

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION**

SPENCER WONG, Individually and on Behalf
of All Others Similarly Situated,

Plaintiff,

v.

ARLO TECHNOLOGIES, INC.; MATTHEW
McRAE; CHRISTINE M. GORJANC;
PATRICK C.S. LO; ANDREW W. KIM;
NETGEAR, INC.; MERRILL LYNCH,
PIERCE, FENNER & SMITH INC.;
DEUTSCHE BANK SECURITIES INC.;
GUGGENHEIM SECURITIES LLC;
RAYMOND JAMES & ASSOCIATES, INC.;
COWEN AND COMPANY, LLC; and
IMPERIAL CAPITAL, LLC,

Defendants.

Case No. 5:19-cv-00372-BLF

NOTICE AND PLAN OF ALLOCATION

**NOTICE OF PROPOSED SETTLEMENT OF CLASS ACTION, MOTION FOR ATTORNEYS' FEES
AND EXPENSES, AND SETTLEMENT FAIRNESS HEARING**

**PLEASE READ THIS ENTIRE NOTICE CAREFULLY. IT CONTAINS IMPORTANT
INFORMATION ABOUT YOUR RIGHTS CONCERNING A PROPOSED CLASS ACTION
SETTLEMENT.**

A Federal Court authorized this Notice. This is not a solicitation from a lawyer.

If you purchased common stock of Arlo Technologies, Inc. (“Arlo”) between August 3, 2018 through December 2, 2018, inclusive (“Class Period”), you could get a payment from a class action settlement.¹

The Settlement, if approved by the Court, would provide **\$1,250,000.00** in cash for the benefit of the Settlement Class (described below).

The Settlement resolves claims by Matis Nyman (“Lead Plaintiff”) in a class action against Arlo, certain of its current and former officers and directors, certain investment banks that served as underwriters in Arlo’s initial public offering, and a former Arlo stockholder. Lead Plaintiff alleges that Defendants made materially false or misleading statements concerning Arlo’s ability to innovate new products and the availability of such products.

¹ Capitalized terms used in this Notice that are not otherwise defined shall have the same meaning ascribed to them in the Stipulation and Agreement of Settlement dated September 23, 2020, which is available on the website established for the Settlement at www.ArloSecuritiesLitigation.com.

Defendants Arlo; Matthew McRae; Christine M. Gorjanc; Patrick C.S. Lo; Andrew W. Kim (the “Individual Defendants,” and together with Arlo, the “Arlo Defendants”); and Merrill Lynch, Pierce, Fenner & Smith Incorporated; Deutsche Bank Securities Inc.; Guggenheim Securities LLC; Raymond James & Associates, Inc.; Cowen and Company, LLC; and Imperial Capital, LLC (the “Underwriter Defendants”); and NETGEAR, Inc. (“Netgear”) deny all allegations of misconduct. Defendants also deny that Lead Plaintiff or any member of the Settlement Class suffered damages. The Court has not decided in favor of any party in the litigation.

Class Counsel intends to seek attorneys’ fees not to exceed 25% of the Settlement Fund, as well as for reimbursement of litigation expenses, which will include a reimbursement request for Lead Plaintiff pursuant to the Private Securities Litigation Reform Act of 1995 (the “PSLRA”). If approved by the Court, these amounts will be deducted from the \$1,250,000 amount. The estimated average recovery, after deducting attorneys’ fees and expenses, administrative costs, and an award of reasonable costs and expenses to Lead Plaintiff would be approximately \$0.0684 per allegedly damaged share.

The parties do not agree on the average amount of damages per share that would be recoverable if Lead Plaintiff were to prevail in the litigation. The issues on which the parties disagree are many, but include the extent to which certain public statements made by defendants – that Lead Plaintiff claims were false or misleading – influenced (if at all) the price of Arlo’s common stock.

The Court has not yet approved the Settlement. Payments will be made only if the Court approves the Settlement and after any appeals are resolved. Please be patient.

If you are a member of the Settlement Class, your legal rights will be affected by this Settlement whether you act or do not act. Read this notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS WITH REGARD TO THIS SETTLEMENT

MAIL IN A PROOF OF CLAIM AND RELEASE FORM BY FEBRUARY 25, 2021	This is the only way to get a payment. (See Question 9.)
EXCLUDE YOURSELF FROM THE CLASS BY FEBRUARY 18, 2021	You will get no payment and cannot object or speak at the hearing. This is the only way you can ever be a part of any other lawsuit against Defendants concerning the subject matter of this case. (See Question 11.)
OBJECT BY FEBRUARY 18, 2021	Write to the Court about why you do not like the Settlement, the Plan of Allocation, or the request for attorneys’ fees. You can still mail in a Proof of Claim form. If the Court approves the Settlement, you will be bound by it. (See Question 13.)
ATTEND THE FINAL APPROVAL HEARING ON MARCH 11, 2021	Ask to speak in Court about the fairness of the Settlement. If the Court approves the Settlement, you will be bound by it. (See Question 21.) The Court may postpone the hearing without prior notice on the date scheduled for the hearing.
DO NOTHING	You will get no payment AND give up your rights to bring your own individual action. (See Question 15.)

