



**CHARTER OF THE COMPENSATION COMMITTEE  
OF THE BOARD OF DIRECTORS  
OF NETAPP, INC.**

**PURPOSE**

The purpose of the Compensation Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of NetApp, Inc., a Delaware corporation (the “**Company**”), is to:

- Assist the Board in discharging its responsibilities relating to:
  - (1) oversight of the compensation of the Company’s Chief Executive Officer (the “**CEO**”), other executive officers (as defined below) and non-employee Board members, and
  - (2) evaluating and approving the compensation policies, plans and programs for the CEO, other executive officers and non-employee Board members.

For purposes of this charter, the term “executive officer” shall be defined to include officers reporting under Section 16 of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), the “named executive officers” pursuant to Item 402(a)(3) of Regulation S-K, the “covered employees” pursuant to Section 162(m) of the Internal Revenue Code of 1986, as amended (the “**Code**”), and each of the Company’s other executive vice presidents and senior vice presidents.

- Review the overall philosophy and strategy for non-executive officer employee compensation.
- Review the Company’s compensation and benefits plans and programs.
- Administer the Company’s compensation plans for its employees, including equity-based compensation plans.
- Oversee the management of risks associated with the Company’s compensation policies and programs.

The Committee shall seek to ensure that the Company’s compensation policies, plans and programs are (i) designed to attract, motivate and retain talented personnel for positions of substantial responsibility within the Company, and to compensate the executive officers effectively in a manner consistent with the strategy of the Company and the interests of stockholders, (ii) determined within a competitive framework, and (iii) based on the achievement of the Company’s overall financial results and individual contributions.

In furtherance of these purposes, the Committee will undertake the specific duties and responsibilities enumerated in and consistent with this charter or such other duties as the Board may from time to time prescribe or the Committee deems appropriate.



## COMMITTEE MEMBERSHIP

The Committee members shall be appointed by the Board upon the recommendation of the Corporate Governance and Nominating Committee, and shall serve at the discretion of the Board. The Committee shall consist of not less than two directors. The Board may designate one member of the Committee as its Chair. In the absence of that designation, the Committee may designate a Chair by majority vote of the Committee members. The Chair of the Committee, in consultation with the appropriate members of the Committee, will develop the Committee's agenda. Each member of the Committee shall be:

- (1) a "non-employee director" as defined in Rule 16b-3 under the Exchange Act;
- (2) an "outside director" as defined in Section 162(m) of the Code; and
- (3) an "independent director" in accordance with the listing standards of The NASDAQ Stock Market LLC (the "Nasdaq Rules") and the rules and regulations of the Securities and Exchange Commission (the "SEC").

## RESPONSIBILITIES AND DUTIES

The following are the principal responsibilities and duties of the Committee. These responsibilities are set forth as a guide, with the understanding that the Committee may supplement them as appropriate and may establish policies and procedures from time to time that it deems necessary or advisable in fulfilling its responsibilities. Nothing in this charter is intended to preclude or impair the protection provided in Section 141(e) of the Delaware General Corporation Law for good faith reliance by members of the Committee on reports or other information provided by others.

### *Executive, Non-Employee Director and Other Compensation.*

- The Committee shall be responsible for reviewing and advising the Company's management with respect to the overall compensation and benefits philosophy and strategy of the Company.
- The Committee shall, at least annually, review and approve for the CEO and the executive officers of the Company: (1) the annual base salary; (2) the annual incentive bonus, including the specific goals and amount; (3) any long-term compensation plans, including any equity and cash plans and the measures, goals, and other parameters of incentive plan design and administration; (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 evaluating and determining the compensation of the Company's named executive officers, the Committee shall consider the results of the most recent stockholder advisory vote on executive compensation required by Section 14A of the Exchange Act.



- With respect to the CEO, the Committee shall review and approve corporate goals and objectives relevant to the compensation of the CEO, evaluate the CEO's performance in light thereof, and consider factors related to the performance of the Company, including the accomplishment of the Company's long-term business and financial goals.
- The Committee shall act as administrator of the Company's equity compensation plans for its employees. In its administration of the plans, the Committee may, pursuant to authority delegated by the Board, (1) grant stock options, restricted stock units or other awards or rights to purchase stock to individuals eligible for such grants (including grants to individuals subject to Section 16 of the Exchange Act in compliance with Rule 16b-3 promulgated thereunder) and in accordance with procedures and guidelines as may be established by the Board, and (2) amend such stock options, restricted stock units or other awards or rights to purchase stock. The 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.
- In administering the Company's equity compensation plans and making recommendations with respect to amendments to and changes to the plans, the Committee shall consider the results of the most recent stockholder advisory vote on executive compensation required by Section 14A of the Exchange Act.
- The Committee shall review and recommend to the Board for approval the frequency with which the Company will conduct the stockholder advisory vote on executive compensation required by Section 14A of the Exchange Act, taking into account the results of the most recent stockholder advisory vote on the frequency of such vote required by Section 14A of the Exchange Act.
- The Committee shall review and approve the proposals regarding the stockholder advisory vote on executive compensation and frequency of such vote to be included in the Company's proxy statement.
- The Committee shall, on at least an annual basis and with the assistance of an independent compensation consultant, review and approve compensation programs for non-employee members of the Board, including but not limited to cash retainers and stock compensation.
- The Committee shall evaluate, on at least an annual basis and with the assistance of an independent compensation consultant, the competitiveness of the compensation of the non-employee directors of the Company. The Committee shall review and approve competitor group(s) (e.g., direct competitors and survey sources) for benchmarking compensation levels and pay practices.
- The Committee shall provide oversight of the Company's overall compensation and benefits plans and programs. The 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.

