



**THE FOUNDATION
FOR SECURE
MARKETS**

#44274

DATE: DECEMBER 26, 2018

SUBJECT: NETGEAR, INC. - DISTRIBUTION
OPTION SYMBOL: NTGR
NEW SYMBOL: NTGR1
DATE: 01/02/19

CONTRACT ADJUSTMENT – OPTIONS

EFFECTIVE DATE: January 2, 2019

OPTION SYMBOL: NTGR changes to NTGR1

STRIKE PRICES: No Change

NUMBER OF CONTRACTS: No Change

MULTIPLIER: 100 (e.g., a premium of 1.50 yields \$150; a strike of 45 yields \$4,500.00)

NEW DELIVERABLE PER CONTRACT

- 1) 100 NETGEAR, Inc. (NTGR) Common Shares
- 2) 198 Arlo Technologies, Inc. (ARLO) Common Shares
- 3) Cash in lieu of 0.0295 fractional ARLO Common Shares

SETTLEMENT ALLOCATION: NTGR: 75%
ARLO: 25%

CUSIPS: NTGR: 64111Q104
ARLO: 04206A101

THE SETTLEMENT ALLOCATION OF THE TOTAL STRIKE PRICE AMOUNT IS BEING PROVIDED SOLELY FOR THE PURPOSE OF THE INTERFACE BETWEEN OCC AND THE NATIONAL SECURITY CLEARING CORPORATION (NSCC), AND IS NOT INTENDED TO BE USED FOR ANY OTHER PURPOSE, TRANSACTION OR CUSTOMER ACCOUNT STATEMENTS.

PRICING

Until the cash in lieu amount is determined, the underlying price for NTGR1 will be determined as follows:

$$\text{NTGR1} = \text{NTGR} + 1.980295 (\text{ARLO})$$

DELAYED SETTLEMENT

The NTGR and ARLO components of the NTGR1 deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the NTGR1 deliverable until the cash in lieu of fractional ARLO Common Shares is determined. Upon determination of the cash in lieu amount, OCC will require Put exercisers and Call assignees to deliver the appropriate cash amount.

BACKGROUND

NETGEAR, Inc. (NTGR) has announced a distribution of Arlo Technologies, Inc. (ARLO) Common Shares. The distribution ratio is 1.980295 of an ARLO share for each NTGR share held. The record date is December 17, 2018; the payable date is December 31, 2018. The NYSE has set January 2, 2019, as the ex-distribution date for this distribution.

Arlo Technologies, Inc. Common Shares began trading on a when issued basis on December 14, 2018 on the NYSE under the trading symbol "ARLO WI".

DISCLAIMER

This Information Memo provides an unofficial summary of the terms of corporate events affecting listed options or futures prepared for the convenience of market participants. OCC accepts no responsibility for the accuracy or completeness of the summary, particularly for information which may be relevant to investment decisions. Option or futures investors should independently ascertain and evaluate all information concerning this corporate event(s).

The determination to adjust options and the nature of any adjustment is made by OCC pursuant to OCC By-Laws, Article VI, Sections 11 and 11A. The determination to adjust futures and the nature of any adjustment is made by OCC pursuant to OCC By-Laws, Article XII, Sections 3, 4, or 4A, as applicable. For both options and futures, each adjustment decision is made on a case by case basis. Adjustment decisions are based on information available at the time and are subject to change as additional information becomes available or if there are material changes to the terms of the corporate event(s) occasioning the adjustment.

ALL CLEARING MEMBERS ARE REQUESTED TO IMMEDIATELY ADVISE ALL BRANCH OFFICES AND CORRESPONDENTS ON THE ABOVE.

For questions regarding this memo, call Investor Services at 1-888-678-4667 or email investorservices@theocc.com. Clearing Members may contact Member Services at 1-800-544-6091 or, within Canada, at 1-800-424-7320, or email memberservices@theocc.com.