash provided by operating activities	298,318	1,458,638	425,000
Cash flows from investing activities:			
Purchases of property, plant and equipment	(89,152)	(76,189)	(39,484)
Investment in privately held companies	(1,463)	(4,115)	(345)
Acquisitions, net of cash acquired	(16,236)	(43,523)	(91,569)
Proceeds from return of strategic investments	—	2,934	—
Purchases of short-term investments	(10,000)	—	—
Proceeds from the sale of short-term investments	8,260	—	—
Proceeds from sale of property, plant and equipment	—	—	1,037
Purchases of deferred compensation investments	(5,058)	(12,336)	(11,964)
Proceeds from sales of deferred compensation investments	5,786	13,247	12,091
Net cash used in investing activities	(107,863)	(119,982)	(130,234)
Cash flows from financing activities:			
Payment of cash dividends	(159,410)	(146,705)	(124,180)
Payment of contingent consideration for business acquisition	(880)	—	—
Purchases of registered shares	(412,022)	(164,952)	(50,437)
Proceeds from exercises of stock options and purchase rights	29,649	43,810	22,241
Tax withholdings related to net share settlements of restricted stock units	(64,156)	(32,082)	(24,280)
Net cash used in financing activities	(606,819)	(299,929)	(176,656)
Effect of exchange rate changes on cash and cash equivalents	(5,247)	(3,966)	(7,060)
Net increase (decrease) in cash and cash equivalents	(421,611)	1,034,761	111,050
Cash and cash equivalents at beginning of the period	1,750,327	715,566	604,516
Cash and cash equivalents at end of the period	$1,328,716	$1,750,327	$ 715,566

The accompanying notes are an integral part of these consolidated financial statements.

LOGITECH INTERNATIONAL S.A.

CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)

(In thousands)

Supplementary Cash Flow Disclosures:						
Non-cash investing and financing activities:						
Property, plant and equipment purchased during the period and included in period end liability accounts	$	11,890	$	16,819	$	5,021
Non-cash contingent consideration for acquisition	$	292	$	28,463	$	—
Equity and debt investment in a privately held company	$	—	$	—	$	42,350
Fair value of contingent consideration in accrued and other liabilities	$	9,013	$	—	$	—
Supplemental cash flow information:						
Income taxes paid, net	$	192,898	$	23,041	$	20,851

The accompanying notes are an integral part of these consolidated financial statements.

LOGITECH INTERNATIONAL S.A.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(In thousands)

	Registered shares		Additional paid-in capital	Treasury shares		Retained earnings	Accumulated other comprehensive loss	Total
	Shares	Amount		Shares	Amount			
March 31, 2019	173,106	$ 30,148	$ 56,655	7,244	$ (169,802)	$1,365,036	$ (105,698)	$ 1,176,339
Total comprehensive income	—	—	—	—	—	449,723	(14,962)	434,761
Purchases of registered shares	—	—	—	1,251	(50,437)	—	—	(50,437)
Sale of shares upon exercise of stock options and purchase rights	—	—	5,582	(1,101)	16,659	—	—	22,241
Issuance of shares upon vesting of restricted stock units	—	—	(41,964)	(1,184)	17,684	—	—	(24,280)
Share-based compensation	—	—	54,824	—	—	—	—	54,824
Cash dividends ($0.74 per share)	—	—	—	—	—	(124,180)	—	(124,180)
March 31, 2020	173,106	$ 30,148	$ 75,097	6,210	$ (185,896)	$1,690,579	$ (120,660)	$ 1,489,268
Cumulative effect of adoption of new accounting standard	—	—	—	—	—	(553)	—	(553)
Total comprehensive income	—	—	—	—	—	947,257	11,745	959,002
Purchases of registered shares	—	—	—	1,845	(164,952)	—	—	(164,952)
Sale of shares upon exercise of stock options and purchase rights	—	—	3,130	(1,786)	40,680	—	—	43,810
Issuance of shares upon vesting of restricted stock units	—	—	(53,093)	(1,080)	21,011	—	—	(32,082)
Issuance of shares from contingent consideration	—	—	18,847	(390)	9,616	—	—	28,463
Share-based compensation	—	—	85,538	—	—	—	—	85,538
Cash dividends ($0.87 per share)	—	—	—	—	—	(146,705)	—	(146,705)
March 31, 2021	173,106	$ 30,148	$ 129,519	4,799	$ (279,541)	$2,490,578	$ (108,915)	$ 2,261,789
Total comprehensive income	—	—	—	—	—	644,513	4,792	649,305
Purchases of registered shares	—	—	—	4,607	(412,022)	—	—	(412,022)
Sale of shares upon exercise of stock options and purchase rights	—	—	12,971	(410)	16,678	—	—	29,649
Issuance of shares upon vesting of restricted stock units	—	—	(105,972)	(1,137)	41,816	—	—	(64,156)
Issuance of shares from contingent consideration	—	—	116	(4)	176	—	—	292
Share-based compensation	—	—	93,291	—	—	—	—	93,291
Cash dividends ($0.95 per share)	—	—	—	—	—	(159,410)	—	(159,410)
March 31, 2022	173,106	$ 30,148	$ 129,925	7,855	$ (632,893)	$2,975,681	$ (104,123)	$ 2,398,738

The accompanying notes are an integral part of these consolidated financial statements.

LOGITECH INTERNATIONAL S.A.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1—The Company

Logitech International S.A, together with its consolidated subsidiaries ("Logitech" or the "Company"), designs, manufactures and markets products that help connect people to digital and cloud experiences. Forty years ago, Logitech created products to improve experiences around the personal computer ("PC") platform, and today it is a multi-brand, multi-category company designing products that enable better experiences consuming, sharing and creating any digital content such as computing, gaming, video, and music, whether it is on a computer, mobile device or in the cloud.

The Company sells its products to a broad network of domestic and international customers, including direct sales to retailers, e-tailers and enterprise customers, and indirect sales through distributors.

Logitech was founded in Switzerland in 1981 and Logitech International S.A. has been the parent holding company of Logitech since 1988. Logitech International S.A. is a Swiss holding company with its registered office in Hautemorges, Switzerland and headquarters in Lausanne, Switzerland, which conducts its business through subsidiaries in the Americas, Europe, Middle East and Africa ("EMEA") and Asia Pacific. Shares of Logitech International S.A. are listed on both the SIX Swiss Exchange, under the trading symbol LOGN, and the Nasdaq Global Select Market, under the trading symbol LOGI.

Note 2—Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements include the accounts of Logitech and its subsidiaries. All intercompany balances and transactions have been eliminated. The consolidated financial statements are presented in accordance with accounting principles generally accepted in the United States ("U.S. GAAP").

Fiscal Year

The Company's fiscal year ends on March 31. Interim quarters are generally thirteen-week periods, each ending on a Friday. For purposes of presentation, the Company has indicated its quarterly periods end on the last day of the calendar quarter.

Reference to Sales

References to "sales" in the Notes to the consolidated financial statements means net sales, except as otherwise specified.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make judgments, estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Management bases its estimates on historical experience and various other assumptions believed to be reasonable. Significant estimates and assumptions made by management involve the fair value of goodwill and intangible assets acquired from business acquisitions, contingent consideration for a business acquisition and periodic reassessment of its fair value, valuation of investment in privately held companies classified under Level 3 fair value hierarchy, pension obligations, accruals for customer incentives, cooperative marketing, and pricing programs ("Customer Programs") and related breakage when appropriate, inventory valuation, share-based compensation expense, uncertain tax positions, and valuation allowances for deferred tax assets. Although these estimates are based on management's best knowledge of current events and actions that may impact the Company in the future, actual results could differ materially from those estimates.

Note 2—Summary of Significant Accounting Policies (Continued)

Risks and Uncertainties

The Company is subject to risks and uncertainties as a result of the coronavirus ("COVID-19"). Capital markets and economies worldwide have been negatively impacted by COVID-19 and it is still unclear how lasting and deep the economic impacts will be. During fiscal year 2022, the COVID-19 pandemic had mixed effects on the Company’s results of operations. While the Company continued to experience increased sales during fiscal year 2022, compared to fiscal year 2021, the Company also experienced supply and demand volatility, as the COVID-19 pandemic and related safety measures and restrictions have evolved differently across the world. In addition, the Company has experienced industry-wide supply chain challenges, including manufacturing, transportation and logistics. The ongoing and full extent of the impact of the COVID-19 pandemic on the Company's business and operational and financial performance and condition, including the sustainability of its effect on trends positive to the Company, remains uncertain and will depend on many factors outside the Company's control, including but not limited to the timing, extent, duration and effects of the virus and any of its mutations and variants, the availability and effectiveness of treatments and vaccines, the vaccination progress, the imposition of effective public safety and other protective measures and the public's response to such measures, the impact of COVID-19 on the global economy and demand for the Company's products and services. Should the COVID-19 pandemic or global economic slowdown not improve or worsen, or if the Company's attempt to mitigate its impact on its operations and costs is not successful, the Company's business, results of operations, financial condition and prospects may be adversely affected.

Reclassifications

The Company has reclassified certain prior-year amounts to conform to the current-year presentation.

Currencies

The functional currency of the Company's operations is primarily the U.S. Dollar. Certain operations use the Euro, Chinese Renminbi, Swiss Franc, or other local currencies as their functional currencies. The financial statements of the Company's subsidiaries whose functional currency is other than the U.S. Dollar are translated to U.S. Dollars using period-end rates of exchange for assets and liabilities and monthly average rates for sales, income and expenses. Cumulative translation gains and losses are included as a component of shareholders' equity in accumulated other comprehensive income (loss). Gains and losses arising from transactions denominated in currencies other than a subsidiary's functional currency are reported in other income (expense), net in the consolidated statements of operations.

Revenue Recognition

Revenue is recognized when a customer obtains control of promised goods or services in an amount that reflects the transaction price the Company expects to receive in exchange for those goods or services.

Substantially all revenue recognized by the Company relates to the contracts with customers to sell products that allow people to connect through gaming, video, computing, music and other digital platforms. These products are hardware devices, which may include embedded software that function together, and are considered as one performance obligation. Hardware devices are generally plug and play, requiring no configuration and little or no installation. Revenue is recognized at a point in time when control of the products is transferred to the customer which generally occurs upon shipment. The Company’s sales contracts with its customers have a one year or shorter term. The Company elects not disclosing the value of unsatisfied performance obligations for contracts with an original expected duration of one year or less.

The Company also provides post-contract customer support (“PCS”) for certain products and related software, which includes unspecified software updates and upgrades, bug fixes and maintenance. The transaction price is allocated to two performance obligations in such contracts, based on a relative standalone selling price. The transaction price allocated to PCS is recognized as revenue on a straight-line basis, which reflects the pattern of delivery of PCS, over the estimated term of the support that is between one to two years. Deferred revenue associated with remaining PCS performance obligation as of March 31, 2022 and March 31, 2021 was not material.

Note 2—Summary of Significant Accounting Policies (Continued)

The Company also recognizes revenue from subscription services that provide professional streamers with access to streaming software and tools that represent a single stand-ready performance obligation. Subscriptions are paid for at the time of or in advance of delivering the services. The proceeds received in advance from such arrangements is recognized as deferred revenue and then recognized as revenue ratably over the subscription period.

The Company normally requires payment from customers within thirty to sixty days from the invoice date. However, terms may vary by customer type, by country and by selling season. Extended payment terms are sometimes offered to a limited number of customers during the second and third fiscal quarters. The Company does not modify payment terms on existing receivables. The Company's contracts with customers do not include significant financing components as the period between the satisfaction of performance obligations and timing of payment are generally within one year.

The transaction price received by the Company from sales to its distributors, retail companies ("retailers"), and authorized resellers is calculated as selling price net of variable consideration which may include product returns and the Company’s payments for Customer Programs related to current period product revenue. The estimated impact of these programs is recorded as a reduction of transaction price or as an operating expense if the Company receives a distinct good or service from the customer and can reasonably estimate the fair value of that good or service received. Customer Programs require management to estimate the percentage of those programs which will not be claimed in the current period or will not be earned by customers, which is commonly referred to as "breakage." Breakage is estimated based on historical claim experience, the period in which customer claims are expected to be submitted, specific terms and conditions with customers and other factors. The Company accounts for breakage as part of variable consideration, subject to constraint, and records the estimated impact in the same period when revenue is recognized at the expected value. Assessing the period in which claims are expected to be submitted and the relevance of the historical claim experience require significant management judgment to estimate the breakage of Customer Programs in any accounting period.

The Company enters into cooperative marketing arrangements with many of its customers and with certain indirect partners, allowing customers to receive a credit equal to a set percentage of their purchases of the Company's products, or a fixed dollar amount for various marketing and incentive programs. The objective of these arrangements is to encourage advertising and promotional events to increase sales of the Company's products.

Customer incentive programs include consumer rebates and performance-based incentives. Consumer rebates are offered to the Company's customers and indirect partners at the Company's discretion for the primary benefit of end-users. In addition, the Company offers performance-based incentives to many of its customers and indirect partners based on predetermined performance criteria. At management's discretion, the Company also offers special pricing discounts to certain customers. Special pricing discounts are usually offered only for limited time periods or for sales of selected products to specific indirect partners.

Cooperative marketing arrangements and customer incentive programs are considered variable consideration, which the Company estimates and records as a reduction to revenue at the time of sale based on negotiated terms, historical experiences, forecasted incentives, anticipated volume of future purchases, and inventory levels in the channel.

The Company has agreements with certain customers that contain terms allowing price protection credits to be issued in the event of a subsequent price reduction. Management's decision to make price reductions is influenced by product life cycle stage, market acceptance of products, the competitive environment, new product introductions and other factors.

Accruals for estimated expected future pricing actions and Customer Programs are recognized at the time of sale based on analyses of historical pricing actions by customer and by product, inventories owned by and located at customers, current customer demand, current operating conditions, and other relevant customer and product information, such as stage of product life-cycle.

Note 2—Summary of Significant Accounting Policies (Continued)

Product return rights vary by customer. Estimates of expected future product returns qualify as variable consideration and are recorded as a reduction of the transaction price of the contract at the time of sale based on an analyses of historical return trends by customer and by product, inventories owned by and located at customers, current customer demand, current operating conditions, and other relevant customer and product information. The Company assesses the estimated asset for recovery value for impairment and adjusts the value of the asset for any impairment. Return trends are influenced by product life cycle status, new product introductions, market acceptance of products, sales levels, product sell-through, the type of customer, seasonality, product quality issues, competitive pressures, operational policies and procedures, and other factors. Return rates can fluctuate over time but are sufficiently predictable to allow the Company to estimate expected future product returns.

Typically, variable consideration does not need to be constrained as estimates are based on predictive historical data or future commitments that are planned and controlled by the Company. However, the Company continues to assess variable consideration estimates such that it is probable that a significant reversal of revenue will not occur.

The Company regularly evaluates the adequacy of its estimates for Customer Programs and product returns. Future market conditions and product transitions may require the Company to take action to change such programs and related estimates. When the variables used to estimate these costs change, or if actual costs differ significantly from the estimates, the Company would be required to increase or reduce revenue or operating expenses to reflect the impact. During the year ended March 31, 2022, changes to these estimates related to performance obligations satisfied in prior periods were not material.

Sales taxes and value-added taxes (“VAT”) collected from customers, if applicable, which are remitted to governmental authorities are not included in revenue, and are reflected as a liability on the consolidated balance sheets.

Shipping and Handling Costs

The Company's shipping and handling costs are included in the cost of goods sold in the consolidated statements of operations for all periods presented.

Contract Balances

The Company records accounts receivable from contracts with customers when it has an unconditional right to consideration, as accounts receivable, net on the consolidated balance sheets.

The Company records contract liabilities when cash payments are received or due in advance of performance, primarily for implied support and subscriptions. Contract liabilities are included in accrued and other current liabilities and other non-current liabilities on the consolidated balance sheets.

As of March 31, 2022 and 2021, the Company did not have any material contract liabilities balances or changes.

Contract Costs

The Company recognizes the incremental costs of obtaining contracts as an expense when incurred if the amortization period of the assets that otherwise would have been recognized is one year or less. These costs are included in marketing and selling expenses in the consolidated statements of operations. As of March 31, 2022 and 2021, the Company did not have any material deferred contract costs.

Research and Development Costs

Costs related to research, design and development of products, which consist primarily of personnel, product design and infrastructure expenses, are charged to research and development expense as they are incurred.

Note 2—Summary of Significant Accounting Policies (Continued)

Advertising Costs

Advertising costs are recorded as either a marketing and selling expense or a deduction from revenue as they are incurred. Advertising costs paid or reimbursed by the Company to direct or indirect customers must have an identifiable benefit and an estimable fair value in order to be classified as an operating expense. If these criteria are not met, the payment is classified as a reduction of revenue. Advertising costs recorded as marketing and selling expense are expensed as incurred. Total advertising costs including those characterized as revenue deductions during fiscal years 2022, 2021 and 2020 were $628.9 million, $450.0 million and $298.6 million, respectively, out of which $267.8 million, $168.2 million, and $64.5 million, respectively, were included as operating expense in the consolidated statements of operations.

Cash Equivalents

The Company classifies all highly liquid instruments purchased with an original maturity of three months or less at the date of purchase to be cash equivalents. Cash equivalents are carried at cost, which approximates their fair value.

All of the Company's bank time deposits have an original maturity of three months or less and are classified as cash equivalents and are recorded at cost, which approximates their fair value.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents and accounts receivable. The Company maintains cash and cash equivalents with various financial institutions to limit exposure with any one financial institution, but is exposed to credit risk in the event of default by financial institutions to the extent that cash balances with individual financial institutions are in excess of amounts that are insured.