- The Committee shall evaluate on a periodic basis the competitiveness of (1) the compensation of the CEO and the executive officers of the Company, and (2) the Company's overall compensation plans. The Committee shall review and approve comparator group(s) (e.g., direct competitors and survey sources) for benchmarking compensation levels and pay practices, as well as performance, for the CEO and executive officers with such a review occurring on at least an annual basis.
- The Committee shall review executive and leadership development policies, plans and practices that support the Company's ability to retain and develop the superior executive and leadership talent required to deliver against the Company's short term and long term business strategies. Specifically, the Committee will review the succession plans for the CEO and for executive officers reporting to the CEO, as well the development plans and strategies to accelerate the readiness of identified internal candidates.
- The Committee shall review and discuss with management the risks arising from the Company's compensation policies and practices for all employees that are reasonably likely to have a material adverse effect on the Company.

#### ***Related Duties and Authority***

- The Committee shall consider and approve any promotions to, or offers of employment for, executive officer level positions.
- The Committee shall annually review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval.
- The Committee shall review and discuss with the Company's executive officers and other members of management, including members of the Company's Human Resources department, outside counsel and any outside compensation consultants, the disclosure regarding the Company's compensation policies, programs and practices for named executive officers (the "CD&A") prepared for inclusion in the Company's annual proxy statement or where otherwise required to be filed with the SEC, and based on such review and discussion recommend to the Board whether such CD&A disclosure should be included in the Company's annual proxy statement or such other filing with the SEC.
- The Committee shall produce the compensation committee report on executive officer compensation required to be included in the Company's proxy statement for its annual meeting of stockholders (or other filing with the SEC).



***Delegation.*** In fulfilling its responsibilities, the Committee shall be entitled to delegate any or all of its responsibilities, power and authority to a subcommittee of the Committee as the Committee deems appropriate. Any such subcommittee shall consist of a minimum of two (2) members, at least one of whom shall be a member of the Company's Board and who may be the CEO, and the other of whom may be either (i) a Company officer reporting under Section 16 of the Exchange Act, or (ii) the Company's Executive Vice President of Human Resources, and any such delegation of duties shall be reflected in the written minutes or unanimous written consent of the Committee. Specifically, at its discretion, the Committee shall have the authority to designate a subcommittee with the authority to grant options, restricted stock units or other equity awards to non-executive officer employees of the Company and to amend such equity awards. If designated, the subcommittee will establish its own schedule. Notwithstanding the foregoing, the Committee shall not delegate to a subcommittee any power or authority required by law, regulation or Nasdaq Rule to be exercised by the Committee as a whole, including any matters that involve executive compensation, or any matters where it has determined such compensation is intended to comply with Section 162(m) of the Code or is intended to be exempt from Section 16(b) of the Exchange Act.

***Outside Advisors.*** The Committee shall have the authority, in its sole discretion and at the expense of the Company, to retain or obtain the advice of a compensation consultant, legal counsel or other advisor. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, legal counsel or other advisor retained by the Committee. The Company will provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to a compensation consultant, legal counsel or any other advisor retained by the Committee.

The Committee may select, or receive advice from, a compensation consultant, legal counsel or other advisor to the Committee, other than in-house legal counsel, only after taking into consideration the factors specified in Nasdaq Rule 5605(d)(3)(D) (or any successor to such Nasdaq Rule).

Nothing in this Charter shall be construed: (i) to require the Committee to implement or act consistently with the advice or recommendations of the compensation consultant, legal counsel or other advisor to the Committee; or (ii) to affect the ability or obligation of the Committee to exercise its own judgment in fulfillment of the duties of the Committee.

The Committee is required to conduct the independence assessment outlined in this charter with respect to any compensation consultant, legal counsel or other advisor that provides advice to the Committee, other than in-house legal counsel; provided, however that nothing in this charter requires a compensation consultant, legal counsel or other compensation advisor to be independent, only that the Committee considers the factors specified in Nasdaq Rule 5605(d)(3)(D) (or any successor to such Nasdaq Rule) before selecting, or receiving advice from, a compensation advisor.



The Committee may select, or receive advice from, any compensation advisor that it prefers, including ones that are not independent, after considering the factors specified in Nasdaq Rule 5605(d)(3)(D) (or any successor to such Nasdaq Rule).

Notwithstanding the foregoing, the Committee is not required to conduct an independence assessment for a compensation advisor that acts in a role limited to the following activities for which no disclosure is required under Item 407(e)(3)(iii) of Regulation S-K: (i) consulting on any broad-based plan that does not discriminate in scope, terms, or operation, in favor of executive officers or directors of the Company, and that is available generally to all salaried employees; and/or (ii) providing information that either is not customized for a particular issuer or that is customized based on parameters that are not developed by the advisor, and about which the advisor does not provide advice.

Any advisors retained by the Committee will report directly to the Committee and may be terminated in the discretion of the Committee.

## **MEETINGS**

The Committee shall meet at least once per year and as often as may be deemed necessary or appropriate, in its judgment, in order to fulfill its responsibilities. The Committee may establish its own meeting schedule, and shall make regular reports to the Board. The Committee may also act by unanimous written consent (which may include electronic consents) as the Committee may decide. The Committee meetings will be governed by the quorum and other procedures generally applicable to meetings of the Board under the Company's bylaws, unless otherwise stated by resolution of the Board or the Committee. The Committee may invite members of the Company's management to attend its meetings as appropriate. However, the CEO may not be present during voting or deliberations regarding his or her compensation. The Committee will maintain written minutes of its meetings and actions by written consent, which will be filed with the minutes of the meetings of the Board.

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