These rights and options, and the deadlines to exercise them, are explained in further detail later in this Notice.

Further Information: Lead Plaintiff and the Settlement Class are represented by Aaron Zigler of Keller Lenkner LLC. Further information regarding the Action, the Settlement, and this Notice may be obtained by contacting Class Counsel at Arlo Securities Litigation, c/o Keller Lenkner LLC, 150 N. Riverside Plaza, Suite 4270, Chicago, IL 60606, (312) 776-2920, arloclaims@klclientservices.com, or the Settlement Administrator at Arlo Securities Litigation, c/o Settlement Administrator, 1650 Arch Street, Suite 2210, Philadelphia, PA 19130, (844) 983-1303, info@ArloSecuritiesLitigation.com.

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1. Why did I receive this Notice?

You have received this Notice because you or someone in your family may have purchased or acquired the publicly traded common stock of Arlo from August 3, 2018, through December 2, 2018, inclusive, including stock purchased in the public offering of Arlo common stock conducted on or around August 7, 2018.

You have a right to know about a proposed settlement of a class action lawsuit and about all of your options before the Court decides whether to approve the Settlement. If the Court approves the Settlement, and after any objections and appeals are resolved, a Settlement Administrator appointed by the Court will make

payments to members of the Settlement Class who mail in valid claims.

This Notice explains the lawsuit, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The case is known as *Wong v. Arlo Technologies, Inc., et al.*, Case No. 5:19-cv-00372-BLF (the “Action”). The Court in charge of the case is the United States District Court for the Northern District of California. The presiding judge is the Honorable Beth Labson Freeman. The Court did not decide in favor of either side. Instead, the parties have agreed to a settlement.

2. Why is this lawsuit called a “class action”?

A class action is a type of lawsuit in which similar claims of a large number of individuals or entities are prosecuted together, which allows for the efficient and consistent resolution of common claims among a group of persons in a single proceeding. In a class action, the court appoints one or more people, known as the class representatives, to sue on behalf of all people with similar claims, commonly known as the class members. A class action allows the claims of all class members to be heard even though the amount involved may not be large enough for the individual class member to incur the expense of bringing his or her own action. The Court here has certified the lawsuit as a class action for the purposes of this settlement and has appointed Lead Plaintiff Matis Nayman as the class representative and the law firm of Keller Lenkner LLC as Class Counsel.

3. What is this lawsuit about and what has happened?

Arlo is a consumer electronics company that makes home security cameras, security lights, and doorbells. On or around August 7, 2018, Arlo conducted an initial public offering of its common stock (the “IPO”).

Lead Plaintiff alleges that Defendants violated the federal securities laws during and after the IPO. Specifically, Lead Plaintiff asserts claims under sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the “Exchange Act”) and sections 11 and 15 of the Securities Act of 1933 (the “Securities Act”).

Lead Plaintiff alleges that Defendants made materially false or misleading statements and/or failed to disclose material facts concerning Arlo’s ability to develop new products (including a camera called “Arlo Ultra”) and when new products would be available. Lead Plaintiff alleges that the price of Arlo’s stock was artificially inflated as a result of Defendants’ actions and that investors suffered injury as a result. Defendants deny all allegations of misconduct, deny that they made any false or misleading statements, deny that Arlo’s stock price was artificially inflated, and deny that investors suffered damage.

Lead Plaintiff commenced this action on January 22, 2019 and filed an amended complaint on June 7, 2019. On August 6, 2019, Defendants filed a motion to dismiss the amended complaint, which triggered a stay of discovery. On December 19, 2019, the Court granted the motion to dismiss, but gave Lead Plaintiff leave to amend. On February 13, 2020, Lead Plaintiff filed a Second Amended Complaint. The parties engaged in arms’-length negotiations and reached an agreement in principle to settle the Action for \$1,250,000, subject to the execution of formal settlement documents. On June 11, 2020, the parties signed a Stipulation and Agreement of Settlement, which was amended on September 23, 2020 (the “Stipulation”), setting forth the terms and conditions of the proposed Settlement.

On June 12, 2020, Lead Plaintiff filed a motion for preliminary approval of the Settlement. On September 24, 2020, the Court entered an order preliminarily approving the proposed Settlement, authorizing the mailing of this Notice to potential Settlement Class Members, and scheduling a hearing to consider whether to grant final approval of the Settlement (the “Settlement Hearing”).

