

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended October 29, 2021

or

TRANSITION QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from

to

Commission File Number 000-27130

NetApp, Inc.

(Exact name of registrant as specified in its charter)

Delaware
*(State or other jurisdiction of
incorporation or organization)*

77-0307520
*(I.R.S. Employer
Identification No.)*

**3060 Olsen Drive,
San Jose, California 95128**
(Address of principal executive offices, including zip code)

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

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

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

As of November 30, 2021, there were 222,277,741 shares of the registrant's common stock, \$0.001 par value, outstanding.

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TRADEMARKS

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Item 1. Condensed Consolidated Financial Statements (Unaudited)

NETAPP, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In millions, except par value)
(Unaudited)

	October 29, 2021	April 30, 2021
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 4,509	\$ 4,529
Short-term investments	39	67
Accounts receivable	647	945
Inventories	155	114
Other current assets	319	346
Total current assets	5,669	6,001
Property and equipment, net	549	525
Goodwill	2,050	2,039
Other intangible assets, net	87	101
Other non-current assets	867	694
Total assets	\$ 9,222	\$ 9,360
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 432	\$ 420
Accrued expenses	796	970
Short-term deferred revenue and financed unearned services revenue	1,967	2,062
Total current liabilities	3,195	3,452
Long-term debt	2,634	2,632
Other long-term liabilities	735	650
Long-term deferred revenue and financed unearned services revenue	1,899	1,941
Total liabilities	8,463	8,675
Commitments and contingencies (Note 15)		
Stockholders' equity:		
Common stock and additional paid-in capital, \$0.001 par value; 223 and 222 shares issued and outstanding as of October 29, 2021 and April 30, 2021, respectively	603	504
Retained earnings	194	211
Accumulated other comprehensive loss	(38)	(30)
Total stockholders' equity	759	685
Total liabilities and stockholders' equity	\$ 9,222	\$ 9,360

See accompanying notes to condensed consolidated financial statements.

NETAPP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(In millions, except per share amounts)
(Unaudited)

	Three Months Ended		Six Months Ended	
	October 29, 2021	October 30, 2020	October 29, 2021	October 30, 2020
Net revenues:				
Product	\$ 814	\$ 749	\$ 1,544	\$ 1,376
Services	752	667	1,480	1,343
Net revenues	<u>1,566</u>	<u>1,416</u>	<u>3,024</u>	<u>2,719</u>
Cost of revenues:				
Cost of product	372	360	701	676
Cost of services	135	123	265	238
Total cost of revenues	<u>507</u>	<u>483</u>	<u>966</u>	<u>914</u>
Gross profit	<u>1,059</u>	<u>933</u>	<u>2,058</u>	<u>1,805</u>
Operating expenses:				
Sales and marketing	465	432	916	861
Research and development	216	212	426	445
General and administrative	76	67	142	128
Restructuring charges	7	37	29	42
Acquisition-related expense	1	3	2	11
Total operating expenses	<u>765</u>	<u>751</u>	<u>1,515</u>	<u>1,487</u>
Income from operations	<u>294</u>	<u>182</u>	<u>543</u>	<u>318</u>
Other expense, net	<u>(14)</u>	<u>(7)</u>	<u>(26)</u>	<u>(39)</u>
Income before income taxes	<u>280</u>	<u>175</u>	<u>517</u>	<u>279</u>
Provision for income taxes	56	38	91	65
Net income	<u>\$ 224</u>	<u>\$ 137</u>	<u>\$ 426</u>	<u>\$ 214</u>
Net income per share:				
Basic	<u>\$ 1.00</u>	<u>\$ 0.62</u>	<u>\$ 1.91</u>	<u>\$ 0.96</u>
Diluted	<u>\$ 0.98</u>	<u>\$ 0.61</u>	<u>\$ 1.86</u>	<u>\$ 0.96</u>
Shares used in net income per share calculations:				
Basic	<u>223</u>	<u>222</u>	<u>223</u>	<u>222</u>
Diluted	<u>229</u>	<u>224</u>	<u>229</u>	<u>223</u>

See accompanying notes to condensed consolidated financial statements.

NETAPP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In millions)
(Unaudited)

	Three Months Ended		Six Months Ended	
	October 29, 2021	October 30, 2020	October 29, 2021	October 30, 2020
Net income	\$ 224	\$ 137	\$ 426	\$ 214
Other comprehensive income (loss):				
Foreign currency translation adjustments	(4)	—	(8)	9
Unrealized gains (losses) on available-for-sale securities:				
Unrealized holding gains (losses) arising during the period	—	(1)	(1)	1
Unrealized gains (losses) on cash flow hedges:				
Unrealized holding gains (losses) arising during the period	1	1	2	(8)
Reclassification adjustments for (gains) losses included in net income	(1)	7	(1)	8
Other comprehensive income (loss)	<u>(4)</u>	<u>7</u>	<u>(8)</u>	<u>10</u>
Comprehensive income	<u>\$ 220</u>	<u>\$ 144</u>	<u>\$ 418</u>	<u>\$ 224</u>

See accompanying notes to condensed consolidated financial statements.

NETAPP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)
(Unaudited)

	Six Months Ended	
	October 29, 2021	October 30, 2020
Cash flows from operating activities:		
Net income	\$ 426	\$ 214
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	92	105
Non-cash operating lease cost	28	26
Stock-based compensation	115	103
Deferred income taxes	(32)	—
Other items, net	(12)	28
Changes in assets and liabilities, net of acquisitions of businesses:		
Accounts receivable	292	197
Inventories	(41)	29
Other operating assets	34	8
Accounts payable	11	(59)
Accrued expenses	(206)	(69)
Deferred revenue and financed unearned services revenue	(97)	(118)
Long-term taxes payable	(65)	(46)
Other operating liabilities	(5)	(17)
Net cash provided by operating activities	<u>540</u>	<u>401</u>
Cash flows from investing activities:		
Purchases of investments	(6)	(3)
Maturities, sales and collections of investments	32	110
Purchases of property and equipment	(97)	(92)
Proceeds from sale of properties	—	6
Acquisitions of businesses, net of cash acquired	(14)	(350)
Other investing activities, net	—	8
Net cash used in investing activities	<u>(85)</u>	<u>(321)</u>
Cash flows from financing activities:		
Proceeds from issuance of common stock under employee stock award plans	53	49
Payments for taxes related to net share settlement of stock awards	(63)	(34)
Repurchase of common stock	(225)	—
Repayments of commercial paper notes, original maturities of three months or less, net	—	(420)
Issuance of debt, net of issuance costs	—	2,057
Repayments and extinguishment of debt	—	(689)
Dividends paid	(224)	(214)
Other financing activities, net	(2)	(3)
Net cash (used in) provided by financing activities	<u>(461)</u>	<u>746</u>
Effect of exchange rate changes on cash, cash equivalents and restricted cash	<u>(13)</u>	<u>44</u>
Net change in cash, cash equivalents and restricted cash	<u>(19)</u>	<u>870</u>
Cash, cash equivalents and restricted cash:		
Beginning of period	4,535	2,666
End of period	<u>\$ 4,516</u>	<u>\$ 3,536</u>

See accompanying notes to condensed consolidated financial statements.

NETAPP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In millions, except per share amounts)
(Unaudited)

Three Months Ended October 29, 2021

	Common Stock and Additional Paid-in Capital		Retained Earnings	Accumulated Other Comprehensive Loss		Total
	Shares	Amount				
	Balances, July 30, 2021	224		\$ 550	\$ 204	
Net income	—	—	224	—	224	
Other comprehensive loss	—	—	—	(4)	(4)	
Issuance of common stock under employee stock award plans, net of taxes	1	(6)	—	—	(6)	
Repurchase of common stock	(2)	(3)	(122)	—	(125)	
Stock-based compensation	—	62	—	—	62	
Cash dividends declared (\$0.50 per common share)	—	—	(112)	—	(112)	
Balances, October 29, 2021	<u>223</u>	<u>\$ 603</u>	<u>\$ 194</u>	<u>\$ (38)</u>	<u>\$ 759</u>	

Three Months Ended October 30, 2020

	Common Stock and Additional Paid-in Capital		Retained Earnings	Accumulated Other Comprehensive Loss		Total
	Shares	Amount				
	Balances, July 31, 2020	222		\$ 323	\$ —	
Net income	—	—	137	—	137	
Other comprehensive income	—	—	—	7	7	
Stock-based compensation	—	49	—	—	49	
Cash dividends declared (\$0.48 per common share)	—	—	(107)	—	(107)	
Balances, October 30, 2020	<u>222</u>	<u>\$ 372</u>	<u>\$ 30</u>	<u>\$ (32)</u>	<u>\$ 370</u>	

See accompanying notes to condensed consolidated financial statements.

NETAPP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In millions, except per share amounts)
(Unaudited)

Six Months Ended October 29, 2021

	Common Stock and Additional Paid-in Capital		Retained Earnings	Accumulated Other Comprehensive Loss		Total
	Shares	Amount		Loss	Total	
	Balances, April 30, 2021	222		\$ 504	\$ 211	
Net income	—	—	426	—	426	
Other comprehensive loss	—	—	—	(8)	(8)	
Issuance of common stock under employee stock award plans, net of taxes	4	(10)	—	—	(10)	
Repurchase of common stock	(3)	(6)	(219)	—	(225)	
Stock-based compensation	—	115	—	—	115	
Cash dividends declared (\$1.00 per common share)	—	—	(224)	—	(224)	
Balances, October 29, 2021	<u>223</u>	<u>\$ 603</u>	<u>\$ 194</u>	<u>\$ (38)</u>	<u>\$ 759</u>	

Six Months Ended October 30, 2020

	Common Stock and Additional Paid-in Capital		Retained Earnings	Accumulated Other Comprehensive Loss		Total
	Shares	Amount		Loss	Total	
	Balances, April 24, 2020	219		\$ 284	\$ —	
Net income	—	—	214	—	214	
Other comprehensive income	—	—	—	10	10	
Issuance of common stock under employee stock award plans, net of taxes	3	15	—	—	15	
Stock-based compensation	—	103	—	—	103	
Cash dividends declared (\$0.96 per common share)	—	(30)	(184)	—	(214)	
Balances, October 30, 2020	<u>222</u>	<u>\$ 372</u>	<u>\$ 30</u>	<u>\$ (32)</u>	<u>\$ 370</u>	

See accompanying notes to condensed consolidated financial statements

NETAPP, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. Description of Business and Significant Accounting Policies

NetApp, Inc. (we, us, or the Company) is a global cloud-led, data-centric software company that provides organizations the ability to manage and share their data across on-premises, private and public clouds. We provide a full range of enterprise-class software, systems and services solutions that customers use to modernize their infrastructures, build next generation data centers and harness the power of hybrid clouds.

Basis of Presentation and Preparation

Our fiscal year is reported on a 52- or 53-week year ending on the last Friday in April. An additional week is included in the first fiscal quarter approximately every six years to realign fiscal months with calendar months. Fiscal year 2022, ending on April 29, 2022, is a 52-week year, with 13 weeks in each of its quarters. Fiscal year 2021, ended on April 30, 2021 was a 53-week year, with 14 weeks included in its first quarter and 13 weeks in each subsequent quarter.

The accompanying unaudited condensed consolidated financial statements have been prepared by the Company, and reflect all adjustments, consisting only of normal recurring adjustments, that are, in the opinion of management, necessary for the fair presentation of our financial position, results of operations, comprehensive income, cash flows and stockholders' equity for the interim periods presented. The statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) for interim financial information. Accordingly, these statements do not include all information and footnotes required by GAAP for annual consolidated financial statements, and should be read in conjunction with our audited consolidated financial statements as of and for the fiscal year ended April 30, 2021 contained in our Annual Report on Form 10-K. The results of operations for the three and six months ended October 29, 2021 are not necessarily indicative of the operating results to be expected for the full fiscal year or future operating periods.

The preparation of the condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Such estimates include, but are not limited to, revenue recognition, reserves and allowances; inventory valuation; valuation of goodwill and intangibles; restructuring reserves; product warranties; employee compensation and benefit accruals; stock-based compensation; loss contingencies; investment impairments; income taxes and fair value measurements. Actual results could differ materially from those estimates. Management's estimates include, as applicable, the anticipated impacts of the COVID-19 pandemic.

Segment Change

Effective July 30, 2021, our Chief Operating Decision Maker, who is our Chief Executive Officer, realigned internal reporting and began using financial information for components of our business, organized based on category of product/solution, to evaluate performance and allocate resources. This resulted in the creation of two operating segments and two reportable segments for financial reporting purposes: Public Cloud and Hybrid Cloud.

Public Cloud

NetApp's Public Cloud segment offers a portfolio of products delivered primarily as-a-service, including related support, and made available on the world's leading clouds. This portfolio includes storage services, cloud automation and optimization services, and cloud infrastructure monitoring services. Public Cloud includes certain reseller arrangements in which the timing of our consideration follows the end user consumption of the reseller services.

Hybrid Cloud

NetApp's Hybrid Cloud segment offers a portfolio of storage and data management solutions that help customers build and integrate on-premises and private cloud environments. This portfolio is designed to operate with public clouds to unlock the potential of hybrid, multi-cloud operations. Hybrid Cloud is composed of software, hardware, and related support, as well as professional and other services.

2. Recent Accounting Pronouncements

Although there are several new accounting pronouncements issued or proposed by the FASB that we have adopted or will adopt, as applicable, we do not believe any of these accounting pronouncements had or will have a material impact on our consolidated financial position, results of operations, cash flows or disclosures.

3. Business Combinations

Fiscal 2022 Acquisition

Data Mechanics Inc. Acquisition

On June 18, 2021, we acquired all the outstanding shares of privately-held Data Mechanics Inc., a provider of managed platforms for big data processing and cloud analytics headquartered in Paris, France, for approximately \$15 million in cash.

The preliminary acquisition date fair values of the assets acquired and liabilities assumed are as follows (in millions):

	<u>Amount</u>
Cash	\$ 1
Developed technology	5
Goodwill	11
Total assets acquired	17
Liabilities assumed	(2)
Total purchase price	<u>\$ 15</u>

The results of operations related to this acquisition have been included in our condensed consolidated statements of income from the acquisition date. Pro forma results of operations have not been presented because the impact from the acquisition is not material to our consolidated results of operations.

Fiscal 2021 Acquisitions

Cloud Jumper Corporation Acquisition

On April 28, 2020, we acquired all the outstanding shares of privately-held Cloud Jumper Corporation (Cloud Jumper), a provider of virtual desktop infrastructure and remote desktop services solutions based in North Carolina, for \$34 million in cash.

The acquisition date fair values of the assets acquired and liabilities assumed were as follows (in millions):

	<u>Amount</u>
Developed technology	\$ 16
Customer contracts/relationships	6
Goodwill	12
Other assets	1
Total assets acquired	35
Liabilities assumed	(1)
Total purchase price	<u>\$ 34</u>

Spot, Inc. Acquisition

On July 9, 2020, we acquired all the outstanding shares of privately-held Spot, Inc. (Spot), a provider of compute management cost optimization services on the public clouds based in Israel, for \$340 million in cash.

The acquisition date fair values of the assets acquired and liabilities assumed were as follows (in millions):

	<u>Amount</u>
Cash	\$ 24
Intangible assets	84
Goodwill	249
Other assets	6
Total assets acquired	363
Liabilities assumed	(23)
Total purchase price	<u>\$ 340</u>

The components of the Spot intangible assets acquired were as follows (in millions, except useful life):

	Amount	Estimated useful life (years)
Developed technology	\$ 53	5
Customer contracts/relationships	28	5
Trade name	3	3
Total intangible assets	<u>\$ 84</u>	

The acquired assets and assumed liabilities of Spot and Cloud Jumper were recorded at their estimated fair values. We determined the estimated fair values with the assistance of valuations and appraisals performed by third party specialists and estimates made by management. We expect to realize revenue synergies, leverage and expand the existing Spot and Cloud Jumper sales channels and product development resources, and utilize their existing workforces. We also anticipate opportunities for growth through the ability to leverage additional future products and capabilities. These factors, among others, contributed to a purchase price in excess of the estimated fair value of their identifiable net assets acquired, and as a result, we have recorded goodwill in connection with both of these acquisitions. The goodwill is not deductible for income tax purposes.

The results of operations related to the acquisition of both Spot and Cloud Jumper have been included in our consolidated statements of income from their respective acquisition dates. Pro forma results of operations have not been presented because the impact from these acquisitions was not material to our consolidated results of operations for the six months ended October 30, 2020.

4. Goodwill and Purchased Intangible Assets, Net

Goodwill activity is summarized as follows (in millions):

	Amount
Balance as of April 30, 2021	\$ 2,039
Additions	11
Balance as of October 29, 2021	<u>\$ 2,050</u>

Beginning with the first quarter of fiscal 2022, the Company has two reportable segments: Public Cloud and Hybrid Cloud. As a result, goodwill was allocated to the segments using a relative fair value approach.

Goodwill by reportable segment as of October 29, 2021 is as follows (in millions):

	Amount
Public Cloud	\$ 336
Hybrid Cloud	1,714
Total goodwill	<u>\$ 2,050</u>

As a result of the realignment, the Company performed an interim quantitative goodwill impairment test for its reporting units as of July 30, 2021, which did not result in any goodwill impairment charges. The Company will continue to evaluate the recoverability of goodwill on an annual basis in the fourth fiscal quarter and whenever events or changes in circumstances indicate there may be a potential impairment.

Purchased intangible assets, net are summarized below (in millions):

	October 29, 2021			April 30, 2021		
	Gross Assets	Accumulated Amortization	Net Assets	Gross Assets	Accumulated Amortization	Net Assets
Developed technology	\$ 106	\$ (47)	\$ 59	\$ 215	\$ (147)	\$ 68
Customer contracts/relationships	38	(11)	27	38	(8)	30
Other purchased intangibles	3	(2)	1	3	—	3
Total purchased intangible assets	<u>\$ 147</u>	<u>\$ (60)</u>	<u>\$ 87</u>	<u>\$ 256</u>	<u>\$ (155)</u>	<u>\$ 101</u>

During fiscal 2022, we retired approximately \$114 million of fully amortized developed technology intangible assets.

Amortization expense for purchased intangible assets is summarized below (in millions):

	Three Months Ended		Six Months Ended		Statements of Income Classification
	October 29, 2021	October 30, 2020	October 29, 2021	October 30, 2020	
Developed technology	\$ 7	\$ 12	\$ 14	\$ 22	Cost of revenues
Customer contracts/relationships	2	3	3	3	Operating expenses
Other purchased intangibles	1	—	2	—	Operating expenses
Total	<u>\$ 10</u>	<u>\$ 15</u>	<u>\$ 19</u>	<u>\$ 25</u>	

As of October 29, 2021, future amortization expense related to purchased intangible assets is as follows (in millions):

Fiscal Year	Amount
2022 (remainder)	\$ 19
2023	30
2024	19
2025	16
2026	3
Total	<u>\$ 87</u>

5. Supplemental Financial Information

Cash, cash equivalents and restricted cash (in millions):

The following table presents cash and cash equivalents as reported in our condensed consolidated balance sheets, as well as the sum of cash, cash equivalents and restricted cash as reported on our condensed consolidated statements of cash flows:

	October 29, 2021	April 30, 2021
Cash and cash equivalents	\$ 4,509	\$ 4,529
Restricted cash	7	6
Cash, cash equivalents and restricted cash	<u>\$ 4,516</u>	<u>\$ 4,535</u>

Inventories (in millions):

	October 29, 2021	April 30, 2021
Purchased components	\$ 48	\$ 22
Finished goods	107	92
Inventories	<u>\$ 155</u>	<u>\$ 114</u>

Property and equipment, net (in millions):

	October 29, 2021	April 30, 2021
Land	\$ 46	\$ 46
Buildings and improvements	350	356
Leasehold improvements	77	83
Computer, production, engineering and other equipment	903	869
Computer software	305	305
Furniture and fixtures	76	93
Construction-in-progress	65	46
	1,822	1,798
Accumulated depreciation and amortization	(1,273)	(1,273)
Property and equipment, net	<u>\$ 549</u>	<u>\$ 525</u>

Other non-current assets (in millions):

	October 29, 2021	April 30, 2021
Deferred tax assets	\$ 249	\$ 219
Operating lease ROU assets	263	114
Other assets	355	361
Other non-current assets	<u>\$ 867</u>	<u>\$ 694</u>

Other non-current assets as of October 29, 2021 and April 30, 2021 include \$75 million and \$71 million, respectively, for our 49% non-controlling equity interest in Lenovo NetApp Technology Limited, a China-based entity that we formed with Lenovo (Beijing) Information Technology Ltd. in fiscal 2019.

Accrued expenses (in millions):

	October 29, 2021	April 30, 2021
Accrued compensation and benefits	\$ 400	\$ 505
Product warranty liabilities	19	21
Operating lease liabilities	49	49
Other current liabilities	328	395
Accrued expenses	<u>\$ 796</u>	<u>\$ 970</u>

Product warranty liabilities:

Equipment and software systems sales include a standard product warranty. Estimated future hardware and software warranty costs are recorded as a cost of product revenues at the time of product shipment, based on historical and projected warranty claim rates, historical and projected cost-per-claim and knowledge of specific product failures that are outside our typical experience.

The following tables summarize the activity related to product warranty liabilities and their balances as reported in our condensed consolidated balance sheets (in millions):

	Three Months Ended		Six Months Ended	
	October 29, 2021	October 30, 2020	October 29, 2021	October 30, 2020
Balance at beginning of period	\$ 31	\$ 37	\$ 32	\$ 41
Expense accrued during the period	2	4	6	5
Warranty costs incurred	(5)	(6)	(10)	(11)
Balance at end of period	<u>\$ 28</u>	<u>\$ 35</u>	<u>\$ 28</u>	<u>\$ 35</u>

	October 29, 2021	April 30, 2021
Accrued expenses	\$ 19	\$ 21
Other long-term liabilities	9	11
Total warranty liabilities	<u>\$ 28</u>	<u>\$ 32</u>

Warranty expense recognized during the period includes amounts accrued for systems at the time of shipment, adjustments for changes in estimated costs for warranties on systems shipped in the period and changes in estimated costs for warranties on systems shipped in prior periods.

Other long-term liabilities (in millions):

	October 29, 2021	April 30, 2021
Liability for uncertain tax positions	\$ 111	\$ 127
Income taxes payable	303	351
Product warranty liabilities	9	11
Operating lease liabilities	224	71
Other liabilities	88	90
Other long-term liabilities	<u>\$ 735</u>	<u>\$ 650</u>

Deferred revenue and financed unearned services revenue

The following table summarizes the components of our deferred revenue and financed unearned services balance as reported in our condensed consolidated balance sheets (in millions):

	October 29, 2021	April 30, 2021
Deferred product revenue	\$ 47	\$ 59
Deferred services revenue	3,758	3,873
Financed unearned services revenue	61	71
Total	<u>\$ 3,866</u>	<u>\$ 4,003</u>

Reported as:

Short-term	\$ 1,967	\$ 2,062
Long-term	1,899	1,941
Total	<u>\$ 3,866</u>	<u>\$ 4,003</u>

Deferred product revenue represents unrecognized revenue related to undelivered product commitments and other product deliveries that have not met all revenue recognition criteria. Deferred services revenue represents customer payments made in advance for services, which include software and hardware support contracts, Public Cloud, and other services. Financed unearned services revenue represents undelivered services for which cash has been received under certain third-party financing arrangements. See Note 15 – Commitments and Contingencies for additional information related to these arrangements.

The following tables summarize the activity related to deferred revenue and financed unearned services revenue (in millions):

	Six Months Ended	
	October 29, 2021	October 30, 2020
Balance at beginning of period	\$ 4,003	\$ 3,698
Additions	1,363	1,364
Revenue recognized during the period	(1,500)	(1,411)
Balance at end of period	<u>\$ 3,866</u>	<u>\$ 3,651</u>

During the six months ended October 29, 2021 and October 30, 2020, we recognized \$1,183 million and \$1,207 million, respectively, that was included in the deferred revenue and financed unearned services revenue balance at the beginning of the respective periods.

As of October 29, 2021, the aggregate amount of the transaction price allocated to the remaining performance obligations related to customer contracts that are unsatisfied or partially unsatisfied approximated our deferred revenue and unearned services revenue balance. Because customer orders are typically placed on an as-needed basis, and cancellable without penalty prior to shipment, orders in backlog may not be a meaningful indicator of future revenue and have not been included in this amount. We expect to recognize as revenue approximately 51% of our deferred revenue and financed unearned services revenue balance in the next 12 months, approximately 24% in the next 13 to 24 months, and the remainder thereafter.

Deferred commissions

The following tables summarize the activity related to deferred commissions and their balances as reported in our condensed consolidated balance sheets (in millions):

	Six Months Ended	
	October 29, 2021	October 30, 2020
Balance at beginning of period	\$ 197	\$ 156
Additions	76	57
Expense recognized during the period	(71)	(45)
Balance at end of period	<u>\$ 202</u>	<u>\$ 168</u>

	October 29, 2021	April 30, 2021
Other current assets	\$ 86	\$ 86
Other non-current assets	116	111
Total deferred commissions	<u>\$ 202</u>	<u>\$ 197</u>

Other expense, net (in millions):

	Three Months Ended		Six Months Ended	
	October 29, 2021	October 30, 2020	October 29, 2021	October 30, 2020
Interest income	\$ 1	\$ 2	\$ 3	\$ 5
Interest expense	(18)	(18)	(36)	(36)
Other income (expense), net	3	9	7	(8)
Total other expense, net	<u>\$ (14)</u>	<u>\$ (7)</u>	<u>\$ (26)</u>	<u>\$ (39)</u>

Statements of cash flows additional information (in millions):

Supplemental cash flow information related to our operating leases is included in Note 8 — Leases. Non-cash investing activities and other supplemental cash flow information are presented below:

	Six Months Ended	
	October 29, 2021	October 30, 2020
Non-cash Investing Activities:		
Capital expenditures incurred but not paid	\$ 21	\$ 9
Supplemental Cash Flow Information:		
Income taxes paid, net of refunds	\$ 232	\$ 238
Interest paid	\$ 34	\$ 23

6. Financial Instruments and Fair Value Measurements

The accounting guidance for fair value measurements provides a framework for measuring fair value on either a recurring or nonrecurring basis, whereby the inputs used in valuation techniques are assigned a hierarchical level. The following are the three levels of inputs to measure fair value:

Level 1: Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2: Inputs that reflect quoted prices for identical assets or liabilities in less active markets; quoted prices for similar assets or liabilities in active markets; benchmark yields, reported trades, broker/dealer quotes, inputs other than quoted prices that are observable for the assets or liabilities; or inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3: Unobservable inputs that reflect our own assumptions incorporated in valuation techniques used to measure fair value. These assumptions are required to be consistent with market participant assumptions that are reasonably available.

We consider an active market to be one in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis, and consider an inactive market to be one in which there are infrequent or few transactions for the asset or liability, the prices are not current, or price quotations vary substantially either over time or among market makers. Where appropriate, our own or the counterparty's non-performance risk is considered in measuring the fair values of liabilities and assets, respectively.

Investments

The following is a summary of our investments at their cost or amortized cost for the periods ended October 29, 2021 and April 30, 2021 (in millions):

	October 29, 2021	April 30, 2021
Corporate bonds	\$ 31	\$ 58
U.S. Treasury and government debt securities	7	8
Certificates of deposit	70	61
Mutual funds	43	40
Total debt and equity securities	<u>\$ 151</u>	<u>\$ 167</u>

The fair value of our investments approximates their cost or amortized cost for both periods presented. Investments in mutual funds relate to the non-qualified deferred compensation plan offered to certain employees.

The following table presents the contractual maturities of our debt investments as of October 29, 2021 (in millions):

	Amount
Due in one year or less	\$ 96
Due after one year through five years	12
	<u>\$ 108</u>

Actual maturities may differ from the contractual maturities because borrowers may have the right to call or prepay certain obligations.

Fair Value of Financial Instruments

The following table summarizes our financial assets and liabilities measured at fair value on a recurring basis (in millions):

	October 29, 2021		
	Total	Fair Value Measurements at Reporting Date Using	
		Level 1	Level 2
Cash	\$ 4,439	\$ 4,439	\$ —
Corporate bonds	32	—	32
U.S. Treasury and government debt securities	7	3	4
Certificates of deposit	70	—	70
Total cash, cash equivalents and short-term investments	<u>\$ 4,548</u>	<u>\$ 4,442</u>	<u>\$ 106</u>
Other items:			
Mutual funds ⁽¹⁾	\$ 8	\$ 8	\$ —
Mutual funds ⁽²⁾	\$ 35	\$ 35	\$ —
Foreign currency exchange contracts assets ⁽¹⁾	\$ 3	\$ —	\$ 3
Foreign currency exchange contracts liabilities ⁽³⁾	\$ (8)	\$ —	\$ (8)
	April 30, 2021		
	Total	Fair Value Measurements at Reporting Date Using	
		Level 1	Level 2
Cash	\$ 4,468	\$ 4,468	\$ —
Corporate bonds	59	—	59
U.S. Treasury and government debt securities	8	4	4
Certificates of deposit	61	—	61
Total cash, cash equivalents and short-term investments	<u>\$ 4,596</u>	<u>\$ 4,472</u>	<u>\$ 124</u>
Other items:			
Mutual funds ⁽¹⁾	\$ 8	\$ 8	\$ —
Mutual funds ⁽²⁾	\$ 32	\$ 32	\$ —
Foreign currency exchange contracts assets ⁽¹⁾	\$ 9	\$ —	\$ 9
Foreign currency exchange contracts liabilities ⁽³⁾	\$ (1)	\$ —	\$ (1)

⁽¹⁾ Reported as other current assets in the condensed consolidated balance sheets

⁽²⁾ Reported as other non-current assets in the condensed consolidated balance sheets

⁽³⁾ Reported as accrued expenses in the condensed consolidated balance sheets

Our Level 2 debt instruments are held by a custodian who prices some of the investments using standard inputs in various asset price models or obtains investment prices from third-party pricing providers that incorporate standard inputs in various asset price models. These pricing providers utilize the most recent observable market information in pricing these securities or, if specific prices are not available for these securities, use other observable inputs like market transactions involving identical or comparable securities. We review Level 2 inputs and fair value for reasonableness and the values may be further validated by comparison to multiple independent pricing sources. In addition, we review third-party pricing provider models, key inputs and assumptions and understand the pricing processes at our third-party providers in determining the overall reasonableness of the fair value of our Level 2 debt

instruments. As of October 29, 2021 and April 30, 2021, we have not made any adjustments to the prices obtained from our third-party pricing providers.

Fair Value of Debt

As of October 29, 2021 and April 30, 2021, the fair value of our long-term debt was approximately \$2,722 million and \$2,736 million, respectively. The fair value of our long-term debt was based on observable market prices in a less active market. All of our debt obligations are categorized as Level 2 instruments.

7. Financing Arrangements

Long-Term Debt

The following table summarizes information relating to our long-term debt, which we collectively refer to as our Senior Notes (in millions, except interest rates):

	Effective Interest Rate	October 29, 2021	April 30, 2021
3.25% Senior Notes Due December 2022	3.43%	\$ 250	\$ 250
3.30% Senior Notes Due September 2024	3.42%	400	400
1.875% Senior Notes Due June 2025	2.03%	750	750
2.375% Senior Notes Due June 2027	2.51%	550	550
2.70% Senior Notes Due June 2030	2.81%	700	700
Total principal amount		2,650	2,650
Unamortized discount and issuance costs		(16)	(18)
Total long-term debt		<u>\$ 2,634</u>	<u>\$ 2,632</u>

Senior Notes

Our \$750 million aggregate principal amount of 1.875% Senior Notes due 2025, \$550 million aggregate principal amount of 2.375% Senior Notes due 2027 and \$700 million aggregate principal amount of 2.70% Senior Notes due 2030, were issued in June 2020. Interest on these Senior Notes is payable semi-annually in June and December.

Our 3.30% Senior Notes, with a principal amount of \$400 million, were issued in September 2017 with interest paid semi-annually in March and September. Our 3.25% Senior Notes, with a principal amount of \$250 million, were issued in December 2012 with interest paid semi-annually in June and December.

Our Senior Notes, which are unsecured, unsubordinated obligations, rank equally in right of payment with any existing and future senior unsecured indebtedness.

We may redeem the Senior Notes in whole or in part, at any time at our option at specified redemption prices. In addition, upon the occurrence of certain change of control triggering events, we may be required to repurchase the Senior Notes under specified terms. The Senior Notes also include covenants that limit our ability to incur debt secured by liens on assets or on shares of stock or indebtedness of our subsidiaries; to engage in certain sale and lease-back transactions; and to consolidate, merge or sell all or substantially all of our assets. As of October 29, 2021, we were in compliance with all covenants associated with the Senior Notes.

As of October 29, 2021, our aggregate future principal debt maturities are as follows (in millions):

Fiscal Year	Amount
2022 (remainder)	\$ —
2023	250
2024	—
2025	400
2026	750
Thereafter	1,250
Total	<u>\$ 2,650</u>

Commercial Paper Program and Credit Facility

We have a commercial paper program (the Program), under which we may issue unsecured commercial paper notes. Amounts available under the Program, as amended in July 2017, may be borrowed, repaid and re-borrowed, with the aggregate face or principal amount of the notes outstanding under the Program at any time not to exceed \$1.0 billion. The maturities of the notes can vary, but may not exceed 397 days from the date of issue. The notes are sold under customary terms in the commercial paper market and may

be issued at a discount from par or, alternatively, may be sold at par and bear interest at rates dictated by market conditions at the time of their issuance. The proceeds from the issuance of the notes are used for general corporate purposes. There were no commercial paper notes outstanding as of October 29, 2021 or April 30, 2021. During the first six months of fiscal 2021, we received proceeds of \$75 million from the issuance, and made repayments of \$176 million for the settlement, of commercial paper notes with original maturities greater than three months.

In connection with the Program, we have a senior unsecured credit agreement with a syndicated group of lenders. The credit agreement, which was amended on January 22, 2021, provides for a \$1.0 billion revolving unsecured credit facility, with a sublimit of \$50 million available for the issuance of letters of credit on our behalf. The credit facility matures on January 22, 2026, with an option for us to extend the maturity date for two additional 1-year periods, subject to certain conditions. The proceeds of the loans may be used by us for general corporate purposes and as liquidity support for our existing commercial paper program. As of October 29, 2021, we were compliant with all associated covenants in the agreement. No amounts were drawn against this credit facility during any of the periods presented.

8. Leases

We lease real estate, equipment and automobiles in the U.S. and internationally. Our real estate leases, which are responsible for the majority of our aggregate ROU asset and liability balances, include leases for office space, data centers and other facilities, and as of October 29, 2021, have remaining lease terms not exceeding 15 years. Some of these leases contain options that allow us to extend or terminate the lease agreement. Our equipment leases are primarily for servers and networking equipment and as of October 29, 2021, have remaining lease terms not exceeding 4 years. As of October 29, 2021, our automobile leases have remaining lease terms not exceeding 5 years. All our leases are classified as operating leases except for certain immaterial equipment finance leases.

In June 2020, we entered into a build-to-suit lease agreement for an office building located in Wichita, Kansas, with future undiscounted payments of approximately \$67 million. Because the Company does not control the underlying asset during the construction period, the Company is not considered the owner of the asset under construction for accounting purposes. The lease will commence upon completion of the construction of the office building which is expected to be in the third quarter of fiscal 2022. The initial term of the lease is twenty years with options to renew the lease during the lease term. A ROU asset and related lease liability will be measured and recognized in our financial statements in the period the lease commences.

In April 2021, we entered into a lease for our new corporate headquarters located in San Jose, California, which is comprised of approximately three hundred thousand square feet of office space and requires future minimum undiscounted payments of approximately \$180 million over the initial 11-year lease term. The lease agreement also provides us two successive renewal options, each for five years. The lease commenced during the first quarter of fiscal 2022.

The components of lease cost related to our operating leases were as follows (in millions):

	Three Months Ended		Six Months Ended	
	October 29, 2021	October 30, 2020	October 29, 2021	October 30, 2020
Operating lease cost	\$ 16	\$ 14	\$ 31	\$ 28
Variable lease cost	4	2	8	5
Total lease cost	\$ 20	\$ 16	\$ 39	\$ 33

Variable lease cost is primarily attributable to amounts paid to lessors for common area maintenance and utility charges under our real estate leases.

The supplemental cash flow information related to our operating leases is as follows (in millions):

	Six Months Ended	
	October 29, 2021	October 30, 2020
Cash paid for amounts included in the measurement of operating lease liabilities	\$ 28	\$ 28
Right-of-use assets obtained in exchange for new operating lease obligations	\$ 178	\$ 16

The supplemental balance sheet information related to our operating leases is as follows (in millions, except lease term and discount rate):

	October 29, 2021	April 30, 2021
Other non-current assets	\$ 263	\$ 114
Total operating lease ROU assets	<u>\$ 263</u>	<u>\$ 114</u>
Accrued expenses	\$ 49	\$ 49
Other long-term liabilities	224	71
Total operating lease liabilities	<u>\$ 273</u>	<u>\$ 120</u>
Weighted Average Remaining Lease Term	7.9 years	3.4 years
Weighted Average Discount Rate	2.7%	2.9%

Future minimum operating lease payments as of October 29, 2021, which exclude the undiscounted payments for the build-to-suit lease located in Wichita, Kansas, expected to commence in the third quarter of fiscal year 2022, are as follows (in millions):

<u>Fiscal Year</u>	<u>Operating Leases</u>
2022 (remainder)	\$ 29
2023	49
2024	41
2025	32
2026	29
Thereafter	123
Total lease payments	<u>303</u>
Less: Interest	(30)
Total	<u>\$ 273</u>

9. Stockholders' Equity

Equity Incentive Awards

As of October 29, 2021, we have certain equity incentive awards outstanding, which include stock options and restricted stock units (RSUs), including time-based RSUs and performance-based RSUs (PBRsUs). Also outstanding are purchase rights under our Employee Stock Purchase Plan (ESPP).

Stock Options

Less than 1 million options were outstanding as of October 29, 2021 and April 30, 2021.

Information related to our stock options is summarized below (in millions):

	Six Months Ended	
	October 29, 2021	October 30, 2020
Intrinsic value of exercises	\$ 8	\$ 1
Proceeds received from exercises	\$ 1	\$ 2
Fair value of options vested	\$ 2	\$ 1

Restricted Stock Units

In the six months ended October 29, 2021, we granted PBRsUs to certain of our executives. Each PBRsUs has performance-based vesting criteria, in addition to the service-based vesting criteria, such that the PBRsUs cliff-vest at the end of an approximate one, two or three year performance period, which began on the date specified in the grant agreements and typically ends on the last day of the first, second or third fiscal year, respectively, following the grant date. The number of shares of common stock that will be issued to settle most of these PBRsUs at the end of the performance and service period will range from 0% to 200% of a target number of shares originally granted. For most of the PBRsUs granted in the six months ended October 29, 2021, the number of shares issued will depend upon our Total Stockholder Return (TSR) as compared to the TSR of a specified group of benchmark peer companies (each expressed as a growth rate percentage) calculated as of the end of the performance period. The fair values of these TSR performance-based awards were fixed at grant date using a Monte Carlo simulation model. The aggregate grant date fair value of all PBRsUs granted in the current year was \$43 million, which is being recognized to compensation expense over the remaining performance / service periods.

The following table summarizes information related to our RSUs, including PBRsUs, (in millions, except fair value):

	Number of Shares	Weighted- Average Grant Date Fair Value
Outstanding as of April 30, 2021	9	\$ 47.75
Granted	4	\$ 78.29
Vested	(2)	\$ 47.73
Forfeited	(1)	\$ 56.65
Outstanding as of October 29, 2021	10	\$ 60.61

We primarily use the net share settlement approach upon vesting, where a portion of the shares are withheld as settlement of employee withholding taxes, which decreases the shares issued to the employee by a corresponding value. The number and value of the shares netted for employee taxes are summarized in the table below (in millions):

	Six Months Ended	
	October 29, 2021	October 30, 2020
Shares withheld for taxes	1	1
Fair value of shares withheld	\$ 63	\$ 34

Employee Stock Purchase Plan

The following table summarizes activity related to the purchase rights issued under the ESPP (in millions):

	Six Months Ended	
	October 29, 2021	October 30, 2020
Shares issued under the ESPP	1	1
Proceeds from issuance of shares	\$ 52	\$ 47

Stock-Based Compensation Expense

Stock-based compensation expense is included in the condensed consolidated statements of income as follows (in millions):

	Three Months Ended		Six Months Ended	
	October 29, 2021	October 30, 2020	October 29, 2021	October 30, 2020
Cost of product revenues	\$ 1	\$ 1	\$ 2	\$ 2
Cost of services revenues	4	2	6	5
Sales and marketing	29	24	55	49
Research and development	18	15	34	34
General and administrative	10	7	18	13
Total stock-based compensation expense	\$ 62	\$ 49	\$ 115	\$ 103
Income tax benefit for stock-based compensation expense	\$ 4	\$ 8	\$ 9	\$ 12

As of October 29, 2021, total unrecognized compensation expense related to our equity awards was \$515 million, which is expected to be recognized on a straight-line basis over a weighted-average remaining service period of 2.5 years.

Stock Repurchase Program

As of October 29, 2021, our Board of Directors has authorized the repurchase of up to \$14.1 billion of our common stock. Under this program, we may purchase shares of our outstanding common stock through solicited or unsolicited transactions in the open market, in privately negotiated transactions, through accelerated share repurchase programs, pursuant to a Rule 10b5-1 plan or in such other manner as deemed appropriate by our management. The stock repurchase program may be suspended or discontinued at any time.

The following table summarized activity related to the stock repurchase program for the six months ended October 29, 2021 (in millions, except for per share amounts):

Number of shares repurchased		3
Average price per share	\$	84.88
Stock repurchases allocated to additional paid-in capital	\$	6
Stock repurchases allocated to retained earnings	\$	219
Remaining authorization at end of period	\$	627

Since the May 13, 2003 inception of our stock repurchase program through October 29, 2021, we repurchased a total of 343 million shares of our common stock at an average price of \$39.37 per share, for an aggregate purchase price of \$13.5 billion.

Dividends

The following is a summary of our activities related to dividends on our common stock (in millions, except per share amounts):

	Six Months Ended	
	October 29, 2021	October 30, 2020
Dividends per share declared	\$ 1.00	\$ 0.96
Dividend payments allocated to additional paid-in capital	\$ —	\$ 30
Dividend payments allocated to retained earnings	\$ 224	\$ 184

On November 22, 2021, we declared a cash dividend of \$0.50 per share of common stock, payable on January 26, 2022 to holders of record as of the close of business on January 7, 2022. The timing and amount of future dividends will depend on market conditions, corporate business and financial considerations and regulatory requirements. All dividends declared have been determined by us to be legally authorized under the laws of the state in which we are incorporated.

Accumulated Other Comprehensive Income (Loss)

Changes in accumulated other comprehensive income (loss) (AOCI) by component, net of tax, are summarized below (in millions):

	Foreign Currency Translation Adjustments	Defined Benefit Obligation Adjustments	Unrealized Gains (Losses) on Available- for-Sale Securities	Unrealized Gains (Losses) on Derivative Instruments	Total
Balance as of April 30, 2021	\$ (27)	\$ (4)	\$ 1	\$ —	\$ (30)
Other comprehensive income (loss), net of tax	(8)	—	(1)	2	(7)
Amounts reclassified from AOCI, net of tax	—	—	—	(1)	(1)
Total other comprehensive income (loss)	(8)	—	(1)	1	(8)
Balance as of October 29, 2021	\$ (35)	\$ (4)	\$ —	\$ 1	\$ (38)

The amounts reclassified out of AOCI are as follows (in millions):

	Three Months Ended		Six Months Ended		Statements of Income Classification
	October 29, 2021	October 30, 2020	October 29, 2021	October 30, 2020	
Realized (gains) losses on cash flow hedges	\$ (1)	\$ 7	\$ (1)	\$ 8	Net revenues

10. Derivatives and Hedging Activities

We use derivative instruments to manage exposures to foreign currency risk. Our primary objective in holding derivatives is to reduce the volatility of earnings and cash flows associated with changes in foreign currency exchange rates. The maximum length of time over which forecasted foreign currency denominated revenues are hedged is 12 months. The program is not designated for trading or speculative purposes. Our derivatives expose us to credit risk to the extent that the counterparties may be unable to meet their obligations under the terms of our agreements. We seek to mitigate such risk by limiting our counterparties to major financial institutions. In addition, the potential risk of loss with any one counterparty resulting from this type of credit risk is monitored on an ongoing basis. We also have in place master netting arrangements to mitigate the credit risk of our counterparties and to potentially reduce our losses due to counterparty nonperformance. We present our derivative instruments as net amounts in our condensed consolidated balance sheets. The gross and net fair value amounts of such instruments were not material as of October 29, 2021 or April 30, 2021. All contracts have a maturity of less than 12 months.

The notional amount of our outstanding U.S. dollar equivalent foreign currency exchange forward contracts consisted of the following (in millions):

	<u>October 29, 2021</u>	<u>April 30, 2021</u>
Cash Flow Hedges		
Forward contracts purchased	\$ 153	\$ 167
Balance Sheet Contracts		
Forward contracts sold	\$ 608	\$ 497
Forward contracts purchased	\$ 114	\$ 117

The gain (loss) of cash flow hedges recognized in net revenues is presented in the condensed consolidated statements of comprehensive income and Note 9 – Stockholders’ Equity.

The effect of derivative instruments not designated as hedging instruments recognized in other income (expense), net on our condensed consolidated statements of income was as follows (in millions):

	<u>Three Months Ended</u>		<u>Six Months Ended</u>	
	<u>October 29, 2021</u>	<u>October 30, 2020</u>	<u>October 29, 2021</u>	<u>October 30, 2020</u>
Foreign currency exchange contracts	\$ (17)	\$ (6)	\$ (26)	\$ 17

11. Restructuring Charges

During the first six months of fiscal 2022, we executed a restructuring plan to reduce the amount of office space we currently occupy as we allow more employees to continue to work remotely. In connection with the plan, we also reduced our global workforce by approximately 1%. Charges related to the plan consisted primarily of office relocation costs, lease termination fees, and employee severance related costs. Substantially all activities under the plan have been completed.

Management has previously approved several restructuring actions, including the August 2020 Plan and May 2020 Plan, under which we reduced our global workforce by approximately 6%. Charges related to these restructuring plans consisted primarily of employee severance-related costs. Substantially all activities under these plans were completed as of the end of fiscal 2021.

Activities related to our restructuring plans are summarized as follows (in millions):

	<u>Six Months Ended</u>	
	<u>October 29, 2021</u>	<u>October 30, 2020</u>
Balance at beginning of period	\$ 1	\$ 1
Net charges	29	42
Cash payments	(28)	(24)
Balance at end of period	<u>\$ 2</u>	<u>\$ 19</u>

12. Income Taxes

Our effective tax rates for the periods presented were as follows:

	<u>Six Months Ended</u>	
	<u>October 29, 2021</u>	<u>October 30, 2020</u>
Effective tax rates	17.6%	23.3%

Our effective tax rate reflects the impact of a significant amount of earnings being taxed in foreign jurisdictions at rates below the United States (U.S.) statutory rate. Our effective tax rate for the six months ended October 29, 2021 includes the impact of discrete tax benefits for lapses of statute of limitations as well as benefits related to stock-based compensation. The effective tax rate for the six months ended October 30, 2020 reflects the impact of taxes resulting from the integration of acquired companies and smaller benefits for stock-based compensation as compared to the current year.

As of October 29, 2021, we had \$214 million of gross unrecognized tax benefits. Inclusive of penalties, interest and certain income tax benefits, \$110 million would affect our provision for income taxes if recognized. Net unrecognized tax benefits of \$111 million have been recorded in other long-term liabilities.

We are currently undergoing various income tax audits in the U.S. and audits in several foreign tax jurisdictions. Transfer pricing calculations are key topics under these audits and are often subject to dispute and appeals.

In September 2010, the Danish Tax Authorities issued a decision concluding that distributions declared in 2005 and 2006 by our Danish subsidiary were subject to Danish at-source dividend withholding tax. We do not believe that our Danish subsidiary is liable for such withholding tax and filed an appeal with the Danish Tax Tribunal. In December 2011, the Danish Tax Tribunal issued a ruling in favor of NetApp. The Danish tax examination agency appealed this decision at the Danish High Court (DHC) in March 2012. In February 2016, the DHC requested a preliminary ruling from the Court of Justice of the European Union (CJEU). In March 2018, the Advocate General issued an opinion which was largely in favor of NetApp. The CJEU was not bound by the opinion of the Advocate General and issued its preliminary ruling in February 2019. The CJEU ruling did not preclude the Danish Tax Authorities from imposing withholding tax on distributions based on the benefits of certain European Union directives. On May 3, 2021, the DHC reached a decision resulting in NetApp prevailing on the predominate distribution made in 2005. The smaller distribution made in 2006 was ruled in favor of the Danish Tax Authorities. On May 28, 2021, the Danish Tax Authorities appealed the DHC decision to the Danish Supreme Court. We believe it is more likely than not that our distributions were not subject to withholding tax and we will continue to support our position in the appeals process with the Danish Supreme Court.

We continue to monitor the progress of ongoing discussions with tax authorities and the impact, if any, of the expected expiration of the statute of limitations in various taxing jurisdictions. We engage in continuous discussion and negotiation with taxing authorities regarding tax matters in multiple jurisdictions. We believe that within the next 12 months, it is reasonably possible that either certain audits will conclude, certain statutes of limitations will lapse, or both. As a result of uncertainties regarding tax audits and their possible outcomes, an estimate of the range of possible impacts to unrecognized tax benefits in the next twelve months cannot be made at this time.

13. Net Income per Share

The following is a calculation of basic and diluted net income per share (in millions, except per share amounts):

	Three Months Ended		Six Months Ended	
	October 29, 2021	October 30, 2020	October 29, 2021	October 30, 2020
Numerator:				
Net income	\$ 224	\$ 137	\$ 426	\$ 214
Denominator:				
Shares used in basic computation	223	222	223	222
Dilutive impact of employee equity award plans	6	2	6	1
Shares used in diluted computation	229	224	229	223
Net Income per Share:				
Basic	\$ 1.00	\$ 0.62	\$ 1.91	\$ 0.96
Diluted	\$ 0.98	\$ 0.61	\$ 1.86	\$ 0.96

No potential shares from outstanding employee awards were excluded from the diluted net income per share calculation for the three and six months ended October 29, 2021. Eight million and seven million potential shares from outstanding employee equity awards were excluded from the diluted net income per share calculations for the three and six months ended October 30, 2020, respectively, as their inclusion would have been anti-dilutive.

14. Segment, Geographic, and Significant Customer Information

Our operations are now organized into two segments for financial reporting purposes: Public Cloud and Hybrid Cloud. The two segments are based on the information reviewed by our Chief Operating Decision Maker ("CODM"), who is the Chief Executive Officer, to evaluate results and allocate resources. The CODM measures performance of each segment based on segment revenue and segment gross profit. We do not allocate to our segments certain cost of revenues which we manage at the corporate level. These unallocated costs include stock-based compensation and amortization of intangible assets. We do not allocate assets to our segments.

Public Cloud offers a portfolio of products delivered primarily as-a-service, including related support, and made available on the world's leading clouds. This portfolio includes storage services, cloud automation and optimization services, and cloud infrastructure monitoring services.

Hybrid Cloud offers a portfolio of storage and data management solutions that help customers build and integrate on-premises and private cloud environments. This portfolio is designed to operate with public clouds to unlock the potential of hybrid, multi-cloud operations. Hybrid Cloud is composed of software, hardware, and related support, as well as professional and other services.

Financial information for the prior period has been updated to conform to the current year presentation of two segments.

Segment Revenues and Gross Profit

Financial information by segment is as follows (in millions, except percentages):

	Three Months Ended October 29, 2021		
	Hybrid Cloud	Public Cloud	Consolidated
Product revenues	\$ 814	\$ —	\$ 814
Support revenues	590	—	590
Professional and other services revenues	75	—	75
Public cloud revenues	—	87	87
Net revenues	1,479	87	1,566
Cost of product revenues	369	—	369
Cost of support revenues	48	—	48
Cost of professional and other services revenues	54	—	54
Cost of public cloud revenues	—	25	25
Segment cost of revenues	471	25	496
Segment gross profit	\$ 1,008	\$ 62	\$ 1,070
Segment gross margin	68.2%	71.3%	68.3%
Unallocated cost of revenues ¹			11
Total gross profit			\$ 1,059
Total gross margin			67.6%

¹ Unallocated cost of revenues are composed of \$4 million of stock-based compensation expense and \$7 million of amortization of intangible assets.

	Three Months Ended October 30, 2020		
	Hybrid Cloud	Public Cloud	Consolidated
Product revenues	\$ 749	\$ —	\$ 749
Support revenues	553	—	553
Professional and other services revenues	67	—	67
Public cloud revenues	—	47	47
Net revenues	1,369	47	1,416
Cost of product revenues	352	—	352
Cost of support revenues	50	—	50
Cost of professional and other services revenues	50	—	50
Cost of public cloud revenues	—	16	16
Segment cost of revenues	452	16	468
Segment gross profit	\$ 917	\$ 31	\$ 948
Segment gross margin	67.0%	66.0%	66.9%
Unallocated cost of revenues ¹			15
Total gross profit			\$ 933
Total gross margin			65.9%

¹ Unallocated cost of revenues are composed of \$3 million of stock-based compensation expense and \$12 million of amortization of intangible assets.

	Six Months Ended October 29, 2021		
	Hybrid Cloud	Public Cloud	Consolidated
Product revenues	\$ 1,544	\$ —	\$ 1,544
Support revenues	1,168	—	1,168
Professional and other services revenues	146	—	146
Public cloud revenues	—	166	166
Net revenues	2,858	166	3,024
Cost of product revenues	695	—	695
Cost of support revenues	96	—	96
Cost of professional and other services revenues	105	—	105
Cost of public cloud revenues	—	48	48
Segment cost of revenues	896	48	944
Segment gross profit	\$ 1,962	\$ 118	\$ 2,080
Segment gross margin	68.6%	71.1%	68.8%
Unallocated cost of revenues ¹			22
Total gross profit			\$ 2,058
Total gross margin			68.1%

¹ Unallocated cost of revenues are composed of \$8 million of stock-based compensation expense and \$14 million of amortization of intangible assets.

