



## NETAPP, INC. CORPORATE GOVERNANCE GUIDELINES

The Board of Directors (the “**Board**”) of NetApp, Inc., a Delaware corporation (the “**Company**”), has adopted these Corporate Governance Guidelines (the “**Guidelines**”) to describe the Board’s general exercise of its responsibilities and to serve the interests of the Company and its stockholders. These Guidelines should be interpreted in the context of all applicable laws and the Company’s certificate of incorporation, bylaws, and related documents. These Guidelines acknowledge the leadership exercised by the Board’s standing committees and their chairs. They are intended to serve as a flexible framework within which the Board may conduct its business and not as a set of legally binding obligations. The Guidelines are subject to modification from time to time by the Board as the Board may deem appropriate and in the best interests of the Company and its stockholders, or as otherwise required.

### **The Board**

#### *Independence of the Board*

The Board will be comprised of a majority of directors who qualify as independent directors (the “**Independent Directors**”) under the listing standards of The Nasdaq Stock Market LLC.

#### *Separate Sessions of Non-Management Directors and Independent Directors*

The Board expects to hold executive sessions of non-management directors and Independent Directors at each Board meeting, but in any event will hold such executive sessions at least two times per year. Non-management directors are all directors who are not Company officers (as that term is defined in Rule 16a-1(f) under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”).

#### *Chairman and Lead Independent Director*

If the Board elects a Chairman of the Board (“**Chair**”) who is not an Independent Director, then the Independent Directors, meeting in executive session, will elect an Independent Director as Lead Independent Director who shall be charged with the duties set forth herein. In order to foster open communications between the Board and management and to help ensure effective corporate governance for the benefit of stockholders, all directors are encouraged to provide input to the Chair and to members of management, including requesting that items be placed on the Board’s meeting agenda. The Lead Independent Director is responsible for helping to foster this open communication between management and the Independent Directors. Taking input from the other Independent Directors, the Lead Independent Director shall:

- Preside at all meetings of the Board at which the Chair is not present, including executive sessions of the Independent Directors.



- Serve as liaison between the Chair and the Independent Directors.
- Have the authority to call special meetings of the Board and of the stockholders to the extent provided in the Company's bylaws.
- Have the authority to call meetings of the Independent Directors.
- Discuss with the Chair, the full Board and/or members of management any issues or concerns raised by the other Independent Directors.
- Approve the agendas for Board meetings, including ensuring that matters are appropriately prioritized and that there is sufficient time for discussion of agenda items.
- Be available to preview materials that are sent to the Board prior to Board meetings.
- When asked, recommend to the Board the retention of consultants who report directly to the full Board.
- If requested and appropriate, be available for direct communication with stockholders.
- Perform such other duties as the Board may from time to time delegate to the Lead Independent Director.

### *Director Qualification Standards*

The Board evaluates each individual in the context of the Board as a whole. Directors should have the highest professional and personal ethics and values, consistent with the Company's longstanding values and standards. Directors should have broad experience at the policy-making level in business, government, education, technology or public service. They should be committed to enhancing stockholder value and should have sufficient time to carry out their duties and to provide insight and practical wisdom based on experience. Each director must represent the interests of all stockholders.

The Corporate Governance and Nominating Committee is responsible for reviewing with the Board, periodically, the appropriate characteristics, skills and experience required for the Board as a whole and its individual members. In evaluating the suitability of individual candidates, the Corporate Governance and Nominating Committee, in recommending candidates for election, and the Board, in approving (and, in the case of vacancies, appointing) such candidates, will consider a variety of factors, including diversity of business experience, professional expertise, length of service, character, integrity, judgment, independence, diversity (including with respect to race and gender), age, skills, education, understanding of the Company's business, other commitments and the like, as well as other factors generally described above, with the objective of assembling a



group that can best perpetuate the success of the business and represent stockholder interests through the exercise of sound judgment using its diversity of experience in these various areas.

#### *Election of Directors and Advance Resignation as Prerequisite to Director Nominations*

Each year, the Board will recommend a slate of directors for election by the stockholders. In accordance with the bylaws of the Company, the Board will also be responsible for filling vacancies or newly created directorships on the Board that may occur between annual meetings of stockholders.

In accordance with the bylaws of the Company, a nominee must receive a majority of votes cast, as defined in the bylaws of the Company, in order to be elected or reelected to the Board, provided that the directors shall be elected by a plurality of the shares cast at any meeting of stockholders at which the number of nominees exceeds the number of directors to be elected. The Board shall nominate for election or reelection as director only candidates who have tendered, in advance of such nomination, an irrevocable, conditional resignation that will be effective only upon both (i) the failure to receive the required vote at the next stockholders' meeting at which they face reelection; and (ii) the Board's acceptance of such resignation. In addition, the Board shall fill director vacancies and new directorships only with candidates who agree to tender, promptly following their appointment to the Board, the same form of resignation tendered by other directors in accordance with this Board guideline.