4. What are the reasons for the Settlement?

Lead Plaintiff and Class Counsel believe that their claims have merit, and that their legal advocacy and diligent factual investigation have led to a fair and reasonable Settlement. Lead Plaintiff and Class Counsel have taken into account the uncertain outcome and the risk of litigation, especially in complex actions such as this one. Lead Plaintiff and Class Counsel also investigated extensively the financial condition of Arlo, its ability to continue to litigate or pay a judgment in the Action, and the likelihood that a favorable judgment at trial may ultimately not be recoverable, as well as the extent of the Company's applicable insurance and the likely depletion of that insurance as a result of continued litigation. In light of the foregoing, Lead Plaintiff and Class Counsel believe that the Settlement confers substantial benefits upon the Settlement Class, and believe that the Settlement is fair, adequate, reasonable, and in the best interests of the Class.

Defendants deny all allegations of wrongdoing and liability and deny that any members of the Settlement Class were damaged. Nonetheless, Defendants have concluded that further litigation could be protracted, expensive, and distracting, and that it is desirable that the Action be fully and finally settled upon the terms and conditions set forth in the Stipulation. By entering into the Stipulation, Defendants in no way admit or acknowledge any wrongdoing or liability.

5. Who is included in the Settlement Class?

The Court has certified the following "Settlement Class," subject to certain exceptions identified below:

All persons or entities who purchased or otherwise acquired Arlo common stock during the period from August 3, 2018, through December 2, 2018, inclusive (the "Class Period"), including stock purchased in or traceable to the public offering of Arlo common stock conducted on or around August 7, 2018, who were damaged thereby.

6. Who is not included in the Settlement Class?

Some people are excluded from the Settlement Class by definition. They include: (i) Defendants and the Individual Defendants' family members; (ii) directors and officers of Arlo and their families; (iii) any entity in which the Arlo Defendants or NETGEAR have or had a controlling interest; (iv) any entity in which the Underwriter Defendants have or had a majority interest; and (v) any person who mails a request for exclusion from the Settlement Class that is accepted by the Court.

7. If I am not sure whether I am included in the Settlement Class, is there someone I can contact?

If you are uncertain about whether you are included in the Settlement Class, you may contact the Settlement Administrator at Arlo Securities Litigation, c/o Settlement Administrator, 1650 Arch Street, Suite 2210, Philadelphia, PA 19130, info@ArloSecuritiesLitigation.com, or you may contact Class Counsel at the address and telephone number listed in paragraph 16 of this Notice. You can also fill out and return a Proof of Claim to see if you qualify.

8. What are the Settlement's benefits?

If the Settlement is approved by the Court, Arlo will pay \$1,250,000 in cash to a Settlement Fund. A portion of the Settlement Fund will be used to pay Court-approved attorneys' fees and expenses, any award of costs and expenses to the class representative, and the costs of notice and claims administration. The remaining amount (the "Net Settlement Fund") will be distributed to Settlement Class Members who mail in valid claims ("Authorized Claimants"), in accordance with the Plan of Allocation described below.

If you are an Authorized Claimant, your share of the Net Settlement Fund will depend on several things, including: how many Settlement Class Members mail timely and valid claim forms; the total amount of recognized losses of other Settlement Class Members; how many shares of Arlo common stock that you purchased; the prices and dates of those purchase; and the prices and dates of any sales.

9. How can I receive a payment?

To qualify for a payment, you must be a Settlement Class Member, mail in a valid Proof of Claim postmarked by February 25, 2021, and properly document your claim as requested in the form. The Settlement Administrator will determine whether you are an Authorized Claimant.

A Proof of Claim form is included with this Notice. If you did not receive a form, you can obtain one on the internet at the website www.ArloSecuritiesLitigation.com. You can also ask for a form by calling the Settlement Administrator toll-free at (844) 983-1303.

Read the instructions carefully, fill out the form, include all requested documentation, sign the form, and then mail it to the Settlement Administrator so that it is **postmarked no later than February 25, 2021**.

10. What am I giving up to receive a payment or remain in the Settlement Class?

Unless you exclude yourself from the Settlement Class, you will remain in the Settlement Class and you will be bound by the terms of the Settlement, regardless of whether you receive a payment. Upon the “Effective Date,” you will release all “Settlement Class Claims,” including “Unknown Claims” against all “Released Persons.”