	Six Months Ended October 30, 2020		
	Hybrid Cloud	Public Cloud	Consolidated
Product revenues	\$ 1,376	\$ —	\$ 1,376
Support revenues	1,130	—	1,130
Professional and other services revenues	135	—	135
Public cloud revenues	—	78	78
Net revenues	2,641	78	2,719
Cost of product revenues	657	—	657
Cost of support revenues	101	—	101
Cost of professional and other services revenues	98	—	98
Cost of public cloud revenues	—	29	29
Segment cost of revenues	856	29	885
Segment gross profit	\$ 1,785	\$ 49	\$ 1,834
Segment gross margin	67.6 %	62.8 %	67.5 %
Unallocated cost of revenues ¹			29
Total gross profit			\$ 1,805
Total gross margin			66.4 %

¹ Unallocated cost of revenues are composed of \$7 million of stock-based compensation expense and \$22 million of amortization of intangible assets.

Geographical Revenues and Certain Assets

Revenues summarized by geographic region are as follows (in millions):

	Three Months Ended		Six Months Ended	
	October 29, 2021	October 30, 2020	October 29, 2021	October 30, 2020
United States, Canada and Latin America (Americas)	\$ 868	\$ 781	\$ 1,654	\$ 1,490
Europe, Middle East and Africa (EMEA)	461	422	915	805
Asia Pacific (APAC)	237	213	455	424
Net revenues	\$ 1,566	\$ 1,416	\$ 3,024	\$ 2,719

Americas revenues consist of sales to Americas commercial and U.S. public sector markets. Sales to customers inside the U.S. were \$773 million and \$705 million during the three months ended October 29, 2021 and October 30, 2020, respectively, and were \$1,469 million and \$1,342 million during the six months ended October 29, 2021 and October 30, 2020, respectively.

The following table presents cash, cash equivalents and short-term investments held in the U.S. and internationally in various foreign subsidiaries (in millions):

	October 29, 2021	April 30, 2021
U.S.	\$ 2,800	\$ 2,098
International	1,748	2,498
Total	\$ 4,548	\$ 4,596

With the exception of property and equipment, we do not identify or allocate our long-lived assets by geographic area. The following table presents property and equipment information for geographic areas based on the physical location of the assets (in millions):

	October 29, 2021	April 30, 2021
U.S.	\$ 351	\$ 340
International	198	185
Total	\$ 549	\$ 525

Significant Customers

The following customers, each of which is a distributor, accounted for 10% or more of our net revenues:

	Three Months Ended		Six Months Ended	
	October 29, 2021	October 30, 2020	October 29, 2021	October 30, 2020
Arrow Electronics, Inc.	24 %	25 %	24 %	24 %
Tech Data Corporation	20 %	20 %	20 %	20 %

The following customers accounted for 10% or more of accounts receivable:

	October 29, 2021	April 30, 2021
Arrow Electronics, Inc.	10 %	10 %
Tech Data Corporation	20 %	21 %

15. Commitments and Contingencies

Purchase Orders and Other Commitments

In the ordinary course of business, we make commitments to third-party contract manufacturers to manage lead times and meet product forecasts, and to other parties to purchase various key components used in the manufacturing of our products. A significant portion of our reported purchase commitments arising from these agreements consists of firm, non-cancelable, and unconditional commitments. As of October 29, 2021, we had \$735 million in non-cancelable purchase commitments for inventory. We record a liability for firm, non-cancelable and unconditional purchase commitments for quantities in excess of our future demand forecasts consistent with the valuation of our excess and obsolete inventory. As of October 29, 2021 and April 30, 2021, such liability amounted to \$14 million and \$15 million, respectively, and is included in accrued expenses in our condensed consolidated balance sheets. To the extent that such forecasts are not achieved, our commitments and associated accruals may change.

In addition to inventory commitments with contract manufacturers and component suppliers, we have open purchase orders and contractual obligations associated with our ordinary course of business for which we have not yet received goods or services. As of October 29, 2021, we had \$318 million in other purchase obligations.

Financing Guarantees

While most of our arrangements for sales include short-term payment terms, from time to time we provide long-term financing to creditworthy customers. We have generally sold receivables financed through these arrangements on a non-recourse basis to third party financing institutions within 10 days of the contracts' dates of execution, and we classify the proceeds from these sales as cash flows from operating activities in our condensed consolidated statements of cash flows. We account for the sales of these receivables as "true sales" as defined in the accounting standards on transfers of financial assets, as we are considered to have surrendered control of these financing receivables. Provided all other revenue recognition criteria have been met, we recognize product revenues for these arrangements, net of any payment discounts from financing transactions, upon product acceptance. We sold \$38 million and \$26 million of receivables during the six months ended October 29, 2021 and October 30, 2020, respectively.

In addition, we enter into arrangements with leasing companies for the sale of our hardware systems products. These leasing companies, in turn, lease our products to end-users. The leasing companies generally have no recourse to us in the event of default by the end-user and we recognize revenue upon delivery to the end-user customer, if all other revenue recognition criteria have been met.

Some of the leasing agreements described above have been financed on a recourse basis through third-party financing institutions. Under the terms of recourse leases, which are generally three years or less, we remain liable for the aggregate unpaid remaining lease payments to the third-party leasing companies in the event of end-user customer default. These arrangements are generally collateralized by a security interest in the underlying assets. Where we provide a guarantee for recourse leases and collectability is probable, we account for these transactions as sales type leases. If collectability is not probable, the cash received is recorded as a deposit liability and revenue is deferred until the arrangement is deemed collectible. For leases that we are not a party to, other than providing recourse, we recognize revenue when control is transferred. As of October 29, 2021 and April 30, 2021, the aggregate amount by which such contingencies exceeded the associated liabilities was not significant. To date, we have not experienced significant losses under our lease financing programs or other financing arrangements.

We have entered into service contracts with certain of our end-user customers that are supported by third-party financing arrangements. If a service contract is terminated as a result of our non-performance under the contract or our failure to comply with the terms of the financing arrangement, we could, under certain circumstances, be required to acquire certain assets related to the service contract or to pay the aggregate unpaid financing payments under such arrangements. As of October 29, 2021, we have not been required to make any payments under these arrangements, and we believe the likelihood of having to acquire a material amount of assets or make payments under these arrangements is remote. The portion of the financial arrangement that represents unearned services revenue is included in deferred revenue and financed unearned services revenue in our condensed consolidated balance sheets.

Legal Contingencies

When a loss is considered probable and reasonably estimable, we record a liability in the amount of our best estimate for the ultimate loss. However, the likelihood of a loss with respect to a particular contingency is often difficult to predict and determining a meaningful estimate of the loss or a range of loss may not be practicable based on the information available and the potential effect of future events and decisions by third parties that will determine the ultimate resolution of the contingency.

On August 14, 2019, a purported securities class action lawsuit was filed in the United States District Court for the Northern District of California, naming as defendants NetApp and certain of our executive officers. The complaint alleges that the defendants violated Section 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended, and SEC Rule 10b-5, by making materially false or misleading statements with respect to our financial guidance for fiscal 2020, as provided on May 22, 2019. Members of the alleged class are purchasers of the Company's stock between May 22, 2019 and August 1, 2019, the date we provided revised financial guidance for fiscal 2020. The complaint alleges unspecified damages based on the decline in the market price of our shares following the issuance of the revised guidance on August 1, 2019. The defendants' Motion to Dismiss was granted and on February 26, 2021 and the judge entered judgment in favor of NetApp and the other defendants. On March 26, 2021, Plaintiffs filed a notice of appeal. The parties subsequently engaged in settlement discussions, and on July 30, 2021 entered into a Memorandum of Understanding ("MOU") providing for the settlement of the class action. Pursuant to the terms of MOU, NetApp has agreed to pay approximately \$2.0 million in connection with the settlement, and this amount was accrued during the three months ended July 30, 2021. The parties subsequently executed a stipulation of settlement, which contains no admission of liability, wrongdoing or responsibility by any of the parties, and which provides that the class action will be dismissed with prejudice, with mutual releases by all parties, upon final court approval. On September 24, 2021, plaintiff filed an unopposed motion seeking court approval of the settlement, but no order has issued regarding that motion. The settlement remains subject to court approval.

We are subject to various other legal proceedings and claims that arise in the normal course of business. We may, from time to time, receive claims that we are infringing third parties' intellectual property rights, including claims for alleged patent infringement brought by non-practicing entities. We are currently involved in patent litigations brought by non-practicing entities and other third parties. We believe we have strong arguments that our products do not infringe and/or the asserted patents are invalid, and we intend to vigorously defend against the plaintiffs' claims. However, there is no guarantee that we will prevail at trial and if a jury were to find that our products infringe, we could be required to pay significant monetary damages, and may cause product shipment delays or stoppages, require us to redesign our products, or require us to enter into royalty or licensing agreements.

Although management at present believes that the ultimate outcome of these proceedings, individually and in the aggregate, will not materially harm our financial position, results of operations, cash flows, or overall trends, legal proceedings are subject to inherent uncertainties, and unfavorable rulings or other events could occur. Unfavorable resolutions could include significant monetary damages. In addition, in matters for which injunctive relief or other conduct remedies are sought, unfavorable resolutions could include an injunction or other order prohibiting us from selling one or more products at all or in particular ways or requiring other remedies. An unfavorable outcome may result in a material adverse impact on our business, results of operations, financial position, and overall trends. No material accrual has been recorded as of October 29, 2021 related to such matters.

16. Subsequent Event

On November 5, 2021, we acquired all the outstanding shares of privately-held CloudCheckr Inc., a leading cloud optimization platform that provides cloud visibility and insights to lower costs, maintain security and compliance, and optimize cloud resources. We are in the process of completing the allocation of approximately \$348 million of purchase price among the assets acquired and liabilities assumed.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

This section and other parts of this Form 10-Q contain forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995, that involve risks and uncertainties. Forward-looking statements provide current expectations of future events based on certain assumptions and include any statement that does not directly relate to any historical or current fact. Forward-looking statements also can be identified by words such as "future," "anticipates," "believes," "estimates," "expects," "intends," "will," "would," "could," "can," "may," and similar terms. Forward-looking statements are not guarantees of future performance and the actual results of NetApp, Inc. ("we," "us," or the "Company") may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such differences include, but are not limited to, those discussed in Part II, Item 1A of this Form 10-Q under the heading "Risk Factors," which are incorporated herein by reference. The following discussion should be read in conjunction with our consolidated financial statements as of and for the fiscal year ended April 30, 2021, and the notes thereto, contained in our Annual Report on Form 10-K, and the condensed consolidated financial statements and notes thereto included elsewhere in this Form 10-Q. We assume no obligation to revise or update any forward-looking statements for any reason, except as required by law.

Overview

Our Company

NetApp is a global cloud-led, data-centric software company that gives organizations the freedom to put data to work in the applications that elevate their business. We help our customers get the most out of their data with industry-leading cloud data services, storage systems, and software. Throughout our history, we have kept our focus on one thing – the data, continuously improving how data are managed, stored, analyzed, protected, and moved. Our strategy has been shaped around helping our customers embrace the full potential of new technologies – from the rise of the internet, to helping large enterprise customers in vertical markets, to bringing new systems to market. Today, we are focused on unlocking the best of cloud.

As our products and solutions portfolios evolve, market dynamics change, and management continues to assess our largest opportunities, we periodically change how we manage our business. As of the end of our first quarter of fiscal 2022, our Chief Operating Decision Maker (CODM), who is our Chief Executive Officer, realigned internal reporting and began using financial information for components of our business, organized based on category of product/solution, to evaluate performance and allocate resources. This resulted in the creation of two reportable segments for financial reporting purposes: Public Cloud and Hybrid Cloud. Our CODM measures the performance of each segment based on segment revenue and segment gross profit.

Public Cloud offers a portfolio of products delivered primarily as-a-service, including related support, and made available on the world's leading clouds. This portfolio includes storage services, cloud automation and optimization services, and cloud infrastructure monitoring services.

Hybrid Cloud offers a portfolio of storage and data management solutions that help customers build and integrate on-premises and private cloud environments. This portfolio is designed to operate with public clouds to unlock the potential of hybrid, multi-cloud operations. Hybrid Cloud is composed of software, hardware, and related support, as well as professional and other services.

COVID-19

The novel coronavirus, or COVID-19, pandemic and efforts to control its spread have significantly curtailed the movement of people, goods and services worldwide, including in most or all of the regions in which we sell our products and services and conduct our business operations. We have taken precautionary measures intended to minimize the risk of the virus to our employees, our customers, and the communities in which we operate. Since March 2020, the vast majority of our employees have been working remotely and we have limited business travel.

During the first six months of fiscal 2022, due to the macroeconomic uncertainty caused by COVID-19, we continue to observe certain customers delaying purchases of our products and services, while other customers accelerate or place new orders to address the demands of remote working and digital business. We also experienced certain logistical challenges in delivering our products and services to customers in certain regions, and minor supply chain constraints. Given uncertainties that exist in the broader technology supply chain, we have begun to invest in inventory and certain longer-term commitments to help mitigate the risk of supply shortages. If supply chain challenges continue it could result in an increase in our cost of revenues.

The magnitude and duration of the disruption to our business, and impact to our operational and financial performance, caused by COVID-19 pandemic remain uncertain. Refer to Part II, Item 1A. – Risk Factors for the significant risks we have identified as a result of the COVID-19 pandemic.

Stock Repurchase and Dividend Activity

During the first six months of fiscal 2022, we repurchased 2.7 million shares of our common stock at an average price of \$84.88 per share, for an aggregate of \$225 million. We also declared aggregate cash dividends of \$1.00 per share in that period, for which we paid \$224 million.

Restructuring Event

During the first six months of fiscal 2022, we executed a restructuring plan and recognized expenses totaling \$29 million, of which \$7 million were recorded in the second quarter of fiscal 2022, consisting primarily of lease termination fees, office relocation costs, and employee severance-related costs.

Results of Operations

Our fiscal year is reported as a 52- or 53-week year that ends on the last Friday in April. Fiscal year 2022, ending on April 29, 2022, is a 52-week year, with 13 weeks in each of its quarters. Fiscal year 2021, which ended on April 30, 2021 was a 53-week year, with 14 weeks included in its first quarter and 13 weeks in each subsequent quarter. Unless otherwise stated, references to particular years, quarters, months and periods refer to the Company's fiscal years ended in April and the associated quarters, months and periods of those fiscal years.

The following table sets forth certain condensed consolidated statements of income data as a percentage of net revenues for the periods indicated:

	Three Months Ended		Six Months Ended	
	October 29, 2021	October 30, 2020	October 29, 2021	October 30, 2020
Net revenues:				
Product	52 %	53 %	51 %	51 %
Services	48	47	49	49
Net revenues	100	100	100	100
Cost of revenues:				
Cost of product	24	25	23	25
Cost of services	9	9	9	9
Gross profit	68	66	68	66
Operating expenses:				
Sales and marketing	30	31	30	32
Research and development	14	15	14	16
General and administrative	5	5	5	5
Restructuring charges	—	3	1	2
Acquisition-related expense	—	—	—	—
Total operating expenses	49	53	50	55
Income from operations	19	13	18	12
Other expense, net	(1)	—	(1)	(1)
Income before income taxes	18	12	17	10
Provision for income taxes	4	3	3	2
Net income	14 %	10 %	14 %	8 %

Percentages may not add due to rounding

Discussion and Analysis of Results of Operations

Net Revenues (in millions, except percentages):

	Three Months Ended			Six Months Ended		
	October 29, 2021	October 30, 2020	% Change	October 29, 2021	October 30, 2020	% Change
Net revenues	\$ 1,566	\$ 1,416	11 %	\$ 3,024	\$ 2,719	11 %

The increase in net revenues for the second quarter and first six months of fiscal 2022 compared to the corresponding periods of fiscal 2021 was due to an increase in both product revenues and services revenues. Product revenues as a percentage of net revenues decreased by approximately one percentage point and remained relatively flat in the second quarter and first six months of fiscal 2022, respectively, compared to the corresponding periods of fiscal 2021.

Product Revenues (in millions, except percentages):

	Three Months Ended			Six Months Ended		
	October 29, 2021	October 30, 2020	% Change	October 29, 2021	October 30, 2020	% Change
Product revenues	\$ 814	\$ 749	9 %	\$ 1,544	\$ 1,376	12 %
Hardware (Non-GAAP)	339	332	2 %	655	648	1 %
Software (Non-GAAP)	475	417	14 %	889	728	22 %

Hybrid Cloud

Product revenues are derived through the sale of our Hybrid Cloud solutions and consist of sales of configured all-flash array and hybrid systems, which are bundled hardware and software products, as well as add-on flash, disk and/or hybrid storage and related OS, NetApp HCI, StorageGrid, OEM products and add-on optional software.

In order to provide visibility into the value created by our software innovation and R&D investment, we disclose the software and hardware components of our product revenues. Software product revenue includes the OS software and optional add-on software solutions attached to our systems across our entire product set, while hardware product revenues include the non-software component of our systems across the entire set. Because our revenue recognition policy under GAAP defines a configured storage system, inclusive of the operating system software essential to its functionality, as a single performance obligation, the hardware and software components of our product revenues are considered non-GAAP measures. The hardware and software components of our product revenues are derived from an estimated fair value allocation of the transaction price of our contracts with customers, down to the level of the product hardware and software components. This allocation is primarily based on the contractual prices at which NetApp has historically billed customers for such respective components.

Total product revenues increased in the second quarter and first six months of fiscal 2022 compared to the corresponding periods of the prior year, primarily driven by an increase in sales of all-flash array systems.

Revenues from the hardware component of product revenues represented 42% of product revenues in both the second quarter and first six months of fiscal 2022, compared to 44% and 47% of product revenues in the corresponding periods of the prior year. The software component of product revenues represented 58% of product revenues in both the second quarter and first six months of fiscal 2022, compared to 56% and 53% of product revenues in the corresponding periods of the prior year. The increase in the software component percentage of product revenues in the second quarter and first six months of fiscal 2022 is primarily due to the mix of systems sold, including a higher mix of all-flash array systems, which contain a higher proportion of software components than other Hybrid Cloud products.

Services Revenues (in millions, except percentages):

	Three Months Ended			Six Months Ended		
	October 29, 2021	October 30, 2020	% Change	October 29, 2021	October 30, 2020	% Change
Services revenues	\$ 752	\$ 667	13 %	\$ 1,480	\$ 1,343	10 %
Support	590	553	7 %	1,168	1,130	3 %
Professional and other services	75	67	12 %	146	135	8 %
Public cloud	87	47	85 %	166	78	113 %

Hybrid Cloud

Hybrid Cloud services revenues are derived from the sale of: (1) support, which includes both hardware and software support contracts (the latter of which entitle customers to receive unspecified product upgrades and enhancements, bug fixes and patch releases), and (2) professional and other services, which include customer education and training.

Support revenues increased in the second quarter and first six months of fiscal 2022 compared to the corresponding periods of the prior year, despite an extra week in the first quarter of fiscal 2021 that contributed approximately \$40 million of revenues in that period. The increases are primarily due to an increase in our installed base and a higher mix of all-flash systems (which carry a higher support dollar content than our other products) in the current year.

Professional and other services revenues increased in the second quarter and first six months of fiscal 2022 compared to the corresponding periods of the prior year primarily due to an increase in demand from increased product sales.

Public Cloud

Public Cloud revenues are derived from the sale of public cloud offerings primarily delivered as-a-service, which include storage services, cloud automation and optimization services, and cloud infrastructure monitoring services.

Public Cloud revenues increased in the second quarter and first six months of fiscal 2022 compared to the corresponding periods of the prior year primarily due to strong customer demand for NetApp's diversified cloud offerings, coupled with overall growth in the cloud market. The first six months of fiscal 2022 also benefitted from the acquisition of Spot, Inc. late in the first quarter of fiscal 2021.

Cost of Revenues

Our cost of revenues consists of:

(1) cost of product revenues, composed of (a) cost of Hybrid Cloud product revenues, which includes the costs of manufacturing and shipping our products, inventory write-downs, and warranty costs, and (b) unallocated cost of product revenues, which includes stock-based compensation and amortization of intangibles, and;

(2) cost of services revenues, composed of (a) cost of support revenues, which includes the costs of providing support activities for hardware and software support, global support partnership programs, and third party royalty costs, (b) cost of professional and other services revenues, (c) cost of public cloud revenues, constituting the cost of providing our Public Cloud offerings which includes depreciation and amortization expense and third party datacenter fees, and (d) unallocated cost of services revenues, which includes stock-based compensation and amortization of intangibles.

Cost of Product Revenues (in millions, except percentages):

	Three Months Ended			Six Months Ended		
	October 29, 2021	October 30, 2020	% Change	October 29, 2021	October 30, 2020	% Change
Cost of product revenues	\$ 372	\$ 360	3 %	\$ 701	\$ 676	4 %
Hybrid Cloud	369	352	5 %	695	657	6 %
Unallocated	3	8	(63)%	6	19	(68)%

Hybrid Cloud

Cost of Hybrid Cloud product revenues represented 46% and 45% of product revenues for the second quarter and first six months of fiscal 2022, respectively, compared to 48% and 49% for the corresponding periods of fiscal 2021. Materials costs represented 92% and 91% of cost of Hybrid Cloud product revenues for the second quarter and first six months of fiscal 2022, respectively, compared to 89% and 88% in the corresponding periods of fiscal 2021.

Materials costs increased by approximately \$22 million and \$39 million in the second quarter and first six months of fiscal 2022 compared to the corresponding periods of the prior year, reflecting the increases in product revenues in the current year periods and the mix of systems sold in the respective periods.

Hybrid Cloud product gross margins increased by approximately two percentage points and three percentage points in the second quarter and first six months of fiscal 2022, respectively, compared to the corresponding periods of the prior year. The increases are primarily due to the mix of systems sold, including a higher mix of all-flash array systems which have higher margins than hybrid systems.

Unallocated

Unallocated cost of product revenues decreased in the second quarter and first six months of fiscal 2022 compared to the corresponding periods of the prior year due to certain intangible assets becoming fully amortized in the second half of fiscal 2021.

Cost of Services Revenues (in millions, except percentages):

	Three Months Ended			Six Months Ended		
	October 29, 2021	October 30, 2020	% Change	October 29, 2021	October 30, 2020	% Change
Cost of services revenues	\$ 135	\$ 123	10 %	\$ 265	\$ 238	11 %
Support	48	50	(4)%	96	101	(5)%
Professional and other services	54	50	8 %	105	98	7 %
Public cloud	25	16	56 %	48	29	66 %
Unallocated	8	7	14 %	16	10	60 %

Hybrid Cloud

Cost of Hybrid Cloud services revenues, which are composed of the costs of support and professional and other services, was relatively flat in the second quarter and first six months of fiscal 2022 compared to the corresponding periods of fiscal 2021. Cost of Hybrid Cloud services revenues represented 15% of Hybrid Cloud services revenues in the second quarter and first six months of fiscal 2022 and 16% of Hybrid Cloud services revenues in the corresponding periods of the prior year.

Hybrid Cloud support gross margins increased by one percentage point each in the second quarter and first six months of fiscal 2022 compared to the corresponding periods of the prior year due to growth in support revenues achieved with a consistent cost base. Hybrid Cloud professional services gross margins increased by three percentage points and one percentage point in the second quarter and first six months of fiscal 2022 compared to the corresponding periods of the prior year.

Public Cloud

Cost of Public Cloud revenues increased in the second quarter and first six months of fiscal 2022 compared to the corresponding periods of fiscal 2021 reflecting the increase in Public Cloud revenues. Public Cloud gross margins increased by five percentage points and eight percentage points in the second quarter and first six months of fiscal 2022, respectively, compared to the corresponding periods of fiscal 2021, reflecting efficiencies from scaling our Public Cloud segment.

Unallocated

Unallocated cost of services revenues was relatively flat in the second quarter of fiscal 2022 compared to the second quarter of fiscal 2021, while it increased in the first six months of fiscal 2022 compared to the corresponding period of fiscal 2021 due to our acquisition of Spot, Inc. in the first quarter of fiscal 2021 which resulted in higher amortization expense for certain intangible assets.

Operating Expenses

Sales and Marketing, Research and Development and General and Administrative Expenses

Sales and marketing, research and development, and general and administrative expenses for the second quarter and first six months of fiscal 2022 totaled \$757 million, or 48% of net revenues, and \$1,484 million, or 49% of net revenues, respectively, reflecting a decrease of two percentage points and four percentage points, respectively, compared to the corresponding periods of fiscal 2021.

Compensation costs represent the largest component of operating expenses. Included in compensation costs are salaries, benefits, other compensation-related costs, stock-based compensation expense and employee incentive compensation plan costs.

Total compensation costs included in operating expenses increased by \$38 million, or 9%, in the second quarter of fiscal 2022 compared to the corresponding period of the prior year, reflecting an increase of all components of compensation costs.

Total compensation costs included in operating expenses increased by \$17 million, or 2%, in the first six months of fiscal 2022 compared to the corresponding period of the prior year, primarily due to higher salaries and stock-based compensation expenses. Total compensation costs for the first six months of fiscal 2021 includes the impact of an additional week in the first quarter of fiscal 2021.

Sales and Marketing (in millions, except percentages):

	Three Months Ended			Six Months Ended		
	October 29, 2021	October 30, 2020	% Change	October 29, 2021	October 30, 2020	% Change
Sales and marketing expenses	\$ 465	\$ 432	8%	\$ 916	\$ 861	6%

Sales and marketing expenses consist primarily of compensation costs, commissions, outside services, facilities and information technology (IT) costs, advertising and marketing promotional expense and travel and entertainment expense. Changes in sales and marketing expense consisted of the following (in percentage points of the total change):

	Three Months Ended	Six Months Ended
	Fiscal 2022 to Fiscal 2021	Fiscal 2022 to Fiscal 2021
Compensation costs	6	3
Commissions	2	2
Advertising and marketing promotional expense	—	1
Total change	8	6

The increase in compensation costs for the second quarter and first six months of fiscal 2022 compared to the corresponding periods of the prior year reflected an increase in average headcount of approximately 4% and 5%, respectively. The expansion of our sales and marketing teams are expected to support our ability to execute on key market opportunities.

The increase in commissions expense for the second quarter and first six months of fiscal 2022 is primarily due to higher performance against sales goals.

Advertising and marketing promotional expense increased in the first six months of fiscal 2022 compared to the corresponding period of the prior year, primarily due to higher spending levels on certain projects executed during the first quarter of fiscal 2022.

Research and Development (in millions, except percentages):

	Three Months Ended			Six Months Ended		
	October 29, 2021	October 30, 2020	% Change	October 29, 2021	October 30, 2020	% Change
Research and development expenses	\$ 216	\$ 212	2%	\$ 426	\$ 445	(4)%

Research and development expenses consist primarily of compensation costs, facilities and IT costs, depreciation, equipment and software-related costs, prototypes, non-recurring engineering charges and other outside services costs. Changes in research and development expense consisted of the following (in percentage points of the total change):

	Three Months Ended Fiscal 2022 to Fiscal 2021	Six Months Ended Fiscal 2022 to Fiscal 2021
Compensation costs	4	(4)
Other	(2)	—
Total change	2	(4)

The increase in compensation costs for the second quarter of fiscal 2022 compared to the corresponding period in the prior year was primarily attributable to higher incentive compensation expense as a result of stronger company achievement against financial targets. The decrease in compensation costs for the six months of fiscal 2022 compared to the corresponding period in the prior year was attributable to a decrease in average headcount of 5%, primarily resulting from the restructuring plans we implemented in fiscal 2020 which were completed during the first half of fiscal 2021.

General and Administrative (in millions, except percentages):

	Three Months Ended			Six Months Ended		
	October 29, 2021	October 30, 2020	% Change	October 29, 2021	October 30, 2020	% Change
General and administrative expenses	\$ 76	\$ 67	13%	\$ 142	\$ 128	11%

General and administrative expenses consist primarily of compensation costs, professional and corporate legal fees, outside services and facilities and IT support costs. Changes in general and administrative expense consisted of the following (in percentage points of the total change):

	Three Months Ended Fiscal 2022 to Fiscal 2021	Six Months Ended Fiscal 2022 to Fiscal 2021
Compensation costs	10	4
Professional and legal fees and outside services	8	7
Litigation settlement	(7)	(4)
Facilities and IT support costs	1	1
Other	1	3
Total change	13	11

The increase in compensation costs in the second quarter and first six months of fiscal 2022 compared to the corresponding periods of the prior year was primarily attributable to higher stock-based compensation expense. The increase in professional and legal fees and outside services expense in the second quarter and first six months of fiscal 2022 was primarily due to higher spending on business transformation projects and an increase in legal fees. During the second quarter of fiscal 2021, we incurred a litigation settlement charge of approximately \$5 million.

Restructuring Charges (in millions, except percentages):

	Three Months Ended			Six Months Ended		
	October 29, 2021	October 30, 2020	% Change	October 29, 2021	October 30, 2020	% Change
Restructuring charges	\$ 7	\$ 37	NM	\$ 29	\$ 42	NM

NM – Not Meaningful

In the second quarter and first six months of fiscal 2022, we recognized \$7 million and \$29 million, respectively, in restructuring costs, consisting primarily of lease termination fees, office relocation costs, and employee severance-related costs.

Acquisition-related Expense (in millions, except percentages):

	Three Months Ended			Six Months Ended		
	October 29, 2021	October 30, 2020	% Change	October 29, 2021	October 30, 2020	% Change
Acquisition-related expense	\$ 1	\$ 3	NM	\$ 2	\$ 11	NM

NM – Not Meaningful

In the first six months of fiscal 2022, we incurred \$2 million of acquisition-related costs, primarily legal and consulting fees.

Other Expense, Net (in millions, except percentages)

The components of other expense, net were as follows:

	Three Months Ended			Six Months Ended		
	October 29, 2021	October 30, 2020	% Change	October 29, 2021	October 30, 2020	% Change
Interest income	\$ 1	\$ 2	(50)%	\$ 3	\$ 5	(40)%
Interest expense	(18)	(18)	—%	(36)	(36)	—%
Other income (expense), net	3	9	(67)%	7	(8)	(188)%
Total	\$ (14)	\$ (7)	100%	\$ (26)	\$ (39)	(33)%

Interest income decreased in the second quarter and first six months of fiscal 2022 compared to the corresponding periods of the prior year due to both a reduction in the size of our investment portfolio and lower yields earned on the investments. Interest expense remained flat in the second quarter and first six months of fiscal 2022 compared to the corresponding periods of fiscal 2021.

The differences in other income (expense), net for the second quarter and first six months of fiscal 2022 as compared to the corresponding periods of the prior year are partially due to foreign exchange gains and losses year-over-year. In the first six months of fiscal 2021, other income (expense), net includes a \$14 million loss recognized from the extinguishment of our Senior Notes due June 2021.

Provision for Income Taxes (in millions, except percentages):

	Three Months Ended			Six Months Ended		
	October 29, 2021	October 30, 2020	% Change	October 29, 2021	October 30, 2020	% Change
Provision for income taxes	\$ 56	\$ 38	47%	\$ 91	\$ 65	40%

Our effective tax rate for the second quarter of fiscal 2022 was 20.0% compared to 21.7% for the second quarter of fiscal 2021. Our effective tax rate for the first six months of fiscal 2022 was 17.6% compared to 23.3% for the first six months of fiscal 2021. Our effective tax rates reflect the impact of a significant amount of our earnings being taxed in foreign jurisdictions at rates below the U.S. statutory tax rate. Our effective tax rate for the second quarter and first six months of fiscal 2022 decreased compared to the corresponding periods of the prior year due to discrete tax benefits for lapses of statute of limitations as well as increased benefits related to stock-based compensation. Additionally, the corresponding periods of the prior year included tax charges for the integration of acquired companies.

As of October 29, 2021, we had \$214 million of gross unrecognized tax benefits. Inclusive of penalties, interest and certain income tax benefits, \$110 million would affect our provision for income taxes if recognized. Net unrecognized tax benefits of \$111 million have been recorded in other long-term liabilities.

We continue to monitor the progress of ongoing discussions with tax authorities and the impact, if any, of the expected expiration of the statute of limitations in various taxing jurisdictions. We engage in continuous discussion and negotiation with taxing authorities regarding tax matters in multiple jurisdictions. We believe that within the next 12 months, it is reasonably possible that either certain audits will conclude, certain statutes of limitations will lapse, or both. As a result of uncertainties regarding tax audits and their possible outcomes, an estimate of the range of possible impacts to unrecognized tax benefits in the next twelve months cannot be made at this time.

Liquidity, Capital Resources and Cash Requirements

(In millions, except percentages)	October 29, 2021	April 30, 2021
Cash, cash equivalents and short-term investments	\$ 4,548	\$ 4,596
Principal amount of debt	\$ 2,650	\$ 2,650

The following is a summary of our cash flow activities:

(In millions)	Six Months Ended	
	October 29, 2021	October 30, 2020
Net cash provided by operating activities	\$ 540	\$ 401
Net cash used in investing activities	(85)	(321)
Net cash (used in) provided by financing activities	(461)	746
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(13)	44
Net change in cash, cash equivalents and restricted cash	<u>\$ (19)</u>	<u>\$ 870</u>

Cash Flows

As of October 29, 2021, our cash, cash equivalents and short-term investments were \$4.5 billion, which represents a decrease of \$48 million for the first six months of fiscal 2022. During the first six months of fiscal 2022, we generated \$540 million of cash from operating activities, offset by \$224 million used for the payment of dividends, \$225 million used to repurchase shares of our common stock, \$97 million in purchases of property and equipment, and \$14 million, net of cash acquired, used for the acquisition of a privately-held company. Net working capital was \$2.5 billion as of October 29, 2021, approximately flat when compared to April 30, 2021.

Cash Flows from Operating Activities

During the first six months of fiscal 2022, we generated cash from operating activities of \$540 million, reflecting net income of \$426 million, adjusted by non-cash depreciation and amortization of \$92 million and non-cash stock-based compensation expense of \$115 million, compared to \$401 million of cash generated from operating activities during the first six months of fiscal 2021.

Significant changes in assets and liabilities in the first six months of fiscal 2022 included the following:

- *Accounts receivable* decreased \$292 million, reflecting more favorable shipping linearity and seasonally lower billings for the first six months of fiscal 2022 compared to the last six months of fiscal 2021.
- *Accrued expenses* decreased by \$206 million, primarily due to employee compensation payouts related to fiscal year 2021 commissions and incentive compensation plans.
- *Deferred revenue and financed unearned services revenue* decreased by \$97 million, primarily due to a decrease in deferred software and hardware maintenance contract revenues reflecting the seasonality of maintenance contract renewal activities.
- *Long-term taxes payables* decreased by \$65 million, primarily due to reclassification of transition taxes associated with U.S. tax reform from long-term taxes payable to current taxes payable.

We expect that cash provided by operating activities may materially fluctuate in future periods due to various factors, including fluctuations in our operating results, shipment linearity, accounts receivable collections performance, inventory and supply chain management, vendor payment initiatives, tax benefits or charges from stock-based compensation, and the timing and amount of compensation and other payments.

Cash Flows from Investing Activities

During the first six months of fiscal 2022, we generated \$26 million from maturities of investments, net of purchases, and paid \$97 million for capital expenditures, while during the same period of fiscal 2021, we generated \$107 million from maturities and sales of investments, net of purchases, and paid \$92 million for capital expenditures. Additionally, during the first six months of fiscal 2022, we paid \$14 million, net of cash acquired for a privately-held company, as compared to \$350 million, net of cash acquired that we paid for two privately-held companies in the first six months of fiscal 2021.

Cash Flows from Financing Activities

During the first six months of fiscal 2022, cash flows used in financing activities totaled \$461 million and include \$225 million for the repurchase of approximately three million shares of common stock and \$224 million for the payment of dividends. During the first six months of fiscal 2021, cash flows provided by financing activities totaled \$746 million, and were primarily due to net cash proceeds of \$2.0 billion from the issuance of Senior Notes, partially offset by the use of \$513 million for the extinguishment of Senior Notes due June 2021 and \$420 million for the net repayment of commercial paper notes with original maturities of three months or less, \$214 million for the payment of dividends, and \$176 million for the repayment of commercial paper notes with original maturities of greater than three months.

Key factors that could affect our cash flows include changes in our revenue mix and profitability, our ability to effectively manage our working capital, in particular, accounts receivable, accounts payable and inventories, the timing and amount of stock repurchases and payment of cash dividends, the impact of foreign exchange rate changes, our ability to effectively integrate acquired products, businesses and technologies and the timing of repayments of our debt. Based on past performance and our current business outlook, we believe that our sources of liquidity, including cash generated from operations, and our ability to access capital markets and committed credit lines will satisfy our working capital needs, capital expenditures, investment requirements, stock repurchases, cash dividends, contractual obligations, commitments, principal and interest payments on our debt and other liquidity requirements associated with operations and meet our cash requirements for at least the next 12 months. However, in the event our liquidity is insufficient, we may be required to curtail spending and implement additional cost saving measures and restructuring actions or enter into new financing arrangements. We cannot be certain that we will continue to generate cash flows at or above current levels or that we will be able to obtain additional financing, if necessary, on satisfactory terms, if at all. For further discussion of factors that could affect our cash flows and liquidity requirements, including the impact of the COVID-19 pandemic, see Part II, Item 1A. Risk Factors.

Liquidity

Our principal sources of liquidity as of October 29, 2021 consisted of cash and cash equivalents, short-term investments, cash we expect to generate from operations, and our commercial paper program and related credit facility.

Cash, cash equivalents and short-term investments consisted of the following (in millions):

	October 29, 2021	April 30, 2021
Cash and cash equivalents	\$ 4,509	\$ 4,529
Short-term investments	39	67
Total	<u>\$ 4,548</u>	<u>\$ 4,596</u>

As of October 29, 2021 and April 30, 2021, \$1.7 billion and \$2.5 billion, respectively, of cash, cash equivalents and short-term investments were held by various foreign subsidiaries and were generally based in U.S. dollar-denominated holdings, while \$2.8 billion and \$2.1 billion, respectively, were available in the U.S.

Our principal liquidity requirements are primarily to meet our working capital needs, support ongoing business activities, fund research and development, meet capital expenditure needs, invest in critical or complementary technologies through asset purchases and/or business acquisitions, service interest and principal payments on our debt, fund our stock repurchase program, and pay dividends, as and if declared. In the ordinary course of business, we engage in periodic reviews of opportunities to invest in or acquire companies or units in companies to expand our total addressable market, leverage technological synergies and establish new streams of revenue, particularly in our Public Cloud segment.

The principal objectives of our investment policy are the preservation of principal and maintenance of liquidity. We attempt to mitigate default risk by investing in high-quality investment grade securities, limiting the time to maturity and monitoring the counter-parties and underlying obligors closely. We believe our cash equivalents and short-term investments are liquid and accessible. We are not aware of any significant deterioration in the fair value of our cash equivalents or investments from the values reported as of October 29, 2021.

Our investment portfolio has been and will continue to be exposed to market risk due to trends in the credit and capital markets. We continue to closely monitor current economic and market events to minimize the market risk of our investment portfolio. We routinely monitor our financial exposure to both sovereign and non-sovereign borrowers and counterparties. We utilize a variety of planning and financing strategies in an effort to ensure our worldwide cash is available when and where it is needed. We also have an automatic shelf registration statement on file with the Securities and Exchange Commission (SEC). We may in the future offer an additional unspecified amount of debt, equity and other securities.

Senior Notes

The following table summarizes the principal amount of our Senior Notes as of October 29, 2021 (in millions):

3.25% Senior Notes Due December 2022	\$	250
3.30% Senior Notes Due September 2024		400
1.875% Senior Notes Due June 2025		750
2.375% Senior Notes Due June 2027		550
2.70% Senior Notes Due June 2030		700
Total	\$	<u>2,650</u>

Interest on the Senior Notes is payable semi-annually. For further information on the underlying terms, see Note 7 – Financing Arrangements of the Notes to Condensed Consolidated Financial Statements.

Commercial Paper Program and Credit Facility

We have a commercial paper program (the Program), under which we may issue unsecured commercial paper notes. Amounts available under the Program may be borrowed, repaid and re-borrowed, with the aggregate face or principal amount of the notes outstanding under the Program at any time not to exceed \$1.0 billion. The maturities of the notes can vary but may not exceed 397 days from the date of issue. The notes are sold under customary terms in the commercial paper market and may be issued at a discount from par or, alternatively, may be sold at par and bear interest at rates dictated by market conditions at the time of their issuance. The proceeds from the issuance of the notes are used for general corporate purposes. No commercial paper notes were outstanding as of October 29, 2021.

In connection with the Program, we have a senior unsecured credit agreement with a syndicated group of lenders. The credit agreement, which was amended on January 22, 2021, provides for a \$1.0 billion revolving unsecured credit facility, with a sublimit of \$50 million available for the issuance of letters of credit on our behalf. The credit facility matures on January 22, 2026, with an option for us to extend the maturity date for two additional 1-year periods, subject to certain conditions. The proceeds of the loans may be used by us for general corporate purposes and as liquidity support for our existing commercial paper program. As of October 29, 2021, we were compliant with all associated covenants in the agreement. No amounts were drawn against this credit facility during any of the periods presented.

Capital Expenditure Requirements

We expect to fund our capital expenditures, including our commitments related to facilities, equipment, operating leases and internal-use software development projects over the next few years through existing cash, cash equivalents, investments and cash generated from operations. The timing and amount of our capital requirements cannot be precisely determined and will depend on a number of factors, including future demand for products, changes in the network storage industry, hiring plans and our decisions related to the financing of our facilities and equipment requirements. We anticipate capital expenditures for the remainder of fiscal 2022 to be between \$100 million and \$150 million.

Dividends and Stock Repurchase Program

On November 22, 2021, we declared a cash dividend of \$0.50 per share of common stock, payable on January 26, 2022 to holders of record as of the close of business on January 7, 2022.

As of October 29, 2021, our Board of Directors has authorized the repurchase of up to \$14.1 billion of our common stock under our stock repurchase program. Under this program, we may purchase shares of our outstanding common stock through solicited or unsolicited transactions in the open market, in privately negotiated transactions, through accelerated share repurchase programs, pursuant to a Rule 10b5-1 plan or in such other manner as deemed appropriate by our management. The stock repurchase program may be suspended or discontinued at any time. Since the May 13, 2003 inception of this program through October 29, 2021, we repurchased a total of 343 million shares of our common stock at an average price of \$39.37 per share, for an aggregate purchase price of \$13.5 billion. As of October 29, 2021, the remaining authorized amount for stock repurchases under this program was \$0.6 billion.

Purchase Commitments

In the ordinary course of business, we make commitments to third-party contract manufacturers and component suppliers to manage manufacturer lead times and meet product forecasts, and to other parties, to purchase various key components used in the manufacture of our products. In addition, we have open purchase orders and contractual obligations associated with our ordinary course of business for which we have not yet received goods or services. These off-balance sheet purchase commitments totaled \$1,053 million at October 29, 2021.

Financing Guarantees

While most of our arrangements for sales include short-term payment terms, from time to time we provide long-term financing to creditworthy customers. We have generally sold receivables financed through these arrangements on a non-recourse basis to third party financing institutions within 10 days of the contracts' dates of execution, and we classify the proceeds from these sales as cash flows from operating activities in our condensed consolidated statements of cash flows. We account for the sales of these receivables as "true sales" as defined in the accounting standards on transfers of financial assets, as we are considered to have surrendered control of these financing receivables. We sold \$38 million and \$26 million of receivables during the first six months of fiscal 2022 and fiscal 2021, respectively.

In addition, we enter into arrangements with leasing companies for the sale of our hardware systems products. These leasing companies, in turn, lease our products to end-users. The leasing companies generally have no recourse to us in the event of default by the end-user.

Some of the leasing arrangements described above have been financed on a recourse basis through third-party financing institutions. Under the terms of recourse leases, which are generally three years or less, we remain liable for the aggregate unpaid remaining lease payments to the third-party leasing companies in the event of end-user customer default. These arrangements are generally collateralized by a security interest in the underlying assets. As of October 29, 2021 and April 30, 2021, the aggregate amount by which such contingencies exceeded the associated liabilities was not significant. To date, we have not experienced significant losses under our lease financing programs or other financing arrangements.

We have entered into service contracts with certain of our end-user customers that are supported by third-party financing arrangements. If a service contract is terminated as a result of our non-performance under the contract or our failure to comply with the terms of the financing arrangement, we could, under certain circumstances, be required to acquire certain assets related to the service contract or to pay the aggregate unpaid payments under such arrangements. As of October 29, 2021, we have not been required to make any payments under these arrangements, and we believe the likelihood of having to acquire a material amount of assets or make payments under these arrangements is remote. The portion of the financial arrangement that represents unearned services revenue is included in deferred revenue and financed unearned services revenue in our condensed consolidated balance sheets.

Legal Contingencies

We are subject to various legal proceedings and claims which arise in the normal course of business. See further details on such matters in Note 15 – Commitments and Contingencies of the Notes to Condensed Consolidated Financial Statements.

Critical Accounting Policies and Estimates

Our condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, which require management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, net revenues and expenses, and the disclosure of contingent assets and liabilities. Our estimates are based on historical experience and various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities. We believe that the accounting estimates employed and the resulting balances are reasonable; however, actual results may differ from these estimates and such differences may be material. Management's estimates include, as applicable, the anticipated impacts of the COVID-19 pandemic.

The summary of our significant accounting policies is included under Item 7 – Management's Discussion and Analysis of Financial Condition and Results of Operations of our fiscal 2021 Form 10-K. An accounting policy is deemed to be critical if it requires an accounting estimate to be made based on assumptions about matters that are highly uncertain at the time the estimate is made, if different estimates reasonably could have been used, or if changes in the estimate that are reasonably possible could materially impact the financial statements. There have been no material changes to the critical accounting policies and estimates as filed in such report.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We are exposed to market risk related to fluctuations in market prices, interest rates, and foreign currency exchange rates. We use certain derivative financial instruments to manage foreign currency exchange risks. We do not use derivative financial instruments for speculative or trading purposes. All financial instruments are used in accordance with management-approved policies.

Interest Rate Risk

Fixed Income Investments — As of October 29, 2021, we had fixed income debt investments of \$39 million. Our investment portfolio primarily consists of investments with original maturities greater than three months at the date of purchase, which are classified as available-for-sale investments. These investments, which consist primarily of corporate bonds, U.S. Treasury and government debt securities and certificates of deposit, are subject to interest rate and interest income risk and will decrease in value if market interest rates increase. Conversely, declines in interest rates, including the impact from lower credit spreads, could have a material adverse impact on interest income for our investment portfolio. A hypothetical 100 basis point increase in market interest rates from levels as of October 29, 2021 would have resulted in a decrease in the fair value of our fixed-income securities of less than \$1 million. Volatility in market interest rates over time will cause variability in our interest income. We do not use derivative financial instruments in our investment portfolio.

Debt — As of October 29, 2021, we have outstanding \$2.7 billion aggregate principal amount of Senior Notes. We carry these instruments at face value less unamortized discount on our condensed consolidated balance sheets. Since these instruments bear interest at fixed rates, we have no financial statement risk associated with changes in interest rates. However, the fair value of these instruments fluctuates when interest rates change. See Note 7 – Financing Arrangements of the Notes to Condensed Consolidated Financial Statements for more information.

Credit Facility — We are exposed to the impact of changes in interest rates in connection with our \$1.0 billion five-year revolving credit facility. Borrowings under the facility accrue interest at rates that vary based on certain market rates and our credit rating on our Senior Notes. Consequently, our interest expense would fluctuate with any changes in these market interest rates or in our credit rating if we were to borrow any amounts under the credit facility. As of October 29, 2021, no amounts were outstanding under the credit facility.

Foreign Currency Exchange Rate Risk

We hedge risks associated with certain foreign currency transactions to minimize the impact of changes in foreign currency exchange rates on earnings. We utilize foreign currency exchange forward contracts to hedge against the short-term impact of foreign currency fluctuations on certain foreign currency denominated monetary assets and liabilities. We also use foreign currency exchange forward contracts to hedge foreign currency exposures related to forecasted sales transactions denominated in certain foreign currencies. These derivatives are designated and qualify as cash flow hedges under accounting guidance for derivatives and hedging.

We do not enter into foreign currency exchange contracts for speculative or trading purposes. In entering into foreign currency exchange forward contracts, we have assumed the risk that might arise from the possible inability of counterparties to meet the terms of the contracts. We attempt to limit our exposure to credit risk by executing foreign currency exchange contracts with creditworthy multinational commercial banks. All contracts have a maturity of less than 12 months. See Note 10 – Derivatives and Hedging Activities of the Notes to Condensed Consolidated Financial Statements for more information regarding our derivatives and hedging activities.

Item 4. Controls and Procedures.

Disclosure Controls and Procedures

The phrase “disclosure controls and procedures” refers to controls and procedures designed to ensure that information required to be disclosed in our reports filed or submitted under the Securities Exchange Act of 1934, as amended (the Exchange Act), such as this Quarterly Report on Form 10-Q, is recorded, processed, summarized, and reported within the time periods specified in the rules and forms of the U.S. Securities and Exchange Commission (SEC). Disclosure controls and procedures are also designed to ensure that such information is accumulated and communicated to our management, including our CEO and CFO, as appropriate to allow timely decisions regarding required disclosure.

Under the supervision and with the participation of our management, including our CEO and CFO, we conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, as of October 29, 2021, the end of the fiscal period covered by this Quarterly Report on Form 10-Q (the Evaluation Date). Based on this evaluation, our CEO and CFO concluded as of the Evaluation Date that our disclosure controls and procedures were effective such that the information required to be disclosed in our SEC reports (i) is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms, and (ii) is accumulated and communicated to our management, including our CEO and CFO, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There has been no change in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) identified in connection with our evaluation that occurred during the second quarter of fiscal 2022 that has materially affected or is reasonably likely to materially affect our internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings.

For a discussion of legal proceedings, see Note 15 – Commitments and Contingencies of the Notes to Condensed Consolidated Financial Statements.

Item 1A. Risk Factors.

The following descriptions of risk factors includes any material changes to, and supersedes the description of risk factors associated with, the Company's business previously disclosed in Part I, Item 1A of our Annual Report on Form 10-K for the year ended April 30, 2021 (the "2021 Form 10-K") filed with the U.S. Securities and Exchange Commission (the "SEC") under the heading "Risk Factors." Our business, financial condition and operating results can be affected by a number of factors, whether currently known or unknown, including but not limited to those described below, any one or more of which could, directly or indirectly cause our actual results of operations and financial condition to vary materially from the past, or from anticipated future, results of operations and financial condition. Any of these factors, in whole or in part, could materially and adversely affect our business, financial condition, results of operations and common stock price.

The following discussion of risk factors contains forward-looking statements. These risk factors may be important to understanding any statement in this Form 10-Q or elsewhere. The following information should be read in conjunction with the condensed consolidated financial statements and the related notes in Part I, Item 1 – Financial Statements and Part I, Item 2 – Management's Discussion and Analysis of Financial Condition and Results of Operations of this Form 10-Q.

The following discussion reflects our current judgment regarding the most significant risks we face. These risks can and will change in the future.

Risks Related to Our Business and Industry

If we are unable to develop, introduce and gain market acceptance for new products and services while managing the transition from older ones, or if we cannot provide the expected level of quality and support for our new products and services, our business, operating results, financial condition and cash flows could be harmed.

Our future growth depends upon the successful development and introduction of new hardware and software products and services. Due to the complexity of storage software, subsystems and appliances and the difficulty in gauging the engineering effort required to produce new products and services, such products and services are subject to significant technical and quality control risks.

If we are unable, for technological, customer reluctance or other reasons, to develop, introduce and gain market acceptance for new products and services, as and when required by the market and our customers, our business, operating results, financial condition and cash flows could be materially and adversely affected.

New or additional product introductions, including new software and cloud offerings, such as Astra by NetApp, Spot by NetApp and new hardware and all-flash storage products, subject us to additional financial and operational risks, including our ability to forecast customer preferences and/or demand, our ability to successfully manage the transition from older products and solutions, our ability to forecast the impact of customers' demand for new products, services and solutions or the products being replaced, and our ability to manage production capacity to meet the demand for new products and services. In addition, as new or enhanced products and services are introduced, we must avoid excessive levels of older product inventories and related components and ensure that new products and services can be delivered to meet customers' demands. Further risks inherent in the introduction of new products, services and solutions include the uncertainty of price-performance relative to products of competitors, competitors' responses to the introductions, delays in sales caused by the desire of customers to evaluate new products for extended periods of time and our partners' investment in selling our new products and solutions. If these risks are not managed effectively, we could experience material risks to our business, operating results, financial condition and cash flows.

As we enter new or emerging markets, we will likely increase demands on our service and support operations and may be exposed to additional competition. We may not be able to provide products, services and support to effectively compete for these market opportunities.

Our business may be harmed by technological trends in our market or if we are unable to keep pace with rapid industry, technological and market changes.

Our industry and the markets in which we compete have historically experienced significant growth due to the increase in the demand for storage and data management solutions by consumers, enterprises and governments around the world, and the purchases of storage and data management solutions to address this demand. However, despite continued data growth, our traditional market, the networked storage hardware market, experienced a decline in each of the last three calendar years due to a combination of customers delaying purchases in the face of technology transitions, increasing adoption of cloud environments built on commodity hardware, increased storage efficiency, and changing economic and business environments. While customers are navigating through their information technology (IT) transformations, which leverage modern architectures and hybrid cloud environments, they are also reducing IT budgets, looking for simpler solutions, and changing how they consume IT. This evolution is diverting spending towards transformational projects and architectures like flash, hybrid cloud, IT as a service, converged infrastructure, and software defined storage. We are unable to predict whether the impact of the COVID-19 pandemic will accelerate the decline of our traditional market and increase demand for our cloud offerings. Our business may be adversely impacted if we are unable to keep pace with rapid industry, technological or market changes or if our Data Fabric strategy is not accepted in the marketplace. As a result of these and other factors discussed in this report, our revenue may decline on a year-over-year basis, as it did in fiscal years 2017 and 2020. The future impact of these trends on both short- and long-term growth patterns is uncertain. If the general historical rate of industry growth declines, if the growth rates of the specific markets in which we compete decline, and/or if the consumption model of storage changes and our new and existing products, services and solutions do not receive customer acceptance, our business, operating results, financial condition and cash flows could suffer.

Our sales and distribution structure makes forecasting revenues difficult and, if disrupted, could harm our business, operating results, financial condition and cash flows.

