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

MEYSAM MORADPOUR, et al.,

Plaintiffs,

v.

VELODYNE LIDAR, INC., et al.,

Defendants.

Case No. 3:21-CV-01486-SI

**NOTICE OF PENDENCY AND PROPOSED
SETTLEMENT OF CLASS ACTION**

EXHIBIT A-1

CLASS ACTION

NOTICE OF PENDENCY AND PROPOSED
SETTLEMENT OF CLASS ACTION

CASE No. 3:21-CV-01486-SI

NOTICE OF (I) PENDENCY AND PROPOSED SETTLEMENT OF CLASS ACTION AND PLAN OF ALLOCATION; (II) SETTLEMENT HEARING; AND (III) MOTION FOR AWARD OF ATTORNEYS' FEES AND REIMBURSEMENT OF LITIGATION EXPENSES

To: ALL PERSONS WHO PURCHASED VELODYNE LIDAR, INC. PUBLICLY TRADED SECURITIES BETWEEN JULY 2, 2020 AND MARCH 17, 2021, INCLUSIVE (THE "CLASS")

***A FEDERAL COURT HAS AUTHORIZED THIS NOTICE.
THIS IS NOT A SOLICITATION FROM A LAWYER.***

NOTICE OF SETTLEMENT: Please be advised that the Court-appointed Lead Plaintiff and Class Representative Diane Smith, on behalf of herself and the Court-certified Class, has reached a proposed settlement of the above-captioned securities class action lawsuit (the "Litigation") for a total of Twenty Seven Million Five-Hundred-Thousand Dollars (\$27,500,000.000) in cash that, if approved, will resolve all claims in the Litigation.¹ As described more fully below, Lead Plaintiff's damages expert estimates that, if valid claims for all such Velodyne Securities² are submitted, the average recovery per share for the Velodyne Common Stock will be approximately \$0.24 per share and the average recovery per share for the Velodyne Warrant will be approximately \$0.11 per share, before deduction of attorneys' fees (not to exceed 28% of the Settlement Fund), costs and expenses awarded by the Court (not to exceed \$315,000) and the costs of providing notice and administering the Settlement (not to exceed \$250,000).

PLEASE READ THIS NOTICE CAREFULLY. This Notice explains important rights you may have, including the possible receipt of cash from the Settlement. If you are a Class Member, your legal rights will be affected whether or not you act.

If you have any questions about this Notice, the proposed Settlement, or your eligibility to participate in the Settlement, please do not contact Velodyne Lidar, Inc. ("Velodyne" or the "Company"), Defendants' Counsel, or the Court. All questions should be directed to Lead Counsel or the Claims Administrator.

1. **Description of the Litigation and Class:** This Notice relates to a proposed settlement of claims in a pending securities class action lawsuit brought by an investor alleging, among other things, that Defendants Anand Gopalan, James A. Graf, Michael Dee, and Andrew Hamer ("Individual Defendants") and Velodyne (together with the Individual Defendants, "Defendants"), violated the federal securities laws by allegedly making materially false and misleading statements and/or omitting material facts necessary to make the statements not misleading because, among other reasons, Defendants either knew, or deliberately disregarded, facts regarding an undisclosed effort to remove the Company's founder David Hall from his leadership position. Defendants deny that the claims and allegations have any merit, deny that they engaged in any wrongdoing or other misconduct, and deny that they have any liability to Lead Plaintiff or members of the Class. The proposed settlement, if approved by the United States District Court for the Northern District of California (the "Court"), will settle claims of the Class of Persons that were certified by the Court pursuant to an Order issued on April 23, 2024, (the "Preliminary Approval Order" or "Notice Order"). The "Class," as certified by the Court, means all Persons who purchased Velodyne publicly traded securities between July 2, 2020 and March 17, 2021, inclusive. Excluded from the Class are Defendants and members of their immediate families, the officers and directors of the Company, at all relevant times, and members of their immediate families, the legal representatives, heirs, successors or assigns of any of the foregoing, and any entity in which Defendants have or had a controlling interest. Also excluded from the Class are those Persons who timely and validly request exclusion from the Class pursuant to the procedure described in this Notice.

2. **Summary of the Class's Recovery:** Subject to Court approval, and as described more fully below, Lead Plaintiff, on behalf of herself and the Class, has agreed to settle all claims based on the purchase or other acquisition of Velodyne publicly traded securities during the Class Period that were or could have been asserted against Defendants in the Litigation in exchange for a settlement payment of Twenty-Seven Million Five-Hundred-Thousand Dollars (\$27,500,000) in cash (the "Settlement Amount") to be deposited into an interest-bearing escrow account. The Net Settlement Fund (*i.e.*, the Settlement Amount plus any and all interest earned thereon (the "Settlement Fund") less: (i) any Taxes; (ii) any Notice and Administration Component; (iii) Lead Plaintiff's expenses, if and to the extent allowed by the Court; and (iv) Plaintiff's Counsel's attorneys' fees, expenses, and costs with interest thereon (the "Fee and Expense Award"), if and to the extent allowed by the Court will be distributed in accordance with a plan of allocation that is approved by the Court, which will determine how the Net Settlement Fund shall be allocated among members of the Class. The proposed plan of allocation (the "Plan of Allocation") is set forth in ¶¶ 42-64, below.

¹ All capitalized terms used in this Notice that are not otherwise defined herein shall have the meanings provided in the Stipulation of Settlement dated March 6, 2024 (the "Stipulation"), which is available on the website for the Settlement at www.VelodyneSecuritiesLitigation.com.

² Herein, Velodyne publicly traded Common Stock and Warrants are referred to collectively as "Velodyne Securities."

3. **Estimate of Average Amount of Recovery Per Share:** Lead Plaintiff's damage expert estimates that, between July 2, 2020 and March 17, 2021, approximately 109,828,643 million shares of Velodyne Securities were purchased during the Class Period and held through an alleged corrective disclosure and therefore allegedly were damaged. Lead Plaintiff's damages expert estimates that, if valid claims for all such Velodyne Securities are submitted, the average recovery per share for the Velodyne Common Stock will be approximately \$0.24 per share, before deduction of attorneys' fees, costs and expenses awarded by the Court and the costs of providing notice and administering the Settlement. Lead Plaintiff's damage expert also estimates that, between July 2, 2020 and March 17, 2021, approximately 9,764,925 million warrants of Velodyne Securities were purchased during the Class Period and held through an alleged corrective disclosure and therefore allegedly were damaged. Lead Plaintiff's damages expert estimates that, if valid claims for all such Velodyne Securities are submitted, the average recovery per warrant for the Velodyne Warrant will be approximately \$0.11 per share, before deduction of attorneys' fees, costs and expenses awarded by the Court and the costs of providing notice and administering the Settlement. A Class Member's actual recovery will depend on several things, including: (i) the total number of claims filed; (ii) the date when Class Members purchased, acquired, or transacted in their Velodyne Securities during the Class Period; and (iii) whether and when Class Members sold their Velodyne Securities. Distributions to Class Members will be made based on the Plan of Allocation set forth herein (see ¶¶ 42-64, below) or as may be modified by order of the Court.

4. **Statement of Potential Outcome of Case:** The Parties disagree on the potential liability of Defendants, and they do not agree on the average amount of damages per share, if any, that would be recoverable if Lead Plaintiff would have prevailed at trial. Defendants deny that they are liable in any respect or that Lead Plaintiff, or any Class Member, suffered any injury. The issues on which the Parties disagree include: (i) whether any Defendant engaged in any conduct that violated the federal securities laws; (ii) the amounts by which Velodyne Securities were allegedly artificially inflated (if at all) during the Class Period; (iii) the effect of various market forces influencing the trading price of Velodyne Securities at various times during the Class Period; (iv) the extent to which the various matters that Lead Plaintiff alleged were materially false or misleading influenced (if at all) the trading price of Velodyne Securities during the Class Period; (v) the extent to which the various allegedly adverse material facts that Lead Plaintiff alleged were omitted influenced (if at all) the trading price of Velodyne Securities during the Class Period; (vi) whether the statements made or facts allegedly omitted were material, false, misleading, or otherwise actionable under the securities laws; and (vii) whether, even if liability could be proven, total damages would be greater than \$0. Lead Plaintiff's Counsel's expert performed a damages analysis and estimates the aggregate damages recoverable after trial to be approximately \$190 million, although that amount could be substantially lower or zero if certain arguments by the Defendants were accepted by the Court or a jury. Lead Plaintiff believes that the proposed settlement, which was reached following discovery in the Litigation and a mediation process overseen by an experienced independent, third-party mediator (Jed D. Melnick of JAMS), represents a fair and reasonable recovery in light of the risks of continued litigation and is in the best interests of the Class Members.

