



## Human Resources Committee Charter

### PURPOSE

The purpose of the Human Resources Committee of the Board of Directors (the "**Board**") of Fortinet, Inc., a Delaware corporation (the "**Company**") shall be to:

- Provide oversight of the Company's compensation policies, plans and benefits programs, and overall compensation philosophy;
- Discharge the Board's responsibilities relating to (1) oversight of the compensation of the Company's Chief Executive Officer ("**CEO**") and its executive officers (including officers reporting under Section 16 of the Securities Exchange Act of 1934) and (2) the evaluation and approval of the Company's CEO and executive officer compensation plans, policies and programs; and
- Administer the Company's equity compensation plans for its executive officers and employees.

The Human Resources Committee shall seek to ensure that the Company structures its compensation plans, policies and programs so as to attract and retain highly qualified personnel for positions of substantial responsibility with the Company, to provide incentives for such persons to perform to the best of their abilities for the Company and to promote the success of the Company's business, including promoting ethical business practices and a culture of meritocracy. The Human Resources Committee is also responsible for approving an annual report on executive compensation for inclusion in the Company's proxy statement.

The Human Resources Committee has the authority to undertake the specific duties and responsibilities listed below and will have the authority to undertake such other specific duties as the Board from time to time prescribes.

### HUMAN RESOURCES COMMITTEE MEMBERSHIP

The Human Resources Committee will consist of at least three members of the Board. The members of the Human Resources Committee shall be appointed by the Board upon the recommendation of the Nominating and Corporate Governance Committee. Human Resources Committee members may be removed by the Board in its discretion. Members of the Human Resources Committee must meet the following criteria:

- The independence requirements of the listing standards of The Nasdaq Stock Market, Inc. LLC;
- The non-employee director definition of Rule 16b-3 promulgated under Section 16 of the Securities Exchange Act of 1934, as amended; and
- The outside director definition of Section 162(m) of the Internal Revenue Code of 1986 ("**IRC**"), as amended.

**MEETINGS AND PROCEDURES**

- The Human Resources Committee will set its own schedule of meetings and will meet at least two times annually, with the option of holding additional meetings at such times as it deems necessary or appropriate. Meetings of the Human Resources Committee may be held telephonically. The Human Resources Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board. The Human Resources Committee may also act by written consent without a meeting in accordance with the Company's Bylaws.
- As part of its review and establishment of the performance criteria and compensation of designated key executives, the Human Resources Committee should meet separately at least on an annual basis with the CEO, the Company's principal human resources executive, and any other corporate officers as it deems appropriate. However, the Human Resources Committee should meet regularly without such officers present, and in all cases such officers shall not be present at meetings at which their performance and compensation are being discussed and determined.
- The Human Resources Committee may invite to its meetings any director, officer or employee of the Company and such other persons as it deems appropriate in order to carry out its responsibilities. The Human Resources Committee may also exclude from its meetings any persons it deems appropriate in order to carry out its responsibilities, including non-management directors who are not members of the Human Resources Committee.
- The Human Resources Committee may form subcommittees for any purpose that the Human Resources Committee deems appropriate and may delegate to such subcommittees such power and authority as the Human Resources Committee deems appropriate. Specifically, at its discretion, the Human Resources Committee shall have the authority to designate a Committee for Equity Awards to Non-Officers with the authority to grant options or stock purchase rights to non-officer employees of the Company within guidelines established by the Human Resources Committee from time to time. Such committee shall consist of a minimum of three (3) members, including at least one (1) member of the Company's Board, who may be the Chief Executive Officer, with the approval of a minimum of two (2) members of such committee required in order to take action to grant stock options or stock purchase rights. If designated, the Committee for Equity Awards to Non-Officers will establish its own schedule and maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board. The Human Resources Committee shall not delegate to a subcommittee any power or authority required by law, regulation or listing standard to be exercised by the Human Resources Committee as a whole.
- The Board may designate one member of the Human Resources Committee as its chairperson. If the Board does not designate a chairperson, a majority of the members of the Human Resources Committee may elect a chairperson of the Human Resources Committee.
- Members of the Human Resources Committee shall receive such fees, if any, for their service as Human Resources Committee members as may be determined by the Board in its sole discretion. Such fees may include retainers or per meeting fees. Fees may be paid in such form of consideration as is determined by the Board. Members of the Human Resources Committee may not receive any compensation from the Company except the fees that they receive for service as a member of the Board or any committee thereof.
- In addition to reviewing and approving the report in the Company's proxy statement in accordance with the rules and regulations of the Securities and Exchange Commission (the "**SEC**"), the Human Resources Committee will summarize its examinations and recommendations to the full Board as may be appropriate, consistent with the Human Resources Committee's charter.



