

# Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-0123

► See separate instructions.

## Part I Reporting Issuer

<b>1</b> Issuer's name  NETGEAR, INC.		<b>2</b> Issuer's employer identification number (EIN)  77-0419172	
<b>3</b> Name of contact for additional information  INVESTOR RELATIONS	<b>4</b> Telephone No. of contact  (408) 890-3520	<b>5</b> Email address of contact  Investors@Netgear.com	
<b>6</b> Number and street (or P.O. box if mail is not delivered to street address) of contact  350 E. PLUMERIA DR.		<b>7</b> City, town, or post office, state, and ZIP code of contact  SAN JOSE, CA 95134	
<b>8</b> Date of action  DECEMBER 31, 2018		<b>9</b> Classification and description  SECTION 355 SPIN-OFF OF ARLO TECHNOLOGIES, INC.	
<b>10</b> CUSIP number  64111Q104	<b>11</b> Serial number(s)	<b>12</b> Ticker symbol  NTGR	<b>13</b> Account number(s)

## Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

**14** Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ► SEE ATTACHED STATEMENT

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**15** Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ► SEE ATTACHED STATEMENT

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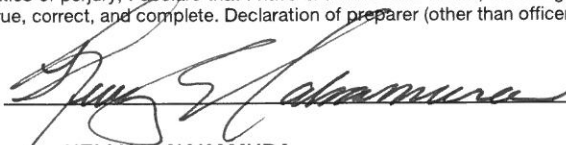
**16** Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ► SEE ATTACHED STATEMENT

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**Part II Organizational Action** (continued)**17** List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶**SEE ATTACHED STATEMENT****18** Can any resulting loss be recognized? ▶ **SEE ATTACHED STATEMENT****19** Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶**SEE ATTACHED STATEMENT****Sign  
Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶



Date ▶

1/4/2019

Print your name ▶ KELLY K. NAKAMURA

Title ▶

VICE PRESIDENT OF TAX

**Paid  
Preparer  
Use Only**

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if  
self-employed

PTIN

Firm's name ▶

Firm's EIN ▶

Firm's address ▶

Phone no.

Netgear, Inc.  
EIN: 77-0419172

**ATTACHMENT TO FORM 8937 – PART II**  
**REPORT OF ORGANIZATIONAL ACTIONS AFFECTING BASIS OF SECURITIES**

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***CONSULT YOUR TAX ADVISOR***

The information contained herein is being provided pursuant to the requirements of Section 6045B of the Internal Revenue Code of 1986, as amended (the “Code”), and includes a general summary regarding the application of certain U.S. federal income tax laws and regulations relating to the effects of the Distribution (as defined below) on the tax basis of the stock of Netgear, Inc. (“NTGR”) and the allocation of tax basis between the stock of NTGR and Arlo Technologies, Inc. (“ARLO”) following the Distribution. The information contained herein does not constitute tax advice and does not purport to be complete or to describe the consequences that may apply to particular categories of shareholders. Neither NTGR nor ARLO provides tax advice to its shareholders. The example provided below is illustrative and is being provided pursuant to Section 6045B of the Code and as a convenience to shareholders and their tax advisers when establishing their specific tax position. You are urged to consult your own tax adviser regarding the particular consequences of the Distribution to you, including the applicability and effect of all U.S. federal, state and local tax laws and foreign tax laws. We urge you to read the Information Statement, dated December 18, 2018 mailed to NTGR stockholders and filed with the Securities and Exchange Commission on December 18, 2018, noting especially the discussion therein under the heading “Material U.S. Federal Income Tax Consequences”. You may access the Information Statement at [www.sec.gov](http://www.sec.gov).

This information does not apply to shares of NTGR common stock sold, exchanged or otherwise disposed of prior to the Distribution.

**Line 14. Describe the organizational action and, if applicable, the date of the action or the date against which the shareholders’ ownership is measured from the action.**

On December 31, 2018 (the “Distribution Date”), pursuant to the terms and conditions of the Master Separation Agreement dated August 2, 2018 by and between NTGR and ARLO, NTGR distributed to its shareholders, on a pro rata basis, all of its shares of ARLO common stock (the “Distribution”). Pursuant to the Distribution, each holder of NTGR common stock as of the close of business on December 31, 2018 received 1.980295 shares of ARLO common stock for each share of NTGR common stock. NTGR shareholders also received cash in lieu of any fractional shares of ARLO common stock.