The Company sells to large distributors, retailers, and e-tailers and, as a result, maintains individually significant receivable balances with such customers.

The Company had the following customers that individually comprised 10% or more of its gross sales:

	Years Ended March 31,		
	2022	2021	2020
Customer A	15 %	14 %	12 %
Customer B	17 %	13 %	14 %
Customer C (1)	14 %	N/A(1)	N/A(1)

(1) The Company's two customers merged during fiscal year 2022 and the percentage for fiscal year 2022 reflects the gross sales to the combined company. Percentages for fiscal year 2021 and 2020 are not disclosed as gross sales to each customer accounted for less than 10% of the Company's gross sales.

The Company had the following customers that individually comprised 10% or more of its accounts receivable:

	March 31,	
	2022	2021
Customer A	15 %	12 %
Customer B	17 %	20 %
Customer C (1)	15 %	10 %

(1) The Company's two customers merged during fiscal year 2022. The percentage as of March 31, 2022 reflects accounts receivable from the combined company. The percentage as of March 31, 2021 reflects accounts receivable from one of them only as the other customer accounted for less than 10% of the Company's accounts receivable.

The Company manages its accounts receivable credit risk through ongoing credit evaluation of its customers' financial conditions. The Company generally does not require collateral from its customers.

Allowances for Doubtful Accounts

Allowances for doubtful accounts are maintained for expected credit losses resulting from the Company's customers' inability to make required payments. The allowances are based on the Company's regular assessment of various factors, including the credit-worthiness and financial condition of specific customers, historical experience with bad debts and customer deductions, receivables aging, current economic conditions, reasonable and supportable forecasts of future economic conditions, and other factors that may affect the Company's ability to collect from customers.

Inventories

Inventories are stated at the lower of cost and net realizable value. Costs are computed under the standard cost method, which approximates actual costs determined on the first-in, first-out basis. The Company records write-downs of inventories which are obsolete or in excess of anticipated demand or net realizable value based on a consideration of marketability and product life cycle stage, product development plans, component cost trends, historical sales and demand forecasts which consider the assumptions about future demand and market conditions. Inventory on hand which is not expected to be sold or utilized is considered excess, and the Company recognizes the write-down in cost of goods sold at the time of such determination. The write-down is determined by the excess of cost over net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation. At the time of loss recognition, new cost basis per unit and lower-cost basis for that inventory are established and subsequent changes in facts and circumstances would not result in an increase in the cost basis.

As of March 31, 2022 and 2021, the Company also recorded a liability of $46.4 million and $11.8 million, respectively, arising from firm, non-cancelable, and unhedged inventory purchase commitments in excess of anticipated demand or net realizable value consistent with its valuation of excess and obsolete inventory. Such liability is included in accrued and other current liabilities on the consolidated balance sheets.

Property, Plant and Equipment

Property, plant and equipment are stated at cost. Additions and improvements are capitalized, and maintenance and repairs are expensed as incurred. The Company capitalizes the cost of software developed for internal use in connection with major projects. Costs incurred during the preliminary and post implementation stage are expensed, whereas direct costs incurred during the application development stage are capitalized.

Depreciation expense is recognized using the straight-line method. Plant and buildings are depreciated over estimated useful lives of twenty-five years, equipment over useful lives from three to five years, internal-use software over useful lives from three to ten years, tooling over useful lives from six months to one year, and leasehold improvements over the lesser of the term of the lease or ten years.

When property and equipment is retired or otherwise disposed of, the cost and accumulated depreciation are relieved from the accounts and the net gain or loss is included in cost of goods sold or operating expenses, depending on the nature of the property and equipment.

Leases

The Company determines if an arrangement is a lease or contains a lease at contract inception. The Company determines if a lease is an operating or finance lease and recognizes right-of-use ("ROU") assets and lease liabilities upon lease commencement. Operating lease ROU assets are included in other assets, short-term lease liabilities are included in accrued and other current liabilities, and long-term lease liabilities are included in other non-current liabilities on the Company's consolidated balance sheets. Leases with an initial term of 12 months or less are not recorded on the balance sheet. For the Company's operating leases, the Company accounts for the lease and non-lease components as a single lease component. Lease expense is recognized on a straight-line basis over the lease term.

For operating leases, the lease liability is initially measured at the present value of the unpaid lease payments at lease commencement date. As most of the leases do not provide an implicit rate, the Company generally uses its incremental borrowing rate as the discount rate for the lease. The Company's incremental borrowing rate is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms. Because the Company does not generally borrow in a collateralized basis, it uses its understanding of what its collateralized credit rating would be as an input to deriving an appropriate incremental borrowing rate. The operating lease right-of-use asset includes prepaid lease payments and excludes lease incentives.

Intangible Assets

The Company's intangible assets principally include goodwill, acquired technology, trademarks, and customer contracts and related relationships. Intangible assets with finite lives, which include acquired technology, trademarks, customer contracts and related relationships, and others are carried at cost and amortized using the straight-line method over their useful lives ranging from one to ten years. Intangible assets with indefinite lives, which include only goodwill and in-process research and development ("IPR&D"), are recorded at cost and evaluated at least annually for impairment.

Impairment of Long-Lived Assets

The Company reviews long-lived assets, such as property and equipment, and finite-lived intangible assets, for impairment whenever events indicate that the carrying amounts might not be recoverable. Recoverability of property and equipment and finite-lived intangible assets is measured by comparing the projected undiscounted net cash flows associated with those assets to their carrying values. If an asset is considered impaired, it is written down to its fair value, which is determined based on the asset's projected discounted cash flows or appraised value, depending on the nature of the asset. For purposes of recognition of impairment for assets held for use, the Company groups assets and liabilities at the lowest level for which cash flows are separately identifiable.

Impairment of Goodwill

Goodwill represents the excess of the purchase price over the fair value of the net tangible and identifiable intangible assets acquired in each business combination. The Company conducts a goodwill impairment analysis annually at December 31 or more frequently if indicators of impairment exist or if a decision is made to sell or exit a business. Significant judgments are involved in determining if an indicator of impairment has occurred. Such indicators may include deterioration in general economic conditions, negative developments in equity and credit markets, adverse changes in the markets in which an entity operates, increases in input costs that have a negative effect on earnings and cash flows, or a trend of negative or declining cash flows over multiple periods, among others. The fair value that could be realized in an actual transaction may differ from that used to evaluate the impairment of goodwill.

In reviewing goodwill for impairment, the Company has the option to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not (greater than 50%) that the estimated fair value of a reporting unit is less than its carrying amount. The Company also may elect not to perform the qualitative assessment and, instead, proceed directly to the quantitative impairment test. The ultimate outcome of the goodwill impairment review for a reporting unit should be the same whether the Company chooses to perform the qualitative assessment or proceeds directly to the quantitative impairment test. The Company operates as one reporting unit. For the year ended March 31, 2022, the Company elected to perform a qualitative assessment and determined that an impairment was not more likely than not and no further analysis was required.

Income Taxes

The Company provides for income taxes using the asset and liability method, which requires that deferred tax assets and liabilities be recognized for the expected future tax consequences of temporary differences resulting from differing treatment of items for tax and financial reporting purposes, and for operating losses and tax credit carryforwards. In estimating future tax consequences, expected future events are taken into consideration, with the exception of potential tax law or tax rate changes. The Company records a valuation allowance to reduce deferred tax assets to amounts management believes are more likely than not to be realized.

The Company's assessment of uncertain tax positions requires that management makes estimates and judgments about the application of tax law, the expected resolution of uncertain tax positions and other matters. In the event that uncertain tax positions are resolved for amounts different than the Company's estimates, or the related statutes of limitations expire without the assessment of additional income taxes, the Company will be required to adjust the amounts of the related assets and liabilities in the period in which such events occur. Such adjustments may have a material impact on the Company's income tax provision and its results of operations.

Fair Value of Financial Instruments

The carrying value of certain of the Company's financial instruments, including cash equivalents, accounts receivable and accounts payable approximates their fair value due to their short maturities.

The Company's investment securities portfolio consists of bank time deposits with an original maturity of three months or less and marketable securities (money market and mutual funds) related to a deferred compensation plan.

The Company's investments related to the deferred compensation plan are reported at fair value based on quoted market prices. The marketable securities related to the deferred compensation plan are classified as non-current investments, as they are intended to fund the deferred compensation plan's long-term liability. Participants in the deferred compensation plan may select the mutual funds in which their compensation deferrals are invested within the confines of the Rabbi Trust which holds the marketable securities. These securities are recorded at fair value based on quoted market prices. Earnings, gains and losses on deferred compensation investments are included in other income (expense), net in the consolidated statements of operations.

The Company also holds non-marketable investments in equity and other securities that are accounted for under the equity method, which are classified as other assets. In addition, the Company has certain investments without readily determinable fair values due to the absence of quoted market prices, the inherent lack of liquidity, and the fact that inputs used to measure fair value are unobservable and require management's judgment. The Company elected the measurement alternative to record these investments at cost and to adjust for impairments and observable price changes resulting from transactions with the same issuer within the statement of operations.

Net Income per Share

Basic net income per share is computed by dividing net income by the weighted average outstanding shares. Diluted net income per share is computed using the weighted average outstanding shares and dilutive share equivalents. Dilutive share equivalents consist of share-based awards, including stock options, purchase rights under employee share purchase plan, and restricted stock units ("RSUs").

The dilutive effect of in-the-money share-based compensation awards is calculated based on the average share price for each fiscal period using the treasury stock method.

Share-Based Compensation Expense

Share-based compensation expense includes compensation expense for share-based awards granted based on the grant date fair value. The grant date fair value for stock options and stock purchase rights is estimated using the Black-Scholes-Merton option-pricing valuation model. The grant date fair value of RSUs which vest upon meeting certain market conditions is estimated using the Monte-Carlo simulation method. The grant date fair value of time-based and performance-based RSUs is calculated based on the market price on the date of grant, reduced by estimated dividend yield prior to vesting. With respect to awards with service conditions only, compensation expense is recognized ratably over the respective requisite service periods of the awards. For performance-based RSUs, the Company recognizes the estimated expense using a graded-vesting method over requisite service periods of three years when the performance condition is determined to be probable. The performance period and the service period of the market-based grants of the Company are both approximately three years and the estimated expense is recognized ratably over the service period. Forfeitures are accounted for when they occur.

Note 2—Summary of Significant Accounting Policies (Continued)

Product Warranty Accrual

All of the Company's products are covered by warranty to be free from defects in material and workmanship for periods ranging from one year to three years. The warranty period varies by product and by region. The Company’s warranty does not provide a service beyond assuring that the product complies with agreed-upon specifications and is not sold separately. The warranty the Company provides qualifies as an assurance warranty and is not treated as a separate performance obligation. The Company estimates cost of product warranties at the time the related revenue is recognized based on historical warranty claim rates, historical costs, and knowledge of specific product failures that are outside of the Company's typical experience. The Company accrues a warranty liability for estimated costs to provide products, parts or services to repair or replace products in satisfaction of the warranty obligation. Each quarter, the Company reevaluates estimates to assess the adequacy of recorded warranty liabilities. When the Company experiences changes in warranty claim activity or costs associated with fulfilling those claims, the warranty liability is adjusted accordingly. If actual product failure rates or repair costs differ from estimates, revisions to the estimated warranty liabilities would be required and could materially affect the Company's results of operations.

Comprehensive Income (Loss)

Comprehensive income (loss) is defined as the total change in shareholders' equity during the period other than from transactions with shareholders. Comprehensive income (loss) consists of net income (loss) and other comprehensive income (loss). Other comprehensive income (loss) is comprised of currency translation adjustments from those entities not using the U.S. Dollar as their functional currency, net deferred gains and losses and prior service costs and credits for defined benefit pension plans, and net deferred gains and losses on hedging activity.

Treasury Shares

The Company periodically repurchases shares in the market at fair value. Shares repurchased are recorded at cost as a reduction of total shareholders' equity. Treasury shares held may be reissued to satisfy the exercise of employee stock options and purchase rights and the vesting of restricted stock units, or may be canceled with shareholder approval. Treasury shares that are reissued are accounted for using the first-in, first-out basis.

Derivative Financial Instruments

The Company enters into foreign exchange forward contracts to reduce the short-term effects of currency fluctuations on certain foreign currency receivables or payables and to hedge against exposure to changes in currency exchange rates related to its subsidiaries' forecasted inventory purchases.

Gains and losses for changes in the fair value of the effective portion of the Company's forward contracts related to forecasted inventory purchases are deferred as a component of accumulated other comprehensive income (loss) until the hedged inventory purchases are sold, at which time the gains or losses are reclassified to cost of goods sold. The Company presents the earnings impact from forward points in the same line item that is used to present the earnings impact of the hedged item, i.e. cost of goods sold, for hedging forecasted inventory purchases.

Gains or losses from changes in the fair value of forward contracts that offset transaction losses or gains on foreign currency receivables or payables are recognized immediately and included in other income (expense), net in the consolidated statements of operations.

Restructuring Charges

The Company's restructuring charges consist of employee severance, one-time termination benefits and ongoing benefits related to the reduction of its workforce, and other costs. Liabilities for costs associated with a restructuring activity are measured at fair value and are recognized when the liability is incurred, as opposed to when management commits to a restructuring plan. One-time termination benefits are expensed at the date the entity notifies the employee, unless the employee must provide future service, in which case the benefits are expensed ratably over the future service period. Ongoing benefits are expensed when restructuring activities are probable and the benefit amounts are estimable. Other costs primarily consist of legal, consulting, and other costs related to employee terminations are expensed when incurred. Termination benefits are calculated based on regional benefit practices and local statutory requirements.

Note 2—Summary of Significant Accounting Policies (Continued)

Recent Accounting Pronouncements Adopted

In December 2019, the Financial Accounting Standard Board ("FASB") issued ASU 2019-12, "Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes" ("ASU 2019-12"), which eliminates certain exceptions for recognizing deferred taxes for investments, performing intraperiod allocation and calculating income taxes in interim periods. This ASU also includes guidance to reduce complexity in certain areas, including recognizing deferred taxes for tax goodwill and allocating taxes to members of a consolidated group. The Company adopted this standard effective April 1, 2021. The adoption of ASU 2019-12 did not have a material impact on the Company's consolidated financial statements.

Recent Accounting Pronouncements To Be Adopted

In October 2021, the FASB issued ASU 2021-08, "Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers" ("ASU 2021-08"). The update requires an acquirer in a business combination to recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with Accounting Standards Codification ("ASC") 606, Revenue from Contracts with Customers, as if it had originated the contracts. The standard is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2022. The Company early adopted the standard effective April 1, 2022 and will apply the standard prospectively to business combinations that occur on or after April 1, 2022.

Note 3—Business Acquisitions

Fiscal Year 2022 Acquisition

On May 19, 2021, the Company made a technology acquisition for a total cash consideration of $25.6 million, including $10.0 million earn-out payable in cash upon the achievement of three technical development milestones required to be completed as of December 31, 2021, June 30, 2022 and June 30, 2023. The acquisition was accounted for using the acquisition method. The Company retained 6% of the total consideration for the purpose of ensuring seller's representations and warranties. See Note 9 for more information on the contingent consideration liabilities related to this acquisition.

Fiscal Year 2021 Acquisitions

On February 17, 2021, the Company acquired all equity interests of Mevo Inc. ("Mevo") for a total upfront cash consideration of $33.2 million, which included a working capital adjustment, plus additional contingent consideration of up to $17.0 million payable in cash only upon the achievement of certain net revenues for the period beginning on December 26, 2020 and ending on December 31, 2021 (the "Mevo Acquisition"). See Note 9 for more information on the contingent consideration liabilities related to this acquisition.

The Mevo Acquisition is complementary to the Company’s PC Webcams portfolio and will better enable the Company to offer end-to-end solutions for streaming and content creation. The acquisition is accounted for using the acquisition method.

On January 4, 2021, the Company made a technology acquisition for a total cash consideration of $11.0 million, including $3.0 million earn-out payable in cash upon the achievement of two technical development milestones required to be completed for periods ending December 31, 2021 and March 31, 2022. The acquisition was accounted for using the acquisition method.

On February 11, 2021, the Company made a technology acquisition for a total cash consideration of $3.5 million, which was accounted for as an asset acquisition.

Note 3—Business Acquisitions (Continued)

Fiscal Year 2020 Acquisitions

Streamlabs Acquisition

On October 31, 2019 (the "Streamlabs Acquisition Date"), the Company acquired all equity interests of Streamlabs for a total consideration of $105.7 million (as described in the table below), which included a working capital adjustment, plus additional contingent consideration of $29.0 million payable in stock only upon the achievement of certain net revenues for the period beginning on January 1, 2020 and ending on June 30, 2020 (the "Streamlabs Acquisition").

Streamlabs is a leading provider of software and tools for professional streamers. The Streamlabs Acquisition is complementary to the Company's Gaming portfolio.

Streamlabs met the definition of a business, and therefore the acquisition is accounted for using the acquisition method.

