

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

In re UBIQUITI NETWORKS, INC.  
SECURITIES LITIGATION

Master File No. 12-cv-04677-YGR  
CLASS ACTION

This Document Relates To:  
ALL ACTIONS.

NOTICE OF PENDENCY OF CLASS ACTION, PROPOSED  
SETTLEMENT, AND MOTION FOR ATTORNEYS' FEES AND  
EXPENSES

**If you purchased or acquired the publicly traded common stock of Ubiquiti Networks, Inc. pursuant and/or traceable to Ubiquiti Networks, Inc.'s initial public offering on or about October 14, 2011, you may be entitled to receive money from a class action settlement.**

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

This Notice describes important rights you may have and what steps you must take if you wish to participate in the Settlement or wish to be excluded from the Settlement Class.

- The Settlement, if approved by the Court, will provide a total recovery of **\$6,800,000** (on average approximately \$1.00 per share<sup>1</sup> before the deduction of Court-approved fees and expenses) in cash for the benefit of the Settlement Class (described below).<sup>2</sup>
- The Settlement resolves claims by Lead Plaintiffs Inter-Local Pension Fund GCC/IBT and Bristol County Retirement System in a class action against Ubiquiti Networks, Inc. ("Ubiquiti" or the "Company"), and Robert J. Pera, John Ritchie, Peter Y. Chung, Christopher J. Crespi, Charles J. Fitzgerald, John L. Ocampo, and Robert M. Van Buskirk (the "Individual Defendants"), and UBS Securities LLC, Deutsche Bank Securities Inc., Raymond James & Associates, Inc., and KeyBanc Capital Markets Inc. (formerly known as Pacific Crest Securities LLC) (collectively, the "Underwriter Defendants" and with Ubiquiti and the Individual Defendants, the "Defendants").
- The lawsuit alleged that statements made in the Registration Statement and Prospectus ("Registration Statement") issued in connection with the Company's October 14, 2011 initial public offering ("IPO") were materially false or misleading. The two sides disagreed about whether investors could have prevailed at trial and, if so, how much money they could have won.
- Court-appointed lawyers for the investors will ask the Court for no more than \$1,700,000 in attorneys' fees (25% of the Settlement Fund) and up to \$200,000 in litigation expenses for their work litigating the case and negotiating the Settlement. If approved by the Court, these amounts (totaling on average approximately \$0.28 per share) will be deducted from the \$6,800,000 Settlement.
- The Court in charge of this case still has to decide whether to approve 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 Settlement Class Member, your legal rights will be affected by this Settlement whether you act or do not act. Please read this Notice carefully.**

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
<b>SUBMIT A PROOF OF CLAIM FORM BY DECEMBER 5, 2017</b>	The <u>only</u> way to get a payment.
<b>EXCLUDE YOURSELF BY NOVEMBER 27, 2017</b>	You will get no payment. This is the only option that, assuming your claim is timely brought, might allow you ever to bring or be part of any other lawsuit against the Defendants and/or the other Released Defendant Parties concerning the Released Claims.
<b>OBJECT BY NOVEMBER 27, 2017</b>	Write to the Court about why you do not like the Settlement, the Fee and Expense Application, or the proposed Plan of Allocation.
<b>GO TO A HEARING ON DECEMBER 19, 2017</b>	Ask to speak in Court about the Settlement.
<b>DO NOTHING</b>	Get no payment AND give up your rights to bring your own individual action.

**Identification of Attorneys' Representatives**

Lead Plaintiffs and the Settlement Class are being represented by Labaton Sucharow LLP and Robbins Geller Rudman & Dowd LLP, Court-appointed Lead Counsel. Any questions regarding the Settlement should be directed to Jonathan Gardner, Labaton Sucharow

<sup>1</sup> A share might have been traded more than once, and the recovery indicated above represents the estimated average for each purchase of a share pursuant to the IPO, including those shares that were traded more than once that allegedly incurred damages.

<sup>2</sup> All capitalized terms not defined in this Notice have the meanings provided in the Stipulation and Agreement of Settlement, dated as of August 4, 2017 (the "Stipulation"), which can be viewed at [www.ubiquitisecuritieslitigation.com](http://www.ubiquitisecuritieslitigation.com).

## BASIC INFORMATION

### 1. Why did I get this Notice?

The Court authorized that this Notice be sent to you because you or someone in your family may have purchased or acquired Ubiquiti's publicly traded common stock pursuant and/or traceable to Ubiquiti's IPO on or about October 14, 2011.

If this description applies to you or someone in your family, you have a right to know about the proposed Settlement of this 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, an administrator appointed by the Court will make the payments that the Settlement allows.

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

The Court in charge of this Action is the United States District Court for the Northern District of California (the "Court"), and the case is known as *In re Ubiquiti Networks, Inc. Securities Litigation*, Master File No. 12-cv-4677-YGR (N.D. Cal.) (the "Action"). The Action is assigned to the Honorable Yvonne Gonzalez Rogers, United States District Judge.