5. **Statement of Attorneys' Fees and Expenses Sought:** Court-appointed Lead Counsel, Kahn Swick & Foti, LLC, has been prosecuting the Litigation on a wholly contingent basis for three years since its inception in 2021, has not received any payment of attorneys' fees for their representation of the Class and has advanced hundreds of thousands of dollars in expenses necessarily incurred in order to prosecute the Litigation. As set forth in greater detail below (see ¶¶ 14-23 below), Lead Counsel was responsible for: (i) conducting an extensive investigation into the Class's claims; (ii) filing two amended consolidated complaints; (iii) opposing Defendants' motion to dismiss the complaint; (iv) engaging in multiple in-person, telephonic, and videoconference meetings regarding discovery; (v) conducting extensive document review; and, (vi) briefing an independent and experienced mediator on relevant claims and applicable law, before reaching with the mediator's assistance an agreement in principle to settle the Litigation. Lead Counsel will ask the Court to award attorneys' fees in an amount not to exceed 28% of the Settlement Fund. Lead Counsel also will apply for the reimbursement of Litigation Expenses paid or incurred in connection with the prosecution and resolution of the Litigation, in an amount not to exceed \$315,000, as well as the reasonable costs and expenses of Lead Plaintiff directly related to her representation of the Class pursuant to 15 U.S.C §78u-4(a)(4) in an amount not to exceed \$20,000. If the Court approves Lead Counsel's fee and expense application, the average cost per affected share of Velodyne Common Stock will be approximately \$0.07.

6. **Identification of Attorneys' Representatives:** Lead Plaintiff and the Class are being represented by: Ramzi Abadou, Esq., Kahn Swick & Foti, LLP, 580 California Street, Suite 1200, San Francisco, CA 94117; Lewis S. Kahn, Esq., Alexander Burns, Esq., James Fetter, Esq., Alexandra Pratt, Esq., Kahn Swick & Foti, LLC, 1100 Poydras Street, Suite 960, New Orleans, LA 70163, (504) 455-1400, www.ksfcounsel.com.

7. **Reasons for the Settlement:** Lead Plaintiff’s principal reason for entering into the Settlement is the substantial cash benefit for the Class, without the risk or the delays inherent in further litigation. Lead Plaintiff has also considered the uncertain outcome and risks in complex actions such as this Litigation, as well as the difficulties and delays inherent in such litigation. Moreover, the substantial cash benefit provided under the Settlement must be considered against the significant risk that a smaller recovery—or, indeed, no recovery at all—might be achieved after a trial of the Litigation and the likely appeals that would follow a trial, a process that could last many months, or even years, into the future. Defendants, who believe that Lead Plaintiff would not be able to prove her claims or to refute Defendants’ defenses and who deny all allegations of wrongdoing or liability whatsoever, and further deny that Lead Plaintiff or members of the Class sustained any damages for which they are entitled to recover, are entering into the Settlement to eliminate the uncertainty inherent in any litigation, to avoid further expense, inconvenience, and the distraction of burdensome and protracted litigation and to secure releases to the fullest extent permitted by law. The amount of damages recoverable by Class Members was and is challenged by Defendants. Recoverable damages in this case are limited to losses caused by conduct actionable under applicable law and, had the Litigation gone to trial, Defendants would have asserted that all or most of the losses of Class Members were caused by non-actionable conduct or market, industry, or general economic factors. Defendants would also assert, among other things, that their conduct complied with all applicable legal standards, that their challenged statements were not false or misleading, and that they did not act with the required state of mind to be liable for any violations of the federal securities laws.

YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT:	
SUBMIT A CLAIM FORM BY: SEPTEMBER 11, 2024.	This is the only way to be eligible to receive a payment from the Settlement. If you are a Class Member, you will be bound by the Settlement as approved by the Court and you will give up any Released Claims (as defined in ¶ 66 below) that you have against the Released Defendant Parties (as defined in ¶ 67 below), so Lead Counsel believes it is in your interest to submit a Proof of Claim and Release form.
OBJECT TO THE SETTLEMENT BY SUBMITTING A WRITTEN OBJECTION SO THAT IT IS RECEIVED NO LATER THAN JULY 26, 2024.	If you do not like the proposed Settlement, the proposed Plan of Allocation, the Fee and Expense Application, or Lead Plaintiff’s request for reimbursement, you may write to the Court and explain why you do not like them. You cannot object to the Settlement, the Plan of Allocation, the Fee and Expense Application, or Lead Plaintiff’s request for reimbursement unless you are a Class Member and you did not previously submit a request for exclusion from the Class.
FILE A NOTICE OF INTENTION TO APPEAR SO THAT IT IS RECEIVED NO LATER THAN JULY 26, 2024, AND GO TO THE HEARING ON AUGUST 16, 2024 AT THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF CALIFORNIA, COURTROOM 1, 450 GOLDEN GATE AVENUE, SAN FRANCISCO, CA 94102.	Filing a written objection and notice of intention to appear by July 26, 2024 allows you to speak in Court, at the discretion of the Court, about the fairness of the proposed Settlement, the Plan of Allocation, the Fee and Expense Application, or Lead Plaintiff’s request for reimbursement. If you submit a written objection, you may (but do not have to) attend the hearing and, at the discretion of the Court, speak to the Court about your objection.
EXCLUDE YOURSELF FROM THE SETTLEMENT BY SUBMITTING A WRITTEN REQUEST FOR EXCLUSION SO THAT IT IS RECEIVED NO LATER THAN JULY 26, 2024.	If you do not wish to be included in the Class and you do not wish to participate in the proposed Settlement described in this Notice, you may request to be excluded, as described in more detail below. You cannot exclude yourself by phone or by e-mail. If you ask to be excluded from the Class, you will not get any settlement payment.
DO NOTHING.	If you are a member of the Class and you do not submit a Proof of Claim and Release form by September 11, 2024 or by later date, if any, specified by the Court, you will not be eligible to receive any payment from the Settlement Fund. You will, however, remain a member of the Class, which means that you give up your right to sue about the claims that are resolved by the Settlement and you will be bound by any judgments or orders entered by the Court in the Litigation.

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WHY DID I GET THIS NOTICE?

8. This Notice is being sent to you pursuant to an Order of the Court because of purchases or acquisitions of Velodyne Securities during the Class Period (*i.e.*, July 2, 2020 to March 17, 2021, inclusive) by you, someone in your family, or an investment account for which you serve as custodian. The Court has directed us to send you this Notice because, as a potential Class Member, you have a right to know about your options before the Court rules on the proposed Settlement of this Litigation. Additionally, you have the right to understand how a class action lawsuit may generally affect your legal rights. If the Court approves the Settlement, then Epiq Class Action and Claims Solutions, Inc. (“Claims Administrator”), the Claims Administrator selected by Lead Plaintiff and approved by the Court, will distribute payments pursuant to the Plan of Allocation after any objections and appeals are resolved.

9. In a class action lawsuit, under a federal law governing such lawsuits, the Court appoints one or more investors to oversee litigation brought on behalf of all investors with similar claims, commonly known as the class or the class members. In this Litigation, the Court has appointed Diane Smith to serve as “Lead Plaintiff” and has appointed the law firm of Kahn Swick & Foti, LLC as “Lead Counsel” for Lead Plaintiff and the Class in the Litigation. Pursuant to the Court’s Order issued on July 14, 2023, Lead Plaintiff was certified as “Class Representative” and Lead Counsel was certified as “Class Counsel.” A class action is a type of lawsuit in which the claims of many individuals are resolved together, thus providing the class members with both consistency and efficiency. Here, the Court has already certified the Class. Accordingly, the Settlement, if approved by the Court, will resolve all issues on behalf of the Class Members, except for any Persons who timely submit a request for exclusion in accordance with this Notice.

10. The Court in charge of this case is the United States District Court for the Northern District of California, and the case is known as *Meysam Moradpour, et al., v. Velodyne Lidar, Inc. et al.*, 3:21-cv-01486-SI (N.D. Cal.). The Judge presiding over this Litigation is the Honorable Susan Illston, United States Senior District Judge. The person who is suing is called plaintiff, and those who are being sued are called defendants. In this case, the Lead Plaintiff is suing on behalf of herself and the Class and has brought claims against the Defendants (defined above). If the Settlement is approved, it will resolve all claims in the Litigation, all claims that could have been included in the Litigation, and all Released Claims against each and all Released Defendant Parties, and will bring the Litigation to an end.

11. This Notice explains the lawsuit, the Settlement, your legal rights, the benefits that are available, who is eligible for them, and how to get them. The purpose of this Notice is to inform you that a settlement has been reached in the Litigation and how you might be affected. It also is being sent to inform you of the terms of the proposed Settlement, and of a hearing to be held by the Court (the “Settlement Hearing”) to consider the fairness, reasonableness, and adequacy of the proposed Settlement, the proposed Plan of Allocation, the Fee and Expense Application, and Lead Plaintiff’s request for reimbursement pursuant to 15 U.S.C. §78u-4(a)(4).