Our business and sales models make revenues difficult to forecast. We sell to a variety of customers directly and through various channels, with a corresponding variety of sales cycles. The majority of our sales are made and/or fulfilled indirectly through channel partners, including value-added resellers, systems integrators, distributors, original equipment manufacturers (OEMs) and strategic business partners, which now include public cloud providers. This structure significantly complicates our ability to forecast future revenue, especially within any particular fiscal quarter or year. Moreover, our relationships with our indirect channel partners and strategic business partners are critical to our success. The loss of one or more of our key indirect channel partners in a given geographic area or the failure of our channel or strategic partners to promote our products could harm our operating results. Qualifying and developing new indirect channel partners typically requires a significant investment of time and resources before acceptable levels of productivity are met. If we fail to maintain our relationships with our indirect channel partners and strategic partners, if their financial condition, business or customer relationships were to weaken, if they fail to comply with legal or regulatory requirements, or if we were to cease to do business with them for these or other reasons, our business, operating results, financial condition and cash flows could be harmed.

Increasing competition and industry consolidation could harm our business, operating results, financial condition and cash flows.

The storage and data management markets are intensely competitive and are characterized by rapidly changing technology and fragmentation. We compete with many companies in the markets we serve, including established public companies, newer public companies with a strong flash focus, and new market entrants addressing the growing opportunity for application data management for Kubernetes. Some offer a broad spectrum of IT products and services (full-stack vendors) and others offer a more limited set of storage and data management products or services. Technology trends, such as the emergence of hosted or public cloud storage, SaaS and flash storage are driving significant changes in storage architectures and solution requirements. Cloud service provider competitors provide customers storage for their data centers on demand, without requiring a capital expenditure, which meets rapidly evolving business needs and has changed the competitive landscape. The impacts of the COVID-19 pandemic, including the increase in the number of employees working remotely, has accelerated customer adoption of competitors' cloud solutions and contributed to increased competition in the market.

Competitors may develop new technologies or products in advance of us or establish new business models, more flexible contracting models or new technologies disruptive to us. By extending our flash, cloud storage and converged infrastructure offerings, we are competing in new segments with both traditional competitors and new competitors, particularly smaller emerging storage vendors. The longer-term potential and competitiveness of these emerging vendors remains to be determined. In cloud and converged infrastructure, we also compete with large well-established competitors.

It is possible that new competitors or alliances among competitors might emerge and rapidly acquire significant market share or buying power. An increase in industry consolidation might result in stronger competitors that are better able to compete as full-stack

vendors for customers and achieve increased economies of scale in the supply chain. In addition, current and potential competitors have established or might establish cooperative relationships among themselves or with third parties, including some of our partners or suppliers. For additional information regarding our competitors, see the section entitled “Competition” contained in Part I, Item 1 – Business of our fiscal 2021 Form 10-K.

Continuing uncertain economic and political conditions restrict our visibility and may harm our business, operating results, including our revenue growth and profitability, financial condition and cash flows.

Continuing global economic uncertainty, political conditions and fiscal challenges in the U.S. and abroad have, among other things, limited our ability to forecast future demand for our products, contributed to increased periodic volatility in the computer, storage and networking industries at large, as well as the IT market, impacted availability of supplies and could constrain future access to capital for our suppliers, customers and partners. The impacts of these circumstances are global and pervasive, and the timing and nature of any ultimate resolution of these matters remain highly uncertain. Adverse macroeconomic conditions, including inflation, slower growth or recession, new or increased tariffs or other barriers to global trade, changes to fiscal and monetary policy and higher interest rates, could materially adversely impact the demand for our products and our operating results. We are also unable to predict whether increased customer spending on our cloud offerings and virtual desktop infrastructure will continue after the COVID-19 pandemic. Consequently, we expect these concerns to challenge our business for the foreseeable future, which could cause harm to our operating results. Such conditions have resulted, and may in the future again result, in failure to meet our forecasted financial expectations and to achieve historical levels of revenue growth.

Transition to consumption-based business models may adversely affect our revenues and profitability in other areas of our business and as a result may harm our business, operating results, financial condition and cash flows.

We offer customers a full range of consumption models, including the deployment of our software through our subscription and cloud-based Software as a Service (SaaS), and utility pricing and managed services offerings for our hardware and software systems. These business models continue to evolve, and we may not be able to compete effectively, generate significant revenues or maintain the profitability of our consumption-based offerings. Additionally, the increasing prevalence of cloud and SaaS delivery models offered by us and our competitors may unfavorably impact the pricing of our on-premise hardware and software offerings and could have a dampening impact on overall demand for our on-premise hardware and software product and service offerings, which could reduce our revenues and profitability, at least in the near term. If we do not successfully execute our consumption model strategy or anticipate the needs of our customers, our revenues and profitability could decline.

As customer demand for our consumption model offerings increases, we will experience differences in the timing of revenue recognition between our traditional hardware and software license arrangements (for which revenue is generally recognized in full at the time of delivery), relative to our consumption model offerings (for which revenue is generally recognized ratably over the term of the arrangement). We incur certain expenses associated with the infrastructure and marketing of our consumption model offerings in advance of our ability to recognize the revenues associated with these offerings.

Due to the global nature of our business, risks inherent in our international operations could materially harm our business.

A significant portion of our operations are located, and a significant portion of our revenues are derived, outside of the U.S. In addition, most of our products are manufactured outside of the U.S., and we have research and development, sales and service centers overseas. Accordingly, our business and future operating results could be adversely impacted by factors affecting our international operations including, among other things, local political or economic conditions, trade protection and export and import requirements, tariffs, local labor conditions, transportation costs, government spending patterns, acts of terrorism, international conflicts and natural disasters in areas with limited infrastructure and adverse public health developments. In particular, the ongoing COVID-19 pandemic, including the rise of the Delta variant globally, and current trade tensions between the U.S. and China could impact our business and operating results. For products we manufacture in Mexico, tensions between the U.S. and Mexico related to trade and border security issues could delay our shipments to customers, or impact pricing or our business and operating results. In addition, due to the global nature of our business, we are subject to complex legal and regulatory requirements in the U.S. and the foreign jurisdictions in which we operate and sell our products, including antitrust and anti-competition laws, rules and regulations, and regulations related to data privacy, data protection, and cybersecurity. We are also subject to the potential loss of proprietary information due to piracy, misappropriation, or laws that may be less protective of our intellectual property rights than U.S. laws. Such factors could have an adverse impact on our business, operating results, financial condition and cash flows.

We face exposure to adverse movements in foreign currency exchange rates as a result of our international operations. These exposures may change over time as business practices evolve, and they could have a material adverse impact on our operating results, financial condition and cash flows. We utilize forward and option contracts in an attempt to reduce the adverse earnings impact from the effect of exchange rate fluctuations on certain assets and liabilities. Our hedging strategies may not be successful, and currency exchange rate fluctuations could have a material adverse effect on our operating results and cash flows. In addition, our foreign currency exposure on assets, liabilities and cash flows that we do not hedge could have a material impact on our financial results in periods when the U.S. dollar significantly fluctuates in relation to foreign currencies.

Moreover, in many foreign countries, particularly in those with developing economies, it is common to engage in business practices that are prohibited by our internal policies and procedures, or U.S. laws and regulations applicable to us, such as the Foreign Corrupt Practices Act. There can be no assurance that all our employees, contractors and agents, as well as those companies to which we outsource certain of our business operations, will comply with these policies, procedures, laws and/or regulations. Any such violation could subject us to fines and other penalties, which could have a material adverse effect on our business, operating results, financial condition and cash flows.

If we are unable to attract and retain qualified personnel, our business, operating results, financial condition and cash flows could be harmed.

Our continued success depends, in part, on our ability to hire and retain qualified personnel and to advance our corporate strategy and preserve the key aspects of our corporate culture. Because our future success is dependent on our ability to continue to enhance and introduce new products, we are particularly dependent on our ability to hire and retain qualified engineers, including in emerging areas of technology such as artificial intelligence and machine learning. In addition, to increase revenues, we will be required to increase the productivity of our sales force and support infrastructure to achieve adequate customer coverage. Competition for qualified employees, particularly in Silicon Valley, is intense. We have periodically reduced our workforce, including reductions announced in each of the fiscal years from 2019 through 2022, and these actions may make it more difficult to attract and retain qualified employees. Our inability to hire and retain qualified management and skilled personnel, particularly engineers, salespeople and key executive management, could disrupt our development efforts, sales results, business relationships and/or our ability to execute our business plan and strategy on a timely basis and could materially and adversely affect our operating results, financial condition and cash flows.

Equity grants are a critical component of our current compensation programs. If we reduce, modify or eliminate our equity programs or fail to grant equity competitively, we may have difficulty attracting and retaining critical employees.

In addition, because of the structure of our sales, cash and equity incentive compensation plans, we may be at increased risk of losing employees at certain times. For example, the retention value of our compensation plans decreases after the payment of periodic bonuses or the vesting of equity awards.

Our acquisitions may not achieve expected benefits, and may increase our liabilities, disrupt our existing business and harm our operating results, financial condition and cash flows.

As part of our strategy, we seek to acquire other businesses and technologies to complement our current products, expand the breadth of our markets, or enhance our technical capabilities. For example, we acquired six privately held companies from fiscal 2020 through the second quarter of fiscal 2022. The benefits we have received, and expect to receive, from these and other acquisitions depend on our ability to successfully conduct due diligence, negotiate the terms of the acquisition and integrate the acquired business into our systems, procedures and organizational structure. Any inaccuracy in our acquisition assumptions or any failure to uncover liabilities or risks associated with the acquisition, such as differing or inadequate cybersecurity and data privacy protection controls, make the acquisition on favorable terms, integrate the acquired business or assets as and when expected or retain key employees of the acquired company may reduce or eliminate the expected benefits of the acquisition to us, increase our costs, disrupt our operations, result in additional liabilities, investigations and litigation, and may also harm our strategy, our business and our operating results. The failure to achieve expected acquisition benefits may also result in impairment charges for goodwill and purchased intangible assets.

We often incur expenses before we receive related benefits, and expenses may be difficult to reduce quickly if demand declines.

We base our expense levels in part on future revenue expectations and a significant percentage of our expenses are fixed. It is difficult to reduce our fixed costs quickly, and if revenue levels are below our expectations, operating results could be adversely impacted. During periods of uneven growth or decline, we may incur costs before we realize the anticipated related benefits, which could also harm our operating results. We have made, and will continue to make, significant investments in engineering, sales, service and support, marketing and other functions to support and grow our business. We are likely to recognize the costs associated with these investments earlier than some of the related anticipated benefits, such as revenue growth, and the return on these investments may be lower, or may develop more slowly, than we expect, which could harm our business, operating results, financial condition and cash flows.

Initiatives intended to make our cost structure, business processes and systems more efficient may not achieve the expected benefits and could inadvertently have an adverse effect on our business, operating results, financial condition and cash flows.

We continuously seek to make our cost structure and business processes more efficient, including by moving our business activities from higher-cost to lower-cost locations, outsourcing certain business processes and functions, and implementing changes to our business information systems. These efforts involve a significant investment of financial and human resources and significant changes to our current operating processes. In addition, as we move operations into lower-cost jurisdictions and outsource certain business processes, we become subject to new regulatory regimes and lose control of certain aspects of our operations and, as a consequence,

become more dependent upon the systems and business processes of third-parties. If we are unable to move our operations, outsource business processes and implement new business information systems in a manner that complies with local law and maintains adequate standards, controls and procedures, the quality of our products and services may suffer and we may be subject to increased litigation risk, either of which could have an adverse effect on our business, operating results and financial condition. Additionally, we may not achieve the expected benefits of these and other transformational initiatives, which could harm our business, operating results, financial condition and cash flows.

We are exposed to credit risks and our investment portfolio may experience fluctuations in market value or returns.

We maintain an investment portfolio of various holdings, types, and maturities. Credit ratings and pricing of our investments can be negatively affected by liquidity, credit deterioration, financial results, economic risk, political risk, sovereign risk or other factors. As a result, the value and liquidity of our investments and the returns thereon may fluctuate substantially. A resurgence of COVID-19 or other circumstances could result in an economic slowdown and possibly cause a global recession. An economic slowdown or increased regional or global economic uncertainty may lead to failures of counterparties, including financial institutions, governments and insurers, which could result in a material decline in the value of our investment portfolio and substantially reduce our investment returns.

We have implemented a new segment reporting structure, which has been in effect for a limited period of time. There are no assurances that we will be able to successfully implement this change.

Effective at the end of the first quarter of fiscal 2022, we changed our operating and reporting segment structure from one reportable segment to two reportable segments, Public Cloud and Hybrid Cloud. The two segments are designed to reflect the way management and its chief operating decision maker allocate resources and assess the performance of the Company. There is no guarantee that this change will have the desired effect, and in the future we may need to further change our basis of segment reporting. In addition, we may incur additional costs and the risk of additional liabilities, both of which may impact the successful implementation of this change.

Risks Related to Our Customers and Sales

If we are unable to maintain and develop relationships with strategic partners, our revenues may be harmed.

Our growth strategy includes developing and maintaining strategic partnerships with major third-party software and hardware vendors to integrate our products into their products and also co-market our products with them. A number of our strategic partners are industry leaders that offer us expanded access to segments of the storage and data management markets. In particular, strategic partnerships with public cloud providers and other cloud service vendors are critical to the success of our cloud-based business. However, there is intense competition for attractive strategic partners, and these relationships may not be exclusive, may not generate significant revenues and may be terminated on short notice. For instance, some of our partners are also partnering with our competitors, which may increase the availability of competing solutions and harm our ability to grow our relationships with those partners. Moreover, some of our partners, particularly large, more diversified technology companies, including major cloud providers, are also competitors, thereby complicating our relationships. If we are unable to establish new partnerships or maintain existing partnerships, if our strategic partners favor their relationships with other vendors in the storage industry or if our strategic partners increasingly compete with us, we could experience lower than expected revenues, suffer delays in product development, or experience other harm to our business, operating results, financial condition and cash flows.

A portion of our revenues is generated by large, recurring purchases from various customers, resellers and distributors. A loss, cancellation or delay in purchases by any of these parties has negatively affected our revenues in the past, and could negatively affect our revenues in the future.

A significant portion of our net revenues is generated through sales to a limited number of customers and distributors. We generally do not enter into binding purchase commitments with our customers, resellers and distributors for extended periods of time, and thus there is no guarantee we will continue to receive large, recurring orders from these customers, resellers or distributors. For example, our reseller agreements generally do not require minimum purchases, and our customers, resellers and distributors can stop purchasing and marketing our products at any time. In addition, unfavorable economic conditions may negatively impact the solvency of our customers, resellers and distributors or the ability of such customers, resellers and distributors to obtain credit to finance purchases of our products. If any of our key customers, resellers or distributors changes its pricing practices, reduces the size or frequency of its orders for our products, or stops purchasing our products altogether, our operating results, financial condition and cash flows could be materially adversely impacted.

Our success depends upon our ability to effectively plan and manage our resources and restructure our business in response to changing market conditions and market demand for our products, and such actions may have an adverse effect on our business, operating results, financial condition and cash flows.

Our ability to successfully offer our products and services in a rapidly evolving market requires an effective planning, forecasting, and management process to enable us to effectively scale and adjust our business in response to fluctuating market opportunities and conditions.

We recently reorganized our sales resources, which included changes and additions to our sales leadership team, to gain operational efficiencies and improve the alignment of our resources with customer and market opportunities. We expect to continue developing our sales organization and go-to-market model towards these goals throughout fiscal 2022. The reorganization of our sales resources, and ongoing evolution of our go-to-market model, could result in short or long-term disruption of our sales cycles, may not produce the efficiencies and benefits desired, and could harm our operating results, financial condition and cash flows.

In response to changes in market conditions and market demand for our products, we have in the past undertaken cost savings initiatives. For example, in each of the fiscal years 2019 through 2022 we executed restructuring events designed to streamline our business, reduce our cost structure and focus our resources on key strategic opportunities. As a result, we have recognized substantial restructuring charges. In fiscal 2020, we further reorganized our go-to-market organization to streamline operations and improve alignment with customer and market opportunities. In the first quarter of fiscal 2021, we realigned resources to optimize our business and fund our biggest opportunities. We may in the future undertake initiatives that could include reorganizing our workforce, restructuring, disposing of, and/or otherwise discontinuing certain products, or a combination of these actions. Rapid changes in the size, alignment or organization of our workforce, including our business unit structure and sales account coverage, could adversely affect our ability to develop, sell and deliver products and services as planned or impair our ability to realize our current or future business and financial objectives. Any decision to take these actions may result in charges to earnings associated with, among other things, inventory or other fixed, intangible or goodwill asset reductions (including, without limitation, impairment charges), workforce and facility reductions and penalties and claims from third-party resellers or users of discontinued products. Charges associated with these activities could harm our operating results. In addition to the costs associated with these activities, we may not realize any of the anticipated benefits of the underlying restructuring activities.

Reduced U.S. government demand could materially harm our business, operating results, financial condition and cash flows. In addition, we could be harmed by claims that we have or a channel partner has failed to comply with regulatory and contractual requirements applicable to sales to the U.S. government.

The U.S. government is an important customer for us. However, government demand is uncertain, as it is subject to political and budgetary fluctuations and constraints. Events such as the U.S. federal government shutdown from December 2018 to January 2019 and continued uncertainty regarding the U.S. budget and debt levels have increased demand uncertainty for our products. In addition, like other customers, the U.S. government may evaluate competing products and delay purchasing in the face of the technology transitions taking place in the storage industry. If the U.S. government or an individual agency or multiple agencies within the U.S. government continue to reduce or shift their IT spending patterns, our operating results, including revenues may be harmed.

Selling our products to the U.S. government, whether directly or through channel partners, also subjects us to certain regulatory and contractual requirements. Failure to comply with these requirements by either us or our channel partners could subject us to investigations, fines, and other penalties, which could materially harm our operating results and financial condition. As an example, the United States Department of Justice (DOJ) and the General Services Administration (GSA) have in the past pursued claims against and financial settlements with IT vendors, including us and several of our competitors and channel partners, under the False Claims Act and other statutes related to pricing and discount practices and compliance with certain provisions of GSA contracts for sales to the federal government. Although the DOJ and GSA currently have no claims pending against us, we could face claims in the future. Violations of certain regulatory and contractual requirements, including with respect to data security, affirmative action program requirements, or COVID-19 vaccine mandates could also result in us being suspended or debarred from future government contracting. Any of these outcomes could have a material adverse effect on our business, operating results, financial condition and cash flows.

If we do not achieve forecasted sales orders in any quarter, our operating results, financial condition and cash flows could be harmed.

We derive a majority of our revenues in any given quarter from orders booked in the same quarter. Orders typically follow intra-quarter seasonality patterns weighted toward the back end of the quarter. If we do not achieve the level, timing and mix of orders consistent with our quarterly targets and historical patterns, or if we experience cancellations of significant orders, our operating results, financial condition and cash flows could be harmed.

Our gross margins may vary.

Our gross margins reflect a variety of factors, including competitive pricing, component and product design, and the volume and relative mix of revenues from product, software support, hardware support and other services offerings. Increased component costs, increased pricing and discounting pressures, the relative and varying rates of increases or decreases in component costs and product prices, or changes in the mix of revenue or decreased volume from product, software support, hardware support and other services offerings could harm our revenues, gross margins or earnings. Our gross margins are also impacted by the cost of any materials that are of poor quality and our sales and distribution activities, including, without limitation, pricing actions, rebates, sales initiatives and discount levels, and the timing of service contract renewals.

The costs of third-party components comprise a significant portion of our product costs. While we generally have been able to manage our component and product design costs, we may have difficulty managing these costs if supplies of certain components become limited or component prices increase. Any such limitation could result in an increase in our product costs. An increase in component or design costs relative to our product prices could harm our gross margins and earnings.

We are exposed to the credit and non-payment risk of our customers, resellers and distributors, especially during times of economic uncertainty and tight credit markets, which could result in material losses.

Most of our sales to customers are on an open credit basis, with typical payment terms of 30 days. We may experience increased losses as potentially more customers are unable to pay all or a portion of their obligations to us, particularly in the current environment when access to sources of liquidity may be limited as a result of the global COVID-19 pandemic. Beyond our open credit arrangements, some of our customers have entered into recourse and non-recourse financing leasing arrangements using third-party leasing companies. Under the terms of recourse leases, which are generally three years or less, we remain liable for the aggregate unpaid remaining lease payments to the third-party leasing companies in the event of end-user customer default. During periods of economic uncertainty, our exposure to credit risks from our customers increases. In addition, our exposure to credit risks of our customers may increase further if our customers and their customers or their lease financing sources are adversely affected by global economic conditions.

Risks Related to Our Products and Services

Any disruption to our supply chain could materially harm our business, operating results, financial condition and cash flows.

We do not manufacture our products or their components. Instead, we rely on third parties to manufacture our products and critical components, such as disk drives, as well as for associated logistics. Our lack of direct responsibility for, and control over, these elements of our business, as well as the diverse international geographic locations of our manufacturing partners and suppliers, creates significant risks for us, including, among other things:

- Impacts on our supply chain from adverse public health developments, including outbreaks of contagious diseases such as the ongoing COVID-19 pandemic;
- Limited number of suppliers for certain components;
- No guarantees of supply and limited ability to control the quality, quantity and cost of our products or of their components;
- The potential for binding price or purchase commitments with our suppliers at higher than market rates;
- Limited ability to adjust production volumes in response to our customers' demand fluctuations;
- Labor and political unrest at facilities we do not operate or own;
- Geopolitical disputes disrupting our supply chain;
- Business, legal compliance, litigation and financial concerns affecting our suppliers or their ability to manufacture and ship our products in the quantities, quality and manner we require; and
- Disruptions due to floods, earthquakes, storms and other natural disasters, particularly in countries with limited infrastructure and disaster recovery resources.

Such risks have subjected us, and could in the future subject us, to supply constraints, price increases and minimum purchase requirements and our business, operating results, financial condition and cash flows could be harmed. For example, the current global shortage of critical product components has caused us to experience increased prices and extended lead times for certain critical

components. The shortage could reduce our flexibility to react to product mix changes and disrupt our production schedule. The risks associated with our outsourced manufacturing model are particularly acute when we transition products to new facilities or manufacturers, introduce and increase volumes of new products or qualify new contract manufacturers or suppliers, at which times our ability to manage the relationships among us, our manufacturing partners and our component suppliers, becomes critical. New manufacturers, products, components or facilities create increased costs and risk that we will fail to deliver high quality products in the required volumes to our customers. Any failure of a manufacturer or component supplier to meet our quality, quantity or delivery requirements in a cost-effective manner will harm our business, including customer relationships and as a result could harm our operating results, financial condition and cash flows.

We rely on a limited number of suppliers for critical product components.

We rely on a limited number of suppliers for drives and other components utilized in the assembly of our products, including certain single source suppliers, which has subjected us, and could in the future subject us, to price rigidity, periodic supply constraints, and the inability to produce our products with the quality and in the quantities demanded. Consolidation among suppliers, particularly within the semiconductor and disk drive industries, has contributed to price rigidity and supply constraints. When industry supply is constrained, or the supply chain is disrupted, our suppliers may allocate volumes away from us and to our competitors, all of which rely on many of the same suppliers as we do. Accordingly, our business, operating results, financial condition and cash flows may be harmed.

If a cybersecurity or other security breach occurs on our systems, within our supply chain, or on our end-user customer systems, or if stored data is improperly accessed, customers may reduce or cease using our solutions, our reputation may be harmed and we may incur significant liabilities.

We store and transmit, and sell products and services that store and transmit, personal, sensitive and proprietary data related to our products, our employees, customers, clients and partners (including third-party vendors such as data centers and providers of SaaS, cloud computing, and internet infrastructure and bandwidth), and their respective customers, including intellectual property, books of record and personal information. It is critical to our business strategy that our infrastructure, products and services remain secure and are perceived by customers, clients and partners to be secure. There are numerous and evolving risks to cybersecurity and privacy, including criminal hackers, state-sponsored intrusions, industrial espionage, human error and technological vulnerabilities. Cybersecurity incidents or other security breaches could result in (1) unauthorized access to, or loss or unauthorized use, alteration, or disclosure of, such information; (2) litigation, indemnity obligations, government investigations and proceedings, and other possible liabilities; (3) negative publicity; and (4) disruptions to our internal and external operations. Any of these could damage our reputation and public perception of the security and reliability of our products, as well as harm our business and cause us to incur significant liabilities. In addition, a cybersecurity incident or loss of personal information, or other security breach could result in other negative consequences, including remediation costs, disruption of internal operations, increased cybersecurity protection costs and lost revenues.

Our clients and customers use our platforms for the transmission and storage of sensitive data. We do not review the information or content that our clients and their customers upload and store, and, therefore, we have no direct control over the substance of the information or content stored within our platforms. If our employees, or our clients, partners or their respective customers use our platforms for the transmission or storage of personal or other sensitive information or our supply chain cybersecurity is compromised and our security measures are breached as a result of third-party action, employee error, malfeasance, stolen or fraudulently obtained log-in credentials or otherwise, our reputation could be damaged, our business may be harmed and we could incur significant liabilities.

High-profile cyberattacks and security breaches have increased in recent years, with the potential for such acts heightened as a result of the number of employees working remotely due to COVID-19. Security industry experts and government officials have warned about the risks of hackers and cyberattacks targeting IT products and businesses. Because techniques used to obtain unauthorized access or to sabotage systems change frequently and often are not recognized until launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative measures. As we continue to increase our client base and expand our brand, we may become more of a target for third parties seeking to compromise our security systems and we anticipate that hacking attempts and cyberattacks will increase in the future. We cannot give assurance that we will always be successful in preventing or repelling unauthorized access to our systems. We also may face delays in our ability to identify or otherwise respond to any cybersecurity incident or any other breach. Additionally, we use third-party service providers to provide some services to us that involve the storage or transmission of data, such as SaaS, cloud computing, and internet infrastructure and bandwidth, and they face various cybersecurity threats and also may suffer cybersecurity incidents or other security breaches.

Many jurisdictions have enacted or are enacting laws requiring companies to notify regulators or individuals of data security incidents involving certain types of personal data. These mandatory disclosures regarding security incidents often lead to widespread negative publicity. Moreover, the risk of reputational harm may be magnified and/or distorted through the rapid dissemination of information over the internet, including through news articles, blogs, social media, and other online communication forums and services. Any security incident, loss of data, or other security breach, whether actual or perceived, or whether impacting us or our third-party service providers, could harm our reputation, erode customer confidence in the effectiveness of our data security measures,

negatively impact our ability to attract new customers, cause existing customers to elect not to renew their support contracts or their SaaS subscriptions, or subject us to third-party lawsuits, regulatory fines or other action or liability, which could materially and adversely affect our business and operating results.

There can be no assurance that the limitations of liability in our contracts would be enforceable or adequate or would otherwise protect us from any such liabilities or damages with respect to any particular claim. Our existing general liability insurance coverage and coverage for errors and omissions may not continue to be available on acceptable terms or may not be available in sufficient amounts to cover one or more large claims, or our insurers may deny coverage as to any future claim. The successful assertion of one or more large claims against us that exceeds available insurance coverage, or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could have a material adverse effect on our business, operating results, financial condition and cash flows.

If a data center or other third-party who relies on our products experiences a disruption in service or a loss of data, such disruption could be attributed to the quality of our products, thereby causing financial or reputational harm to our business.

Our clients, including data centers, SaaS, cloud computing and internet infrastructure and bandwidth providers, rely on our products for their data storage needs. Our clients may authorize third-party technology providers to access their data on our systems. Because we do not control the transmissions between our clients, their customers, and third-party technology providers, or the processing of such data by third-party technology providers, we cannot ensure the complete integrity or security of such transmissions or processing. Errors or wrongdoing by clients, their customers, or third-party technology providers resulting in actual or perceived security breaches may result in such actual or perceived breaches being attributed to us.

A failure or inability to meet our clients' expectations with respect to security and confidentiality through a disruption in the services provided by these third-party vendors, or the loss or alteration of data stored by such vendors, could result in financial or reputational harm to our business to the extent that such disruption or loss is caused by, or perceived by our customers to have been caused by, defects in our products. Moreover, the risk of reputational harm may be magnified and/or distorted through the rapid dissemination of information over the internet, including through news articles, blogs, social media, and other online communication forums and services. This may affect our ability to retain clients and attract new business.

Failure to comply with new and existing laws and regulations relating to privacy, data protection, and information security could cause harm to our reputation, result in liability and adversely impact our business.

Our business is subject to increasing regulation by various federal, state and international governmental agencies responsible for enacting and enforcing laws and regulations relating to privacy, data protection, and information security. The rapidly evolving regulatory framework in this area is likely to remain uncertain for the foreseeable future. In addition, changes in the interpretation and enforcement of existing laws and regulations could impact our business operations and those of our partners, vendors and customers. Customers, privacy advocates and industry groups also may propose new and different self-regulatory standards or standards of care that may legally or contractually apply to us, and these standards may be subject to change. These factors create uncertainty and we cannot yet determine the impact such future laws, regulations and standards, or changes to such laws, regulations, or standards, or to their interpretation or enforcement, may have on our business or the businesses of our partners, vendors and customers. In addition, changes in the interpretation of existing laws and regulations could impact our business operations and those of our partners, vendors and customers.

Because the interpretation and application of many laws and regulations relating to privacy, data protection and information security, along with industry standards, are uncertain, it is possible that relevant laws, regulations, or standards may be interpreted and applied in manners that are, or are alleged to be, inconsistent with our data management practices or the features of our products. Any failure, or perceived failure, by us or our business partners to comply with federal, state or international laws and regulations relating to privacy, data protection, and information security, commitments relating to privacy, data protection, and information security contained in our contracts, self-regulatory standards that apply to us or that third parties assert are applicable to us, or our policies or notices we post or make available could subject us to claims, investigations, sanctions, enforcement actions and other proceedings, disgorgement of profits, fines, damages, civil and criminal liability, penalties or injunctions.

Additionally, as a technology provider, our customers expect that we can demonstrate compliance with laws and regulations relating to privacy, data protection, and information security, and our inability or perceived inability to do so may adversely impact sales of our products and services, particularly to customers in highly-regulated industries. We have invested company resources in complying with new laws, regulations, and other obligations relating to privacy, data protection, and information security, and we may be required to make additional, significant changes in our business operations, all of which may adversely affect our revenue and our business overall. As a result of any inability to comply with such laws and regulations, our reputation and brand may be harmed, we could incur significant costs, and financial and operating results could be materially adversely affected, and we could be required to modify or change our products or our business practices, any of which could have an adverse effect on our business. Our business could be subject to stricter obligations, greater fines and private causes of action under the enactment of new laws and regulations relating to privacy, data protection, and information security, including but not limited to, the European Union General Data

Protection Regulation, which provides for penalties of up to 20 million Euros or four percent of our annual global revenues, the California Consumer Privacy Act and the California Privacy Rights Act.

If our products or services are defective, or are perceived to be defective as a result of improper use or maintenance, our operating results, including gross margins, and customer relationships may be harmed.

Our products and services are complex. We have experienced in the past, and expect to experience in the future, quality issues impacting certain products, and in the future, we could experience reliability issues with services we provide. Such quality and reliability issues may be due to, for example, our own designs or processes, the designs or processes of our suppliers, and/or flaws in third-party software used in our products. These types of risks are most acute when we are introducing new products. Quality or reliability issues have and could again in the future cause customers to experience outages or disruptions in service, data loss or data corruption. If we fail to remedy a product defect or flaw, we may experience a failure of a product line, temporary or permanent withdrawal from a product or market, damage to our reputation, loss of revenue, inventory costs or product reengineering expenses and higher ongoing warranty and service costs, and these occurrences could have a material impact on our gross margins, business and operating results. In addition, we exercise little control over how our customers use or maintain our products and services, and in some cases improper usage or maintenance could impair the performance of our products and services, which could lead to a perception of a quality or reliability issue. Customers may experience losses that may result from or are alleged to result from defects or flaws in our products and services, which could subject us to claims for damages, including consequential damages.

Changes in regulations relating to our products or their components, or the manufacture, sourcing, distribution or use thereof, may harm our business, operating results financial condition and cash flows.

The laws and regulations governing the manufacturing, sourcing, distribution and use of our products have become more complex and stringent over time. For example, in addition to various environmental laws relating to carbon emissions, the use and discharge of hazardous materials and the use of certain minerals originating from identified conflict zones, many governments, including the U.S., the United Kingdom and Australia, have adopted regulations concerning the risk of human trafficking in supply chains which govern how workers are recruited and managed. We incur costs to comply with the requirements of such laws. Further, since our supply chain is complex, we may face reputational harm if our customers or other stakeholders conclude that we are unable to verify sufficiently the origins of the minerals used in the products we sell or the actions of our suppliers with respect to workers. As the laws and regulations governing our products continue to expand and change, our costs are likely to rise, and the failure to comply with any such laws and regulations could subject us to business interruptions, litigation risks and reputational harm.

Some of our products are subject to U.S. export control laws and other laws affecting the countries in which our products and services may be sold, distributed, or delivered, and any violation of these laws could have a material and adverse effect on our business, operating results, financial condition and cash flows.

Due to the global nature of our business, we are subject to import and export restrictions and regulations, including the Export Administration Regulations administered by the Commerce Department's Bureau of Industry and Security (BIS) and the trade and economic sanctions regulations administered by the Treasury Department's Office of Foreign Assets Control (OFAC). The U.S., through the BIS and OFAC, places restrictions on the sale or export of certain products and services to certain countries and persons. The BIS and OFAC have also placed restrictions on dealing with certain "blocked" entities, such as Russia's federal security service (FSB), including the Company's filing of notifications to the FSB for exporting certain products to Russia. Violators of these export control and sanctions laws may be subject to significant penalties, which may include significant monetary fines, criminal proceedings against them and their officers and employees, a denial of export privileges, and suspension or debarment from selling products to the federal government. Our products could be shipped to those targets by third parties, including potentially our channel partners, despite our precautions.

If we were ever found to have violated U.S. export control laws, we may be subject to various penalties available under the laws, any of which could have a material and adverse impact on our business, operating results and financial condition. Even if we were not found to have violated such laws, the political and media scrutiny surrounding any governmental investigation of us could cause us significant expense and reputational harm. Such collateral consequences could have a material adverse impact on our business, operating results, financial condition and cash flows.

Our failure to protect our intellectual property could harm our business, operating results, financial condition and cash flows.

Our success depends significantly upon developing, maintaining and protecting our proprietary technology. We rely on a combination of patents, copyrights, trademarks, trade secrets, confidentiality procedures and contractual provisions with employees, resellers, strategic partners and customers, to protect our proprietary rights. We currently have multiple U.S. and international patent applications pending and multiple U.S. and international patents issued. The pending applications may not be approved, and our existing and future patents may be challenged. If such challenges are brought, the patents may be invalidated. We may not be able to develop proprietary products or technologies that are patentable, and patents issued to us may not provide us with any competitive advantages and may be challenged by third parties. Further, the patents of others may materially and adversely affect our ability to do business. In addition, a failure to obtain and defend our trademark registrations may impede our marketing and branding efforts and

competitive condition. Litigation may be necessary to protect our proprietary technology. Any such litigation may be time-consuming and costly. Despite our efforts to protect our proprietary rights, unauthorized parties may attempt to copy aspects of our products or obtain and use information that we regard as proprietary. In addition, the laws of some foreign countries do not protect proprietary rights to as great an extent as do the laws of the U.S. Our means of protecting our proprietary rights may not be adequate or our competitors may independently develop similar technology, duplicate our products, or design around patents issued to us or other intellectual property rights of ours. In addition, while we train employees in confidentiality practices and include terms in our employee and consultant agreements to protect our intellectual property, there is persistent risk that some individuals will improperly take our intellectual property after terminating their employment or other engagements with us, which could lead to intellectual property leakage to competitors and a loss of our competitive advantages.

We may be found to infringe on intellectual property rights of others.

We compete in markets in which intellectual property infringement claims arise in the normal course of business. Third parties have, from time to time, asserted intellectual property-related claims against us, including claims for alleged patent infringement brought by non-practicing entities. Such claims may be made against our products and services, our customers' use of our products and services, or a combination of our products and third-party products. We also may be subject to claims and indemnification obligations from customers and resellers with respect to third-party intellectual property rights pursuant to our agreements with them. If we refuse to indemnify or defend such claims, even in situations in which the third-party's allegations are meritless, then customers and resellers may refuse to do business with us.

Patent litigation is particularly common in our industry. We have been, and continue to be, in active patent litigations with non-practicing entities. While we vigorously defend our ability to compete in the marketplace, there is no guarantee that, in patent or other types of intellectual property litigation, we will prevail at trial or be able to settle at a reasonable cost. If a judge or jury were to find that our products infringe, we could be required to pay significant monetary damages and be subject to an injunction that could cause product shipment delays, require us to redesign our products, affect our ability to supply or service our customers, and/or require us to enter into compulsory royalty or licensing agreements.

We expect that companies in the network storage and data management markets will increasingly be subject to infringement claims as the number of products and competitors in our industry segment grows and the functionality of products in different industry segments overlaps. Any such claims, and any such infringement claims discussed above, could be time consuming, result in costly litigation, cause suspension of product shipments or product shipment delays, require us to redesign our products, or require us to enter into royalty or licensing agreements, any of which could materially and adversely affect our operating results, financial condition and cash flows. Such royalty or licensing agreements, if required, may not be available on terms acceptable to us or at all.

We rely on software from third parties, and a failure to properly manage our use of third-party software could result in increased costs or loss of revenue.

Many of our products are designed to include software licensed from third parties. Such third-party software includes software licensed from commercial suppliers and software licensed under public open source licenses. We have internal processes to manage our use of such third-party software. However, if we fail to adequately manage our use of third-party software, then we may be subject to copyright infringement or other third-party claims. If we are non-compliant with a license for commercial software, then we may be required to pay penalties or undergo costly audits pursuant to the license agreement. In the case of open-source software licensed under certain "copyleft" licenses, the license itself may require, or a court-imposed remedy for non-compliant use of the open source software may require, that proprietary portions of our own software be publicly disclosed or licensed. This could result in a loss of intellectual property rights, increased costs, damage to our reputation and/or a loss of revenue.

Our failure to adjust to emerging standards in the storage and data management industry may harm our business.

Emerging standards in the storage and data management markets may adversely affect the UNIX[®], Windows[®] and World Wide Web server markets upon which we depend. For example, we provide our open access data retention solutions to customers within the financial services, healthcare, pharmaceutical and government market segments, industries that are subject to various evolving governmental regulations with respect to data access, reliability and permanence in the U.S. and in the other countries in which we operate. If our products do not meet and continue to comply with these evolving governmental regulations in this regard, customers in these market and geographical segments will not purchase our products, and we may not be able to expand our product offerings in these market and geographical segments at the rates which we have forecasted.

Risks Related to Our Securities

Our stock price is subject to volatility.

Our stock price is subject to changes in recommendations or earnings estimates by financial analysts, changes in investors' or analysts' valuation measures for our stock, changes in our capital structure, including issuance of additional debt, changes in our credit ratings, our ability to pay dividends and to continue to execute our stock repurchase program as planned and market trends unrelated to our performance.

Our ability to pay quarterly dividends and to continue to execute our stock repurchase program as planned will be subject to, among other things, our financial condition and operating results, available cash and cash flows in the U.S., capital requirements, and other factors. Future dividends are subject to declaration by our Board of Directors, and our stock repurchase program does not obligate us to acquire any specific number of shares. However, if we fail to meet any investor expectations related to dividends and/or stock repurchases, the market price of our stock could decline significantly, and could have a material adverse impact on investor confidence. Additionally, price volatility of our stock over a given period may cause the average price at which we repurchase our own stock to exceed the stock's market price at a given point in time.

Furthermore, speculation in the press or investment community about our strategic position, financial condition, results of operations or business can cause changes in our stock price. These factors, as well as general economic and political conditions and the timing of announcements in the public market regarding new products or services, product enhancements or technological advances by our competitors or us, and any announcements by us of acquisitions, major transactions, or management changes may adversely affect our stock price.

Our quarterly operating results may fluctuate materially, which could harm our common stock price.

Our operating results have fluctuated in the past and will continue to do so, sometimes materially. All of the matters discussed in this Risk Factors section could impact our operating results in any fiscal quarter or year. In addition to those matters, we face the following issues, which could impact our quarterly results:

- Seasonality, such as our historical seasonal decline in revenues in the first quarter of our fiscal year and seasonal increase in revenues in the second quarter of our fiscal year, with the latter due in part to the impact of the U.S. federal government's September 30 fiscal year end on the timing of its orders;
- Linearity, such as our historical intra-quarter customer orders and revenue pattern in which a disproportionate percentage of each quarter's total orders and related revenue occur in the last month of the quarter; and
- Unpredictability associated with larger scale enterprise software license agreements which generally take longer to negotiate and occur less consistently than other types of contracts, and for which revenue attributable to the software license component is typically recognized in full upon delivery.

If our operating results fall below our forecasts and the expectations of public market analysts and investors, the trading price of our common stock may decline.

There are risks associated with our outstanding and future indebtedness.

As of October 29, 2021, we had \$2.7 billion aggregate principal amount of outstanding indebtedness for our senior notes that mature at specific dates in calendar years 2022, 2024, 2025, 2027 and 2030. We may incur additional indebtedness in the future under existing credit facilities and/or enter into new financing arrangements. We may fail to pay these or additional future obligations, as and when required. Specifically, if we are unable to generate sufficient cash flows from operations or to borrow sufficient funds in the future to service or refinance our debt, our business, operating results, financial condition and cash flows will be harmed. Any downgrades from credit rating agencies such as Moody's Investors Service or Standard & Poor's Rating Services may adversely impact our ability to obtain additional financing or the terms of such financing and reduce the market capacity for our commercial paper. Furthermore, if prevailing interest rates or other factors result in higher interest rates upon any potential future financing, then interest expense related to the refinance indebtedness would increase.

In addition, all our debt and credit facility arrangements subject us to continued compliance with restrictive and financial covenants. If we do not comply with these covenants or otherwise default under the arrangements, we may be required to repay any outstanding amounts borrowed under these agreements. Moreover, compliance with these covenants may restrict our strategic or operational flexibility in the future, which could harm our business, operating results, financial condition and cash flows.

General Risks

We are unable to predict the extent to which the global COVID-19 pandemic may adversely impact our business, operating results, financial condition, and cash flows.

The COVID-19 pandemic and efforts to control its spread have significantly curtailed the movement of people, goods and services worldwide, including in most or all of the regions in which we sell our products and services and conduct our business operations. While we are currently considered an essential business in many of the key regions in which we operate, including in the United States (U.S.), there is no guarantee that we will continue to be classified as such. We have taken precautionary measures intended to minimize the risk of the virus to our employees, our customers, and the communities in which we operate such as India, including

office closures and working remotely for the vast majority of employees, all of which could negatively impact our business. The magnitude and duration of the disruption and resulting decline in business activity is uncertain and has limited our ability to forecast future demand for our products and services as well as the timing of future supply of product components. The COVID-19 pandemic and its uneven recovery have adversely affected, and we expect may continue to adversely affect, our business in a variety of ways, including by negatively impacting the demand for our products and services, and our ability to build and convert our sales pipeline (including delayed and deferred purchases); restricting our sales, marketing and distribution efforts; disrupting our supply chain, including delaying delivery and increasing the cost of critical product components, and our ability to deliver product to customers; and constraining business operations, research and development capabilities, engineering, design and manufacturing processes and other important business activities, including in India. In addition, the COVID-19 pandemic has disrupted the operations of our suppliers, customers and partners for an indefinite period of time, including as a result of travel restrictions and/or business shutdowns and limited access to capital markets, all of which have and may continue to negatively impact our business and results of operations, including cash flows. Accordingly, we expect the COVID-19 pandemic to have a negative impact on our future sales and results of operations, the magnitude and duration of which we are unable to predict. Additionally, concerns over the economic impact of COVID-19 pandemic have caused extreme volatility in financial and other capital markets, which volatility has and may continue to adversely impact our stock price and could impact our ability to access capital markets. More generally, the COVID-19 pandemic has adversely affected economies and financial markets globally, potentially leading to a prolonged economic downturn, which could decrease technology spending and adversely affect demand for our offerings and harm our business and results of operations for an extended period of time. To the extent that the COVID-19 pandemic adversely affects our business and financial results, it may also have the effect of heightening many of the other risks described in this “Risk Factors” section and those incorporated by reference herein, such as those relating to our products and services, financial performance, credit rating and debt obligations.

Our business could be materially and adversely affected as a result of natural disasters, terrorist acts or other catastrophic events.

We depend on the ability of our personnel, inventories, equipment and products to move reasonably unimpeded around the world. Any political, military, terrorism, global trade, world health or other issue that hinders this movement or restricts the import or export of materials could lead to significant business disruptions. For example, the ongoing COVID-19 pandemic is impeding the mobility of our personnel, inventories, equipment and products and disrupting our business operations. Furthermore, any economic failure or other material disruption caused by natural disasters, including fires, floods, hurricanes, earthquakes, and volcanoes; power loss or shortages; environmental disasters; telecommunications or business information systems failures or break-ins and similar events could also adversely affect our ability to conduct business. If such disruptions result in cancellations of customer orders or contribute to a general decrease in economic activity or corporate spending on IT, or directly impact our marketing, manufacturing, financial and logistics functions, or impair our ability to meet our customer demands, our operating results and financial condition could be materially adversely affected. Our headquarters is located in Northern California, an area susceptible to earthquakes and wildfires. If any significant disaster were to occur there, our ability to operate our business and our operating results, financial condition and cash flows could be adversely impacted.

We could be subject to additional income tax liabilities.

Our effective tax rate is influenced by a variety of factors, many of which are outside of our control. These factors include among other things, fluctuations in our earnings and financial results in the various countries and states in which we do business, changes to the tax laws in such jurisdictions and the outcome of income tax audits. Changes to any of these factors could materially impact our operating results, financial condition and cash flows.

We receive significant tax benefits from sales to our non-U.S. customers. These benefits are contingent upon existing tax laws and regulations in the U.S. and in the countries in which our international operations are located. Future changes in domestic or international tax laws and regulations or a change in how we manage our international operations could adversely affect our ability to continue realizing these tax benefits.

Many countries around the world are beginning to implement legislation and other guidance to align their international tax rules with the Organisation for Economic Co-operation and Development’s Base Erosion and Profit Shifting recommendations and related action plans that aim to standardize and modernize global corporate tax policy, including changes to cross-border tax, transfer-pricing documentation rules and nexus-based tax incentive practices. As a result, many of these changes, if enacted, could increase our worldwide effective tax rate and harm our operating result, financial condition and cash flows.

Our effective tax rate could also be adversely affected by changes in tax laws and regulations and interpretations of such laws and regulations, which in turn would negatively impact our earnings and cash and cash equivalent balances we currently maintain. Additionally, our effective tax rate could also be adversely affected if there is a change in international operations, our tax structure and how our operations are managed and structured, and as a result, we could experience harm to our operating results and financial condition. Evolving or revised tax laws and regulations globally, including the 2017 Tax Cuts and Jobs Act deferral on tax deductions for certain research and development expenses could change the amount or accounting treatment of the expense we occur in the future. Changes in U.S. corporate tax law are currently being considered by the U.S. Congress and if certain of these proposals are ultimately enacted into legislation, they could materially impact our operations and financial results.

We are routinely subject to income tax audits in the U.S. and several foreign tax jurisdictions. If the ultimate determination of income taxes or at-source withholding taxes assessed under these audits results in amounts in excess of the tax provision we have recorded or reserved for, our operating results, financial condition and cash flows could be adversely affected.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Purchases of equity securities

The following table provides information with respect to the shares of common stock repurchased by us during the three months ended October 29, 2021:

Period	Total Number of Shares Purchased (Shares in thousands)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Program (Shares in thousands)	Approximate Dollar Value of Shares That May Yet Be Purchased Under The Repurchase Program (Dollars in millions)
July 31, 2021 - August 27, 2021	301	\$ 81.96	341,695	\$ 728
August 28, 2021 - September 24, 2021	589	\$ 91.14	342,285	\$ 674
September 25, 2021 - October 29, 2021	512	\$ 91.11	342,797	\$ 627
Total	1,402	\$ 89.16		

In May 2003, our Board of Directors approved a stock repurchase program. As of October 29, 2021, our Board of Directors has authorized the repurchase of up to \$14.1 billion of our common stock. Since inception of the program through October 29, 2021, we repurchased a total of 343 million shares of our common stock for an aggregate purchase price of \$13.5 billion. Under this program, we may purchase shares of our outstanding common stock through solicited or unsolicited transactions in the open market, in privately negotiated transactions, through accelerated share repurchase programs, pursuant to a Rule 10b5-1 plan or in such other manner as deemed appropriate by our management. The stock repurchase program may be suspended or discontinued at any time, and it was suspended for the first half of fiscal 2021 due to the economic impact of the COVID-19 pandemic. We reinitiated our stock repurchase program in the third quarter of fiscal 2021.

Item 3. Defaults upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not Applicable.

Item 5. Other Information.

None.

Item 6. Exhibits.

The following documents are filed as exhibits to this report.

Exhibit No	Description	Incorporation by Reference			
		Form	File No.	Exhibit	Filing Date
10.1*	Form of Restricted Stock Unit Agreement approved for use under the Company's 2021 Equity Incentive Plan (Employee), effective September 10, 2021	—	—	—	—
10.2*	Form of Restricted Stock Unit Agreement approved for use under the Company's 2021 Equity Incentive Plan (Senior Executive), effective September 10, 2021	—	—	—	—
10.3*	Form of Restricted Stock Unit Agreement (Performance Based) under the Company's 2021 Equity Incentive Plan, effective September 10, 2021	—	—	—	—
31.1	Certification of the Chief Executive Officer pursuant to Section 302(a) of the Sarbanes-Oxley Act of 2002.	—	—	—	—
31.2	Certification of the Chief Financial Officer pursuant to Section 302(a) of the Sarbanes-Oxley Act of 2002.	—	—	—	—
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002.	—	—	—	—
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002.	—	—	—	—
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document	—	—	—	—
101.SCH	Inline XBRL Taxonomy Extension Schema Document	—	—	—	—
101.CAL	Inline XBRL Taxonomy Calculation Linkbase Document	—	—	—	—
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document	—	—	—	—
101.LAB	Inline XBRL Taxonomy Label Linkbase Document	—	—	—	—
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document	—	—	—	—
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)	—	—	—	—

* Identifies management plan or compensatory plan or arrangement.

SIGNATURE

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 thereunto duly authorized.

NETAPP, INC.

(Registrant)

/s/ MICHAEL J. BERRY

Michael J. Berry

Executive Vice President and
Chief Financial Officer

Date: December 2, 2021

NETAPP, INC.

2021 EQUITY INCENTIVE PLAN

RESTRICTED STOCK UNIT AGREEMENT

NOTICE OF RESTRICTED STOCK UNIT GRANT

Unless otherwise defined herein, the terms defined in the NetApp, Inc. 2021 Equity Incentive Plan (the “Plan”) will have the same defined meanings in this Restricted Stock Unit Agreement which includes the Notice of Restricted Stock Unit Grant (the “Notice of Grant”), the Terms and Conditions of Restricted Stock Unit Grant, attached hereto as Exhibit A, the Additional Terms and Conditions of Restricted Stock Unit Grant, attached hereto as Exhibit B and all other exhibits, appendices, and addenda attached hereto (the “Award Agreement”).

Participant Name:

Address:

The Participant has been granted an Award of Restricted Stock Units, subject to the terms and conditions of the Plan and this Award Agreement, as follows:

Grant Number: _____

Date of Grant: _____

Vesting Commencement Date: _____

Total Number of Restricted Stock Units: _____

Vesting Schedule:

Subject to any acceleration provisions contained in the Plan, this Award Agreement or any other written agreement authorized by the Administrator between Participant and the Company (or any Parent or Subsidiary of the Company, as applicable) governing the terms of this Award, the Restricted Stock Units will be scheduled to vest according to the following vesting schedule, subject to Participant continuing to be a Service Provider through the applicable vesting date:

[INSERT VESTING SCHEDULE]

Participant acknowledges and agrees that by clicking the “ACCEPT” button corresponding to this grant through the grant acceptance page on E*TRADE, it will act as Participant’s electronic signature to the Award Agreement and Participant acknowledges and agrees that this Award of Restricted Stock Units is granted under and governed by the terms and conditions of the Plan and this Award Agreement, including the Terms and Conditions of Restricted Stock Unit Grant, attached hereto as Exhibit A, the Additional Terms and Conditions of Restricted Stock Unit Grant,

attached hereto as **Exhibit B** and all other exhibits, appendices and addenda attached hereto, all of which are made a part of this document. Participant acknowledges receipt of a copy of the Plan. Participant has reviewed the Plan and this Award Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Award Agreement and fully understands all provisions of the Plan and this Award Agreement. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions relating to the Plan or this Award Agreement.

Participant should retain a copy of Participant's electronically signed Award Agreement; Participant may obtain a paper copy at any time and at the Company's expense by requesting one from Stock Administration at stockadmin@netapp.com. If Participant would prefer not to electronically sign this Award Agreement, Participant may accept this Award Agreement by signing a paper copy of the Award Agreement and delivering it to Stock Administration at 3060 Olsen Drive, San Jose, CA 95128. A copy of the Plan is available upon request made to Stock Administration.

EXHIBIT A

NETAPP, INC.

2021 EQUITY INCENTIVE PLAN

RESTRICTED STOCK UNIT AGREEMENT

TERMS AND CONDITIONS OF RESTRICTED STOCK UNIT GRANT

1. **Grant of Restricted Stock Units.** The Company hereby grants to the individual (“**Participant**”) named in the Notice of Restricted Stock Unit Grant of this Award Agreement (the “**Notice of Grant**”) under the Plan an Award of Restricted Stock Units, and subject to the terms and conditions of this Award Agreement and the Plan, which is incorporated herein by reference. Subject to Section 21 of the Plan, in the event of a conflict between the terms and conditions of the Plan and this Award Agreement, the terms and conditions of the Plan shall prevail.

2. **Company’s Obligation to Pay.** Each Restricted Stock Unit represents the right to receive a Share (or a cash amount equal to the value of a Share on the date it becomes vested if the Company elects to settle the Restricted Stock Unit in cash) on the date it vests. Unless and until the Restricted Stock Units will have vested in the manner set forth in Section 3 or 4, Participant will have no right to payment of any such Restricted Stock Units. Prior to actual payment of any vested Restricted Stock Units, such Restricted Stock Unit will represent an unsecured obligation of the Company, payable (if at all) only from the general assets of the Company.

3. **Vesting Schedule.** Except as provided in Section 4, and subject to Section 5, the Restricted Stock Units awarded by this Award Agreement will vest in accordance with the vesting provisions set forth in the Notice of Grant. Unless specifically provided otherwise in this Award Agreement or other written agreement authorized by the Administrator between Participant and the Company or any Parent or Subsidiary of the Company, as applicable, governing the terms of this Award, Restricted Stock Units scheduled to vest on a certain date or upon the occurrence of a certain condition will not vest in accordance with any of the provisions of this Award Agreement, unless Participant will have been continuously a Service Provider from the Date of Grant until the date such vesting occurs.