The Court did not decide in favor of the Plaintiffs or the Defendants. Instead, they have agreed to a settlement. For Lead Plaintiffs, the principal reason for the Settlement is the certain benefit of a substantial cash recovery for the class, in contrast to the costs and delay of fact and expert discovery; the uncertainty of having a class of Ubiquiti investors certified; the risk that the Court may grant, in whole or in part, some or all of the anticipated motions for summary judgment to be filed by Defendants; the uncertainty of being able to prove the allegations at a jury trial; and the difficulties and delays inherent in such litigation (including any appeals).

For Defendants, who deny all allegations of wrongdoing or liability whatsoever and deny that any Settlement Class Members were damaged, the principal reasons for entering into the Settlement are to bring to an end the substantial burden, expense, uncertainty, and risk of further litigation.

### 2. What is this lawsuit about? What has happened so far?

Ubiquiti is a designer and manufacturer of wireless networking products. At the time of the Consolidated Amended Complaint for Violation of the Federal Securities Laws ("CAC"), its products were made in China and sold worldwide, primarily in emerging markets. As detailed in the CAC, Lead Plaintiffs allege that the Company's Registration Statement contained materially false and misleading statements that counterfeiting of Ubiquiti's wireless networking products was merely a risk faced by the Company. Plaintiffs allege that, instead, at the time of the IPO, an international counterfeiting ring was already operational and causing substantial harm to Ubiquiti's financial results and damaging its goodwill and reputation. Plaintiffs allege that when disclosures were allegedly made about the impact of the counterfeiting, Ubiquiti's stock price fell, allegedly damaging class members.

Beginning in September 2012, two class actions were filed in the U.S. District Court for the Northern District of California on behalf of investors in Ubiquiti. By order dated November 30, 2012, the Court consolidated the related securities actions, appointed Inter-Local Pension Fund GCC/IBT and Bristol County Retirement System as Lead Plaintiffs, and appointed Labaton Sucharow and Robbins Geller as co-lead counsel to represent the class.

Lead Plaintiffs filed the CAC on January 29, 2013, alleging violations of §§ 11, 12(a)(2) and 15 of the Securities Act of 1933 (the "1933 Act"), and §§ 10(b) and 20(a) of the Securities and Exchange Act of 1934 (the "1934 Act"), arising from allegedly false statements in the Company's Registration Statement and after the IPO, through August 9, 2012, the latest date by which facts that Plaintiffs allege to have been "concealed" from investors were fully disclosed. On March 26, 2013, each of the Defendants moved to dismiss the CAC. On March 26, 2014, the Court granted Defendants' motions in their entirety with leave to amend. On April 15, 2014, Lead Plaintiffs filed a notice of intent not to file an amended complaint, and on April 16, 2014, the Court issued an order dismissing the case with prejudice.

On September 24, 2014, Lead Plaintiffs appealed the dismissal of their claims under §§ 11 and 15 of the 1933 Act, and §§ 10(b) and 20(a) of the 1934 Act to the United States Court of Appeals for the Ninth Circuit (the "Ninth Circuit"). Lead Plaintiffs did not appeal the dismissal of their claim under § 12(a)(2) of the 1933 Act. On October 24, 2016, the Ninth Circuit issued an order affirming in part and reversing in part the Court's March 26, 2014 order. The Ninth Circuit affirmed the Court's dismissal of the §§ 10(b) and 20(a) claims and reversed the dismissal of the §§ 11 and 15 claims, remanding the claims to the Court for further proceedings.

At the direction of the Court, on January 30, 2017, Lead Plaintiffs filed the operative Consolidated Second Amended Complaint for Violations of the Federal Securities Laws (the "SAC") asserting only those 1933 Act claims alleging material misstatements and omissions in the Company's Registration Statement for the IPO that remained after the Ninth Circuit's October 24, 2016 order. Defendants answered the SAC on February 13, 2017, denying Lead Plaintiffs' allegations and asserting affirmative defenses.

Lead Plaintiffs, through Lead Counsel, conducted a thorough investigation relating to the claims, defenses, and underlying events and transactions that are the subjects of the Action. This process included reviewing and analyzing, among other things, documents related

to Ubiquiti's lawsuit against Kozumi USA Corp. and its owner, Shao Wei Hsu (the "Kozumi Litigation"), and approximately 60,000 pages of documents produced by Defendants during pre-mediation informal discovery referenced below, including drafts of registration statements for the Company's October 14, 2011 IPO, road show presentations, underwriter memoranda, due diligence materials, board minutes, financial documents, emails, and documents related to counterfeiting Ubiquiti's products.

Defendants and Lead Plaintiffs engaged Robert A. Meyer, a well-respected and highly experienced mediator, to assist them in exploring a potential negotiated resolution of the claims in the Action. On May 15, 2017, counsel for Lead Plaintiffs and Defendants met with Mr. Meyer in an attempt to reach a settlement. The mediation involved an extended effort to settle the claims and, prior to the mediation, the Parties exchanged detailed mediation statements, as well as informal discovery through which Ubiquiti and the Underwriter Defendants produced approximately 60,000 pages of documents to Lead Plaintiffs, including drafts of registration statements for the IPO, road show presentations, underwriter memoranda, due diligence materials, board minutes, financial documents, emails, and documents related to counterfeiting of Ubiquiti's products. However, the Parties were unable to reach an agreement on May 15, 2017. Following the mediation, Mr. Meyer continued his efforts to facilitate discussions among the Parties. Ultimately, Mr. Meyer made a mediator's proposal to both sides to settle the Action for \$6,800,000, which was separately agreed to by the Parties on June 22, 2017.