**Line 15. Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis.**

As a result of the Distribution, NTGR shareholders will be required to allocate the aggregate tax basis in their NTGR common shares held immediately prior to the Distribution among the ARLO common shares received in the Distribution (including any fractional share interest in ARLO common stock for which cash is received) and their NTGR common shares held immediately after the Distribution. This allocation should be made in proportion to the relative fair market values of the ARLO common stock and the NTGR common stock. Shareholders that acquired NTGR common shares at different times or different prices will need to calculate their tax basis in each block of NTGR common shares and then allocate a portion of that tax basis to the shares of ARLO common stock received with respect thereto.

Fair market value generally is the price at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of the facts. U.S. federal income tax law does not specifically prescribe how you should determine the fair market values of the NTGR common stock and the ARLO common stock for purposes of allocating your tax basis. You should consult your tax advisor to determine what measure of fair market value is appropriate.

There are several possible methods for determining the fair market values of NTGR common stock and ARLO common stock. One possible approach is to utilize the NASDAQ opening price on January 2, 2019 for NTGR common stock (\$32.10 per share), and the New York Stock Exchange opening price on January 2, 2019 for ARLO common stock (\$9.83 per share) as an indication of the fair market value. Based on that approach and the assumptions and calculations set forth in Item 16 below, 62.25% of a NTGR shareholder's aggregate tax basis in his or her shares of NTGR common stock immediately prior to the Distribution would be allocated to such shareholder's shares of NTGR common stock and 37.75% would be allocated to such shareholder's shares of ARLO common stock received in the Distribution (including any fractional share interest in ARLO common stock for which cash is received). Other approaches to determine fair market value may also be possible. You are not bound by the approach illustrated above and may, in consultation with your tax advisor, use another approach in determining fair market values for NTGR and ARLO common stock.

**Line 16. Describe the calculation of the change in basis and the data that supports the calculation, such as the market value of securities and the valuation date.**

The following is an illustrative example of how the previously-described approach to basis allocation would be applied:

Assumptions:

- Shares of NTGR common stock owned: 1,000
- NTGR shareholder's aggregate tax basis (assumed to be \$45.00 per share): \$45,000.00
- Shares of ARLO common stock received in the Distribution (1,000 shares of NTGR common stock multiplied by the distribution ratio of 1.980295): 1,980

Tax basis allocation:

	# Shares Owned	Assumed Beginning Basis (A)	Price	FMV of Shares Owned Post Distribution	Percentage of Total FMV (B)	Allocated Tax Basis = (A) x (B)
NTGR common stock	1,000	\$45,000.00	\$32.10 <sup>1</sup>	\$32,100.00 <sup>3</sup>	62.25% <sup>5</sup>	\$28,012.50
ARLO common stock	1,980		\$9.83 <sup>2</sup>	\$19,463.40 <sup>4</sup>	37.75% <sup>6</sup>	\$16,987.50
Total				\$51,563.40	100.00%	\$45,000.00

<sup>1</sup> Opening market price of NTGR common stock on January 2, 2019.

<sup>2</sup> Opening market price of ARLO common stock on January 2, 2019.

<sup>3</sup> 1,000 shares x \$32.10

<sup>4</sup> 1,980 shares x \$9.83

<sup>5</sup> \$32,100.00/\$51,563.40

<sup>6</sup> \$19,463.40/\$51,563.40

**Line 17. List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based.**

Sections 355, 358, and 368(a)(1)(D).

**Line 18. Can any resulting loss be recognized?**

No loss may be recognized by a NTGR shareholder upon the receipt of ARLO common stock in the Distribution, except possibly with respect to cash received in lieu of a fractional share of ARLO common stock.

**Line 19. Provide any other information necessary to implement the adjustment, such as the reportable tax year.**

The Distribution was effective on December 31, 2018. For a NTGR shareholder whose taxable year is the calendar year, the reportable tax year is 2018.