The fair value of consideration transferred for the Streamlabs Acquisition consists of the following (in thousands):

	Consideration
Purchase price (cash)	$ 105,645
Fair value of contingent consideration (earn-out)	37
Fair value of total consideration transferred	$ 105,682

The following table summarizes the estimated fair values of the assets acquired and liabilities assumed at the Streamlabs Acquisition Date, and the value of goodwill resulting from the measurement period adjustments in the three months ending March 31, 2020 (in thousands):

	Estimated Fair Value
Cash and cash equivalents	$ 17,014
Intangible assets	37,000
Other identifiable liabilities assumed, net	(3,701)
Net identifiable assets acquired	$ 50,313
Contingent consideration (earn-out)	$ (37)
Goodwill	55,406
Net assets acquired	$ 105,682

Goodwill related to the acquisition was primarily attributable to opportunities and economies of scale from combining the operations and technologies of Logitech and Streamlabs, and is not deductible for tax purposes.

The following table summarizes the estimated fair values and estimated useful lives of the components of identifiable intangible assets acquired as of the Streamlabs Acquisition Date (Dollars in thousands):

Note 3—Business Acquisitions (Continued)

	Fair Value	Estimated Useful Life (years)
Developed technology	$ 21,800	6.0
Customer relationships	6,000	2.0
Trade name	9,200	8.0
Total identifiable intangible assets acquired	$ 37,000	

Intangible assets acquired as a result of the Streamlabs Acquisition are being amortized over their estimated useful lives using the straight-line method of amortization, which materially approximates the distribution of the economic value of the identified intangible assets.

Developed technology relates to the software platform which existing Streamlabs services are provided on. The economic useful life was determined based on the technology cycle related to developed technology of the software platform, as well as the cash flows anticipated over the forecasted periods.

Customer relationships represent the fair value of future projected revenue that will be derived from sales to existing customers of Streamlabs. The economic useful life was determined based on historical customer turnover rates and industry benchmarks.

Trade name relates to the “Streamlabs” trade name. The economic useful life was determined based on the expected life of the trade name and the cash flows anticipated over the forecasted periods.

The fair value of developed technology was estimated using the excess earnings method, an income approach (Level 3), which converts projected revenues and costs into cash flows. To reflect the fact that certain other assets contributed to the cash flows generated, the returns for these contributory assets were removed to arrive at estimated cash flows solely attributable to the developed technology, which were discounted at a rate of 25%.

The fair value of trade name was estimated using the relief-from-royalty method, an income approach (Level 3), which estimates the cost savings that accrue to the owner of the intangible assets that would otherwise be payable as royalties or license fees on revenues earned through the use of the asset. A royalty rate is applied to the projected revenues associated with the intangible assets to determine the amount of savings, which is then discounted to determine the fair value. Trade name was valued using royalty rate of 5% and was discounted at a rate of 25%.

The fair value of customer relationships was estimated primarily using the with and without scenario, a discounted cash flow method (Level 3). Under this method, the Company calculated the present value of the after-tax cash flows expected to be generated by the business with and without the customer relationships using a discount rate of 20%. The without scenario incorporates lost revenue and lost profits over the period necessary to retain the asset.

The Company believes the fair values of acquired intangible assets recorded above represents their fair values and approximates the amounts a market participant would pay for these intangible assets as of the Streamlabs Acquisition Date.

The Company included Streamlabs' estimated fair value of assets acquired and liabilities assumed in its consolidated financial statements beginning on the Streamlabs Acquisition Date. The results of operations for Streamlabs subsequent to the Streamlabs Acquisition Date have been included in, but are not material to, the Company's consolidated statements of operations in fiscal year 2020.

On October 31, 2019, the Company also made a technology acquisition for a total cash consideration of $3.6 million, which was accounted for using the acquisition method.

Note 3—Business Acquisitions (Continued)

Acquisition-related costs and pro forma results of operations

The Company incurred acquisition-related costs of approximately $0.8 million, $0.6 million and $1.5 million, in aggregate, for the years ended March 31, 2022, 2021 and 2020, respectively. The acquisition-related costs are included in amortization of intangible assets and acquisition-related costs in the consolidated statements of operations.

Pro forma results of operations for acquisitions completed in fiscal year 2022, 2021 and 2020 have not been presented because the effects of these acquisitions, individually or in aggregate, are not material to the consolidated statements of operations for each year.

Note 4—Net Income Per Share

The following table summarizes the computations of basic and diluted net income per share for fiscal years 2022, 2021 and 2020 (in thousands except per share amounts):

	Years Ended March 31,		
	2022	2021	2020
Net income	$ 644,513	$ 947,257	$ 449,723
Shares used in net income per share computation:			
Weighted average shares outstanding - basic	167,447	168,523	166,837
Effect of potentially dilutive equivalent shares	2,967	3,252	2,544
Weighted average shares outstanding - diluted	170,414	171,775	169,381
Net income per share:			
Basic	$ 3.85	$ 5.62	$ 2.70
Diluted	$ 3.78	$ 5.51	$ 2.66

Share equivalents attributable to outstanding stock options, RSUs and employee share purchase plans ("ESPP") totaling 2.0 million, 0.1 million, and 1.7 million shares during fiscal years 2022, 2021 and 2020, respectively, were excluded from the calculation of diluted net income per share because their effect would have been anti-dilutive. Except for fiscal year 2021, certain performance-based awards in the periods presented were excluded because all necessary conditions had not been satisfied by the end of the respective period, and those shares were not issuable if the end of the reporting period were the end of the performance contingency period.

Note 5—Employee Benefit Plans

Employee Share Purchase Plans and Stock Incentive Plans

As of March 31, 2022, the Company offers the 2006 Employee Share Purchase Plan, as amended and restated (Non-U.S.) ("2006 ESPP)", the 1996 Employee Share Purchase Plan (U.S.), as amended and restated ("1996 ESPP"), and the 2006 Stock Incentive Plan ("2006 Plan") as amended and restated. The 2012 Stock Inducement Equity Plan ("2012 Plan") expired on March 28, 2022. Shares issued to employees as a result of purchases or exercises under these plans are generally issued from shares held in treasury stock.

Note 5—Employee Benefit Plans (Continued)

The following table summarizes share-based compensation expense and total income tax benefit recognized for fiscal years 2022, 2021 and 2020 (in thousands):

	Years Ended March 31,		
	2022	2021	2020
Cost of goods sold	$ 6,695	$ 6,438	$ 4,852
Marketing and selling	37,796	36,788	26,835
Research and development	18,356	14,179	9,273
General and administrative	30,632	28,614	13,910
Total share-based compensation expense	93,479	86,019	54,870
Income tax benefit	(26,987)	(19,472)	(14,109)
Total share-based compensation expense, net of income tax benefit	$ 66,492	$ 66,547	$ 40,761

As of March 31, 2022, 2021 and 2020, the balance of capitalized stock-based compensation included in inventory was $1.1 million, $1.1 million, and $0.9 million, respectively.

The following table summarizes total unamortized share-based compensation expense and the remaining period over which such expense is expected to be recognized, on a weighted-average basis by type of grant (in thousands, except number of months):

	March 31, 2022	
	Unamortized Expense	Remaining Months
ESPP	$ 2,341	4
Stock Options	19,746	35
Time-based RSUs	109,637	24
Market-based and performance-based RSUs	36,669	21
Total unamortized share-based compensation expense	$ 168,393	

Under the 1996 ESPP and 2006 ESPP plans, eligible employees may purchase shares at the lower of 85% of the fair market value at the beginning or the end of each offering period, which is generally six months. Subject to continued participation in these plans, purchase agreements are automatically executed at the end of each offering period. An aggregate of 29.0 million shares were reserved for issuance under the 1996 and 2006 ESPP plans. As of March 31, 2022, a total of 4.1 million shares were available for new awards under these plans.

The 2006 Plan provides for the grant to eligible employees and non-employee directors of stock options, stock appreciation rights, restricted stock and RSUs. Awards under the 2006 Plan may be conditioned on continued employment, the passage of time or the satisfaction of performance and market vesting criteria. The 2006 Plan, as amended, has no expiration date. All stock options under this plan have terms not exceeding ten years and are issued at exercise prices not less than the fair market value on the date of grant. An aggregate of 30.6 million shares were reserved for issuance under the 2006 Plan. As of March 31, 2022, a total of 6.4 million shares were available for new awards under this plan.

Time-based RSUs granted to employees under the 2006 Plan generally vest in three to four equal annual installments on the grant date anniversary. Time-based RSUs granted to non-executive board members under the 2006 Plan vest on the grant date anniversary, or if earlier and only if the non-executive board member is not re-elected as a director at such annual general meeting, the date of the next annual general meeting following the grant date.

Note 5—Employee Benefit Plans (Continued)

In fiscal years 2022, 2021 and 2020, the Company granted RSUs with both performance and market conditions, which vest at the end of the three-year performance period upon meeting predetermined financial metrics over three years, with the number of shares to be received upon vesting determined based on weighted average constant currency revenue growth rate and the Company's Total Shareholder Return ("TSR") relative to the performance of companies in the Russell 3000 Index for fiscal years 2022 and 2021 and NASDAQ-100 Index for fiscal year 2020 over the same three years period. The Company presents shares granted and vested at 100 percent of the target of the number of stock units that may potentially vest. The aggregate fair value of shares that actually vested during the year is based on the actual number of stock units vested during the year based on the achievement of the financial metrics over the performance period.

Under the 2012 Plan, stock options and RSUs may be granted to eligible employees to serve as an inducement to enter into employment with the Company. Awards under the 2012 Plan may be conditioned on continued employment, the passage of time or the satisfaction of market stock performance criteria, based on individually written employment offer letter. An aggregate of 1.8 million shares were reserved for issuance under the 2012 Plan, and all of the reserved shares had been issued before the 2012 Plan expired on March 28, 2022.

The estimates of share-based compensation expense require a number of complex and subjective assumptions including stock price volatility, employee exercise patterns, probability of achievement of the set performance condition, dividend yield, related tax effects and the selection of an appropriate fair value model.

The grant date fair value of the awards using the Black-Scholes-Merton option-pricing valuation model and Monte-Carlo simulation method is determined with the following assumptions and values:

	Stock Options			Employee Stock Purchase Plans		
	Years Ended March 31,			Years Ended March 31,		
	2022	2021	2020	2022	2021	2020
Dividend yield	1.18 %	*	*	1.03 %	1.04 %	1.74 %
Risk-free interest rate	1.99 %	*	*	0.27 %	0.10 %	1.81 %
Expected volatility	34 %	*	*	35 %	47 %	24 %
Expected life (years)	6.2	*	*	0.5	0.5	0.5
Weighted average grant date fair value per share	$ 25.88	*	*	$ 23.55	$ 24.67	$ 9.35

* Not applicable as no stock options were granted for fiscal year 2021 and 2020.

RSUs with Market Conditions	Years Ended March 31,		
	2022	2021	2020
Dividend yield	0.78 %	1.24 %	1.76 %
Risk-free interest rate	0.31 %	0.21 %	2.11 %
Expected volatility	37 %	31 %	30 %
Expected life (years)	3.0	3.0	3.0

The dividend yield assumption is based on the Company's history and future expectations of dividend payouts. The unvested RSUs or unexercised options are not eligible for these dividends. The expected life is based on the purchase offerings periods expected to remain outstanding for employee stock purchase plan, or the performance period for RSUs with market conditions. The expected life for stock options represents the estimated period of time until option exercise. Since the Company has limited historical stock option exercise experience, the Company used the simplified method in estimating the expected life, which is calculated as the average of the sum of the vesting term and the original contractual term of the stock options. Expected volatility is based on historical volatility using the Company's daily closing prices, or including the volatility of components of the NASDAQ 100 index or the Russell 3000 Index for market-based RSUs, over the expected life. The Company considers the historical price volatility of its shares as most representative of future volatility. The risk-free interest rate assumptions are based upon the implied yield of U.S. Treasury zero-coupon issues appropriate for the expected life of the Company's share-based awards.

Note 5—Employee Benefit Plans (Continued)

For RSUs with performance conditions, the Company estimates the probability and timing of the achievement of the set performance condition at the time of the grant based on the historical financial performance and the financial forecast in the remaining performance period and reassesses the probability in subsequent periods when actual results or new information become available.

A summary of the Company's stock option activities under all stock plans for fiscal years 2022, 2021 and 2020 is as follows:

	Number of Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value
	(In thousands)		(Years)	(In thousands)
Outstanding, March 31, 2019	2,607			
Exercised	(573)			$ 19,339
Canceled or expired	(65)			
Outstanding, March 31, 2020	1,969			
Exercised	(1,347)			$ 68,596
Outstanding, March 31, 2021	622	$ 34	7.1	$ 43,625
Granted	842	$ 80		
Exercised	(71)	$ 39		$ 5,573
Outstanding, March 31, 2022	1,393	$ 62	8.3	$ 21,830
Vested and exercisable, March 31, 2022	551	$ 34	6.0	$ 22,006

As of March 31, 2022, the exercise price of outstanding options ranged from $8 to $80 per share option.

The tax benefit realized for the tax deduction from options exercised during fiscal years 2022, 2021 and 2020 was $1.2 million, $0.6 million and $0.1 million, respectively.

Note 5—Employee Benefit Plans (Continued)

A summary of the Company's time-based, market-based and performance-based RSU activities for fiscal years 2022, 2021 and 2020 is as follows:

	Number of Shares	Weighted-Average Grant Date Fair Value	Weighted-Average Remaining Vesting Period	Aggregate Fair Value
	(In thousands)		(Years)	(In thousands)
Outstanding, March 31, 2019	4,421	$ 29		
Granted—time-based	1,431	$ 38		
Granted—market and performance-based	365	$ 40		
Vested	(1,705)			$ 76,389
Canceled or expired	(561)			
Outstanding, March 31, 2020	3,951	$ 36		
Granted—time-based	1,046	$ 60		
Granted—market and performance-based	303	$ 67		
Vested	(1,444)			$ 168,816
Canceled or expired	(213)			
Outstanding, March 31, 2021	3,643	$ 45		
Granted—time-based	868	$ 103		
Granted—market and performance-based	203	$ 124		
Vested	(1,463)	$ 40		$ 133,977
Canceled or expired	(205)	$ 62		
Outstanding, March 31, 2022	3,046	$ 68	1.2	$ 233,797

The RSUs outstanding as of March 31, 2022 above include 0.8 million shares with both market-based and performance-based vesting conditions.

The tax benefit realized for the tax deduction from RSUs that vested during fiscal years 2022, 2021 and 2020 was $25.2 million, $16.3 million and $12.1 million, respectively.

Defined Contribution Plans

Certain of the Company's subsidiaries have defined contribution employee benefit plans covering all or a portion of their employees. Contributions to these plans are discretionary for certain plans and are based on specified or statutory requirements for others. The charges to expense for these plans for fiscal years 2022, 2021 and 2020, were $13.9 million, $10.6 million and $8.6 million, respectively.

Defined Benefit Plans

Certain of the Company's subsidiaries sponsor defined benefit pension plans or non-retirement post-employment benefits covering substantially all of their employees. Benefits are provided based on employees' years of service and earnings, or in accordance with applicable employee benefit regulations. The Company's practice is to fund amounts sufficient to meet the requirements set forth in the applicable employee benefit and tax regulations.

The Company recognizes the overfunded or underfunded status of defined benefit pension plans and non-retirement post-employment benefit obligations as an asset or liability in its consolidated balance sheets and recognizes changes in the funded status of defined benefit pension plans in the year in which the changes occur through accumulated other comprehensive income (loss), which is a component of shareholders' equity. Each plan's assets and benefit obligations are remeasured as of March 31 each year.

Note 5—Employee Benefit Plans (Continued)

The net periodic benefit cost of the defined benefit pension plans and the non-retirement post-employment benefit obligations for fiscal years 2022, 2021 and 2020 was as follows (in thousands):

	Years Ended March 31,		
	2022	2021	2020
Service costs	$ 14,693	$ 12,121	$ 11,008
Interest costs	920	1,047	1,055
Expected return on plan assets	(2,930)	(2,535)	(2,616)
Amortization:			
Net prior service credit recognized	(465)	(467)	(435)
Net actuarial loss (gain) recognized	(2,158)	2,144	1,386
Settlement	—	—	(97)
Total net periodic benefit cost	$ 10,060	$ 12,310	$ 10,301

The components of net periodic benefit cost other than the service costs component are included in other income (expense), net in the consolidated statements of operations.

The changes in projected benefit obligations for fiscal years 2022 and 2021 were as follows (in thousands):

	Years Ended March 31,	
	2022	2021
Projected benefit obligations, beginning of the year	$ 202,348	$ 160,914
Service costs	14,693	12,121
Interest costs	920	1,047
Plan participant contributions	6,092	4,733
Actuarial (gains) losses	(31,198)	15,762
Benefits paid	(3,904)	(3,947)
Transfer of prior vested benefits	14,963	7,556
Administrative expense paid	(130)	(130)
Currency exchange rate changes and other	3,767	4,292
Projected benefit obligations, end of the year	$ 207,551	$ 202,348

The accumulated benefit obligation for all defined benefit pension plans as of March 31, 2022 and 2021 was $178.5 million and $171.2 million, respectively.

Actuarial gains related to the change in the benefit obligation for the Company's pension plans for fiscal year 2022 was primarily due to an increase in discount rate. Actuarial losses related to the change in benefit obligation for fiscal year 2021 was primarily due to the decrease in the discount rate.