### **3. Why is this a class action?**

In a class action, one or more persons or entities (in this case, the Lead Plaintiffs), sue on behalf of people and entities who have similar claims. Together, these people and entities are a class, and each is a class member. Bringing a case, such as this one, as a class action allows the Court to resolve many similar claims of persons and entities that might be economically too small to bring as individual actions. One court resolves the issues for all class members at the same time, except for those who exclude themselves, or "opt-out," from the class.

## **WHO IS IN THE SETTLEMENT**

### **4. How do I know if I am part of the Settlement Class?**

The Court has decided, for the purposes of the proposed Settlement, that everyone who fits the following description is a Settlement Class Member and subject to the Settlement, unless they are an excluded person (see Question 5 below) or take steps to exclude themselves (see Question 10 below):

All persons and entities that purchased or acquired the publicly traded common stock of Ubiquiti pursuant and/or traceable to Ubiquiti's initial public offering on or about October 14, 2011.

Check your investment records or contact your broker to see if you purchased or acquired the publicly traded common stock of Ubiquiti during the period from October 14, 2011 through May 3, 2012, inclusive. If so, you are presumed to have purchased or acquired your shares pursuant and/or traceable to Ubiquiti's IPO on or about October 14, 2011. You are **not** part of the Settlement Class if you only purchased or acquired the publicly traded common stock of Ubiquiti **after** May 3, 2012, because your purchase or acquisition was not pursuant or traceable to Ubiquiti's IPO.

### **5. Are there exceptions to being included?**

Yes. Some people are excluded from the Settlement Class by definition. Excluded from the Settlement Class are: (i) the Defendants; (ii) members of the immediate families of the Individual Defendants; (iii) Ubiquiti's and the Underwriter Defendants' subsidiaries and affiliates; (iv) the officers and directors of Ubiquiti; (v) any entity in which any Defendant has a controlling interest (but in the case of the Underwriter Defendants, only such entities that they have a majority interest in); and (vi) the legal representatives, heirs, successors and assigns of any such excluded person or entity.

Also excluded from the Settlement Class is anyone who submits a valid and timely request for exclusion from the Settlement Class, in accordance with the procedures set forth in Question 10 below.

### **6. What if I am still not sure if I am included?**

If you are still not sure whether you are included in the Settlement, you can ask for free help. You can call the Claims Administrator toll-free at (844) 402-8574, send an e-mail to the Claims Administrator at [info@ubiquitisecuritieslitigation.com](mailto:info@ubiquitisecuritieslitigation.com), or write to the Claims Administrator at *Ubiquiti Networks Securities Litigation*, c/o GCG, P.O. Box 10484, Dublin, OH 43017-4084. Or you can fill out and return the Proof of Claim form described in Question 8 to see if you qualify.

## **THE SETTLEMENT BENEFITS — WHAT YOU GET**

### **7. How much will my payment be?**

In exchange for the Settlement and the release of the Released Claims against the Released Defendant Parties, Ubiquiti has agreed to create a \$6,800,000 cash fund, which will earn interest, to be distributed after the deduction of Court-approved fees and expenses among all Settlement Class Members who submit a valid Claim Form and are found to be entitled to a distribution from the Net Settlement Fund ("Authorized Claimants"). Authorized Claimants are those Settlement Class Members whose claim for recovery from the Settlement has been allowed pursuant to the terms of the Stipulation and the Court-approved Plan of Allocation.

If you are an Authorized Claimant entitled to a payment, your share of the Net Settlement Fund will depend on several things, including, how many Settlement Class Members timely send in valid Claim Forms; the total amount of Recognized Losses of other Settlement Class Members; how many shares of Ubiquiti publicly traded common stock you purchased; the prices and dates of those purchases; and the prices and dates of any sales.

The prices and dates of your purchases and sales of Ubiquiti publicly traded common stock are needed to calculate your claim under the Court-approved Plan of Allocation. See Plan of Allocation at pages 8-9, below. Settlement Class Members must report on their Claim Forms all their purchases and sales of Ubiquiti publicly traded common stock from October 14, 2011 through April 25, 2013. (April 25, 2013 is when Ubiquiti's stock price rebounded to \$15.00, the IPO offering price.) Transactional information about purchases and sales after the IPO is needed in order to apply properly the formulas in the Plan of Allocation, which generally follow how damages are calculated under the 1933 Act. However, you cannot recover for purchases after May 3, 2012, because they were not pursuant or traceable to the IPO, and you cannot recover for shares sold after April 25, 2013, because under the 1933 Act, a purchaser cannot recover based on a share sold for a price greater than or equal to the IPO offering price.

You can calculate your Recognized Loss in accordance with the formulas shown below in the Plan of Allocation. It is unlikely that you will receive a payment for all of your Recognized Loss. See the Plan of Allocation of Net Settlement Fund on pages 8-9 for more information on your Recognized Loss.