12. The Settlement Hearing will be held on August 16, 2024, at 10:00 a.m., before the Honorable Susan Illston, United States Senior District Judge, at the United States District Court for the Northern District of California, San Francisco Division, Phillip Burton Federal Building & United States Courthouse – Courtroom 1, 17th Floor, 450 Golden Gate Avenue, San Francisco, CA 94102 or at such other location or *via* telephonic or video appearance as determined by the Court, for the purposes of determining:

- (a) whether the proposed settlement is fair, just, reasonable, and adequate and should be approved by the Court;
- (b) whether the proposed Plan of Allocation is fair and reasonable and adequate and should be approved;
- (c) whether the Litigation should be dismissed with prejudice against the Defendants as set forth in the Stipulation;
- (d) whether the Fee and Expense Application and Lead Plaintiff’s request for reimbursement pursuant to 15 U.S.C. § 78u-4(a)(4) should be approved by the Court; and
- (e) any other relief the Court deems necessary to effectuate the terms of the Settlement.

13. This Notice does not express any opinion by the Court concerning the merits of any claim in the Litigation, and the Court still has to decide whether to approve the Settlement. If the Court approves the Settlement, payments to Authorized Claimants will be made after any appeals are resolved, and after the completion of all claims processing. The claims process could take substantial time to complete fully and fairly. Please be patient.

WHAT IS THIS CASE ABOUT?

Summary of Procedural History and Background of Lead Plaintiff’s Claims

14. This case involves allegations that Defendants violated Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the “Exchange Act”), and SEC Rule 10b-5(b) promulgated thereunder. The operative complaint in the Litigation is the Consolidated Amended Class Action Complaint for Violation of the Federal Securities Laws, filed on February 11, 2022 (the “Complaint”) (ECF No. 99).

15. On March 2, 2021, the initial complaint was filed by an individual investor named Meysam Moradpour, on behalf of himself and a proposed class of shareholders who purchased Velodyne securities during the Class Period. Two related actions were subsequently filed: (i) *Reese v. Velodyne Lidar, Inc., et. al.*, No. 3:21-cv-01736 (N.D. Cal.); and (ii) *Nick v. Velodyne Lidar, Inc., et. al.*, No. 3:21-cv-01950 (N.D. Cal.).

16. On July 2, 2021, the Court consolidated these lawsuits and appointed Diane and William Smith as Lead Plaintiffs in this Litigation. The Court also approved their selection of Kahn Swick & Foti, LLC as Lead Counsel. William Smith subsequently withdrew as a Lead Plaintiff, while Diane Smith remained as a Lead Plaintiff and was advanced as the sole proposed representative for the Class.

17. The Lead Plaintiffs filed their Consolidated Amended Complaint on February 11, 2022 (ECF No. 99). The Complaint alleged that certain of Velodyne’s filings with the SEC and other publicly made statements were materially false and misleading when made, and omitted from disclosure material facts necessary to not make the statements made misleading because, among other reasons, Defendants either knew, or deliberately disregarded, facts regarding an undisclosed power struggle at the Company, including a plot to oust the Company founder David Hall from his leadership position through a pretextual Audit Committee Investigation. The Complaint alleged that the Audit Committee Investigation went undisclosed to investors until its conclusion in February 2021, when the Company announced, among other things, that it had: (i) removed David Hall from his role as Chairman of the Board; (ii) terminated his wife Marta Thoma Hall from her role as the Company’s Chief Marketing Officer; and (iii) censured them both. David Hall subsequently resigned from the Company’s Board of Directors in March 2021. The Complaint further alleged that these materially false and misleading statements caused Velodyne securities to trade at artificially inflated prices. The Complaint alleged that as the truth about Defendants’ Class Period misstatements was revealed, it caused the value of Velodyne common stock and stock warrants to fall.

18. Defendants moved to dismiss the Complaint, and that motion was partially granted and partially denied on July 1, 2022 (ECF No. 119). Then on October 12, 2022, the Court clarified its dismissal order to confirm that Andrew Hamer remained as a Defendant in this Litigation (ECF No. 130). Substantial discovery, including production of documents, proceeded thereafter.

19. In accordance with the Court's Initial Case Management Order setting a discovery and briefing schedule with respect to Lead Plaintiff's motion for class certification, on March 20, 2023. Lead Plaintiff filed their Notice of Motion and Motion for Class Certification (ECF No. 157). After class certification discovery, Defendants filed a notice with the Court stating they did not oppose class certification. Accordingly, on July 14, 2023, the Court issued an Order that granted Lead Plaintiff's Notice of Motion and Motion for Class Certification, which allowed the Litigation to proceed as a class action (ECF No. 193).

The Parties' Settlement Negotiations

20. On November 29, 2023, the Parties conducted a full-day mediation with Mr. Melnick. The Parties did not resolve the case on that date but continued to actively discuss settlement with Mr. Melnick's assistance including engaging in a second full-day of mediation on January 16, 2024. On January 19, 2024, the Parties reached an agreement in principle to settle this Litigation in its entirety. On January 30, 2024, the Parties filed a Joint Notice of Settlement with the Court and asked that further proceedings be stayed in light of the Parties' agreement in principle (ECF No. 218), which the Court granted on February 6, 2024 (ECF No. 219).

21. Based on their investigation, prosecution and mediation of the case, Lead Counsel has concluded that the terms and conditions of the Stipulation are fair, reasonable and adequate to Lead Plaintiff and Class Members, and in their best interests. Based on Lead Plaintiff's oversight of the prosecution of this matter and with the advice of Lead Counsel, Lead Plaintiff has agreed to settle the claims raised in the Litigation pursuant to the terms and provisions of the Stipulation, after considering (i) the very substantial financial benefit that Lead Plaintiff and the other members of the Class will receive under the proposed Settlement, (ii) the uncertain outcome and risks in complex actions such as this Litigation, as well as the difficulties and delays inherent in such litigation, and (iii) the desirability of permitting the Settlement to be consummated as provided by the terms of the Stipulation. The fact that Lead Plaintiff has agreed to settle the Litigation shall in no event be construed or deemed to be evidence of or an admission or concession on the part of Lead Plaintiff of any infirmity in any of the claims asserted in the Litigation, or an admission or concession that any of Defendants' affirmative defenses to liability have any merit.

22. Defendants have denied and continue to deny each and all of the claims and contentions alleged by Lead Plaintiff in the Litigation. Defendants have expressly denied and continue to expressly deny all charges of wrongdoing or liability whatsoever arising out of any of the conduct, statements, acts, or omissions alleged, or that could have been alleged, in the Litigation, and maintain that their conduct was at all times proper and in compliance with applicable provisions of law. Specifically, Defendants deny, *inter alia*, that they made any material misstatements or omissions in Velodyne's public filings, press releases, or other public statements, that they engaged in any wrongdoing or misconduct, that Lead Plaintiff or the Class have suffered any damages, that the prices of Velodyne securities were artificially inflated by reasons of alleged misrepresentations, non-disclosures or otherwise, and that Lead Plaintiff or the Class were harmed in any way by any conduct alleged in the Litigation or that could have been alleged therein. Defendants believe the Lead Plaintiff would not be able to prove her claims or to refute Defendants' defenses, but recognize the burden, inconvenience, expense, and uncertainty inherent in any litigation. Defendants' decision to settle the Litigation is based on the conclusion that further conduct of the protracted Litigation would be expensive in terms of costs and distraction, and the determination that it is desirable and beneficial to settle the Litigation in the manner and upon the terms and conditions set forth in this Stipulation and to put the Released Claims to rest finally and forever, without in any way acknowledging any wrongdoing, fault, liability, or damages to Lead Plaintiff and the Class.

23. On April 23, 2024, the Court preliminarily approved the Settlement, authorized this Notice to be disseminated to potential Class Members, and scheduled the Settlement Hearing to consider whether to grant final approval of the Settlement.

HOW DO I KNOW IF I AM AFFECTED BY THE SETTLEMENT?

24. If you are a member of the Class, you are subject to and bound by the terms of the Settlement unless you are excluded from the Class as set forth below. The Class, as certified by the Court, consists of all Persons who purchased Velodyne publicly traded Securities between July 2, 2020 to March 17, 2021, inclusive.

Excluded from the Class are Defendants and members of their immediate families, the officers and directors of the Company, at all relevant times, and members of their immediate families, the legal representatives, heirs, successors or assigns of any of the foregoing, and any entity in which Defendants have or had a controlling interest. Also excluded from the Class are those Persons who timely and validly request exclusion from the Class pursuant to this Notice.

PLEASE NOTE: RECEIPT OF THIS NOTICE DOES NOT MEAN THAT YOU ARE A CLASS MEMBER OR THAT YOU WILL BE ENTITLED TO RECEIVE PROCEEDS FROM THE SETTLEMENT. IF YOU ARE A CLASS MEMBER AND YOU WISH TO BE ELIGIBLE TO PARTICIPATE IN THE DISTRIBUTION OF PROCEEDS FROM THE SETTLEMENT, YOU ARE REQUIRED TO SUBMIT THE PROOF OF CLAIM AND RELEASE FORM THAT IS BEING DISTRIBUTED WITH THIS NOTICE AND THE REQUIRED SUPPORTING DOCUMENTATION AS SET FORTH THEREIN ELECTRONICALLY NO LATER THAN SEPTEMBER 11, 2024 OR POSTMARKED NO LATER THAN SEPTEMBER 11, 2024, OR BY LATER DATE, IF ANY, SPECIFIED BY THE COURT.