Note 5—Employee Benefit Plans (Continued)

The following table presents the changes in the fair value of defined benefit pension plan assets for fiscal years 2022 and 2021 (in thousands):

	Years Ended March 31, 2022	2021
Fair value of plan assets, beginning of the year	$ 128,061	$ 98,010
Actual return on plan assets	(2,156)	11,706
Employer contributions	10,877	8,064
Plan participant contributions	6,092	4,733
Benefits paid	(3,904)	(3,947)
Transfer of prior vested benefits	14,963	7,556
Administrative expenses paid	(130)	(130)
Currency exchange rate changes	2,315	2,069
Fair value of plan assets, end of the year	$ 156,118	$ 128,061

The Company's investment objectives are to ensure that the assets of its defined benefit plans are invested to provide an optimal rate of investment return on the total investment portfolio, consistent with the assumption of a reasonable risk level, and to ensure that pension funds are available to meet the plans' benefit obligations as they become due. The Company believes that a well-diversified investment portfolio will result in the highest attainable investment return with an acceptable level of overall risk. Investment strategies and allocation decisions are also governed by applicable governmental regulatory agencies. The Company's investment strategy with respect to its largest defined benefit plan, which is available only to Swiss employees, is to invest per the following allocation: 33% in equities, 28% in bonds, 28% in real estate, 4% in cash and cash equivalents and the remaining in other investments. The Company can invest in real estate funds, commodity funds, and hedge funds depending upon economic conditions.

The following tables present the fair value of the defined benefit pension plan assets by major categories and by levels within the fair value hierarchy as of March 31, 2022 and 2021 (in thousands):

	March 31, 2022			2021		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Cash and cash equivalents	$ 16,317	$ —	$ 16,317	$ 21,715	$ —	$ 21,715
Equity securities	48,591	—	48,591	38,437	—	38,437
Debt securities	38,513	—	38,513	31,034	—	31,034
Real estate funds	25,146	13,077	38,223	20,802	8,341	29,143
Hedge funds	—	8,076	8,076	—	2,730	2,730
Other	6,034	364	6,398	4,704	298	5,002
Total fair value of plan assets	$ 134,601	$ 21,517	$ 156,118	$ 116,692	$ 11,369	$ 128,061

The funded status of the plans was as follows (in thousands):

	Years Ended March 31, 2022	2021
Fair value of plan assets	$ 156,118	$ 128,061
Less: projected benefit obligations	207,551	202,348
Underfunded status	$ (51,433)	$ (74,287)

Note 5—Employee Benefit Plans (Continued)

Amounts recognized on the balance sheet for the plans were as follows (in thousands):

	March 31, 2022	March 31, 2021
Current liabilities	$ 1,677	$ 2,738
Non-current liabilities	49,756	71,549
Total liabilities	$ 51,433	$ 74,287

Amounts recognized in accumulated other comprehensive loss related to defined benefit pension plans were as follows (in thousands):

	March 31, 2022	March 31, 2021	March 31, 2020
Net prior service credits	$ 2,883	$ 3,263	$ 3,647
Net actuarial loss	(4,304)	(27,553)	(22,722)
Accumulated other comprehensive loss	(1,421)	(24,290)	(19,075)
Deferred taxes	(2,074)	1,090	(941)
Accumulated other comprehensive loss, net of tax	$ (3,495)	$ (23,200)	$ (20,016)

The actuarial assumptions for the defined benefit plans were as follows:

	Years Ended March 31, 2022	Years Ended March 31, 2021
Benefit Obligations:		
Discount rate	1.00% - 6.75%	0.25% - 6.00%
Estimated rate of compensation increase	2.00% - 10.00%	2.00% - 10.00%
Cash balance interest credit rate	0.00% - 1.75%	0.00% - 1.75%

	Years Ended March 31, 2022	Years Ended March 31, 2021	Years Ended March 31, 2020
Periodic Costs:			
Discount rate	0.25% - 6.00%	0.50% - 6.75%	0.55% - 7.25%
Estimated rate of compensation increase	2.00% - 10.00%	2.25% - 10.00%	2.50% - 10.00%
Expected average rate of return on plan assets	1.00% - 2.25%	1.00% - 2.50%	0.89% - 3.00%
Cash balance interest credit rate	0.00% - 1.75%	0.00% - 1.75%	1.75% - 2.00%

The discount rate is estimated based on corporate bond yields or securities of similar quality in the respective country, with a duration approximating the period over which the benefit obligations are expected to be paid. The Company bases the compensation increase assumptions on historical experience and future expectations. The expected average rate of return for the Company's defined benefit pension plans represents the average rate of return expected to be earned on plan assets over the period that the benefit obligations are expected to be paid, based on government bond notes in the respective country, adjusted for corporate risk premiums as appropriate.

Note 5—Employee Benefit Plans (Continued)

The following table reflects the benefit payments that the Company expects the plans to pay in the periods noted (in thousands):

Years Ending March 31,	
2023	$ 12,387
2024	12,700
2025	13,600
2026	12,546
2027	14,362
Thereafter	67,605
Total expected benefit payments by the plan	$ 133,200

The Company expects to contribute $10.1 million to its defined benefit pension plans during fiscal year 2023.

Deferred Compensation Plan

One of the Company's subsidiaries offers a deferred compensation plan that permits eligible employees to make 100% vested salary and incentive compensation deferrals within established limits. The Company does not make contributions to the plan.

The deferred compensation plan's assets consist of marketable securities and are included in other assets on the consolidated balance sheets. The marketable securities were recorded at a fair value of $28.4 million and $24.8 million as of March 31, 2022 and 2021, respectively, based on quoted market prices. The Company also had $28.4 million and $24.8 million in deferred compensation liability as of March 31, 2022 and 2021, respectively. Earnings, gains and losses on deferred compensation investments are included in other income (expense), net and corresponding changes in deferred compensation liability are included in operating expenses and cost of goods sold.

Note 6—Other Income (Expense), net

Other income (expense), net comprises of the following (in thousands):

	Years Ended March 31,		
	2022	2021	2020
Investment gain (loss) related to the deferred compensation plan	$ 1,231	$ 5,916	$ (831)
Currency exchange loss, net	(4,604)	(2,688)	(909)
Gain (loss) on investments, net (1)	(1,683)	(5,910)	39,011
Other (2)	5,616	893	941
Other income (expense), net	$ 560	$ (1,789)	$ 38,212

(1) Includes realized gain (loss) on sales of investments, unrealized gain (loss) from the change in fair value of investments and gain (loss) on equity-method investments, as applicable. On March 2, 2020, the Company sold its $5.5 million investment, in a privately held company, for proceeds with a total fair value of $45.3 million consisting of cash, a subordinated note and an equity interest in another privately held company. As a result, the Company recognized a gain of $39.8 million related to the sale of this investment in fiscal year 2020.

(2) Includes the components of net periodic benefit cost of defined pension plans other than the service cost component (see Note 5).

Note 7—Income Taxes

The Company is incorporated in Switzerland but operates in various countries with differing tax laws and rates. Further, a portion of the Company's income before taxes and the provision for (benefit from) income taxes is generated outside of Switzerland.

Income from continuing operations before income taxes for fiscal years 2022, 2021 and 2020 is summarized as follows (in thousands):

	Years Ended March 31,		
	2022	2021	2020
Swiss	$ 579,258	$ 984,185	$ 238,303
Non-Swiss	196,560	163,935	86,023
Income before taxes	$ 775,818	$ 1,148,120	$ 324,326

The provision for (benefit from) income taxes is summarized as follows (in thousands):

	Years Ended March 31,		
	2022	2021	2020
Current:			
Swiss	$ 59,659	$ 121,199	$ 5,474
Non-Swiss	44,094	45,056	29,078
Deferred:			
Swiss	29,198	31,558	(153,210)
Non-Swiss	(1,646)	3,050	(6,739)
Provision for (benefit from) income taxes	$ 131,305	$ 200,863	$ (125,397)

The difference between the provision for (benefit from) income taxes and the expected tax provision (tax benefit) at the statutory income tax rate of 8.5% is reconciled below (in thousands):

	Years Ended March 31,		
	2022	2021	2020
Expected tax provision at statutory income tax rates	$ 65,945	$ 97,590	$ 27,568
Income taxes at different rates	61,296	88,760	(5,592)
Research and development tax credits	(5,957)	(3,844)	(4,692)
Executive compensation	4,683	4,821	1,582
Stock-based compensation	(9,141)	(3,161)	(2,735)
Deferred tax effects from TRAF	—	1,944	(206,792)
Valuation allowance	887	(247)	(538)
Restructuring charges / (credits)	—	(5)	12
Unrecognized tax benefits	16,577	15,978	64,683
Audit settlement	(3,655)	—	—
Other, net	670	(973)	1,107
Provision for (benefit from) income taxes	$ 131,305	$ 200,863	$ (125,397)

Note 7—Income Taxes (Continued)

Deferred income tax assets and liabilities consist of the following (in thousands):

	March 31, 2022	March 31, 2021
Deferred tax assets:		
Tax attributes carryforward	$ 34,736	$ 42,482
Accruals	88,060	79,884
Depreciation and amortization	585	1,628
Tax step-up of goodwill from TRAF	118,000	134,122
Share-based compensation	13,152	12,784
Gross deferred tax assets	254,533	270,900
Valuation allowance	(29,858)	(28,926)
Deferred tax assets after valuation allowance	224,675	241,974
Deferred tax liabilities:		
Acquired intangible assets and other	(33,008)	(32,789)
Deferred tax liabilities	(33,008)	(32,789)
Deferred tax assets, net	$ 191,667	$ 209,185

Included in tax attributes carryforward above are net operating loss and tax credit carryforwards.

Management regularly assesses the ability to realize deferred tax assets recorded in the Company's entities based upon the weight of available evidence, including such factors as recent earnings history and expected future taxable income. In the event that the Company changes its determination as to the amount of deferred tax assets that can be realized, the Company will adjust its valuation allowance with a corresponding impact to the provision for income taxes in the period in which such determination is made.

The Company had a valuation allowance against deferred tax assets of $29.9 million at March 31, 2022, compared to $28.9 million at March 31, 2021. The Company had a valuation allowance of $29.7 million as of March 31, 2022 against deferred tax assets in the state of California, an increase from $28.5 million as of March 31, 2021 from activities during the year. The remaining valuation allowance primarily represents $0.2 million for various tax attribute carryforwards. The Company determined that it is more likely than not that the Company would not generate sufficient taxable income in the future to utilize such deferred tax assets.

As of March 31, 2022, the Company had foreign net operating loss and tax credit carryforwards for income tax purposes of $81.9 million and $74.0 million, respectively. Unused net operating loss carryforwards will expire at various dates beginning in fiscal year 2029. Certain net operating loss carryforwards in the United States relate to acquisitions and, as a result, are limited in the amount that can be utilized in any one year. The tax credit carryforwards will begin to expire in fiscal year 2025.

Swiss income taxes and non-Swiss withholding taxes associated with the repatriation of earnings or for other temporary differences related to investments in non-Swiss subsidiaries have not been provided for, as the Company intends to reinvest the earnings of such subsidiaries indefinitely. If these earnings were distributed to Switzerland in the form of dividends or otherwise, or if the shares of the relevant non-Swiss subsidiaries were sold or otherwise transferred, the Company may be subject to additional Swiss income taxes and non-Swiss withholding taxes. As of March 31, 2022, the cumulative amount of unremitted earnings of non-Swiss subsidiaries for which no income taxes have been provided is approximately $245.6 million. The amount of unrecognized deferred income tax liability related to these earnings is estimated to be approximately $6.0 million.

Note 7—Income Taxes (Continued)

The Company follows a two-step approach in recognizing and measuring uncertain tax positions. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates that it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount that is more than 50% likely of being realized upon ultimate settlement.

As of March 31, 2022 and 2021, the total amount of unrecognized tax benefits due to uncertain tax positions was $176.0 million and $160.3 million, respectively, all of which would affect the effective income tax rate if recognized.

As of March 31, 2022 and 2021, the Company had $83.4 million and $59.2 million, respectively, in non-current income taxes payable, including interest and penalties, related to the Company's income tax liability for uncertain tax positions.

The aggregate changes in gross unrecognized tax benefits in fiscal years 2022, 2021 and 2020 were as follows (in thousands).

March 31, 2019	$	76,549
Lapse of statute of limitations		(3,501)
Decreases in balances related to tax positions taken during prior years		(679)
Increases in balances related to tax positions taken during the year		71,128
March 31, 2020	$	143,497
Lapse of statute of limitations		(4,024)
Decreases in balances related to tax positions taken during prior years		—
Increases in balances related to tax positions taken during the year		23,780
March 31, 2021	$	163,253
Lapse of statute of limitations		(4,232)
Settlements with taxing authorities		(2,015)
Increases in balances related to tax positions taken during the year		22,366
March 31, 2022	$	179,372

Fiscal year 2020 includes gross unrecognized tax benefits recorded as a result of the enactment of the Tax Reform and AHV Financing ("TRAF") in Switzerland.

The Company recognizes interest and penalties related to unrecognized tax positions in income tax expense. The Company recognized $1.5 million, $1.1 million, and $2.0 million in interest and penalties in income tax expense during fiscal years 2022, 2021 and 2020, respectively. As of March 31, 2022 and 2021, the Company had $3.6 million, and $4.9 million, respectively, of accrued interest and penalties related to uncertain tax positions.

The Company files Swiss and foreign tax returns. The Company received final tax assessments in Switzerland through fiscal year 2019. For other material foreign jurisdictions such as the United States and China, the Company is generally not subject to tax examinations for years prior to fiscal year 2019 and calendar year 2019, respectively. In the United States, the federal and state tax agencies have the authority to examine periods prior to fiscal year 2019, to the extent allowed by law, where tax attributes were generated, carried forward, and being utilized in subsequent years. The Company is under examination in foreign tax jurisdictions. If the examinations are resolved unfavorably, there is a possibility they may have a material negative impact on its results of operations. In fiscal year 2022, uncertain tax positions decreased by $4.2 million from an effective settlement of an income tax audit in a foreign jurisdiction.

Although the Company has adequately provided for uncertain tax positions, the provisions on these positions may change as revised estimates are made or the underlying matters are settled or otherwise resolved. During the next 12 months, it is reasonably possible that the amount of unrecognized tax benefits could increase or decrease significantly due to changes in tax law in various jurisdictions, new tax audits and changes in the U.S. Dollar as compared to other currencies. Excluding these factors, uncertain tax positions may decrease by as much as $4.2 million primarily from the lapse of the statutes of limitations in various jurisdictions during the next 12 months.

Note 8—Balance Sheet Components

The following table presents the components of certain balance sheet asset amounts as of March 31, 2022 and 2021 (in thousands):

	March 31,			
	2022		2021	
Accounts receivable, net:				
Accounts receivable	$	964,766	$	867,868
Allowance for doubtful accounts		(2,212)		(1,161)
Allowance for sales returns		(12,321)		(14,438)
Allowance for cooperative marketing arrangements		(56,372)		(43,276)
Allowance for customer incentive programs		(97,460)		(76,200)
Allowance for pricing programs		(120,797)		(120,568)
	$	675,604	$	612,225
Inventories:				
Raw materials	$	226,155	$	146,886
Finished goods		706,969		514,230
	$	933,124	$	661,116
Other current assets:				
VAT receivables	$	58,850	$	67,710
Prepaid expenses and other assets		76,628		67,940
	$	135,478	$	135,650
Property, plant and equipment, net:				
Plant, buildings and improvements	$	68,477	$	66,055
Equipment and tooling		268,164		244,962
Computer equipment		31,562		27,869
Software		72,391		56,087
		440,594		394,973
Less: accumulated depreciation and amortization		(349,606)		(303,460)
		90,988		91,513
Construction-in-process		15,915		19,637
Land		2,904		2,910
	$	109,807	$	114,060
Other assets:				
Deferred tax assets	$	193,629	$	210,888
Right-of-use assets		40,661		31,169
Investments for deferred compensation plan		28,431		24,809
Investments in privately held companies		43,068		43,402
Other assets		14,933		13,980
	$	320,722	$	324,248

Note 8—Balance Sheet Components (Continued)

The following table presents the components of certain balance sheet liability amounts as of March 31, 2022 and 2021 (in thousands):

	March 31, 2022	March 31, 2021
Accrued and other current liabilities:		
Accrued customer marketing, pricing and incentive programs	$ 232,393	$ 185,394
Accrued personnel expenses	165,090	173,360
Accrued sales return liability	40,507	43,178
VAT payable	39,602	50,620
Income taxes payable	35,355	131,408
Warranty accrual	32,987	33,228
Accrued payables - non-inventory	26,722	52,392
Operating lease liabilities	13,690	13,101
Contingent consideration	8,042	6,967
Other current liabilities	190,460	168,969
	$ 784,848	$ 858,617
Other non-current liabilities:		
Employee benefit plan obligations	$ 50,741	$ 72,321
Obligation for deferred compensation plan	28,431	24,809
Operating lease liabilities	28,207	21,319
Warranty accrual	13,232	15,604
Contingent consideration	4,217	—
Deferred tax liabilities	1,962	1,679
Other non-current liabilities	5,343	3,770
	$ 132,133	$ 139,502

Note 9—Fair Value Measurements

The Company considers fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. The Company utilizes the following three-level fair value hierarchy to establish the priorities of the inputs used to measure fair value:

- Level 1—Quoted prices in active markets for identical assets or liabilities.
- Level 2—Observable inputs other than quoted market prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

Note 9—Fair Value Measurements (Continued)

The following table presents the Company's financial assets and liabilities that were accounted for at fair value on a recurring basis, excluding assets related to the Company's defined benefit pension plans, classified by the level within the fair value hierarchy (in thousands):

	March 31, 2022			March 31, 2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets:						
Cash equivalents	$ 762,055	$ —	$ —	$ 669,759	$ —	$ —
Investments for deferred compensation plan included in other assets:						
Cash	$ 108	$ —	$ —	$ 31	$ —	$ —
Common stock	2,329	—	—	1,569	—	—
Money market funds	6,765	—	—	6,734	—	—
Mutual funds	19,229	—	—	16,475	—	—
Total of investments for deferred compensation plan	$ 28,431	$ —	$ —	$ 24,809	$ —	$ —
Currency derivative assets included in other current assets	$ —	$ 1,517	$ —	$ —	$ 5,452	$ —
Liabilities:						
Contingent consideration included in accrued and other current liabilities	$ —	$ —	$ 8,042	$ —	$ —	$ 6,430
Contingent consideration included in other non-current liabilities	$ —	$ —	$ 3,971	$ —	$ —	$ —
Currency derivative liabilities included in accrued and other current liabilities	$ —	$ 165	$ —	$ —	$ 100	$ —

The following table summarizes the change in the fair value of the Company's contingent consideration balance during fiscal year 2022 and 2021 (in thousands):

	Year Ended March 31,	
	2022	2021
Contingent consideration, beginning of the year	$ 6,967	$ 23,284
Fair value of contingent consideration upon acquisition (1)	9,973	6,430
Change in fair value of contingent consideration	(3,509)	5,716
Settlements of contingent consideration (2)	(1,172)	(28,463)
Contingent consideration, end of the year	$ 12,259	$ 6,967

(1) The amount for fiscal year 2022 relates to the technology acquisition in fiscal year 2022. The amount for fiscal year 2021 relates to the Mevo acquisition and the other technology acquisition in fiscal year 2021. See Contingent Consideration for Business Acquisition section below for more information.