## HOW YOU RECEIVE A PAYMENT: SUBMITTING A PROOF OF CLAIM FORM

### 8. How can I receive a payment?

To qualify for a payment, you must submit a timely and valid Claim Form. A Claim Form is included with this Notice. If you did not receive a Claim Form, you can obtain one on the internet at the website for the Claims Administrator: [www.ubiquitisecuritieslitigation.com](http://www.ubiquitisecuritieslitigation.com). You can also ask for a Claim Form by calling the Claims Administrator toll-free at (844) 402-8574.

Please read the instructions carefully, fill out the Claim Form, include all the documents the form requests, sign it, and mail or submit it to the Claims Administrator so that it is **postmarked or electronically submitted no later than December 5, 2017**.

### 9. What am I giving up to receive a payment or stay in the Settlement Class?

Unless you exclude yourself, you are staying in the Settlement Class, and that means that, upon the "Effective Date," you will release all "Released Claims," including "Unknown Claims," as defined below, against the "Released Defendant Parties."

**"Class Period"** means the period from October 14, 2011 through August 9, 2012, inclusive. This was the Class Period in the CAC (filed on January 29, 2013), when the case included claims under §§ 10(b) and 20(a) of the 1934 Act. The claims under the 1934 Act were dismissed by the Court, and the Court's dismissal of those claims was upheld by the Ninth Circuit. The SAC (filed on January 30, 2017) alleges wrongdoing by the Defendants throughout the Class Period, and the Defendants deny any such wrongdoing.

**"Released Claims"** means any and all actions, suits, claims, demands, rights, liabilities, damages, costs, restitution, rescission, interest, attorneys' fees, expert or consulting fees, expenses, matters and issues known or Unknown (as defined below), contingent or absolute, suspected or unsuspected, disclosed or undisclosed, liquidated or unliquidated, matured or unmatured, accrued or unaccrued, apparent or unapparent, whether concealed or hidden, and causes of action of every nature and description, including both known claims and Unknown Claims (as defined below), whether based on federal, state, local, foreign, statutory or common law or any other law, rule or regulation, that have been or that might have been asserted by any Releasing Plaintiff Party against any of the Released Defendant Parties, arising out of, relating to, based upon, or in connection with both: (a) any purchase, acquisition, disposition, sale or holding of Ubiquiti publicly traded common stock during the Class Period and (b) any facts, claims, matters, allegations, transactions, events, disclosures, representations, statements, acts, or omissions or failures to act that were alleged, set forth, referred to, or that could have been alleged in the Action against the Released Defendant Parties. For the avoidance of doubt, Released Claims include any claims under §§ 12(a)(2) and 15 of the 1933 Act, and §§ 10(b) and 20(a) of the 1934 Act, which were alleged or could have been alleged in this Action. Released Claims do not include claims relating to the enforcement of the Settlement.

**"Released Defendant Parties"** means Defendants, Defendants' Counsel, and each of their respective past or present subsidiaries, parents, affiliates, principals, successors and predecessors, joint venturers, assigns, officers, directors, shareholders, underwriters, trustees, partners, members, agents, fiduciaries, contractors, employees, attorneys, insurers, co-insurers, reinsurers, controlling shareholders, accountants or auditors, financial or investment advisors or consultants, banks or investment bankers, personal or legal representatives, estates, heirs, related or affiliated entities, any entity in which a Defendant has a controlling interest, any member of an Individual Defendant's immediate family, or any trust of which any Individual Defendant is a settlor or which is for the benefit of any Defendant and/or member(s) of his or her family, and each of the heirs, executors, administrators, predecessors, successors, and assigns of the foregoing.

**"Unknown Claims"** means any and all Released Claims that Lead Plaintiffs or any other Settlement Class Member does not know or suspect to exist in his, her, or its favor at the time of the release of the Released Defendant Parties, and any and all Released Defendants' Claims that any Defendant does not know or suspect to exist in his, her, or its favor at the time of the release of the Releasing Plaintiff Parties, which if known by him, her, or it might have affected his, her, or its decision(s) with respect to the Settlement, including the decision to object to the terms of the Settlement or to exclude himself, herself, or itself from the Settlement Class. With respect to any and all Released Claims and Released Defendants' Claims, the Parties stipulate and agree that, upon the

Effective Date, Lead Plaintiffs and Defendants shall expressly, and each other Settlement Class Member and Released Defendant Parties shall be deemed to have, and by operation of the Judgment or Alternative Judgment shall have, to the fullest extent permitted by law, expressly waived and relinquished any 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 Cal. Civ. Code § 1542, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