WHAT ARE THE PARTIES' REASONS FOR THE SETTLEMENT?

25. The principal reason for Lead Plaintiff's consent to the Settlement is that it provides an immediate and substantial benefit to the Class, in the form of a substantial monetary recovery. The benefit of the present Settlement must be compared to the risk that no recovery might be achieved after a contested trial and likely appeals, possibly many months, or even years, into the future.

26. If the Parties had not agreed to the Settlement, this Litigation would have proceeded to summary judgment motions and, depending on the outcome of those motions, trial. The claims advanced on behalf of the Class in the Litigation involve numerous complex legal and factual issues. If the Litigation were to proceed to trial, Lead Plaintiff would have to overcome significant defenses asserted by Defendants. Among other things, the parties disagree about: (i) whether any Defendant engaged in any conduct that violated the federal securities laws; (ii) the amounts by which Velodyne Securities were allegedly artificially inflated (if at all) during the Class Period; (iii) the effect of various market forces influencing the trading price of Velodyne Securities at various times during the Class Period; (iv) the extent to which the various matters that Plaintiff alleged were materially false or misleading influenced (if at all) the trading price of Velodyne Securities during the Class Period; (v) the extent to which the various allegedly adverse material facts that Plaintiff alleged were omitted influenced (if at all) the trading price of Velodyne Securities during the Class Period; (vi) whether the statements made or facts allegedly omitted were material, false, misleading, or otherwise actionable under the federal securities laws; and (vii) whether, even if liability could be proven, total damages would be greater than \$0. Even after an extensive investigation and review of documents produced in the course of discovery, and in connection with mediation, questions remain regarding Defendants' liability or the extent thereof, and whether a jury would find them liable. This Settlement enables the Class to recover without incurring any additional risk or costs.

27. Defendants have denied and continue to deny each and all of the claims and contentions alleged by Lead Plaintiff in the Litigation. Defendants have expressly denied and continue to expressly deny all charges of wrongdoing or liability whatsoever arising out of any of the conduct, statements, acts, or omissions alleged, or that could have been alleged, in the Litigation, and maintain that their conduct was at all times proper and in compliance with applicable provisions of law. Specifically, Defendants deny, *inter alia*, that they made any material misstatements or omissions in Velodyne's public filings, press releases, or other public statements, that Lead Plaintiff or the Class have suffered any damages, that the prices of Velodyne securities were artificially inflated by reasons of alleged misrepresentations, non-disclosures or otherwise, and that Lead Plaintiff or the Class were harmed in any way by any conduct alleged in the Litigation or that could have been alleged therein. Defendants believe the Lead Plaintiff would not be able to prove her claims or to refute Defendants' defenses, but recognize the burden, inconvenience, expense, and uncertainty inherent in any litigation, and enter into this Stipulation to avoid further expense, inconvenience, and the distraction of burdensome and protracted litigation and secure releases to the fullest extent permitted by law. Defendants' decision to settle the Litigation is based on the conclusion that further conduct of the protracted Litigation would be expensive in terms of costs and distraction, and the determination that it is desirable and beneficial to settle the Litigation in the manner and upon the terms and conditions set forth in this Stipulation and to put the Released Claims to rest finally and forever, without in any way conceding or acknowledging any wrongdoing, fault, liability, or damages to Lead Plaintiff and the Class.

28. In light of the risks associated with a trial of this Litigation, the monetary amount of the Settlement and the immediacy of this recovery to the Class, Lead Plaintiff and Lead Counsel believe that the proposed Settlement is fair, reasonable and adequate, and in the best interests of the Class. Lead Plaintiff and Lead Counsel believe that the Settlement provides a substantial benefit to the Class, namely Twenty-Seven-Million Five-Hundred-Thousand Dollars (\$27,500,000.00) in cash (less the various deductions described in this notice), as compared to the risk that the claims in the Litigation would produce a smaller, or no, recovery after trial and appeals.

WHAT MIGHT HAPPEN IF THERE WERE NO SETTLEMENT?

29. If there were no Settlement and Lead Plaintiff failed to establish any essential legal or factual element of their claims, neither Lead Plaintiff nor the other Class Members would recover anything from Defendants. Also, if Defendants were successful in proving any of their defenses, either at summary judgment, at trial, or on appeal, the Class likely would recover substantially less than the amount provided in the Settlement or nothing at all.

HOW MUCH WILL MY PAYMENT BE?

30. At this time, it is not possible to make any determination as to how much any individual Class Member may receive from the Settlement.

31. Pursuant to the Settlement, Defendants have agreed to pay Twenty-Seven-Million-Five-Hundred-Thousand Dollars (\$27,500,000.00) in cash. The Settlement Amount will be deposited into an interest-bearing escrow account. The Settlement Amount plus all interest earned thereon is referred to as the "Settlement Fund." If the Settlement is approved by the Court and the Effective Date occurs, the "Net Settlement Fund" (that is, the Settlement Fund less: (i) all federal, state and local taxes on any income earned by the Settlement Fund and the reasonable costs incurred in connection with determining the amount of and paying taxes owed by the Settlement Fund (including reasonable expenses of tax attorneys and accountants); (ii) the Notice and Administration Component; (iii) Lead Plaintiff's expenses, if and to the extent allowed by the Court; and (iv) the Fee and Expense Award, if and to the extent allowed by the Court) will be distributed to Class Members who submit valid Proof of Claim and Release forms, in accordance with the proposed Plan of Allocation or such other plan of allocation as the Court may approve.

32. The Net Settlement Fund will not be distributed until the Court has approved a plan of allocation and the Settlement, and the time for any petition for rehearing, appeal or review, whether by certiorari or otherwise, has expired.

33. Neither Defendants nor any other Person that paid any portion of the Settlement Amount on their behalf are entitled to get any portion of the Settlement Fund once the Court's order or judgment approving the Settlement becomes Final. Except for the Defendants' obligation to pay, or cause Defendants' insurance carriers to pay, the Settlement Amount into the Settlement Fund and to cooperate in the production of information with respect to the identification of Class Members from Velodyne's shareholder transfer records, if any, Defendants and the Released Defendant Parties shall have no obligation to make any other payment pursuant to the Settlement Agreement and no responsibility for, interest in, or liability whatsoever with respect to the investment or distribution of the Settlement Fund (except insofar as Defendants' insurance carrier retains the right to a potential refund of the Settlement Amount and accrued interest thereon pursuant to the terms of the Stipulation), the Plan of Allocation, the determination, administration, or calculation of claims, the payment or withholding of Taxes or Tax Expenses, or any losses incurred in connection therewith.

34. Approval of the Settlement is independent from approval of a plan of allocation. Any determination with respect to a plan of allocation will not affect the Settlement, if approved.

35. Only Class Members, *i.e.*, all Persons who purchased Velodyne's publicly traded Securities between July 2, 2020 to March 17, 2021, inclusive, who are not excluded from the Class, will be eligible to share in the distribution of the Net Settlement Fund.

36. Each Class Member wishing to participate in the distribution of the Net Settlement Fund must timely submit a valid Proof of Claim and Release form establishing membership in the Class, including all required documentation, electronically or postmarked to the address set forth in the Proof of Claim and Release form that accompanies this Notice on or before September 11, 2024 or by later date, if any, specified by the Court.

37. Unless the Court otherwise orders, any Class Member who fails to submit a Proof of Claim and Release form electronically or postmarked on or before September 11, 2024 or by such later date, if any, specified by the Court, shall be fully and forever barred from receiving payments pursuant to the Settlement, but will in all other respects remain a Class Member and be subject to the provisions of the Stipulation, including the terms of any Judgment entered and the releases given. This means that each Class Member releases the Released Claims against the Released Defendant Parties and will be enjoined and prohibited from filing, prosecuting, or pursuing any of the Released Claims against any of the Released Defendant Parties, whether or not such Class Member submits a Proof of Claim and Release form.

38. Information Required on the Proof of Claim and Release form: Among other things, each Proof of Claim and Release form must state and provide sufficient documentation for the Claimant's position in Velodyne Securities as of the beginning of the Class Period, all transactions in Velodyne Securities during the Class Period, and the Claimant's closing position in them on the date specified in the Claim Form.

39. The Court has reserved jurisdiction to allow, disallow, or adjust on equitable grounds the Claim of any Class Member.

40. Each Claimant shall be deemed to have submitted to the jurisdiction of the Court with respect to his, her or its Proof of Claim and Release form.

41. Persons who are either excluded from the Class by definition or who choose to be excluded in accordance with the process described in this Notice will not be eligible to receive a distribution from the Net Settlement Fund and should not submit Proof of Claim and Release forms.