Note 9—Fair Value Measurements (Continued)

(2) As of June 30, 2020, the earn-out period was completed in connection with the Company's acquisition of Streamlabs as disclosed below. The fair value of contingent consideration of $29.0 million as of June 30, 2020 is based on the actual net sales of Streamlabs services during the earn-out period and is no longer subject to fair value measurement and was accordingly transferred out of Level 3. During the third quarter of fiscal year 2021, $28.5 million of the contingent consideration was transferred from other current liabilities to equity upon settlement of the contingent consideration through the issuance of shares out of treasury stock. During the fourth quarter of fiscal year 2022, an additional $0.3 million of the contingent consideration was transferred from other current liabilities to equity upon settlement of the contingent consideration through the issuance of shares out of treasury stock. The remaining $0.2 million is held back in escrow for claims made against the escrow and for the payment of taxes.

Investments for Deferred Compensation Plan

The marketable securities for the Company's deferred compensation plan are recorded at a fair value of $28.4 million and $24.8 million as of March 31, 2022 and 2021, respectively, based on quoted market prices. Quoted market prices are observable inputs that are classified as Level 1 within the fair value hierarchy. Unrealized gains related to marketable securities for fiscal years 2022, 2021 and 2020 are included in other income (expense), net in the consolidated statements of operations (see Note 6).

Contingent Consideration for Business Acquisitions

The contingent consideration arising from the technology acquisition on May 19, 2021 (see Note 3) represents the future potential earn-out payments of up to $10.0 million payable in cash upon the achievement of three technical development milestones required to be completed as of December 31, 2021, June 30, 2022, and June 30, 2023. The fair value of the contingent consideration as of the acquisition date was $10.0 million, which was determined using a probability-weighted expected payment model and discounted at the estimated cost of debt. During the third quarter of fiscal year 2022, $0.9 million of the contingent consideration was released from other current liabilities upon cash settlement of the contingent consideration for the first technical development milestone.

The contingent consideration arising from the Mevo Acquisition on February 17, 2021 (see Note 3) represents the future potential earn-out payments of up to $17.0 million payable in cash only upon the achievement of certain net sales for the period beginning on December 26, 2020 and ending on December 31, 2021. The fair value of the contingent consideration as of the acquisition date was $3.4 million, which was determined by using a Black-Scholes-Merton valuation model to calculate the probability of the earn-out threshold being met, times the value of the earn-out payment, and discounted at the risk-free rate. The valuation included significant assumptions and unobservable inputs such as the projected sales of Mevo over the earn-out period, risk-free rate, and the net sales volatility. Projected sales were based on the Company's internal projections, including analysis of the target market and historical sales of Mevo products. As of March 31, 2021 the fair value of the contingent consideration remained as $3.4 million. As of December 31, 2021, the fair value of the contingent consideration was released from other current liabilities as the net sales milestone was not achieved upon completion of the earn-out period.

The contingent consideration arising from the technology acquisition on January 4, 2021 (see Note 3) represents the future potential earn-out payments of up to $3.0 million payable in cash upon the achievement of two technical development milestones required to be completed as of December 31, 2021 and March 31, 2022. The fair value of the contingent consideration was determined using a probability-weighted expected payment model and discounted at the estimated cost of debt. The contingent consideration is expected to be paid in the first two quarters of fiscal year 2023.

Note 9—Fair Value Measurements (Continued)

In connection with the acquisition of Streamlabs on October 31, 2019 (see Note 3), the Company agreed to pay a total earn out payment of $29.0 million, payable in stock, only upon the achievement of certain net revenues for the period beginning on January 1, 2020 and ending on June 30, 2020. The fair value of the contingent consideration as of the acquisition date was $0.04 million, and increased to $23.3 million as of March 31, 2020, which was determined by using a Black-Scholes-Merton valuation model to calculate the probability of the earn-out threshold being met, times the value of the earn-out payment, and discounted at the risk-free rate. The fair value was increased by $5.7 million to $29.0 million as of June 30, 2020, based on actual sales. During the third quarter of fiscal year 2021 and the fourth quarter of fiscal year 2022, the Company issued 390,397 and 4,010 shares, respectively, out of treasury stock to former security holders of Streamlabs, in satisfaction of payment of the contingent consideration that was earned during the earn-out period. The issuances of such shares were deemed to be exempt from registration under the Securities Act of 1933 (the "Securities Act"), in reliance on Regulation D of the Securities Act as transactions by an issuer not involving a public offering.

Although the estimate of contingent consideration is based on management's best knowledge of current events, the estimate could change significantly from period to period. Actual results that differ from the assumptions used and any changes to the significant assumptions and unobservable inputs used could have a material impact on future results of operations.

Equity Method Investments

The Company has certain non-marketable investments included in other assets that are accounted for under the equity method of accounting, with a carrying value of $40.2 million and $40.7 million as of March 31, 2022 and 2021, respectively. Unrealized gains (losses) related to equity investments for fiscal years 2022, 2021 and 2020 are included in other income (expense), net in the Company's consolidated statements of operations. There was no impairment of these assets during fiscal years 2022, 2021 and 2020.

On March 2, 2020, the Company sold its $5.5 million investment, in a privately held company, for proceeds with a total fair value of $45.3 million consisting of cash, a 6% subordinated note due in five years, and a Series A preferred units and Series B common units in Marlin-SL Topco, LP ("Marlin"). As of March 31, 2022, the investment represents an ownership interest of approximately 8.9% in Marlin.

The Company has evaluated whether Marlin qualifies as a variable interest entity ("VIE") pursuant to the accounting guidance of ASC 810, *Consolidations*. On the basis that the total equity investment in Marlin may not be sufficient to absorb its expected losses, the Company concluded that Marlin is currently a VIE. However, considering the Company's minority interest and limited involvement with the Marlin business, the Company concluded it is not required to consolidate Marlin. Rather, the Company accounts for this investment under the equity method as it represents an ownership interest in a limited partnership that is more than minor. The promissory note is accounted for as a loan receivable and is included in other assets in the consolidated balance sheets.

The Company's maximum exposure to any losses incurred by Marlin is limited to its investment. As of March 31, 2022 and 2021, the carrying value of the investment in Marlin was $21.4 million and $26.7 million, respectively. The Company's investment related to this VIE was not individually significant to the Company's consolidated financial statements.

Assets Measured at Fair Value on a Nonrecurring Basis

Financial Assets. The Company has certain investments without readily determinable fair values due to the absence of quoted market prices, the inherent lack of liquidity, and the fact that inputs used to measure fair value are unobservable and require management's judgment. When certain events or circumstances indicate that impairment may exist, the Company revalues the investments using various assumptions, including the financial metrics and ratios of comparable public companies. The carrying value is also adjusted for observable price changes with the same or similar security from the same issuer. The amount of these investments included in other assets was not material as of March 31, 2022 and 2021. There is no impairment recorded in fiscal year 2022. During fiscal year 2021, the Company recorded impairment charges of $2.0 million for its equity securities without readily determinable fair values, which had an initial cost basis of $2.0 million, as it was determined the carrying value of the investments were not recoverable.

Note 9—Fair Value Measurements (Continued)

Non-Financial Assets. Goodwill, intangible assets, and property, plant and equipment, are not required to be measured at fair value on a recurring basis. However, if certain triggering events occur (or tested at least annually for goodwill) such that a non-financial instrument is required to be evaluated for impairment and an impairment is recorded to reduce the non-financial instrument's carrying value to the fair value as a result of such triggering events, the non-financial assets and liabilities are measured at fair value during such period. See Note 2 for additional information about how the Company tests various asset classes for impairment. During the year ended March 31, 2022, the Company recorded impairment charges of $7.0 million for the Jaybird-related intangible assets (see Note 11).

Note 10—Derivative Financial Instruments

Under certain agreements with the respective counterparties to the Company's derivative contracts, subject to applicable requirements, the Company is allowed to net settle transactions of the same type with a single net amount payable by one party to the other. However, the Company presents its derivative assets and derivative liabilities on a gross basis in other current assets or accrued and other current liabilities on the consolidated balance sheets as of March 31, 2022 and 2021.

See Note 9 for the fair values of the Company’s derivative instruments as of March 31, 2022 or 2021. The following table presents the amounts of gains and losses on the Company's derivative instruments designated as hedging instruments for fiscal years 2022, 2021 and 2020 and their locations on its consolidated statements of operations and consolidated statements of comprehensive income (in thousands):

	Amount of Gain (Loss) Deferred as a Component of Accumulated Other Comprehensive Loss			Amount of Loss (Gain) Reclassified from Accumulated Other Comprehensive Loss to Costs of Goods Sold		
	2022	2021	2020	2022	2021	2020
Designated as hedging instruments:						
Cash flow hedges	$ 6,308	$ (4,071)	$ 205	$ (8,221)	$ 8,043	$ (813)

The Company presents the earnings impact from forward points in the same line item that is used to present the earnings impact of the hedged item, i.e. cost of goods sold, for hedging forecasted inventory purchases and such amount is not material for all periods presented.

Cash Flow Hedges: The Company enters into cash flow hedge contracts to protect against exchange rate exposure of forecasted inventory purchases. These hedging contracts mature within four months. Gains and losses in the fair value of the effective portion of the hedges are deferred as a component of accumulated other comprehensive income (loss) until the hedged inventory purchases are sold, at which time the gains or losses are reclassified to cost of goods sold. Cash flows from such hedges are classified as operating activities in the consolidated statements of cash flows. Hedging relationships are discontinued when hedging contract is no longer eligible for hedge accounting, or is sold, terminated or exercised, or when the Company removes hedge designation for the contract. Gains and losses in the fair value of the effective portion of the discontinued hedges continue to be reported in accumulated other comprehensive loss until the hedged inventory purchases are sold, unless it is probable that the forecasted inventory purchases will not occur by the end of the originally specified time period or within an additional two-month period of time thereafter. As of March 31, 2022 and 2021, the notional amounts of foreign currency exchange forward contracts outstanding related to forecasted inventory purchases were $125.4 million and $164.5 million, respectively. The Company estimates that $1.8 million of net gain related to its cash flow hedges included in accumulated other comprehensive loss as of March 31, 2022 will be reclassified into earnings within the next twelve months.

Other Derivatives: The Company also enters into foreign currency exchange forward and swap contracts to reduce the short-term effects of currency exchange rate fluctuations on certain receivables or payables denominated in currencies other than the functional currencies of its subsidiaries. These contracts generally mature within a month. The primary risk managed by using forward and swap contracts is the currency exchange rate risk. The gains or losses on these contracts are recognized in other income (expense), net in the consolidated statements of operations based on the changes in fair value. The notional amounts of these contracts outstanding as of March 31, 2022 and 2021 were $226.5 million and $123.8 million, respectively. Open forward and swap contracts as of March 31, 2022 and 2021 consisted of contracts in Japanese Yen, Australian Dollars, Canadian Dollars, Mexican Pesos, and Taiwanese Dollars to be settled at future dates at pre-determined exchange rates. Open forward and swap contracts outstanding as of March 31, 2022 additionally consisted of contracts in Chinese Renminbi and Brazilian Real to be settled at future dates at pre-determined exchange rates.

The fair value of all foreign currency exchange forward and swap contracts is determined based on observable market transactions of spot currency rates and forward rates. Cash flows from these contracts are classified as operating activities in the consolidated statements of cash flows.

Note 11—Goodwill and Other Intangible Assets

The Company conducts its impairment analysis of goodwill and indefinite life intangible assets annually at December 31 or more frequently if changes in facts and circumstances indicate that it is more likely than not that the fair value of the Company's reporting unit may be less than its carrying amount. The Company conducted its annual impairment analysis of goodwill and indefinite life intangible assets as of December 31, 2021 by performing a qualitative assessment and concluded that it was more likely than not that the fair value of its reporting unit exceeded its carrying amount. In assessing the qualitative factors, the Company considered the impact of these key factors: change in industry and competitive environment, growth in market capitalization, and budgeted-to-actual revenue performance for the twelve months ended December 31, 2021. There have been no triggering events identified affecting the valuation of goodwill and indefinite life intangible assets subsequent to the annual impairment test.

The following table summarizes the activities in the Company's goodwill balance (in thousands):

	Years Ended March 31,	
	2022	2021
Beginning of the period	$ 429,604	$ 400,917
Acquisitions [(1)]	20,721	28,667
Effects of foreign currency translation	(2,150)	20
End of the period	$ 448,175	$ 429,604

(1) See Note 3 for more information related to acquisitions.

Note 11—Goodwill and Other Intangible Assets (Continued)

The Company's acquired intangible assets were as follows (in thousands):

	March 31,					
	2022			2021		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Trademarks and trade names	$ 36,790	$ (22,295)	$ 14,495	$ 46,070	$ (25,153)	$ 20,917
Developed technology	119,407	(83,540)	35,867	134,406	(90,450)	43,956
Customer contracts/relationships	71,110	(40,971)	30,139	91,010	(44,261)	46,749
In-process R&D	3,826	—	3,826	3,526	—	3,526
Effects of foreign currency translation [(1)]	(634)	86	(548)	—	—	—
	$ 230,499	$ (146,720)	$ 83,779	$ 275,012	$ (159,864)	$ 115,148

(1) Related to a technology acquisition in May 2021. See Note 3 for more information related to the acquisition.

During the third quarter of fiscal year 2022, the Company decided to discontinue Jaybird-branded products. As a result of this decision, the Company performed an analysis to compare the fair value of Jaybird-related intangible assets to their carrying amount. As the fair value using estimated discounted cash flows was less than the carrying amount, the Company recognized a pre-tax impairment charge in the consolidated statement of operations of $7.0 million, which was primarily related to customer contracts and relationships. See Note 16 for further information regarding the exit plan.

For fiscal years 2022, 2021 and 2020, amortization expense for intangible assets was, $30.2 million, $31.8 million and $30.9 million, respectively. The Company expects that annual amortization expense for fiscal years 2023, 2024, 2025, 2026 and 2027 will be $23.2 million, $19.9 million, $17.7 million, $10.7 million and $4.5 million, respectively, and $4.0 million thereafter.

The intangible assets as of March 31, 2022 and 2021 include IPR&D $3.8 million and $3.5 million, respectively, from asset acquisitions. IPR&D is capitalized at fair value and the amortization commences upon completion of the underlying projects. Once research and development efforts are completed, the corresponding amount of IPR&D is reclassified as an amortizable purchased intangible asset and is amortized over its estimated useful life. As of March 31, 2022 and 2021, there was no IPR&D amortized.

Note 12—Financing Arrangements

The Company had several uncommitted, unsecured bank lines of credit aggregating $195.0 million and $143.2 million as of March 31, 2022 and 2021, respectively. There are no financial covenants under these lines of credit with which the Company must comply. As of March 31, 2022 and 2021, the Company had outstanding bank guarantees of $25.5 million and $91.3 million, respectively, under these lines of credit. There was no borrowing outstanding under these lines of credit as of March 31, 2022 and 2021.

Note 13—Commitments and Contingencies

Product Warranties

Changes in the Company's warranty liability for fiscal years 2022 and 2021 were as follows (in thousands):

Note 13—Commitments and Contingencies (Continued)

	Years Ended March 31, 2022	Years Ended March 31, 2021
Beginning of the period	$ 48,832	$ 40,039
Assumed from business acquisition	—	231
Provision	29,812	38,463
Settlements	(32,082)	(30,621)
Effects of foreign currency translation	(343)	720
End of the period	$ 46,219	$ 48,832

Indemnifications

The Company indemnifies certain of its suppliers and customers for losses arising from matters such as intellectual property disputes and product safety defects, subject to certain restrictions. The scope of these indemnities varies, but in some instances includes indemnification for damages and expenses, including reasonable attorneys' fees. As of March 31, 2022, no material amounts have been accrued for these indemnification provisions. The Company does not believe, based on historical experience and information currently available, that it is probable that any material amounts will be required to be paid under its indemnification arrangements.

