



NetApp™

**NETAPP, INC.
STOCK OWNERSHIP GUIDELINES FOR DIRECTORS AND EXECUTIVES**

The Board believes that stock ownership by the Company's directors and executives help to align the interest of the Company's directors and executives with the interests of the Company's stockholders. Accordingly, the following minimum share ownership guidelines shall apply to the Company's directors, Chief Executive Officer, and Executive Vice Presidents:

- Each director shall hold a number of shares of the Company's common stock equal in value to at least five times the amount of such director's annual cash retainer for board service (exclusive of committee service);
- The Chief Executive Officer shall hold a number of shares of the Company's common stock equal in value to at least six times the amount of the Chief Executive Officer's base salary; and
- Each Executive Vice President shall hold a number of shares of the Company's common stock equal in value to at least three times the amount of such Executive Vice President's base salary.

The Company's directors and executives have five years from the adoption date of these Stock Ownership Guidelines to meet these guidelines. Newly appointed directors and executives have five years from the time they are elected, appointed, hired, or promoted, as the case may be, to meet these guidelines. Once achieved, ownership of the guideline amount should be maintained for as long as the individual is subject to these guidelines.

For purposes of determining stock ownership levels, the following forms of equity interests in the Company are included:

- Shares owned outright by the director or executive or his or her immediate family members residing in the same household, or underlying vested RSUs for which settlement has been deferred under the Company's deferred compensation arrangements;
- Shares held in trust for the benefit of the director or executive or his or her immediate family; and
- One half of the unvested shares of restricted stock and shares underlying unvested restricted stock units.

Stock ownership levels will be calculated and reviewed at the beginning of each fiscal year and stock prices shall be based on the three-year average price on the date of such calculation. Exceptions to these share ownership guidelines may be made at the discretion of the Compensation Committee if compliance would create a hardship or prevent the director or executive from complying with a court order, such as part of a divorce settlement.