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[Date], 2014

A	llClear	ID	Redemi	ntion	Code.	1	

[First Name] [Last Name] [Address] [Address]

Dear [First Name]:

We are writing to inform you of a potential information security incident involving your personal information. While Harmonic does not know whether your personal information has been or will be misused, as a precaution, we are writing to tell you about the incident and call your attention to some steps you may take to help protect yourself.

On the evening of October 17, 2014, an unknown person broke into the locked car of a Harmonic employee and took a work bag containing documents and a laptop computer. We have determined that there were email files on the laptop with data and spreadsheets containing personal information about certain current and former Harmonic employees, consultants and affiliates, including names and social security numbers. The laptop was password protected. We currently have no reason to believe the theft was targeting Harmonic or your personal information and we believe the theft was a random crime of opportunity. The theft was immediately reported to the appropriate authorities, and Harmonic has and will continue to cooperate with law enforcement efforts to apprehend the thieves.

Harmonic takes the privacy of personal information seriously. Unfortunately, many other employers have found themselves in a similar situation, so following best practices and as a precaution, we have arranged to have AllClear ID protect your identity for one year at no cost to you. AllClear ID is a third party service that offers identity theft and credit monitoring with secure phone alerts, and their service includes a \$1,000,000 identity theft insurance policy. In the event of a problem, AllClear ID will provide a dedicated investigator to recover financial losses, restore your credit and make sure your identity is returned to its proper condition.

You may sign up for the service online at <u>www.enroll.allclearid.com</u> or by phone at 1-866-979-2595. You will need to provide the <u>Redemption Code</u> listed at the top of this page, as well as some personal information. The service will be active from the time you register until December 19, 2015.

In addition, we want to make you aware of other steps you may take to guard against identity theft or fraud. Please review the enclosed "Reference Guide – Information About Identity Theft Prevention" for tips and suggestions. Harmonic is also taking steps to help prevent this type of incident from occurring in the future, including updating its policies relating to laptop and information security, enhanced training and changing processes and procedures for handling personal information in electronic format.

If you have further questions or concerns about this incident, please contact me at (408) 542-2671 or pete.hilliard@harmonicinc.com. We sincerely regret any inconvenience or concern caused by this incident.

Sincerely,

Peter E. Hilliard SVP, Human Resources

Reference Guide

Information about Identity Theft Prevention

Even if you do not feel the need to use the identity protection services we are offering to you free of charge through AllClear ID, we encourage you to read this reference guide carefully and to take the steps described here:

<u>Order Your Free Credit Report</u>. You are entitled under U.S. law to one free credit report annually from each of the following three national credit bureaus:

To order your free credit report, you can also visit www.annualcreditreport.com, call toll-free 1-877-322-8228, or mail an Annual Credit Report Request Form (available at www.annualcreditreport.com) to: Annual Credit Report Request Service, P.O. Box 105281, Atlanta, GA, 30348-5281. When you receive your credit reports, review them carefully. Look for accounts or creditor inquiries that you did not initiate or do not recognize. Look for information, such as home address and Social Security number, that is not accurate. If you see anything you do not understand, call the credit reporting agency at the telephone number on the report.

Place a Fraud Alert on Your Credit Report: There are also two types of fraud alerts that you can place on your credit report to put your creditors on notice that you may be a victim of fraud: an initial alert and an extended alert. You may ask that an initial fraud alert be placed on your credit report if you suspect you have been, or are about to be, a victim of identity theft. An initial fraud alert stays on your credit report for at least 90 days. You may have an extended alert placed on your credit report if you have already been a victim of identity theft with the appropriate documentary proof. An extended fraud alert stays on your credit report for seven years. You can place a fraud alert on your credit report by contacting any of the three national credit reporting agencies (Equifax, Experian or TransUnion) listed above.

Place a Credit Freeze on Your Credit Report: You may have the right to put a credit freeze, also known as a security freeze, on your credit file, so that no new credit can be opened in your name without the use of a PIN number that is issued to you when you initiate a freeze. A credit freeze is designed to prevent potential credit grantors from accessing your credit report without your consent. If you place a credit freeze, potential creditors and other third parties will not be able to get access to your credit report unless you temporarily lift the freeze. Therefore, using a credit freeze may delay your ability to obtain credit. In addition, you may incur fees to place, lift and/or remove a credit freeze. Credit freeze laws vary from state to state. For example, Massachusetts law gives you the right to place a security freeze on your consumer reports. The cost of placing, temporarily lifting, and removing a credit freeze also varies by state, generally \$5 to \$20 per action at each credit reporting company. Unlike a fraud alert, you must separately place a credit freeze on your credit file at each credit reporting company. Since the instructions for how to establish a credit freeze differ from state to state, please contact the three major credit reporting companies (Equifax, Experian or TransUnion) listed above to find out more information.

<u>Helpful Contacts</u>. We recommend you remain vigilant with respect to reviewing your account statements and credit reports, and promptly report any suspicious activity or suspected identity theft to us and to the proper law enforcement authorities, including local law enforcement, your state's attorney general and/or the Federal Trade Commission ("FTC"). You may contact the FTC or your state's regulatory authority to obtain additional information about avoiding identity theft, fraud alerts and credit freezes.

Federal Trade Commission, Consumer Response Center 600 Pennsylvania Avenue, NW, Washington, DC 20580, 1-877-IDTHEFT (438-4338), www.ftc.gov/idtheft

For residents of Maryland: You may also obtain information about preventing and avoiding identity theft from the Maryland Office of the Attorney General:

Maryland Office of the Attorney General, Consumer Protection Division 200 St. Paul Place, Baltimore, MD 21202, 1-888-743-0023, www.oag.state.md.us

For residents of Massachusetts: You also have the right to obtain a police report.

For residents of North Carolina: You may also obtain information about preventing and avoiding identity theft from the North Carolina Attorney General's Office:

North Carolina Attorney General's Office, Consumer Protection Division 9001 Mail Service Center, Raleigh, NC 27699-9001, 1-877-5-NO-SCAM, www.ncdoj.gov