“**Settlement Class Claims**” means all claims, rights, liabilities, and causes of action of every nature and description, including Unknown Claims, whether contingent or absolute, mature or unmature, discoverable or undiscoverable, liquidated or unliquidated, accrued or unaccrued, including those that are concealed or hidden, regardless of legal or equitable theory, that Plaintiff or any other member(s) of the Settlement Class asserted or could have asserted in any forum (i) that arise out of, are based upon, or are related in any way directly or indirectly, in whole or in part to, the allegations, transactions, facts, matters, occurrences, representations, or omissions referred to in any of the complaints filed in the Action and/or that relate to the purchase, sale, acquisition, or retention of Arlo common stock during the Class Period; or (ii) that are related the administration of the Settlement. Notwithstanding the foregoing, “Settlement Class Claims” does not include any claims asserted on behalf of the Company in any derivative action.

“**Released Persons**” means collectively, each and all of (i) the Defendants, the members of each Individual Defendant’s immediate family, any entity in which any Defendant or member of any Individual Defendant’s immediate family has, or had during the Class Period, a controlling interest (directly or indirectly), any estate or trust of which any Individual Defendant is a settlor or which is for the benefit of any Individual Defendant and/or members of his family; and (ii) for each and every Person listed in part (i), their respective past, present, and future heirs, executors, administrators, predecessors, successors, assigns, employees, agents, affiliates, analysts, assignees, attorneys, auditors, co-insurers, commercial bank lenders, consultants, controlling shareholders, directors, divisions, domestic partners, financial advisors, general or limited partners, general or limited partnerships, insurers, investment advisors, investment bankers, investment banks, joint ventures and joint venturers, managers, managing directors, marital communities, members, officers, parents, personal or legal representatives, principals, reinsurers, selling shareholders, shareholders, spouses, subsidiaries (foreign or domestic), trustees, underwriters, and other retained professionals, in their respective capacities as such.

“Unknown Claims” means collectively, any and all Settlement Class Claims that any Plaintiff or any other Settlement Class Member does not know or suspect to exist in his, her, or its favor, and any Defendant Claims that any Defendant does not know or suspect to exist in his, her, or its favor; including those, which, if known by him, her, or it, might have affected his, her, or its decision to enter into this Settlement, execute this Stipulation, and agree to all the various releases set forth herein, or might have affected his, her, or its decision not to object to this Settlement or not exclude himself, herself, or itself from the Settlement Class. Unknown Claims include, without limitation, those claims in which some or all of the facts composing the claim may be unsuspected or undisclosed, concealed, or hidden. The parties stipulate and agree that this provision is to be interpreted to the broadest extent permitted by any applicable law, regulation, or rule. With respect to any and all Settled Claims, the parties stipulate and agree that, upon the Effective Date, the parties shall expressly waive and each of the Settlement Class Members shall be deemed to have, and by operation of the Judgment shall have, waived all provisions, rights, and benefits of California Civil Code § 1542 and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to California Civil Code § 1542. California Civil Code § 1542 provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

The parties expressly acknowledge, and the Settlement Class Members shall be deemed to have, and by operation of the Judgment shall have, acknowledged that the waiver and release of Unknown Claims constituting Settled Claims was separately bargained for and a material element of the Settlement.

Please consult the Stipulation, filed with the Court and posted at www.ArloSecuritiesLitigation.com, for additional defined terms.

11. Can I exclude myself from the Settlement Class? How do I exclude myself?

To exclude yourself from the Settlement Class, or “opt out,” you must mail a signed letter stating that you request to be “excluded from the Settlement Class in the *Arlo Securities Litigation*.” To be valid, the letter must state: (1) your name, address, telephone number, signature, and email address, (2) and the date, number of shares, and dollar amount of all purchases, acquisitions, sales, or dispositions of Arlo common stock on or after August 3, 2018.

You must mail your exclusion request, **postmarked no later than February 18, 2021**, to Arlo Securities Litigation, Attn: Exclusion Requests, 1650 Arch Street, Suite 2210, Philadelphia, PA 19130. You cannot exclude yourself by telephone or email.

If you ask to be excluded, you will not receive a payment, you cannot object to the Settlement, and you will not be legally bound by any judgment in this case.

12. If I don’t exclude myself, can I sue the Defendants and the other Released Persons for the same thing later?

No. Unless you exclude yourself from the Settlement Class, you give up any rights to sue the Released Persons for the claims being released in this Settlement. If you have a pending lawsuit, **speak to your lawyer in that case immediately**. You must exclude yourself from the Settlement Class to continue your own lawsuit.

13. How do I tell the Court I object to the proposed Settlement?

If you are a Settlement Class Member and you object to any aspect of the Settlement, the Plan of Allocation, or the application for attorneys’ fees and expenses, you can ask the Court to deny final approval by filing an objection. The Court can only approve or deny the Settlement, not change its terms. If the Court denies approval, settlement payments will not be sent out and the lawsuit will continue.