The Company also indemnifies its current and former directors and certain of its current and former officers. Certain costs incurred for providing such indemnification may be recoverable under various insurance policies. The Company is unable to reasonably estimate the maximum amount that could be payable under these arrangements because these exposures are not limited, the obligations are conditional in nature and the facts and circumstances involved in any situation that might arise are variable.

Legal Proceedings

From time to time the Company is involved in claims and legal proceedings which arise in the ordinary course of its business. The Company is currently subject to several such claims and a small number of legal proceedings. The Company believes that these matters lack merit and intends to vigorously defend against them. Based on currently available information, the Company does not believe that resolution of pending matters will have a material adverse effect on its financial position, cash flows or results of operations. However, litigation is subject to inherent uncertainties, and there can be no assurances that the Company's defenses will be successful or that any such lawsuit or claim would not have a material adverse impact on the Company's business, financial position, cash flows or results of operations in a particular period. Any claims or proceedings against the Company, whether meritorious or not, can have an adverse impact because of defense costs, diversion of management and operational resources, negative publicity and other factors. Any failure to obtain a necessary license or other rights, or litigation arising out of intellectual property claims, could adversely affect the Company's business.

Note 14—Shareholders' Equity

Share Capital

The Company's nominal share capital is CHF 43.3 million, consisting of 173,106,620 issued shares with a par value of CHF 0.25 each, of which 7,854,600 were held in treasury shares as of March 31, 2022.

The Company has reserved conditional capital of 25,000,000 shares for potential issuance on the exercise of rights granted under the Company's employee equity incentive plans and additional conditional capital for financing purposes, representing the issuance of up to 25,000,000 shares to cover any conversion rights under a future convertible bond issuance. At the 2020 Annual General Meeting, the shareholders of the Company authorized the Board of Directors to issue up to an additional 17,310,662 shares of the Company until September 9, 2022.

Dividends

Pursuant to Swiss corporate law, the payment of dividends is limited to certain amounts of unappropriated retained earnings (approximately CHF 1.7 billion, or $1.8 billion as of March 31, 2022) and is subject to shareholder approval.

Note 14—Shareholders' Equity (Continued)

In May 2022, the Board of Directors recommended that the Company pay cash dividends for fiscal year 2022 of approximately CHF 0.96 per share (USD equivalent of approximately $1.04 per share, which would result in a gross aggregate dividend of $172.1 million, based on the exchange rate and shares outstanding, net of treasury shares, on March 31, 2022).

In September 2021, the Company paid gross cash dividends of CHF 0.87 (USD equivalent of $0.95) per common share, totaling $159.4 million in U.S. Dollars, on the Company's outstanding common stock. In September 2020, the Company paid gross cash dividends of CHF 0.79 (USD equivalent of $0.87) per common share, totaling $146.7 million in U.S. Dollars, on the Company’s outstanding common stock. In September 2019, the Company paid gross cash dividends of CHF 0.73 (USD equivalent of $0.74) per common share, totaling $124.2 million in U.S. Dollars, on the Company's outstanding common stock.

Any future dividends will be subject to the approval of the Company's shareholders.

Legal Reserves

Under Swiss corporate law, a minimum of 5% of the Company's annual net income must be retained in a legal reserve until this legal reserve equals 20% of the Company's issued and outstanding aggregate par value per share capital. These legal reserves represent an appropriation of retained earnings that are not available for distribution and totaled $10.4 million at March 31, 2022 (based on the exchange rate at March 31, 2022).

Share Repurchases

In March 2017, the Company's Board of Directors approved the 2017 share repurchase program, which authorizes the Company to use up to $250.0 million to purchase up to 17.3 million of Logitech shares. This share repurchase program expired in April 2020.

In May 2020, the Company's Board of Directors approved the 2020 share repurchase program, which authorized the Company to use up to $250.0 million to purchase up to 17.3 million of Logitech shares. The Company's share repurchase program is expected to remain in effect for a period of three years through July 27, 2023. Shares may be repurchased from time to time on the open market, through block trades or otherwise. Purchases may be started or stopped at any time without prior notice depending on market conditions and other factors. In April 2021, the Company's Board of Directors approved an increase of $750.0 million of the 2020 share repurchase program, to an aggregate amount of $1.0 billion. The Swiss Takeover Board approved this increase and it became effective on May 21, 2021. As of March 31, 2022, $423.7 million was available for repurchase under the 2020 repurchase program.

A summary of the approved and active share repurchase program during fiscal year 2022 is shown in the following table (in thousands, excluding transaction costs):

	Approved		Repurchased	
Share Repurchase Program	**Shares [1]**	**Amounts**	**Shares**	**Amounts**
May 2020	17,311	$ 1,000,000	6,452	$ 576,303

(1) The approval of each of the share repurchase programs by the Swiss Takeover Board limits the number of shares that the Company may repurchase to no more than 10% of its authorized share capital and voting rights.

Note 14—Shareholders' Equity (Continued)

Accumulated Other Comprehensive Loss

The components of accumulated other comprehensive loss were as follows (in thousands):

	Accumulated Other Comprehensive Income (Loss)			
	Currency Translation Adjustment	Defined Benefit Plans	Deferred Hedging Gains (Losses)	Total
March 31, 2021	$ (89,461)	$ (23,200)	$ 3,746	$ (108,915)
Other comprehensive income (loss)	(13,000)	19,705	(1,913)	4,792
March 31, 2022	$ (102,461)	$ (3,495)	$ 1,833	$ (104,123)

Note 15—Segment Information

The Company operates in a single operating segment that encompasses the design, manufacturing and marketing of peripherals for PCs, tablets and other digital platforms. Operating performance measures are provided directly to the Company's CEO, who is considered to be the Company's Chief Operating Decision Maker. The CEO periodically reviews information such as sales and adjusted operating income (loss) to make business decisions. These operating performance measures do not include restructuring charges (credits), net, share-based compensation expense, amortization and impairment of intangible assets, acquisition-related costs and change in fair value of contingent consideration from business acquisition.

Sales by product categories and sales channels, excluding intercompany transactions were as follows (in thousands):

	Years Ended March 31,		
	2022	2021	2020
Pointing Devices	$ 781,108	$ 680,907	$ 544,519
Keyboards & Combos	967,301	784,488	571,720
PC Webcams	403,651	439,865	129,193
Tablet & Other Accessories	310,123	384,301	135,309
Gaming (1)	1,451,883	1,239,005	690,174
Video Collaboration	997,164	1,044,935	365,616
Mobile Speakers	149,782	174,895	221,791
Audio & Wearables	401,424	468,776	273,752
Smart Home	18,463	34,394	43,404
Other (2)	202	713	373
Total Sales	$ 5,481,101	$ 5,252,279	$ 2,975,851

(1) Gaming includes streaming services revenue generated by Streamlabs.

(2) Other includes products that the Company phased out because they are no longer strategic to the Company's business.

Note 15—Segment Information (Continued)

Sales by geographic region (based on the customers' locations) for fiscal years 2022, 2021 and 2020 were as follows (in thousands):

	Years Ended March 31,		
	2022	2021	2020
Americas	$ 2,317,941	$ 2,206,552	$ 1,286,527
EMEA	1,724,027	1,735,682	941,211
Asia Pacific	1,439,133	1,310,045	748,113
Total Sales	$ 5,481,101	$ 5,252,279	$ 2,975,851

Revenues from sales to customers in the United States represented 34%, 35% and 36% of sales in fiscal years 2022, 2021 and 2020, respectively. Revenues from sales to customers in Germany represented 15%, 16% and 15% of sales in fiscal years 2022, 2021 and 2020, respectively. Revenues from sales to customers in China represented 10% of sales in fiscal year 2022. No other country represented more than 10% of sales during these periods presented herein. Revenues from sales to customers in Switzerland, the Company's home domicile, represented 3%, 3% and 4% of sales in fiscal years 2022, 2021 and 2020, respectively.

Property, plant and equipment, net (excluding software) and right-of-use assets by geographic region were as follows (in thousands):

	March 31,	
	2022	2021
Americas	$ 22,578	$ 18,023
EMEA	23,830	18,130
Asia Pacific	87,265	95,642
Total property, plant and equipment	$ 133,673	$ 131,795

Property, plant and equipment, net (excluding software) and right-of-use assets in the United States and China were $21.7 million and $66.8 million, respectively, as of March 31, 2022, and $17.2 million and $77.6 million, respectively, as of March 31, 2021. Property, plant and equipment, net (excluding software) and right-of-use assets in Switzerland, the Company's home domicile, were $13.6 million and $9.5 million as of March 31, 2022 and 2021, respectively. No other countries represented more than 10% of the Company's total consolidated property, plant and equipment, net (excluding software) and right-of-use assets as of March 31, 2022 or 2021.

Note 16—Restructuring

During the first quarter of fiscal year 2019, the Company implemented a restructuring plan to streamline and realign the Company's overall organizational structure and reallocate resources to support long-term growth opportunities. During the first quarter of fiscal year 2020, the Company had substantially completed this restructuring plan.

During the third quarter of fiscal year 2022, as part of the Company's strategic review, the Company decided to cease future product launches under the Jaybird-brand within the Audio & Wearables product category. As a result, the Company recorded pre-tax restructuring charges of $2.1 million during fiscal year 2022, which are included in restructuring charges (credits), net in the consolidated statement of operations.

Total charges related to the exit of Jaybird-branded products were $16.7 million, which included restructuring charges and other costs, for fiscal year 2022. The restructuring charges consisted of $1.3 million, primarily related to costs of production cancellation, and $0.8 million related to cash severance and termination benefits. The Company also recorded $7.6 million in cost of goods sold related to write-offs for excess inventories. In addition, as disclosed in Note 11, the Company recognized a pre-tax impairment charge of $7.0 million, related to intangible assets acquired as part of the Jaybird acquisition. The Company expects to substantially complete this restructuring within the next nine months.

Note 16—Restructuring (Continued)

The following table summarizes restructuring-related activities during fiscal years 2022, 2021 and 2020 (in thousands):

	Restructuring - Continuing Operations		
	Termination Benefits	Other	Total
Accrual balance at March 31, 2019	$ 4,389	$ —	$ 4,389
Charges, net	144	—	144
Cash payments	(3,852)	—	(3,852)
Accrual balance at March 31, 2020	$ 681	$ —	$ 681
Charges, net	(54)	—	(54)
Cash payments	—	—	—
Accrual balance at March 31, 2021	$ 627	$ —	$ 627
Charges, net	879	1,286	2,165
Cash payments	(945)	(390)	(1,335)
Accrual balance at March 31, 2022	$ 561	$ 896	$ 1,457

The accrual balances are included in accrued and other current liabilities on the Company's consolidated balance sheets.

Note 17 — Leases

The Company is a lessee in various noncancellable operating leases, primarily real estate facilities for office space and for transportation and office equipment.

As of March 31, 2022, the Company's lease arrangements comprise of operating leases with various expiration dates through June 30, 2031. The lease term for all of the Company's leases includes the noncancellable period of the lease. Certain lease agreements include options to renew or terminate the lease, which are not reasonably certain to be exercised and therefore are not factored into the Company's determination of the duration of the lease arrangement.

The Company's leases do not contain any material residual value guarantees.

The total operating lease costs were $17.3 million, $15.0 million and $14.1 million as of March 31, 2022, 2021, and 2020, respectively, and included short-term lease costs and sublease income. Total variable lease costs were not material during the year ended March 31, 2022, 2021 and 2020. The total operating and variable lease costs were included in cost of goods sold, marketing and selling, research and development, and general and administrative in the Company's consolidated statement of operations.

Supplemental cash flow information related to operating leases (in thousands):

	Years Ended March 31,		
	2022	2021	2020
Cash paid for amounts included in the measurement of operating lease liabilities	$ 15,400	$ 13,865	$ 13,554
ROU assets obtained in the exchange for operating lease liabilities	$ 22,174	$ 15,659	$ 6,123

Note 17 — Leases (Continued)

Future lease payments included in the measurement of operating lease liabilities as of March 31, 2022 for the following five fiscal years and thereafter are as follows (in thousands):

Years Ending March 31,		
2023	$	14,489
2024		9,512
2025		6,818
2026		4,252
2027		3,577
Thereafter		6,056
Total lease payments	$	44,704
Less interest		(2,807)
Present value of lease liabilities	$	41,897

As of March 31, 2022, the Company had entered into a lease for office space that has not yet commenced with future lease payments of $26.7 million, which are not reflected in the table above. This lease will commence in fiscal year 2023 with a lease term of 20 years and will be recorded in the financial statements upon lease commencement.

Weighted-average lease terms and discount rates were as follows:

	Years Ended March 31,	
	2022	**2021**
Weighted-average remaining lease terms (in years)	4.6	3.8
Weighted-average discount rate	2.8 %	2.7 %

LOGITECH INTERNATIONAL S.A., HAUTEMORGES

SWISS STATUTORY FINANCIAL STATEMENTS

TABLE OF CONTENTS

KPMG

Report of the Statutory Auditor

To the General Meeting of Logitech International S.A., Hautemorges

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Logitech International S.A., which comprise the balance sheet as at March 31, 2022, and the income statement for the year then ended March 31, 2022, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements for the year ended March 31, 2022 comply with Swiss law and the company's articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the entity in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Report on Key Audit Matters based on the circular 1/2015 of the Federal Audit Oversight Authority

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Responsibility of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and Swiss Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law and Swiss Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

KPMG

– Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

– Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.

– Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

– Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with article 728a para. 1 item 3 CO and the Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.
We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

KPMG AG

Regula Tobler	Stefan Widmer
Licensed Audit Expert	Licensed Audit Expert
Auditor in Charge	

Zurich, May 18, 2022

KPMG AG, Badenerstrasse 172, CH-8036 Zurich

LOGITECH INTERNATIONAL S.A., HAUTEMORGES

BALANCE SHEETS (unconsolidated)

(CHF in thousands)

	Note	March 31, 2022	March 31, 2021
ASSETS			
Current assets:			
Cash and cash equivalents		70,240	19,989
Short-term investment		—	1,122
Receivable from subsidiaries		263,085	25,147
Other short-term receivables		246	1,221
Total current assets		333,571	47,479
Non-current assets:			
Investments	2/4	1,021,387	1,005,036
Subordinated note	2.4	8,457	7,802
Total non-current assets		1,029,844	1,012,838
Total assets		1,363,415	1,060,317
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Payables to subsidiaries		165,711	57,142
Other short-term liabilities	2.1/2.2	30,344	17,903
Total current liabilities		196,055	75,045
Non-Current liabilities:			
Other non-current liabilities		3,895	—
Total non-current liabilities		3,895	—
Total liabilities		199,950	75,045
Shareholders' equity:			
Share capital		43,277	43,277
Legal capital reserves			
Reserves from capital contributions		1,265	1,265
Legal retained earnings			
General legal retained earnings		9,580	9,580
		10,845	10,845
Voluntary retained earnings:			
Available earnings			
- Profit brought forward		1,046,524	962,286
- Profit for the year		646,977	231,237
Treasury Shares	5	(584,158)	(262,373)
Total shareholders' equity		1,163,465	985,272
Total liabilities and shareholders' equity		1,363,415	1,060,317

The accompanying notes are an integral part of these statutory financial statements

LOGITECH INTERNATIONAL S.A., HAUTEMORGES
STATEMENTS OF INCOME (unconsolidated)
(CHF in thousands)

	Note	Year ended March 31, 2022	2021
Income:			
Dividend income		786,379	275,458
Royalty fees		58,539	55,192
Interest income from third parties		21	98
Total income		844,939	330,748
Expenses:			
Administrative expenses		5,207	6,133
Brand development expenses		79,461	61,302
Other expenses		58,678	30,481
Interest paid to subsidiaries		2,011	1,122
Expense/(Income), capital and non-recoverable withholding taxes		230	(60)
Loss/(Gain) on treasury shares	5	44,952	(7,404)
Loss on investments	2	7,235	7,872
Foreign exchange loss, net		188	65
Total expenses		197,962	99,511
Profit for the year		646,977	231,237

The accompanying notes are an integral part of these statutory financial statements.

NOTES TO SWISS STATUTORY FINANCIAL STATEMENTS

Note 1 - General and Basis of Presentation:

Logitech International S.A. is a Swiss Holding company with its registered office in Hautemorges, Switzerland, which conducts its business through subsidiaries in the Americas, Europe, Middle East & Africa (“EMEA”) and Asia Pacific. Shares of Logitech International S.A. are listed on both the SIX Swiss Exchange under the trading symbol LOGN and the Nasdaq Global Select Market under the trading symbol LOGI.

The Swiss statutory financial statements of Logitech International S.A., Hautemorges (the “Holding Company”) are prepared in accordance with the provisions of the Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations). Where not prescribed by law, the significant accounting and valuation principles applied are described below.

The statutory financial statements present the financial position and results of operations of the Holding Company on a standalone basis and do not represent the consolidated financial position of the Holding Company and its subsidiaries.

The accounting policies set out below have been applied consistently in all periods presented in these financial statements, unless otherwise stated.

Treasury shares

Treasury shares are recognized at acquisition cost and deducted from shareholders' equity at the time of acquisition. In case of a resale, the gain or loss is recognized through the income statement as a Loss/(Gain) on Treasury Shares. Treasury shares held may be reissued to satisfy the exercise of employee stock options and purchase rights, the vesting of restricted stock units, and acquisitions, or may be cancelled with shareholder approval. Treasury shares that are reissued are accounted for using the first-in, first-out basis.

Share-based payments

When treasury shares are used for share-based payment programs for Board members and employees, the difference between the acquisition costs and any consideration paid by the employees at date of exercise or vesting is recognized through the income statement as a Loss/(Gain) on Treasury Shares.

