

NETGEAR, INC.

STOCK OWNERSHIP GUIDELINES

(Effective January 1, 2005)

The Board of Directors (the “Board”) of NETGEAR, Inc. (the “Company”) believes that the Company’s Board members (the “Directors”) and executive officers (the “Officers”) should own and hold common stock of the Company to further align their interests and actions with the interests of the Company’s stockholders. Accordingly, the Board has adopted these stock ownership guidelines (the “Guidelines”) effective January 1, 2005 (“Effective Date”).

I. Director Stock Ownership Guidelines

Directors who are not also Officers of the Company are expected to own and hold a minimum of 5,000 shares of common stock of the Company. Such number of shares approximately reflects five times the average market median annual retainer of a public company director, divided by the Company’s closing share price as of the Effective Date.

II. Officer Stock Ownership Guidelines

Officers are expected to own and hold the following minimum number of shares the Company’s common stock

Level	Minimum Ownership Requirements (number of shares)	Approximate Value as a Multiple of Salary
CEO	87,500	6X
CFO	37,500	3X
Other Management Team Members (i.e. Vice Presidents, Chief Technology Officer & General Counsel)	10,000	1X

III. Compliance and Reporting

Existing Directors and Officers are expected to achieve the stock ownership levels within five years from the Effective Date. Going forward, new Directors or Officers will have five years from their first appointment to comply with the Guidelines. Officers who subsequently get promoted to a higher level must achieve their previous Officer target shares within the initial five-year timeframe, but will have until five years from the date of their promotion to achieve the incremental target shares.

Company stock that counts toward satisfaction of these Guidelines include:

- shares of common stock owned outright by the Director or Officer and his or her immediate family members who share the same household, whether held individually or jointly;
- restricted stock or similar instrument such as a distributed stock unit;
- shares acquired upon stock option exercise or participation in the Company's employee stock purchase plan and not subject to any repurchase or sale restrictions;
- shares purchased in the open market; and
- shares held in trust where the Director or Officer is the beneficial owner.

In the event there is any doubt as to whether shares should count toward compliance with the Guidelines, the Company's Chief Compliance Officer shall assess and make a recommendation to the Nominating and Corporate Governance Committee, whose determination shall be final and binding.

The Chief Compliance Officer will report to the Nominating and Corporate Governance Committee and the Board on an annual basis the status of compliance for all Officers and Directors. The Chief Compliance Officer will also report to the Nominating and Corporate Governance Committee on a real-time basis when an Officer or Director fails to comply or falls out of compliance at any time after the five-year phase-in period.

Failure to meet or maintain these ownership requirements may result in a reduction in future long-term incentive grants and/or compensation.

IV. Hardship

There may be instances in which these stock ownership guidelines would place a severe hardship on a Director or Officer or prevent him or her from complying with a judicial decree. It is expected that these instances will be rare. Upon receipt of written notice together with sufficient details of such hardship, the Chief Compliance Officer shall recommend to the Board for its review and approval an alternative stock ownership guideline for that Officer or Director that reflects the intention of these Guidelines and his or her personal circumstances.

V. Administration

These Guidelines shall be administrated by the Nominating and Corporate Governance Committee of the Board. The Committee shall have the discretion to submit for approval by the Board, and the Board may at any time approve, amendments or modifications to these Guidelines.