Lead Plaintiffs, other Settlement Class Members, Defendants, or any Released Defendant Party may hereafter discover facts, legal theories, or authorities in addition to or different from those which any of them now knows or believes to be true with respect to the subject matter of the Released Claims and the Released Defendants' Claims, but Lead Plaintiffs and Defendants shall expressly, fully, finally, and forever waive, compromise, settle, discharge, extinguish, and release, and each Settlement Class Member and Released Defendant Party shall be deemed to have waived, compromised, settled, discharged, extinguished, and released, and upon the Effective Date and by operation of the Judgment or Alternative Judgment shall have waived, compromised, settled, discharged, extinguished, and released, fully, finally, and forever, any and all Released Claims and Released Defendants' Claims as applicable, known or unknown, suspected or unsuspected, contingent or absolute, accrued or unaccrued, apparent or unapparent, which now exist, or heretofore existed, or may hereafter exist, without regard to the subsequent discovery or existence of such different or additional facts, legal theories, or authorities. Lead Plaintiffs and Defendants acknowledge, and other Settlement Class Members and Released Defendant Party by operation of law shall be deemed to have acknowledged, that the inclusion of "Unknown Claims" in the definition of Released Claims and Released Defendants' Claims was separately bargained for and was a material element of the Settlement.

The "Effective Date" will occur when an Order entered by the Court approving the Settlement becomes final and not subject to appeal. If you remain a Member of the Settlement Class, all of the Court's orders will apply to you and legally bind you.

### EXCLUDING YOURSELF FROM THE SETTLEMENT CLASS

If you do not want a payment from this Settlement, but you want to keep any right you may have to sue or continue to sue Defendants and the other Released Defendant Parties on your own concerning the Released Claims, then you must take steps to remove yourself from the Settlement Class. This is called excluding yourself or "opting out." **Please note:** if you decide to exclude yourself because you want to bring your own lawsuit to pursue claims alleged in the Action, you may want to consult with an attorney and discuss whether your individual claim would be time-barred by the applicable statutes of limitations or repose. Also, Defendants may terminate the Settlement if Settlement Class Members who purchased in excess of a certain amount of shares of Ubiquiti common stock seek exclusion from the Settlement Class.

#### 10. How do I exclude myself from the proposed Settlement?

To exclude yourself from the Settlement Class, you must mail a signed letter stating that you "wish to be excluded from the Settlement Class in '*In re Ubiquiti Networks, Inc. Securities Litigation*, No. 12-4677 (N.D. Cal.).'" You cannot exclude yourself by telephone or e-mail. Your letter must state the date(s), price(s), and number(s) of shares of all purchases, acquisitions, and/or sales of Ubiquiti publicly traded common stock during the period from October 14, 2011 through May 3, 2012. Your letter must include your name, mailing address, telephone number, e-mail address, and signature. You must submit your exclusion request so that it is **postmarked no later than November 27, 2017** to:

*Ubiquiti Networks Securities Litigation*  
c/o GCG  
P.O. BOX 10484  
Dublin, OH 43017-4084

Your exclusion request must comply with these requirements in order to be valid. If you ask to be excluded, you will not receive any payment from the Net Settlement Fund, and you cannot object to the Settlement.

#### 11. If I do not exclude myself, can I sue Defendants and the other Released Defendant Parties for the same thing later?

No. Unless you properly exclude yourself, you remain in the Settlement Class and you give up any rights to sue Defendants and the other Released Defendant Parties for any and all Released Claims. If you have a pending lawsuit, **speak to your lawyer in that case immediately**. You must exclude yourself from this Settlement Class to continue your own lawsuit. Remember, the exclusion deadline is **November 27, 2017**.

### THE LAWYERS REPRESENTING YOU

#### 12. Do I have a lawyer in this case?

The Court ordered the law firms of Labaton Sucharow LLP and Robbins Geller Rudman & Dowd LLP to represent all Settlement Class Members. These lawyers are called Lead Counsel. You will not be separately charged for these lawyers. The Court will determine the amount of Lead Counsel's fees and expenses, which will be paid from the Settlement Fund. If you want to be represented by your own lawyer, you may hire one at your own expense.

**13. How will the lawyers be paid?**

Lead Counsel have not been paid for any of their work. They will ask the Court to award them, from the Settlement Fund, attorneys' fees of no more than 25% of the Settlement Fund, which includes interest on such fees at the same rate as earned by the Settlement Fund. Lead Counsel will also seek payment of their litigation expenses in connection with the prosecution of this Action of no more than \$200,000, plus interest on such expenses at the same rate as earned by the Settlement Fund.

**OBJECTING TO THE SETTLEMENT**

You can tell the Court that you do not agree with the Settlement or any part of it.

**14. How do I tell the Court that I do not like something about the proposed Settlement?**

If you are a Settlement Class Member, you can object to the Settlement or any of its terms, the proposed Plan of Allocation, and/or the Fee and Expense Application. You may write to the Court about your objection. You can ask the Court not to approve the Settlement, however you cannot ask the Court to order a larger settlement – the Court can only approve or deny this Settlement. If the Court denies approval, the Settlement payments will not be sent out and the lawsuit will continue. If you would like the Court to consider your views, you must file a proper objection within the deadline, and according to the following procedures.