Exchange rate differences

Except for investments in subsidiaries, which are translated at historical rates, all assets and liabilities denominated in foreign currencies are translated into Swiss francs (CHF) using year-end rates of exchange. Realized exchange gains and losses arising from these as well as those from business transactions denominated in foreign currencies are recorded in the statement of income. Net unrealized exchange losses are recorded in the statement of income; net unrealized gains, however, are deferred within other liabilities.

Investments in subsidiaries

Investments are recorded at acquisition cost less any impairment loss.

Foregoing a cash flow statement and additional disclosures in the notes

As Logitech International S.A. has separately prepared its consolidated financial statements in accordance with a recognized accounting standard (US GAAP), it has decided to forego presenting additional information on interest-bearing liabilities and audit fees in the notes as well as a cash flow statement and a management report in accordance with Swiss law (CO 961*d*).

Note 2 - Changes in investments in subsidiaries:

Note 2.1 - Acquisition of Meetio

On May 19, 2021, the Holding Company acquired a technology company for a total cash consideration of CHF 23.0 million ($25.6 million), including CHF 9.0 million ($10.0 million) contingent consideration payable in cash upon the achievement of three technical development milestones.

During the third quarter of fiscal year 2022, CHF 0.8 million ($0.9 million) of the contingent consideration was released from other short-term liabilities upon satisfaction and cash settlement of the contingent consideration for the first technical development milestone.

Note 2.2 - Acquisition of Mevo Inc.

On February 17, 2021, the Holding Company acquired all equity interests of Mevo Inc. ("Mevo") for a total consideration of approximately CHF 32.4 million which included a working capital adjustment, plus additional contingent consideration of up to CHF 16.0 million ($17.0 million) payable in cash only upon the achievement of certain net revenues for the period beginning on December 26, 2020 and ending on December 31, 2021. Mevo is a maker of camera hardware and software for live streaming. The Mevo Acquisition is complementary to the Holding Company's streaming portfolio. Immediately after the acquisition, the Holding Company transferred all of its shares in Mevo, Inc., as a capital contribution to Logitech Inc.

As of December 31, 2021, the fair value of the contingent consideration of CHF 3.1 million ($3.4 million) was released from other short-term liabilities as the net sales milestone was not achieved upon completion of the earn-out period.

Note 2.3 - Acquisition of General Workings, Inc.

During the year ended March 31, 2020, the Holding Company acquired General Workings, Inc. for a total consideration of approximately CHF 104.7 million, which included a working capital adjustment, plus an additional contingent consideration of CHF 28.1 million (CHF 22.8 million of the contingent consideration has been recorded as of March 31, 2020 in other short-term liabilities) paid in Logitech stock upon the achievement of certain net revenues for the period beginning on January 1, 2020 and ended on June 30, 2020. Immediately after the acquisition, the Holding Company transferred all of its shares in General Workings, Inc., as a capital contribution to Logitech Inc.

During the year ended March 31, 2021 the net revenue target was fully achieved and the contingent consideration in the amount of CHF 26.8 million ($28.5 million) was settled with 390,397 shares at a total cost of CHF 8.5 million out of the Holding Company's treasury shares.

During the year ended March 31, 2022, the Company issued 4,010 shares at a total cost of CHF 0.1 million out of treasury stock to former security holders of Streamlabs in satisfaction of payment of the contingent consideration CHF 0.2 million ($0.3 million) that was earned during the earn-out period.

Note 2.4 - Sale of Investment in Lifesize

During the year ended March 31, 2020, Marlin-SL Topco, LP (Marlin) entered into an acquisition agreement with representative shareholders of Lifesize, Inc. to acquire Lifesize. On March 2, 2020 (Valuation Date), as a shareholder of Lifesize, the Holding Company received total proceeds of CHF 44.5 million ($45.3 million) for a sale of its investment consisting of:

(i) CHF 3.0 million in cash, of which CHF 0.8 million was held in escrow.
(ii) CHF 7.2 million fair value (principal at CHF 8.1 million) in subordinated note in Marlin amount due in 5 years together with interest of 6% per annum, at 0.5% increment after 18 months from inception date.
(iii) CHF 34.3 million in Marlin shares, representing an ownership interest of approximately 11.8% in Marlin. The transaction resulted in a gain on long term investment of CHF 38.6 million.

As of March 31, 2022, the investment represents an ownership interest of approximately 8.9% in Marlin.

Note 3 - Contingent Liabilities:

The Holding Company has issued guarantees to various banks for lines of credit available to its subsidiaries for CHF 18.8 million and CHF 17.0 million at March 31, 2022 and March 31, 2021, respectively. The Holding Company also has a guarantee to one financial institution for lines of credit available to its subsidiaries without a specific amount. As of March 31, 2022 and 2021, there were no outstanding draw down amounts on the guarantee.

Note 4 - Investments in subsidiaries:

The Holding Company’s subsidiaries directly and indirectly held (other than subsidiaries that were inactive during the fiscal year) include the following:

Fiscal year 2022

Name of Subsidiary	Jurisdiction of Incorporation	Municipality	Holding %	Share Capital	
EMEA					
Labtec Europe S.A.	Switzerland	Lausanne	100	CHF	150,000
Logitech U.K. Limited	United Kingdom	Windsor,Berkshire	100	GBP	20,000
Logitech Espana BCN SL	Spain	Barcelona	100	EUR	50,000
Logitech Europe S.A.	Switzerland	Lausanne	100	CHF	100,000
SAS Logitech France	Republic of France	Levallois-Perret	100	EUR	182,939
Logitech GmbH	Federal Republic of Germany	Munich	100	EUR	25,565
Logitech Ireland Services Limited	Ireland	Cork	100	EUR	48,001
Logitech Italia SRL	Republic of Italy	Milan	100	EUR	20,000
Logitech Nordic AB	Sweden	Stockholm	100	SEK	100,000
Logitech Benelux B.V.	Kingdom of the Netherlands	Leusden	100	EUR	18,151
Logitech Poland Spolka z.o.o	Poland	Warsaw	100	PLN	50,000
Logitech S.A.	Switzerland	Lausanne	100	CHF	200,000
Logitech Middle East FZ-LLC	United Arab Emirates	Dubai Internet City	100	AED	100,000
Logitech (Streaming Media) SA	Switzerland	Lausanne	100	CHF	100,000
Logitech Hellas MEPE	Greece	Athens	100	EUR	18,000
Logitech Schweiz AG	Switzerland	Zurich	100	CHF	100,000
Logitech Upicto GmbH	Switzerland	Zurich	100	CHF	20,000
Limited Liability Company “Logitech”	Russia	Moscow	100	RUB	8,020,000
Logi Peripherals Technologies (South Africa) (Proprietary) Limited	South Africa	Gauteng	100	ZAR	1,000
Logitech Norway AS	Norway	Oslo	100	NOK	100,000
Logitech Turkey Computer Marketing Services LLC	Turkey	Istanbul	100	TRY	10,000
Logitech Services S.A	Switzerland	Lausanne	100	CHF	100,000
Limited Liability Company "Logitech Ukraine"	Ukraine	Zaporizhzhia	100	UAH	2,632,568
Meetio Holding AB	Sweden	Malmo	100	SEK	95,238
Meetio AB	Sweden	Malmo	100	SEK	50,000

Note 4 - Investments in subsidiaries: (Continued)

Fiscal year 2022

Name of Subsidiary	Jurisdiction of Incorporation	Municipality	Holding %	Share Capital	
AMERICAS					
Logitech Argentina S.R.L.	Argentina	Buenos Aires	100	ARS	412,400
Logitech Do Brasil Comercio de Accessorios de Informatica Ltda.	Brazil	Sao Paulo	100	BRL	92,686,440
Logitech de Mexico S.A. de C.V.	Mexico	Santa Fe	100	MXN	50,000
Logitech Canada Inc.	Canada	Vancouver	100	CAD	100
Logitech Inc.	United States of America	Newark, California	100	USD	11,522,396
Logitech (Streaming Media) Inc.	United States of America	Newark, California	100	USD	10
Logitech (Slim Devices) Inc.	United States of America	Wilmington, Delaware	100	USD	1
WiLife, Inc.	United States of America	Wilmington, Delaware	100	USD	10
Logitech Servicios Latinoamérica, S.A de C.V	Mexico	Mexico City	100	MXN	50,000
Ultimate Ears Incorporated	United States of America	Carson City, Nevada	100	USD	10
SightSpeed, Inc.	United States of America	Wilmington, Delaware	100	USD	1
UE Acquisition Inc.	United States of America	Wilmington, Delaware	100	USD	10
Logitech Latin America, Inc.	United States of America	Wilmington, Delaware	100	USD	1
Blue Microphones Holding Corporation	United States of America	Newark, California	100	USD	230
Baltic Latvian Universal Electronics, LLC	United States of America	Los Angeles, California	100	USD	—
General Workings Inc.	United States of America	Wilmington, Delaware	100	USD	7,500
Streamlabs Canada Inc.	Canada	Halifax, Nova Scotia	100	CAD	10
Streamlabs LLC	United States of America	San Francisco, California	100	USD	—
Liminal Collective, Inc.	United States of America	Newark, California	100	USD	1
Mevo Inc.	United States of America	Brooklyn, New York.	100	USD	1
Meetio Inc.	United States of America	Portland, Oregon	100	USD	1

Note 4 - Investments in subsidiaries: (Continued)

Fiscal year 2022

Name of Subsidiary	Jurisdiction of Incorporation	Municipality	Holding %	Share Capital	
ASIA PACIFIC					
LogiCool Co., Ltd	Japan	Tokyo	100	JPY	155,000,000
Logitech Electronics (India) Private Limited	India	Mumbai, Maharashtra	100	INR	140,340
Logitech Far East Limited	Taiwan, Republic of China	Hsinchu	100	TWD	260,000,000
Logitech Hong Kong Limited	Hong Kong	Hong Kong	100	HKD	100
Logitech Korea Ltd	Republic of Korea	Seoul	100	KRW	150,000,000
Logitech New Zealand Co. Limited	New Zealand	Auckland	100	NZD	10,000
Logitech Service Asia Pacific Pte Ltd	Republic of Singapore	Singapore	100	SGD	1
Logitech Singapore Pte Ltd	Republic of Singapore	Singapore	100	SGD	2,559,863
Logitech Technology (Suzhou) Company Limited	People's Republic of China	Suzhou	100	USD	22,000,000
Logitech (China) Technology Company Limited	People's Republic of China	Shanghai	100	USD	7,800,000
Logitech Asia Logistics Limited	Hong Kong	Hong Kong	100	HKD	100
Logitech Asia Pacific Limited	Hong Kong	Hong Kong	100	HKD	100
Logitech Australia Computer Peripherals Pty Limited	Commonwealth of Australia	Sydney	100	AUD	12
Logitech Technology (Shenzhen) Consulting Company Limited	People's Republic of China	Shenzhen	100	HKD	110,000
Logitech Engineering & Designs India Private Limited	India	Channai, Tamil Nadu	100	INR	1,457,300
Logi Computer Peripherals (Malaysia) Sdn. Bhd	Malaysia	Kuala Lumpur Wilayah Persekutuan	100	MYR	2
Logitech JB Australia Pty Ltd	Commonwealth of Australia	Sydney	100	AUD	1
Logitech Vietnam Company Limited	Vietnam	Ho Chi Minh City	100	VND	13,831,500,000
Logitech Philippines Inc.	Philippines	Bonifacio Global City	100	PHP	29,144,000

Note 4 - Investments in subsidiaries: (Continued)

Fiscal year 2021

Name of Subsidiary	Jurisdiction of Incorporation	Municipality	Holding %	Share Capital	
EMEA					
Labtec Europe S.A.	Switzerland	Lausanne	100	CHF	150,000
Logitech U.K. Limited	United Kingdom	Windsor Berkshire	100	GBP	20,000
Logitech Espana BCN SL	Spain	Barcelona	100	EUR	50,000
Logitech Europe S.A.	Switzerland	Lausanne	100	CHF	100,000
SAS Logitech France	Republic of France	Paris	100	EUR	182,939
Logitech GmbH	Federal Republic of Germany	Munich	100	EUR	25,565
Logitech Ireland Services Limited	Ireland	Cork	100	EUR	48,001
Logitech Italia SRL	Republic of Italy	Milan	100	EUR	20,000
Logitech Nordic AB	Sweden	Stockholm	100	SEK	100,000
Logitech Benelux B.V.	Kingdom of the Netherlands	Leusden	100	EUR	18,151
Logitech Poland Spolka z.o.o	Poland	Warsaw	100	PLN	50,000
Logitech S.A.	Switzerland	Lausanne	100	CHF	200,000
Logitech Middle East FZ-LLC	United Arab Emirates	Dubai Internet City	100	AED	100,000
Logitech (Streaming Media) SA	Switzerland	Lausanne	100	CHF	100,000
Logitech Hellas MEPE	Greece	Athens	100	EUR	18,000
Logitech Schweiz AG	Switzerland	Zurich	100	CHF	100,000
Logitech Upicto GmbH	Switzerland	Zurich	100	CHF	20,000
Limited Liability Company “Logitech”	Russia	Moscow	100	RUB	8,020,000
Logi Peripherals Technologies (South Africa) (Proprietary) Limited	South Africa	Gauteng	100	ZAR	1,000
Logitech Norway AS	Norway	Oslo	100	NOK	100,000
Logitech Turkey Computer Marketing Services LLC	Turkey	Istanbul	100	TRY	10,000
Logitech Services S.A	Switzerland	Lausanne	100	CHF	100,000
Limited Liability Company Mevo Ukraine	Ukraine	Zaporizhzhia	100	UAH	2,632,568

Note 4 - Investments in subsidiaries: (Continued)

Fiscal year 2021

Name of Subsidiary	Jurisdiction of Incorporation	Municipality	Holding %	Share Capital	
AMERICAS					
Logitech Argentina S.R.L.	Argentina	Buenos Aires	100	ARS	412,400
Logitech Do Brasil Comercio de Accessorios de Informatica Ltda.	Brazil	Sao Paulo	100	BRL	92,686,440
Logitech de Mexico S.A. de C.V.	Mexico	Santa Fe	100	MXN	50,000
Logitech Canada Inc.	Canada	Vancouver	100	CAD	100
Logitech Inc.	United States of America	Newark, California	100	USD	11,522,396
Logitech (Streaming Media) Inc.	United States of America	Newark, California	100	USD	10
Logitech (Slim Devices) Inc.	United States of America	Wilmington, Delaware	100	USD	1
WiLife, Inc.	United States of America	Wilmington, Delaware	100	USD	10
Logitech Servicios Latinoamérica, S.A de C.V	Mexico	Mexico City	100	MXN	50,000
Ultimate Ears Incorporated	United States of America	Carson City, Nevada	100	USD	10
SightSpeed, Inc.	United States of America	Wilmington, Delaware	100	USD	1
UE Acquisition Inc.	United States of America	Wilmington, Delaware	100	USD	10
Logitech Latin America, Inc.	United States of America	Wilmington, Delaware	100	USD	1
Blue Microphones Holding Corporation	United States of America	Newark, California	100	USD	230
Baltic Latvian Universal Electronics, LLC	United States of America	Los Angeles, California	100	USD	—
General Workings Inc.	United States of America	Wilmington, Delaware	100	USD	7,500
Streamlabs Canada Inc.	Canada	Halifax, Nova Scotia	100	CAD	10
Streamlabs LLC	United States of America	San Francisco, California	100	USD	—
Liminal Collective, Inc.	United States of America	Newark, California	100	USD	1
Mevo Inc.	United States of America	Brooklyn, New York.	100	USD	1

Note 4 - Investments in subsidiaries: (Continued)

<u>**Fiscal year 2021**</u>

Name of Subsidiary	Jurisdiction of Incorporation	Municipality	Holding %	Share Capital	
ASIA PACIFIC					
LogiCool Co., Ltd	Japan	Tokyo	100	JPY	155,000,000
Logitech Electronics (India) Private Limited	India	Mumbai, Maharashtra	100	INR	140,340
Logitech Far East Limited	Taiwan, Republic of China	Hsinchu	100	TWD	260,000,000
Logitech Hong Kong Limited	Hong Kong	Hong Kong	100	HKD	100
Logitech Korea Ltd	Republic of Korea	Seoul	100	KRW	150,000,000
Logitech New Zealand Co. Limited	New Zealand	Auckland	100	NZD	10,000
Logitech Service Asia Pacific Pte Ltd	Republic of Singapore	Singapore	100	SGD	1
Logitech Singapore Pte Ltd	Republic of Singapore	Singapore	100	SGD	2,559,863
Logitech Technology (Suzhou) Company, Limited	People's Republic of China	Suzhou	100	USD	22,000,000
Logitech (China) Technology Company Limited	People's Republic of China	Shanghai	100	USD	7,800,000
Logitech Asia Logistics Limited	Hong Kong	Hong Kong	100	HKD	100
Logitech Asia Pacific Limited	Hong Kong	Hong Kong	100	HKD	100
Logitech Australia Computer Peripherals Pty, Limited	Commonwealth of Australia	Sydney	100	AUD	12
Logitech (Beijing) Trading Company Limited	People's Republic of China	Beijing	100	CNY	10,000,000
Logitech Technology (Shenzhen) Consulting Co Limited	People's Republic of China	Shenzhen	100	HKD	110,000
Logitech Engineering & Designs India Private Limited	India	Channai, Tamil Nadu	100	INR	1,457,300
Logi Computer Peripherals (Malaysia) Sdn. Bhd	Malaysia	Kuala Lumpur Wilayah Persekutuan	100	MYR	2
Logitech JB Australia Pty Ltd	Commonwealth of Australia	Sydney	100	AUD	1
Logitech Vietnam Company Limited	Vietnam	Ho Chi Minh City	100	VND	2,316,500,000

Note 5 - Treasury Shares:

During fiscal years 2022 and 2021, repurchases of the Holding Company's shares and issuances from the Holding Company's treasury shares were as follows:

	Number of Transactions	Average Price	Number of shares	Total cost (in thousands) CHF
Held by the Holding Company at March 31, 2020			6,209,647	182,181
Additions Q1	—	—	—	—
Disposals Q1	44	17.58	(1,521,120)	(26,746)
Additions Q2	5	65.69	312,269	20,511
Disposals Q2	54	22.30	(644,165)	(14,365)
Additions Q3	5	75.54	602,951	45,544
Disposals Q3	83	25.5	(717,622)	(18,299)
Additions Q4	10	91.06	930,241	84,705
Disposals Q4	48	29.88	(373,478)	(11,158)
Held by the Holding Company at March 31, 2021			4,798,723	262,373
Additions Q1	7	98.69	505,273	49,863
Disposals Q1	76	34.46	(897,357)	(30,927)
Additions Q2	32	95.45	1,151,258	109,889
Disposals Q2	38	37.79	(226,977)	(8,578)
Additions Q3	64	77.72	1,378,757	107,161
Disposals Q3	15	43.43	(71,108)	(3,089)
Additions Q4	60	71.43	1,571,861	112,289
Disposals Q4	42	41.66	(355,830)	(14,823)
Held by the Holding Company at March 31, 2022			7,854,600	584,158

In May 2020, the Company Board of Directors approved the 2020 share buyback program, which authorized the company to use up to $250.0 million to purchase up to 17.3 million of Logitech shares. The Holding Company's share buyback program is expected to remain in effect for a period of three years through July 27, 2023. Shares may be repurchased from time to time on the open market. Shares have been repurchased from time to time on the open market, through block trades or otherwise. During the fiscal year ended March 31, 2021, the Holding Company repurchased 1.8 million registered shares for approximately CHF 150.6 million, including transaction costs. As of March 31, 2021, CHF 80.5 million ($85.4 million) was still available for repurchase under the 2020 buyback program.