If an incumbent director fails to receive the required vote for reelection, the Corporate Governance and Nominating Committee will act to determine whether to accept the director's irrevocable, conditional resignation, and it will submit such recommendation for consideration by the Board. The Board expects the director whose resignation is under consideration to abstain from participating in any decision regarding that resignation. The Board will act on the Corporate Governance and Nominating Committee's recommendation and publicly disclose its decision and the rationale behind it within ninety (90) days from the date of the certification of the election results. The Corporate Governance and Nominating Committee and the Board may consider any factors they deem relevant in deciding whether to accept a director's resignation. The Board shall have the discretion to accept or reject the offer of resignation of any director.

#### *New Director Orientation and Continuing Education*

The Board believes that educating new and existing directors on matters relevant to the Company, its business, and competitive landscape, as well as general corporate matters, serves the interests of the Company's stockholders. At the direction of the Board, management provides orientation and educational opportunities for directors, including background materials on the Company and its business.



### *Limitation on Other Board Service*

The Board does not believe that its members should be prohibited from serving on boards of other organizations. Service on other boards and/or committees must be consistent with the Company's conflict of interest policies, applicable laws and regulations and must not materially interfere with the member's services as a director. The Board believes that the Company's Chief Executive Officer should sit on no more than a total of two public company boards, including the Company. The Board further believes that non-employee members of the Board should sit on no more than a total of four public company boards. Directors shall advise the Board Chair or Lead Independent Director, as applicable, and the Corporate Governance and Nominating Committee before accepting an invitation to serve on an additional for-profit corporate board of directors. The Corporate Governance and Nominating Committee may take into account the nature of and time involved in a director's service on other boards and/or committees in evaluating the suitability of individual director candidates and current directors.

### *Directors Who Resign or Materially Change Their Current Positions with Their Own Company or Become Aware of Circumstances that May Adversely Reflect upon the Director or the Company*

When a director, including any director who is currently an officer or employee of the Company, resigns or materially changes his or her position with his or her employer or becomes aware of circumstances that may adversely reflect upon the director or the Company, such director should promptly notify the Corporate Governance and Nominating Committee of such circumstances. The Corporate Governance and Nominating Committee will consider the circumstances, and may in certain cases request the director to submit his or her resignation.

### *Term Limits*

As each director is subject to election by stockholders annually, the Board does not believe it is in the best interests of the Company to establish term limits at this time. Additionally, such term limits may cause the Company to lose the contribution of directors who have been able to develop, over a period of time, increasing insight into the Company's business and therefore can provide an increasingly significant contribution to the Board and the Company's stockholders.

### *Compensation*

The Compensation Committee will annually review the Company's non-management director compensation in relation to other comparable companies and peer groups. Such review will include consideration of both direct and indirect forms of compensation to the Company's non-management directors. Subject to this review, the Compensation Committee may recommend changes in non-management director compensation to the Board.



### *Stock Ownership*

It is the intention of the Company that the interests of the directors and executives be aligned with those of the stockholders. Therefore, stock ownership in the Company is encouraged through stock ownership guidelines adopted by the Board. See the “NetApp, Inc. Stock Ownership Guidelines for Directors and Executives” for additional information.

### *Conflicts of Interest*

Directors are expected to avoid any action, position or interest that conflicts with the interests of the Company or gives the appearance of a conflict. If an actual or potential conflict of interest develops, the director should immediately report all facts regarding the matter to the Chair or Lead Independent Director. If a director has a personal interest in a matter before the Board, then the director must disclose the interest to the Board, excuse himself or herself from discussion on the matter, and not vote on the matter. In certain circumstances, a conflict that cannot be resolved may require the resignation of the director.

### *Interaction with Institutional Investors, the Press and Customers*

The Board believes that management speaks for the Company. Each director should refer all inquiries from institutional investors, the press or customers regarding the Company to management. Individual directors may, from time to time at the request of management, meet or otherwise communicate with various constituencies that are involved with the Company. If comments from the Board are appropriate, they should, in most circumstances, come from the Chief Executive Officer in his or her capacity as a director, the Chair, the Lead Independent Director or other member of the Board designated in advance by the Board.

### *Board Access to Management*

The Board has complete access to Company management, facilities and events in order to ensure that directors can perform their duties and serve the interests of the Company’s stockholders. The Chief Executive Officer should be made aware of contacts and interactions among the Board and management. Directors should exercise judgment to ensure that their contact with management does not disrupt the business operations of the Company.

### *Board Access to Independent Advisors*

The Board’s committees may hire independent advisors in their discretion and as set forth in their applicable charters. The Board as a whole, at the expense of the Company, shall have access to such advisors and such other independent advisors that the Board considers necessary or advisable to assist in discharging its responsibilities. The Board shall be directly responsible for the appointment, compensation and oversight of the work of any professional advisors that it retains,



and such advisors will report directly to the Board and may be terminated in the discretion of the Board.

### *Annual Self-Evaluation*

The Corporate Governance and Nominating Committee oversees an annual assessment by the Board of the Board's performance. The Corporate Governance and Nominating Committee will be responsible for establishing the evaluation criteria and implementing the process for such evaluation, as well as considering other corporate governance principles that may, from time to time, merit consideration by the Board.