4. **Payment after Vesting.**

(a) **General Rule.** Subject to Section 7, any Restricted Stock Units that vest will be paid to Participant (or in the event of Participant’s death, to his or her properly designated beneficiary or estate) in whole Shares. Subject to the provisions of Section 2 and Section 4(c), such vested Restricted Stock Units shall be paid in whole Shares as soon as practicable after vesting, but in each such case within sixty (60) days following the vesting date. In no event will Participant be permitted, directly or indirectly, to specify the taxable year of payment of any Restricted Stock Units payable under this Award Agreement.

(b) **Discretionary Acceleration.** The Administrator, in its discretion, may accelerate the vesting of the balance, or some lesser portion of the balance, of the unvested Restricted Stock Units at any time, subject to the terms of the Plan. If so accelerated, such

Restricted Stock Units will be considered as having vested as of the date specified by the Administrator.

(c) Section 409A.

(i) If Participant is a U.S. taxpayer, the payment of Shares vesting pursuant to this Award Agreement (including any discretionary acceleration under Section 4(b)) shall in all cases be paid at a time or in a manner that is exempt from, or complies with, Section 409A. The prior sentence may be superseded in a future agreement or amendment to this Award Agreement only by direct and specific reference to such sentence.

(ii) Notwithstanding anything in the Plan or this Award Agreement or any other agreement (whether entered into before, on or after the Date of Grant), if the vesting of the balance, or some lesser portion of the balance, of the Restricted Stock Units is accelerated in connection with the termination of Participant's status as a Service Provider (provided that such termination is a "separation from service" within the meaning of Section 409A, as determined by the Administrator), other than due to Participant's death, and if (x) Participant is a U.S. taxpayer and a "specified employee" within the meaning of Section 409A at the time of such termination as a Service Provider and (y) the payment of such accelerated Restricted Stock Units will result in the imposition of additional tax under Section 409A if paid to Participant on or within the six (6) month period following the cessation of Participant's status as a Service Provider, then the payment of such accelerated Restricted Stock Units will not be made until the date six (6) months and one (1) day following the date of cessation of Participant's status as a Service Provider, unless Participant dies following his or her termination as a Service Provider, in which case, the Restricted Stock Units will be paid in Shares to Participant's estate as soon as practicable following his or her death.

(iii) It is the intent of this Award Agreement that it and all payments and benefits to U.S. taxpayers hereunder be exempt from, or comply with, the requirements of Section 409A so that none of the Restricted Stock Units provided under this Award Agreement or Shares issuable thereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities or ambiguous terms herein will be interpreted to be so exempt or so comply. Each payment payable under this Award Agreement is intended to constitute a separate payment for purposes of Treasury Regulations Section 1.409A-2(b)(2). To the extent necessary to comply with Section 409A, references to termination of Participant's status as a Service Provider, termination of employment, or similar phrases will be references to Participant's "separation from service" within the meaning of Section 409A. In no event will the Company or any Parent or Subsidiary of the Company have any responsibility, liability, or obligation to reimburse, indemnify, or hold harmless Participant (or any other person) for any taxes, penalties and interest that may be imposed, or other costs that may be incurred, as a result of Section 409A.

5. **Forfeiture Upon Termination as a Service Provider.** Unless specifically provided otherwise in this Award Agreement or other written agreement authorized by the Administrator between Participant and the Company or any of its Subsidiaries or Parents, as applicable, governing the terms of this Award, if Participant ceases to be a Service Provider for any or no reason, the then-unvested Restricted Stock Units awarded by this Award Agreement will thereupon be forfeited at no cost to the Company and Participant will have no further rights thereunder.

6. **Death of Participant.** Any distribution or delivery to be made to Participant under this Award Agreement, if Participant is then deceased, will be made to Participant's designated beneficiary, or if no beneficiary survives Participant, the administrator or executor of Participant's estate. Any such transferee must furnish the Company with (a) written notice of his or her status as transferee, and (b) evidence satisfactory to the Company to establish the validity of the transfer and compliance with any laws or regulations pertaining to said transfer.

7. **Tax Obligations**

(a) **Responsibility for Taxes.** Participant acknowledges that, regardless of any action taken by the Company or, if different, Participant's employer or any Parent or Subsidiary of the Company to which Participant is providing services (together, the "**Service Recipients**"), the ultimate liability for any tax and/or social insurance liability obligations and requirements in connection with the Restricted Stock Units, including, without limitation, (i) all federal, state, and local taxes (including Participant's Federal Insurance Contributions Act (FICA) obligations) that are required to be withheld by any Service Recipient or other payment of tax-related items related to Participant's participation in the Plan and legally applicable to Participant, (ii) Participant's and, to the extent required by any Service Recipient, the Service Recipient's fringe benefit tax liability, if any, associated with the grant, vesting, or settlement of the Restricted Stock Units or sale of Shares, and (iii) any other Service Recipient taxes the responsibility for which Participant has, or has agreed to bear, with respect to the Restricted Stock Units (or settlement thereof or issuance of Shares thereunder) (collectively, the "**Tax Obligations**"), is and remains Participant's sole responsibility and may exceed the amount actually withheld by the applicable Service Recipient(s). Participant further acknowledges that no Service Recipient (A) makes any representations or undertakings regarding the treatment of any Tax Obligations in connection with any aspect of the Restricted Stock Units, including, but not limited to, the grant, vesting or settlement of the Restricted Stock Units, the subsequent sale of Shares acquired pursuant to such settlement and the receipt of any dividends or other distributions, and (B) makes any commitment to and is under any obligation to structure the terms of the grant or any aspect of the Restricted Stock Units to reduce or eliminate Participant's liability for Tax Obligations or achieve any particular tax result. Further, if Participant is subject to Tax Obligations in more than one jurisdiction between the Date of Grant and the date of any relevant taxable or tax withholding event, as applicable, Participant acknowledges that the applicable Service Recipient(s) (or former employer, as applicable) may be required to withhold or account for Withholding Obligations (as defined below) in more than one jurisdiction.

(b) **Tax Withholding.** Pursuant to such procedures as the Administrator may specify from time to time, the Service Recipient will withhold the amount required to be withheld for the payment of Tax Obligations (the "**Withholding Obligations**"). The Administrator, in its sole discretion and pursuant to such procedures as it may specify from time to time, may permit Participant to satisfy such Withholding Obligations, in whole or in part (without limitation), if permissible by applicable local law, by: (i) paying cash in U.S. dollars, (ii) having the Company withhold otherwise deliverable Shares having a fair market value equal to the minimum amount that is necessary to meet the withholding requirement for such Withholding Obligations (or such greater amount as Participant may elect if permitted by the Administrator, if such greater amount would not result in adverse financial accounting consequences) ("**Net Share Withholding**"), (iii) withholding the amount of such Withholding Obligations from Participant's wages or other cash

compensation paid to Participant by the applicable Service Recipient(s), (iv) delivering to the Company Shares that Participant owns and that already have vested with a fair market value equal to the Withholding Obligations (or such greater amount as Participant may elect if permitted by the Administrator, if such greater amount would not result in adverse financial accounting consequences), (v) selling a sufficient number of such Shares otherwise deliverable to Participant, through such means as the Company may determine in its sole discretion (whether through a broker or otherwise) equal to the minimum amount that is necessary to meet the withholding requirement for such Withholding Obligations (or such greater amount as Participant may elect if permitted by the Administrator, if such greater amount would not result in adverse financial accounting consequences) (“**Sell to Cover**”), or (vi) such other means as the Administrator deems appropriate. If the Withholding Obligations are satisfied by withholding in Shares, for tax purposes, Participant is deemed to have been issued the full number of Shares subject to the vested Restricted Stock Units, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Withholding Obligations. To the extent determined appropriate by the Company in its discretion, it will have the right (but not the obligation) to satisfy any Withholding Obligations by Net Share Withholding. If Net Share Withholding is the method by which such Withholding Obligations are satisfied, the Company will not withhold on a fractional Share basis to satisfy any portion of the Withholding Obligations and, unless the Company determines otherwise, no refund will be made to Participant for the value of the portion of a Share, if any, withheld in excess of the Withholding Obligations. If a Sell to Cover is the method by which Withholding Obligations are satisfied, Participant agrees that as part of the Sell to Cover, additional Shares may be sold to satisfy any associated broker or other fees. Only whole Shares will be sold pursuant to a Sell to Cover. Any proceeds from the sale of Shares pursuant to a Sell to Cover that are in excess of the Withholding Obligations and any associated broker or other fees will be paid to Participant in accordance with procedures the Company may specify from time to time.

(c) **Tax Consequences.** Participant has reviewed with his or her own tax advisers the U.S. federal, state, local and non-U.S. tax consequences of this investment and the transactions contemplated by this Award Agreement. With respect to such matters, Participant relies solely on such advisers and not on any statements or representations of the Company or any of its agents, written or oral. Participant understands that Participant (and not the Company) shall be responsible for Participant’s own tax liability that may arise as a result of this investment or the transactions contemplated by this Award Agreement.

(d) **Company’s Obligation to Deliver Shares.** For clarification purposes, in no event will the Company issue Participant any Shares unless and until arrangements satisfactory to the Administrator have been made for the payment of Participant’s Withholding Obligations. If Participant fails to make satisfactory arrangements for the payment of such Withholding Obligations hereunder at the time any applicable Restricted Stock Units otherwise are scheduled to vest pursuant to Sections 3 or 4 or Participant’s Withholding Obligations otherwise become due, Participant permanently will forfeit such Restricted Stock Units to which Participant’s Withholding Obligation relates and any right to receive Shares thereunder and such Restricted Stock Units will be returned to the Company at no cost to the Company. Participant acknowledges and agrees that the Company may permanently refuse to issue or deliver the Shares if such Withholding Obligations are not delivered at the time they are due.

8. **Merger or Change in Control.** In the event of a merger of the Company with or into another corporation or other entity or a Change in Control, each outstanding Award of Restricted Stock Units will be treated as the Administrator determines (subject to the provisions of Section 16.3 of the Plan) without Participant's consent, including, without limitation, that (a) Awards of Restricted Stock Units will be assumed, or substantially equivalent awards will be substituted, by the acquiring or succeeding corporation (or an affiliate thereof) with appropriate adjustments as to the number and kind of shares and prices, (b) upon written notice to Participant, that the Participant's Award of Restricted Stock Units will terminate upon or immediately prior to the consummation of such merger or Change in Control, (c) outstanding Awards of Restricted Stock Units will vest and become realizable or payable, or restrictions applicable to an Award of Restricted Stock Units will lapse, in whole or in part prior to or upon consummation of such merger or Change in Control, (d) (i) the termination of an Award of Restricted Stock Units in exchange for an amount of cash and/or property, if any, equal to the amount that would have been attained upon the realization of Participant's rights as of the date of the occurrence of the transaction (and, for the avoidance of doubt, if as of the date of the occurrence of the transaction the Administrator determines in good faith that no amount would have been attained upon the realization of Participant's rights, then such Award of Restricted Stock Units may be terminated by the Company without payment), or (ii) the replacement of such Award of Restricted Stock Units with other rights or property selected by the Administrator in its sole discretion, or (e) any combination of the foregoing. In taking any of the actions permitted under this Award Agreement, the Administrator will not be obligated to treat all Awards, all Awards held by a Participant, all Awards of the same type, or all portions of Awards, similarly. For purposes of clarification, the provisions of Section 16.3 of the Plan apply to the Award of Restricted Stock Units.

9. **Rights as Stockholder.** Neither Participant nor any person claiming under or through Participant will have any of the rights or privileges of a stockholder of the Company in respect of any Shares deliverable hereunder unless and until certificates representing such Shares (which may be in book entry form) will have been issued, recorded on the records of the Company or its transfer agents or registrars, and delivered to Participant (including through electronic delivery to a brokerage account). After such issuance, recordation and delivery, Participant will have all the rights of a stockholder of the Company with respect to voting such Shares and receipt of dividends and distributions on such Shares.

10. **No Guarantee of Continued Service.** PARTICIPANT ACKNOWLEDGES AND AGREES THAT THE VESTING OF THE RESTRICTED STOCK UNITS PURSUANT TO THE VESTING SCHEDULE HEREOF IS EARNED ONLY BY CONTINUING AS A SERVICE PROVIDER, WHICH UNLESS PROVIDED OTHERWISE UNDER APPLICABLE LAWS IS AT THE WILL OF THE APPLICABLE SERVICE RECIPIENT AND NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THIS RESTRICTED STOCK UNIT AWARD OR ACQUIRING SHARES HEREUNDER. PARTICIPANT FURTHER ACKNOWLEDGES AND AGREES THAT THIS AWARD AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREUNDER AND THE VESTING SCHEDULE SET FORTH HEREIN DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT AS A SERVICE PROVIDER FOR THE VESTING PERIOD, FOR ANY PERIOD, OR AT ALL, AND SHALL NOT INTERFERE IN ANY WAY WITH PARTICIPANT'S RIGHT OR THE RIGHT OF ANY SERVICE RECIPIENT TO TERMINATE PARTICIPANT'S RELATIONSHIP AS A SERVICE PROVIDER, SUBJECT TO

APPLICABLE LAW, WHICH TERMINATION, UNLESS PROVIDED OTHERWISE UNDER APPLICABLE LAW, MAY BE AT ANY TIME, WITH OR WITHOUT CAUSE.

11. **Grant is Not Transferable.** Except to the limited extent provided in Section 6, this Award and the rights and privileges conferred hereby will not be transferred, assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) and will not be subject to sale under execution, attachment or similar process. Upon any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of this Award, or any right or privilege conferred hereby, or upon any attempted sale under any execution, attachment or similar process, this Award and the rights and privileges conferred hereby immediately will become null and void.

12. **Leave of Absence.** The vesting of Restricted Stock Units will not be suspended and will continue in accordance with the vesting schedule under this Award Agreement during Participant's authorized leave of absence from any Service Recipient employing Participant, subject to the remaining terms of this Award Agreement and the Plan.

13. **Nature of Grant.** In accepting this Award of Restricted Stock Units, Participant acknowledges, understands and agrees that:

(a) the grant of the Restricted Stock Units is voluntary and occasional and does not create any contractual or other right to receive future grants of Restricted Stock Units, or benefits in lieu of Restricted Stock Units, even if Restricted Stock Units have been granted in the past;

(b) all decisions with respect to future Restricted Stock Units or other grants, if any, will be at the sole discretion of the Administrator;

(c) Participant is voluntarily participating in the Plan;

(d) the Restricted Stock Units and the Shares subject to the Restricted Stock Units are not intended to replace any pension rights or compensation;

(e) the Restricted Stock Units and the Shares subject to the Restricted Stock Units, and the income and value of same, are not part of normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;

(f) the future value of the Shares underlying the Restricted Stock Units is unknown, indeterminable and cannot be predicted;

(g) for purposes of the Restricted Stock Units, Participant's status as a Service Provider will be considered terminated as of the date Participant is no longer actively providing services to the Company or any Parent or Subsidiary (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is a Service Provider or the terms of Participant's employment or service agreement, if any), and unless otherwise expressly provided in this Award Agreement (including by reference in the Notice of Grant to other arrangements or contracts) or determined by the

Administrator, Participant's right to vest in the Restricted Stock Units under the Plan, if any, will terminate as of such date; provided, however, that such right to vest will be extended by any notice period (e.g., Participant's period of service will include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where Participant is a Service Provider or the terms of Participant's employment or service agreement, if any); the Administrator shall have the exclusive discretion to determine when Participant is no longer actively providing services for purposes of this Award of Restricted Stock Units (including whether Participant may still be considered to be providing services while on a leave of absence and consistent with local law);

(h) unless otherwise provided in the Plan or by the Administrator in its discretion, the Restricted Stock Units and the benefits evidenced by this Award Agreement do not create any entitlement to have the Restricted Stock Units or any such benefits transferred to, or assumed by, another company nor be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Shares; and

(i) the following provisions apply only if Participant is providing services outside the United States:

(i) the Restricted Stock Units and the Shares subject to the Restricted Stock Units are not part of normal or expected compensation or salary for any purpose;

(ii) Participant acknowledges and agrees that no Service Recipient shall be liable for any foreign exchange rate fluctuation between Participant's local currency and the United States Dollar that may affect the value of the Restricted Stock Units or of any amounts due to Participant pursuant to the settlement of the Restricted Stock Units or the subsequent sale of any Shares acquired upon settlement; and

(iii) no claim or entitlement to compensation or damages shall arise from forfeiture of the Restricted Stock Units resulting from the termination of Participant's status as a Service Provider (for any reason whatsoever whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is a Service Provider or the terms of Participant's employment or service agreement, if any), and in consideration of the grant of the Restricted Stock Units to which Participant is otherwise not entitled, Participant irrevocably agrees never to institute any claim against any Service Recipient, waives his or her ability, if any, to bring any such claim, and releases each Service Recipient from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, Participant shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claim.

14. **No Advice Regarding Grant.** The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding Participant's participation in the Plan, or Participant's acquisition or sale of the Shares underlying the Restricted Stock Units. Participant is hereby advised to consult with his or her own personal tax, legal and financial advisers regarding his or her participation in the Plan before taking any action related to the Plan.

15. **Data Privacy.** Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of Participant's personal data as described in this Award Agreement and any other Restricted Stock Unit grant materials by and among, as applicable, the Service Recipients for the exclusive purpose of implementing, administering and managing Participant's participation in the Plan.

Participant understands that the Company and the Service Recipient may hold certain personal information about Participant, including, but not limited to, Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all Restricted Stock Units or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in Participant's favor ("Data"), for the exclusive purpose of implementing, administering and managing the Plan.

Participant understands that Data may be transferred to a stock plan service provider, as may be selected by the Company in the future, assisting the Company with the implementation, administration and management of the Plan. Participant understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country of operation (e.g., the United States) may have different data privacy laws and protections than Participant's country. Participant understands that if he or she resides outside the United States, he or she may request a list with the names and addresses of any potential recipients of the Data by contacting his or her local human resources representative. Participant authorizes the Company, any stock plan service provider selected by the Company and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing his or her participation in the Plan. Participant understands that Data will be held only as long as is necessary to implement, administer and manage Participant's participation in the Plan. Participant understands if he or she resides outside the United States, he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his or her local human resources representative. Further, Participant understands that he or she is providing the consents herein on a purely voluntary basis. If Participant does not consent, or if Participant later seeks to revoke his or her consent, his or her status as a Service Recipient and career with the Service Recipient will not be adversely affected. The only adverse consequence of refusing or withdrawing Participant's consent is that the Company would not be able to grant Participant Restricted Stock Units or other equity awards or administer or maintain such awards. Therefore, Participant understands that refusing or withdrawing his or her consent may affect Participant's ability to participate in the Plan. For more information on the consequences of Participant's refusal to consent or withdrawal of consent, Participant understands that he or she may contact his or her local human resources representative.

16. **Address for Notices.** Any notice to be given to the Company under the terms of this Award Agreement will be addressed to the Company at NetApp, Inc., 3060 Olsen Drive, San Jose, CA 95128, Attn: Stock Administration, or at such other address as the Company may hereafter designate in writing.

17. **Successors and Assigns.** The Company may assign any of its rights under this Award Agreement to single or multiple assignees, and this Award Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Award Agreement shall be binding upon Participant and his or her heirs, executors, administrators, successors and assigns. The rights and obligations of Participant under this Award Agreement may be assigned only with the prior written consent of the Company.

18. **Additional Conditions to Issuance of Stock.** If at any time the Company will determine, in its discretion, that the listing, registration, qualification or rule compliance of the Shares upon any securities exchange or under any state, federal or non-U.S. law, the tax code and related regulations or under the rulings or regulations of the U.S. Securities and Exchange Commission or any other governmental regulatory body or the clearance, consent or approval of the U.S. Securities and Exchange Commission or any other governmental regulatory authority is necessary or desirable as a condition to the issuance of Shares to Participant (or his or her estate) hereunder, such issuance will not occur unless and until such listing, registration, qualification, rule compliance, clearance, consent or approval will have been completed, effected or obtained free of any conditions not acceptable to the Company. Subject to the terms of the Award Agreement and the Plan, the Company will not be required to issue any certificate or certificates for (or make any entry on the books of the Company or of a duly authorized transfer agent of the Company of) the Shares hereunder prior to the lapse of such reasonable period of time following the date of vesting of the Restricted Stock Units as the Administrator may establish from time to time for reasons of administrative convenience.

19. **Language.** If Participant has received this Award Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

20. **Interpretation.** The Administrator will have the power to interpret the Plan and this Award Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules (including, but not limited to, the determination of whether or not any Restricted Stock Units have vested). All actions taken and all interpretations and determinations made by the Administrator in good faith will be final and binding upon Participant, the Company and all other interested persons. Neither the Administrator nor any person acting on behalf of the Administrator will be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or this Award Agreement.

21. **Electronic Delivery and Acceptance.** The Company may, in its sole discretion, decide to deliver any documents related to the Restricted Stock Units awarded under the Plan or future Restricted Stock Units that may be awarded under the Plan by electronic means or require Participant to participate in the Plan by electronic means. Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through any on-line or electronic system established and maintained by the Company or a third party designated by the Company.

22. **Captions.** Captions provided herein are for convenience only and are not to serve as a basis for interpretation or construction of this Award Agreement.

23. **Amendment, Suspension or Termination of the Plan.** By accepting this Award, Participant expressly warrants that he or she has received an Award of Restricted Stock Units under the Plan, and has received, read and understood a description of the Plan. Participant understands that the Plan is discretionary in nature and may be amended, suspended or terminated by the Administrator at any time.

24. **Country Addendum.** Notwithstanding any provisions in this Award Agreement, the Restricted Stock Unit grant shall be subject to any special terms and conditions set forth in an appendix (if any) to this Award Agreement for any country whose laws are applicable to Participant and this Award of Restricted Stock Units (as determined by the Administrator in its sole discretion) (the “**Country Addendum**”). Moreover, if Participant relocates to one of the countries included in the Country Addendum (if any), the special terms and conditions for such country will apply to Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Country Addendum constitutes part of this Award Agreement.

25. **Modifications to the Award Agreement.** This Award Agreement constitutes the entire understanding of the parties on the subjects covered. Participant expressly warrants that he or she is not accepting this Award Agreement in reliance on any promises, representations, or inducements other than those contained herein. Modifications to this Award Agreement can be made only in an express written contract executed by a duly authorized officer of the Company. Notwithstanding anything to the contrary in the Plan or this Award Agreement, the Company reserves the right to revise this Award Agreement as it deems necessary or advisable, in its sole discretion and without the consent of Participant, to comply with Section 409A or to otherwise avoid imposition of any additional tax or income recognition under Section 409A in connection with this Award of Restricted Stock Units.

26. **No Waiver.** Either party’s failure to enforce any provision or provisions of this Award Agreement shall not in any way be construed as a waiver of any such provision or provisions, nor prevent that party from thereafter enforcing each and every other provision of this Award Agreement. The rights granted both parties herein are cumulative and shall not constitute a waiver of either party’s right to assert all other legal remedies available to it under the circumstances.

27. **Governing Law; Severability.** This Award Agreement and the Restricted Stock Units are governed by the internal substantive laws, but not the choice of law rules, of the State of California. In the event that any provision hereof becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Award Agreement shall continue in full force and effect.

28. **Imposition of Other Requirements.** The Company reserves the right to impose other requirements on Participant’s participation in the Plan, on the Award, and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with Applicable Laws or facilitate the administration of the Plan. Participant agrees to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing. Furthermore, Participant acknowledges that the laws of the country in which Participant is working at the time of grant, vesting, or the sale of Shares received pursuant to this Award (including any

rules or regulations governing securities, foreign exchange, tax, labor or other matters) may subject Participant to additional procedural or regulatory requirements that Participant is and will be solely responsible for and must fulfill.

29. **Holding Period Condition.** Notwithstanding anything to the contrary in this Award Agreement, any Shares issued to Participant pursuant to this Award are subject to the terms and conditions of Section 6.5 of the Plan.

30. **Entire Agreement.** The Plan is incorporated herein by reference. The Plan and this Award Agreement (including the exhibits, appendices, and addenda attached to the Notice of Grant) constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof, and may not be modified adversely to the Participant's interest except by means of a writing signed by the Company and Participant.

EXHIBIT B

NETAPP, INC.

2021 EQUITY INCENTIVE PLAN

RESTRICTED STOCK UNIT AGREEMENT

ADDITIONAL TERMS AND CONDITIONS OF RESTRICTED STOCK UNIT GRANT

Terms and Conditions

This **Exhibit B** includes additional terms and conditions that govern the Restricted Stock Units granted to you under the Plan if you reside in one of the countries listed below. Certain capitalized terms used but not defined in this **Exhibit B** have the meanings set forth in the Plan and/or the Award Agreement.

Notifications

This **Exhibit B** also includes information regarding exchange controls and certain other issues of which you should be aware with respect to your participation in the Plan. The information is based on the securities, exchange control and other laws in effect in the respective countries as of April 2019. Such laws are often complex and change frequently. As a result, the Company strongly recommends that you not rely on the information in this **Exhibit B** as the only source of information relating to the consequences of your participation in the Plan because the information may be out of date at the time that the Restricted Stock Units vest or you sell Shares acquired under the Plan.

In addition, the information contained herein is general in nature and may not apply to your particular situation and the Company is not in a position to assure you of a particular result. Accordingly, you are advised to seek appropriate professional advice as to how the relevant laws in your country may apply to your situation.

Finally, if you are a citizen or resident of a country other than the one in which you are currently working, the information contained herein may not be applicable to you.

ARGENTINA

Notifications

Securities Law Information. Neither the Restricted Stock Units nor the issuance of the Shares are publicly offered or listed on any stock exchange in Argentina. The offer is private and not subject to the supervision of any Argentine governmental authority.

Exchange Control Information. Please note that exchange control regulations in Argentina are subject to frequent change. You should consult with your personal legal advisor regarding any exchange control obligations that you may have.

Foreign Asset / Account Reporting Information. You are required to report certain information regarding any Shares you hold as of December 31 each year to the Argentine tax authorities on your annual tax return.

AUSTRALIA

Terms and Conditions

Class Order Exemption. The offer of Restricted Stock Units is intended to comply with the provisions of the Corporations Act 2001, Australian Securities & Investments Commission (“ASIC”) Regulatory Guide 49 and ASIC Class Order CO 14/1000. Additional details are set forth in the Offer Document for the offer of Restricted Stock Units to Australian Resident Employees, which is provided to you in the country-specific consents and notifications section at the end of the Award Agreement.

Notifications

Tax Information. The Plan is a plan to which Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth) applies (subject to the conditions in the Act).

AUSTRIA

Notifications

Exchange Control Information. If you hold Shares obtained through the Plan outside of Austria, you must submit a report to the Austrian National Bank. An exemption applies if the value of the Shares as of any given quarter does not exceed €30,000,000 or as of December 31 does not exceed €5,000,000. If the former threshold is exceeded, quarterly obligations are imposed, whereas if the latter threshold is exceeded, annual reports must be given. The annual reporting date is as of December 31 and the deadline for filing the annual report is March 31 of the following year.

When Shares are sold, there may be exchange control obligations if the cash received is held outside Austria. If the transaction volume of all your accounts abroad exceeds €10,000,000, the movements and balances of all accounts must be reported monthly, as of the last day of the month, on or before the fifteenth day of the following month.

BELGIUM

Notifications

Foreign Asset / Account Reporting Information. You are required to report any security or bank account (including brokerage accounts) you maintain outside of Belgium on your annual tax return. The first time you report the foreign security and/or bank account on your annual income tax return you will have to provide the Central Contact Point with the National Bank of Belgium account number, the name of the bank and the country in which the account was opened in a separate form. The form, as well as additional information on how to complete it, can be found on the website of the National Bank of Belgium, www.nbb.be, under the caption Kredietcentrales / Centrales des crédits.

BRAZIL

Terms and Conditions

Compliance with Law. By accepting the Restricted Stock Units, you agree to comply with

applicable Brazilian law in connection with the Restricted Stock Units. Without limitation to the foregoing, you agree to report and pay any and all tax resulting from the vesting of the Restricted Stock Units, the sale of Shares and the receipt of any dividends.

Labor Law Acknowledgement. In accepting the Restricted Stock Units, you acknowledge that (i) you are making an investment decision and (ii) the value of the underlying Shares is not fixed and may increase or decrease over the vesting period without compensation to you.

Notifications

Exchange Control Information. If you are a resident of or domiciled in Brazil, you will be required to submit an annual declaration of assets and rights held outside of Brazil (including Shares) to the Central Bank of Brazil if the aggregate value of such assets and rights is equal to or greater than US\$100,000. Quarterly reporting is required if such amount exceeds US\$100,000,000. Assets and rights that must be reported include Shares acquired under the Plan.

CANADA

Terms and Conditions

Form of Settlement. Restricted Stock Units granted to employees resident in Canada shall be paid in Shares only, notwithstanding any discretion to settle Restricted Stock Units in cash as set out in Section 2 of the Award Agreement and Section 10.4 of the Plan.

Disclosure of Participant Information. This provision supplements Section 15 of the Award Agreement and applies if you are a resident of Quebec:

You hereby authorize the Company and the Company's representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. You further authorize the Company, any Parent or Subsidiary and the administrator of the Plan to disclose and discuss the Plan with their advisors. You further authorize the Company and any Parent or Subsidiary to record such information and to keep such information in your employee file.

Language Consent. The following provision will apply if you are a resident of Quebec:

The parties acknowledge that it is their express wish that the Award Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Consentement Relatif à la Langue Utilisée. *Les parties reconnaissent avoir expressement souhaité que la convention ("Agreement"), ainsi que tous les documents, avis et procédures judiciaires, exécutés, donnés ou intentés en vertu de, ou lié, directement ou indirectement à la présente convention, soient rédigés en langue anglaise.*

Notifications

Securities Law Information. You are permitted to sell Shares acquired under the Plan provided the resale of such Shares takes place outside of Canada through facilities of a stock exchange on which the Shares are listed. The Shares are currently listed on the Nasdaq.

Foreign Asset / Account Reporting Information. Foreign property (including Shares) held by Canadian residents must be reported annually to the tax authorities on Form T1135 (Foreign Income Verification Statement) if the total cost of such foreign property exceeds C\$100,000 at any time during the year. If the C\$100,000 cost threshold is exceeded by other foreign property held, your Restricted Stock Units must be reported as well. Such Restricted Stock Units generally may be reported at a nil cost. Form T1135 must be filed by April 30th of the following year when such foreign property was held by a Canadian resident.

CHILE

Notifications

Securities Law Information. The offer of the Award constitutes a private offering in Chile effective as of the Date of Grant. The offer of the Award is made subject to General Ruling N° 336 of the Chilean Commission for the Financial Market (“CMF”). The offer refers to securities not registered at the Securities Registry or at the Foreign Securities Registry of the CMF, and, therefore, such securities are not subject to oversight of the CMF. Given that the Award is not registered in Chile, the Company is not required to provide information about the Award or Shares in Chile. Unless the Award and/or the Shares are registered at the corresponding registries of the CMF, a public offering of such securities cannot be made in Chile.

Esta oferta del otorgamiento constituye una oferta privada en Chile efectiva a partir de la Fecha de la Concesión (Grant Date, según se define en este documento). Esta oferta del otorgamiento es realizada conforme a las disposiciones de la Norma de Carácter General No. 336 de la Comisión para el Mercado Financiero de Chile (“CMF”). La oferta se refiere a valores no inscritos en el Registro de Valores o en el Registro de Valores Extranjeros de la CMF y, por lo tanto, tales valores no están sujetos a la fiscalización de ésta. Dado que el otorgamiento no está registrado en Chile, no se requiere que la Compañía provea información sobre el referido otorgamiento o las Acciones Ordinarias (Shares, según se define en este documento) en Chile. A menos que el otorgamiento y/o las Acciones Ordinarias estén registradas con la CMF, una oferta pública de tales valores no puede hacerse en Chile.

Exchange Control Information. You are not required to repatriate proceeds obtained from the sale of Shares or from dividends to Chile; however, if you decide to repatriate proceeds from the sale of Shares and/or dividends and the amount of the proceeds to be repatriated exceeds US\$10,000, you must effect such repatriation through the Formal Exchange Market (i.e., a commercial bank or registered foreign exchange office). In such case, you must report the payment to the commercial bank or registered foreign exchange office receiving the funds.

If your aggregate investments held outside of Chile exceeds US\$5,000,000 (including shares acquired under the Plan), you must report such investments annually to the Central Bank. Annex 3.1 of Chapter XII of the Foreign Exchange Regulations must be used to file this report.

Foreign Asset/Account Reporting Information. Chilean taxpayers are required to inform the Chilean Internal Revenue Service (the “CIRS”) annually of (i) the results of investments held abroad and (ii) any taxes paid abroad which will be used as credit against Chilean income tax. The Form 1929 disclosing this information must be submitted electronically through the CIRS website before June 30 of each year: www.sii.cl. Chilean taxpayers who fail to meet these requirements may be ineligible to receive certain foreign tax credits.

CHINA

Terms and Conditions

Sale Requirements. You agree that you must (and that you shall) sell, transfer or otherwise dispose of the Shares acquired pursuant to this Award of Restricted Stock Units in such manner and subject to such terms and conditions as the Company or the Service Recipient determines within six (6) months after your cease to be a Service Provider, or such other period of time as the Company or the Service Recipient may designate from time to time to comply with applicable legal requirements, including any registration, regulation, requirement or other similar law, statute, rule or regulation promulgated or requested by the State Administration of Foreign Exchange (“SAFE”) or its local agency (the “Disposition Deadline”). You hereby authorize the Company or the Service Recipient and appoint the Company and the Service Recipient as your attorney-in-fact to sell on your behalf any Shares held by you on or after the Disposition Deadline, without any further action, consent or instruction by you to facilitate compliance with applicable legal requirements. You further agree and acknowledge that you will be responsible and liable for all the costs associated with any such sale of Shares and that neither the Company nor the Service Recipient will be liable to you or any other person or entity for any losses or other liabilities that may result to you as a result of any such sale.

Exchange Control Requirements. You understand and agree that, pursuant to local exchange control requirements, you will be required to repatriate the cash proceeds from the sale of the Shares issued upon the vesting of the Restricted Stock or any cash dividends paid on such shares to China. You further understand that, under local law, such repatriation of funds may need to be effectuated through a special exchange control account established by the Company, Parent or Subsidiary or the Service Recipient, and you hereby consent and agree that any funds you acquire may be transferred to such special account prior to being delivered to you. If the funds are converted to local currency, you acknowledge that the Company is under no obligation to secure any exchange conversion rate, and the Company may face delays in converting the funds to local currency due to exchange control restrictions in China. You agree to bear the risk of any exchange conversion rate fluctuation between the date the funds are received and the date of conversion of the funds to local currency. You further agree to comply with any other requirements that may be imposed by the Company in the future in order to facilitate compliance with exchange control requirements in China.

CZECH REPUBLIC

Notifications

Exchange Control Information. The Czech National Bank may require you to fulfill certain notification duties in relation to the Restricted Stock Units and the opening and maintenance of a foreign account. However, because exchange control regulations change frequently and without notice, you should consult your personal legal advisor prior to the vesting of the Restricted Stock Units to ensure compliance with current regulations. It is your responsibility to comply with applicable Czech exchange control laws.

DENMARK

Terms and Conditions

Danish Stock Option Act. You acknowledge that you have received the Employer Statement in Danish which sets forth additional information about the Restricted Stock Units to the extent that the Danish Stock Option Act applies.

Notifications

Foreign Asset / Account Reporting Information. Under the Danish Tax Reporting Act you must report Shares held in a foreign bank or brokerage account and deposit accounts with a foreign bank or broker in your tax return under the section on foreign affairs and income. The use of the Forms V and K have been discontinued.

FINLAND

There are no country specific provisions.

FRANCE

Terms and Conditions

Tax Information. The Restricted Stock Units described herein are not intended to qualify for the French specific tax and social regime provided by sections L. 225-197-1 to L. 225-197-6 of the French Commercial Code.

Language Consent. The parties acknowledge and agree that it is their express wish that the Award Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Consentement Relatif à la Langue Utilisée. Les parties reconnaissent avoir expressément souhaité que la convention ("Agreement"), ainsi que tous les documents, avis et procédures judiciaires, exécutés, donnés ou intentés en vertu de, ou lié, directement ou indirectement à la présente convention, soient rédigés en langue anglaise.

Notifications

Exchange Control Information. If you hold Shares outside of France or maintain a foreign bank account, you are required to report such to the French tax authorities when you file your annual tax return.

GERMANY

Notifications

Exchange Control Information. Cross-border payments in excess of €12,500 must be reported monthly to the German Federal Bank. If you use a German bank to transfer a cross-border payment in excess of €12,500 in connection with the sale of Shares acquired under the Plan, the bank will make the report for you.

Foreign Asset / Account Reporting Information. If your acquisition of Shares under the Plan leads to a so-called qualified participation at any point during the calendar year, you will need to report the acquisition when you file your tax return for the relevant year. A qualified participation is attained if (i) the value of the Shares acquired exceeds €150,000 or (ii) in the

unlikely event you hold Shares exceeding 10% of the Company's total Shares.

GREECE

There are no country specific provisions.

HONG KONG

Terms and Conditions

Form of Settlement. Restricted Stock Units granted to employees resident in Hong Kong shall be paid in Shares only, notwithstanding any discretion to settle Restricted Stock Units in cash as set out in Section 2 of the Award Agreement and Section 10.4 of the Plan.

Settlement of Restricted Stock Units and Sale of Shares. In the event your Restricted Stock Units vest and Shares are issued to you within six months of the Date of Grant, you agree that you will not dispose of any Shares acquired prior to the six-month anniversary of the Date of Grant.

Nature of Scheme. The Company specifically intends that the Plan will not be an occupational retirement scheme for purposes of the Occupational Retirement Schemes Ordinance ("ORSO"). Notwithstanding the foregoing, if the Plan is deemed to constitute an occupational retirement scheme for purposes of ORSO, your grant shall be void.

Notifications

Securities Law Information. Warning: The Restricted Stock Units and Shares issued at vesting do not constitute a public offering of securities under Hong Kong law and are available only to employees of the Company, its Parent or Subsidiary. The Award Agreement, including this **Exhibit B**, the Plan and other incidental communication materials have not been prepared in accordance with and are not intended to constitute a "prospectus" for a public offering of securities under the applicable securities legislation in Hong Kong nor have the documents been reviewed by any regulatory authority in Hong Kong. The Restricted Stock Units are intended only for the personal use of each eligible employee of the Service Recipient, the Company or any Parent or Subsidiary and may not be distributed to any other person. If you are in any doubt about any of the contents of the Award Agreement, including this **Exhibit B**, or the Plan, you should obtain independent professional advice.

HUNGARY

There are no country specific provisions.

ICELAND

Notifications

Exchange Control Information. You should consult with your personal advisor to ensure compliance with any applicable exchange control laws and regulations in Iceland, as such regulations are subject to frequent change. You are responsible for ensuring compliance with all exchange control laws and regulations in Iceland.

INDIA

Notifications

Exchange Control Information. You are required to repatriate to India any cash dividends paid on Shares acquired under the Plan within 180 days of payment and any proceeds from the sale of such Shares within 90 days of receipt, or within such other period of time prescribed upon applicable Indian exchange control regulations. Upon repatriation, a foreign inward remittance certificate (“FIRC”) will be issued by the bank where the foreign currency is deposited. The FIRC should be retained as evidence of the repatriation of funds in the event the Reserve Bank of India or the Service Recipient requests proof of repatriation.

Foreign Asset / Account Reporting Information. You are required to declare foreign bank accounts and any foreign financial assets in your annual tax return.

Tax Information. The amount subject to tax at vesting will partially be dependent upon a valuation that the Company will obtain from a Merchant Banker in India. The Company has no responsibility or obligation to obtain the most favorable valuation possible nor obtain valuations more frequently than required under Indian tax law.

INDONESIA

Terms and Conditions

Language Consent. A translation of the documents relating to the Award (i.e., the Award Agreement and the Plan) into Bahasa Indonesia can be provided to you upon request to Attn: Stock Administration at 3060 Olsen Drive, San Jose, CA, 95128, U.S.A.

By accepting the Award, you (i) confirm having read and understood the documents relating to the Award (i.e., the Plan and the Award Agreement) which were provided in the English language, (ii) accept the terms of those documents accordingly, and (iii) agree not to challenge the validity of this document based on Law No. 24 of 2009 on National Flag, Language, Coat of Arms and National Anthem or the implementing Presidential Regulation (when issued).

Persetujuan Bahasa. *Terjemahan dari dokumen-dokumen terkait dengan penghargaan ini (yaitu Perjanjian dan Rencana) ke dalam Bahasa Indonesia dapat disediakan untuk anda berdasarkan permintaan kepada: Stock Administration at 3060 Olsen Drive, San Jose, CA 95128, U.S.A.*

Dengan menerima pemberian, anda (i) memberikan konfirmasi bahwa anda telah membaca dan memahami dokumen-dokumen berkaitan dengan pemberian ini (yaitu, Program dan Perjanjian) yang disediakan dalam Bahasa Inggris, (ii) menerima persyaratan di dalam dokumen-dokumen tersebut, dan (iii) setuju untuk tidak mengajukan keberatan atas keberlakuan dari dokumen ini berdasarkan Undang-Undang No. 24 Tahun 2009 tentang Bendera, Bahasa dan Lambang Negara serta Lagu Kebangsaan ataupun Peraturan Presiden sebagai pelaksanaannya (ketika diterbitkan).

Notifications

Exchange Control Information. If you remit proceeds from the sale of shares into

Indonesia, the Indonesian Bank through which the transaction is made will submit a report on the transaction to the Bank of Indonesia for statistical reporting purposes. For transactions of US\$10,000 or more, a description of the transaction must be included in the report. Although the bank through which the transaction is made is required to make the report, you must complete a "Transfer Report Form." The Transfer Report Form will be provided to you by the bank through which the transaction is made.

IRELAND

Notifications

Director Notification Obligation. If you are a director, shadow director or secretary of the Company's Irish Subsidiary or affiliate whose interest in the Company represents more than 1% of the Company's voting share capital, you must notify the Irish Subsidiary or affiliate in writing within five business days of receiving or disposing of an interest in the Company (e.g., Restricted Stock Units, Shares, etc.), or within five business days of becoming aware of the event giving rise to the notification requirement or within five days of becoming a director or secretary if such an interest exists at the time. This notification requirement also applies with respect to the interests of a spouse or children under the age of 18 (whose interests will be attributed to the director, shadow director or secretary).

ISRAEL

Terms and Conditions

Trust Arrangement. You understand and agree that the Restricted Stock Units are offered subject to and in accordance with the terms of the trust agreement. Specifically, the Shares issued upon vesting of the Restricted Stock Units shall be delivered to and controlled by a trustee appointed by the Company or its Subsidiary or affiliate in Israel (the "Trustee") for your benefit for at least such period of time as required by Section 102 or any shorter period determined under the Israeli Income Tax Ordinance [New Version] 1961 as now in effect or as hereafter amended (the "Ordinance") or by the Israeli Tax Authority (the "Lock-Up Period"). The Restricted Stock Units and Shares shall be controlled by the Trustee for the benefit of you and the provisions of Section 102 of the Ordinance and the Income Tax (Tax Abatement on the Grant of Shares to Employees) Regulations 2003 shall apply to such Restricted Stock Units or Shares for all purposes. You shall be able, at any time, to request the sale of the Shares or the release of the Shares from the Trustee, subject to the terms of the Plan, this Award Agreement and any applicable law. Without derogating from the aforementioned, if the Shares are released by the Trustee during the Lock-Up Period, the sanctions under Section 102 of the Ordinance shall apply to and be borne by you. The Shares shall not be sold or released from the control of the Trustee unless the Company, the Service Recipient and the Trustee are satisfied that the full amount of Withholding Obligations due have been paid or will be paid in relation thereto.

Notifications

Securities Law Information. An exemption from filing a prospectus in relation to the Plan has been granted to the Company by the Israeli Securities Authority. Copies of the Plan and the Form S-8 registration statement for the Plan filed with the U.S. Securities and Exchange Commission are available from Attn: Stock Administration at 3060 Olsen Drive, San Jose, CA 95128, U.S.A.

ITALY

Terms and Conditions

Plan Document Acknowledgment. In accepting the Restricted Stock Units, you acknowledge that you have received a copy of the Plan and the Award Agreement and have reviewed the Plan and the Award Agreement, including this **Exhibit B**, in their entirety and fully understand and accept all provisions of the Plan and the Award Agreement, including this **Exhibit B**.

In addition, you further acknowledge that you have read and specifically and expressly approve without limitation the following clauses in the Award Agreement: Section 5 (Forfeiture upon Termination of as a Service Provider); Section 7 (Tax Obligations); Section 13 (Nature of Grant); and Section 15 (Data Privacy).

Notifications

Foreign Asset / Account Reporting Information. Italian residents who, at any time during the fiscal year, hold foreign financial assets (including cash and Shares) which may generate income taxable in Italy are required to report these assets on their annual tax returns (UNICO Form, RW Schedule) for the year during which the assets are held, or on a special form if no tax return is due. These reporting obligations will also apply to Italian residents who are the beneficial owners of foreign financial assets under Italian money laundering provisions.

JAPAN

Notifications

Exchange Control Information. If you acquire Shares valued at more than JPY 100 million in a single transaction, you must file a Securities Acquisition Report with the Ministry of Finance through the Bank of Japan within 20 days after the acquisition of the Shares.

Foreign Asset / Account Reporting Information. If you hold foreign assets (including Shares acquired under the Plan) with a total net fair market value exceeding JPY 50 million as of December 31 of each year, you are required to report such assets to the National Tax Administration by March 15 of the following year.

KOREA

Notifications

Foreign Asset / Account Reporting Information. Korean residents must declare all foreign financial accounts (e.g., non-Korean bank accounts, brokerage accounts) to the Korean tax authority and file a report with respect to such accounts in June of the immediately following year if the monthly balance of such accounts exceeds KRW 500 million (or an equivalent amount in foreign currency) on any month-end date during a calendar year. It is your responsibility to comply with applicable reporting obligations and you should consult with your personal tax advisor in this regard.

LEBANON

Securities Law Information. The Plan does not constitute the marketing or offering of securities in Lebanon pursuant to Law No. 161 (2011), the Capital Markets Law. Offers under the Plan are being made only to eligible employees of the Company or a Subsidiary.

MACEDONIA

Notifications

Exchange Control Information. You should consult with your personal advisor to ensure compliance with any applicable exchange control laws and regulations in Macedonia, as such regulations are subject to frequent change. You are responsible for ensuring compliance with all exchange control laws and regulations in Macedonia.

MALAYSIA

Terms and Conditions

Disclosure of Participant Information. This provision supplements Section 15 of the Award Agreement:

<p>You hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of your personal data as described in this Award Agreement and any other award grant materials by and among, as applicable, the Service Recipient, the Company and any other affiliates for the exclusive purpose of implementing, administering and managing your participation in the Plan.</p> <p>You understand that the Company and the Service Recipient may hold certain personal information about you, including, but not limited to, your name, home address and telephone number, email address, date of birth, social insurance, passport or other identification number (e.g., resident registration number), salary, nationality, job title, any Shares or directorships held in the Company, details of all awards or any other entitlement to Shares or equivalent benefits awarded, canceled, purchased, exercised, vested, unvested or outstanding in your favor (“Data”), for the exclusive purpose of implementing, administering and managing the Plan. Data is supplied by the Company and also by you through information collected in connection with the Award Agreement and</p>	<p>Anda dengan ini secara eksplisit dan tanpa sebarang keraguan mengizinkan pengumpulan, penggunaan dan pemindahan, dalam bentuk elektronik atau lain-lain, data peribadi anda seperti yang diterangkan dalam Perjanjian ini dan apa-apa bahan pemberian Anugerah yang lain oleh dan di antara, seperti yang berkenaan, Majikan, Syarikat dan mana-mana Ahli Gabungan lain untuk tujuan eksklusif bagi melaksanakan, mentadbir dan menguruskan penyertaan anda di dalam Pelan.</p> <p>Anda memahami bahawa Syarikat dan Majikan mungkin memegang maklumat peribadi tertentu tentang anda, termasuk, tetapi tidak terhad kepada, nama anda, alamat rumah dan nombor telefon, alamat emel, tarikh lahir, nombor insurans sosial, pasport atau nombor pengenalan lain (seperti, nombor pendaftaran penduduk tetap atau nombor kad pengenalan), gaji, kewarganegaraan, jawatan, apa-apa syer Saham Biasa atau jawatan pengarah yang dipegang dalam Syarikat, butir-butir semua Anugerah atau apa-apa hak lain atas syer Saham Biasa atau faedah bersamaan yang dianugerahkan, dibatalkan, dibeli, dilaksanakan, terletak hak, tidak diletak hak ataupun yang belum dijelaskan</p>
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the Plan.

You understand that Data will be transferred to E*TRADE or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. You understand that the recipients of Data may be located in the United States or elsewhere, and that the recipients' country may have different data privacy laws and protections than your country. You understand that you may request a list with the names and addresses of any potential recipients of Data by contacting your local human resources representative, Stock Administration at stockadmin@netapp.com. You authorize the Company, E*TRADE and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer Data, in electronic or other form, for the sole purposes of implementing, administering and managing your participation in the Plan, including any requisite transfer of such Data as may be required to a broker, escrow agent or other third party with whom any Shares acquired under the Plan may be deposited. You understand that Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You understand that you may, at any time, view Data, request information about the storage and processing of Data, require any necessary amendments to Data, limit the processing of Data or refuse or withdraw the consents herein, in any case without cost, by contacting your local human resources representative. Further, you understand that you are providing the consents herein on a purely voluntary basis. If you do not consent, or if you later seek to revoke your consent, your employment or service with the Service Recipient will not be affected; the only consequence of refusing or withdrawing your consent is that the Company would not be

bagi faedah anda ("Data"), untuk tujuan eksklusif bagi melaksanakan, mentadbir dan menguruskan Pelan tersebut. Data tersebut dibekalkan oleh Syarikat dan juga oleh anda melalui maklumat yang dikumpul berkaitan dengan Perjanjian dan Pelan.

Anda memahami bahawa Data ini akan dipindahkan kepada E*TRADE atau pembekal perkhidmatan pelan saham lain yang mungkin dipilih oleh Syarikat pada masa depan, yang membantu Syarikat dengan pelaksanaan, pentadbiran dan pengurusan Pelan. Anda memahami bahawa penerima-penerima Data mungkin berada di Amerika Syarikat atau mana-mana tempat lain, dan bahawa negara penerima-penerima mungkin mempunyai undang-undang privasi data dan perlindungan yang berbeza daripada negara anda. Anda memahami bahawa anda boleh meminta satu senarai yang mengandungi nama-nama dan alamat-alamat penerima-penerima Data yang berpotensi dengan menghubungi wakil sumber manusia tempatan anda, iaitu Stock Administration at stockadmin@netapp.com. Anda memberi kuasa kepada Syarikat, E*TRADE dan mana-mana penerima-penerima lain yang mungkin membantu Syarikat (pada masa sekarang atau pada masa depan) dengan melaksanakan, mentadbir dan menguruskan Pelan untuk menerima, memiliki, menggunakan, mengekalkan dan memindahkan Data, dalam bentuk elektronik atau lain-lain, bagi tujuan tunggal melaksanakan, mentadbir dan menguruskan penyertaan anda di dalam Pelan, termasuk apa-apa pemindahan Data yang dikehendaki kepada broker, agen eskrow atau pihak ketiga dengan siapa sebarang syer Saham Biasa yang dibeli di bawah Pelan boleh didepositkan. Anda memahami bahawa Data hanya akan disimpan selagi ia adalah diperlukan untuk melaksanakan, mentadbir, dan menguruskan penyertaan anda dalam Pelan. Anda memahami bahawa anda boleh, pada bila-bila masa, melihat Data, meminta maklumat mengenai penyimpanan dan pemprosesan Data, meminta mana-mana pindaan yang perlu ke atas Data,

able to grant your award or other equity awards or administer or maintain such awards. Therefore, you understand that refusing or withdrawing your consent may affect your ability to participate in the Plan. For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative.

menghadkan pemrosesan Data, atau menolak atau menarik balik persetujuan dalam ini, dalam mana-mana kes tanpa kos, dengan menghubungi wakil sumber manusia tempatan. Selanjutnya, anda memahami bahawa anda memberikan persetujuan di sini secara sukarela semata-mata. Sekiranya anda tidak bersetuju, atau sekiranya anda kemudian membatalkan persetujuan anda, status pekerjaan atau perkhidmatan anda dengan Syarikat tidak akan terjejas; satu-satunya akibat sekiranya anda tidak bersetuju atau menarik balik persetujuan anda adalah bahawa Syarikat tidak akan dapat memberikan anda Unit Saham atau anugerah ekuiti lain atau mentadbir atau mengekalkan anugerah-anugerah tersebut. Oleh itu, anda memahami bahawa keengganan atau penarikan balik persetujuan anda boleh menjejaskan keupayaan anda untuk mengambil bahagian dalam Pelan. Untuk maklumat lebih lanjut mengenai akibat-akibat keengganan anda untuk memberikan keizinan atau penarikan balik keizinan, anda memahami bahawa anda boleh menghubungi wakil sumber manusia tempatan.

Notifications

Director Notification Obligation. If you are a director of the Company's Malaysian Subsidiary or affiliate, you are subject to certain notification requirements under the Malaysian Companies Act. Among these requirements is an obligation to notify the Malaysian Subsidiary or affiliate in writing when you receive or dispose of an interest (e.g., an award under the Plan or Shares) in the Company or any related company. Such notifications must be made within 14 days of receiving or disposing of any interest in the Company or any related company.

MEXICO

Terms and Conditions

Modification. By accepting the Restricted Stock Units, you understand and agree that any modification of the Plan or the Award Agreement or its termination shall not constitute a change or impairment of the terms and conditions of employment.

Policy Statement. The Award of Restricted Stock Units the Company is making under the Plan is unilateral and discretionary and, therefore, the Company reserves the absolute right to amend it and discontinue it at any time without any liability.

The Company, with registered offices at 251 Little Falls Drive, Wilmington, DE, 19808,

U.S.A., is solely responsible for the administration of the Plan and participation in the Plan and the acquisition of shares does not, in any way, establish an employment relationship between you and the Company since you are participating in the Plan on a wholly commercial basis and the sole employer is as applicable, nor does it establish any rights between you and the Service Recipient.

Plan Document Acknowledgment. By accepting the Award of Restricted Stock Units, you acknowledge that you have received copies of the Plan, have reviewed the Plan and the Award Agreement in their entirety and fully understand and accept all provisions of the Plan and the Award Agreement.