In April 2021, the Holding Company Board of Directors approved an increase in the 2020 share buyback program to an aggregate of $1.0 billion to purchase up to 17.3 million of Logitech shares, subject to approval of the Swiss Takeover Board.

During the fiscal year ended March 31, 2022, the Holding Company repurchased 4.6 million registered shares for approximately CHF 379.2 million, including transaction costs, which would leave CHF 391.5 million ($423.7 million) still available for repurchase under the 2020 share buyback program.

The disposals of treasury shares were to the Holding Company's directors and employees under the Holding Company's share incentive and share purchase plans as well as to settle contingent consideration arising from acquisition. The gain or loss on the disposal of repurchased treasury shares is recorded in the statements of income.

Note 6 - Authorized and Conditional Share Capital Increases:

Authorized Capital

In September 2020, the Holding Company's shareholders approved an amendment to the Holding Company's Articles of Incorporation to authorize the Board of Directors to issue up to 17,310,662 new registered shares until September 9, 2022.

As of March 31, 2022, none of the aforementioned authorized registered shares had been issued.

Conditional capital

In September 2008, the Holding Company's shareholders approved an amendment to the Holding Company's Articles of Incorporation to reserve conditional capital of 25.0 million shares for potential issuance on the exercise of rights granted under the Holding Company's employee equity incentive plans. The shareholders also approved the creation of conditional capital representing the issuance of up to 25.0 million shares to cover any conversion rights under a future convertible bond issuance. This conditional capital was created in order to provide financing flexibility for future expansion, investments or acquisitions.

As of March 31, 2022, none of the aforementioned conditional registered shares had been issued. During fiscal years 2022 and 2021, all employee equity incentive commitments were satisfied from treasury shares held by the Holding Company. A description of the employee equity incentive commitments outstanding is presented in Note 5 of the consolidated financial statements of Logitech International S.A.

Note 7 - Significant Shareholders:

The Holding Company's share capital consists of registered shares. To the knowledge of the Holding Company, the beneficial owners holding more than 3% of the voting rights of the Holding Company as of March 31, 2022 were as follows:

Name	Number of Shares(1)	Percentage of Voting Rights(2)	Relevant Date
BlackRock, Inc.(3)	17,138,825	9.9%	February 17, 2022
The Capital Group Companies, Inc.(4)	5,246,538	3.0%	March 9, 2021

(1) Financial instruments other than shares are not taken into consideration for the calculation of the relevant shareholdings.

(2) Shareholdings are calculated based on the aggregate number of voting rights entered into the Swiss commercial register. This aggregate number was 173,106,620 voting rights as of March 31, 2022.

(3) The number of shares held by BlackRock, Inc. is based on a notification filed with the SIX Swiss Exchange Regulation on February 22, 2022.

(4) The number of shares held by The Capital Group Companies, Inc. is based on a notification filed with the SIX Swiss Exchange Regulation on March 12, 2021.

The Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading of June 19, 2015 requires shareholders who own or have discretionary authority to exercise voting rights exceeding certain percentage thresholds of a company incorporated in Switzerland whose shares are listed on a stock exchange in Switzerland to notify the company and the relevant Swiss exchange of such holdings. Following receipt of this notification, the Holding Company is required to inform the public.

Note 8 - Share Ownership of Board Members and Group Management Team:

The following tables set forth the shares and options held by each of the individual members of the Board of Directors and the Group Management Team as of March 31, 2022 and 2021:

	As of March 31, 2022			
	Shares Held	Options, PRSUs and RSUs Held(1)	Exercise Price	Fiscal Years of Expiration
Non-Group Management Team Members of the Board of Directors:				
Patrick Aebischer	20,348	2,163	n/a	n/a
Wendy Becker	16,109	2,163	n/a	n/a
Edouard Bugnion	35,643	2,163	n/a	n/a
Riet Cadonau(2)	—	3,026	n/a	n/a
Guy Gecht	5,605	2,163	n/a	n/a
Didier Hirsch(3)	6,094	—	n/a	n/a
Neil Hunt	68,609	2,163	n/a	n/a
Marjorie Lao	8,077	2,163	n/a	n/a
Neela Montgomery	7,801	2,163	n/a	n/a
Michael Polk	7,634	2,163	n/a	n/a
Deborah Thomas(4)	2,169	2,163	n/a	n/a
Total Non-Group Management Team Members of the Board of Directors	178,089	22,493		
Members of the Group Management Team:				
Bracken Darrell (5)	787,555	312,038	n/a	n/a
Nathan Olmstead	10,394	91,982	n/a	n/a
Prakash Arunkundrum(6)	39,381	108,557	$38.65	2029
Samantha Harnett (7)	1,317	24,952	n/a	n/a
Total Group Management Team	838,647	537,529		

(1) Each option provides the right to purchase one share at the exercise price. For Mr. Arunkundrum, 50% of the time-based options granted under the Logitech International S.A. 2006 Stock Incentive Plan before Mr. Arunkundrum became a member of the Group Management Team became exercisable in two equal annual installments from the date of grant and 50% of the time-based options became exercisable on the third anniversary of the grant date. PRSUs granted to executive officers (including members of the Group Management Team) are performance-based restricted stock units that may vest upon meeting certain operating performance criteria and share price performance criteria measured against market conditions at the end of three years from the grant date. RSUs granted to executive officers are time-based restricted stock units that vest in four equal annual installments from the date of grant. RSUs granted to non-executive Directors vest in one annual installment.

Note 8 - Share Ownership of Board Members and Group Management Team: (Continued)

(2) Mr. Riet Cadonau was elected to the Board at the Annual General Meeting in September 2020 but, as reported at the time of his nomination and election, he did not join the Board until April 1, 2021 and did not receive any compensation, including equity awards, in fiscal year 2021. On April 15, 2021, he was granted 863 RSUs as a pro-rated equity grant for the Board year from the 2021 Annual General Meeting to the 2022 Annual General Meeting.

(3) Mr. Didier Hirsch did not stand for re-election as a director at the Annual General Meeting in September 2021. He was a member of the Board of Directors prior to fiscal year 2022 until September 2021.

(4) Ms. Deborah Thomas was first elected as a director at the Annual General Meeting in September 2020.

(5) Mr. Bracken Darrell, Logitech's President and Chief Executive Officer, is also a member of the Board of Directors.

(6) Mr. Prakash Arunkundrum was appointed as a member of the Group Management Team on May 27, 2020.

(7) Ms. Samantha Harnett joined the Company as General Counsel on June 22, 2020 and was appointed as a member of the Group Management Team on July 1, 2020.

	As of March 31, 2021			
	Shares Held	Options, PRSUs and RSUs Held[1]	Exercise Price	Fiscal Years of Expiration
Non-Group Management Team Members of the Board of Directors:				
Patrick Aebischer	17,373	3,144	n/a	n/a
Wendy Becker	12,724	3,144	n/a	n/a
Edouard Bugnion	32,688	3,144	n/a	n/a
Riet Cadonau[2]	—	—	n/a	n/a
Guerrino De Luca [3]	77,022	34,333	n/a	n/a
Guy Gecht	3,437	3,144	n/a	n/a
Didier Hirsch	3,736	3,144	n/a	n/a
Neil Hunt	66,440	3,144	n/a	n/a
Marjorie Lao	5,908	3,144	n/a	n/a
Neela Montgomery	5,632	3,144	n/a	n/a
Michael Polk	4,615	3,144	n/a	n/a
Deborah Thomas[4]	—	3,144	n/a	n/a
Total Non-Group Management Team Members of the Board of Directors	229,575	65,773		
Members of the Group Management Team:				
Bracken Darrell [5]	674,226	384,264	n/a	n/a
Nathan Olmstead	10,407	97,374	n/a	n/a
Prakash Arunkundrum[6]	12,239	132,602	$38.65	2029
Samantha Harnett [7]	—	16,470	n/a	n/a
Total Group Management Team	696,872	630,710		

Note 8 - Share Ownership of Board Members and Group Management Team: (Continued)

(1) Each option provides the right to purchase one share at the exercise price. For Mr. Arunkundrum, 50% of the time-based options granted under the Logitech International S.A. 2006 Stock Incentive Plan before Mr. Arunkundrum became a member of the Group Management Team became exercisable in two equal annual installments from the date of grant and 50% of the time-based options will become exercisable on the third anniversary of the grant date. PRSUs granted to executive officers (including members of the Group Management Team and Mr. De Luca) are performance-based restricted stock units that may vest upon meeting certain operating performance criteria and share price performance criteria measured against market conditions at the end of three years from the grant date. RSUs granted to executive officers are time-based restricted stock units that vest in four equal annual installments from the date of grant. RSUs granted to non-executive Directors vest in one annual installment.

(2) Mr. Riet Cadonau was elected to the Board at the Annual General Meeting in September 2020 but, as reported at the time of his nomination and election, he did not join the Board until April 1, 2021 and did not receive any compensation, including equity awards, in fiscal year 2021. On April 15, 2021, he was granted 863 RSUs as a pro-rated equity grant for the Board year from the 2021 Annual General Meeting to the 2022 Annual General Meeting.

(3) Mr. Guerrino De Luca did not stand for re-election as a director at the Annual General Meeting in September 2020. He was an executive member of the Board of Directors prior to fiscal year 2021 and was an employee member of the Board of Directors during fiscal year 2021, until September 2020, and his compensation, including equity awards, was structured similarly to employees of the Company.

(4) Ms. Deborah Thomas was first elected as a director at the Annual General Meeting in September 2020.

(5) Mr. Bracken Darrell, Logitech's President and Chief Executive Officer, is also a member of the Board of Directors.

(6) Mr. Prakash Arunkundrum was appointed as a member of the Group Management Team on May 27, 2020.

(7) Ms. Samantha Harnett joined the Company as General Counsel on June 22, 2020 and was appointed as a member of the Group Management Team on July 1, 2020.

Note 9 - Full-time equivalents:

Logitech International S.A. does not have any employees.

Note 10 - Impacts of COVID-19 on our Business:

In March 2020, the World Health Organization declared the outbreak of COVID-19 as a pandemic, which continues to spread throughout the world. The spread of COVID-19 has caused public health officials to recommend precautions to mitigate the spread of the virus and, in certain markets in which Logitech International S.A and its consolidated subsidiaries ("we") operate, government authorities have from time to time issued orders that require the closure of or restrictions on non-essential businesses and people to be quarantined or to shelter-at-home. The ongoing COVID-19 pandemic has curtailed global economic activity, caused volatility and disruption in global financial and commercial markets, and is likely to continue to cause uncertainty for an indeterminate amount of time. While most of our offices have at least partially reopened or will be reopening in the near future, we are conducting our business with substantial modifications, such as employee remote work in many non-manufacturing facilities and travel limitations, among other changes. We are continuing to actively monitor the situation and may take further actions that alter our business operations as may be required by federal, state or local authorities in the countries in which we operate, or that we determine are in the best interest of our employees, customers, partners, suppliers or shareholders.

Note 10 - Impacts of COVID-19 on our Business: (Continued)

Since the outbreak of COVID-19 in early 2020 we experienced disruptions to our supply chain and logistics, inventory constraints, and increased logistics costs, as we attempted to address the effects of the COVID-19 pandemic. At the same time, due to the shelter-at-home requirements or other restrictions in many countries, there was an acceleration of work-from-anywhere, learn-from-anywhere, gaming, video collaboration and streaming trends and high demand and consumption of certain of our products that led to increased sales and operating income. While we continued to experience increased sales in fiscal year 2022 compared to fiscal year 2021, we also experienced supply and demand volatility, as the COVID-19 pandemic and related safety measures and restrictions have evolved differently across the world. Further, the demand volatility has led to, and could continue to lead to in the future, higher promotions and marketing expenses, or excess inventories, or both, which could have an adverse impact on our results of operations.

In addition, the COVID-19 pandemic has resulted in, and could continue to result in, industry-wide global supply chain challenges, including manufacturing, transportation and logistics. We purchase certain products and key components from a limited number of sources, and depend on the supply chain, including freight, to receive components, transport finished goods and deliver our products across the world. While we proactively manage our supply chain, we expect to continue to be impacted by higher logistics and component costs, prolonged delays, and challenges with component availability. Most recently, Shanghai, China, began a lockdown in late March 2022 due to another outbreak of COVID-19, resulting in a lockdown of the city, closures of ports and airports, and disruption of commercial activities, further constraining our supply chain. If the Shanghai lockdown is extended, including to our Suzhou manufacturing facility, and to other places where our suppliers and partners are located, such measures, depending on their duration, could cause additional negative impact on our business and results of operations.

It is still difficult to predict the progression, the duration and all of the effects of COVID-19, how business restrictions and shelter-at-home guidelines will continue evolving on a global basis, how consumer demand, supply chain challenges, including inventory and logistical effects and costs, may change over time, and the impact on our future sales and results of operations. The full extent of the impact of the COVID-19 pandemic on our business and our operational and financial performance remains uncertain and will depend on many factors outside our control.

Note 11 - Impacts of Macroeconomic and Geopolitical Conditions on our Business:

Adverse macroeconomic conditions, including but not limited to inflation, slower growth or recession, new or increased tariffs, changes to fiscal and monetary policy, higher interest rates and currency fluctuations could adversely affect demand for our products. In addition, in February 2022, Russia invaded Ukraine resulting in, among other things, broad economic sanctions being imposed on Russia, which has further increased existing global supply chain, logistics, and inflationary challenges. Such global or regional economic and political conditions may also have a significant impact on our suppliers, contract manufacturers, logistics providers, and distributors, causing increases in cost of materials. Furthermore, these conditions may lead to price increases in certain of our product markets. Price increases may not successfully offset cost increases or may cause us to lose market share and in turn adversely impact our operations.

In the fourth quarter of fiscal year 2022, we indefinitely ceased all sales and shipments to Russia. Our sales in Ukraine have also been halted due to the ongoing military operations on the Ukrainian territory. Our business in Russia and Ukraine were not material to our results and accounted for approximately 2% of total revenue for fiscal year 2022.

Note 12 - Subsequent Events:

There are no significant events after the balance sheet date which could impact the book value of the assets or liabilities or which should be disclosed here.

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PROPOSAL OF THE BOARD OF DIRECTORS FOR APPROPRIATION OF RETAINED EARNINGS (in the Annual Report)

The proposal of the Board of Directors for appropriation of retained earnings was as follows for the fiscal year 2022 (in thousands):

		Year ended March 31, 2022
Available earnings brought forward	CHF	1,046,524
Profit for the year		646,977
Retained earnings available at end of fiscal year 2022		1,693,501
Proposed dividend[1]		(166,546)
Balance of retained earnings to be carried forward	CHF	1,526,955

(1) The Board of Directors proposes a gross distribution of CHF 0.9621 per registered share. Based on the current shares issued (173,106,620 shares) and the proposed dividend per share, the maximum aggregate gross dividend would be CHF 166,545,879. The proposed dividend will only be paid on shares outstanding, net of treasury shares, as of the record date for the dividend. As of March 31, 2022 there were 165,252,020 shares outstanding, net of treasury shares, which would result in an aggregate gross dividend of CHF 158,988,968. This amount may vary as of the record date for the dividend.