

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 8-K
CURRENT REPORT**

Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 12, 2020

NetApp, Inc.

(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

0-27130
(Commission
File Number)

77-0307520
(IRS Employer
Identification No.)

1395 Crossman Avenue
Sunnyvale, CA 94089
(Address of principal executive offices) (Zip Code)

(408) 822-6000
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---------------------------------|-------------------|---|
| Common Stock, \$0.001 Par Value | NTAP | The NASDAQ Stock Market LLC |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(c), (e)

Appointment of President

On May 12, 2020, NetApp, Inc. (the “Company”) announced the appointment of Cesar Cernuda, age 48, as President of the Company, reporting to Chief Executive Officer George Kurian, effective July 1, 2020. Most recently, Mr. Cernuda served as President, Microsoft Latin America and Corporate Vice President, Microsoft Corporation from 2016 to May 2020. He also served as President, Microsoft Asia Pacific from 2013 to 2016, and prior to that he held various sales and marketing executive positions at Microsoft Corporation. Mr. Cernuda has served on the board of GESTAMP, a multinational corporation specializing in developing and manufacturing engineered metal components for the automotive industry, since 2017. Mr. Cernuda holds a degree in business administration and marketing from ESIC University in Spain, completed a management development program from IESE Business School at the University of Navarra, Spain and completed the executive leadership program at Harvard Business School.

Mr. Cernuda does not have a family relationship with any of the officers or directors of the Company.

There are no related party transactions reportable under Item 5.02 of Current Report on Form 8-K and Item 404(a) of Regulation S-K.

Compensatory Arrangements

The material terms of Mr. Cernuda’s offer letter, as approved by the Compensation Committee of the Board of Directors (the “Compensation Committee”), are as follows:

| | |
|-------------------------|--|
| Base Salary: | \$800,000 annually |
| Bonus Target: | 130% of Base Salary |
| Sign-on Bonus: | \$1,000,000 |
| Sign-on Equity Grant: | Service-vested Restricted Stock Units (RSUs) with \$2,500,000 in value based on the 30-day trailing average on the grant date, with 80% vesting on December 31, 2020, and the remaining 20% vesting twelve (12) months following the vesting commencement date, subject to Mr. Cernuda’s continued employment with the Company through the applicable vesting dates. |
| New Hire Equity Grant: | RSUs not to exceed \$3,000,000 in value based on the 30-day trailing average on or about the grant date, vesting 50% on the first anniversary of the vesting commencement date, and 50% on the second anniversary of the vesting commencement date, subject to Mr. Cernuda’s continued employment with the Company through the applicable vesting dates. |
| On-Going Equity Grants: | Performance-Based Restricted Stock Units (PBRsUs) with \$3,900,000 in value (based on the 30-day trailing average on or about the grant date) eligible to vest over a three-year term in accordance with the terms and conditions of the Fiscal Year 2021 PBRsU agreement to be approved by the Compensation Committee. RSUs with \$2,600,000 in value (based on the 30-day trailing average on or about the grant date) eligible to vest 50% on the first anniversary of the vesting commencement date, and the remaining 50% vesting on the second anniversary of the vesting commencement date, subject to Mr. Cernuda’s continued employment with the Company through the applicable vesting dates. |

| | |
|---------------------------------------|---|
| Sales Performance-Based Equity Grant: | Sales Performance-Based Restricted Stock Units not to exceed an aggregate of \$3,000,000 in value based on the 30-day trailing average on or about the grant date, with 50% eligible to vest on the date the Compensation Committee certifies that the Company achieved not less than 97% of the Fiscal Year 2021 Annual Bookings Plan approved by the Board, and the remaining 50% eligible to vest on the date the Compensation Committee certifies that the Company achieved not less than 100% of the Fiscal Year 2022 Annual Bookings Plan approved by the Board, subject to Mr. Cernuda's continued employment with the Company through the applicable vesting dates. |
| Severance Package: | Provided the Change in Control and Severance Agreement has not been triggered, in the event Mr. Cernuda is terminated by the Company for any reason other than "Cause" (as defined in the Offer Letter) he shall be entitled to not less than eighteen (18) months of his base salary and target bonus then in effect. |
| Clawback Provision: | In the event that Mr. Cernuda resigns from the Company: (1) within six (6) months of commencing employment, he shall repay 100% of the dollar value of his compensation (other than salary), (2) on or after six (6) months through twelve (12) months, he shall repay the Company \$2,000,000 in cash, and (3) after twelve (12) months but prior to twenty (24) months, he shall repay the Company \$1,000,000 in cash. |

The equity awards will be granted on or about the 15th of the month following Mr. Cernuda's commencement of employment pursuant to award agreements approved by the Compensation Committee.

Mr. Cernuda will also be eligible to participate in the compensation and benefit programs generally available to the Company's executive officers.