In addition, by signing the Award Agreement, you further acknowledge that you have read and specifically and expressly approve the terms and conditions in the Award Agreement, in which the following is clearly described and established: (i) participation in the Plan does not constitute an acquired right; (ii) the Plan and participation in the Plan is offered by the Company on a wholly discretionary basis; (iii) participation in the Plan is voluntary; and (iv) the Company and any Parent, Subsidiary or affiliates are not responsible for any decrease in the value of the Shares underlying the Restricted Stock Units.

Finally, you hereby declare that you do not reserve any action or right to bring any claim against the Company for any compensation or damages as a result of your participation in the Plan and therefore grant a full and broad release to the Service Recipient, the Company and any Parent, Subsidiary or affiliates with respect to any claim that may arise under the Plan.

Spanish Translation

Modification. Al aceptar las Unidades de Accion Restringida, usted reconoce y acuerda que cualquier modification del Plan o su terminacion no constituye un cambio o desmejora de los terminos y condiciones de empleo.

Declaracion de Politica. El Otorgamiento de Unidades de Accion Restringida de la Compañia en virtud del Plan es unilateral y discrecional y, por lo tanto, la Compañia se reserva el derecho absoluto de modificar y discontinuar el mismo en cualquier tiempo, sin responsabilidad alguna.

La Compañia, con oficinas registradas ubicadas en 251 Little Falls Drive, Wilmington, DE, 19808, U.S.A., es la unica responsable de la administración del Plan y de la participación en el mismo y la adquisición de acciones no establece de forma alguna una relación de trabajo entre usted y la Compañia, ya que su participación en el Plan es completamente comercial y el unico empleador es en caso de ser aplicable, asi como tampoco establece ningun derecho entre la persona que tenga el derecho a optar y el Empleador.

Reconocimiento del Documento del Plan. Al aceptar el Otorgamiento de las Unidades de Acción Restringida, usted reconoce que ha recibido copias del Plan, ha revisado el mismo, al igual que la totalidad del Acuerdo y, que ha entendido y aceptado completamente todas las disposiciones contenidas en el Plan y en el Acuerdo.

Adicionalmente, al firmar el Acuerdo, reconoce que ha leído, y que aprueba especifica y expresamente los términos y condiciones contenidos en la Renuncia de Derecho o Reclamo por Compensación del Acuerdo, en el cual se encuentra claramente descrito y establecido lo siguiente: (i) la participación en el Plan no constituye un derecho adquirido; (ii) el plan y la participación en

el mismo es ofrecida por la Compañía de forma enteramente discrecional; (iii) la participación en el Plan es voluntaria; y (iv) la Compañía, así como su Sociedad controlante, Subsidiaria o Filiales no son responsables por cualquier disminución en el valor de las acciones en relación a las Unidades de Acción Restringida.

Finalmente, declara que no se reserva ninguna *acción* o derecho para interponer una demanda en contra de la Compañía por compensación, dano o perjuicio alguno como resultado de su participación en el Plan y, en consecuencia, otorga el más amplio finiquito al Empleador, así como a la Compañía, a su Sociedad controlante, Subsidiaria o Filiales con respecto a cualquier demanda que pudiera originarse en virtud del Plan.

NETHERLANDS

There are no country specific provisions.

NEW ZEALAND

Notifications

Securities Law Information. WARNING: You are being granted Restricted Stock Units to acquire Shares in accordance with the terms of this Award Agreement and the Plan. The Shares, if issued, will give you a stake in the ownership of the Company. You may receive a return if dividends are paid.

If the Company runs into financial difficulties and is wound up, you will be paid only after all other creditors (including holders of preference shares, if any) have been paid. You may lose some or all of your investment, if any.

New Zealand law normally requires people who offer financial products to give information to investors before they invest. This information is designed to help investors to make an informed decision.

The usual rules do not apply to this offer because it is made under an employee share purchase scheme. As a result, you may not be given all the information usually required. You also will have fewer other legal protections for this investment.

Ask questions, read all documents carefully, and seek independent financial advice before committing yourself.

The Company's Shares are currently traded on the Nasdaq under the ticker symbol "NTAP" and Shares acquired under the Plan may be sold through this exchange. You may end up selling the Shares at a price that is lower than the value of the Shares when you acquired them. The price will depend on the demand for the Company's Shares. The Company's most recent annual report (which includes the Company's financial statements) is available at the Company's website at <http://investors.netapp.com/>. You are entitled to receive a copy of this report, free of charge, upon written request to the Company at Stock Administration at stockadmin@netapp.com.

NIGERIA

There are no country specific provisions.

NORWAY

There are no country specific provisions.

PHILIPPINES

Notifications

Securities Law Information. You acknowledge that you are permitted to sell Shares acquired under the Plan through the designated Plan broker appointed by the Company (or such other broker to whom you may transfer the Shares), provided that such sale takes place outside of the Philippines through the facilities of the Nasdaq on which the Shares are listed.

POLAND

Notifications

Exchange Control Information. If you transfer funds exceeding €15,000 in a single transaction, you are required to do so through a bank account in Poland. You are required to retain all documents connected with foreign exchange transactions for a period of five years, calculated from the end of the year when the foreign exchange transactions were made. If you hold Shares acquired under the Plan and/or maintain a bank account abroad and the aggregate value of Shares and/or cash held in such foreign accounts exceeds PLN 7 million, you must file reports on the transactions and balances of the accounts on a quarterly basis to the National Bank of Poland.

PORTUGAL

Terms and Conditions

Language Consent. You hereby expressly declare that you have full knowledge of the English language and have read, understood and fully accepted and agreed with the terms and conditions established in the Plan and the Award Agreement.

Conhecimento da Língua. Por meio do presente, eu declaro expressamente que tem pleno conhecimento da língua inglesa e que li, compreendi e livremente aceitei e concordei com os termos e condições estabelecidas no Plano e no acordo.

Notifications

Exchange Control Information. If you receive Shares upon vesting, the acquisition of the Shares should be reported to the Banco de Portugal for statistical purposes. If the Shares are deposited with a commercial bank or financial intermediary in Portugal, such bank or financial intermediary will submit the report on your behalf. If the shares are not deposited with a commercial bank or financial intermediary in Portugal, you are responsible for submitting the report to the Banco de Portugal.

QATAR

There are no country specific provisions.

ROMANIA

Notifications

Exchange Control Information. If you deposit the proceeds from the sale of Shares issued to you at vesting in a bank account in Romania, you may be required to provide the Romanian bank with appropriate documentation explaining the source of the funds. You should consult your personal advisor to determine whether you will be required to submit such documentation to the Romanian bank.

RUSSIA

Terms and Conditions

U.S. Transaction. You understand that the Restricted Stock Units shall be valid and this Award Agreement shall be concluded and become effective only when the Award Agreement is electronically received by the Company in the United States or a third-party designated by the Company. Upon vesting of the Restricted Stock Units, any Shares to be issued to you shall be delivered to you through a bank or brokerage account in the United States.

Securities Law Acknowledgement. You acknowledge that the Restricted Stock Units, the Award Agreement, the Plan and all other materials you may receive regarding participation in the Plan do not constitute advertising or an offering of securities in Russia. The Shares acquired pursuant to the Plan have not and will not be registered in Russia nor admitted for listing on any Russian exchange for trading within Russia, and therefore, neither the Restricted Stock Units nor the Shares may be used for offering or public or private circulation in Russia. You acknowledge that you may hold Shares acquired upon settlement of the Restricted Stock Units in your E*TRADE (or such other stock plan service provider as may be selected by the Company) account in the United States. However, in no event will Shares issued to you under the Plan be delivered to you in Russia. Further, you are not permitted to sell or otherwise dispose of Shares directly to other Russian individuals.

Notifications

Exchange Control Information. You may be subject to exchange control restrictions and repatriation requirements in Russia. Proceeds from the sale of Shares and any cash dividends paid on the Shares can be remitted directly to a foreign individual bank account (in countries belonging to the Organization for Economic Cooperation and Development (“OECD”) or the Financial Action Task Force (“FATF”)). You should consult your personal legal advisor before settlement of the Restricted Stock Units, before selling Shares and before remitting any sale proceeds to Russia, as significant sanctions for violations of the Russian currency control laws may apply and these requirements are subject to change at any time, often without notice.

Foreign Asset/Account Reporting Information. The Russian tax authorities must be notified within one month of the opening or closing of a foreign bank account, or of a change in foreign bank account details. Reports of the transactions and balances of foreign bank accounts must also be filed with the Russian tax authorities each year.

SAUDI ARABIA

Notifications

Securities Law Information. The Award Agreement may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority.

The Capital Market Authority does not make any representation as to the accuracy or completeness of the Award Agreement, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of the Award Agreement. You are hereby advised to conduct your own due diligence on the accuracy of the information relating to the shares. If you do not understand the contents of the Award Agreement, you should consult an authorized financial advisor.

SINGAPORE

Notifications

Securities Law Information. The Award of Restricted Stock Units is being made in reliance on the “Qualifying Person” exemption under section 273(1)(f) of the Securities and Futures Act (Cap. 289) (“SFA”) and is not made with a view to the Restricted Stock Units or underlying Shares being subsequently offered for sale to any other party. The Plan has not been and will not be lodged or registered as a prospectus with the Monetary Authority of Singapore. You should note that, as a result, the Restricted Stock Units are subject to section 257 of the SFA and you will not be able to make (a) any subsequent sale of the Shares in Singapore or (ii) any offer of such subsequent sale of the Shares subject to the Restricted Stock Units in Singapore, unless such sale or offer is made pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than section 280) of the SFA (Chapter 289, 2011 Ed.).

CEO or Director Notification Obligation. If you are the chief executive officer (“CEO”) or a director, associate director or shadow director of the Company’s Singapore Subsidiary or affiliate, you are subject to certain notification requirements under the Singapore Companies Act. Among these requirements is an obligation to notify the Company’s Singapore Subsidiary or affiliate in writing when you receive an interest (e.g. Restricted Stock Units or Shares) in the Company or any Parent, Subsidiary or affiliate. In addition, you must notify the Company’s Singapore Subsidiary or affiliate when you sell Shares or shares of any Parent, Subsidiary or affiliate (including when you sell Shares issued upon vesting and settlement of the Award). These notifications must be made within two days of acquiring or disposing of any interest in the Company or any Parent, Subsidiary or affiliate. In addition, a notification of your interests in the Company or any Parent, Subsidiary or affiliate must be made within two days of becoming the CEO or a director.

SLOVAKIA

Notifications

Foreign Asset / Account Reporting Information. If you carry on business activities as an independent entrepreneur (in Slovakian, podnikateľ), you must report foreign assets (including any Shares) to the National Bank of Slovakia (provided that the value of the foreign assets exceeds an amount of €2,000,000). These reports must be submitted on a monthly basis by the 15th day of the respective calendar month, as well as on a quarterly basis by the 15th day of the calendar

month following the respective calendar quarter, using notification form DEV (NBS) 1-12, which may be found at the National Bank of Slovakia's website at www.nbs.sk.

SLOVENIA

Terms and Conditions

Language Consent. The parties acknowledge and agree that it is their express wish that the Award Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Dogovor o uporabi jezika. Stranke se izrecno strinjajo, da se za sklepanje Pogodbe, kot tudi vseh dokumentov, obvestil in postopkov sklenjenih neposredno ali posredno v zvezi s tem, uporablja angleški jezik.

SOUTH AFRICA

Terms and Conditions

Taxes. By accepting the Restricted Stock Units, you agree that, immediately upon vesting and settlement of the Restricted Stock Units, you will notify the Service Recipient of the amount of any gain realized. If you fail to advise the Service Recipient of the gain realized upon vesting and settlement, you may be liable for a fine. You will be solely responsible for paying any difference between the actual tax liability and the amount withheld by the Service Recipient.

Notifications

Securities Law Information. In compliance with South African securities laws, you acknowledge that a copy of the Company's most recent annual report (i.e. Form 10-K) is available for review on the Company's "Investor Relations" website at <http://investors.netapp.com/> and a copy of the ESPP Prospectus is available at <http://fo.netapp.com/corporate-controller/stock/>.

- (i) a copy of the Company's most recent annual report (i.e., Form 10-K); and
- (ii) a copy of the Plan Prospectus.

A copy of the above documents will be sent to you free of charge on request to Stock Admin at stockadmin@netapp.com.

You should carefully read the materials provided before making a decision whether to accept the Award. In addition, you should contact your tax advisor for specific information concerning your personal tax situation with regard to Plan participation.

Exchange Control Information. You should consult with your personal advisor to ensure compliance with any applicable exchange control laws and regulations in South Africa, as such regulations are subject to frequent change. You are responsible for ensuring compliance with all exchange control laws and regulations in South Africa.

SPAIN

Terms and Conditions

Labor Law Acknowledgement. The following provision supplements Section 13 of the Award Agreement:

By accepting the Award, you consent to participation in the Plan, and acknowledge that you have received a copy of the Plan document. You understand that the Company has unilaterally, gratuitously and in its sole discretion decided to make Awards of Restricted Stock Units under the Plan to individuals who may be Service Providers throughout the world. The decision is limited and entered into based upon the express assumption and condition that any Restricted Stock Units will not economically or otherwise bind the Company or any Parent or Subsidiary, including the Service Recipient, on an ongoing basis, other than as expressly set forth in the Award Agreement. Consequently, you understand that the Award is given on the assumption and condition that the Restricted Stock Units shall not become part of any employment contract (whether with the Company or any Parent, Subsidiary or affiliate, including the Service Recipient) and shall not be considered a mandatory benefit, salary for any purpose (including severance compensation) or any other right whatsoever. Furthermore, you understand and freely accept that there is no guarantee that any benefit whatsoever shall arise from the Award, which is gratuitous and discretionary, since the future value of the Restricted Stock Units and the underlying Shares is unknown and unpredictable. You also understand that this Award would not be made but for the assumptions and conditions set forth herein above; thus, you understand, acknowledge and freely accept that, should any or all of the assumptions be mistaken or any of the conditions not be met for any reason, the Award, the Restricted Stock Units and any right to the underlying Shares shall be null and void.

Further, your participation in the Plan is expressly conditioned on your continued and active rendering of service, such that if you cease to be a Service Provider for any reason whatsoever, your participation in the Plan will cease immediately. This will be the case, for example, even if (1) you are considered to be unfairly dismissed without good cause (i.e., subject to a “despido improcedente”); (2) you are dismissed for disciplinary or objective reasons or due to a collective dismissal; (3) your continuous status as a Service Provider ceases due to a change of work location, duties or any other employment or contractual condition; (4) your continuous status as a Service Provider ceases due to a unilateral breach of contract by the Company or any of its affiliates; or (5) your continuous Service terminates for any other reason whatsoever. Consequently, upon termination of your continuous for any of the above reasons, you automatically lose any right to participate in the Plan on the date of your termination as a Service Provider, as described in the Plan and the Award Agreement.

Notifications

Securities Law Information. The Restricted Stock Unit and Shares described in the Award Agreement do not qualify under Spanish regulations as securities. No “offer of securities to the public”, as defined under Spanish law, has taken place or will take place in the Spanish territory. The Award Agreement has not been nor will it be registered with the Comisión Nacional del Mercado de Valores, and does not constitute a public offering prospectus.

Exchange Control Information. The acquisition of Shares and subsequent sales of Shares must be declared for statistical purposes to the Dirección General de Comercio e Inversiones (the “DGCI”). Because you will not purchase or sell the Shares through the use of a Spanish financial institution, you will need to make the declaration yourself by filing a D-6 form with the DGCI. Generally, the D-6 form must be filed each January while the Shares are owned. However, if the value of the Shares acquired under the Plan or the amount of the sale proceeds exceeds €1,502,530,

the declaration must be filed within one month of the acquisition or sale, as applicable.

In addition, any securities accounts (including brokerage accounts held abroad), as well as the securities (including Shares) held in such accounts, may need to be declared electronically to the Bank of Spain, depending on the value of the transactions during the prior tax year or the balances in such accounts as of December 31 of the prior tax year.

Foreign Asset/Account Reporting Information. Rights or assets (e.g., Shares or cash held in a bank or brokerage account) held outside of Spain with a value in excess of €50,000 per type of right or asset (e.g., Shares, cash, etc.) as of December 31, must be reported on your annual tax return. After such rights or assets are initially reported, the reporting obligation will only apply for subsequent years if the value of any previously-reported rights or assets increases by more than €20,000. The reporting must be completed by the following March 31.

SWEDEN

There are no country specific provisions.

SWITZERLAND

Notifications

Securities Law Information. The grant of the Restricted Stock Units and the issuance of any Shares is not intended to be a public offering in Switzerland. Neither this document nor any other materials relating to the Restricted Stock Units constitute a prospectus as such term is understood pursuant to article 652a of the Swiss Code of Obligations, and neither this document nor any other materials relating to the Restricted Stock Units may be publicly distributed nor otherwise made publicly available in Switzerland. Neither this document nor any other offering or marketing material relating to the Restricted Stock Units have been or will be filed with, or approved or supervised by, any Swiss regulatory authority (in particular, the Swiss Financial Market Supervisory Authority (FINMA)).

TAIWAN

Notifications

Securities Law Information. The offer of participation in the Plan is available only for employees of the Company and its Subsidiaries. The offer of participation in the Plan is not a public offer of securities by a Taiwanese company.

Exchange Control Information. You may acquire and remit foreign currency (including proceeds from the sale of Shares) into and out of Taiwan up to US\$5,000,000 per year. If the transaction amount is TWD\$500,000 or more in a single transaction, you must submit a foreign exchange transaction form and also provide supporting documentation to the satisfaction of the remitting bank.

If the transaction amount is US\$500,000 or more, you may be required to provide additional supporting documentation to the satisfaction of the remitting bank. Please consult your personal advisor to ensure compliance with applicable exchange control laws in Taiwan.

THAILAND

Notifications

Exchange Control Information. If you receive funds in connection with the Plan (e.g., dividends, sale proceeds) with a value equal to or greater than US\$50,000, you are required to immediately repatriate such funds to Thailand. Any foreign currency repatriated to Thailand must be converted to Thai Baht or deposited into a foreign currency deposit account opened with any commercial bank in Thailand acting as the authorized agent within 360 days from the date the funds are repatriated to Thailand. You are also required to inform the authorized agent of the details of the foreign currency transaction, including your identification information and the purpose of the transaction.

TURKEY

Notifications

Securities Law Information. You are permitted to sell Shares acquired under the Plan provided the resale of such Shares takes place outside of Turkey through facilities of a stock exchange on which the Shares are listed. The Shares are currently listed on the Nasdaq.

Exchange Control Information. In certain circumstances, you are permitted to acquire and sell securities on a non-Turkish stock exchange only through a financial intermediary licensed in Turkey. Therefore, you may be required to appoint a Turkish broker to assist with the sale of the Shares acquired under the Plan.

UNITED ARAB EMIRATES

Notifications

Securities Law Information. The Restricted Stock Units granted under the Plan are being offered only to eligible employees of the Company and are in the nature of providing equity incentives to eligible employees of the Company. Any documents related to the Restricted Stock Units, including the Plan, the Award Agreement and any other grant documents (“Award Documents”), are intended for distribution only to such eligible employees and must not be delivered to, or relied on by, any other person.

The Emirates Securities and Commodities Authority has no responsibility for reviewing or verifying any Award Documents or any other incidental communication materials distributed in connection with the Restricted Stock Units. Further, neither the Ministry of Economy nor the Dubai Department of Economic Development has approved the Award Documents or taken steps to verify the information set out in them, and thus, is not responsible for their content.

You should, as a prospective stockholder, conduct your own due diligence on the securities. If you do not understand the contents of the Award Documents, you should consult an authorized financial advisor.

UNITED KINGDOM

Terms and Conditions

Form of Settlement. Restricted Stock Units granted to employees resident in the United Kingdom shall be paid in Shares only, notwithstanding any discretion to settle Restricted Stock Units in cash as set out in Section 2 of the Award Agreement and Section 10.4 of the Plan.

Joint Election. As a condition of participation in the Plan, you agree to accept any liability for secondary Class 1 NICs which may be payable by the Company and/or the Parent or Subsidiary employing or retaining you in connection with the Restricted Stock Units and any event giving rise to Withholding Obligations (the “Employer’s NICs”). Without limitation to the foregoing, you agree to enter into a joint election with the Company (the “Joint Election”), the form of such Joint Election being formally approved by HMRC, and to execute any other consents or elections required to accomplish the transfer of the Employer’s NICs to you. You further agree to execute such other joint elections as may be required between you and any successor to the Company and/or the Parent or Subsidiary employing or retaining you. You further agree that the Company and/or the Parent or Subsidiary employing or retaining you may collect Employer’s NICs from you by any of the means set forth in Section 7 of the Award Agreement.

If you do not enter into a Joint Election, if approval of the Joint Election has been withdrawn by HMRC or if such Joint Election is jointly revoked by you and the Company or the Parent or Subsidiary employing or retaining you, as applicable, the Company, in its sole discretion and without any liability to you, may choose not to issue or deliver any Shares to you at vesting and you will forfeit your Restricted Stock Units.

Tax and National Insurance Contributions Acknowledgment. The following provisions supplement Section 7 of the Agreement:

Without limitation to Section 7 of the Award Agreement, you agree that you are liable for all Withholding Obligations and hereby covenant to pay all such Withholding Obligations, as and when requested by the Company or the Service Recipient or by Her Majesty’s Revenue and Customs (“HMRC”) (or any other tax authority or any other relevant authority). You also agree to indemnify and keep indemnified the Company and the Service Recipient against any Withholding Obligations that they are required to pay or withhold or have paid or will pay on your behalf to HMRC (or any other tax authority or any other relevant authority).

Notwithstanding the foregoing, if you are a director or executive officer of the Company (within the meaning of Section 13(k) of the Exchange Act) the foregoing provision will not apply. In this case, the amount of any income tax not collected within 90 days of the end of the U.K. tax year in which the event giving rise to the Withholding Obligations occurs may constitute an additional benefit to you on which additional income tax and National Insurance Contributions may be payable. You will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for paying the Company or the Employer (as appropriate) for the value of any National Insurance Contributions due on this additional benefit, which the Company or the Service Recipient may collect from you by any of the means referred to in the Plan or Section 7 of the Award Agreement.

UNITED STATES

There are no country specific provisions.

**COUNTRY-SPECIFIC CONSENTS AND NOTIFICATIONS
FOR THE NETAPP, INC.
RESTRICTED STOCK UNIT AGREEMENT**

AUSTRALIA

OFFER DOCUMENT

**NETAPP, INC.
2021 EQUITY INCENTIVE PLAN**

OFFER TO AUSTRALIAN RESIDENT EMPLOYEES

Investment in Common Stock involves a degree of risk. Employees who participate in the NetApp, Inc. 2021 Equity Incentive Plan (the “Plan”) should monitor their participation and consider all risk factors relevant to the acquisition of Restricted Stock Units under the Plan as set out in this Offer Document and the Additional Documents. Any information given by the Company or its subsidiaries in relation to Restricted Stock Units granted under the Plan, including the information contained in this Offer Document and the Additional Documents is not financial product advice. It is general information only and does not take into account your personal objectives, financial situation and needs. Employees should consider seeking advice from an independent person licensed by the Australian

Securities and Investments Commission (“ASIC”) to give such advice regarding their participation in the Plan.

OFFER TO AUSTRALIAN RESIDENT EMPLOYEES

NETAPP, INC.

2021 EQUITY INCENTIVE PLAN

We are pleased to provide you with this Offer Document setting out information regarding participation in the NetApp, Inc. 2021 Equity Incentive Plan (the “Plan”) to eligible employees and salaried directors of NetApp, Inc. (the “Company”) and its designated subsidiaries (including its Australian subsidiaries) who are residents of Australia (“Australian Employees”).

The Company has adopted the Plan to provide eligible employees with the opportunity to acquire stock ownership in the Company.

The Plan and this Offer Document are intended to comply with the provisions of the Corporations Act 2001 (the “Corporations Act”), ASIC Regulatory Guide 49 and ASIC Class Order 14/1000.

Capitalized terms used but not defined in this Offer Document have the same meanings given to such terms in the Plan.

1.OFFER OF RESTRICTED STOCK UNITS

This is an offer made by the Company under the Plan to eligible Australian Employees for no consideration.

Each Restricted Stock Unit represents the right to receive, on the date the Restricted Stock Unit becomes vested, a fully-paid share of the Company's Common Stock (“Share”) or a cash amount equal to the value of a Share if the Company elects to settle the Restricted Stock Unit in cash.

2.TERMS OF GRANT

The terms of the grant are set forth in: (a) the Plan; and (b) the Restricted Stock Unit Agreement; and are further described in (c) this Offer Document ((a), (b) & (c) together, the “Terms and Conditions”). By electing to participate in the Plan, you will be bound by the Terms and Conditions.

3.ADDITIONAL DOCUMENTS

In addition to this Offer Document, you are being provided with the following documents (the “Additional Documents”):

- (i)the Plan;
- (ii)the U.S. Prospectus to the Plan, dated September 2021 (the “Prospectus”); and
- (iii)the Restricted Stock Unit Agreement.

The Plan and the Restricted Stock Agreement set out, among other details, the key features of your grant of RSUs and the consequences of a change in the nature or status of your employment on your RSUs. The rest of the Additional Documents provide further information to help you to make an informed investment decision in relation to your grant of RSUs.

None of the Additional Documents constitutes a prospectus for the purposes of the Corporations Act.

To the extent of any inconsistency between this Offer Document and the Plan, the Prospectus or the Stock Purchase Agreement, the terms of the Plan will prevail.

4.RELIANCE ON STATEMENTS

You should not rely upon any oral statements made to you in relation to this offer. You should only rely upon the statements contained in this Offer Document and the Additional Documents when considering your participation in the Plan.

5.HOW DOES THE PLAN WORK?

Eligible employees are offered participation in the Plan. If they elect to participate, they will be granted Restricted Stock Units.

Restricted Stock Units will vest in accordance with the vesting schedule set out in the Restricted Stock Unit Agreement, subject to the participant's continuous service through to each relevant vesting date. Restricted Stock Units will be subject to forfeiture and restrictions on transfer until they vest. Those forfeiture conditions and restrictions are also set out in the Restricted Stock Unit Agreement.

6.WHAT PRICE DO I PAY FOR THE SHARES?

None.

7.HOW WILL I RECEIVE SHARES?

The Shares will be issued in your name on the relevant vesting date (or shortly thereafter) and will be delivered to the brokerage account you are required to set up with the Company's designated broker prior to the relevant vesting date.

8.WHEN CAN I SELL / TRANSFER THE SHARES?

Restricted Stock Units are generally non-transferable until they vest.

You can sell, transfer and/or encumber the Shares as soon as they are deposited into your brokerage account, subject to any applicable provisions of the Company's insider trading policy and insider trading / market abuse laws.

9. WHAT HAPPENS UPON CESSATION OF EMPLOYMENT?

On cessation of employment for any reason, any unvested Restricted Stock Units will be forfeited by you at no cost to the Company. For the avoidance of doubt, after cessation of your employment, you will continue to hold any Shares previously received on vesting of your Restricted Stock Units.

10.WHAT IS A SHARE IN THE COMMON STOCK OF THE COMPANY?

Shares of common stock in a U.S. corporation are analogous to ordinary shares of an Australian corporation. Each holder of a share of common stock is entitled to one vote for every share held.

Dividends may be paid on the Shares out of any funds of the Company legally available for dividends at the discretion of the board of directors of the Company.

The Shares are listed and may be traded on the Nasdaq Stock Market in the U.S. (NASDAQ:NTAP).

Shares are not liable to any further calls for payment of capital or for other assessment by the Company and have no sinking fund provisions, pre-emptive rights, conversion rights or redemption provisions.

11. WHAT ADDITIONAL RISK FACTORS APPLY TO AUSTRALIAN RESIDENTS' PARTICIPATION IN THE PLAN?

You should have regard to risk factors relevant to investment in securities generally and, in particular, to the holding of Shares.

For example, the price at which Shares are quoted on the Nasdaq may increase or decrease due to a number of factors. There is no guarantee that the price of the Shares will increase. Factors which may affect the price of the Shares include fluctuations in the domestic and international market for listed stocks, general economic conditions, including interest rates, inflation rates, commodity prices, changes to government fiscal, monetary or regulatory policies, legislation or regulation, the nature of the markets in which the Company operates and general operational and business risks.

More information about potential factors that could affect the Company's business and financial results is included in the Company's most recent filings with the U.S. Securities and Exchange Commission ("SEC"), including the Company's Quarterly Reports on Form 10-Q and, following the close of the Company's fiscal year, the Company's Annual Report on Form 10-K. Copies of these reports are available at <https://www.sec.gov> or on the Company's Investor Relations website at <http://investors.netapp.com/investor-relations>.

In addition, the value of the Shares you acquire at vesting will be affected by the U.S./Australian dollar exchange rate. Participation in the Plan involves certain risks related to fluctuations in this rate of exchange.

12. CAN THE PLAN BE MODIFIED OR TERMINATED?

The board of directors of the Company may, from time to time, amend, alter, suspend or terminate the Plan at any time. In addition, some amendments to the Plan may require shareholder approval.

13. WHAT ARE THE AUSTRALIAN TAXATION CONSEQUENCES OF PARTICIPATION IN THE PLAN?

The following is a general summary of the Australian tax consequences of your participation in the Plan as of April 2019. You should not rely on the summary as anything other than a broad guide and you should obtain independent taxation advice specific to your particular circumstances to understand how your participation in the Plan may impact you. The summary below assumes that you are resident in Australia for the entire vesting period. If you were working/ residing in another country during the vesting period, you may be subject to tax in such country. The summary also assumes that when you sell Shares acquired under the Plan, the sale will occur in an arms' length transaction (this generally will be the case if you sell your Shares on the Nasdaq).

Enrollment in the Plan: No tax.

Acquisition of Shares under the Plan: Restricted Stock Units are taxed at vesting (or an earlier applicable taxing point, as described below) based on the market value of the Shares received (assuming the Shares are not otherwise subject to any additional restrictions) or the amount of cash paid.

Under the Plan, Restricted Stock Units should qualify for a deferral of the taxing point under Australian income tax laws. Australian tax in respect of these Restricted Stock Units will be deferred until the earlier of any of the following taxing points:

- (a) the vesting of the Restricted Stock Units;
- (b) cessation of your employment; or
- (c) 15 years from the granting of the Restricted Stock Units.

In the event that you receive Shares subject to restrictions (that is, the Shares received cannot be sold by you unless certain conditions are satisfied), then the taxing point should arise once the restrictions are removed (and the tax will be based on the then market value of the Shares).

If you are paid a cash amount equal to the market value of the Shares as at the vesting date, this amount is reported as salary and wages income in your income tax return for the year in which the Restricted Stock Units vested. In this case, your employer will be required to withhold amounts from these payments and you will receive the “net” or “after tax” amount.

Tax Payment/ Reporting: Generally, your employer only will be required to withhold for taxes due by you if Restricted Stock Units are settled in cash.

The Company will report the taxable amount at vesting to the Australian Tax Office (“ATO”) by 14 August after the end of the financial year in which the vesting occurs. The Company will provide you with an “ESS Statement” by 14 July after the end of that financial year. You will be required to pay the taxes due to the ATO yourself.

Sale of Shares: If you sell Shares within thirty (30) days of vesting, you will be taxed as described above.

Otherwise, you will be subject to capital gains tax when you sell your Shares to the extent that the sale proceeds exceed your cost basis in the Shares. Your cost basis in the Shares generally will be equal to the market value of the Shares at vesting plus any incidental costs of disposal. If you hold the Shares for at least twelve (12) months after acquisition (excluding the dates you acquired and sold the Shares), you may discount the amount to be included in your assessable income by fifty-percent (50%). If the sale proceeds are lower than your cost basis in the Shares sold, you will realize a capital loss which may be used to offset capital gains realized in the current tax year or in any subsequent tax year, but may not be used to offset other types of income (e.g., salary or wage income). You are responsible for reporting and paying any tax due in relation to the sale of Shares.

14. WHAT ARE THE U.S. TAX CONSEQUENCES OF PARTICIPATION IN THE PLAN?

Employees will not be subject to U.S. tax by reason only of their participation in the Plan. However, liability for U.S. taxes may occur if an employee is otherwise subject to U.S. taxes. In addition, any dividends paid to employees will be subject to U.S. tax.

The above is an indication only of the likely U.S. taxation consequences for Australian Employees who participate in the Plan. Employees should seek their own advice as to the U.S. taxation consequences of participation.

We urge you to carefully review the information contained in this Offer Document and the Additional Documents.

Yours sincerely

NetApp, Inc.

* * *

NETAPP, INC.

2021 EQUITY INCENTIVE PLAN

RESTRICTED STOCK UNIT AGREEMENT

NOTICE OF RESTRICTED STOCK UNIT GRANT

Unless otherwise defined herein, the terms defined in the NetApp, Inc. 2021 Equity Incentive Plan (the "Plan") will have the same defined meanings in this Restricted Stock Unit Agreement which includes the Notice of Restricted Stock Unit Grant (the "Notice of Grant"), the Terms and Conditions of Restricted Stock Unit Grant, attached hereto as Exhibit A, the Additional Terms and Conditions of Restricted Stock Unit Grant, attached hereto as Exhibit B and all other exhibits, appendices, and addenda attached hereto (the "Award Agreement").

Participant Name:

Address:

The Participant has been granted an Award of Restricted Stock Units, subject to the terms and conditions of the Plan and this Award Agreement, as follows:

Grant Number: _____

Date of Grant: _____

Vesting Commencement Date: _____

Total Number of Restricted Stock Units: _____

Vesting Schedule:

Subject to any acceleration provisions contained in the Plan, this Award Agreement or any other written agreement authorized by the Administrator between Participant and the Company (or any Parent or Subsidiary of the Company, as applicable) governing the terms of this Award, the Restricted Stock Units will be scheduled to vest according to the following vesting schedule, subject to Participant continuing to be a Service Provider through the applicable vesting date:

[INSERT VESTING SCHEDULE]

Notwithstanding the foregoing vesting schedule, if Participant ceases to be a Service Provider due to Participant's Retirement, an additional number of Restricted Stock Units will vest on the date of such termination equal to (a) the number of Restricted Stock Units that would have otherwise vested on the next scheduled vesting date, multiplied by (b) a fraction with (i) a numerator equal to the number of completed calendar months (rounded down to the nearest whole month) that have elapsed between the most recent vesting date of the Award (or if no vesting has

occurred, since the Vesting Commencement Date) and the date Participant ceases to be a Service Provider due to his or her Retirement, and (ii) a denominator equal to the number of calendar months between the most recent vesting date of the Award (or if no vesting has occurred, since the Vesting Commencement Date) and the next scheduled vesting date of the Award, with the result rounded down to the nearest whole Restricted Stock Unit.

For purposes of this Award Agreement, “**Retirement**” will mean the voluntary termination of employment by Participant either (a) on or after reaching sixty-two (62) years of age, or (b) on or after reaching fifty-five (55) years of age following a minimum of ten (10) continuous years as a Service Provider.

Participant acknowledges and agrees that by clicking the “ACCEPT” button corresponding to this grant through the grant acceptance page on E*TRADE, it will act as Participant’s electronic signature to the Award Agreement and Participant acknowledges and agrees that this Award of Restricted Stock Units is granted under and governed by the terms and conditions of the Plan and this Award Agreement, including the Terms and Conditions of Restricted Stock Unit Grant, attached hereto as **Exhibit A**, the Additional Terms and Conditions of Restricted Stock Unit Grant, attached hereto as **Exhibit B** and all other exhibits, appendices and addenda attached hereto, all of which are made a part of this document. Participant acknowledges receipt of a copy of the Plan. Participant has reviewed the Plan and this Award Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Award Agreement and fully understands all provisions of the Plan and this Award Agreement. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions relating to the Plan or this Award Agreement.

Participant should retain a copy of Participant’s electronically signed Award Agreement; Participant may obtain a paper copy at any time and at the Company’s expense by requesting one from Stock Administration at stockadmin@netapp.com. If Participant would prefer not to electronically sign this Award Agreement, Participant may accept this Award Agreement by signing a paper copy of the Award Agreement and delivering it to Stock Administration at 3060 Olsen Drive, San Jose, CA 95128. A copy of the Plan is available upon request made to Stock Administration.

EXHIBIT A

NETAPP, INC.

2021 EQUITY INCENTIVE PLAN

RESTRICTED STOCK UNIT AGREEMENT

TERMS AND CONDITIONS OF RESTRICTED STOCK UNIT GRANT

1. **Grant of Restricted Stock Units.** The Company hereby grants to the individual (“**Participant**”) named in the Notice of Restricted Stock Unit Grant of this Award Agreement (the “**Notice of Grant**”) under the Plan an Award of Restricted Stock Units, and subject to the terms and conditions of this Award Agreement and the Plan, which is incorporated herein by reference. Subject to Section 21 of the Plan, in the event of a conflict between the terms and conditions of the Plan and this Award Agreement, the terms and conditions of the Plan shall prevail.

2. **Company’s Obligation to Pay.** Each Restricted Stock Unit represents the right to receive a Share (or a cash amount equal to the value of a Share on the date it becomes vested if the Company elects to settle the Restricted Stock Unit in cash) on the date it vests. Unless and until the Restricted Stock Units will have vested in the manner set forth in Section 3 or 4, Participant will have no right to payment of any such Restricted Stock Units. Prior to actual payment of any vested Restricted Stock Units, such Restricted Stock Unit will represent an unsecured obligation of the Company, payable (if at all) only from the general assets of the Company.

3. **Vesting Schedule.** Except as provided in Section 4, and subject to Section 5, the Restricted Stock Units awarded by this Award Agreement will vest in accordance with the vesting provisions set forth in the Notice of Grant. Unless specifically provided otherwise in this Award Agreement or other written agreement authorized by the Administrator between Participant and the Company or any Parent or Subsidiary of the Company, as applicable, governing the terms of this Award, Restricted Stock Units scheduled to vest on a certain date or upon the occurrence of a certain condition will not vest in accordance with any of the provisions of this Award Agreement, unless Participant will have been continuously a Service Provider from the Date of Grant until the date such vesting occurs.

4. **Payment after Vesting.**

(a) **General Rule.** Subject to Section 7, any Restricted Stock Units that vest will be paid to Participant (or in the event of Participant’s death, to his or her properly designated beneficiary or estate) in whole Shares. Subject to the provisions of Section 2 Section 4(c), such vested Restricted Stock Units shall be paid in whole Shares as soon as practicable after vesting, but in each such case within sixty (60) days following the vesting date. In no event will Participant be permitted, directly or indirectly, to specify the taxable year of payment of any Restricted Stock Units payable under this Award Agreement.

(b) **Discretionary Acceleration.** The Administrator, in its discretion, may accelerate the vesting of the balance, or some lesser portion of the balance, of the unvested Restricted Stock Units at any time, subject to the terms of the Plan. If so accelerated, such

Restricted Stock Units will be considered as having vested as of the date specified by the Administrator.

(c) Section 409A.

(i) If Participant is a U.S. taxpayer, the payment of Shares vesting pursuant to this Award Agreement (including any discretionary acceleration under Section 4(b)) shall in all cases be paid at a time or in a manner that is exempt from, or complies with, Section 409A. The prior sentence may be superseded in a future agreement or amendment to this Award Agreement only by direct and specific reference to such sentence.

(ii) Notwithstanding anything in the Plan or this Award Agreement or any other agreement (whether entered into before, on or after the Date of Grant), if the vesting of the balance, or some lesser portion of the balance, of the Restricted Stock Units is accelerated in connection with the termination of Participant's status as a Service Provider (provided that such termination is a "separation from service" within the meaning of Section 409A, as determined by the Administrator), other than due to Participant's death, and if (x) Participant is a U.S. taxpayer and a "specified employee" within the meaning of Section 409A at the time of such termination as a Service Provider and (y) the payment of such accelerated Restricted Stock Units will result in the imposition of additional tax under Section 409A if paid to Participant on or within the six (6) month period following the cessation of Participant's status as a Service Provider, then the payment of such accelerated Restricted Stock Units will not be made until the date six (6) months and one (1) day following the date of cessation of Participant's status as a Service Provider, unless Participant dies following his or her termination as a Service Provider, in which case, the Restricted Stock Units will be paid in Shares to Participant's estate as soon as practicable following his or her death.

(iii) It is the intent of this Award Agreement that it and all payments and benefits to U.S. taxpayers hereunder be exempt from, or comply with, the requirements of Section 409A so that none of the Restricted Stock Units provided under this Award Agreement or Shares issuable thereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities or ambiguous terms herein will be interpreted to be so exempt or so comply. Each payment payable under this Award Agreement is intended to constitute a separate payment for purposes of Treasury Regulations Section 1.409A-2(b)(2). To the extent necessary to comply with Section 409A, references to termination of Participant's status as a Service Provider, termination of employment, or similar phrases will be references to Participant's "separation from service" within the meaning of Section 409A. In no event will the Company or any Parent or Subsidiary of the Company have any responsibility, liability, or obligation to reimburse, indemnify, or hold harmless Participant (or any other person) for any taxes, penalties and interest that may be imposed, or other costs that may be incurred, as a result of Section 409A.

5. **Forfeiture Upon Termination as a Service Provider.** Unless specifically provided otherwise in this Award Agreement, including vesting upon Retirement, as applicable, or other written agreement authorized by the Administrator between Participant and the Company or any of its Subsidiaries or Parents, as applicable, governing the terms of this Award, if Participant ceases to be a Service Provider for any or no reason, the then-unvested Restricted Stock Units awarded

by this Award Agreement will thereupon be forfeited at no cost to the Company and Participant will have no further rights thereunder.

6. **Death of Participant.** Any distribution or delivery to be made to Participant under this Award Agreement, if Participant is then deceased, will be made to Participant's designated beneficiary, or if no beneficiary survives Participant, the administrator or executor of Participant's estate. Any such transferee must furnish the Company with (a) written notice of his or her status as transferee, and (b) evidence satisfactory to the Company to establish the validity of the transfer and compliance with any laws or regulations pertaining to said transfer.

7. **Tax Obligations**

(a) **Responsibility for Taxes.** Participant acknowledges that, regardless of any action taken by the Company or, if different, Participant's employer or any Parent or Subsidiary of the Company to which Participant is providing services (together, the "**Service Recipients**"), the ultimate liability for any tax and/or social insurance liability obligations and requirements in connection with the Restricted Stock Units, including, without limitation, (i) all federal, state, and local taxes (including Participant's Federal Insurance Contributions Act (FICA) obligations) that are required to be withheld by any Service Recipient or other payment of tax-related items related to Participant's participation in the Plan and legally applicable to Participant, (ii) Participant's and, to the extent required by any Service Recipient, the Service Recipient's fringe benefit tax liability, if any, associated with the grant, vesting, or settlement of the Restricted Stock Units or sale of Shares, and (iii) any other Service Recipient taxes the responsibility for which Participant has, or has agreed to bear, with respect to the Restricted Stock Units (or settlement thereof or issuance of Shares thereunder) (collectively, the "**Tax Obligations**"), is and remains Participant's sole responsibility and may exceed the amount actually withheld by the applicable Service Recipient(s). Participant further acknowledges that no Service Recipient (A) makes any representations or undertakings regarding the treatment of any Tax Obligations in connection with any aspect of the Restricted Stock Units, including, but not limited to, the grant, vesting or settlement of the Restricted Stock Units, the subsequent sale of Shares acquired pursuant to such settlement and the receipt of any dividends or other distributions, and (B) makes any commitment to and is under any obligation to structure the terms of the grant or any aspect of the Restricted Stock Units to reduce or eliminate Participant's liability for Tax Obligations or achieve any particular tax result. Further, if Participant is subject to Tax Obligations in more than one jurisdiction between the Date of Grant and the date of any relevant taxable or tax withholding event, as applicable, Participant acknowledges that the applicable Service Recipient(s) (or former employer, as applicable) may be required to withhold or account for Withholding Obligations (as defined below) in more than one jurisdiction.

(b) **Tax Withholding.** Pursuant to such procedures as the Administrator may specify from time to time, the Service Recipient will withhold the amount required to be withheld for the payment of Tax Obligations (the "**Withholding Obligations**"). The Administrator, in its sole discretion and pursuant to such procedures as it may specify from time to time, may permit Participant to satisfy such Withholding Obligations, in whole or in part (without limitation), if permissible by applicable local law, by: (i) paying cash in U.S. dollars, (ii) having the Company withhold otherwise deliverable Shares having a fair market value equal to the minimum amount that is necessary to meet the withholding requirement for such Withholding Obligations (or such

greater amount as Participant may elect if permitted by the Administrator, if such greater amount would not result in adverse financial accounting consequences) (“**Net Share Withholding**”), (iii) withholding the amount of such Withholding Obligations from Participant’s wages or other cash compensation paid to Participant by the applicable Service Recipient(s), (iv) delivering to the Company Shares that Participant owns and that already have vested with a fair market value equal to the Withholding Obligations (or such greater amount as Participant may elect if permitted by the Administrator, if such greater amount would not result in adverse financial accounting consequences), (v) selling a sufficient number of such Shares otherwise deliverable to Participant, through such means as the Company may determine in its sole discretion (whether through a broker or otherwise) equal to the minimum amount that is necessary to meet the withholding requirement for such Withholding Obligations (or such greater amount as Participant may elect if permitted by the Administrator, if such greater amount would not result in adverse financial accounting consequences) (“**Sell to Cover**”), or (vi) such other means as the Administrator deems appropriate. If the Withholding Obligations are satisfied by withholding in Shares, for tax purposes, Participant is deemed to have been issued the full number of Shares subject to the vested Restricted Stock Units, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Withholding Obligations. To the extent determined appropriate by the Company in its discretion, it will have the right (but not the obligation) to satisfy any Withholding Obligations by Net Share Withholding. If Net Share Withholding is the method by which such Withholding Obligations are satisfied, the Company will not withhold on a fractional Share basis to satisfy any portion of the Withholding Obligations and, unless the Company determines otherwise, no refund will be made to Participant for the value of the portion of a Share, if any, withheld in excess of the Withholding Obligations. If a Sell to Cover is the method by which Withholding Obligations are satisfied, Participant agrees that as part of the Sell to Cover, additional Shares may be sold to satisfy any associated broker or other fees. Only whole Shares will be sold pursuant to a Sell to Cover. Any proceeds from the sale of Shares pursuant to a Sell to Cover that are in excess of the Withholding Obligations and any associated broker or other fees will be paid to Participant in accordance with procedures the Company may specify from time to time.

(c) **Tax Consequences.** Participant has reviewed with his or her own tax advisers the U.S. federal, state, local and non-U.S. tax consequences of this investment and the transactions contemplated by this Award Agreement. With respect to such matters, Participant relies solely on such advisers and not on any statements or representations of the Company or any of its agents, written or oral. Participant understands that Participant (and not the Company) shall be responsible for Participant’s own tax liability that may arise as a result of this investment or the transactions contemplated by this Award Agreement.

(d) **Company’s Obligation to Deliver Shares.** For clarification purposes, in no event will the Company issue Participant any Shares unless and until arrangements satisfactory to the Administrator have been made for the payment of Participant’s Withholding Obligations. If Participant fails to make satisfactory arrangements for the payment of such Withholding Obligations hereunder at the time any applicable Restricted Stock Units otherwise are scheduled to vest pursuant to Sections 3 or 4 or Participant’s Withholding Obligations otherwise become due, Participant permanently will forfeit such Restricted Stock Units to which Participant’s Withholding Obligation relates and any right to receive Shares thereunder and such Restricted Stock Units will be returned to the Company at no cost to the Company. Participant acknowledges

and agrees that the Company may permanently refuse to issue or deliver the Shares if such Withholding Obligations are not delivered at the time they are due.

8. **Merger or Change in Control.** In the event of a merger of the Company with or into another corporation or other entity or a Change in Control, each outstanding Award of Restricted Stock Units will be treated as the Administrator determines (subject to the provisions of Section 16.3 of the Plan) without Participant's consent, including, without limitation, that (a) Awards of Restricted Stock Units will be assumed, or substantially equivalent awards will be substituted, by the acquiring or succeeding corporation (or an affiliate thereof) with appropriate adjustments as to the number and kind of shares and prices, (b) upon written notice to Participant, that the Participant's Award of Restricted Stock Units will terminate upon or immediately prior to the consummation of such merger or Change in Control, (c) outstanding Awards of Restricted Stock Units will vest and become realizable or payable, or restrictions applicable to an Award of Restricted Stock Units will lapse, in whole or in part prior to or upon consummation of such merger or Change in Control, (d) (i) the termination of an Award of Restricted Stock Units in exchange for an amount of cash and/or property, if any, equal to the amount that would have been attained upon the realization of Participant's rights as of the date of the occurrence of the transaction (and, for the avoidance of doubt, if as of the date of the occurrence of the transaction the Administrator determines in good faith that no amount would have been attained upon the realization of Participant's rights, then such Award of Restricted Stock Units may be terminated by the Company without payment), or (ii) the replacement of such Award of Restricted Stock Units with other rights or property selected by the Administrator in its sole discretion, or (e) any combination of the foregoing. In taking any of the actions permitted under this Award Agreement, the Administrator will not be obligated to treat all Awards, all Awards held by a Participant, all Awards of the same type, or all portions of Awards, similarly. For purposes of clarification, the provisions of Section 16.3 of the Plan apply to the Award of Restricted Stock Units.

9. **Rights as Stockholder.** Neither Participant nor any person claiming under or through Participant will have any of the rights or privileges of a stockholder of the Company in respect of any Shares deliverable hereunder unless and until certificates representing such Shares (which may be in book entry form) will have been issued, recorded on the records of the Company or its transfer agents or registrars, and delivered to Participant (including through electronic delivery to a brokerage account). After such issuance, recordation and delivery, Participant will have all the rights of a stockholder of the Company with respect to voting such Shares and receipt of dividends and distributions on such Shares.

10. **No Guarantee of Continued Service.** PARTICIPANT ACKNOWLEDGES AND AGREES THAT THE VESTING OF THE RESTRICTED STOCK UNITS PURSUANT TO THE VESTING SCHEDULE HEREOF IS EARNED ONLY BY CONTINUING AS A SERVICE PROVIDER, WHICH UNLESS PROVIDED OTHERWISE UNDER APPLICABLE LAWS IS AT THE WILL OF THE APPLICABLE SERVICE RECIPIENT AND NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THIS RESTRICTED STOCK UNIT AWARD OR ACQUIRING SHARES HEREUNDER. PARTICIPANT FURTHER ACKNOWLEDGES AND AGREES THAT THIS AWARD AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREUNDER AND THE VESTING SCHEDULE SET FORTH HEREIN DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT AS A SERVICE PROVIDER FOR THE VESTING PERIOD,

FOR ANY PERIOD, OR AT ALL, AND SHALL NOT INTERFERE IN ANY WAY WITH PARTICIPANT'S RIGHT OR THE RIGHT OF ANY SERVICE RECIPIENT TO TERMINATE PARTICIPANT'S RELATIONSHIP AS A SERVICE PROVIDER, SUBJECT TO APPLICABLE LAW, WHICH TERMINATION, UNLESS PROVIDED OTHERWISE UNDER APPLICABLE LAW, MAY BE AT ANY TIME, WITH OR WITHOUT CAUSE.

11. **Grant is Not Transferable.** Except to the limited extent provided in Section 6, this Award and the rights and privileges conferred hereby will not be transferred, assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) and will not be subject to sale under execution, attachment or similar process. Upon any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of this Award, or any right or privilege conferred hereby, or upon any attempted sale under any execution, attachment or similar process, this Award and the rights and privileges conferred hereby immediately will become null and void.

12. **Leave of Absence.** The vesting of Restricted Stock Units will not be suspended and will continue in accordance with the vesting schedule under this Award Agreement during Participant's authorized leave of absence from any Service Recipient employing Participant, subject to the remaining terms of this Award Agreement and the Plan.

13. **Nature of Grant.** In accepting this Award of Restricted Stock Units, Participant acknowledges, understands and agrees that:

(a) the grant of the Restricted Stock Units is voluntary and occasional and does not create any contractual or other right to receive future grants of Restricted Stock Units, or benefits in lieu of Restricted Stock Units, even if Restricted Stock Units have been granted in the past;

(b) all decisions with respect to future Restricted Stock Units or other grants, if any, will be at the sole discretion of the Administrator;

(c) Participant is voluntarily participating in the Plan;

(d) the Restricted Stock Units and the Shares subject to the Restricted Stock Units are not intended to replace any pension rights or compensation;

(e) the Restricted Stock Units and the Shares subject to the Restricted Stock Units, and the income and value of same, are not part of normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;

(f) the future value of the Shares underlying the Restricted Stock Units is unknown, indeterminable and cannot be predicted;

(g) for purposes of the Restricted Stock Units, Participant's status as a Service Provider will be considered terminated as of the date Participant is no longer actively providing services to the Company or any Parent or Subsidiary (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction

where Participant is a Service Provider or the terms of Participant's employment or service agreement, if any), and unless otherwise expressly provided in this Award Agreement (including by reference in the Notice of Grant to other arrangements or contracts) or determined by the Administrator, Participant's right to vest in the Restricted Stock Units under the Plan, if any, will terminate as of such date; provided, however, that such right to vest will be extended by any notice period (e.g., Participant's period of service will include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where Participant is a Service Provider or the terms of Participant's employment or service agreement, if any); the Administrator shall have the exclusive discretion to determine when Participant is no longer actively providing services for purposes of this Award of Restricted Stock Units (including whether Participant may still be considered to be providing services while on a leave of absence and consistent with local law);

(h) unless otherwise provided in the Plan or by the Administrator in its discretion, the Restricted Stock Units and the benefits evidenced by this Award Agreement do not create any entitlement to have the Restricted Stock Units or any such benefits transferred to, or assumed by, another company nor be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Shares; and

(i) the following provisions apply only if Participant is providing services outside the United States:

(i) the Restricted Stock Units and the Shares subject to the Restricted Stock Units are not part of normal or expected compensation or salary for any purpose;

(ii) Participant acknowledges and agrees that no Service Recipient shall be liable for any foreign exchange rate fluctuation between Participant's local currency and the United States Dollar that may affect the value of the Restricted Stock Units or of any amounts due to Participant pursuant to the settlement of the Restricted Stock Units or the subsequent sale of any Shares acquired upon settlement; and

(iii) no claim or entitlement to compensation or damages shall arise from forfeiture of the Restricted Stock Units resulting from the termination of Participant's status as a Service Provider (for any reason whatsoever whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is a Service Provider or the terms of Participant's employment or service agreement, if any), and in consideration of the grant of the Restricted Stock Units to which Participant is otherwise not entitled, Participant irrevocably agrees never to institute any claim against any Service Recipient, waives his or her ability, if any, to bring any such claim, and releases each Service Recipient from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, Participant shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claim.