To object, you must send a signed letter stating that you object to the proposed Settlement in "*In re Ubiquiti Networks, Inc. Securities Litigation*, No. 12-4677 (N.D. Cal.)." You must include your name, address, telephone number, e-mail address, and signature; identify the date(s), price(s), and number(s) of shares of Ubiquiti publicly traded common stock purchased, acquired, and/or sold; state the reasons why you object to the Settlement and which part(s) of the Settlement you object to; and include any legal support and/or evidence, to support your objection. Unless otherwise ordered by the Court, any Settlement Class Member who does not object in the manner described in this Notice will be deemed to have waived any objection and shall be forever foreclosed from making any future objection. Your objection must be submitted to the Court either by mailing the objection to the Clerk of the Court at the address below or by filing the objection in person at the location below, and mailed to Lead Counsel and Defendants' Counsel so that it is **postmarked on or before November 27, 2017**:

**The Court**

Clerk of the Court  
United States District Court for the Northern District of California  
Oakland Courthouse  
1301 Clay Street  
Oakland, CA 94612

**Lead Counsel**

LABATON SUCHAROW LLP  
Jonathan Gardner, Esq.  
140 Broadway  
New York, NY 10005

ROBBINS GELLER RUDMAN & DOWD LLP  
Daniel J. Pfefferbaum, Esq.  
Post Montgomery Center  
One Montgomery Street, Suite 1800  
San Francisco, CA 94104

**Defendants' Counsel**

LATHAM & WATKINS LLP  
Peter A. Wald, Esq.  
505 Montgomery Street, Suite 2000  
San Francisco, CA 94111

GIBSON DUNN & CRUTCHER LLP  
Ethan D. Dettmer, Esq.  
555 Mission St., Suite 3000  
San Francisco, CA 94105

You do not need to attend the Settlement Hearing to have your written objection considered by the Court. However, any Settlement Class Member who has complied with the procedures set out in this Question 14 and below in Question 17 may appear at the Settlement Hearing and be heard, to the extent allowed by the Court, either in person or through an attorney, arranged at his, her, or its own expense.

**15. What is the difference between objecting and excluding?**

Objecting is telling the Court that you do not like something about the proposed Settlement, Plan of Allocation, or Fee and Expense Application. You can still recover from the Settlement, and you will still be bound by the Settlement and any Court order in this Action. 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. If you exclude yourself, you have no basis to object because the Settlement no longer affects you.

## THE SETTLEMENT HEARING

### 16. When and where will the Court decide whether to approve the proposed Settlement?

The Court will hold the Settlement Hearing on **December 19, 2017 at 2:00 p.m.**, in Courtroom 1, 4th Floor of the Oakland Courthouse, 1301 Clay Street, Oakland, CA 94612.

At this hearing, the Court will consider (i) whether the Settlement is fair, reasonable, and adequate and should be finally approved; (ii) whether the proposed Plan of Allocation is fair, reasonable, and adequate; and (iii) the application of Lead Counsel for an award of attorneys' fees and payment of litigation expenses. The Court will take into consideration any written objections filed in accordance with the instructions in Question 14. We do not know how long it will take the Court to make these decisions.

You should be aware that the Court may change the date and time of the Settlement Hearing without another notice being sent to Settlement Class Members. If you want to attend the hearing, you should check with Lead Counsel beforehand to be sure that the date and/or time has not changed or periodically check the Court's website at [www.cand.uscourts.gov/ylgr](http://www.cand.uscourts.gov/ylgr) or the case-specific website at [www.ubiquitisecuritieslitigation.com](http://www.ubiquitisecuritieslitigation.com) to see if the Settlement Hearing stays as calendared or is changed.

### 17. May I speak at the Settlement Hearing?

You may ask the Court for permission to speak at the Settlement Hearing. To do so, you must submit a statement that it is your intention to appear in "*In re Ubiquiti Networks, Inc. Securities Litigation*, No. 12-4677 (N.D. Cal.)." Persons who intend to object to the Settlement, the Plan of Allocation, or Lead Counsel's Fee and Expense Application, and desire to present evidence at the Settlement Hearing must also include in their objections (prepared and submitted in accordance with the answer to Question 14 above) the identity of any witness they may wish to call to testify and any exhibits they intend to introduce into evidence at the Settlement Hearing. You may not speak at the Settlement Hearing if you excluded yourself from the Settlement Class or if you have not provided written notice of your objection and/or intention to speak at the Settlement Hearing in accordance with the procedures described in Questions 10, 14, and 17.

## IF YOU DO NOTHING

### 18. What happens if I do nothing at all?

If you do nothing and you are a member of the Settlement Class, you will receive no money from this Settlement and you will be precluded from starting a lawsuit, continuing with a lawsuit, or being part of any other lawsuit against Defendants and the other Released Defendant Parties concerning the Released Claims. To share in the Net Settlement Fund, you must submit a Claim Form (see Question 8). To start, continue, or be a part of any other lawsuit against Defendants and the other Released Defendant Parties concerning the Released Claims in this case, you must exclude yourself from the Settlement Class (see Question 10).

## GETTING MORE INFORMATION

### 19. Are there more details about the proposed Settlement?

This Notice summarizes the proposed Settlement. More details are in the Stipulation. Lead Counsel's motions in support of final approval of the Settlement, the request for attorneys' fees and litigation expenses, and approval of the proposed Plan of Allocation will be filed with the Court no later than November 13, 2017 and will be available from Lead Counsel, the Claims Administrator, or the Court, pursuant to the instructions below.