To object, you must either (1) file with the Court, on or before February 18, 2021, or (2) mail to the parties and the Clerk of the Court, postmarked on or before February 18, 2021, a letter stating that you object to the Settlement in *Wong v. Arlo Technologies, Inc., et al.*, Case No. 19-cv-00372-BLF. The letter must include: (1) your name, address, telephone number, signature, and email address, (2) and the date, number of shares, and dollar amount of all purchases, acquisitions, sales, or dispositions of Arlo common stock on or after August 3, 2018; and (3) a description of the specific part of the Stipulation or Settlement to which you object and all grounds for your objection, including any evidence you wish to bring to the Court’s attention and any legal support known to you or your counsel. Unless otherwise ordered by the Court, any Settlement Class Member who does not object in the manner described above will be deemed to have waived any objection and shall be forever foreclosed from making any future objection.

If you elect to file your letter with the Court, you must do so on or before February 18, 2021 at the address below. If you elect to mail your letter to the parties and to the Clerk of the Court, the letters must be mailed to Class Counsel and Defendants’ Counsel and, **postmarked on or before February 18, 2021:**

COURT	CLASS COUNSEL	DEFENDANTS’ COUNSEL
Office of the Clerk United States District Court Northern District of California 450 Golden Gate Avenue San Francisco, CA 94102-3489	KELLER LENKNER LLC Aaron M. Zigler 150 N. Riverside Plaza Suite 4270 Chicago, IL 60606	<p>For the Arlo Defendants:</p> COOLEY LLP Koji F. Fukumura 4401 Eastgate Mall San Diego, CA 92121
		<p>For the Underwriter Defendants:</p> DAVIS POLK & WARDWELL LLP Neal A. Potischman 1600 El Camino Real Menlo Park, CA 94025
		<p>For NETGEAR:</p> WILSON SONSINI GOODRICH & ROSATI Catherine Moreno 650 Page Mill Road Palo Alto, CA 94304

Even if you object, you **must** still mail in a Proof of Claim to be eligible for a cash payment from the Settlement. If you do not mail a claim form in accordance with the Proof of Claim requirements, you will not receive a payment.

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

Objecting is simply telling the Court that you do not like something about the proposed Settlement, the Plan of Allocation, or the fee and expense application. You can still recover from the Settlement. You can object *only* if you stay in the Settlement Class. Excluding yourself is telling the Court that you do not want to be part of the Settlement Class.

15. What happens if I do nothing at all?

You may do nothing at all. If you choose this option, you will not share in the proceeds of the Settlement, but you will be bound by any judgment entered by the Court, and you shall be deemed to have, and by operation of the Judgment shall have, fully released all of the Settlement Class Claims against the Released Persons.

16. Do I have a lawyer in this case?

The Court ordered that the firm of Keller Lenkner LLC represent the Settlement Class, including you. These lawyers are called Class Counsel. You will not be charged for these lawyers. They will be paid from the Settlement Fund to the extent the Court approves their application for fees and expenses. If you want to be represented by your own lawyer, you may hire one at your own expense.

You may contact Class Counsel at:
Arlo Securities Litigation
c/o Keller Lenkner LLC
150 N. Riverside Plaza, Suite 4270
Chicago, IL
(312) 776-2920
arloclaims@klclientservices.com

17. How will the lawyers be paid?

At the Settlement Hearing, Class Counsel will request the Court to award attorneys' fees of not more than 25% of the Settlement Amount, plus expenses, plus interest thereon. Lead Plaintiff may apply for reimbursement of his costs and expenses in representing the Settlement Class. Such sums as may be approved by the Court will be paid from the Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses.

To date, Class Counsel have not received any payment for their services in conducting this Action on behalf of the Lead Plaintiff and the Settlement Class, nor have Class Counsel been paid their expenses. The fee requested by Class Counsel will compensate counsel for its efforts in achieving the Settlement for the benefit of the Settlement Class, and for its risk in undertaking this representation on a wholly contingent basis. Class Counsel believes that the fee requested is well within the range of fees awarded to plaintiffs' counsel under similar circumstances in other litigation of this type. The fee to be requested has been approved by the Lead Plaintiff.

18. Can I hire my own lawyer?

Yes. If you are a Settlement Class Member, you may, but are not required to, enter an appearance through counsel of your own choosing and at your own expense, provided that such counsel must file an appearance on your behalf on or before March 11, 2021, and must serve copies of such appearance on the attorneys listed in Question 13. If you do not enter an appearance through counsel of your own choosing, you will be represented by Class Counsel.