14. **No Advice Regarding Grant.** The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding Participant's participation in the Plan, or Participant's acquisition or sale of the Shares underlying the Restricted

Stock Units. Participant is hereby advised to consult with his or her own personal tax, legal and financial advisers regarding his or her participation in the Plan before taking any action related to the Plan.

15. **Data Privacy.** *Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of Participant's personal data as described in this Award Agreement and any other Restricted Stock Unit grant materials by and among, as applicable, the Service Recipients for the exclusive purpose of implementing, administering and managing Participant's participation in the Plan.*

Participant understands that the Company and the Service Recipient may hold certain personal information about Participant, including, but not limited to, Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all Restricted Stock Units or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in Participant's favor ("Data"), for the exclusive purpose of implementing, administering and managing the Plan.

Participant understands that Data may be transferred to a stock plan service provider, as may be selected by the Company in the future, assisting the Company with the implementation, administration and management of the Plan. Participant understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country of operation (e.g., the United States) may have different data privacy laws and protections than Participant's country. Participant understands that if he or she resides outside the United States, he or she may request a list with the names and addresses of any potential recipients of the Data by contacting his or her local human resources representative. Participant authorizes the Company, any stock plan service provider selected by the Company and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing his or her participation in the Plan. Participant understands that Data will be held only as long as is necessary to implement, administer and manage Participant's participation in the Plan. Participant understands if he or she resides outside the United States, he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his or her local human resources representative. Further, Participant understands that he or she is providing the consents herein on a purely voluntary basis. If Participant does not consent, or if Participant later seeks to revoke his or her consent, his or her status as a Service Provider and career with the Service Recipient will not be adversely affected. The only adverse consequence of refusing or withdrawing Participant's consent is that the Company would not be able to grant Participant Restricted Stock Units or other equity awards or administer or maintain such awards. Therefore, Participant understands that refusing or withdrawing his or her consent may affect Participant's ability to participate in the Plan. For more information on the consequences of Participant's refusal to consent or withdrawal of consent, Participant understands that he or she may contact his or her local human resources representative.

16. **Address for Notices.** Any notice to be given to the Company under the terms of this Award Agreement will be addressed to the Company at NetApp, Inc., 3060 Olsen Drive, San Jose, CA 95128, Attn: Stock Administration, or at such other address as the Company may hereafter designate in writing.

17. **Successors and Assigns.** The Company may assign any of its rights under this Award Agreement to single or multiple assignees, and this Award Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Award Agreement shall be binding upon Participant and his or her heirs, executors, administrators, successors and assigns. The rights and obligations of Participant under this Award Agreement may be assigned only with the prior written consent of the Company.

18. **Additional Conditions to Issuance of Stock.** If at any time the Company will determine, in its discretion, that the listing, registration, qualification or rule compliance of the Shares upon any securities exchange or under any state, federal or non-U.S. law, the tax code and related regulations or under the rulings or regulations of the U.S. Securities and Exchange Commission or any other governmental regulatory body or the clearance, consent or approval of the U.S. Securities and Exchange Commission or any other governmental regulatory authority is necessary or desirable as a condition to the issuance of Shares to Participant (or his or her estate) hereunder, such issuance will not occur unless and until such listing, registration, qualification, rule compliance, clearance, consent or approval will have been completed, effected or obtained free of any conditions not acceptable to the Company. Subject to the terms of the Award Agreement and the Plan, the Company will not be required to issue any certificate or certificates for (or make any entry on the books of the Company or of a duly authorized transfer agent of the Company of) the Shares hereunder prior to the lapse of such reasonable period of time following the date of vesting of the Restricted Stock Units as the Administrator may establish from time to time for reasons of administrative convenience.

19. **Language.** If Participant has received this Award Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

20. **Interpretation.** The Administrator will have the power to interpret the Plan and this Award Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules (including, but not limited to, the determination of whether or not any Restricted Stock Units have vested). All actions taken and all interpretations and determinations made by the Administrator in good faith will be final and binding upon Participant, the Company and all other interested persons. Neither the Administrator nor any person acting on behalf of the Administrator will be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or this Award Agreement.

21. **Electronic Delivery and Acceptance.** The Company may, in its sole discretion, decide to deliver any documents related to the Restricted Stock Units awarded under the Plan or future Restricted Stock Units that may be awarded under the Plan by electronic means or require Participant to participate in the Plan by electronic means. Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through any on-line or

electronic system established and maintained by the Company or a third party designated by the Company.

22. **Captions.** Captions provided herein are for convenience only and are not to serve as a basis for interpretation or construction of this Award Agreement.

23. **Amendment, Suspension or Termination of the Plan.** By accepting this Award, Participant expressly warrants that he or she has received an Award of Restricted Stock Units under the Plan, and has received, read and understood a description of the Plan. Participant understands that the Plan is discretionary in nature and may be amended, suspended or terminated by the Administrator at any time.

24. **Country Addendum.** Notwithstanding any provisions in this Award Agreement, the Restricted Stock Unit grant shall be subject to any special terms and conditions set forth in an appendix (if any) to this Award Agreement for any country whose laws are applicable to Participant and this Award of Restricted Stock Units (as determined by the Administrator in its sole discretion) (the “**Country Addendum**”). Moreover, if Participant relocates to one of the countries included in the Country Addendum (if any), the special terms and conditions for such country will apply to Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Country Addendum constitutes part of this Award Agreement.

25. **Modifications to the Award Agreement.** This Award Agreement constitutes the entire understanding of the parties on the subjects covered. Participant expressly warrants that he or she is not accepting this Award Agreement in reliance on any promises, representations, or inducements other than those contained herein. Modifications to this Award Agreement can be made only in an express written contract executed by a duly authorized officer of the Company. Notwithstanding anything to the contrary in the Plan or this Award Agreement, the Company reserves the right to revise this Award Agreement as it deems necessary or advisable, in its sole discretion and without the consent of Participant, to comply with Section 409A or to otherwise avoid imposition of any additional tax or income recognition under Section 409A in connection with this Award of Restricted Stock Units.

26. **No Waiver.** Either party’s failure to enforce any provision or provisions of this Award Agreement shall not in any way be construed as a waiver of any such provision or provisions, nor prevent that party from thereafter enforcing each and every other provision of this Award Agreement. The rights granted both parties herein are cumulative and shall not constitute a waiver of either party’s right to assert all other legal remedies available to it under the circumstances.

27. **Governing Law; Severability.** This Award Agreement and the Restricted Stock Units are governed by the internal substantive laws, but not the choice of law rules, of the State of California. In the event that any provision hereof becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Award Agreement shall continue in full force and effect.

28. **Imposition of Other Requirements.** The Company reserves the right to impose other requirements on Participant's participation in the Plan, on the Award, and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with Applicable Laws or facilitate the administration of the Plan. Participant agrees to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing. Furthermore, Participant acknowledges that the laws of the country in which Participant is working at the time of grant, vesting, or the sale of Shares received pursuant to this Award (including any rules or regulations governing securities, foreign exchange, tax, labor or other matters) may subject Participant to additional procedural or regulatory requirements that Participant is and will be solely responsible for and must fulfill.

29. **Holding Period Condition.** Notwithstanding anything to the contrary in this Award Agreement, any Shares issued to Participant pursuant to this Award are subject to the terms and conditions of Section 6.5 of the Plan.

30. **Entire Agreement.** The Plan is incorporated herein by reference. The Plan and this Award Agreement (including the exhibits, appendices, and addenda attached to the Notice of Grant) constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof, and may not be modified adversely to the Participant's interest except by means of a writing signed by the Company and Participant.

EXHIBIT B

NETAPP, INC.

2021 EQUITY INCENTIVE PLAN

RESTRICTED STOCK UNIT AGREEMENT

ADDITIONAL TERMS AND CONDITIONS OF RESTRICTED STOCK UNIT GRANT

Terms and Conditions

This **Exhibit B** includes additional terms and conditions that govern the Restricted Stock Units granted to you under the Plan if you reside in one of the countries listed below. Certain capitalized terms used but not defined in this **Exhibit B** have the meanings set forth in the Plan and/or the Award Agreement.

Notifications

This **Exhibit B** also includes information regarding exchange controls and certain other issues of which you should be aware with respect to your participation in the Plan. The information is based on the securities, exchange control and other laws in effect in the respective countries as of April 2019. Such laws are often complex and change frequently. As a result, the Company strongly recommends that you not rely on the information in this **Exhibit B** as the only source of information relating to the consequences of your participation in the Plan because the information may be out of date at the time that the Restricted Stock Units vest or you sell Shares acquired under the Plan.

In addition, the information contained herein is general in nature and may not apply to your particular situation and the Company is not in a position to assure you of a particular result. Accordingly, you are advised to seek appropriate professional advice as to how the relevant laws in your country may apply to your situation.

Finally, if you are a citizen or resident of a country other than the one in which you are currently working, the information contained herein may not be applicable to you.

ARGENTINA

Notifications

Securities Law Information. Neither the Restricted Stock Units nor the issuance of the Shares are publicly offered or listed on any stock exchange in Argentina. The offer is private and not subject to the supervision of any Argentine governmental authority.

Exchange Control Information. Please note that exchange control regulations in Argentina are subject to frequent change. You should consult with your personal legal advisor regarding any exchange control obligations that you may have.

Foreign Asset / Account Reporting Information. You are required to report certain information regarding any Shares you hold as of December 31 each year to the Argentine tax authorities on your annual tax return.

AUSTRALIA

Terms and Conditions

Class Order Exemption. The offer of Restricted Stock Units is intended to comply with the provisions of the Corporations Act 2001, Australian Securities & Investments Commission (“ASIC”) Regulatory Guide 49 and ASIC Class Order CO 14/1000. Additional details are set forth in the Offer Document for the offer of Restricted Stock Units to Australian Resident Employees, which is provided to you in the country-specific consents and notifications section at the end of the Award Agreement.

Notifications

Tax Information. The Plan is a plan to which Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth) applies (subject to the conditions in the Act).

AUSTRIA

Notifications

Exchange Control Information. If you hold Shares obtained through the Plan outside of Austria, you must submit a report to the Austrian National Bank. An exemption applies if the value of the Shares as of any given quarter does not exceed €30,000,000 or as of December 31 does not exceed €5,000,000. If the former threshold is exceeded, quarterly obligations are imposed, whereas if the latter threshold is exceeded, annual reports must be given. The annual reporting date is as of December 31 and the deadline for filing the annual report is March 31 of the following year.

When Shares are sold, there may be exchange control obligations if the cash received is held outside Austria. If the transaction volume of all your accounts abroad exceeds €10,000,000, the movements and balances of all accounts must be reported monthly, as of the last day of the month, on or before the fifteenth day of the following month.

BELGIUM

Notifications

Foreign Asset / Account Reporting Information. You are required to report any security or bank account (including brokerage accounts) you maintain outside of Belgium on your annual tax return. The first time you report the foreign security and/or bank account on your annual income tax return you will have to provide the Central Contact Point with the National Bank of Belgium account number, the name of the bank and the country in which the account was opened in a separate form. The form, as well as additional information on how to complete it, can be found on the website of the National Bank of Belgium, www.nbb.be, under the caption Kredietcentrales / Centrales des crédits.

BRAZIL

Terms and Conditions

Compliance with Law. By accepting the Restricted Stock Units, you agree to comply with

applicable Brazilian law in connection with the Restricted Stock Units. Without limitation to the foregoing, you agree to report and pay any and all tax resulting from the vesting of the Restricted Stock Units, the sale of Shares and the receipt of any dividends.

Labor Law Acknowledgement. In accepting the Restricted Stock Units, you acknowledge that (i) you are making an investment decision and (ii) the value of the underlying Shares is not fixed and may increase or decrease over the vesting period without compensation to you.

Notifications

Exchange Control Information. If you are a resident of or domiciled in Brazil, you will be required to submit an annual declaration of assets and rights held outside of Brazil (including Shares) to the Central Bank of Brazil if the aggregate value of such assets and rights is equal to or greater than US\$100,000. Quarterly reporting is required if such amount exceeds US\$100,000,000. Assets and rights that must be reported include Shares acquired under the Plan.

CANADA

Terms and Conditions

Form of Settlement. Restricted Stock Units granted to employees resident in Canada shall be paid in Shares only, notwithstanding any discretion to settle Restricted Stock Units in cash as set out in Section 2 of the Award Agreement and Section 10.4 of the Plan.

Disclosure of Participant Information. This provision supplements Section 15 of the Award Agreement and applies if you are a resident of Quebec:

You hereby authorize the Company and the Company's representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. You further authorize the Company, any Parent or Subsidiary and the administrator of the Plan to disclose and discuss the Plan with their advisors. You further authorize the Company and any Parent or Subsidiary to record such information and to keep such information in your employee file.

Language Consent. The following provision will apply if you are a resident of Quebec:

The parties acknowledge that it is their express wish that the Award Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Consentement Relatif à la Langue Utilisée. *Les parties reconnaissent avoir expressément souhaité que la convention ("Agreement"), ainsi que tous les documents, avis et procédures judiciaires, exécutés, donnés ou intentés en vertu de, ou lié, directement ou indirectement à la présente convention, soient rédigés en langue anglaise.*

Notifications

Securities Law Information. You are permitted to sell Shares acquired under the Plan provided the resale of such Shares takes place outside of Canada through facilities of a stock exchange on which the Shares are listed. The Shares are currently listed on the Nasdaq.

Foreign Asset / Account Reporting Information. Foreign property (including Shares) held by Canadian residents must be reported annually to the tax authorities on Form T1135 (Foreign Income Verification Statement) if the total cost of such foreign property exceeds C\$100,000 at any time during the year. If the C\$100,000 cost threshold is exceeded by other foreign property held, your Restricted Stock Units must be reported as well. Such Restricted Stock Units generally may be reported at a nil cost. Form T1135 must be filed by April 30th of the following year when such foreign property was held by a Canadian resident.

CHILE

Notifications

Securities Law Information. The offer of the Award constitutes a private offering in Chile effective as of the Date of Grant. The offer of the Award is made subject to General Ruling N° 336 of the Chilean Commission for the Financial Market (“CMF”). The offer refers to securities not registered at the Securities Registry or at the Foreign Securities Registry of the CMF, and, therefore, such securities are not subject to oversight of the CMF. Given that the Award is not registered in Chile, the Company is not required to provide information about the Award or Shares in Chile. Unless the Award and/or the Shares are registered at the corresponding registries of the CMF, a public offering of such securities cannot be made in Chile.

Esta oferta del otorgamiento constituye una oferta privada en Chile efectiva a partir de la Fecha de la Concesión (Grant Date, según se define en este documento). Esta oferta del otorgamiento es realizada conforme a las disposiciones de la Norma de Carácter General No. 336 de la Comisión para el Mercado Financiero de Chile (“CMF”). La oferta se refiere a valores no inscritos en el Registro de Valores o en el Registro de Valores Extranjeros de la CMF y, por lo tanto, tales valores no están sujetos a la fiscalización de ésta. Dado que el otorgamiento no está registrado en Chile, no se requiere que la Compañía provea información sobre el referido otorgamiento o las Acciones Ordinarias (Shares, según se define en este documento) en Chile. A menos que el otorgamiento y/o las Acciones Ordinarias estén registradas con la CMF, una oferta pública de tales valores no puede hacerse en Chile.

Exchange Control Information. You are not required to repatriate proceeds obtained from the sale of Shares or from dividends to Chile; however, if you decide to repatriate proceeds from the sale of Shares and/or dividends and the amount of the proceeds to be repatriated exceeds US\$10,000, you must effect such repatriation through the Formal Exchange Market (i.e., a commercial bank or registered foreign exchange office). In such case, you must report the payment to the commercial bank or registered foreign exchange office receiving the funds.

If your aggregate investments held outside of Chile exceeds US\$5,000,000 (including shares acquired under the Plan), you must report such investments annually to the Central Bank. Annex 3.1 of Chapter XII of the Foreign Exchange Regulations must be used to file this report.

Foreign Asset/Account Reporting Information. Chilean taxpayers are required to inform the Chilean Internal Revenue Service (the “CIRS”) annually of (i) the results of investments held abroad and (ii) any taxes paid abroad which will be used as credit against Chilean income tax. The Form 1929 disclosing this information must be submitted electronically through the CIRS website before June 30 of each year: www.sii.cl. Chilean taxpayers who fail to meet these requirements may be ineligible to receive certain foreign tax credits.

CHINA

Terms and Conditions

Sale Requirements. You agree that you must (and that you shall) sell, transfer or otherwise dispose of the Shares acquired pursuant to this Award of Restricted Stock Units in such manner and subject to such terms and conditions as the Company or the Service Recipient determines within six (6) months after your cease to be a Service Provider, or such other period of time as the Company or the Service Recipient may designate from time to time to comply with applicable legal requirements, including any registration, regulation, requirement or other similar law, statute, rule or regulation promulgated or requested by the State Administration of Foreign Exchange (“SAFE”) or its local agency (the “Disposition Deadline”). You hereby authorize the Company or the Service Recipient and appoint the Company and the Service Recipient as your attorney-in-fact to sell on your behalf any Shares held by you on or after the Disposition Deadline, without any further action, consent or instruction by you to facilitate compliance with applicable legal requirements. You further agree and acknowledge that you will be responsible and liable for all the costs associated with any such sale of Shares and that neither the Company nor the Service Recipient will be liable to you or any other person or entity for any losses or other liabilities that may result to you as a result of any such sale.

Exchange Control Requirements. You understand and agree that, pursuant to local exchange control requirements, you will be required to repatriate the cash proceeds from the sale of the Shares issued upon the vesting of the Restricted Stock or any cash dividends paid on such shares to China. You further understand that, under local law, such repatriation of funds may need to be effectuated through a special exchange control account established by the Company, Parent or Subsidiary or the Service Recipient, and you hereby consent and agree that any funds you acquire may be transferred to such special account prior to being delivered to you. If the funds are converted to local currency, you acknowledge that the Company is under no obligation to secure any exchange conversion rate, and the Company may face delays in converting the funds to local currency due to exchange control restrictions in China. You agree to bear the risk of any exchange conversion rate fluctuation between the date the funds are received and the date of conversion of the funds to local currency. You further agree to comply with any other requirements that may be imposed by the Company in the future in order to facilitate compliance with exchange control requirements in China.

CZECH REPUBLIC

Notifications

Exchange Control Information. The Czech National Bank may require you to fulfill certain notification duties in relation to the Restricted Stock Units and the opening and maintenance of a foreign account. However, because exchange control regulations change frequently and without notice, you should consult your personal legal advisor prior to the vesting of the Restricted Stock Units to ensure compliance with current regulations. It is your responsibility to comply with applicable Czech exchange control laws.

DENMARK

Terms and Conditions

Danish Stock Option Act. You acknowledge that you have received the Employer Statement in Danish which sets forth additional information about the Restricted Stock Units to the extent that the Danish Stock Option Act applies.

Notifications

Foreign Asset / Account Reporting Information. Under the Danish Tax Reporting Act you must report Shares held in a foreign bank or brokerage account and deposit accounts with a foreign bank or broker in your tax return under the section on foreign affairs and income. The use of the Forms V and K have been discontinued.

FINLAND

There are no country specific provisions.

FRANCE

Terms and Conditions

Tax Information. The Restricted Stock Units described herein are not intended to qualify for the French specific tax and social regime provided by sections L. 225-197-1 to L. 225-197-6 of the French Commercial Code.

Language Consent. The parties acknowledge and agree that it is their express wish that the Award Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Consentement Relatif à la Langue Utilisée. Les parties reconnaissent avoir expressément souhaité que la convention ("Agreement"), ainsi que tous les documents, avis et procédures judiciaires, exécutés, donnés ou intentés en vertu de, ou lié, directement ou indirectement à la présente convention, soient rédigés en langue anglaise.

Notifications

Exchange Control Information. If you hold Shares outside of France or maintain a foreign bank account, you are required to report such to the French tax authorities when you file your annual tax return.

GERMANY

Notifications

Exchange Control Information. Cross-border payments in excess of €12,500 must be reported monthly to the German Federal Bank. If you use a German bank to transfer a cross-border payment in excess of €12,500 in connection with the sale of Shares acquired under the Plan, the bank will make the report for you.

Foreign Asset / Account Reporting Information. If your acquisition of Shares under the Plan leads to a so-called qualified participation at any point during the calendar year, you will need to report the acquisition when you file your tax return for the relevant year. A qualified participation is attained if (i) the value of the Shares acquired exceeds €150,000 or (ii) in the

unlikely event you hold Shares exceeding 10% of the Company's total Shares.

GREECE

There are no country specific provisions.

HONG KONG

Terms and Conditions

Form of Settlement. Restricted Stock Units granted to employees resident in Hong Kong shall be paid in Shares only, notwithstanding any discretion to settle Restricted Stock Units in cash as set out in Section 2 of the Award Agreement and Section 10.4 of the Plan.

Settlement of Restricted Stock Units and Sale of Shares. In the event your Restricted Stock Units vest and Shares are issued to you within six months of the Date of Grant, you agree that you will not dispose of any Shares acquired prior to the six-month anniversary of the Date of Grant.

Nature of Scheme. The Company specifically intends that the Plan will not be an occupational retirement scheme for purposes of the Occupational Retirement Schemes Ordinance ("ORSO"). Notwithstanding the foregoing, if the Plan is deemed to constitute an occupational retirement scheme for purposes of ORSO, your grant shall be void.

Notifications

Securities Law Information. Warning: The Restricted Stock Units and Shares issued at vesting do not constitute a public offering of securities under Hong Kong law and are available only to employees of the Company, its Parent or Subsidiary. The Award Agreement, including this **Exhibit B**, the Plan and other incidental communication materials have not been prepared in accordance with and are not intended to constitute a "prospectus" for a public offering of securities under the applicable securities legislation in Hong Kong nor have the documents been reviewed by any regulatory authority in Hong Kong. The Restricted Stock Units are intended only for the personal use of each eligible employee of the Service Recipient, the Company or any Parent or Subsidiary and may not be distributed to any other person. If you are in any doubt about any of the contents of the Award Agreement, including this **Exhibit B**, or the Plan, you should obtain independent professional advice.

HUNGARY

There are no country specific provisions.

ICELAND

Notifications

Exchange Control Information. You should consult with your personal advisor to ensure compliance with any applicable exchange control laws and regulations in Iceland, as such regulations are subject to frequent change. You are responsible for ensuring compliance with all exchange control laws and regulations in Iceland.

INDIA

Notifications

Exchange Control Information. You are required to repatriate to India any cash dividends paid on Shares acquired under the Plan within 180 days of payment and any proceeds from the sale of such Shares within 90 days of receipt, or within such other period of time prescribed upon applicable Indian exchange control regulations. Upon repatriation, a foreign inward remittance certificate ("FIRC") will be issued by the bank where the foreign currency is deposited. The FIRC should be retained as evidence of the repatriation of funds in the event the Reserve Bank of India or the Service Recipient requests proof of repatriation.

Foreign Asset / Account Reporting Information. You are required to declare foreign bank accounts and any foreign financial assets in your annual tax return.

Tax Information. The amount subject to tax at vesting will partially be dependent upon a valuation that the Company will obtain from a Merchant Banker in India. The Company has no responsibility or obligation to obtain the most favorable valuation possible nor obtain valuations more frequently than required under Indian tax law.

INDONESIA

Terms and Conditions

Language Consent. A translation of the documents relating to the Award (i.e., the Award Agreement and the Plan) into Bahasa Indonesia can be provided to you upon request to Attn: Stock Administration at 3060 Olsen Drive, San Jose, CA, 95128, U.S.A.

By accepting the Award, you (i) confirm having read and understood the documents relating to the Award (i.e., the Plan and the Award Agreement) which were provided in the English language, (ii) accept the terms of those documents accordingly, and (iii) agree not to challenge the validity of this document based on Law No. 24 of 2009 on National Flag, Language, Coat of Arms and National Anthem or the implementing Presidential Regulation (when issued).

Persetujuan Bahasa. *Terjemahan dari dokumen-dokumen terkait dengan penghargaan ini (yaitu Perjanjian dan Rencana) ke dalam Bahasa Indonesia dapat disediakan untuk anda berdasarkan permintaan kepada: Stock Administration at 3060 Olsen Drive, San Jose, CA 95128, U.S.A.*

Dengan menerima pemberian, anda (i) memberikan konfirmasi bahwa anda telah membaca dan memahami dokumen-dokumen berkaitan dengan pemberian ini (yaitu, Program dan Perjanjian) yang disediakan dalam Bahasa Inggris, (ii) menerima persyaratan di dalam dokumen-dokumen tersebut, dan (iii) setuju untuk tidak mengajukan keberatan atas keberlakuan dari dokumen ini berdasarkan Undang-Undang No. 24 Tahun 2009 tentang Bendera, Bahasa dan Lambang Negara serta Lagu Kebangsaan ataupun Peraturan Presiden sebagai pelaksanaannya (ketika diterbitkan).

Notifications

Exchange Control Information. If you remit proceeds from the sale of shares into

Indonesia, the Indonesian Bank through which the transaction is made will submit a report on the transaction to the Bank of Indonesia for statistical reporting purposes. For transactions of US\$10,000 or more, a description of the transaction must be included in the report. Although the bank through which the transaction is made is required to make the report, you must complete a "Transfer Report Form." The Transfer Report Form will be provided to you by the bank through which the transaction is made.

IRELAND

Notifications

Director Notification Obligation. If you are a director, shadow director or secretary of the Company's Irish Subsidiary or affiliate whose interest in the Company represents more than 1% of the Company's voting share capital, you must notify the Irish Subsidiary or affiliate in writing within five business days of receiving or disposing of an interest in the Company (e.g., Restricted Stock Units, Shares, etc.), or within five business days of becoming aware of the event giving rise to the notification requirement or within five days of becoming a director or secretary if such an interest exists at the time. This notification requirement also applies with respect to the interests of a spouse or children under the age of 18 (whose interests will be attributed to the director, shadow director or secretary).

ISRAEL

Terms and Conditions

Trust Arrangement. You understand and agree that the Restricted Stock Units are offered subject to and in accordance with the terms of the trust agreement. Specifically, the Shares issued upon vesting of the Restricted Stock Units shall be delivered to and controlled by a trustee appointed by the Company or its Subsidiary or affiliate in Israel (the "Trustee") for your benefit for at least such period of time as required by Section 102 or any shorter period determined under the Israeli Income Tax Ordinance [New Version] 1961 as now in effect or as hereafter amended (the "Ordinance") or by the Israeli Tax Authority (the "Lock-Up Period"). The Restricted Stock Units and Shares shall be controlled by the Trustee for the benefit of you and the provisions of Section 102 of the Ordinance and the Income Tax (Tax Abatement on the Grant of Shares to Employees) Regulations 2003 shall apply to such Restricted Stock Units or Shares for all purposes. You shall be able, at any time, to request the sale of the Shares or the release of the Shares from the Trustee, subject to the terms of the Plan, this Award Agreement and any applicable law. Without derogating from the aforementioned, if the Shares are released by the Trustee during the Lock-Up Period, the sanctions under Section 102 of the Ordinance shall apply to and be borne by you. The Shares shall not be sold or released from the control of the Trustee unless the Company, the Service Recipient and the Trustee are satisfied that the full amount of Withholding Obligations due have been paid or will be paid in relation thereto.

Notifications

Securities Law Information. An exemption from filing a prospectus in relation to the Plan has been granted to the Company by the Israeli Securities Authority. Copies of the Plan and the Form S-8 registration statement for the Plan filed with the U.S. Securities and Exchange Commission are available from Attn: Stock Administration at 3060 Olsen Drive, San Jose, CA 95128, U.S.A.

ITALY

Terms and Conditions

Plan Document Acknowledgment. In accepting the Restricted Stock Units, you acknowledge that you have received a copy of the Plan and the Award Agreement and have reviewed the Plan and the Award Agreement, including this **Exhibit B**, in their entirety and fully understand and accept all provisions of the Plan and the Award Agreement, including this **Exhibit B**.

In addition, you further acknowledge that you have read and specifically and expressly approve without limitation the following clauses in the Award Agreement: Section 5 (Forfeiture upon Termination of as a Service Provider); Section 7 (Tax Obligations); Section 13 (Nature of Grant); and Section 15 (Data Privacy).

Notifications

Foreign Asset / Account Reporting Information. Italian residents who, at any time during the fiscal year, hold foreign financial assets (including cash and Shares) which may generate income taxable in Italy are required to report these assets on their annual tax returns (UNICO Form, RW Schedule) for the year during which the assets are held, or on a special form if no tax return is due. These reporting obligations will also apply to Italian residents who are the beneficial owners of foreign financial assets under Italian money laundering provisions.

JAPAN

Notifications

Exchange Control Information. If you acquire Shares valued at more than JPY 100 million in a single transaction, you must file a Securities Acquisition Report with the Ministry of Finance through the Bank of Japan within 20 days after the acquisition of the Shares.

Foreign Asset / Account Reporting Information. If you hold foreign assets (including Shares acquired under the Plan) with a total net fair market value exceeding JPY 50 million as of December 31 of each year, you are required to report such assets to the National Tax Administration by March 15 of the following year.

KOREA

Notifications

Foreign Asset / Account Reporting Information. Korean residents must declare all foreign financial accounts (e.g., non-Korean bank accounts, brokerage accounts) to the Korean tax authority and file a report with respect to such accounts in June of the immediately following year if the monthly balance of such accounts exceeds KRW 500 million (or an equivalent amount in foreign currency) on any month-end date during a calendar year. It is your responsibility to comply with applicable reporting obligations and you should consult with your personal tax advisor in this regard.

LEBANON

Securities Law Information. The Plan does not constitute the marketing or offering of securities in Lebanon pursuant to Law No. 161 (2011), the Capital Markets Law. Offers under the Plan are being made only to eligible employees of the Company or a Subsidiary.

MACEDONIA

Notifications

Exchange Control Information. You should consult with your personal advisor to ensure compliance with any applicable exchange control laws and regulations in Macedonia, as such regulations are subject to frequent change. You are responsible for ensuring compliance with all exchange control laws and regulations in Macedonia.

MALAYSIA

Terms and Conditions

Disclosure of Participant Information. This provision supplements Section 15 of the Award Agreement:

You hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of your personal data as described in this Award Agreement and any other award grant materials by and among, as applicable, the Service Recipient, the Company and any other affiliates for the exclusive purpose of implementing, administering and managing your participation in the Plan.

You understand that the Company and the Service Recipient may hold certain personal information about you, including, but not limited to, your name, home address and telephone number, email address, date of birth, social insurance, passport or other identification number (e.g., resident registration number), salary, nationality, job title, any Shares or directorships held in the Company, details of all awards or any other entitlement to Shares or equivalent benefits awarded, canceled, purchased, exercised, vested, unvested or outstanding in your favor ("Data"), for the exclusive purpose of implementing, administering and managing the Plan. Data is supplied by the Company and also by you through information collected in connection with the Award Agreement and

Anda dengan ini secara eksplisit dan tanpa sebarang keraguan mengizinkan pengumpulan, penggunaan dan pemindahan, dalam bentuk elektronik atau lain-lain, data peribadi anda seperti yang diterangkan dalam Perjanjian ini dan apa-apa bahan pemberian Anugerah yang lain oleh dan di antara, seperti yang berkenaan, Majikan, Syarikat dan mana-mana Ahli Gabungan lain untuk tujuan eksklusif bagi melaksanakan, mentadbir dan menguruskan penyertaan anda di dalam Pelan.

Anda memahami bahawa Syarikat dan Majikan mungkin memegang maklumat peribadi tertentu tentang anda, termasuk, tetapi tidak terhad kepada, nama anda, alamat rumah dan nombor telefon, alamat emel, tarikh lahir, nombor insurans sosial, pasport atau nombor pengenalan lain (seperti, nombor pendaftaran penduduk tetap atau nombor kad pengenalan), gaji, kewarganegaraan, jawatan, apa-apa syer Saham Biasa atau jawatan pengarah yang dipegang dalam Syarikat, butir-butir semua Anugerah atau apa-apa hak lain atas syer Saham Biasa atau faedah bersamaan yang dianugerahkan, dibatalkan, dibeli, dilaksanakan, terletak hak, tidak terletak hak ataupun yang belum dijelaskan

the Plan.

You understand that Data will be transferred to E*TRADE or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. You understand that the recipients of Data may be located in the United States or elsewhere, and that the recipients' country may have different data privacy laws and protections than your country. You understand that you may request a list with the names and addresses of any potential recipients of Data by contacting your local human resources representative, Stock Administration at stockadmin@netapp.com. You authorize the Company, E*TRADE and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer Data, in electronic or other form, for the sole purposes of implementing, administering and managing your participation in the Plan, including any requisite transfer of such Data as may be required to a broker, escrow agent or other third party with whom any Shares acquired under the Plan may be deposited. You understand that Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You understand that you may, at any time, view Data, request information about the storage and processing of Data, require any necessary amendments to Data, limit the processing of Data or refuse or withdraw the consents herein, in any case without cost, by contacting your local human resources representative. Further, you understand that you are providing the consents herein on a purely voluntary basis. If you do not consent, or if you later seek to revoke your consent, your employment or service with the Service Recipient will not be affected; the only consequence of refusing or withdrawing your consent is that the Company would not be

bagi faedah anda ("Data"), untuk tujuan eksklusif bagi melaksanakan, mentadbir dan menguruskan Pelan tersebut. Data tersebut dibekalkan oleh Syarikat dan juga oleh anda melalui maklumat yang dikumpul berkaitan dengan Perjanjian dan Pelan.

Anda memahami bahawa Data ini akan dipindahkan kepada E*TRADE atau pembekal perkhidmatan pelan saham lain yang mungkin dipilih oleh Syarikat pada masa depan, yang membantu Syarikat dengan pelaksanaan, pentadbiran dan pengurusan Pelan. Anda memahami bahawa penerima-penerima Data mungkin berada di Amerika Syarikat atau mana-mana tempat lain, dan bahawa negara penerima-penerima mungkin mempunyai undang-undang privasi data dan perlindungan yang berbeza daripada negara anda. Anda memahami bahawa anda boleh meminta satu senarai yang mengandungi nama-nama dan alamat-alamat penerima-penerima Data yang berpotensi dengan menghubungi wakil sumber manusia tempatan anda, iaitu Stock Administration at stockadmin@netapp.com. Anda memberi kuasa kepada Syarikat, E*TRADE dan mana-mana penerima-penerima lain yang mungkin membantu Syarikat (pada masa sekarang atau pada masa depan) dengan melaksanakan, mentadbir dan menguruskan Pelan untuk menerima, memiliki, menggunakan, mengekalkan dan memindahkan Data, dalam bentuk elektronik atau lain-lain, bagi tujuan tunggal melaksanakan, mentadbir dan menguruskan penyertaan anda di dalam Pelan, termasuk apa-apa pemindahan Data yang dikehendaki kepada broker, agen eskrow atau pihak ketiga dengan siapa sebarang syer Saham Biasa yang dibeli di bawah Pelan boleh didepositkan. Anda memahami bahawa Data hanya akan disimpan selagi ia adalah diperlukan untuk melaksanakan, mentadbir, dan menguruskan penyertaan anda dalam Pelan. Anda memahami bahawa anda boleh, pada bila-bila masa, melihat Data, meminta maklumat mengenai penyimpanan dan pemprosesan Data, meminta mana-mana pindaan yang perlu ke atas Data,

able to grant your award or other equity awards or administer or maintain such awards. Therefore, you understand that refusing or withdrawing your consent may affect your ability to participate in the Plan. For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative.

menghadkan pemrosesan Data, atau menolak atau menarik balik persetujuan dalam ini, dalam mana-mana kes tanpa kos, dengan menghubungi wakil sumber manusia tempatan. Selanjutnya, anda memahami bahawa anda memberikan persetujuan di sini secara sukarela semata-mata. Sekiranya anda tidak bersetuju, atau sekiranya anda kemudian membatalkan persetujuan anda, status pekerjaan atau perkhidmatan anda dengan Syarikat tidak akan terjejas; satu-satunya akibat sekiranya anda tidak bersetuju atau menarik balik persetujuan anda adalah bahawa Syarikat tidak akan dapat memberikan anda Unit Saham atau anugerah ekuiti lain atau mentadbir atau mengekalkan anugerah-anugerah tersebut. Oleh itu, anda memahami bahawa keengganan atau penarikan balik persetujuan anda boleh menjejaskan keupayaan anda untuk mengambil bahagian dalam Pelan. Untuk maklumat lebih lanjut mengenai akibat-akibat keengganan anda untuk memberikan keizinan atau penarikan balik keizinan, anda memahami bahawa anda boleh menghubungi wakil sumber manusia tempatan.

Notifications

Director Notification Obligation. If you are a director of the Company's Malaysian Subsidiary or affiliate, you are subject to certain notification requirements under the Malaysian Companies Act. Among these requirements is an obligation to notify the Malaysian Subsidiary or affiliate in writing when you receive or dispose of an interest (e.g., an award under the Plan or Shares) in the Company or any related company. Such notifications must be made within 14 days of receiving or disposing of any interest in the Company or any related company.

MEXICO

Terms and Conditions

Modification. By accepting the Restricted Stock Units, you understand and agree that any modification of the Plan or the Award Agreement or its termination shall not constitute a change or impairment of the terms and conditions of employment.

Policy Statement. The Award of Restricted Stock Units the Company is making under the Plan is unilateral and discretionary and, therefore, the Company reserves the absolute right to amend it and discontinue it at any time without any liability.

The Company, with registered offices at 251 Little Falls Drive, Wilmington, DE, 19808,

U.S.A., is solely responsible for the administration of the Plan and participation in the Plan and the acquisition of shares does not, in any way, establish an employment relationship between you and the Company since you are participating in the Plan on a wholly commercial basis and the sole employer is as applicable, nor does it establish any rights between you and the Service Recipient.

Plan Document Acknowledgment. By accepting the Award of Restricted Stock Units, you acknowledge that you have received copies of the Plan, have reviewed the Plan and the Award Agreement in their entirety and fully understand and accept all provisions of the Plan and the Award Agreement.

In addition, by signing the Award Agreement, you further acknowledge that you have read and specifically and expressly approve the terms and conditions in the Award Agreement, in which the following is clearly described and established: (i) participation in the Plan does not constitute an acquired right; (ii) the Plan and participation in the Plan is offered by the Company on a wholly discretionary basis; (iii) participation in the Plan is voluntary; and (iv) the Company and any Parent, Subsidiary or affiliates are not responsible for any decrease in the value of the Shares underlying the Restricted Stock Units.

Finally, you hereby declare that you do not reserve any action or right to bring any claim against the Company for any compensation or damages as a result of your participation in the Plan and therefore grant a full and broad release to the Service Recipient, the Company and any Parent, Subsidiary or affiliates with respect to any claim that may arise under the Plan.

Spanish Translation

Modification. Al aceptar las Unidades de Accion Restringida, usted reconoce y acuerda que cualquier modification del Plan o su terminacion no constituye un cambio o desmejora de los terminos y condiciones de empleo.

Declaracion de Politica. El Otorgamiento de Unidades de Accion Restringida de la Compañia en virtud del Plan es unilateral y discrecional y, por lo tanto, la Compañia se reserva el derecho absoluto de modificar y discontinuar el mismo en cualquier tiempo, sin responsabilidad alguna.

La Compañia, con oficinas registradas ubicadas en 251 Little Falls Drive, Wilmington, DE, 19808, U.S.A., es la unica responsable de la administración del Plan y de la participación en el mismo y la adquisición de acciones no establece de forma alguna una relación de trabajo entre usted y la Compañia, ya que su participación en el Plan es completamente comercial y el unico empleador es en caso de ser aplicable, asi como tampoco establece ningun derecho entre la persona que tenga el derecho a optar y el Empleador.

Reconocimiento del Documento del Plan. Al aceptar el Otorgamiento de las Unidades de Acción Restringida, usted reconoce que ha recibido copias del Plan, ha revisado el mismo, al igual que la totalidad del Acuerdo y, que ha entendido y aceptado completamente todas las disposiciones contenidas en el Plan y en el Acuerdo.

Adicionalmente, al firmar el Acuerdo, reconoce que ha leído, y que aprueba especifica y expresamente los términos y condiciones contenidos en la Renuncia de Derecho o Reclamo por Compensación del Acuerdo, en el cual se encuentra claramente descrito y establecido lo siguiente: (i) la participación en el Plan no constituye un derecho adquirido; (ii) el plan y la participación en

el mismo es ofrecida por la Compañía de forma enteramente discrecional; (iii) la participación en el Plan es voluntaria; y (iv) la Compañía, así como su Sociedad controlante, Subsidiaria o Filiales no son responsables por cualquier disminución en el valor de las acciones en relación a las Unidades de Acción Restringida.

Finalmente, declara que no se reserva ninguna *acción* o derecho para interponer una demanda en contra de la Compañía por compensación, dano o perjuicio alguno como resultado de su participación en el Plan y, en consecuencia, otorga el más amplio finiquito al Empleador, así como a la Compañía, a su Sociedad controlante, Subsidiaria o Filiales con respecto a cualquier demanda que pudiera originarse en virtud del Plan.

NETHERLANDS

There are no country specific provisions.

NEW ZEALAND

Notifications

Securities Law Information. WARNING: You are being granted Restricted Stock Units to acquire Shares in accordance with the terms of this Award Agreement and the Plan. The Shares, if issued, will give you a stake in the ownership of the Company. You may receive a return if dividends are paid.

If the Company runs into financial difficulties and is wound up, you will be paid only after all other creditors (including holders of preference shares, if any) have been paid. You may lose some or all of your investment, if any.

New Zealand law normally requires people who offer financial products to give information to investors before they invest. This information is designed to help investors to make an informed decision.

The usual rules do not apply to this offer because it is made under an employee share purchase scheme. As a result, you may not be given all the information usually required. You also will have fewer other legal protections for this investment.

Ask questions, read all documents carefully, and seek independent financial advice before committing yourself.

The Company's Shares are currently traded on the Nasdaq under the ticker symbol "NTAP" and Shares acquired under the Plan may be sold through this exchange. You may end up selling the Shares at a price that is lower than the value of the Shares when you acquired them. The price will depend on the demand for the Company's Shares. The Company's most recent annual report (which includes the Company's financial statements) is available at the Company's website at <http://investors.netapp.com/>. You are entitled to receive a copy of this report, free of charge, upon written request to the Company at Stock Administration at stockadmin@netapp.com.

NIGERIA

There are no country specific provisions.

NORWAY

There are no country specific provisions.

PHILIPPINES

Notifications

Securities Law Information. You acknowledge that you are permitted to sell Shares acquired under the Plan through the designated Plan broker appointed by the Company (or such other broker to whom you may transfer the Shares), provided that such sale takes place outside of the Philippines through the facilities of the Nasdaq on which the Shares are listed.

POLAND

Notifications

Exchange Control Information. If you transfer funds exceeding €15,000 in a single transaction, you are required to do so through a bank account in Poland. You are required to retain all documents connected with foreign exchange transactions for a period of five years, calculated from the end of the year when the foreign exchange transactions were made. If you hold Shares acquired under the Plan and/or maintain a bank account abroad and the aggregate value of Shares and/or cash held in such foreign accounts exceeds PLN 7 million, you must file reports on the transactions and balances of the accounts on a quarterly basis to the National Bank of Poland.

PORTUGAL

Terms and Conditions

Language Consent. You hereby expressly declare that you have full knowledge of the English language and have read, understood and fully accepted and agreed with the terms and conditions established in the Plan and the Award Agreement.

Conhecimento da Língua. Por meio do presente, eu declaro expressamente que tem pleno conhecimento da língua inglesa e que li, compreendi e livremente aceitei e concordei com os termos e condições estabelecidas no Plano e no acordo.

Notifications

Exchange Control Information. If you receive Shares upon vesting, the acquisition of the Shares should be reported to the Banco de Portugal for statistical purposes. If the Shares are deposited with a commercial bank or financial intermediary in Portugal, such bank or financial intermediary will submit the report on your behalf. If the shares are not deposited with a commercial bank or financial intermediary in Portugal, you are responsible for submitting the report to the Banco de Portugal.

QATAR

There are no country specific provisions.

ROMANIA

Notifications

Exchange Control Information. If you deposit the proceeds from the sale of Shares issued to you at vesting in a bank account in Romania, you may be required to provide the Romanian bank with appropriate documentation explaining the source of the funds. You should consult your personal advisor to determine whether you will be required to submit such documentation to the Romanian bank.

RUSSIA

Terms and Conditions

U.S. Transaction. You understand that the Restricted Stock Units shall be valid and this Award Agreement shall be concluded and become effective only when the Award Agreement is electronically received by the Company in the United States or a third-party designated by the Company. Upon vesting of the Restricted Stock Units, any Shares to be issued to you shall be delivered to you through a bank or brokerage account in the United States.

Securities Law Acknowledgement. You acknowledge that the Restricted Stock Units, the Award Agreement, the Plan and all other materials you may receive regarding participation in the Plan do not constitute advertising or an offering of securities in Russia. The Shares acquired pursuant to the Plan have not and will not be registered in Russia nor admitted for listing on any Russian exchange for trading within Russia, and therefore, neither the Restricted Stock Units nor the Shares may be used for offering or public or private circulation in Russia. You acknowledge that you may hold Shares acquired upon settlement of the Restricted Stock Units in your E*TRADE (or such other stock plan service provider as may be selected by the Company) account in the United States. However, in no event will Shares issued to you under the Plan be delivered to you in Russia. Further, you are not permitted to sell or otherwise dispose of Shares directly to other Russian individuals.

Notifications

Exchange Control Information. You may be subject to exchange control restrictions and repatriation requirements in Russia. Proceeds from the sale of Shares and any cash dividends paid on the Shares can be remitted directly to a foreign individual bank account (in countries belonging to the Organization for Economic Cooperation and Development (“OECD”) or the Financial Action Task Force (“FATF”)). You should consult your personal legal advisor before settlement of the Restricted Stock Units, before selling Shares and before remitting any sale proceeds to Russia, as significant sanctions for violations of the Russian currency control laws may apply and these requirements are subject to change at any time, often without notice.

Foreign Asset/Account Reporting Information. The Russian tax authorities must be notified within one month of the opening or closing of a foreign bank account, or of a change in foreign bank account details. Reports of the transactions and balances of foreign bank accounts must also be filed with the Russian tax authorities each year.

SAUDI ARABIA

Notifications

Securities Law Information. The Award Agreement may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority.

The Capital Market Authority does not make any representation as to the accuracy or completeness of the Award Agreement, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of the Award Agreement. You are hereby advised to conduct your own due diligence on the accuracy of the information relating to the shares. If you do not understand the contents of the Award Agreement, you should consult an authorized financial advisor.

SINGAPORE

Notifications

Securities Law Information. The Award of Restricted Stock Units is being made in reliance on the “Qualifying Person” exemption under section 273(1)(f) of the Securities and Futures Act (Cap. 289) (“SFA”) and is not made with a view to the Restricted Stock Units or underlying Shares being subsequently offered for sale to any other party. The Plan has not been and will not be lodged or registered as a prospectus with the Monetary Authority of Singapore. You should note that, as a result, the Restricted Stock Units are subject to section 257 of the SFA and you will not be able to make (a) any subsequent sale of the Shares in Singapore or (ii) any offer of such subsequent sale of the Shares subject to the Restricted Stock Units in Singapore, unless such sale or offer is made pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than section 280) of the SFA (Chapter 289, 2011 Ed.).

CEO or Director Notification Obligation. If you are the chief executive officer (“CEO”) or a director, associate director or shadow director of the Company’s Singapore Subsidiary or affiliate, you are subject to certain notification requirements under the Singapore Companies Act. Among these requirements is an obligation to notify the Company’s Singapore Subsidiary or affiliate in writing when you receive an interest (e.g. Restricted Stock Units or Shares) in the Company or any Parent, Subsidiary or affiliate. In addition, you must notify the Company’s Singapore Subsidiary or affiliate when you sell Shares or shares of any Parent, Subsidiary or affiliate (including when you sell Shares issued upon vesting and settlement of the Award). These notifications must be made within two days of acquiring or disposing of any interest in the Company or any Parent, Subsidiary or affiliate. In addition, a notification of your interests in the Company or any Parent, Subsidiary or affiliate must be made within two days of becoming the CEO or a director.

SLOVAKIA

Notifications

Foreign Asset / Account Reporting Information. If you carry on business activities as an independent entrepreneur (in Slovakian, podnikateľ), you must report foreign assets (including any Shares) to the National Bank of Slovakia (provided that the value of the foreign assets exceeds an amount of €2,000,000). These reports must be submitted on a monthly basis by the 15th day of the respective calendar month, as well as on a quarterly basis by the 15th day of the calendar

month following the respective calendar quarter, using notification form DEV (NBS) 1-12, which may be found at the National Bank of Slovakia's website at www.nbs.sk.

SLOVENIA

Terms and Conditions

Language Consent. The parties acknowledge and agree that it is their express wish that the Award Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Dogovor o uporabi jezika. Stranke se izrecno strinjajo, da se za sklepanje Pogodbe, kot tudi vseh dokumentov, obvestil in postopkov sklenjenih neposredno ali posredno v zvezi s tem, uporablja angleški jezik.

SOUTH AFRICA

Terms and Conditions

Taxes. By accepting the Restricted Stock Units, you agree that, immediately upon vesting and settlement of the Restricted Stock Units, you will notify the Service Recipient of the amount of any gain realized. If you fail to advise the Service Recipient of the gain realized upon vesting and settlement, you may be liable for a fine. You will be solely responsible for paying any difference between the actual tax liability and the amount withheld by the Service Recipient.

Notifications

Securities Law Information. In compliance with South African securities laws, you acknowledge that a copy of the Company's most recent annual report (i.e. Form 10-K) is available for review on the Company's "Investor Relations" website at <http://investors.netapp.com/> and a copy of the ESPP Prospectus is available at <http://fo.netapp.com/corporate-controller/stock/>.

(i) a copy of the Company's most recent annual report (i.e., Form 10-K); and

(ii) a copy of the Plan Prospectus.

A copy of the above documents will be sent to you free of charge on request to Stock Admin at stockadmin@netapp.com.

You should carefully read the materials provided before making a decision whether to accept the Award. In addition, you should contact your tax advisor for specific information concerning your personal tax situation with regard to Plan participation.

Exchange Control Information. You should consult with your personal advisor to ensure compliance with any applicable exchange control laws and regulations in South Africa, as such regulations are subject to frequent change. You are responsible for ensuring compliance with all exchange control laws and regulations in South Africa.

SPAIN

Terms and Conditions

Labor Law Acknowledgement. The following provision supplements Section 13 of the Award Agreement:

By accepting the Award, you consent to participation in the Plan, and acknowledge that you have received a copy of the Plan document. You understand that the Company has unilaterally, gratuitously and in its sole discretion decided to make Awards of Restricted Stock Units under the Plan to individuals who may be Service Providers throughout the world. The decision is limited and entered into based upon the express assumption and condition that any Restricted Stock Units will not economically or otherwise bind the Company or any Parent or Subsidiary, including the Service Recipient, on an ongoing basis, other than as expressly set forth in the Award Agreement. Consequently, you understand that the Award is given on the assumption and condition that the Restricted Stock Units shall not become part of any employment contract (whether with the Company or any Parent, Subsidiary or affiliate, including the Service Recipient) and shall not be considered a mandatory benefit, salary for any purpose (including severance compensation) or any other right whatsoever. Furthermore, you understand and freely accept that there is no guarantee that any benefit whatsoever shall arise from the Award, which is gratuitous and discretionary, since the future value of the Restricted Stock Units and the underlying Shares is unknown and unpredictable. You also understand that this Award would not be made but for the assumptions and conditions set forth herein above; thus, you understand, acknowledge and freely accept that, should any or all of the assumptions be mistaken or any of the conditions not be met for any reason, the Award, the Restricted Stock Units and any right to the underlying Shares shall be null and void.

Further, your participation in the Plan is expressly conditioned on your continued and active rendering of service, such that if you cease to be a Service Provider for any reason whatsoever, your participation in the Plan will cease immediately. This will be the case, for example, even if (1) you are considered to be unfairly dismissed without good cause (i.e., subject to a “despido improcedente”); (2) you are dismissed for disciplinary or objective reasons or due to a collective dismissal; (3) your continuous status as a Service Provider ceases due to a change of work location, duties or any other employment or contractual condition; (4) your continuous status as a Service Provider ceases due to a unilateral breach of contract by the Company or any of its affiliates; or (5) your continuous Service terminates for any other reason whatsoever. Consequently, upon termination of your continuous for any of the above reasons, you automatically lose any right to participate in the Plan on the date of your termination as a Service Provider, as described in the Plan and the Award Agreement.

Notifications

Securities Law Information. The Restricted Stock Unit and Shares described in the Award Agreement do not qualify under Spanish regulations as securities. No “offer of securities to the public”, as defined under Spanish law, has taken place or will take place in the Spanish territory. The Award Agreement has not been nor will it be registered with the Comisión Nacional del Mercado de Valores, and does not constitute a public offering prospectus.

Exchange Control Information. The acquisition of Shares and subsequent sales of Shares must be declared for statistical purposes to the Dirección General de Comercio e Inversiones (the “DGCI”). Because you will not purchase or sell the Shares through the use of a Spanish financial institution, you will need to make the declaration yourself by filing a D-6 form with the DGCI. Generally, the D-6 form must be filed each January while the Shares are owned. However, if the value of the Shares acquired under the Plan or the amount of the sale proceeds exceeds €1,502,530,

the declaration must be filed within one month of the acquisition or sale, as applicable.

In addition, any securities accounts (including brokerage accounts held abroad), as well as the securities (including Shares) held in such accounts, may need to be declared electronically to the Bank of Spain, depending on the value of the transactions during the prior tax year or the balances in such accounts as of December 31 of the prior tax year.

Foreign Asset/Account Reporting Information. Rights or assets (e.g., Shares or cash held in a bank or brokerage account) held outside of Spain with a value in excess of €50,000 per type of right or asset (e.g., Shares, cash, etc.) as of December 31, must be reported on your annual tax return. After such rights or assets are initially reported, the reporting obligation will only apply for subsequent years if the value of any previously-reported rights or assets increases by more than €20,000. The reporting must be completed by the following March 31.

SWEDEN

There are no country specific provisions.