This assessment should include a review of any areas in which the Board believes it can best contribute to discharging its responsibilities and the governance of the Company, as well as a review of the committee structure and an assessment of the Board's compliance with the principles set forth in these Guidelines. The Corporate Governance and Nominating Committee may also consider utilizing the results of the Board evaluation process in assessing and determining the characteristics and critical skills required of prospective candidates for election to the Board.

## **Board Meetings**

### *Frequency of Meetings*

The Board will meet at least four (4) times annually. The Board may also hold special meetings or act by unanimous written consent (which may include electronic consents) as often as the Board may decide. The Board meetings will be governed by the quorum and other procedures generally applicable to meetings of the Board under the Company's bylaws, unless otherwise stated by resolution of the Board. It is the responsibility of the directors to attend meetings.

### *Attendance of Non-Directors*

Attendance of non-directors at Board meetings is at the discretion of the Board. The Board regularly invites management and outside advisors and consultants from time to time to participate in portions of Board and/or committee meetings to (i) provide insight into items being discussed by the Board, (ii) make presentations to the Board on matters involving the Company, and (iii) bring managers with high potential into contact with the Board.

### *Advance Receipt and Review of Materials*

Meeting agendas and written materials relating to each Board meeting should be distributed to the directors sufficiently in advance of each meeting to allow for meaningful review of such agenda and materials by the directors. Directors are expected to have reviewed and be prepared to discuss all materials distributed in advance of any meeting.



## Committee Matters

The Board currently has three (3) committees: Audit Committee, Compensation Committee and Corporate Governance and Nominating Committee. From time to time and in compliance with applicable rules and laws, the Board may form a new committee or disband a committee. Each committee will perform its duties as assigned by the Board and in compliance with the Company's bylaws and the committee's charter. Each committee shall articulate its general responsibilities and processes in a separate charter.

The current committees are:

- *Audit Committee.* The Audit Committee reviews the Company's internal accounting and audit processes and independent auditors. Among other things, the Audit Committee selects and appoints the Company's independent auditors and approves any non-audit relationship with the independent auditors.
- *Compensation Committee.* The Compensation Committee reviews and approves the Company's goals and objectives relevant to compensation, stays informed as to market levels of compensation, approves the compensation of the Chief Executive Officer, other executive officers and non-management directors. The Compensation Committee administers the Company's compensation plans for its employees, including equity-based compensation plans.
- *Corporate Governance and Nominating Committee.* The Corporate Governance and Nominating Committee is responsible for recommending to the Board individuals to be nominated as directors and committee members. This includes evaluation of new candidates as well as evaluation of current directors. The Corporate Governance and Nominating Committee is also responsible for developing and recommending to the Board the Guidelines, as well as reviewing and recommending revisions to the Guidelines on a regular basis.

### *Assignment and Rotation of Committee Members*

Based on the recommendations of the Corporate Governance and Nominating Committee, the Board appoints committee members and committee chairs according to criteria set forth in the applicable committee charter and such other criteria that the Board determines to be appropriate in light of the responsibilities of each committee. Committee membership and the position of committee chair will not be rotated on a mandatory basis unless the Board determines that rotation is in the best interest of the Company.



### *Frequency of Committee Meetings*

The Audit Committee will meet at least quarterly. All other committees will meet at least once per year and as often as may be deemed necessary or appropriate, in their judgment, and in order to fulfill their respective responsibilities. In addition, special meetings may be called by the Chairperson of a committee from time to time as determined by the needs of the business.

### *Committee Self-Evaluations and Charter Reviews*

With the assistance and guidance of the Corporate Governance and Nominating Committee, each committee will annually review its performance and charter and recommend to the Board any changes deemed necessary or advisable, to comply with applicable law or regulation, or to better serve the interests of the Company's stockholders.

## **Leadership Development**

### *Annual Review of Chief Executive Officer*

The Board (or a committee delegated by the Board) shall approve the goals and objectives relating to the compensation of the Company's Chief Executive Officer, as well as the process for periodically reviewing the performance of the Chief Executive Officer against previously established criteria.

### *Succession Planning*

The Board (or a committee delegated by the Board) will work on a periodic basis with the Chief Executive Officer to evaluate the Company's succession plans for the Chief Executive Officer and other executive roles as deemed necessary or advisable.

## **Oversight of Risk Management**

The Board and its committees shall have an active role in overseeing the Company's risk management processes. Subject to the nature of the risk (for example, financial, operational, strategic, human resource or compliance-oriented), the Board, or an appropriate committee delegated by the Board, shall regularly review the identification, measurement, prioritization, management and monitoring of enterprise risks.

## **Ethics Helpline**

The Audit Committee will oversee the procedures to maintain and monitor the Company's ethics helpline, which is designed to receive anonymous reports of any suspected violations of the Company's Code of Conduct or any applicable laws and regulations. The Audit Committee will





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investigate any reports received through the ethics helpline and report to the Board periodically with respect to the information received through the ethics helpline and any related investigations.

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