PROPOSED PLAN OF ALLOCATION

HOW WILL MY CLAIM BE CALCULATED?

42. As discussed above, the Settlement provides \$27,500,000.00 in cash for the benefit of the Class. The Settlement Amount and any interest it earns constitutes the "Settlement Fund." The Settlement Fund less (i) any Taxes; (ii) any Notice and Administration Component; (iii) Lead Plaintiff's expenses, if and to the extent allowed by the Court; and (iv) Plaintiff's Counsel's attorneys' fees, expenses, and costs with interest thereon (the "Fee and Expense Award"), if and to the extent allowed by the Court, is the "Net Settlement Fund." If the Settlement is approved by the Court, the Net Settlement Fund will be distributed to eligible Authorized Claimants, *i.e.*, members of the Class who timely submit valid Proof of Claim and Release forms that are accepted for payment by the Court, in accordance with this proposed Plan of Allocation or such other plan of allocation as the Court may approve. Class Members who do not timely submit valid Proof of Claim and Release forms will not share in the Net Settlement Fund but will otherwise be bound by the Settlement. The Court may approve this proposed Plan of Allocation, or modify it, without any additional notice to the Class. Any order modifying the Plan of Allocation will be posted on the settlement website, www.VelodyneSecuritiesLitigation.com.

43. The objective of the Plan of Allocation is to equitably distribute the Settlement proceeds to those Class Members who suffered economic losses as a result of the alleged violations of the federal securities laws, as opposed to losses caused by market or industry factors or company-specific factors unrelated to the alleged violations of law. The Claims Administrator shall determine each Authorized Claimant's share of the Net Settlement Fund based upon the recognized loss formula ("Recognized Loss") described below.

44. A Recognized Loss will be calculated for each share of Velodyne Common stock ("Common Stock") and each Velodyne Warrant ("Warrant") purchased during the Class Period during the Class Period. The calculation of Recognized Loss will depend upon several factors, including when Velodyne Securities were purchased during the Class Period, and in what amounts, and whether such securities were sold, and if sold, when they were sold, and for what amounts. The Recognized Loss is not intended to estimate the amount a Class Member might have been able to recover after a trial, nor to estimate the amount that will be paid to Authorized Claimants pursuant to the Settlement. The Recognized Loss is the basis upon which the Net Settlement Fund will be proportionately allocated to the Authorized Claimants. The Claims Administrator will use its best efforts to administer and distribute the Net Settlement Fund to the extent that it is equitably and economically feasible.

45. The Plan of Allocation was created with the assistance of a consulting damages expert and reflects the assumption that the price of Velodyne Common Stock was artificially inflated throughout the Class Period. The estimated alleged artificial inflation in the price of Velodyne Common Stock during the Class Period is reflected in Table 1 below. The computation of the estimated alleged artificial inflation in the price of Velodyne Common Stock during the Class Period is based on certain misrepresentations alleged by Plaintiff and the price change in the stock, net of market- and industry-wide factors, in reaction to the public announcements that allegedly corrected the misrepresentations alleged by Plaintiff.

46. The federal securities laws allow investors to seek to recover losses caused by disclosures which corrected the defendants' previous misleading statements or omissions. Thus, in order to have recoverable damages, the corrective disclosure of the allegedly misrepresented information must be the cause of the decline in the price or value of Velodyne Securities. In this Litigation, Plaintiff alleges that Defendants made false statements and/or omitted material facts during the Class Period, which had the purported effect of artificially inflating the price of Velodyne Securities.

Plaintiff further alleges that corrective disclosures removed artificial inflation from the price of Velodyne Securities on January 8, 2021, February 22, 2021 and March 17, 2021 (the “Corrective Disclosure Dates”). Thus, in order for a Class Member to have a Recognized Loss under the Plan of Allocation, Velodyne Securities must have been purchased during the Class Period and held through at least one of these Corrective Disclosure Dates. The computation of the estimated alleged artificial inflation in the price of Velodyne Securities is stated in Table 1 below.

47. The “90-day look back” provision of the Private Securities Litigation Reform Act of 1995 (“PSLRA”) is incorporated into the calculation of the Recognized Loss for Velodyne Securities. The limitations on the calculation of the Recognized Loss imposed by the PSLRA are applied such that losses on Velodyne Securities purchased during the Class Period and held as of the close of the 90-day period subsequent to the Class Period (the “90-Day Lookback Period”) cannot exceed the difference between the purchase price paid for such stock and its average price during the 90-Day Lookback Period. The Recognized Loss on Velodyne Securities purchased during the Class Period and sold during the 90-Day Lookback Period cannot exceed the difference between the purchase price paid for such stock and its rolling average price during the portion of the 90-Day Lookback Period elapsed as of the date of sale.

48. In the calculations below, all purchase and sale prices shall exclude any fees, taxes and commissions. If a Recognized Loss amount is calculated to be a negative number, that Recognized Loss shall be set to zero. Any transactions in Velodyne Securities executed outside of regular trading hours for the U.S. financial markets shall be deemed to have occurred during the next regular trading session for the U.S. financial markets.

49. A Recognized Loss will be calculated as set forth below each share of Velodyne Common Stock and each Velodyne Warrant purchased during the Class Period, that is listed in the Proof of Claim and Release form and for which adequate documentation is provided.

50. A Recognized Loss Amount will be calculated for each share of Velodyne common stock purchased during the Class Period from July 2, 2020 through March 16, 2021, inclusive. If the calculation of a Recognized Loss Amount for any particular share purchased during the Class Period results in a negative number, that number shall be set to zero.

CALCULATION OF RECOGNIZED LOSS – COMMON STOCK

51. For each share of Velodyne common stock purchased during the Class Period, and:
- (a) sold before January 8, 2021, the Recognized Loss Amount for each share shall be zero;
 - (b) sold from January 8, 2021, through and including March 16, 2021, the Recognized Loss Amount for each share is *the lesser of*: (i) the amount of artificial inflation per share on the date of purchase/acquisition as stated in Table 1 below **minus** the amount of artificial inflation per share on the date of sale as stated in Table 1 below; or (ii) the purchase/acquisition price per share **minus** the sale price;
 - (c) sold from March 17, 2021, through and including the close of market trading on June 14, 2021, the Recognized Loss Amount for each share is *the least of*: (i) the amount of artificial inflation per share on the date of purchase/acquisition as stated in Table 1 below; (ii) the purchase/acquisition price per share **minus** the average closing price of Velodyne common stock between March 17, 2021 and the date of sale as stated in Table 2 below; or (iii) the purchase/acquisition price per share **minus** the sale price;
 - (d) held as of the close of market trading on June 14, 2021, the Recognized Loss Amount for each share is *the lesser of*: (i) the amount of artificial inflation per share on the date of purchase/acquisition as stated in Table 1 below; or (ii) the purchase/acquisition price **minus** \$12.09, the average closing price of Velodyne common stock between March 17, 2021 and June 14, 2021, as shown on the last row of Table 2 below.³

³ Pursuant to Section 21D(e)(1) of the Exchange Act, “in any private action arising under this title in which the plaintiff seeks to establish damages by reference to the market price of a security, the award of damages to the plaintiff shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the subject security and the mean trading price of that security during the 90-day period beginning on the date on which the information correcting the misstatement or omission that is the basis for the action is disseminated to the market.” Consistent with the requirements of the Exchange Act, Recognized Loss Amounts are reduced to an appropriate extent by taking into account the closing prices of Velodyne common stock during the “90-day look-back period,” March 17, 2021 through and including June 14, 2021. The mean (average) closing price for Velodyne common stock during this 90-day look-back period was \$12.09.

CALCULATION OF RECOGNIZED LOSS – WARRANTS

52. A Recognized Loss Amount will be calculated for each Velodyne warrant purchased during the Class Period from July 2, 2020 through March 16, 2021, inclusive. If the calculation of a Recognized Loss Amount for any particular warrant purchased during the Class Period results in a negative number, that number shall be set to zero.