SWITZERLAND

Notifications

Securities Law Information. The grant of the Restricted Stock Units and the issuance of any Shares is not intended to be a public offering in Switzerland. Neither this document nor any other materials relating to the Restricted Stock Units constitute a prospectus as such term is understood pursuant to article 652a of the Swiss Code of Obligations, and neither this document nor any other materials relating to the Restricted Stock Units may be publicly distributed nor otherwise made publicly available in Switzerland. Neither this document nor any other offering or marketing material relating to the Restricted Stock Units have been or will be filed with, or approved or supervised by, any Swiss regulatory authority (in particular, the Swiss Financial Market Supervisory Authority (FINMA)).

TAIWAN

Notifications

Securities Law Information. The offer of participation in the Plan is available only for employees of the Company and its Subsidiaries. The offer of participation in the Plan is not a public offer of securities by a Taiwanese company.

Exchange Control Information. You may acquire and remit foreign currency (including proceeds from the sale of Shares) into and out of Taiwan up to US\$5,000,000 per year. If the transaction amount is TWD\$500,000 or more in a single transaction, you must submit a foreign exchange transaction form and also provide supporting documentation to the satisfaction of the remitting bank.

If the transaction amount is US\$500,000 or more, you may be required to provide additional supporting documentation to the satisfaction of the remitting bank. Please consult your personal advisor to ensure compliance with applicable exchange control laws in Taiwan.

THAILAND

Notifications

Exchange Control Information. If you receive funds in connection with the Plan (e.g., dividends, sale proceeds) with a value equal to or greater than US\$50,000, you are required to immediately repatriate such funds to Thailand. Any foreign currency repatriated to Thailand must be converted to Thai Baht or deposited into a foreign currency deposit account opened with any commercial bank in Thailand acting as the authorized agent within 360 days from the date the funds are repatriated to Thailand. You are also required to inform the authorized agent of the details of the foreign currency transaction, including your identification information and the purpose of the transaction.

TURKEY

Notifications

Securities Law Information. You are permitted to sell Shares acquired under the Plan provided the resale of such Shares takes place outside of Turkey through facilities of a stock exchange on which the Shares are listed. The Shares are currently listed on the Nasdaq.

Exchange Control Information. In certain circumstances, you are permitted to acquire and sell securities on a non-Turkish stock exchange only through a financial intermediary licensed in Turkey. Therefore, you may be required to appoint a Turkish broker to assist with the sale of the Shares acquired under the Plan.

UNITED ARAB EMIRATES

Notifications

Securities Law Information. The Restricted Stock Units granted under the Plan are being offered only to eligible employees of the Company and are in the nature of providing equity incentives to eligible employees of the Company. Any documents related to the Restricted Stock Units, including the Plan, the Award Agreement and any other grant documents (“Award Documents”), are intended for distribution only to such eligible employees and must not be delivered to, or relied on by, any other person.

The Emirates Securities and Commodities Authority has no responsibility for reviewing or verifying any Award Documents or any other incidental communication materials distributed in connection with the Restricted Stock Units. Further, neither the Ministry of Economy nor the Dubai Department of Economic Development has approved the Award Documents or taken steps to verify the information set out in them, and thus, is not responsible for their content.

You should, as a prospective stockholder, conduct your own due diligence on the securities. If you do not understand the contents of the Award Documents, you should consult an authorized financial advisor.

UNITED KINGDOM

Terms and Conditions

Form of Settlement. Restricted Stock Units granted to employees resident in the United Kingdom shall be paid in Shares only, notwithstanding any discretion to settle Restricted Stock Units in cash as set out in Section 2 of the Award Agreement and Section 10.4 of the Plan.

Joint Election. As a condition of participation in the Plan, you agree to accept any liability for secondary Class 1 NICs which may be payable by the Company and/or the Parent or Subsidiary employing or retaining you in connection with the Restricted Stock Units and any event giving rise to Withholding Obligations (the “Employer’s NICs”). Without limitation to the foregoing, you agree to enter into a joint election with the Company (the “Joint Election”), the form of such Joint Election being formally approved by HMRC, and to execute any other consents or elections required to accomplish the transfer of the Employer’s NICs to you. You further agree to execute such other joint elections as may be required between you and any successor to the Company and/or the Parent or Subsidiary employing or retaining you. You further agree that the Company and/or the Parent or Subsidiary employing or retaining you may collect Employer’s NICs from you by any of the means set forth in Section 7 of the Award Agreement.

If you do not enter into a Joint Election, if approval of the Joint Election has been withdrawn by HMRC or if such Joint Election is jointly revoked by you and the Company or the Parent or Subsidiary employing or retaining you, as applicable, the Company, in its sole discretion and without any liability to you, may choose not to issue or deliver any Shares to you at vesting and you will forfeit your Restricted Stock Units.

Tax and National Insurance Contributions Acknowledgment. The following provisions supplement Section 7 of the Agreement:

Without limitation to Section 7 of the Award Agreement, you agree that you are liable for all Withholding Obligations and hereby covenant to pay all such Withholding Obligations, as and when requested by the Company or the Service Recipient or by Her Majesty’s Revenue and Customs (“HMRC”) (or any other tax authority or any other relevant authority). You also agree to indemnify and keep indemnified the Company and the Service Recipient against any Withholding Obligations that they are required to pay or withhold or have paid or will pay on your behalf to HMRC (or any other tax authority or any other relevant authority).

Notwithstanding the foregoing, if you are a director or executive officer of the Company (within the meaning of Section 13(k) of the Exchange Act) the foregoing provision will not apply. In this case, the amount of any income tax not collected within 90 days of the end of the U.K. tax year in which the event giving rise to the Withholding Obligations occurs may constitute an additional benefit to you on which additional income tax and National Insurance Contributions may be payable. You will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for paying the Company or the Employer (as appropriate) for the value of any National Insurance Contributions due on this additional benefit, which the Company or the Service Recipient may collect from you by any of the means referred to in the Plan or Section 7 of the Award Agreement.

UNITED STATES

There are no country specific provisions.

**COUNTRY-SPECIFIC CONSENTS AND NOTIFICATIONS
FOR THE NETAPP, INC.
RESTRICTED STOCK UNIT AGREEMENT**

AUSTRALIA

OFFER DOCUMENT

**NETAPP, INC.
2021 EQUITY INCENTIVE PLAN**

OFFER TO AUSTRALIAN RESIDENT EMPLOYEES

Investment in Common Stock involves a degree of risk. Employees who participate in the NetApp, Inc. 2021 Equity Incentive Plan (the “Plan”) should monitor their participation and consider all risk factors relevant to the acquisition of Restricted Stock Units under the Plan as set out in this Offer Document and the Additional Documents. Any information given by the Company or its subsidiaries in relation to Restricted Stock Units granted under the Plan, including the information contained in this Offer Document and the Additional Documents is not financial product advice. It is general information only and does not take into account your personal objectives, financial situation and needs. Employees should consider seeking advice from an independent person licensed by the Australian

Securities and Investments Commission (“ASIC”) to give such advice regarding their participation in the Plan.

OFFER TO AUSTRALIAN RESIDENT EMPLOYEES

NETAPP, INC.

2021 EQUITY INCENTIVE PLAN

We are pleased to provide you with this Offer Document setting out information regarding participation in the NetApp, Inc. 2021 Equity Incentive Plan (the “Plan”) to eligible employees and salaried directors of NetApp, Inc. (the “Company”) and its designated subsidiaries (including its Australian subsidiaries) who are residents of Australia (“Australian Employees”).

The Company has adopted the Plan to provide eligible employees with the opportunity to acquire stock ownership in the Company.

The Plan and this Offer Document are intended to comply with the provisions of the Corporations Act 2001 (the “Corporations Act”), ASIC Regulatory Guide 49 and ASIC Class Order 14/1000.

Capitalized terms used but not defined in this Offer Document have the same meanings given to such terms in the Plan.

1.OFFER OF RESTRICTED STOCK UNITS

This is an offer made by the Company under the Plan to eligible Australian Employees for no consideration.

Each Restricted Stock Unit represents the right to receive, on the date the Restricted Stock Unit becomes vested, a fully-paid share of the Company's Common Stock (“Share”) or a cash amount equal to the value of a Share if the Company elects to settle the Restricted Stock Unit in cash.

2.TERMS OF GRANT

The terms of the grant are set forth in: (a) the Plan; and (b) the Restricted Stock Unit Agreement; and are further described in (c) this Offer Document ((a), (b) & (c) together, the “Terms and Conditions”). By electing to participate in the Plan, you will be bound by the Terms and Conditions.

3.ADDITIONAL DOCUMENTS

In addition to this Offer Document, you are being provided with the following documents (the “Additional Documents”):

- (i)the Plan;
- (ii)the U.S. Prospectus to the Plan, dated September 2021 (the “Prospectus”); and
- (iii)the Restricted Stock Unit Agreement.

The Plan and the Restricted Stock Agreement set out, among other details, the key features of your grant of RSUs and the consequences of a change in the nature or status of your employment on your RSUs. The rest of the Additional Documents provide further information to help you to make an informed investment decision in relation to your grant of RSUs.

None of the Additional Documents constitutes a prospectus for the purposes of the Corporations Act.

To the extent of any inconsistency between this Offer Document and the Plan, the Prospectus or the Stock Purchase Agreement, the terms of the Plan will prevail.

4.RELIANCE ON STATEMENTS

You should not rely upon any oral statements made to you in relation to this offer. You should only rely upon the statements contained in this Offer Document and the Additional Documents when considering your participation in the Plan.

5.HOW DOES THE PLAN WORK?

Eligible employees are offered participation in the Plan. If they elect to participate, they will be granted Restricted Stock Units.

Restricted Stock Units will vest in accordance with the vesting schedule set out in the Restricted Stock Unit Agreement, subject to the participant's continuous service through to each relevant vesting date. Restricted Stock Units will be subject to forfeiture and restrictions on transfer until they vest. Those forfeiture conditions and restrictions are also set out in the Restricted Stock Unit Agreement.

6.WHAT PRICE DO I PAY FOR THE SHARES?

None.

7.HOW WILL I RECEIVE SHARES?

The Shares will be issued in your name on the relevant vesting date (or shortly thereafter) and will be delivered to the brokerage account you are required to set up with the Company's designated broker prior to the relevant vesting date.

8.WHEN CAN I SELL / TRANSFER THE SHARES?

Restricted Stock Units are generally non-transferable until they vest.

You can sell, transfer and/or encumber the Shares as soon as they are deposited into your brokerage account, subject to any applicable provisions of the Company's insider trading policy and insider trading / market abuse laws.

9. WHAT HAPPENS UPON CESSATION OF EMPLOYMENT?

On cessation of employment for any reason, any unvested Restricted Stock Units will be forfeited by you at no cost to the Company. For the avoidance of doubt, after cessation of your employment, you will continue to hold any Shares previously received on vesting of your Restricted Stock Units.

10.WHAT IS A SHARE IN THE COMMON STOCK OF THE COMPANY?

Shares of common stock in a U.S. corporation are analogous to ordinary shares of an Australian corporation. Each holder of a share of common stock is entitled to one vote for every share held.

Dividends may be paid on the Shares out of any funds of the Company legally available for dividends at the discretion of the board of directors of the Company.

The Shares are listed and may be traded on the Nasdaq Stock Market in the U.S. (NASDAQ:NTAP).

Shares are not liable to any further calls for payment of capital or for other assessment by the Company and have no sinking fund provisions, pre-emptive rights, conversion rights or redemption provisions.

11. WHAT ADDITIONAL RISK FACTORS APPLY TO AUSTRALIAN RESIDENTS' PARTICIPATION IN THE PLAN?

You should have regard to risk factors relevant to investment in securities generally and, in particular, to the holding of Shares.

For example, the price at which Shares are quoted on the Nasdaq may increase or decrease due to a number of factors. There is no guarantee that the price of the Shares will increase. Factors which may affect the price of the Shares include fluctuations in the domestic and international market for listed stocks, general economic conditions, including interest rates, inflation rates, commodity prices, changes to government fiscal, monetary or regulatory policies, legislation or regulation, the nature of the markets in which the Company operates and general operational and business risks.

More information about potential factors that could affect the Company's business and financial results is included in the Company's most recent filings with the U.S. Securities and Exchange Commission ("SEC"), including the Company's Quarterly Reports on Form 10-Q and, following the close of the Company's fiscal year, the Company's Annual Report on Form 10-K. Copies of these reports are available at <https://www.sec.gov> or on the Company's Investor Relations website at <http://investors.netapp.com/investor-relations>.

In addition, the value of the Shares you acquire at vesting will be affected by the U.S./Australian dollar exchange rate. Participation in the Plan involves certain risks related to fluctuations in this rate of exchange.

12. CAN THE PLAN BE MODIFIED OR TERMINATED?

The board of directors of the Company may, from time to time, amend, alter, suspend or terminate the Plan at any time. In addition, some amendments to the Plan may require shareholder approval.

13. WHAT ARE THE AUSTRALIAN TAXATION CONSEQUENCES OF PARTICIPATION IN THE PLAN?

The following is a general summary of the Australian tax consequences of your participation in the Plan as of April 2019. You should not rely on the summary as anything other than a broad guide and you should obtain independent taxation advice specific to your particular circumstances to understand how your participation in the Plan may impact you. The summary below assumes that you are resident in Australia for the entire vesting period. If you were working/ residing in another country during the vesting period, you may be subject to tax in such country. The summary also assumes that when you sell Shares acquired under the Plan, the sale will occur in an arms' length transaction (this generally will be the case if you sell your Shares on the Nasdaq).

Enrollment in the Plan: No tax.

Acquisition of Shares under the Plan: Restricted Stock Units are taxed at vesting (or an earlier applicable taxing point, as described below) based on the market value of the Shares received (assuming the Shares are not otherwise subject to any additional restrictions) or the amount of cash paid.

Under the Plan, Restricted Stock Units should qualify for a deferral of the taxing point under Australian income tax laws. Australian tax in respect of these Restricted Stock Units will be deferred until the earlier of any of the following taxing points:

- (a) the vesting of the Restricted Stock Units;
- (b) cessation of your employment; or
- (c) 15 years from the granting of the Restricted Stock Units.

In the event that you receive Shares subject to restrictions (that is, the Shares received cannot be sold by you unless certain conditions are satisfied), then the taxing point should arise once the restrictions are removed (and the tax will be based on the then market value of the Shares).

If you are paid a cash amount equal to the market value of the Shares as at the vesting date, this amount is reported as salary and wages income in your income tax return for the year in which the Restricted Stock Units vested. In this case, your employer will be required to withhold amounts from these payments and you will receive the “net” or “after tax” amount.

Tax Payment/ Reporting: Generally, your employer only will be required to withhold for taxes due by you if Restricted Stock Units are settled in cash.

The Company will report the taxable amount at vesting to the Australian Tax Office (“ATO”) by 14 August after the end of the financial year in which the vesting occurs. The Company will provide you with an “ESS Statement” by 14 July after the end of that financial year. You will be required to pay the taxes due to the ATO yourself.

Sale of Shares: If you sell Shares within thirty (30) days of vesting, you will be taxed as described above.

Otherwise, you will be subject to capital gains tax when you sell your Shares to the extent that the sale proceeds exceed your cost basis in the Shares. Your cost basis in the Shares generally will be equal to the market value of the Shares at vesting plus any incidental costs of disposal. If you hold the Shares for at least twelve (12) months after acquisition (excluding the dates you acquired and sold the Shares), you may discount the amount to be included in your assessable income by fifty-percent (50%). If the sale proceeds are lower than your cost basis in the Shares sold, you will realize a capital loss which may be used to offset capital gains realized in the current tax year or in any subsequent tax year, but may not be used to offset other types of income (e.g., salary or wage income). You are responsible for reporting and paying any tax due in relation to the sale of Shares.

14. WHAT ARE THE U.S. TAX CONSEQUENCES OF PARTICIPATION IN THE PLAN?

Employees will not be subject to U.S. tax by reason only of their participation in the Plan. However, liability for U.S. taxes may occur if an employee is otherwise subject to U.S. taxes. In addition, any dividends paid to employees will be subject to U.S. tax.

The above is an indication only of the likely U.S. taxation consequences for Australian Employees who participate in the Plan. Employees should seek their own advice as to the U.S. taxation consequences of participation.

We urge you to carefully review the information contained in this Offer Document and the Additional Documents.

Yours sincerely

NetApp, Inc.

* * *

NETAPP, INC.

2021 EQUITY INCENTIVE PLAN

RESTRICTED STOCK UNIT AGREEMENT (PERFORMANCE-BASED)

NOTICE OF RESTRICTED STOCK UNIT GRANT

Unless otherwise defined herein, the terms defined in the NetApp, Inc. 2021 Equity Incentive Plan (the "Plan") will have the same defined meanings in this Restricted Stock Unit Agreement (Performance-Based) which includes the Notice of Restricted Stock Unit Grant (the "Notice of Grant"), the Terms and Conditions of Restricted Stock Unit Grant, attached hereto as Exhibit A, the Additional Terms and Conditions of Restricted Stock Unit Grant, attached hereto as Exhibit B and all other exhibits, appendices, and addenda attached hereto (the "Award Agreement").

Participant Name:

Address:

The Participant has been granted an Award of Restricted Stock Units, subject to the terms and conditions of the Plan and this Award Agreement, as follows:

Grant Number: _____

Date of Grant: _____

Vesting Commencement Date: _____

Target Number of Restricted Stock Units: _____

Maximum Number of Restricted Stock Units: _____

Vesting Schedule:

Subject to any acceleration provisions contained in the Plan, this Award Agreement or any other written agreement authorized by the Administrator between Participant and the Company (or any Parent or Subsidiary of the Company, as applicable) governing the terms of this Award, the Restricted Stock Units will be scheduled to vest according to the following vesting schedule:

[INSERT VESTING SCHEDULE]

Participant acknowledges and agrees that by clicking the "ACCEPT" button corresponding to this grant through the grant acceptance page on E*TRADE, it will act as Participant's electronic signature to the Award Agreement and Participant acknowledges and agrees that this Award of Restricted Stock Units is granted under and governed by the terms and conditions of the Plan and

this Award Agreement, including the Terms and Conditions of Restricted Stock Unit Grant, attached hereto as **Exhibit A**, the Additional Terms and Conditions of Restricted Stock Unit Grant, attached hereto as **Exhibit B** and all other exhibits, appendices and addenda attached hereto, all of which are made a part of this document. Participant acknowledges receipt of a copy of the Plan. Participant has reviewed the Plan and this Award Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Award Agreement and fully understands all provisions of the Plan and this Award Agreement. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions relating to the Plan or this Award Agreement.

Participant should retain a copy of Participant's electronically signed Award Agreement; Participant may obtain a paper copy at any time and at the Company's expense by requesting one from Stock Administration at stockadmin@netapp.com. If Participant would prefer not to electronically sign this Award Agreement, Participant may accept this Award Agreement by signing a paper copy of the Award Agreement and delivering it to Stock Administration at 3060 Olsen Drive, San Jose, CA 95128. A copy of the Plan is available upon request made to Stock Administration.

EXHIBIT A

NETAPP, INC.

2021 EQUITY INCENTIVE PLAN

RESTRICTED STOCK UNIT AGREEMENT (PERFORMANCE-BASED)

TERMS AND CONDITIONS OF RESTRICTED STOCK UNIT GRANT

1. **Grant of Restricted Stock Units.** The Company hereby grants to the individual (“**Participant**”) named in the Notice of Restricted Stock Unit Grant of this Award Agreement (the “**Notice of Grant**”) under the Plan an Award of Restricted Stock Units, and subject to the terms and conditions of this Award Agreement and the Plan, which is incorporated herein by reference. Subject to Section 21 of the Plan, in the event of a conflict between the terms and conditions of the Plan and this Award Agreement, the terms and conditions of the Plan shall prevail.

2. **Company’s Obligation to Pay.** Each Restricted Stock Unit represents the right to receive a Share (or a cash amount equal to the value of a Share on the date it becomes vested if the Company elects to settle the Restricted Stock Unit in cash) on the date it vests. Unless and until the Restricted Stock Units will have vested in the manner set forth in Section 3 or 4, Participant will have no right to payment of any such Restricted Stock Units. Prior to actual payment of any vested Restricted Stock Units, such Restricted Stock Unit will represent an unsecured obligation of the Company, payable (if at all) only from the general assets of the Company.

3. **Vesting Schedule.** Except as provided in Section 4, and subject to Section 5, the Restricted Stock Units awarded by this Award Agreement will vest in accordance with the vesting provisions set forth in the Notice of Grant. Unless specifically provided otherwise in this Award Agreement or other written agreement authorized by the Administrator between Participant and the Company or any Parent or Subsidiary of the Company, as applicable, governing the terms of this Award, Restricted Stock Units scheduled to vest on a certain date or upon the occurrence of a certain condition will not vest in accordance with any of the provisions of this Award Agreement, unless Participant will have been continuously a Service Provider from the Date of Grant until the date such vesting occurs.

4. **Payment after Vesting.**

(a) **General Rule.** Subject to Section 7, any Restricted Stock Units that vest will be paid to Participant (or in the event of Participant’s death, to his or her properly designated beneficiary or estate) in whole Shares. Subject to the provisions of Section 2 and Section 4(c), such vested Restricted Stock Units shall be paid in whole Shares as soon as practicable after vesting, but in each such case within sixty (60) days following the vesting date. In no event will Participant be permitted, directly or indirectly, to specify the taxable year of payment of any Restricted Stock Units payable under this Award Agreement.

(b) **Discretionary Acceleration.** The Administrator, in its discretion, may accelerate the vesting of the balance, or some lesser portion of the balance, of the unvested Restricted Stock Units at any time, subject to the terms of the Plan. If so accelerated, such

Restricted Stock Units will be considered as having vested as of the date specified by the Administrator.

(c) Section 409A.

(i) If Participant is a U.S. taxpayer, the payment of Shares vesting pursuant to this Award Agreement (including any discretionary acceleration under Section 4(b)) shall in all cases be paid at a time or in a manner that is exempt from, or complies with, Section 409A. The prior sentence may be superseded in a future agreement or amendment to this Award Agreement only by direct and specific reference to such sentence.

(ii) Notwithstanding anything in the Plan or this Award Agreement or any other agreement (whether entered into before, on or after the Date of Grant), if the vesting of the balance, or some lesser portion of the balance, of the Restricted Stock Units is accelerated in connection with the termination of Participant's status as a Service Provider (provided that such termination is a "separation from service" within the meaning of Section 409A, as determined by the Administrator), other than due to Participant's death, and if (x) Participant is a U.S. taxpayer and a "specified employee" within the meaning of Section 409A at the time of such termination as a Service Provider and (y) the payment of such accelerated Restricted Stock Units will result in the imposition of additional tax under Section 409A if paid to Participant on or within the six (6) month period following the cessation of Participant's status as a Service Provider, then the payment of such accelerated Restricted Stock Units will not be made until the date six (6) months and one (1) day following the date of cessation of Participant's status as a Service Provider, unless Participant dies following his or her termination as a Service Provider, in which case, the Restricted Stock Units will be paid in Shares to Participant's estate as soon as practicable following his or her death.

(iii) It is the intent of this Award Agreement that it and all payments and benefits to U.S. taxpayers hereunder be exempt from, or comply with, the requirements of Section 409A so that none of the Restricted Stock Units provided under this Award Agreement or Shares issuable thereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities or ambiguous terms herein will be interpreted to be so exempt or so comply. Each payment payable under this Award Agreement is intended to constitute a separate payment for purposes of Treasury Regulations Section 1.409A-2(b)(2). To the extent necessary to comply with Section 409A, references to termination of Participant's status as a Service Provider, termination of employment, or similar phrases will be references to Participant's "separation from service" within the meaning of Section 409A. In no event will the Company or any Parent or Subsidiary of the Company have any responsibility, liability, or obligation to reimburse, indemnify, or hold harmless Participant (or any other person) for any taxes, penalties and interest that may be imposed, or other costs that may be incurred, as a result of Section 409A.

5. **Forfeiture Upon Termination as a Service Provider.** Unless specifically provided otherwise in this Award Agreement or other written agreement authorized by the Administrator between Participant and the Company or any of its Subsidiaries or Parents, as applicable, governing the terms of this Award, if Participant ceases to be a Service Provider for any or no reason, the then-unvested Restricted Stock Units awarded by this Award Agreement will thereupon be forfeited at no cost to the Company and Participant will have no further rights thereunder.

6. **Death of Participant.** Any distribution or delivery to be made to Participant under this Award Agreement, if Participant is then deceased, will be made to Participant's designated beneficiary, or if no beneficiary survives Participant, the administrator or executor of Participant's estate. Any such transferee must furnish the Company with (a) written notice of his or her status as transferee, and (b) evidence satisfactory to the Company to establish the validity of the transfer and compliance with any laws or regulations pertaining to said transfer.

7. **Tax Obligations**

(a) **Responsibility for Taxes.** Participant acknowledges that, regardless of any action taken by the Company or, if different, Participant's employer or any Parent or Subsidiary of the Company to which Participant is providing services (together, the "**Service Recipients**"), the ultimate liability for any tax and/or social insurance liability obligations and requirements in connection with the Restricted Stock Units, including, without limitation, (i) all federal, state, and local taxes (including Participant's Federal Insurance Contributions Act (FICA) obligations) that are required to be withheld by any Service Recipient or other payment of tax-related items related to Participant's participation in the Plan and legally applicable to Participant, (ii) Participant's and, to the extent required by any Service Recipient, the Service Recipient's fringe benefit tax liability, if any, associated with the grant, vesting, or settlement of the Restricted Stock Units or sale of Shares, and (iii) any other Service Recipient taxes the responsibility for which Participant has, or has agreed to bear, with respect to the Restricted Stock Units (or settlement thereof or issuance of Shares thereunder) (collectively, the "**Tax Obligations**"), is and remains Participant's sole responsibility and may exceed the amount actually withheld by the applicable Service Recipient(s). Participant further acknowledges that no Service Recipient (A) makes any representations or undertakings regarding the treatment of any Tax Obligations in connection with any aspect of the Restricted Stock Units, including, but not limited to, the grant, vesting or settlement of the Restricted Stock Units, the subsequent sale of Shares acquired pursuant to such settlement and the receipt of any dividends or other distributions, and (B) makes any commitment to and is under any obligation to structure the terms of the grant or any aspect of the Restricted Stock Units to reduce or eliminate Participant's liability for Tax Obligations or achieve any particular tax result. Further, if Participant is subject to Tax Obligations in more than one jurisdiction between the Date of Grant and the date of any relevant taxable or tax withholding event, as applicable, Participant acknowledges that the applicable Service Recipient(s) (or former employer, as applicable) may be required to withhold or account for Withholding Obligations (as defined below) in more than one jurisdiction.

(b) **Tax Withholding.** Pursuant to such procedures as the Administrator may specify from time to time, the Service Recipient will withhold the amount required to be withheld for the payment of Tax Obligations (the "**Withholding Obligations**"). The Administrator, in its sole discretion and pursuant to such procedures as it may specify from time to time, may permit Participant to satisfy such Withholding Obligations, in whole or in part (without limitation), if permissible by applicable local law, by: (i) paying cash in U.S. dollars, (ii) having the Company withhold otherwise deliverable Shares having a fair market value equal to the minimum amount that is necessary to meet the withholding requirement for such Withholding Obligations (or such greater amount as Participant may elect if permitted by the Administrator, if such greater amount would not result in adverse financial accounting consequences) ("**Net Share Withholding**"), (iii) withholding the amount of such Withholding Obligations from Participant's wages or other cash

compensation paid to Participant by the applicable Service Recipient(s), (iv) delivering to the Company Shares that Participant owns and that already have vested with a fair market value equal to the Withholding Obligations (or such greater amount as Participant may elect if permitted by the Administrator, if such greater amount would not result in adverse financial accounting consequences), (v) selling a sufficient number of such Shares otherwise deliverable to Participant, through such means as the Company may determine in its sole discretion (whether through a broker or otherwise) equal to the minimum amount that is necessary to meet the withholding requirement for such Withholding Obligations (or such greater amount as Participant may elect if permitted by the Administrator, if such greater amount would not result in adverse financial accounting consequences) (“**Sell to Cover**”), or (vi) such other means as the Administrator deems appropriate. If the Withholding Obligations are satisfied by withholding in Shares, for tax purposes, Participant is deemed to have been issued the full number of Shares subject to the vested Restricted Stock Units, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Withholding Obligations. To the extent determined appropriate by the Company in its discretion, it will have the right (but not the obligation) to satisfy any Withholding Obligations by Net Share Withholding. If Net Share Withholding is the method by which such Withholding Obligations are satisfied, the Company will not withhold on a fractional Share basis to satisfy any portion of the Withholding Obligations and, unless the Company determines otherwise, no refund will be made to Participant for the value of the portion of a Share, if any, withheld in excess of the Withholding Obligations. If a Sell to Cover is the method by which Withholding Obligations are satisfied, Participant agrees that as part of the Sell to Cover, additional Shares may be sold to satisfy any associated broker or other fees. Only whole Shares will be sold pursuant to a Sell to Cover. Any proceeds from the sale of Shares pursuant to a Sell to Cover that are in excess of the Withholding Obligations and any associated broker or other fees will be paid to Participant in accordance with procedures the Company may specify from time to time.

(c) **Tax Consequences.** Participant has reviewed with his or her own tax advisers the U.S. federal, state, local and non-U.S. tax consequences of this investment and the transactions contemplated by this Award Agreement. With respect to such matters, Participant relies solely on such advisers and not on any statements or representations of the Company or any of its agents, written or oral. Participant understands that Participant (and not the Company) shall be responsible for Participant’s own tax liability that may arise as a result of this investment or the transactions contemplated by this Award Agreement.

(d) **Company’s Obligation to Deliver Shares.** For clarification purposes, in no event will the Company issue Participant any Shares unless and until arrangements satisfactory to the Administrator have been made for the payment of Participant’s Withholding Obligations. If Participant fails to make satisfactory arrangements for the payment of such Withholding Obligations hereunder at the time any applicable Restricted Stock Units otherwise are scheduled to vest pursuant to Sections 3 or 4 or Participant’s Withholding Obligations otherwise become due, Participant permanently will forfeit such Restricted Stock Units to which Participant’s Withholding Obligation relates and any right to receive Shares thereunder and such Restricted Stock Units will be returned to the Company at no cost to the Company. Participant acknowledges and agrees that the Company may permanently refuse to issue or deliver the Shares if such Withholding Obligations are not delivered at the time they are due.

8. **Merger or Change in Control.** In the event of a merger of the Company with or into another corporation or other entity or a Change in Control, each outstanding Award of Restricted Stock Units will be treated as the Administrator determines (subject to the provisions of Section 16.3 of the Plan) without Participant's consent, including, without limitation, that (a) Awards of Restricted Stock Units will be assumed, or substantially equivalent awards will be substituted, by the acquiring or succeeding corporation (or an affiliate thereof) with appropriate adjustments as to the number and kind of shares and prices, (b) upon written notice to Participant, that the Participant's Award of Restricted Stock Units will terminate upon or immediately prior to the consummation of such merger or Change in Control, (c) outstanding Awards of Restricted Stock Units will vest and become realizable or payable, or restrictions applicable to an Award of Restricted Stock Units will lapse, in whole or in part prior to or upon consummation of such merger or Change in Control, (d) (i) the termination of an Award of Restricted Stock Units in exchange for an amount of cash and/or property, if any, equal to the amount that would have been attained upon the realization of Participant's rights as of the date of the occurrence of the transaction (and, for the avoidance of doubt, if as of the date of the occurrence of the transaction the Administrator determines in good faith that no amount would have been attained upon the realization of Participant's rights, then such Award of Restricted Stock Units may be terminated by the Company without payment), or (ii) the replacement of such Award of Restricted Stock Units with other rights or property selected by the Administrator in its sole discretion, or (e) any combination of the foregoing. In taking any of the actions permitted under this Award Agreement, the Administrator will not be obligated to treat all Awards, all Awards held by a Participant, all Awards of the same type, or all portions of Awards, similarly. For purposes of clarification, the provisions of Section 16.3 of the Plan apply to the Award of Restricted Stock Units.

9. **Rights as Stockholder.** Neither Participant nor any person claiming under or through Participant will have any of the rights or privileges of a stockholder of the Company in respect of any Shares deliverable hereunder unless and until certificates representing such Shares (which may be in book entry form) will have been issued, recorded on the records of the Company or its transfer agents or registrars, and delivered to Participant (including through electronic delivery to a brokerage account). After such issuance, recordation and delivery, Participant will have all the rights of a stockholder of the Company with respect to voting such Shares and receipt of dividends and distributions on such Shares.

10. **No Guarantee of Continued Service.** PARTICIPANT ACKNOWLEDGES AND AGREES THAT THE VESTING OF THE RESTRICTED STOCK UNITS PURSUANT TO THE VESTING SCHEDULE HEREOF IS EARNED ONLY BY CONTINUING AS A SERVICE PROVIDER, WHICH UNLESS PROVIDED OTHERWISE UNDER APPLICABLE LAWS IS AT THE WILL OF THE APPLICABLE SERVICE RECIPIENT AND NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THIS RESTRICTED STOCK UNIT AWARD OR ACQUIRING SHARES HEREUNDER. PARTICIPANT FURTHER ACKNOWLEDGES AND AGREES THAT THIS AWARD AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREUNDER AND THE VESTING SCHEDULE SET FORTH HEREIN DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT AS A SERVICE PROVIDER FOR THE VESTING PERIOD, FOR ANY PERIOD, OR AT ALL, AND SHALL NOT INTERFERE IN ANY WAY WITH PARTICIPANT'S RIGHT OR THE RIGHT OF ANY SERVICE RECIPIENT TO TERMINATE PARTICIPANT'S RELATIONSHIP AS A SERVICE PROVIDER, SUBJECT TO

APPLICABLE LAW, WHICH TERMINATION, UNLESS PROVIDED OTHERWISE UNDER APPLICABLE LAW, MAY BE AT ANY TIME, WITH OR WITHOUT CAUSE.

11. **Grant is Not Transferable.** Except to the limited extent provided in Section 6, this Award and the rights and privileges conferred hereby will not be transferred, assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) and will not be subject to sale under execution, attachment or similar process. Upon any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of this Award, or any right or privilege conferred hereby, or upon any attempted sale under any execution, attachment or similar process, this Award and the rights and privileges conferred hereby immediately will become null and void.

12. **Leave of Absence.** The vesting of Restricted Stock Units will not be suspended and will continue in accordance with the vesting schedule under this Award Agreement during Participant's authorized leave of absence from any Service Recipient employing Participant, subject to the remaining terms of this Award Agreement and the Plan.

13. **Nature of Grant.** In accepting this Award of Restricted Stock Units, Participant acknowledges, understands and agrees that:

(a) the grant of the Restricted Stock Units is voluntary and occasional and does not create any contractual or other right to receive future grants of Restricted Stock Units, or benefits in lieu of Restricted Stock Units, even if Restricted Stock Units have been granted in the past;

(b) all decisions with respect to future Restricted Stock Units or other grants, if any, will be at the sole discretion of the Administrator;

(c) Participant is voluntarily participating in the Plan;

(d) the Restricted Stock Units and the Shares subject to the Restricted Stock Units are not intended to replace any pension rights or compensation;

(e) the Restricted Stock Units and the Shares subject to the Restricted Stock Units, and the income and value of same, are not part of normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;

(f) the future value of the Shares underlying the Restricted Stock Units is unknown, indeterminable and cannot be predicted;

(g) for purposes of the Restricted Stock Units, Participant's status as a Service Provider will be considered terminated as of the date Participant is no longer actively providing services to the Company or any Parent or Subsidiary (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is a Service Provider or the terms of Participant's employment or service agreement, if any), and unless otherwise expressly provided in this Award Agreement (including by reference in the Notice of Grant to other arrangements or contracts) or determined by the

Administrator, Participant's right to vest in the Restricted Stock Units under the Plan, if any, will terminate as of such date; provided, however, that such right to vest will be extended by any notice period (e.g., Participant's period of service will include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where Participant is a Service Provider or the terms of Participant's employment or service agreement, if any); the Administrator shall have the exclusive discretion to determine when Participant is no longer actively providing services for purposes of this Award of Restricted Stock Units (including whether Participant may still be considered to be providing services while on a leave of absence and consistent with local law);

(h) unless otherwise provided in the Plan or by the Administrator in its discretion, the Restricted Stock Units and the benefits evidenced by this Award Agreement do not create any entitlement to have the Restricted Stock Units or any such benefits transferred to, or assumed by, another company nor be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Shares; and

(i) the following provisions apply only if Participant is providing services outside the United States:

(i) the Restricted Stock Units and the Shares subject to the Restricted Stock Units are not part of normal or expected compensation or salary for any purpose;

(ii) Participant acknowledges and agrees that no Service Recipient shall be liable for any foreign exchange rate fluctuation between Participant's local currency and the United States Dollar that may affect the value of the Restricted Stock Units or of any amounts due to Participant pursuant to the settlement of the Restricted Stock Units or the subsequent sale of any Shares acquired upon settlement; and

(iii) no claim or entitlement to compensation or damages shall arise from forfeiture of the Restricted Stock Units resulting from the termination of Participant's status as a Service Provider (for any reason whatsoever whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is a Service Provider or the terms of Participant's employment or service agreement, if any), and in consideration of the grant of the Restricted Stock Units to which Participant is otherwise not entitled, Participant irrevocably agrees never to institute any claim against any Service Recipient, waives his or her ability, if any, to bring any such claim, and releases each Service Recipient from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, Participant shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claim.

14. **No Advice Regarding Grant.** The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding Participant's participation in the Plan, or Participant's acquisition or sale of the Shares underlying the Restricted Stock Units. Participant is hereby advised to consult with his or her own personal tax, legal and financial advisers regarding his or her participation in the Plan before taking any action related to the Plan.

15. **Data Privacy.** Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of Participant's personal data as described in this Award Agreement and any other Restricted Stock Unit grant materials by and among, as applicable, the Service Recipients for the exclusive purpose of implementing, administering and managing Participant's participation in the Plan.

Participant understands that the Company and the Service Recipient may hold certain personal information about Participant, including, but not limited to, Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all Restricted Stock Units or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in Participant's favor ("Data"), for the exclusive purpose of implementing, administering and managing the Plan.

Participant understands that Data may be transferred to a stock plan service provider, as may be selected by the Company in the future, assisting the Company with the implementation, administration and management of the Plan. Participant understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country of operation (e.g., the United States) may have different data privacy laws and protections than Participant's country. Participant understands that if he or she resides outside the United States, he or she may request a list with the names and addresses of any potential recipients of the Data by contacting his or her local human resources representative. Participant authorizes the Company, any stock plan service provider selected by the Company and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing his or her participation in the Plan. Participant understands that Data will be held only as long as is necessary to implement, administer and manage Participant's participation in the Plan. Participant understands if he or she resides outside the United States, he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his or her local human resources representative. Further, Participant understands that he or she is providing the consents herein on a purely voluntary basis. If Participant does not consent, or if Participant later seeks to revoke his or her consent, his or her status as a Service Provider and career with the Service Recipient will not be adversely affected. The only adverse consequence of refusing or withdrawing Participant's consent is that the Company would not be able to grant Participant Restricted Stock Units or other equity awards or administer or maintain such awards. Therefore, Participant understands that refusing or withdrawing his or her consent may affect Participant's ability to participate in the Plan. For more information on the consequences of Participant's refusal to consent or withdrawal of consent, Participant understands that he or she may contact his or her local human resources representative.

16. **Address for Notices.** Any notice to be given to the Company under the terms of this Award Agreement will be addressed to the Company at NetApp, Inc., 3060 Olsen Drive, San Jose, CA 95128, Attn: Stock Administration, or at such other address as the Company may hereafter designate in writing.

17. **Successors and Assigns.** The Company may assign any of its rights under this Award Agreement to single or multiple assignees, and this Award Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Award Agreement shall be binding upon Participant and his or her heirs, executors, administrators, successors and assigns. The rights and obligations of Participant under this Award Agreement may be assigned only with the prior written consent of the Company.

18. **Additional Conditions to Issuance of Stock.** If at any time the Company will determine, in its discretion, that the listing, registration, qualification or rule compliance of the Shares upon any securities exchange or under any state, federal or non-U.S. law, the tax code and related regulations or under the rulings or regulations of the U.S. Securities and Exchange Commission or any other governmental regulatory body or the clearance, consent or approval of the U.S. Securities and Exchange Commission or any other governmental regulatory authority is necessary or desirable as a condition to the issuance of Shares to Participant (or his or her estate) hereunder, such issuance will not occur unless and until such listing, registration, qualification, rule compliance, clearance, consent or approval will have been completed, effected or obtained free of any conditions not acceptable to the Company. Subject to the terms of the Award Agreement and the Plan, the Company will not be required to issue any certificate or certificates for (or make any entry on the books of the Company or of a duly authorized transfer agent of the Company of) the Shares hereunder prior to the lapse of such reasonable period of time following the date of vesting of the Restricted Stock Units as the Administrator may establish from time to time for reasons of administrative convenience.

19. **Language.** If Participant has received this Award Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

20. **Interpretation.** The Administrator will have the power to interpret the Plan and this Award Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules (including, but not limited to, the determination of whether or not any Restricted Stock Units have vested). All actions taken and all interpretations and determinations made by the Administrator in good faith will be final and binding upon Participant, the Company and all other interested persons. Neither the Administrator nor any person acting on behalf of the Administrator will be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or this Award Agreement.

21. **Electronic Delivery and Acceptance.** The Company may, in its sole discretion, decide to deliver any documents related to the Restricted Stock Units awarded under the Plan or future Restricted Stock Units that may be awarded under the Plan by electronic means or require Participant to participate in the Plan by electronic means. Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through any on-line or electronic system established and maintained by the Company or a third party designated by the Company.

22. **Captions.** Captions provided herein are for convenience only and are not to serve as a basis for interpretation or construction of this Award Agreement.

23. **Amendment, Suspension or Termination of the Plan.** By accepting this Award, Participant expressly warrants that he or she has received an Award of Restricted Stock Units under the Plan, and has received, read and understood a description of the Plan. Participant understands that the Plan is discretionary in nature and may be amended, suspended or terminated by the Administrator at any time.

24. **Country Addendum.** Notwithstanding any provisions in this Award Agreement, the Restricted Stock Unit grant shall be subject to any special terms and conditions set forth in an appendix (if any) to this Award Agreement for any country whose laws are applicable to Participant and this Award of Restricted Stock Units (as determined by the Administrator in its sole discretion) (the “**Country Addendum**”). Moreover, if Participant relocates to one of the countries included in the Country Addendum (if any), the special terms and conditions for such country will apply to Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Country Addendum constitutes part of this Award Agreement.

25. **Modifications to the Award Agreement.** This Award Agreement constitutes the entire understanding of the parties on the subjects covered. Participant expressly warrants that he or she is not accepting this Award Agreement in reliance on any promises, representations, or inducements other than those contained herein. Modifications to this Award Agreement can be made only in an express written contract executed by a duly authorized officer of the Company. Notwithstanding anything to the contrary in the Plan or this Award Agreement, the Company reserves the right to revise this Award Agreement as it deems necessary or advisable, in its sole discretion and without the consent of Participant, to comply with Section 409A or to otherwise avoid imposition of any additional tax or income recognition under Section 409A in connection with this Award of Restricted Stock Units.

26. **No Waiver.** Either party’s failure to enforce any provision or provisions of this Award Agreement shall not in any way be construed as a waiver of any such provision or provisions, nor prevent that party from thereafter enforcing each and every other provision of this Award Agreement. The rights granted both parties herein are cumulative and shall not constitute a waiver of either party’s right to assert all other legal remedies available to it under the circumstances.

27. **Governing Law; Severability.** This Award Agreement and the Restricted Stock Units are governed by the internal substantive laws, but not the choice of law rules, of the State of California. In the event that any provision hereof becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Award Agreement shall continue in full force and effect.

28. **Imposition of Other Requirements.** The Company reserves the right to impose other requirements on Participant’s participation in the Plan, on the Award, and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with Applicable Laws or facilitate the administration of the Plan. Participant agrees to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing. Furthermore, Participant acknowledges that the laws of the country in which Participant is working at the time of grant, vesting, or the sale of Shares received pursuant to this Award (including any

rules or regulations governing securities, foreign exchange, tax, labor or other matters) may subject Participant to additional procedural or regulatory requirements that Participant is and will be solely responsible for and must fulfill.

29. **Holding Period Condition.** Notwithstanding anything to the contrary in this Award Agreement, any Shares issued to Participant pursuant to this Award are subject to the terms and conditions of Section 6.5 of the Plan.

30. **Entire Agreement.** The Plan is incorporated herein by reference. The Plan and this Award Agreement (including the exhibits, appendices, and addenda attached to the Notice of Grant) constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof, and may not be modified adversely to the Participant's interest except by means of a writing signed by the Company and Participant.

EXHIBIT B

NETAPP, INC.

2021 EQUITY INCENTIVE PLAN

RESTRICTED STOCK UNIT AGREEMENT (PERFORMANCE-BASED)

ADDITIONAL TERMS AND CONDITIONS OF RESTRICTED STOCK UNIT GRANT

Terms and Conditions

This **Exhibit B** includes additional terms and conditions that govern the Restricted Stock Units granted to you under the Plan if you reside in one of the countries listed below. Certain capitalized terms used but not defined in this **Exhibit B** have the meanings set forth in the Plan and/or the Award Agreement.

Notifications

This **Exhibit B** also includes information regarding exchange controls and certain other issues of which you should be aware with respect to your participation in the Plan. The information is based on the securities, exchange control and other laws in effect in the respective countries as of April 2019. Such laws are often complex and change frequently. As a result, the Company strongly recommends that you not rely on the information in this **Exhibit B** as the only source of information relating to the consequences of your participation in the Plan because the information may be out of date at the time that the Restricted Stock Units vest or you sell Shares acquired under the Plan.

In addition, the information contained herein is general in nature and may not apply to your particular situation and the Company is not in a position to assure you of a particular result. Accordingly, you are advised to seek appropriate professional advice as to how the relevant laws in your country may apply to your situation.

Finally, if you are a citizen or resident of a country other than the one in which you are currently working, the information contained herein may not be applicable to you.

ARGENTINA

Notifications

Securities Law Information. Neither the Restricted Stock Units nor the issuance of the Shares are publicly offered or listed on any stock exchange in Argentina. The offer is private and not subject to the supervision of any Argentine governmental authority.

Exchange Control Information. Please note that exchange control regulations in Argentina are subject to frequent change. You should consult with your personal legal advisor regarding any exchange control obligations that you may have.

Foreign Asset / Account Reporting Information. You are required to report certain information regarding any Shares you hold as of December 31 each year to the Argentine tax authorities on your annual tax return.

AUSTRALIA

Terms and Conditions

Class Order Exemption. The offer of Restricted Stock Units is intended to comply with the provisions of the Corporations Act 2001, Australian Securities & Investments Commission (“ASIC”) Regulatory Guide 49 and ASIC Class Order CO 14/1000. Additional details are set forth in the Offer Document for the offer of Restricted Stock Units to Australian Resident Employees, which is provided to you in the country-specific consents and notifications section at the end of the Award Agreement.

Notifications

Tax Information. The Plan is a plan to which Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth) applies (subject to the conditions in the Act).

AUSTRIA

Notifications

Exchange Control Information. If you hold Shares obtained through the Plan outside of Austria, you must submit a report to the Austrian National Bank. An exemption applies if the value of the Shares as of any given quarter does not exceed €30,000,000 or as of December 31 does not exceed €5,000,000. If the former threshold is exceeded, quarterly obligations are imposed, whereas if the latter threshold is exceeded, annual reports must be given. The annual reporting date is as of December 31 and the deadline for filing the annual report is March 31 of the following year.

When Shares are sold, there may be exchange control obligations if the cash received is held outside Austria. If the transaction volume of all your accounts abroad exceeds €10,000,000, the movements and balances of all accounts must be reported monthly, as of the last day of the month, on or before the fifteenth day of the following month.

BELGIUM

Notifications

Foreign Asset / Account Reporting Information. You are required to report any security or bank account (including brokerage accounts) you maintain outside of Belgium on your annual tax return. The first time you report the foreign security and/or bank account on your annual income tax return you will have to provide the Central Contact Point with the National Bank of Belgium account number, the name of the bank and the country in which the account was opened in a separate form. The form, as well as additional information on how to complete it, can be found on the website of the National Bank of Belgium, www.nbb.be, under the caption Kredietcentrales / Centrales des crédits.

BRAZIL

Terms and Conditions

Compliance with Law. By accepting the Restricted Stock Units, you agree to comply with

applicable Brazilian law in connection with the Restricted Stock Units. Without limitation to the foregoing, you agree to report and pay any and all tax resulting from the vesting of the Restricted Stock Units, the sale of Shares and the receipt of any dividends.

Labor Law Acknowledgement. In accepting the Restricted Stock Units, you acknowledge that (i) you are making an investment decision and (ii) the value of the underlying Shares is not fixed and may increase or decrease over the vesting period without compensation to you.

Notifications

Exchange Control Information. If you are a resident of or domiciled in Brazil, you will be required to submit an annual declaration of assets and rights held outside of Brazil (including Shares) to the Central Bank of Brazil if the aggregate value of such assets and rights is equal to or greater than US\$100,000. Quarterly reporting is required if such amount exceeds US\$100,000,000. Assets and rights that must be reported include Shares acquired under the Plan.

CANADA

Terms and Conditions

Form of Settlement. Restricted Stock Units granted to employees resident in Canada shall be paid in Shares only, notwithstanding any discretion to settle Restricted Stock Units in cash as set out in Section 2 of the Award Agreement and Section 10.4 of the Plan.

Disclosure of Participant Information. This provision supplements Section 15 of the Award Agreement and applies if you are a resident of Quebec:

You hereby authorize the Company and the Company's representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. You further authorize the Company, any Parent or Subsidiary and the administrator of the Plan to disclose and discuss the Plan with their advisors. You further authorize the Company and any Parent or Subsidiary to record such information and to keep such information in your employee file.

Language Consent. The following provision will apply if you are a resident of Quebec:

The parties acknowledge that it is their express wish that the Award Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Consentement Relatif à la Langue Utilisée. *Les parties reconnaissent avoir expressément souhaité que la convention ("Agreement"), ainsi que tous les documents, avis et procédures judiciaires, exécutés, donnés ou intentés en vertu de, ou lié, directement ou indirectement à la présente convention, soient rédigés en langue anglaise.*

Notifications

Securities Law Information. You are permitted to sell Shares acquired under the Plan provided the resale of such Shares takes place outside of Canada through facilities of a stock exchange on which the Shares are listed. The Shares are currently listed on the Nasdaq.

Foreign Asset / Account Reporting Information. Foreign property (including Shares) held by Canadian residents must be reported annually to the tax authorities on Form T1135 (Foreign Income Verification Statement) if the total cost of such foreign property exceeds C\$100,000 at any time during the year. If the C\$100,000 cost threshold is exceeded by other foreign property held, your Restricted Stock Units must be reported as well. Such Restricted Stock Units generally may be reported at a nil cost. Form T1135 must be filed by April 30th of the following year when such foreign property was held by a Canadian resident.

CHILE

Notifications

Securities Law Information. The offer of the Award constitutes a private offering in Chile effective as of the Date of Grant. The offer of the Award is made subject to General Ruling N° 336 of the Chilean Commission for the Financial Market (“CMF”). The offer refers to securities not registered at the Securities Registry or at the Foreign Securities Registry of the CMF, and, therefore, such securities are not subject to oversight of the CMF. Given that the Award is not registered in Chile, the Company is not required to provide information about the Award or Shares in Chile. Unless the Award and/or the Shares are registered at the corresponding registries of the CMF, a public offering of such securities cannot be made in Chile.

Esta oferta del otorgamiento constituye una oferta privada en Chile efectiva a partir de la Fecha de la Concesión (Grant Date, según se define en este documento). Esta oferta del otorgamiento es realizada conforme a las disposiciones de la Norma de Carácter General No. 336 de la Comisión para el Mercado Financiero de Chile (“CMF”). La oferta se refiere a valores no inscritos en el Registro de Valores o en el Registro de Valores Extranjeros de la CMF y, por lo tanto, tales valores no están sujetos a la fiscalización de ésta. Dado que el otorgamiento no está registrado en Chile, no se requiere que la Compañía provea información sobre el referido otorgamiento o las Acciones Ordinarias (Shares, según se define en este documento) en Chile. A menos que el otorgamiento y/o las Acciones Ordinarias estén registradas con la CMF, una oferta pública de tales valores no puede hacerse en Chile.

Exchange Control Information. You are not required to repatriate proceeds obtained from the sale of Shares or from dividends to Chile; however, if you decide to repatriate proceeds from the sale of Shares and/or dividends and the amount of the proceeds to be repatriated exceeds US\$10,000, you must effect such repatriation through the Formal Exchange Market (i.e., a commercial bank or registered foreign exchange office). In such case, you must report the payment to the commercial bank or registered foreign exchange office receiving the funds.

If your aggregate investments held outside of Chile exceeds US\$5,000,000 (including shares acquired under the Plan), you must report such investments annually to the Central Bank. Annex 3.1 of Chapter XII of the Foreign Exchange Regulations must be used to file this report.

Foreign Asset/Account Reporting Information. Chilean taxpayers are required to inform the Chilean Internal Revenue Service (the “CIRS”) annually of (i) the results of investments held abroad and (ii) any taxes paid abroad which will be used as credit against Chilean income tax. The Form 1929 disclosing this information must be submitted electronically through the CIRS website before June 30 of each year: www.sii.cl. Chilean taxpayers who fail to meet these requirements may be ineligible to receive certain foreign tax credits.

CHINA

Terms and Conditions

Sale Requirements. You agree that you must (and that you shall) sell, transfer or otherwise dispose of the Shares acquired pursuant to this Award of Restricted Stock Units in such manner and subject to such terms and conditions as the Company or the Service Recipient determines within six (6) months after your cease to be a Service Provider, or such other period of time as the Company or the Service Recipient may designate from time to time to comply with applicable legal requirements, including any registration, regulation, requirement or other similar law, statute, rule or regulation promulgated or requested by the State Administration of Foreign Exchange (“SAFE”) or its local agency (the “Disposition Deadline”). You hereby authorize the Company or the Service Recipient and appoint the Company and the Service Recipient as your attorney-in-fact to sell on your behalf any Shares held by you on or after the Disposition Deadline, without any further action, consent or instruction by you to facilitate compliance with applicable legal requirements. You further agree and acknowledge that you will be responsible and liable for all the costs associated with any such sale of Shares and that neither the Company nor the Service Recipient will be liable to you or any other person or entity for any losses or other liabilities that may result to you as a result of any such sale.