A copy of the offer letter with Mr. Cernuda will be filed with the Company's Annual Report on Form 10-K for the current fiscal year. The above summary of the offer letter does not purport to be complete and is subject to and qualified in its entirety by reference to the offer letter.

The Board also approved the Company's entry into a Change of Control Severance Agreement and an Indemnification Agreement with Mr. Cernuda, each in the form previously approved by the Board. These agreements will be effective July 1, 2020.

A copy of the Company's press release announcing the appointment of Mr. Cernuda as President of the Company is attached hereto as Exhibit 99.1 and the information set forth therein is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

| Exhibit No. | Description |
|--------------------|---|
| 99.1 | Press release, dated May 12, 2020, announcing appointment of Cesar Cernuda as President of the Company. |
| 104 | Cover Page Interactive Data File (embedded within the Inline XBRL document). |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

NETAPP, INC.
(Registrant)

May 12, 2020

By: /s/ Matthew K. Fawcett
Matthew K. Fawcett
Senior Vice President, General Counsel and Corporate Secretary

Cesar Cernuda Joins NetApp as President

Microsoft veteran to lead NetApp's go-to-market strategy and execution

Sunnyvale, Calif. – May 12, 2020—NetApp (NASDAQ: NTAP), the leader in cloud data services, today announced the appointment of Cesar Cernuda as president of NetApp, reporting to CEO George Kurian, effective in July. He will lead our global go-to-market operations spanning sales, marketing, services, and support. Cernuda joins NetApp from Microsoft, where he was president of Microsoft Latin America and corporate vice president of Microsoft Corporation. He brings with him extensive experience in leading business transformation, building diverse, high-performing teams, and driving a successful cloud business. In his role as president, Cernuda will continue to evolve the NetApp® go-to-market strategy and organization to accelerate growth by transforming how we approach the changing customer landscape and capture new growth opportunities, particularly in cloud.

Today's technologies and the rapid pace of digital innovation have created new opportunities for organizations to engage with and serve their customers. To capture these opportunities, NetApp's marketing, sales, and services and support organizations will be combined under Cernuda to create an integrated, global go-to-market organization. Cernuda's experience in leading global enterprise sales and transforming business will enable him to foster tighter alignment between the teams, helping NetApp to quickly capture new growth opportunities in enterprise storage systems and cloud data services.

"As we look to accelerate our cloud and software strategy, Cesar's experience in successfully transforming large global organizations will strengthen NetApp's position as a leader in cloud data services and drive value for our shareholders," said George Kurian, chief executive officer. "I'm excited to welcome a leader of his caliber. I look forward to him bringing to the team his passion for strong results, his commitment to building diverse, high-performing teams, and his experience in business transformation as we continue to evolve our go-to-market strategy to reflect the changing customer landscape."

"I believe that NetApp will become a key partner in every organization's data strategy, and I am looking forward to being a part of it," said Cernuda. "During the past years, the key hyperscale public cloud vendors have bet on NetApp technology to support them with their customer offerings, and I believe this is one of the best examples of how NetApp has been transforming to become a cloud-first organization. I am thrilled with the opportunity to help and support customers and partners across the globe manage and protect one of their most important assets—their data."

About Cesar Cernuda

Before joining NetApp, Cernuda served as president of Microsoft Latin America and corporate vice president of Microsoft Corporation, where he was responsible for all of Microsoft's products, services, and support offerings across Latin America, and for accelerating the company's transformation for the mobile-first, cloud-first era.

Before that, Cernuda was president of Microsoft Asia-Pacific, where he led the company's commercial and consumer products and service and support offerings. He also served as the worldwide vice president of Microsoft Business Solutions sales and field operations. He oversaw the Microsoft ERP and CRM go-to-market business worldwide. Earlier, he was general manager of Microsoft Business Solutions in EMEA, where he was responsible for sales, presales, channel, marketing, product, support, and services.

Cernuda earned a bachelor's degree in business administration and marketing from ESIC University in Spain and completed a management development program (PDD) from IESE Business School at the

University of Navarra in Spain. In 2012, he completed the “Leadership for Senior Executives” program offered by Harvard Business School. Cernuda is an independent board member of GESTAMP, a multinational company that specializes in the design, development, and manufacture of highly engineered metal components for the automotive industry.

About NetApp

NetApp is the leader in cloud data services, empowering global organizations to change their world with data. Together with our partners, we are the only ones who can help you build your unique data fabric. Simplify hybrid multicloud and securely deliver the right data, services, and applications to the right people at the right time. Learn more at www.netapp.com.

Press Contact:

Amelia Vierra
NetApp
1 408 822 6403
amelia.vierra@netapp.com

Investor Contact:

Lance Berger
NetApp
1 408 822 6628
lance.berger@netapp.com

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