## HUMAN RESOURCES COMMITTEE AUTHORITY AND RESPONSIBILITIES

To the extent deemed necessary or appropriate, the Human Resources Committee shall:

### *Set Compensation for Executive Officers*

- Review and approve corporate goals and objectives relevant to the compensation of the CEO, evaluate his or her performance in light thereof, and consider factors related to the performance of the Company in approving the compensation level of the CEO. The CEO may not be present during deliberations or voting on such matters.
- Review and approve the CEO's (1) annual base salary, (2) annual incentive bonus, including the specific goals and amount, (3) equity compensation, (4) any employment agreement, severance arrangement and change in control agreement/provision, (5) any signing bonus or payment of relocation costs and (6) any other benefits, compensation or arrangements. In determining, the long-term incentive component of CEO compensation, the Human Resources Committee will consider, among other things, the Company's performance and relative stockholder return, the value of similar incentive awards to CEOs at comparable companies and the awards given to the Company's CEO in past years. The CEO may not be present during deliberations or voting on such matters.
- Have authority to review annually and approve items (1) through (6) in the previous bullet for other executive officers identified by the Human Resources Committee.
- Review and make recommendations to the full Board, or approve any contracts or other transactions with current or former executive officers of the Company, including consulting arrangements, employment contracts, severance or termination arrangements and loans to employees made or guaranteed by the Company.
- Have the sole authority to retain and terminate (or obtain the advice of) any adviser to be used by the Human Resources Committee to assist it in the performance of its duties, but only after taking into consideration factors relevant to the adviser's independence from management specified in NASDAQ Listing Rule 5605(d)(3).
- Be directly responsible for the appointment, compensation and oversight of the work of any adviser retained by it and sole authority to approve the adviser's fees and other retention terms. The Company must provide for appropriate funding, as determined by the Human Resources Committee, for payment of reasonable compensation to any adviser retained by the Human Resources Committee.

### *Monitor Incentive and Equity-Based Compensation Plans*

- Establish and administer annual and long-term incentive compensation plans for senior executives, including:
  - Establishing performance objectives and certifying performance achievement; and
  - Reviewing and approving all equity-based compensation plans and grant awards of shares and stock options pursuant to such plans.
- Administer the Company's equity incentive plans. In its administration of the plans, the Human Resources Committee may, pursuant to authority delegated by the Board, (i) grant stock options, stock purchase rights or restricted stock units to individuals eligible for such grants (including grants to individuals subject to Section 16 of the Securities Exchange Act of 1934 in compliance with Rule 16b 3 promulgated thereunder) and in accordance with procedures and guidelines as may be established by the Board and (ii) amend such stock options, stock purchase rights or restricted stock units.



- The Human Resources Committee shall also make recommendations to the Board with respect to amendments to the plans and changes in the number of shares reserved for issuance thereunder.
- Approve all option grants and restricted stock unit grants to executive officers of the Company to ensure that such grants comply with Section 162(m) of the IRC.
- Oversee the Company's overall compensation philosophy, compensation plans and benefits programs by reviewing management reports with respect thereto on at least an annual basis. This oversight shall include a review of the Company's compensation policies and practices to assure they provide for appropriate rewards and incentives, taking into consideration whether such rewards and incentives encourage undue or inappropriate risk taking by Company employees. The Human Resources Committee shall also make recommendations to the Board with respect to improvements or changes to such plans or the adoption of new plans when appropriate.
- In connection with executive compensation programs:
  - Review and recommend to the full Board, or approve, new executive compensation programs;
  - Review on a periodic basis the operations of the Company's executive compensation programs to determine whether they are properly coordinated and achieving their intended purpose(s);
  - Establish and periodically review policies for the administration of executive compensation programs; and
  - Take steps to modify any executive compensation program that yields payments and benefits that are not reasonably related to executive and corporate performance.
- Periodically review executive compensation programs and total compensation levels, including:
  - Conducting comparative analyses of total compensation relative to market;
  - Quantifying maximum payouts to executives under performance-based incentive plans and total payments under a variety of termination conditions, including upon a change of control; and
  - The impact of tax and accounting rules changes.
- Establish and periodically review policies in the area of senior management perquisites
- Authorize the repurchase of shares from terminated employees pursuant to applicable law
- Review and recommend compensation programs for outside directors.

#### *Compliance and Governance Issues*

- Review and discuss with management the Compensation Discussion and Analysis ("CD&A") and related disclosures required by the SEC. The Committee will also review and recommend the final CD&A to the Board for inclusion in the annual report (Form 10-K) and proxy.
- Review and approve the Human Resources Committee Report required by the rules of the SEC to be furnished with the Company's annual report and proxy statement.
- Review and reassess the adequacy of this Charter periodically and recommend any proposed changes to the Board for approval.



- Report regularly to the Board (i) following meetings of the Human Resources Committee, (ii) with respect to such other matters as are relevant to the Human Resources Committee's discharge of its responsibilities and (iii) with respect to such recommendations as the Human Resources Committee may deem appropriate. The report to the Board may take the form of an oral report by the chairperson or any other member of the Human Resources Committee designated by the Human Resources Committee to make such report. If all Board members attend the Human Resources Committee meeting, then the Human Resources Committee shall not be obligated to report again the same information to the Board except as required for recommendations needed for Board approval.
- Review annually the performance of the Human Resources Committee.

The Human Resources Committee shall perform such other functions as assigned by law, the Company's Certificate of Incorporation or Bylaws or the Board.