19. When and where will the Court decide whether to approve the Settlement?

The Court will hold a Settlement Hearing on March 11, 2021 at 1:30 p.m. at the United States District Court for the Northern District of California, Courtroom 3, 5th floor of the San Jose Courthouse, 280 S. 1st Street, San Jose, CA 95113. Due to the ongoing coronavirus pandemic, the hearing may be held over Zoom conference. Please check the United States Court for the Northern District of California website for the latest COVID-19 protocols.

At the hearing the Court will consider: (1) whether the Settlement and plan to distribute the proceeds is fair, reasonable, and adequate and should be approved; (2) whether to approve any application by Lead Counsel for an award of attorneys' fees and expenses and the application of Lead Plaintiff for an award of his expenses.

The Court may adjourn the Settlement Hearing from time to time and without further notice to the Settlement Class. Settlement Class Members should check the Settlement website or the Court's PACER site (see below) to confirm that the date of the Settlement Hearing has not been changed.

20. Do I have to come to the hearing?

No. Class Counsel will answer questions the Court may have. However, you are welcome to come at your own expense. If you mail an objection or statement in support of the Settlement, you are not required to come to Court to discuss it. As long as you mailed your objection on time, the Court will consider it. You may also pay your own lawyer to attend, but you are not required to do so. Settlement Class Members do not need to appear at the hearing or take any other action to indicate their approval.

21. May I speak at the hearing?

If you object to the Settlement, the Plan of Allocation, or the fee and expense application, you may ask the Court for permission to speak at the Settlement Hearing. To do so, you must send a letter by mail stating that you intend to appear at the settlement hearing in *Wong v. Arlo Technologies, Inc., et al.*, Case No. 19-cv-00372-BLF. Your letter should comply with all the requirements set forth in Question 13 above for submitted a writing objection, and it must be received no later than February 18, 2021 by the Clerk of the Court, Class Counsel and the Defendants' Counsel at the addresses listed in Question 13.

If you desire to present evidence at the Settlement Hearing, you must identify any witnesses you may call to testify and exhibits you intend to introduce into evidence at the Settlement Hearing. Your letter must also identify all attorneys who will appear on your behalf, and your attorneys must file a notice of intent to appear.

You cannot speak at the hearing if you exclude yourself.

22. How will the Net Settlement Fund be distributed among Settlement Class Members?
What is the Plan of Allocation?

Only Settlement Class Members will be eligible to share in the distribution of the Net Settlement Fund. At this time, it is not possible to make any determinations as to how much the members of the Settlement Class who make timely approved claims may receive from the Settlement. After approval of the Settlement by the Court and upon satisfaction of the other conditions of the Settlement, the Settlement Fund will be distributed to the Authorized Claimants in accordance with a plan of allocation approved by the Court. The plan of allocation is a matter separate and apart from the proposed Settlement, and any decision by the Court concerning the plan of allocation shall not affect the validity or finality of the proposed Settlement.

A proposed plan of allocation (“Plan of Allocation”) is described below. Under that Plan of Allocation, if you make a timely and valid claim by February 25, 2021, your share of the Net Settlement Fund will depend on several things, including: how many Settlement Class Members mail timely and valid claim forms; the total amount of recognized claims of other Settlement Class Members; how many shares of Arlo common stock that you purchased; the prices and dates of those purchase; and the prices and dates of any sales.

23. How do I get more information about the Proposed Settlement?

This Notice contains only a summary of the terms of the proposed Settlement and does not describe all the details of the Stipulation. For precise terms and conditions of the Settlement, please see the Stipulation available at www.ArloSecuritiesLitigation.com, by contacting Class Counsel at Arlo Securities Litigation, c/o Keller Lenkner LLC, 150 N. Riverside Plaza, Suite 4270, Chicago, IL 60606, (312) 776-2920, arloclaims@klclientservices.com, by accessing the Court docket in this case through the Court’s Public Access to Court Electronic Records (PACER) system at <https://ecf.cand.uscourts.gov>, or by visiting the office of the Clerk on the 2nd floor of the Court for the United States District Court for the Northern District of California, San Jose Courthouse, 280 S. 1st Street, San Jose, CA 95113, between 9:00 a.m. and 4:00 p.m., Monday through Friday, excluding Court holidays. **DO NOT TELEPHONE THE COURT REGARDING THIS NOTICE.**

PROPOSED PLAN OF ALLOCATION

A proposed Plan of Allocation has been prepared by Lead Plaintiff and Class Counsel. The objective of the Plan of Allocation is to distribute equitably the Settlement proceeds to the members of the Settlement Class who allegedly suffered losses as a result of the alleged violations of the federal securities law.