53. For each Velodyne warrant purchased during the Class Period, and:

- (a) sold before January 8, 2021, the Recognized Loss Amount for each warrant shall be zero;
- (b) sold from January 8, 2021, through and including March 16, 2021, the Recognized Loss Amount for each warrant is *the lesser of*: (i) the amount of artificial inflation per warrant on the date of purchase/acquisition as stated in Table 1 below **minus** the amount of artificial inflation per warrant on the date of sale as stated in Table 1 below; or (ii) the purchase/acquisition price per warrant **minus** the sale price;
- (c) sold from March 17, 2021, through and including the close of market trading on June 14, 2021, the Recognized Loss Amount for each warrant is *the least of*: (i) the amount of artificial inflation per warrant on the date of purchase/acquisition as stated in Table 1 below; (ii) the purchase/acquisition price per warrant **minus** the average closing price of Velodyne warrants between March 17, 2021 and the date of sale as stated in Table 2 below; or (iii) the purchase/acquisition price per warrant **minus** the sale price;
- (d) held as of the close of market trading on June 14, 2021, the Recognized Loss Amount for each warrant is *the lesser of*: (i) the amount of artificial inflation per warrant on the date of purchase/acquisition as stated in Table 1 below; or (ii) the purchase/acquisition price **minus** \$3.64, the average closing price of Velodyne warrants between March 17, 2021 and June 14, 2021, as shown on the last row of Table 2 below.⁴

TABLE 1
Estimated Artificial Inflation in Velodyne Securities
July 2, 2020 through March 16, 2021

Date Range	Artificial Inflation Per Share of Velodyne Common Stock	Artificial Inflation Per Velodyne Warrant
July 2, 2020 – January 7, 2021	\$2.85	\$1.31
January 8, 2021 – February 21, 2021	\$2.84	\$1.30
February 22, 2021 – March 16, 2021	\$0.01	\$0.01

⁴ As described in footnote 2, consistent with the requirements of the Exchange Act, Recognized Loss Amounts for warrants are reduced to an appropriate extent by taking into account the closing prices of Velodyne warrants during the 90-day look-back period, March 17, 2021 through and including June 14, 2021. The mean (average) closing price for Velodyne warrants during this 90-day look-back period was \$3.64.

TABLE 2
90-Day Look-back Table for Velodyne Securities
Closing Prices from March 17, 2021 through June 14, 2021

Date	Velodyne Common Stock Average Closing Price between March 17, 2021 and Date Shown	Velodyne Warrants Average Closing Price between March 17, 2021 and Date Shown	Date	Velodyne Common Stock Average Closing Price between March 17, 2021 and Date Shown	Velodyne Warrants Average Closing Price between March 17, 2021 and Date Shown
3/17/2021	\$14.01	\$4.58	4/30/2021	\$13.29	\$4.04
3/18/2021	\$13.64	\$4.40	5/3/2021	\$13.27	\$4.03
3/19/2021	\$13.57	\$4.43	5/4/2021	\$13.25	\$4.02
3/22/2021	\$13.61	\$4.49	5/5/2021	\$13.23	\$4.00
3/23/2021	\$13.49	\$4.48	5/6/2021	\$13.19	\$3.98
3/24/2021	\$13.19	\$4.39	5/7/2021	\$13.15	\$3.96
3/25/2021	\$13.05	\$4.34	5/10/2021	\$13.10	\$3.94
3/26/2021	\$12.99	\$4.35	5/11/2021	\$13.07	\$3.92
3/29/2021	\$12.83	\$4.31	5/12/2021	\$13.00	\$3.90
3/30/2021	\$12.70	\$4.26	5/13/2021	\$12.91	\$3.87
3/31/2021	\$12.58	\$4.22	5/14/2021	\$12.83	\$3.85
4/1/2021	\$12.60	\$4.21	5/17/2021	\$12.78	\$3.84
4/5/2021	\$12.61	\$4.19	5/18/2021	\$12.73	\$3.82
4/6/2021	\$12.73	\$4.20	5/19/2021	\$12.68	\$3.81
4/7/2021	\$12.78	\$4.20	5/20/2021	\$12.63	\$3.79
4/8/2021	\$12.83	\$4.20	5/21/2021	\$12.58	\$3.77
4/9/2021	\$12.86	\$4.19	5/24/2021	\$12.53	\$3.75
4/12/2021	\$12.84	\$4.17	5/25/2021	\$12.49	\$3.74
4/13/2021	\$12.87	\$4.16	5/26/2021	\$12.46	\$3.72
4/14/2021	\$12.87	\$4.14	5/27/2021	\$12.41	\$3.71
4/15/2021	\$12.88	\$4.12	5/28/2021	\$12.36	\$3.70
4/16/2021	\$12.90	\$4.10	6/1/2021	\$12.31	\$3.68
4/19/2021	\$12.95	\$4.09	6/2/2021	\$12.27	\$3.67
4/20/2021	\$12.99	\$4.07	6/3/2021	\$12.22	\$3.66
4/21/2021	\$13.03	\$4.05	6/4/2021	\$12.19	\$3.65
4/22/2021	\$13.05	\$4.04	6/7/2021	\$12.15	\$3.64
4/23/2021	\$13.09	\$4.03	6/8/2021	\$12.15	\$3.64
4/26/2021	\$13.15	\$4.04	6/9/2021	\$12.14	\$3.64
4/27/2021	\$13.20	\$4.04	6/10/2021	\$12.12	\$3.64
4/28/2021	\$13.24	\$4.04	6/11/2021	\$12.11	\$3.64
4/29/2021	\$13.27	\$4.04	6/14/2021	\$12.09	\$3.64

ADDITIONAL PROVISIONS

54. The sum of a Claimant's Recognized Loss Amounts will be the Claimant's "Recognized Claim."

55. If a Class Member has more than one purchase/acquisition or sale of Velodyne Securities during the Class Period, all purchases/acquisitions and sales of like securities shall be matched on a First In, First Out ("FIFO") basis. Class Period sales will be matched first against any holdings of the respective securities at the beginning of the Class Period, and then against purchases/acquisitions in chronological order, beginning with the earliest purchase/acquisition made during the Class Period.

56. Purchases or acquisitions and sales of Velodyne Securities 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 Velodyne Securities during the Class Period shall not be deemed a purchase, acquisition, or sale of these Velodyne Securities for the calculation of an Authorized Claimant's Recognized Claim, nor shall the receipt or grant be deemed an assignment of any claim relating to the purchase/acquisition of such Velodyne Securities unless (i) the donor or decedent purchased such Velodyne Securities during the Class Period; (ii) no Claim Form was submitted by or on behalf of the donor, on behalf of the decedent, or by anyone else with respect to those Velodyne Securities; and (iii) it is specifically so provided in the instrument of gift or assignment.

57. The date of covering a "short sale" is deemed to be the date of purchase or acquisition of the respective Velodyne Securities. The date of a "short sale" is deemed to be the date of sale of respective Velodyne Securities. In accordance with the Plan of Allocation, however, the Recognized Loss Amount on "short sales" and the purchases/acquisition covering "short sales" is zero. In the event that a Claimant has an opening short position in Velodyne Securities, the earliest Class Period purchases or acquisitions shall be matched against such opening short position, and not be entitled to a recovery, until that short position is fully covered.

58. With respect to Velodyne common stock purchased or sold through the exercise of an option, the purchase/sale date of the common stock is the exercise date of the option and the purchase/sale price is the exercise price of the option.

59. An Authorized Claimant's Recognized Claim shall be the amount used to calculate the Authorized Claimant's *pro rata* share of the Net Settlement Fund. If the sum total of Recognized Claims of all Authorized Claimants who are entitled to receive payment out of the Net Settlement Fund is greater than the Net Settlement Fund, each Authorized Claimant shall receive his, her, or its *pro rata* share of the Net Settlement Fund. The *pro rata* share shall be the Authorized Claimant's Recognized Claim divided by the total of Recognized Claims of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund.

60. If the Net Settlement Fund exceeds the sum total amount of the Recognized Claims of all Authorized Claimants entitled to receive payment out of the Net Settlement Fund, the excess amount in the Net Settlement Fund shall be distributed *pro rata* to all Authorized Claimants entitled to receive payment.

61. 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, it will not be included in the calculation and no distribution will be made to that Authorized Claimant.

62. After the initial distribution of the Net Settlement Fund, the Claims Administrator will make reasonable and diligent efforts to have Authorized Claimants cash their distribution checks. To the extent any monies remain in the Net Settlement Fund nine (9) months after the initial distribution, if Lead Counsel, in consultation with the Claims Administrator, determine that it is cost-effective to do so, the Claims Administrator will conduct a re-distribution of the funds remaining after payment of any unpaid fees and expenses incurred in administering the Settlement, including for such re-distribution, to Authorized Claimants who have cashed their initial distributions and who would receive at least \$10.00 from such re-distribution. Additional re-distributions to Authorized Claimants who have cashed their prior checks and who would receive at least \$10.00 on such additional re-distributions may occur thereafter if Lead Counsel, in consultation with the Claims Administrator, determine that additional re-distributions, after the deduction of any additional fees and expenses incurred in administering the Settlement, including for such re-distributions, would be cost-effective. At such time as it is determined that the re-distribution of funds remaining in the Net Settlement Fund is not cost-effective, the remaining balance will be contributed to non-sectarian, not-for-profit, 501(c)(3) organization(s), to be recommended by Lead Counsel and approved by the Court.