Exchange Control Requirements. You understand and agree that, pursuant to local exchange control requirements, you will be required to repatriate the cash proceeds from the sale of the Shares issued upon the vesting of the Restricted Stock or any cash dividends paid on such shares to China. You further understand that, under local law, such repatriation of funds may need to be effectuated through a special exchange control account established by the Company, Parent or Subsidiary or the Service Recipient, and you hereby consent and agree that any funds you acquire may be transferred to such special account prior to being delivered to you. If the funds are converted to local currency, you acknowledge that the Company is under no obligation to secure any exchange conversion rate, and the Company may face delays in converting the funds to local currency due to exchange control restrictions in China. You agree to bear the risk of any exchange conversion rate fluctuation between the date the funds are received and the date of conversion of the funds to local currency. You further agree to comply with any other requirements that may be imposed by the Company in the future in order to facilitate compliance with exchange control requirements in China.

CZECH REPUBLIC

Notifications

Exchange Control Information. The Czech National Bank may require you to fulfill certain notification duties in relation to the Restricted Stock Units and the opening and maintenance of a foreign account. However, because exchange control regulations change frequently and without notice, you should consult your personal legal advisor prior to the vesting of the Restricted Stock Units to ensure compliance with current regulations. It is your responsibility to comply with applicable Czech exchange control laws.

DENMARK

Terms and Conditions

Danish Stock Option Act. You acknowledge that you have received the Employer Statement in Danish which sets forth additional information about the Restricted Stock Units to the extent that the Danish Stock Option Act applies.

Notifications

Foreign Asset / Account Reporting Information. Under the Danish Tax Reporting Act you must report Shares held in a foreign bank or brokerage account and deposit accounts with a foreign bank or broker in your tax return under the section on foreign affairs and income. The use of the Forms V and K have been discontinued.

FINLAND

There are no country specific provisions.

FRANCE

Terms and Conditions

Tax Information. The Restricted Stock Units described herein are not intended to qualify for the French specific tax and social regime provided by sections L. 225-197-1 to L. 225-197-6 of the French Commercial Code.

Language Consent. The parties acknowledge and agree that it is their express wish that the Award Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Consentement Relatif à la Langue Utilisée. Les parties reconnaissent avoir expressément souhaité que la convention ("Agreement"), ainsi que tous les documents, avis et procédures judiciaires, exécutés, donnés ou intentés en vertu de, ou lié, directement ou indirectement à la présente convention, soient rédigés en langue anglaise.

Notifications

Exchange Control Information. If you hold Shares outside of France or maintain a foreign bank account, you are required to report such to the French tax authorities when you file your annual tax return.

GERMANY

Notifications

Exchange Control Information. Cross-border payments in excess of €12,500 must be reported monthly to the German Federal Bank. If you use a German bank to transfer a cross-border payment in excess of €12,500 in connection with the sale of Shares acquired under the Plan, the bank will make the report for you.

Foreign Asset / Account Reporting Information. If your acquisition of Shares under the Plan leads to a so-called qualified participation at any point during the calendar year, you will need to report the acquisition when you file your tax return for the relevant year. A qualified participation is attained if (i) the value of the Shares acquired exceeds €150,000 or (ii) in the

unlikely event you hold Shares exceeding 10% of the Company's total Shares.

GREECE

There are no country specific provisions.

HONG KONG

Terms and Conditions

Form of Settlement. Restricted Stock Units granted to employees resident in Hong Kong shall be paid in Shares only, notwithstanding any discretion to settle Restricted Stock Units in cash as set out in Section 2 of the Award Agreement and Section 10.4 of the Plan.

Settlement of Restricted Stock Units and Sale of Shares. In the event your Restricted Stock Units vest and Shares are issued to you within six months of the Date of Grant, you agree that you will not dispose of any Shares acquired prior to the six-month anniversary of the Date of Grant.

Nature of Scheme. The Company specifically intends that the Plan will not be an occupational retirement scheme for purposes of the Occupational Retirement Schemes Ordinance ("ORSO"). Notwithstanding the foregoing, if the Plan is deemed to constitute an occupational retirement scheme for purposes of ORSO, your grant shall be void.

Notifications

Securities Law Information. Warning: The Restricted Stock Units and Shares issued at vesting do not constitute a public offering of securities under Hong Kong law and are available only to employees of the Company, its Parent or Subsidiary. The Award Agreement, including this **Exhibit B**, the Plan and other incidental communication materials have not been prepared in accordance with and are not intended to constitute a "prospectus" for a public offering of securities under the applicable securities legislation in Hong Kong nor have the documents been reviewed by any regulatory authority in Hong Kong. The Restricted Stock Units are intended only for the personal use of each eligible employee of the Service Recipient, the Company or any Parent or Subsidiary and may not be distributed to any other person. If you are in any doubt about any of the contents of the Award Agreement, including this **Exhibit B**, or the Plan, you should obtain independent professional advice.

HUNGARY

There are no country specific provisions.

ICELAND

Notifications

Exchange Control Information. You should consult with your personal advisor to ensure compliance with any applicable exchange control laws and regulations in Iceland, as such regulations are subject to frequent change. You are responsible for ensuring compliance with all exchange control laws and regulations in Iceland.

INDIA

Notifications

Exchange Control Information. You are required to repatriate to India any cash dividends paid on Shares acquired under the Plan within 180 days of payment and any proceeds from the sale of such Shares within 90 days of receipt, or within such other period of time prescribed upon applicable Indian exchange control regulations. Upon repatriation, a foreign inward remittance certificate ("FIRC") will be issued by the bank where the foreign currency is deposited. The FIRC should be retained as evidence of the repatriation of funds in the event the Reserve Bank of India or the Service Recipient requests proof of repatriation.

Foreign Asset / Account Reporting Information. You are required to declare foreign bank accounts and any foreign financial assets in your annual tax return.

Tax Information. The amount subject to tax at vesting will partially be dependent upon a valuation that the Company will obtain from a Merchant Banker in India. The Company has no responsibility or obligation to obtain the most favorable valuation possible nor obtain valuations more frequently than required under Indian tax law.

INDONESIA

Terms and Conditions

Language Consent. A translation of the documents relating to the Award (i.e., the Award Agreement and the Plan) into Bahasa Indonesia can be provided to you upon request to Attn: Stock Administration at 3060 Olsen Drive, San Jose, CA, 95128, U.S.A.

By accepting the Award, you (i) confirm having read and understood the documents relating to the Award (i.e., the Plan and the Award Agreement) which were provided in the English language, (ii) accept the terms of those documents accordingly, and (iii) agree not to challenge the validity of this document based on Law No. 24 of 2009 on National Flag, Language, Coat of Arms and National Anthem or the implementing Presidential Regulation (when issued).

Persetujuan Bahasa. *Terjemahan dari dokumen-dokumen terkait dengan penghargaan ini (yaitu Perjanjian dan Rencana) ke dalam Bahasa Indonesia dapat disediakan untuk anda berdasarkan permintaan kepada: Stock Administration at 3060 Olsen Drive, San Jose, CA 95128, U.S.A.*

Dengan menerima pemberian, anda (i) memberikan konfirmasi bahwa anda telah membaca dan memahami dokumen-dokumen berkaitan dengan pemberian ini (yaitu, Program dan Perjanjian) yang disediakan dalam Bahasa Inggris, (ii) menerima persyaratan di dalam dokumen-dokumen tersebut, dan (iii) setuju untuk tidak mengajukan keberatan atas keberlakuan dari dokumen ini berdasarkan Undang-Undang No. 24 Tahun 2009 tentang Bendera, Bahasa dan Lambang Negara serta Lagu Kebangsaan ataupun Peraturan Presiden sebagai pelaksanaannya (ketika diterbitkan).

Notifications

Exchange Control Information. If you remit proceeds from the sale of shares into

Indonesia, the Indonesian Bank through which the transaction is made will submit a report on the transaction to the Bank of Indonesia for statistical reporting purposes. For transactions of US\$10,000 or more, a description of the transaction must be included in the report. Although the bank through which the transaction is made is required to make the report, you must complete a "Transfer Report Form." The Transfer Report Form will be provided to you by the bank through which the transaction is made.

IRELAND

Notifications

Director Notification Obligation. If you are a director, shadow director or secretary of the Company's Irish Subsidiary or affiliate whose interest in the Company represents more than 1% of the Company's voting share capital, you must notify the Irish Subsidiary or affiliate in writing within five business days of receiving or disposing of an interest in the Company (e.g., Restricted Stock Units, Shares, etc.), or within five business days of becoming aware of the event giving rise to the notification requirement or within five days of becoming a director or secretary if such an interest exists at the time. This notification requirement also applies with respect to the interests of a spouse or children under the age of 18 (whose interests will be attributed to the director, shadow director or secretary).

ISRAEL

Terms and Conditions

Trust Arrangement. You understand and agree that the Restricted Stock Units are offered subject to and in accordance with the terms of the trust agreement. Specifically, the Shares issued upon vesting of the Restricted Stock Units shall be delivered to and controlled by a trustee appointed by the Company or its Subsidiary or affiliate in Israel (the "Trustee") for your benefit for at least such period of time as required by Section 102 or any shorter period determined under the Israeli Income Tax Ordinance [New Version] 1961 as now in effect or as hereafter amended (the "Ordinance") or by the Israeli Tax Authority (the "Lock-Up Period"). The Restricted Stock Units and Shares shall be controlled by the Trustee for the benefit of you and the provisions of Section 102 of the Ordinance and the Income Tax (Tax Abatement on the Grant of Shares to Employees) Regulations 2003 shall apply to such Restricted Stock Units or Shares for all purposes. You shall be able, at any time, to request the sale of the Shares or the release of the Shares from the Trustee, subject to the terms of the Plan, this Award Agreement and any applicable law. Without derogating from the aforementioned, if the Shares are released by the Trustee during the Lock-Up Period, the sanctions under Section 102 of the Ordinance shall apply to and be borne by you. The Shares shall not be sold or released from the control of the Trustee unless the Company, the Service Recipient and the Trustee are satisfied that the full amount of Withholding Obligations due have been paid or will be paid in relation thereto.

Notifications

Securities Law Information. An exemption from filing a prospectus in relation to the Plan has been granted to the Company by the Israeli Securities Authority. Copies of the Plan and the Form S-8 registration statement for the Plan filed with the U.S. Securities and Exchange Commission are available from Attn: Stock Administration at 3060 Olsen Drive, San Jose, CA 95128, U.S.A.

ITALY

Terms and Conditions

Plan Document Acknowledgment. In accepting the Restricted Stock Units, you acknowledge that you have received a copy of the Plan and the Award Agreement and have reviewed the Plan and the Award Agreement, including this **Exhibit B**, in their entirety and fully understand and accept all provisions of the Plan and the Award Agreement, including this **Exhibit B**.

In addition, you further acknowledge that you have read and specifically and expressly approve without limitation the following clauses in the Award Agreement: Section 5 (Forfeiture upon Termination of as a Service Provider); Section 7 (Tax Obligations); Section 13 (Nature of Grant); and Section 15 (Data Privacy).

Notifications

Foreign Asset / Account Reporting Information. Italian residents who, at any time during the fiscal year, hold foreign financial assets (including cash and Shares) which may generate income taxable in Italy are required to report these assets on their annual tax returns (UNICO Form, RW Schedule) for the year during which the assets are held, or on a special form if no tax return is due. These reporting obligations will also apply to Italian residents who are the beneficial owners of foreign financial assets under Italian money laundering provisions.

JAPAN

Notifications

Exchange Control Information. If you acquire Shares valued at more than JPY 100 million in a single transaction, you must file a Securities Acquisition Report with the Ministry of Finance through the Bank of Japan within 20 days after the acquisition of the Shares.

Foreign Asset / Account Reporting Information. If you hold foreign assets (including Shares acquired under the Plan) with a total net fair market value exceeding JPY 50 million as of December 31 of each year, you are required to report such assets to the National Tax Administration by March 15 of the following year.

KOREA

Notifications

Foreign Asset / Account Reporting Information. Korean residents must declare all foreign financial accounts (e.g., non-Korean bank accounts, brokerage accounts) to the Korean tax authority and file a report with respect to such accounts in June of the immediately following year if the monthly balance of such accounts exceeds KRW 500 million (or an equivalent amount in foreign currency) on any month-end date during a calendar year. It is your responsibility to comply with applicable reporting obligations and you should consult with your personal tax advisor in this regard.

LEBANON

Securities Law Information. The Plan does not constitute the marketing or offering of securities in Lebanon pursuant to Law No. 161 (2011), the Capital Markets Law. Offers under the Plan are being made only to eligible employees of the Company or a Subsidiary.

MACEDONIA

Notifications

Exchange Control Information. You should consult with your personal advisor to ensure compliance with any applicable exchange control laws and regulations in Macedonia, as such regulations are subject to frequent change. You are responsible for ensuring compliance with all exchange control laws and regulations in Macedonia.

MALAYSIA

Terms and Conditions

Disclosure of Participant Information. This provision supplements Section 15 of the Award Agreement:

<p>You hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of your personal data as described in this Award Agreement and any other award grant materials by and among, as applicable, the Service Recipient, the Company and any other affiliates for the exclusive purpose of implementing, administering and managing your participation in the Plan.</p> <p>You understand that the Company and the Service Recipient may hold certain personal information about you, including, but not limited to, your name, home address and telephone number, email address, date of birth, social insurance, passport or other identification number (e.g., resident registration number), salary, nationality, job title, any Shares or directorships held in the Company, details of all awards or any other entitlement to Shares or equivalent benefits awarded, canceled, purchased, exercised, vested, unvested or outstanding in your favor (“Data”), for the exclusive purpose of implementing, administering and managing the Plan. Data is supplied by the Company and also by you through information collected in connection with the Award Agreement and</p>	<p>Anda dengan ini secara eksplisit dan tanpa sebarang keraguan mengizinkan pengumpulan, penggunaan dan pemindahan, dalam bentuk elektronik atau lain-lain, data peribadi anda seperti yang diterangkan dalam Perjanjian ini dan apa-apa bahan pemberian Anugerah yang lain oleh dan di antara, seperti yang berkenaan, Majikan, Syarikat dan mana-mana Ahli Gabungan lain untuk tujuan eksklusif bagi melaksanakan, mentadbir dan menguruskan penyertaan anda di dalam Pelan.</p> <p>Anda memahami bahawa Syarikat dan Majikan mungkin memegang maklumat peribadi tertentu tentang anda, termasuk, tetapi tidak terhad kepada, nama anda, alamat rumah dan nombor telefon, alamat emel, tarikh lahir, nombor insurans sosial, pasport atau nombor pengenalan lain (seperti, nombor pendaftaran penduduk tetap atau nombor kad pengenalan), gaji, kewarganegaraan, jawatan, apa-apa syer Saham Biasa atau jawatan pengarah yang dipegang dalam Syarikat, butir-butir semua Anugerah atau apa-apa hak lain atas syer Saham Biasa atau faedah bersamaan yang dianugerahkan, dibatalkan, dibeli, dilaksanakan, terletak hak, tidak terletak hak ataupun yang belum dijelaskan</p>
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the Plan.

You understand that Data will be transferred to E*TRADE or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. You understand that the recipients of Data may be located in the United States or elsewhere, and that the recipients' country may have different data privacy laws and protections than your country. You understand that you may request a list with the names and addresses of any potential recipients of Data by contacting your local human resources representative, Stock Administration at stockadmin@netapp.com. You authorize the Company, E*TRADE and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer Data, in electronic or other form, for the sole purposes of implementing, administering and managing your participation in the Plan, including any requisite transfer of such Data as may be required to a broker, escrow agent or other third party with whom any Shares acquired under the Plan may be deposited. You understand that Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You understand that you may, at any time, view Data, request information about the storage and processing of Data, require any necessary amendments to Data, limit the processing of Data or refuse or withdraw the consents herein, in any case without cost, by contacting your local human resources representative. Further, you understand that you are providing the consents herein on a purely voluntary basis. If you do not consent, or if you later seek to revoke your consent, your employment or service with the Service Recipient will not be affected; the only consequence of refusing or withdrawing your consent is that the Company would not be

bagi faedah anda ("Data"), untuk tujuan eksklusif bagi melaksanakan, mentadbir dan menguruskan Pelan tersebut. Data tersebut dibekalkan oleh Syarikat dan juga oleh anda melalui maklumat yang dikumpul berkaitan dengan Perjanjian dan Pelan.

Anda memahami bahawa Data ini akan dipindahkan kepada E*TRADE atau pembekal perkhidmatan pelan saham lain yang mungkin dipilih oleh Syarikat pada masa depan, yang membantu Syarikat dengan pelaksanaan, pentadbiran dan pengurusan Pelan. Anda memahami bahawa penerima-penerima Data mungkin berada di Amerika Syarikat atau mana-mana tempat lain, dan bahawa negara penerima-penerima mungkin mempunyai undang-undang privasi data dan perlindungan yang berbeza daripada negara anda. Anda memahami bahawa anda boleh meminta satu senarai yang mengandungi nama-nama dan alamat-alamat penerima-penerima Data yang berpotensi dengan menghubungi wakil sumber manusia tempatan anda, iaitu Stock Administration at stockadmin@netapp.com. Anda memberi kuasa kepada Syarikat, E*TRADE dan mana-mana penerima-penerima lain yang mungkin membantu Syarikat (pada masa sekarang atau pada masa depan) dengan melaksanakan, mentadbir dan menguruskan Pelan untuk menerima, memiliki, menggunakan, mengekalkan dan memindahkan Data, dalam bentuk elektronik atau lain-lain, bagi tujuan tunggal melaksanakan, mentadbir dan menguruskan penyertaan anda di dalam Pelan, termasuk apa-apa pemindahan Data yang dikehendaki kepada broker, agen eskrow atau pihak ketiga dengan siapa sebarang syer Saham Biasa yang dibeli di bawah Pelan boleh didepositkan. Anda memahami bahawa Data hanya akan disimpan selagi ia adalah diperlukan untuk melaksanakan, mentadbir, dan menguruskan penyertaan anda dalam Pelan. Anda memahami bahawa anda boleh, pada bila-bila masa, melihat Data, meminta maklumat mengenai penyimpanan dan pemprosesan Data, meminta mana-mana pindaan yang perlu ke atas Data,

able to grant your award or other equity awards or administer or maintain such awards. Therefore, you understand that refusing or withdrawing your consent may affect your ability to participate in the Plan. For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative.

menghadkan pemrosesan Data, atau menolak atau menarik balik persetujuan dalam ini, dalam mana-mana kes tanpa kos, dengan menghubungi wakil sumber manusia tempatan. Selanjutnya, anda memahami bahawa anda memberikan persetujuan di sini secara sukarela semata-mata. Sekiranya anda tidak bersetuju, atau sekiranya anda kemudian membatalkan persetujuan anda, status pekerjaan atau perkhidmatan anda dengan Syarikat tidak akan terjejas; satu-satunya akibat sekiranya anda tidak bersetuju atau menarik balik persetujuan anda adalah bahawa Syarikat tidak akan dapat memberikan anda Unit Saham atau anugerah ekuiti lain atau mentadbir atau mengekalkan anugerah-anugerah tersebut. Oleh itu, anda memahami bahawa keengganan atau penarikan balik persetujuan anda boleh menjejaskan keupayaan anda untuk mengambil bahagian dalam Pelan. Untuk maklumat lebih lanjut mengenai akibat-akibat keengganan anda untuk memberikan keizinan atau penarikan balik keizinan, anda memahami bahawa anda boleh menghubungi wakil sumber manusia tempatan.

Notifications

Director Notification Obligation. If you are a director of the Company's Malaysian Subsidiary or affiliate, you are subject to certain notification requirements under the Malaysian Companies Act. Among these requirements is an obligation to notify the Malaysian Subsidiary or affiliate in writing when you receive or dispose of an interest (e.g., an award under the Plan or Shares) in the Company or any related company. Such notifications must be made within 14 days of receiving or disposing of any interest in the Company or any related company.

MEXICO

Terms and Conditions

Modification. By accepting the Restricted Stock Units, you understand and agree that any modification of the Plan or the Award Agreement or its termination shall not constitute a change or impairment of the terms and conditions of employment.

Policy Statement. The Award of Restricted Stock Units the Company is making under the Plan is unilateral and discretionary and, therefore, the Company reserves the absolute right to amend it and discontinue it at any time without any liability.

The Company, with registered offices at 251 Little Falls Drive, Wilmington, DE, 19808,

U.S.A., is solely responsible for the administration of the Plan and participation in the Plan and the acquisition of shares does not, in any way, establish an employment relationship between you and the Company since you are participating in the Plan on a wholly commercial basis and the sole employer is as applicable, nor does it establish any rights between you and the Service Recipient.

Plan Document Acknowledgment. By accepting the Award of Restricted Stock Units, you acknowledge that you have received copies of the Plan, have reviewed the Plan and the Award Agreement in their entirety and fully understand and accept all provisions of the Plan and the Award Agreement.

In addition, by signing the Award Agreement, you further acknowledge that you have read and specifically and expressly approve the terms and conditions in the Award Agreement, in which the following is clearly described and established: (i) participation in the Plan does not constitute an acquired right; (ii) the Plan and participation in the Plan is offered by the Company on a wholly discretionary basis; (iii) participation in the Plan is voluntary; and (iv) the Company and any Parent, Subsidiary or affiliates are not responsible for any decrease in the value of the Shares underlying the Restricted Stock Units.

Finally, you hereby declare that you do not reserve any action or right to bring any claim against the Company for any compensation or damages as a result of your participation in the Plan and therefore grant a full and broad release to the Service Recipient, the Company and any Parent, Subsidiary or affiliates with respect to any claim that may arise under the Plan.

Spanish Translation

Modification. Al aceptar las Unidades de Accion Restringida, usted reconoce y acuerda que cualquier modification del Plan o su terminacion no constituye un cambio o desmejora de los terminos y condiciones de empleo.

Declaracion de Politica. El Otorgamiento de Unidades de Accion Restringida de la Compañia en virtud del Plan es unilateral y discrecional y, por lo tanto, la Compañia se reserva el derecho absoluto de modificar y discontinuar el mismo en cualquier tiempo, sin responsabilidad alguna.

La Compañia, con oficinas registradas ubicadas en 251 Little Falls Drive, Wilmington, DE, 19808, U.S.A., es la unica responsable de la administración del Plan y de la participación en el mismo y la adquisición de acciones no establece de forma alguna una relación de trabajo entre usted y la Compañia, ya que su participación en el Plan es completamente comercial y el unico empleador es en caso de ser aplicable, asi como tampoco establece ningun derecho entre la persona que tenga el derecho a optar y el Empleador.

Reconocimiento del Documento del Plan. Al aceptar el Otorgamiento de las Unidades de Acción Restringida, usted reconoce que ha recibido copias del Plan, ha revisado el mismo, al igual que la totalidad del Acuerdo y, que ha entendido y aceptado completamente todas las disposiciones contenidas en el Plan y en el Acuerdo.

Adicionalmente, al firmar el Acuerdo, reconoce que ha leído, y que aprueba especifica y expresamente los términos y condiciones contenidos en la Renuncia de Derecho o Reclamo por Compensación del Acuerdo, en el cual se encuentra claramente descrito y establecido lo siguiente: (i) la participación en el Plan no constituye un derecho adquirido; (ii) el plan y la participación en

el mismo es ofrecida por la Compañía de forma enteramente discrecional; (iii) la participación en el Plan es voluntaria; y (iv) la Compañía, así como su Sociedad controlante, Subsidiaria o Filiales no son responsables por cualquier disminución en el valor de las acciones en relación a las Unidades de Acción Restringida.

Finalmente, declara que no se reserva ninguna *acción* o derecho para interponer una demanda en contra de la Compañía por compensación, dano o perjuicio alguno como resultado de su participación en el Plan y, en consecuencia, otorga el más amplio finiquito al Empleador, así como a la Compañía, a su Sociedad controlante, Subsidiaria o Filiales con respecto a cualquier demanda que pudiera originarse en virtud del Plan.

NETHERLANDS

There are no country specific provisions.

NEW ZEALAND

Notifications

Securities Law Information. WARNING: You are being granted Restricted Stock Units to acquire Shares in accordance with the terms of this Award Agreement and the Plan. The Shares, if issued, will give you a stake in the ownership of the Company. You may receive a return if dividends are paid.

If the Company runs into financial difficulties and is wound up, you will be paid only after all other creditors (including holders of preference shares, if any) have been paid. You may lose some or all of your investment, if any.

New Zealand law normally requires people who offer financial products to give information to investors before they invest. This information is designed to help investors to make an informed decision.

The usual rules do not apply to this offer because it is made under an employee share purchase scheme. As a result, you may not be given all the information usually required. You also will have fewer other legal protections for this investment.

Ask questions, read all documents carefully, and seek independent financial advice before committing yourself.

The Company's Shares are currently traded on the Nasdaq under the ticker symbol "NTAP" and Shares acquired under the Plan may be sold through this exchange. You may end up selling the Shares at a price that is lower than the value of the Shares when you acquired them. The price will depend on the demand for the Company's Shares. The Company's most recent annual report (which includes the Company's financial statements) is available at the Company's website at <http://investors.netapp.com/>. You are entitled to receive a copy of this report, free of charge, upon written request to the Company at Stock Administration at stockadmin@netapp.com.

NIGERIA

There are no country specific provisions.

NORWAY

There are no country specific provisions.

PHILIPPINES

Notifications

Securities Law Information. You acknowledge that you are permitted to sell Shares acquired under the Plan through the designated Plan broker appointed by the Company (or such other broker to whom you may transfer the Shares), provided that such sale takes place outside of the Philippines through the facilities of the Nasdaq on which the Shares are listed.

POLAND

Notifications

Exchange Control Information. If you transfer funds exceeding €15,000 in a single transaction, you are required to do so through a bank account in Poland. You are required to retain all documents connected with foreign exchange transactions for a period of five years, calculated from the end of the year when the foreign exchange transactions were made. If you hold Shares acquired under the Plan and/or maintain a bank account abroad and the aggregate value of Shares and/or cash held in such foreign accounts exceeds PLN 7 million, you must file reports on the transactions and balances of the accounts on a quarterly basis to the National Bank of Poland.

PORTUGAL

Terms and Conditions

Language Consent. You hereby expressly declare that you have full knowledge of the English language and have read, understood and fully accepted and agreed with the terms and conditions established in the Plan and the Award Agreement.

Conhecimento da Língua. Por meio do presente, eu declaro expressamente que tem pleno conhecimento da língua inglesa e que li, compreendi e livremente aceitei e concordei com os termos e condições estabelecidas no Plano e no acordo.

Notifications

Exchange Control Information. If you receive Shares upon vesting, the acquisition of the Shares should be reported to the Banco de Portugal for statistical purposes. If the Shares are deposited with a commercial bank or financial intermediary in Portugal, such bank or financial intermediary will submit the report on your behalf. If the shares are not deposited with a commercial bank or financial intermediary in Portugal, you are responsible for submitting the report to the Banco de Portugal.

QATAR

There are no country specific provisions.

ROMANIA

Notifications

Exchange Control Information. If you deposit the proceeds from the sale of Shares issued to you at vesting in a bank account in Romania, you may be required to provide the Romanian bank with appropriate documentation explaining the source of the funds. You should consult your personal advisor to determine whether you will be required to submit such documentation to the Romanian bank.

RUSSIA

Terms and Conditions

U.S. Transaction. You understand that the Restricted Stock Units shall be valid and this Award Agreement shall be concluded and become effective only when the Award Agreement is electronically received by the Company in the United States or a third-party designated by the Company. Upon vesting of the Restricted Stock Units, any Shares to be issued to you shall be delivered to you through a bank or brokerage account in the United States.

Securities Law Acknowledgement. You acknowledge that the Restricted Stock Units, the Award Agreement, the Plan and all other materials you may receive regarding participation in the Plan do not constitute advertising or an offering of securities in Russia. The Shares acquired pursuant to the Plan have not and will not be registered in Russia nor admitted for listing on any Russian exchange for trading within Russia, and therefore, neither the Restricted Stock Units nor the Shares may be used for offering or public or private circulation in Russia. You acknowledge that you may hold Shares acquired upon settlement of the Restricted Stock Units in your E*TRADE (or such other stock plan service provider as may be selected by the Company) account in the United States. However, in no event will Shares issued to you under the Plan be delivered to you in Russia. Further, you are not permitted to sell or otherwise dispose of Shares directly to other Russian individuals.

Notifications

Exchange Control Information. You may be subject to exchange control restrictions and repatriation requirements in Russia. Proceeds from the sale of Shares and any cash dividends paid on the Shares can be remitted directly to a foreign individual bank account (in countries belonging to the Organization for Economic Cooperation and Development (“OECD”) or the Financial Action Task Force (“FATF”)). You should consult your personal legal advisor before settlement of the Restricted Stock Units, before selling Shares and before remitting any sale proceeds to Russia, as significant sanctions for violations of the Russian currency control laws may apply and these requirements are subject to change at any time, often without notice.

Foreign Asset/Account Reporting Information. The Russian tax authorities must be notified within one month of the opening or closing of a foreign bank account, or of a change in foreign bank account details. Reports of the transactions and balances of foreign bank accounts must also be filed with the Russian tax authorities each year.

SAUDI ARABIA

Notifications

Securities Law Information. The Award Agreement may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority.

The Capital Market Authority does not make any representation as to the accuracy or completeness of the Award Agreement, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of the Award Agreement. You are hereby advised to conduct your own due diligence on the accuracy of the information relating to the shares. If you do not understand the contents of the Award Agreement, you should consult an authorized financial advisor.

SINGAPORE

Notifications

Securities Law Information. The Award of Restricted Stock Units is being made in reliance on the “Qualifying Person” exemption under section 273(1)(f) of the Securities and Futures Act (Cap. 289) (“SFA”) and is not made with a view to the Restricted Stock Units or underlying Shares being subsequently offered for sale to any other party. The Plan has not been and will not be lodged or registered as a prospectus with the Monetary Authority of Singapore. You should note that, as a result, the Restricted Stock Units are subject to section 257 of the SFA and you will not be able to make (a) any subsequent sale of the Shares in Singapore or (ii) any offer of such subsequent sale of the Shares subject to the Restricted Stock Units in Singapore, unless such sale or offer is made pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than section 280) of the SFA (Chapter 289, 2011 Ed.).

CEO or Director Notification Obligation. If you are the chief executive officer (“CEO”) or a director, associate director or shadow director of the Company’s Singapore Subsidiary or affiliate, you are subject to certain notification requirements under the Singapore Companies Act. Among these requirements is an obligation to notify the Company’s Singapore Subsidiary or affiliate in writing when you receive an interest (e.g. Restricted Stock Units or Shares) in the Company or any Parent, Subsidiary or affiliate. In addition, you must notify the Company’s Singapore Subsidiary or affiliate when you sell Shares or shares of any Parent, Subsidiary or affiliate (including when you sell Shares issued upon vesting and settlement of the Award). These notifications must be made within two days of acquiring or disposing of any interest in the Company or any Parent, Subsidiary or affiliate. In addition, a notification of your interests in the Company or any Parent, Subsidiary or affiliate must be made within two days of becoming the CEO or a director.

SLOVAKIA

Notifications

Foreign Asset / Account Reporting Information. If you carry on business activities as an independent entrepreneur (in Slovakian, podnikateľ), you must report foreign assets (including any Shares) to the National Bank of Slovakia (provided that the value of the foreign assets exceeds an amount of €2,000,000). These reports must be submitted on a monthly basis by the 15th day of the respective calendar month, as well as on a quarterly basis by the 15th day of the calendar

month following the respective calendar quarter, using notification form DEV (NBS) 1-12, which may be found at the National Bank of Slovakia's website at www.nbs.sk.

SLOVENIA

Terms and Conditions

Language Consent. The parties acknowledge and agree that it is their express wish that the Award Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Dogovor o uporabi jezika. Stranke se izrecno strinjajo, da se za sklepanje Pogodbe, kot tudi vseh dokumentov, obvestil in postopkov sklenjenih neposredno ali posredno v zvezi s tem, uporablja angleški jezik.

SOUTH AFRICA

Terms and Conditions

Taxes. By accepting the Restricted Stock Units, you agree that, immediately upon vesting and settlement of the Restricted Stock Units, you will notify the Service Recipient of the amount of any gain realized. If you fail to advise the Service Recipient of the gain realized upon vesting and settlement, you may be liable for a fine. You will be solely responsible for paying any difference between the actual tax liability and the amount withheld by the Service Recipient.

Notifications

Securities Law Information. In compliance with South African securities laws, you acknowledge that a copy of the Company's most recent annual report (i.e. Form 10-K) is available for review on the Company's "Investor Relations" website at <http://investors.netapp.com/> and a copy of the ESPP Prospectus is available at <http://fo.netapp.com/corporate-controller/stock/>.

(i) a copy of the Company's most recent annual report (i.e., Form 10-K); and

(ii) a copy of the Plan Prospectus.

A copy of the above documents will be sent to you free of charge on request to Stock Admin at stockadmin@netapp.com.

You should carefully read the materials provided before making a decision whether to accept the Award. In addition, you should contact your tax advisor for specific information concerning your personal tax situation with regard to Plan participation.

Exchange Control Information. You should consult with your personal advisor to ensure compliance with any applicable exchange control laws and regulations in South Africa, as such regulations are subject to frequent change. You are responsible for ensuring compliance with all exchange control laws and regulations in South Africa.

SPAIN

Terms and Conditions

Labor Law Acknowledgement. The following provision supplements Section 13 of the Award Agreement:

By accepting the Award, you consent to participation in the Plan, and acknowledge that you have received a copy of the Plan document. You understand that the Company has unilaterally, gratuitously and in its sole discretion decided to make Awards of Restricted Stock Units under the Plan to individuals who may be Service Providers throughout the world. The decision is limited and entered into based upon the express assumption and condition that any Restricted Stock Units will not economically or otherwise bind the Company or any Parent or Subsidiary, including the Service Recipient, on an ongoing basis, other than as expressly set forth in the Award Agreement. Consequently, you understand that the Award is given on the assumption and condition that the Restricted Stock Units shall not become part of any employment contract (whether with the Company or any Parent, Subsidiary or affiliate, including the Service Recipient) and shall not be considered a mandatory benefit, salary for any purpose (including severance compensation) or any other right whatsoever. Furthermore, you understand and freely accept that there is no guarantee that any benefit whatsoever shall arise from the Award, which is gratuitous and discretionary, since the future value of the Restricted Stock Units and the underlying Shares is unknown and unpredictable. You also understand that this Award would not be made but for the assumptions and conditions set forth herein above; thus, you understand, acknowledge and freely accept that, should any or all of the assumptions be mistaken or any of the conditions not be met for any reason, the Award, the Restricted Stock Units and any right to the underlying Shares shall be null and void.

Further, your participation in the Plan is expressly conditioned on your continued and active rendering of service, such that if you cease to be a Service Provider for any reason whatsoever, your participation in the Plan will cease immediately. This will be the case, for example, even if (1) you are considered to be unfairly dismissed without good cause (i.e., subject to a “despido improcedente”); (2) you are dismissed for disciplinary or objective reasons or due to a collective dismissal; (3) your continuous status as a Service Provider ceases due to a change of work location, duties or any other employment or contractual condition; (4) your continuous status as a Service Provider ceases due to a unilateral breach of contract by the Company or any of its affiliates; or (5) your continuous Service terminates for any other reason whatsoever. Consequently, upon termination of your continuous for any of the above reasons, you automatically lose any right to participate in the Plan on the date of your termination as a Service Provider, as described in the Plan and the Award Agreement.

Notifications

Securities Law Information. The Restricted Stock Unit and Shares described in the Award Agreement do not qualify under Spanish regulations as securities. No “offer of securities to the public”, as defined under Spanish law, has taken place or will take place in the Spanish territory. The Award Agreement has not been nor will it be registered with the Comisión Nacional del Mercado de Valores, and does not constitute a public offering prospectus.

Exchange Control Information. The acquisition of Shares and subsequent sales of Shares must be declared for statistical purposes to the Dirección General de Comercio e Inversiones (the “DGCI”). Because you will not purchase or sell the Shares through the use of a Spanish financial institution, you will need to make the declaration yourself by filing a D-6 form with the DGCI. Generally, the D-6 form must be filed each January while the Shares are owned. However, if the value of the Shares acquired under the Plan or the amount of the sale proceeds exceeds €1,502,530,

the declaration must be filed within one month of the acquisition or sale, as applicable.

In addition, any securities accounts (including brokerage accounts held abroad), as well as the securities (including Shares) held in such accounts, may need to be declared electronically to the Bank of Spain, depending on the value of the transactions during the prior tax year or the balances in such accounts as of December 31 of the prior tax year.

Foreign Asset/Account Reporting Information. Rights or assets (e.g., Shares or cash held in a bank or brokerage account) held outside of Spain with a value in excess of €50,000 per type of right or asset (e.g., Shares, cash, etc.) as of December 31, must be reported on your annual tax return. After such rights or assets are initially reported, the reporting obligation will only apply for subsequent years if the value of any previously-reported rights or assets increases by more than €20,000. The reporting must be completed by the following March 31.

SWEDEN

There are no country specific provisions.

SWITZERLAND

Notifications

Securities Law Information. The grant of the Restricted Stock Units and the issuance of any Shares is not intended to be a public offering in Switzerland. Neither this document nor any other materials relating to the Restricted Stock Units constitute a prospectus as such term is understood pursuant to article 652a of the Swiss Code of Obligations, and neither this document nor any other materials relating to the Restricted Stock Units may be publicly distributed nor otherwise made publicly available in Switzerland. Neither this document nor any other offering or marketing material relating to the Restricted Stock Units have been or will be filed with, or approved or supervised by, any Swiss regulatory authority (in particular, the Swiss Financial Market Supervisory Authority (FINMA)).

TAIWAN

Notifications

Securities Law Information. The offer of participation in the Plan is available only for employees of the Company and its Subsidiaries. The offer of participation in the Plan is not a public offer of securities by a Taiwanese company.

Exchange Control Information. You may acquire and remit foreign currency (including proceeds from the sale of Shares) into and out of Taiwan up to US\$5,000,000 per year. If the transaction amount is TWD\$500,000 or more in a single transaction, you must submit a foreign exchange transaction form and also provide supporting documentation to the satisfaction of the remitting bank.

If the transaction amount is US\$500,000 or more, you may be required to provide additional supporting documentation to the satisfaction of the remitting bank. Please consult your personal advisor to ensure compliance with applicable exchange control laws in Taiwan.

THAILAND

Notifications

Exchange Control Information. If you receive funds in connection with the Plan (e.g., dividends, sale proceeds) with a value equal to or greater than US\$50,000, you are required to immediately repatriate such funds to Thailand. Any foreign currency repatriated to Thailand must be converted to Thai Baht or deposited into a foreign currency deposit account opened with any commercial bank in Thailand acting as the authorized agent within 360 days from the date the funds are repatriated to Thailand. You are also required to inform the authorized agent of the details of the foreign currency transaction, including your identification information and the purpose of the transaction.

TURKEY

Notifications

Securities Law Information. You are permitted to sell Shares acquired under the Plan provided the resale of such Shares takes place outside of Turkey through facilities of a stock exchange on which the Shares are listed. The Shares are currently listed on the Nasdaq.

Exchange Control Information. In certain circumstances, you are permitted to acquire and sell securities on a non-Turkish stock exchange only through a financial intermediary licensed in Turkey. Therefore, you may be required to appoint a Turkish broker to assist with the sale of the Shares acquired under the Plan.

UNITED ARAB EMIRATES

Notifications

Securities Law Information. The Restricted Stock Units granted under the Plan are being offered only to eligible employees of the Company and are in the nature of providing equity incentives to eligible employees of the Company. Any documents related to the Restricted Stock Units, including the Plan, the Award Agreement and any other grant documents (“Award Documents”), are intended for distribution only to such eligible employees and must not be delivered to, or relied on by, any other person.

The Emirates Securities and Commodities Authority has no responsibility for reviewing or verifying any Award Documents or any other incidental communication materials distributed in connection with the Restricted Stock Units. Further, neither the Ministry of Economy nor the Dubai Department of Economic Development has approved the Award Documents or taken steps to verify the information set out in them, and thus, is not responsible for their content.

You should, as a prospective stockholder, conduct your own due diligence on the securities. If you do not understand the contents of the Award Documents, you should consult an authorized financial advisor.

UNITED KINGDOM

Terms and Conditions

Form of Settlement. Restricted Stock Units granted to employees resident in the United Kingdom shall be paid in Shares only, notwithstanding any discretion to settle Restricted Stock Units in cash as set out in Section 2 of the Award Agreement and Section 10.4 of the Plan.

Joint Election. As a condition of participation in the Plan, you agree to accept any liability for secondary Class 1 NICs which may be payable by the Company and/or the Parent or Subsidiary employing or retaining you in connection with the Restricted Stock Units and any event giving rise to Withholding Obligations (the “Employer’s NICs”). Without limitation to the foregoing, you agree to enter into a joint election with the Company (the “Joint Election”), the form of such Joint Election being formally approved by HMRC, and to execute any other consents or elections required to accomplish the transfer of the Employer’s NICs to you. You further agree to execute such other joint elections as may be required between you and any successor to the Company and/or the Parent or Subsidiary employing or retaining you. You further agree that the Company and/or the Parent or Subsidiary employing or retaining you may collect Employer’s NICs from you by any of the means set forth in Section 7 of the Award Agreement.

If you do not enter into a Joint Election, if approval of the Joint Election has been withdrawn by HMRC or if such Joint Election is jointly revoked by you and the Company or the Parent or Subsidiary employing or retaining you, as applicable, the Company, in its sole discretion and without any liability to you, may choose not to issue or deliver any Shares to you at vesting and you will forfeit your Restricted Stock Units.

Tax and National Insurance Contributions Acknowledgment. The following provisions supplement Section 7 of the Agreement:

Without limitation to Section 7 of the Award Agreement, you agree that you are liable for all Withholding Obligations and hereby covenant to pay all such Withholding Obligations, as and when requested by the Company or the Service Recipient or by Her Majesty’s Revenue and Customs (“HMRC”) (or any other tax authority or any other relevant authority). You also agree to indemnify and keep indemnified the Company and the Service Recipient against any Withholding Obligations that they are required to pay or withhold or have paid or will pay on your behalf to HMRC (or any other tax authority or any other relevant authority).

Notwithstanding the foregoing, if you are a director or executive officer of the Company (within the meaning of Section 13(k) of the Exchange Act) the foregoing provision will not apply. In this case, the amount of any income tax not collected within 90 days of the end of the U.K. tax year in which the event giving rise to the Withholding Obligations occurs may constitute an additional benefit to you on which additional income tax and National Insurance Contributions may be payable. You will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for paying the Company or the Employer (as appropriate) for the value of any National Insurance Contributions due on this additional benefit, which the Company or the Service Recipient may collect from you by any of the means referred to in the Plan or Section 7 of the Award Agreement.

UNITED STATES

There are no country specific provisions.

**COUNTRY-SPECIFIC CONSENTS AND NOTIFICATIONS
FOR THE NETAPP, INC.
RESTRICTED STOCK UNIT AGREEMENT (PERFORMANCE-BASED)**

AUSTRALIA

OFFER DOCUMENT

**NETAPP, INC.
2021 EQUITY INCENTIVE PLAN**

OFFER TO AUSTRALIAN RESIDENT EMPLOYEES

Investment in Common Stock involves a degree of risk. Employees who participate in the NetApp, Inc. 2021 Equity Incentive Plan (the “Plan”) should monitor their participation and consider all risk factors relevant to the acquisition of Restricted Stock Units under the Plan as set out in this Offer Document and the Additional Documents. Any information given by the Company or its subsidiaries in relation to Restricted Stock Units granted under the Plan, including the information contained in this Offer Document and the Additional Documents is not financial product advice. It is general information only and does not take into account your personal objectives, financial situation and needs. Employees should consider seeking advice from an independent person licensed by the Australian

Securities and Investments Commission (“ASIC”) to give such advice regarding their participation in the Plan.

OFFER TO AUSTRALIAN RESIDENT EMPLOYEES

NETAPP, INC.

2021 EQUITY INCENTIVE PLAN

We are pleased to provide you with this Offer Document setting out information regarding participation in the NetApp, Inc. 2021 Equity Incentive Plan (the “Plan”) to eligible employees and salaried directors of NetApp, Inc. (the “Company”) and its designated subsidiaries (including its Australian subsidiaries) who are residents of Australia (“Australian Employees”).

The Company has adopted the Plan to provide eligible employees with the opportunity to acquire stock ownership in the Company.

The Plan and this Offer Document are intended to comply with the provisions of the Corporations Act 2001 (the “Corporations Act”), ASIC Regulatory Guide 49 and ASIC Class Order 14/1000.

Capitalized terms used but not defined in this Offer Document have the same meanings given to such terms in the Plan.

1.OFFER OF RESTRICTED STOCK UNITS

This is an offer made by the Company under the Plan to eligible Australian Employees for no consideration.

Each Restricted Stock Unit represents the right to receive, on the date the Restricted Stock Unit becomes vested, a fully-paid share of the Company's Common Stock (“Share”) or a cash amount equal to the value of a Share if the Company elects to settle the Restricted Stock Unit in cash.

2.TERMS OF GRANT

The terms of the grant are set forth in: (a) the Plan; and (b) the Restricted Stock Unit Agreement (Performance-Based); and are further described in (c) this Offer Document ((a), (b) & (c) together, the “Terms and Conditions”). By electing to participate in the Plan, you will be bound by the Terms and Conditions.

3.ADDITIONAL DOCUMENTS

In addition to this Offer Document, you are being provided with the following documents (the “Additional Documents”):

- (i)the Plan;
- (ii)the U.S. Prospectus to the Plan, dated September 2021 (the “Prospectus”); and
- (iii)the Restricted Stock Unit Agreement (Performance-Based).

The Plan and the Restricted Stock Agreement set out, among other details, the key features of your grant of RSUs and the consequences of a change in the nature or status of your employment on your RSUs. The rest of the Additional Documents provide further information to help you to make an informed investment decision in relation to your grant of RSUs.

None of the Additional Documents constitutes a prospectus for the purposes of the Corporations Act.

To the extent of any inconsistency between this Offer Document and the Plan, the Prospectus or the Stock Purchase Agreement, the terms of the Plan will prevail.

4.RELIANCE ON STATEMENTS

You should not rely upon any oral statements made to you in relation to this offer. You should only rely upon the statements contained in this Offer Document and the Additional Documents when considering your participation in the Plan.

5.HOW DOES THE PLAN WORK?

Eligible employees are offered participation in the Plan. If they elect to participate, they will be granted Restricted Stock Units.

Restricted Stock Units will vest in accordance with the vesting schedule set out in the Restricted Stock Unit Agreement (Performance-Based), subject to the participant's continuous service through to each relevant vesting date. Restricted Stock Units will be subject to forfeiture and restrictions on transfer until they vest. Those forfeiture conditions and restrictions are also set out in the Restricted Stock Unit Agreement (Performance-Based).

6.WHAT PRICE DO I PAY FOR THE SHARES?

None.

7.HOW WILL I RECEIVE SHARES?

The Shares will be issued in your name on the relevant vesting date (or shortly thereafter) and will be delivered to the brokerage account you are required to set up with the Company's designated broker prior to the relevant vesting date.

8.WHEN CAN I SELL / TRANSFER THE SHARES?

Restricted Stock Units are generally non-transferable until they vest.

You can sell, transfer and/or encumber the Shares as soon as they are deposited into your brokerage account, subject to any applicable provisions of the Company's insider trading policy and insider trading / market abuse laws.

9. WHAT HAPPENS UPON CESSATION OF EMPLOYMENT?

On cessation of employment for any reason, any unvested Restricted Stock Units will be forfeited by you at no cost to the Company. For the avoidance of doubt, after cessation of your employment, you will continue to hold any Shares previously received on vesting of your Restricted Stock Units.

10.WHAT IS A SHARE IN THE COMMON STOCK OF THE COMPANY?

Shares of common stock in a U.S. corporation are analogous to ordinary shares of an Australian corporation. Each holder of a share of common stock is entitled to one vote for every share held.

Dividends may be paid on the Shares out of any funds of the Company legally available for dividends at the discretion of the board of directors of the Company.

The Shares are listed and may be traded on the Nasdaq Stock Market in the U.S. (NASDAQ:NTAP).

Shares are not liable to any further calls for payment of capital or for other assessment by the Company and have no sinking fund provisions, pre-emptive rights, conversion rights or redemption provisions.

11. WHAT ADDITIONAL RISK FACTORS APPLY TO AUSTRALIAN RESIDENTS' PARTICIPATION IN THE PLAN?

You should have regard to risk factors relevant to investment in securities generally and, in particular, to the holding of Shares.

For example, the price at which Shares are quoted on the Nasdaq may increase or decrease due to a number of factors. There is no guarantee that the price of the Shares will increase. Factors which may affect the price of the Shares include fluctuations in the domestic and international market for listed stocks, general economic conditions, including interest rates, inflation rates, commodity prices, changes to government fiscal, monetary or regulatory policies, legislation or regulation, the nature of the markets in which the Company operates and general operational and business risks.

More information about potential factors that could affect the Company's business and financial results is included in the Company's most recent filings with the U.S. Securities and Exchange Commission ("SEC"), including the Company's Quarterly Reports on Form 10-Q and, following the close of the Company's fiscal year, the Company's Annual Report on Form 10-K. Copies of these reports are available at <https://www.sec.gov> or on the Company's Investor Relations website at <http://investors.netapp.com/investor-relations>.

In addition, the value of the Shares you acquire at vesting will be affected by the U.S./Australian dollar exchange rate. Participation in the Plan involves certain risks related to fluctuations in this rate of exchange.

12. CAN THE PLAN BE MODIFIED OR TERMINATED?

The board of directors of the Company may, from time to time, amend, alter, suspend or terminate the Plan at any time. In addition, some amendments to the Plan may require shareholder approval.

13. WHAT ARE THE AUSTRALIAN TAXATION CONSEQUENCES OF PARTICIPATION IN THE PLAN?

The following is a general summary of the Australian tax consequences of your participation in the Plan as of April 2019. You should not rely on the summary as anything other than a broad guide and you should obtain independent taxation advice specific to your particular circumstances to understand how your participation in the Plan may impact you. The summary below assumes that you are resident in Australia for the entire vesting period. If you were working/ residing in another country during the vesting period, you may be subject to tax in such country. The summary also assumes that when you sell Shares acquired under the Plan, the sale will occur in an arms' length transaction (this generally will be the case if you sell your Shares on the Nasdaq).

Enrollment in the Plan: No tax.

Acquisition of Shares under the Plan: Restricted Stock Units are taxed at vesting (or an earlier applicable taxing point, as described below) based on the market value of the Shares received (assuming the Shares are not otherwise subject to any additional restrictions) or the amount of cash paid.

Under the Plan, Restricted Stock Units should qualify for a deferral of the taxing point under Australian income tax laws. Australian tax in respect of these Restricted Stock Units will be deferred until the earlier of any of the following taxing points:

- (a) the vesting of the Restricted Stock Units;
- (b) cessation of your employment; or
- (c) 15 years from the granting of the Restricted Stock Units.

In the event that you receive Shares subject to restrictions (that is, the Shares received cannot be sold by you unless certain conditions are satisfied), then the taxing point should arise once the restrictions are removed (and the tax will be based on the then market value of the Shares).

If you are paid a cash amount equal to the market value of the Shares as at the vesting date, this amount is reported as salary and wages income in your income tax return for the year in which the Restricted Stock Units vested. In this case, your employer will be required to withhold amounts from these payments and you will receive the “net” or “after tax” amount.

Tax Payment/ Reporting: Generally, your employer only will be required to withhold for taxes due by you if Restricted Stock Units are settled in cash.

The Company will report the taxable amount at vesting to the Australian Tax Office (“ATO”) by 14 August after the end of the financial year in which the vesting occurs. The Company will provide you with an “ESS Statement” by 14 July after the end of that financial year. You will be required to pay the taxes due to the ATO yourself.

Sale of Shares: If you sell Shares within thirty (30) days of vesting, you will be taxed as described above.

Otherwise, you will be subject to capital gains tax when you sell your Shares to the extent that the sale proceeds exceed your cost basis in the Shares. Your cost basis in the Shares generally will be equal to the market value of the Shares at vesting plus any incidental costs of disposal. If you hold the Shares for at least twelve (12) months after acquisition (excluding the dates you acquired and sold the Shares), you may discount the amount to be included in your assessable income by fifty-percent (50%). If the sale proceeds are lower than your cost basis in the Shares sold, you will realize a capital loss which may be used to offset capital gains realized in the current tax year or in any subsequent tax year, but may not be used to offset other types of income (e.g., salary or wage income). You are responsible for reporting and paying any tax due in relation to the sale of Shares.

14. WHAT ARE THE U.S. TAX CONSEQUENCES OF PARTICIPATION IN THE PLAN?

Employees will not be subject to U.S. tax by reason only of their participation in the Plan. However, liability for U.S. taxes may occur if an employee is otherwise subject to U.S. taxes. In addition, any dividends paid to employees will be subject to U.S. tax.

The above is an indication only of the likely U.S. taxation consequences for Australian Employees who participate in the Plan. Employees should seek their own advice as to the U.S. taxation consequences of participation.

We urge you to carefully review the information contained in this Offer Document and the Additional Documents.

Yours sincerely

NetApp, Inc.

* * *

**CERTIFICATION PURSUANT TO SECTION 302(a)
OF THE SARBANES-OXLEY ACT OF 2002**

I, George Kurian, certify that:

- 1) I have reviewed this Quarterly Report on Form 10-Q of NetApp, Inc.;
- 2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- 4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- 5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ GEORGE KURIAN

George Kurian

Chief Executive Officer and Director

(Principal Executive Officer and Principal Operating Officer)

Date: December 2, 2021

**CERTIFICATION PURSUANT TO SECTION 302(a)
OF THE SARBANES-OXLEY ACT OF 2002**

I, Michael J. Berry, certify that:

- 1) I have reviewed this Quarterly Report on Form 10-Q of NetApp, Inc.;
- 2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- 4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- 5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ MICHAEL J. BERRY

Michael J. Berry

*Executive Vice President and Chief Financial Officer
(Principal Financial Officer)*

Date: December 2, 2021

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, George Kurian, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of NetApp, Inc., on Form 10-Q for the quarterly period ended October 29, 2021 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of NetApp, Inc.

/s/ GEORGE KURIAN

George Kurian

Chief Executive Officer and Director

(Principal Executive Officer and Principal Operating Officer)

Date: December 2, 2021

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Michael J. Berry, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of NetApp, Inc., on Form 10-Q for the quarterly period ended October 29, 2021 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of NetApp, Inc.

/s/ MICHAEL J. BERRY

Michael J. Berry

Executive Vice President and Chief Financial Officer

(Principal Financial Officer)

Date: December 2, 2021