You may review the Stipulation or documents filed in the case at the Office of the Clerk of the United States District Court for the Northern District of California, 1301 Clay Street, Oakland, CA 94612, on weekdays (other than court holidays) between 9:00 a.m. and 4:00 p.m. Subscribers to PACER, a fee-based service, can also view the papers filed publicly in the Action through the Court's on-line Case Management/Electronic Case Files System at <https://www.pacer.gov>.

You can also get a copy of the Stipulation and other case documents by calling the Claims Administrator toll free at (844) 402-8574; writing to the Claims Administrator at *Ubiquiti Networks Securities Litigation*, c/o GCG, P.O. Box 10484, Dublin, OH 43017-4084 or visiting the websites of the Claims Administrator or Lead Counsel at [www.ubiquitisecuritieslitigation.com](http://www.ubiquitisecuritieslitigation.com), [www.labaton.com](http://www.labaton.com), or [www.rgrdlaw.com](http://www.rgrdlaw.com) where you will find answers to common questions about the Settlement, download copies of the Stipulation or Claim Form, and locate other information.

**Please do not Call the Court with Questions about the Settlement.**

## PLAN OF ALLOCATION OF THE NET SETTLEMENT FUND

### A. Preliminary Matters

The Settlement Amount and the interest it earns is the "Settlement Fund." The Settlement Fund, after deduction of Court-approved attorneys' fees and expenses, Notice and Administration Expenses, Taxes, and any other fees or expenses approved by the Court is the "Net Settlement Fund." The Net Settlement Fund will be distributed to Members of the Settlement Class who timely submit valid Claim Forms that show a Recognized Loss according to the Plan of Allocation approved by the Court. The Court may approve this Plan of Allocation or modify it without additional notice to the Settlement Class. Any order modifying the Plan of Allocation will be posted on the settlement website at: [www.ubiquitisecuritieslitigation.com](http://www.ubiquitisecuritieslitigation.com), and at [www.labaton.com](http://www.labaton.com), or [www.rgrdlaw.com](http://www.rgrdlaw.com).

The purpose of this Plan of Allocation of the Net Settlement Fund ("Plan of Allocation" or "Plan") is to establish a reasonable and equitable method of distributing the Net Settlement Fund among Authorized Claimants who allegedly suffered economic losses as a result of the alleged violations of the federal securities laws. For purposes of determining the amount an Authorized Claimant may recover under this Plan, Lead Counsel have conferred with a consulting damages expert. This Plan is intended to be consistent generally with an assessment of, among other things, the damages that Lead Counsel and Lead Plaintiffs believe were recoverable in the Action. The Plan, however, is not a formal damages analysis and the calculations made pursuant to the Plan are not intended to be estimates of, nor indicative of, the amounts that Settlement Class Members might have been able to recover after a trial. An individual Settlement Class Member's recovery will depend on, for example: (a) the total number of claims submitted; (b) when the Settlement Class Member purchased or acquired Ubiquiti publicly traded common stock; and (c) whether and when the Settlement Class Member sold his, her, or its shares of Ubiquiti common stock.

The prices and dates of your purchases and sales of Ubiquiti publicly traded common stock are needed to calculate your claim under this Plan of Allocation. Settlement Class Members must report on their Claim Forms all their purchases and sales of Ubiquiti publicly traded common stock from October 14, 2011 through April 25, 2013. (April 25, 2013 is when Ubiquiti's stock price rebounded to \$15.00, the IPO offering price.) Transactional information about purchases and sales after the IPO is needed in order to apply properly the formulas in the Plan, which generally follow how damages are calculated under the 1933 Act. However, you cannot recover for purchases after May 3, 2012, because they were not pursuant or traceable to the IPO, and you cannot recover for shares sold after April 25, 2013, because under the 1933 Act, a purchaser cannot recover based on a share sold for a price greater than or equal to the IPO offering price.

Because the Net Settlement Fund is less than the total losses alleged to be suffered by Settlement Class Members, the formulas described below for calculating Recognized Losses are not intended to estimate the amount that will actually be paid to Authorized Claimants. Rather, these formulas provide the basis on which the Net Settlement Fund will be distributed among Authorized Claimants on a *pro rata* basis. An Authorized Claimant's Recognized Loss shall be the amount used to calculate the Authorized Claimant's *pro rata* share of the Net Settlement Fund. The *pro rata* share shall be the Authorized Claimant's Recognized Loss divided by the total of the Recognized Losses of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund.

Defendants, their respective counsel, and all other Released Defendant Parties will have no responsibility or liability for the investment of the Settlement Fund, the distribution of the Net Settlement Fund, the Plan of Allocation or the payment of any claim. Lead Plaintiffs, Lead Counsel, and anyone acting on their behalf, likewise will have no liability for their reasonable efforts to execute, administer, and distribute the Settlement.