63. Payment pursuant to the Plan of Allocation, or such other plan as may be approved by the Court, shall be conclusive against all Authorized Claimants. No person shall have any claim against the Lead Plaintiff, Plaintiff's Counsel, Lead Plaintiff's damages expert, or other agent designated by Lead Counsel, Defendants, Defendants' Counsel, or any other Plaintiff's Releasees or Defendants' Releasees, or the Claims Administrator or other agent designated by Lead Counsel arising from determinations or distributions to Claimants made substantially in accordance with the Stipulation, the plan of allocation approved by the Court, or further Orders of the Court. Lead Plaintiff, Defendants, and their respective counsel, and all of the Released Plaintiff Parties or Released Defendant Parties shall have no responsibility or liability whatsoever for the investment or distribution of the Settlement Fund, the Plan of Allocation, the determination, administration, calculation, or payment of any Claim or any actions taken (or not taken) by the Claims Administrator, the payment or withholding of taxes owed by the Settlement Fund, or any losses incurred in connection therewith.

64. The Plan of Allocation set forth herein is the plan that is being proposed by Lead Plaintiffs and Lead Counsel to the Court for approval. The Court may approve this Plan of Allocation as proposed or it may modify the Plan without further notice to the Class. Any orders regarding a modification of the Plan of Allocation will be posted to the website for this Settlement, www.VelodyneSecuritiesLitigation.com.

HOW ARE CLASS MEMBERS AFFECTED BY THE LITIGATION AND THE SETTLEMENT?

65. If you are a Class Member, you will be bound by any orders issued by the Court. If the Settlement is approved, the Court will enter a judgment (the "Judgment"), which will dismiss with prejudice the claims against Defendants. The Judgment will also provide that, upon the Effective Date of the Settlement, Lead Plaintiff, each and all other Class Members and anyone claiming through or on behalf of any of them, and Plaintiff's Counsel will fully, finally, and forever waive, release, relinquish, discharge, and dismiss all Released Claims against all Released Defendant Parties, to the fullest extent that the law permits.

66. "Released Claims" means any and all claims (including "Unknown Claims" as defined in ¶ 70 below), rights, demands, obligations, damages, actions, suits, matters, issues, causes of action, or liabilities whatsoever, in law or in equity, accrued or unaccrued, fixed or contingent, direct, individual or representative, of every nature and description, whether known or unknown, whether arising under federal, state, local, common or foreign law or any other law, rule, or regulation, that arise out of or relate in any way, in whole or in part, directly or indirectly, to (a) the purchase, acquisition, disposition, or sale of Velodyne Securities during the Class Period and (b) the acts, facts, transactions, events, occurrences, statements, disclosures, representations, filings, publications, disseminations, press releases, presentations, omissions, or failures to act that were, could have been, or could in the future be alleged or asserted by Lead Plaintiff or any member of the Class (i) in the Litigation or (ii) in any other action in any court or forum, including, but not limited to, the Bankruptcy Proof of Claim. Released Claims do not include claims asserted on Velodyne's purported behalf in shareholder derivative actions, except that Lead Plaintiff and Lead Counsel agree not to bring, or in any way to cause any other person to bring, any derivative claims in connection with, arising out of, related to, and/or based upon, in whole or in part, directly or indirectly, in any way, any acts, facts, wrongdoing, or any other matter alleged or asserted, or which could have been alleged or asserted, in the Litigation.

67. "Released Defendant Parties" means Defendants, any person named as a defendant at any time in the Litigation (or named as a defendant in any of the actions consolidated in the Litigation), and each of their respective present and former parents, subsidiaries, division, departments, affiliates, officers, directors, partners, principals, employees, contractors, administrators, auditors, agents, attorneys, accountants, advisors, predecessors, successors, assigns, insurers, general or limited partners or partnerships, and limited liability companies; and the spouses, members of the immediate families, representatives, and heirs of any Released Defendant Parties who is an individual, as well as any trust of which any of the Released Defendant Parties is the settlor or which is for the benefit of any of their immediate family members.

68. "Released Plaintiff Parties" means each and every Class Member, Lead Plaintiff, Plaintiff's Counsel, and each of their respective past or present trustees, officers, directors, partners, employees, contractors, auditors, principals, agents, attorneys, accountants, advisors, predecessors, successors, assigns, insurers, parents, divisions, subsidiaries, general or limited partners or partnerships, and limited liability companies; and the spouses, members of the immediate families, representatives, and heirs of any Released Plaintiff Party who is an individual, as well as any trust of which any Released Plaintiff Party is the settlor or which is for the benefit of any of their immediate family members. Released Plaintiff Parties does not include any Person who timely and validly seeks exclusion from the Class.

69. "Released Persons" means the Released Defendant Parties and the Released Plaintiff Parties.

70. “Unknown Claims” means any and all Released Claims that Lead Plaintiff or any member of the Class does not know or suspect to exist in his, her, or its favor at the time of the release of the Released Defendant Parties, which if known by him, her or it might have affected his, her or its settlement with and release of the Released Defendant Parties or might have affected his, her or its decision not to object to the Settlement or not exclude himself, herself, or itself from the Class. Lead Plaintiff and every Class Member expressly waive, and by operation of the Order and Final Judgment shall be deemed to have waived and shall have waived, to the fullest extent permitted by law, any and all provisions, rights and benefits conferred by California Civil Code § 1542 (to the extent applicable), and any law of any state or territory of the United States, or principle of common law, or the law of any foreign jurisdiction, that is similar, comparable or equivalent to California Civil Code § 1542, which 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.

Lead Plaintiff and each Class Member may hereafter discover facts in addition to or different from those which he, she, or it now knows or believes to be true with respect to the subject matter of the Released Claims, but Lead Plaintiff shall expressly, fully, finally, and forever settle and release, and each Class Member shall be deemed to have, and by operation of the Order and Final Judgment shall have, fully, finally, and forever settled and released, any and all Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct which is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts. Lead Plaintiff acknowledges, and every member of the Class by law and operation of the Order and Final Judgment shall be deemed to have acknowledged, that the inclusion of “Unknown Claims” in the definition of Released Claims was separately bargained for and was a material element of the Settlement.

**WHAT PAYMENT ARE THE ATTORNEYS FOR THE CLASS SEEKING?
HOW WILL THE LAWYERS BE PAID?**

71. Lead Counsel has not received any payment for their services in pursuing claims against the Defendants on behalf of the Class, nor has Lead Counsel been reimbursed for their out-of-pocket expenses. Before final approval of the Settlement, Lead Counsel will apply to the Court for an award of attorneys’ fees from the Settlement Fund in an amount not to exceed 28% of the Settlement Fund. At the same time, Lead Counsel also intends to apply for the reimbursement of expenses and costs incurred in connection with prosecuting the Litigation not to exceed \$315,000, which may include an application for reimbursement of the reasonable costs and expenses incurred by Lead Plaintiff directly related to her representation of the Class pursuant to 15 U.S.C. §78u-4(a)(4) in an amount not to exceed \$20,000. The Court will determine the amount of any Fee and Expense Award and any reimbursement of Lead Plaintiff’s reasonable costs and expenses. Such sums as may be approved by the Court will be paid from the Settlement Fund. Class Members are not personally liable for any such fees or expenses.

HOW DO I PARTICIPATE IN THE SETTLEMENT? WHAT DO I NEED TO DO?

72. To be eligible for a payment from the proceeds of the Settlement, you must be a member of the Class and you must timely complete and submit the Proof of Claim and Release form with adequate supporting documentation electronically or postmarked no later than September 11, 2024 or by later date, if any, specified by the Court. A Proof of Claim and Release form is included with this Notice, or you may obtain one from the website for this Litigation, www.VelodyneSecuritiesLitigation.com, or you may request that a Proof of Claim and Release form be mailed to you by calling the Claims Administrator at 1-877-393-0073. The Claims Administrator may also be reached by email at info@VelodyneSecuritiesLitigation.com. Please retain all records of your ownership of and transactions in Velodyne Securities, as they may be needed to document your Claim. If you are excluded from the Class by definition or you submit a request for exclusion in connection with this Notice, or if you do not submit a timely and valid Proof of Claim and Release form, you will not be eligible to share in the Net Settlement Fund.

73. As a Class Member, you are represented by the Class Representative and Class Counsel unless you enter an appearance through counsel of your own choice at your own expense. You are not required to retain your own counsel, but if you choose to do so, such counsel must file a notice of appearance on your behalf and must serve copies of his or her notice of appearance on the attorneys listed in the section entitled, “When and Where Will the Court Decide Whether to Approve the Settlement?,” below.

74. If you are a Class Member and you wish to object to the Settlement, the proposed Plan of Allocation, Fee and Expense Application, or Lead Plaintiff’s request for reimbursement, you may present your objections by following the instructions in the section entitled, “When and Where Will the Court Decide Whether to Approve the Settlement?” below.

**WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT?
DO I HAVE TO COME TO THE HEARING?
MAY I SPEAK AT THE HEARING IF I DO NOT LIKE THE SETTLEMENT?**

75. Class Members do not need to attend the Settlement Hearing. The Court will consider any submission made in accordance with the provisions below even if a Class Member does not attend the hearing. You can participate in the Settlement without attending the Settlement Hearing.