Under the Plan of Allocation, a Settlement Class Member who mails a timely and valid Proof of Claim, in accordance with the requirements established by the Court and which is approved for payment from the Settlement Fund, shall be deemed an “Authorized Claimant.” The Settlement Administrator shall determine each Authorized Claimant’s share of the Net Settlement Fund based upon a recognized loss formula (the “Recognized Loss”) described below. A Recognized Loss will be calculated for each share of Arlo common stock purchased or otherwise acquired during the Class Period (i.e., August 3, 2018 through December 2, 2018, inclusive), including stock acquired pursuant and/or traceable to Arlo’s initial public offer on or about August 7, 2018 (the “IPO”). A Claimant’s “Recognized Claim” will be the sum of his, her, or its Recognized Loss Amounts as calculated above with respect to all shares of Arlo common stock.

The calculation of Recognized Loss will depend upon several factors, including when shares of Arlo common stock were purchased or otherwise acquired, and for what amounts, and whether those shares were sold, and if sold, when they were sold, and for what amounts. The calculations of Recognized Loss are not intended to be estimates of, nor indicative of, the amounts that Settlement Class Members might have been able to recover at trial. Nor are the calculations of Recognized Loss intended to be estimates of the amounts that will be paid to Authorized Claimants pursuant to the Settlement. The calculations of Recognized Loss are only a method to weigh the claims of Authorized Claimants against one another for the purposes of making *pro rata* allocations of the Net Settlement Fund. The Settlement Administrator will use its best efforts to administer and distribute the New Settlement Fund to the extent that it is equitably and economically feasible.

The Plan of Allocation reflects the assumption that the price of Arlo common stock was artificially inflated during the Class Period. The computation of the estimated alleged artificial inflation in the price of Arlo’s common stock is based on certain misrepresentations alleged by Lead Plaintiff and the decline in the price of Arlo common stock in reaction to public announcements that allegedly corrected the alleged misrepresentations. Lead Plaintiff and Class Counsel have determined that such price declines occurred on October 26, 2018, and December 3, 2018 (the “Corrective Disclosure Dates”).

Federal securities laws allow investors to recover for losses caused by disclosures that corrected Defendants' misleading statements or omissions. Thus, in order to have been damaged by the alleged violations of the federal securities laws, Arlo common stock purchased or otherwise acquired during the Class Period must have been held until its price declined due to the disclosure of information which corrected an allegedly misleading statement or omission. Accordingly, if Arlo common stock was sold before October 26, 2018 (the earliest Corrective Disclosure Date), the Recognized Loss for such shares is \$0.00, and any loss suffered is not compensable under the federal securities laws. Likewise, if Arlo common stock was purchased and sold between the two Corrective Disclosures Dates (i.e., October 26, 2018 and December 3, 2018), the Recognized Loss for such shares is \$0.00.

The Recognized Loss per Share of Arlo common stock will be calculated as set forth below.

- 1) For each share of Arlo common stock purchased or otherwise acquired before the close of trading on October 25, 2018, and sold before or at the close of trading on October 25, 2018, the Recognized Loss will be \$0.00;
- 2) For each share of Arlo common stock purchased or otherwise acquired before or at the close of trading on October 25, 2018, and sold after the close of trading on October 25, 2018, but before or at close of trading on December 2, 2018, the Recognized Loss will be the lesser of:
 - a. \$1.78;
 - b. \$16.00 minus the sale price; or
 - c. the purchase price minus the sale price;
- 3) For each share of Arlo common stock purchased or otherwise acquired before or at the close of trading on October 25, 2018, and sold after the close of trading on December 2, 2018, but fore or at the close of trading on December 10, 2018, the Recognized Loss will be the lesser of:
 - a. \$4.53;
 - b. the purchase price (or \$16.00, whichever is less) minus the sale price; or
 - c. the purchase price minus the "bounce back" sale price set forth in Table 1;
- 4) For each share of Arlo common stock purchased or otherwise acquired before or at the close of trading on October 25, 2018, and sold after the close of trading on December 10, 2018, or not sold at all, the Recognized Loss will be the lesser of:
 - a. \$4.53;
 - b. the purchase price (or \$16.00, whichever is less) minus the sale price (or \$9.86, whichever is more); or
 - c. the purchase price minus the "bounce back" sale price set forth in Table 1;
- 5) For each share of Arlo common stock purchased or otherwise acquired after the close of trading on October 25, 2018, and sold before or at the close of trading on December 2, 2018, the Recognized Loss will be \$0.00;
- 6) For each share of Arlo common stock purchased or otherwise acquired after the close of trading on October 25, 2018, but before or at the close of trading on December 2, 2018, and sold after the close of trading on December 2, 2018, but before or at the close of trading on December 10, 2018, the Recognized Loss will be the lesser of:
 - a. \$2.75;
 - b. the purchase price minus the sale price; or
 - c. the purchase price minus the "bounce back" sale price set forth in Table 1;

- 7) For each share of Arlo common stock purchased or otherwise acquired after the close of trading on October 25, 2018, but before or at the close of trading on December 2, 2018, and sold after the close of trading on December 10, 2018, or not sold at all, the Recognized Loss will be the lesser of:
- \$2.75;
 - the purchase price minus the sale price (or \$9.86, whichever is higher); or
 - the purchase price minus the “bounce back” sale price set forth in Table 1.