### B. Calculation of Recognized Loss Amounts

For Ubiquiti publicly traded common stock purchased or acquired pursuant and/or traceable to the Company's IPO on or about October 14, 2011 (namely, during the period from October 14, 2011 through May 3, 2012), and:

- (1) sold prior to the close of trading on September 7, 2012,<sup>3</sup> the Recognized Loss per share is:
  - a. the purchase price per share, not to exceed the \$15.00 per share IPO price,  
***minus***
  - b. the sales price per share;
- (2) sold after the close of trading on September 7, 2012 and before the close of trading on April 25, 2013, the Recognized Loss per share is:
  - a. the purchase price per share, not to exceed the \$15.00 per share IPO price,  
***minus***
  - b. the greater of the sales price per share or \$12.03 per share (September 7, 2012 closing price).
- (3) held as of the close of trading on April 25, 2013, the Recognized Loss per share is zero.

<sup>3</sup> September 7, 2012 is the date this Action was started, which is one of the elements for calculating damages under the 1933 Act.



**C. Additional Provisions**

If a Settlement Class Member made multiple purchases, acquisitions, or sales of Ubiquiti common stock during or after the Class Period, the starting point for calculating a claimant's Recognized Loss is to match the claimant's purchases and acquisitions to their sales using the first-in-first-out (the "FIFO") method. Under the FIFO method, sales will be matched against purchases or acquisitions in chronological order, beginning with the earliest purchase or acquisition made during the Class Period.

Purchases or acquisitions and sales of Ubiquiti shares shall be deemed to have occurred on the "contract" or "trade" date as opposed to the "settlement" or "payment" date. The receipt or grant by gift, inheritance or operation of law of shares during the Class Period shall not be deemed a purchase, acquisition or sale of shares for the calculation of Recognized Loss, unless (i) the donor or decedent purchased or otherwise acquired such shares during the Class Period; (ii) no Proof of Claim was submitted by or on behalf of the donor, on behalf of the decedent, or by anyone else with respect to such shares; and (iii) it is specifically so provided in the instrument of gift or assignment. The conversion of Ubiquiti's Series A preferred stock to common stock does not constitute a purchase or acquisition of Ubiquiti common stock pursuant and/or traceable to the Company's IPO. Any claimant that sold Ubiquiti common stock "short" will have no Recognized Loss with respect to such purchase during the Class Period to cover said short sale.

The Net Settlement Fund will be allocated among all Authorized Claimants whose prorated payment is \$10.00 or greater. If the prorated payment to any Authorized Claimant calculates to less than \$10.00, no distribution will be made to that Authorized Claimant.

Payment according to this Plan of Allocation will be deemed conclusive against all Authorized Claimants. Recognized Losses will be calculated as defined herein by the Claims Administrator and cannot be less than zero.

Distributions to eligible Authorized Claimants will be made after claims have been processed. After an initial distribution of the Net Settlement Fund, if there is any balance remaining in the Net Settlement Fund (whether by reason of tax refunds, uncashed checks or otherwise) after at least six (6) months from the date of initial distribution of the Net Settlement Fund, Lead Counsel shall, if feasible and economical, re-distribute such balance among Authorized Claimants who have cashed their checks in an equitable and economic fashion. These re-distributions shall be repeated until the balance in the Net Settlement Fund is no longer feasible to distribute to Authorized Claimants. Any balance that still remains in the Net Settlement Fund after re-distribution(s), which is not feasible or economical to reallocate, after payment of Notice and Administration Expenses, Taxes, and attorneys' fees and expenses, shall be donated in equal amounts to Bay Area Legal Aid and Consumer Federation of America.

Each claimant is deemed to have submitted to the jurisdiction of the United States District Court for the Northern District of California with respect to his, her, or its claim.

**SPECIAL NOTICE TO SECURITIES BROKERS AND NOMINEES**

If you purchased the publicly traded common stock of Ubiquiti during the Class Period for the beneficial interest of a person or organization other than yourself, the Court has directed that, WITHIN SEVEN (7) CALENDAR DAYS OF YOUR RECEIPT OF THIS NOTICE, you either: (a) provide to the Claims Administrator the name and last known address of each person or organization for whom or which you purchased such shares during such time period; or (b) request additional copies of this Notice and the Proof of Claim form, which will be provided to you free of charge, and WITHIN SEVEN (7) CALENDAR DAYS mail the Notice and Proof of Claim form directly to the beneficial owners of that security. If you choose to follow alternative procedure (b), the Court has directed that, upon such mailing, you must send a statement to the Claims Administrator confirming that the mailing was made as directed. Upon timely compliance with the above requirements, you are entitled to reimbursement from the Settlement Fund of your reasonable expenses actually incurred in connection with the foregoing, including reimbursement of postage expense and the cost of ascertaining the names and addresses of beneficial owners. Those expenses will be paid upon request and submission of appropriate supporting documentation. All communications concerning the foregoing should be addressed to the Claims Administrator:

*Ubiquiti Networks Securities Litigation*  
c/o GCG  
P.O. BOX 10484  
Dublin, OH 43017-4084  
(844) 402-8574  
info@ubiquitisecuritieslitigation.com  
www.ubiquitisecuritieslitigation.com

Dated: September 27, 2017

BY ORDER OF THE UNITED STATES DISTRICT  
COURT FOR THE NORTHERN DISTRICT OF  
CALIFORNIA