76. The Settlement Hearing will be held on August 16, 2024 at 10:00 a.m. PST before the Honorable Susan Illston, United States Senior District Judge, at the United States District Court for the Northern District of California, San Francisco Division, Phillip Burton Federal Building & United States Courthouse – Courtroom 1, 17th Floor, 450 Golden Gate Avenue, San Francisco, CA 94102 or at such other location or *via* telephonic or video appearance as determined by the Court. The Court reserves the right to approve the Settlement, the Plan of Allocation, Fee and Expense Application, Lead Plaintiff’s request for reimbursement, and/or any other matter related to the Settlement at or after the Settlement Hearing without further notice to Class Members. The date and time of the final approval hearing, clearly stating that the date may change without further notice to the class.

77. Any Class Member who is not requesting exclusion from the Class may object to the proposed Settlement, the proposed Plan of Allocation, the Fee and Expense Application, or Lead Plaintiff’s request for reimbursement. Objections must be in writing. You must file any written objection, together with copies of all other papers and briefs supporting the objection, with the Clerk’s Office of the Court at the address set forth below on or before July 26, 2024. All objections will be scanned into the electronic case docket, and the parties will receive electronic notices of filings. You must also serve the papers on Lead Counsel for the Class and Defendants’ Counsel at the addresses set forth below so that the papers are received on or before July 26, 2024.

CLERK’S OFFICE	LEAD COUNSEL	DEFENDANTS’ COUNSEL
United States District Court for the Northern District of California James M. Carter and Judith N. Keep United States Courthouse, Clerk’s Office 450 Golden Gate Avenue, Box 36060, San Francisco, CA 94102-3489	Ramzi Abadou KAHN SWICK & FOTI, LLC 1100 Poydras Street, Suite 960 New Orleans, LA 70163 (504) 455-1400	Kevin P. Muck Wilmer Cutler Pickering Hale and Dorr, LLP One Front Street, Suite 3500, San Francisco, CA 94111 94304-1130 (628) 235-1000

78. Any objection to the Settlement (i) must state the name, address and telephone number of the Person objecting and must be signed by the objector; (ii) must contain a statement of the Class Member’s objection or objections, and the specific reasons for each objection, including any legal and evidentiary support the Class Member wishes to bring to the Court’s attention; and (iii) must include documents sufficient to prove the objector’s membership in the Class such as transaction dates and supporting records of Velodyne Securities that the objecting Class Member purchased during the relevant period. You can ask the Court to deny approval by filing an objection. You can’t ask the Court to order a different settlement; the Court can only approve or reject the settlement.

79. You may file a written objection without having to appear at the Settlement Hearing. You may not, however, appear at the Settlement Hearing to present your objection unless you first filed and served a written objection in accordance with the procedures described above, unless the Court orders otherwise.

80. If you wish to be heard orally at the Settlement Hearing in opposition to the approval of the Settlement, the Plan of Allocation, Fee and Expense Application, or Lead Plaintiff’s request for reimbursement and if you file and serve a timely written objection as described above, you must also file a notice of appearance with the Clerk’s Office and serve it on Lead Counsel and Defendants’ Counsel at the addresses set forth above so that it is received on or before July 26, 2024. Persons who intend to object and desire to present evidence at the Settlement Hearing must include the following in their written objection or notice of appearance: the identity of any witnesses they may call to testify and any exhibits they intend to introduce into evidence at the Settlement Hearing. Such persons may be heard orally at the discretion of the Court.

81. You are not required to hire an attorney to represent you in making written objections or in appearing at the Settlement Hearing. However, if you decide to hire an attorney, it will be at your own expense, and that attorney must file a notice of appearance with the Court and serve it on Lead Counsel and Defendants' Counsel at the addresses set forth above so that the notice is received on or before July 26, 2024.

82. The Settlement Hearing may be adjourned by the Court without further written notice to the Class. If you intend to attend the Settlement Hearing, you should confirm the date and time with Lead Counsel.

83. Unless the Court orders otherwise, any 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 objection to the proposed Settlement, the proposed Plan of Allocation, the Fee and Expense Application, or Lead Plaintiff's request for reimbursement. Class Members do not need to appear at the hearing or take any other action to indicate their approval.

HOW DO I EXCLUDE MYSELF FROM THE SETTLEMENT?

84. If you do not want to be bound by the Judgment or recover money from the Settlement Fund, and instead want to keep any claims you may have and any right you may have to sue the Defendants on your own about the legal issues in this case, then you must take steps to get out. This is called excluding yourself from – or opting out of – the Class.

85. If you do not wish to be included in the Class and you do not wish to participate in the proposed Settlement described in this Notice, you may request to be excluded. To do so, you must submit a written request for exclusion that must be received on or before July 26, 2024 (at least 21 calendar days prior to the date of the Settlement Hearing) and must state: (i) the name, address, and telephone number of the Person requesting exclusion; (ii) the Person's purchases/acquisitions/transactions of Velodyne Securities during the Class Period and any sales thereof, including the dates, the number of shares and price(s) paid and received for each such purchase, acquisition and sale; (iii) a clear and unambiguous statement that the Person wishes to be excluded from the Class, and (iv) must include the Person's signature. No request will be considered valid unless all of the information described above is included in the request. You cannot exclude yourself by phone or email. The written request must be addressed as follows:

Velodyne Securities Litigation
c/o Epiq Class Action and Claims Solutions, Inc.
Exclusions
PO Box 2666
Portland, OR 97208-2666

86. If you ask to be excluded from the Class, you will not get any settlement payment.

87. If you do not exclude yourself, you give up any right to sue any of the Defendants about the claims that this Settlement resolves. If you have a pending lawsuit, speak to your lawyer in that case immediately. You must exclude yourself from this Class to continue or file any lawsuit alleging the same claims as are alleged herein. Remember, the exclusion deadline is July 26, 2024 – not later than 21 calendar days before the Settlement Hearing.

WHAT IF I BOUGHT VELODYNE SECURITIES ON SOMEONE ELSE'S BEHALF?

88. If, for the beneficial interest of any Person other than yourself, you purchased Velodyne publicly traded securities between July 2, 2020 and March 17, 2021, inclusive, you must either: (i) within ten (10) calendar days of receipt of this Notice, request from the Claims Administrator sufficient copies of the Notice to forward to all such beneficial owners and, within ten (10) calendar days of receipt of the copies of the Notice, forward them to all such beneficial owners; or (ii) within ten (10) calendar days of receipt of this Notice, provide a list of the names and addresses of all such beneficial owners to Velodyne Securities Litigation, c/o Epiq Class Action and Claims Solutions, Inc. PO Box 2666, Portland, OR 97208-2666.

89. If you choose the first option, *i.e.*, you elect to mail the Notice directly to beneficial owners, you must retain the mailing records for use in connection with any further notices that may be provided in the Litigation. If you elect that option, the Claims Administrator will forward the Notice and Proof of Claim and Release form (together, the "Notice Packet") to you to send to the beneficial owners. You must mail the Notice Packets to the beneficial owners within ten (10) calendar days of your receipt of the packets. Upon mailing of the Notice Packets, you may seek reimbursement of your reasonable expenses actually incurred, by providing the Claims Administrator with proper documentation supporting the expenses for which reimbursement is sought.

90. If you choose the second option, you must within ten (10) calendar days of receipt of this Notice provide a list of the names and addresses of all such beneficial owners Velodyne Securities Litigation, c/o Epiq Class Action and Claims Solutions, Inc. PO Box 2666, Portland, OR 97208-2666. The Claims Administrator will send a copy of the Notice Packet to the beneficial owners whose names and addresses you supply. Upon full compliance with these directions, you may seek reimbursement of your reasonable expenses actually incurred by providing the Claims Administrator with proper documentation supporting the expenses for which reimbursement is sought. Copies of the Notice Packet may also be obtained from the website for this Litigation, www.VelodyneSecuritiesLitigation.com, or by calling the Claims Administrator toll-free at 1-877-393-0073.

**CAN I SEE THE COURT FILE?
WHOM SHOULD I CONTACT IF I HAVE QUESTIONS?**

91. This Notice contains only a summary of the terms of the proposed Settlement. For more detailed information about the matters involved in the Litigation, by accessing the Court docket in the Litigation through the Federal Court's Public Access to Court Electronic Records (PACER) system at <https://ecf.cand.uscourts.gov>, or by visiting the office of the Clerk at the United States District Court for the Northern District of California, 450 Golden Gate Avenue, San Francisco, California 94102, between 9:00 a.m. and 4:00 p.m., Monday through Friday, excluding Court holidays. Additionally, copies of the Stipulation and any related orders entered by the Court will be posted on the website for this Litigation, www.VelodyneSecuritiesLitigation.com. All inquiries concerning this Notice or the Proof of Claim Release form should be directed to the Claims Administrator or Lead Counsel.

**PLEASE DO NOT CALL OR WRITE THE COURT OR THE CLERK'S OFFICE REGARDING
THIS NOTICE.**

PLEASE DO NOT CALL OR WRITE VELODYNE REGARDING THIS NOTICE.

DATED: _____

BY ORDER OF THE COURT
United States District Court
Northern District of California