Table 1 (“Bounce Back” Sale Price)

Date/Price	Date/Price	Date/Price	Date/Price
2018-12-03	9.28	2019-01-17	9.11
2018-12-04	9.04	2019-01-18	9.06
2018-12-06	9.01	2019-01-22	9.01
2018-12-07	9.02	2019-01-23	8.96
2018-12-10	9.13	2019-01-24	8.91
2018-12-11	9.25	2019-01-25	8.85
2018-12-12	9.29	2019-01-28	8.80
2018-12-13	9.34	2019-01-29	8.75
2018-12-14	9.40	2019-01-30	8.70
2018-12-17	9.43	2019-01-31	8.67
2018-12-18	9.46	2019-02-01	8.64
2018-12-19	9.48	2019-02-04	8.60
2018-12-20	9.49	2019-02-05	8.58
2018-12-21	9.48	2019-02-06	8.47
2018-12-24	9.46	2019-02-07	8.36
2018-12-26	9.49	2019-02-08	8.26
2018-12-27	9.56	2019-02-11	8.16
2018-12-28	9.63	2019-02-12	8.07
2018-12-31	9.64	2019-02-13	7.98
2019-01-02	9.67	2019-02-14	7.90
2019-01-03	9.64	2019-02-15	7.81
2019-01-04	9.61	2019-02-19	7.73
2019-01-07	9.58	2019-02-20	7.66
2019-01-08	9.52	2019-02-21	7.60
2019-01-09	9.45	2019-02-22	7.53
2019-01-10	9.39	2019-02-25	7.47
2019-01-11	9.33	2019-02-26	7.41
2019-01-14	9.26	2019-02-27	7.35
2019-01-15	9.20	2019-02-28	7.30
2019-01-16	9.15	2019-03-01	7.25
		after	7.25

For purpose of the above calculations, a purchase or sale of common stock shall be deemed to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” date. All purchase and sale prices shall exclude any fees, taxes, and commissions. If a Settlement Class Member made more than one purchase/acquisition or sale of Arlo common stock during the Class Period, all purchases/acquisitions and sales of common stock will be matched on a First In, First Out (“FIFO”) basis. Class Period sales will be matched first against any holdings of Arlo common stock at the beginning of the Class Period, and then against purchases/acquisitions of Arlo common stock in chronological order, beginning with the earliest purchase/acquisition made during the Class Period. A Recognized Loss cannot be less than zero.

The payment you will receive will reflect your proportionate share of the Net Settlement Fund. The Settlement Administrator shall allocate to each Authorized Claimant a pro rata share of the Net Settlement Fund based on his, her, or its Recognized Claim as compared to the Recognized Claim of all Authorized Claimants.

Any amounts remaining in the Net Settlement Fund after all distributions of the Net Settlement Fund to Authorized Claimants have been made pursuant to this Plan of Allocation, including without limitation such Authorized Claimants' uncashed or returned distributions within ninety (90) days of distribution, shall be disbursed per Class Counsel's direction, as approved by the Court, in the form of an additional distribution to members of the Class. Defendants retain no interest in or right to any residual amount remaining in the Settlement Fund.

SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES

If you hold or held securities covered by the Action on behalf of a beneficial owner or in "street name," you are directed by the Court to provide this Notice to the beneficial owner. You may obtain additional copies of this Notice by contacting the Angeion Group, the Settlement Administrator, at the address or telephone number below. As an alternative, you may provide the Settlement Administrator with mailing lists of beneficial owners. Please contact the Settlement Administrator immediately upon receipt of this Notice.

If you verify and provide details about your assistance with either of these options, you may be reimbursed for the actual expense you incur to mail the Notices, including postage and/or the reasonable cost of determining the names and addresses of beneficial owners. The Settlement Administrator will send you a form for the verification. Mail or e-mail any requests for reimbursement, along with appropriate supporting documentation, to: Arlo Securities Litigation, Attn: Broker Requests, 1650 Arch Street, Suite 2210, Philadelphia, PA 19130, info@ArloSecuritiesLitigation.com (preferred).

PLEASE DO NOT CALL THE COURT OR COURT CLERK FOR INFORMATION.

Dated: September 24, 2020

By Order of the United States District Court, Northern District of California