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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE

SECURITIES EXCHANGE ACT OF 1934

(Amendment No.)

Filed by the Registrant þ Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement

¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

þ Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to §240.14a-12

NETAPP, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

þ No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

¨ Fee paid previously with preliminary materials.

¨ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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NETAPP, INC.

495 East Java Drive

Sunnyvale, California 94089

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held Thursday, September 15, 2016

You are cordially invited to attend the Annual Meeting of Stockholders, and any adjournment, postponement or other delay thereof (the Annual Meeting), of NetApp, Inc., a Delaware corporation (NetApp), which will be held on Thursday, September 15, 2016, at 3:30 p.m. local time, at NetApp s headquarters, 495 East Java Drive, Sunnyvale, California 94089. We are holding the Annual Meeting for the following purposes:

1. To elect the following individuals to serve as members of the Board of Directors until the 2017 Annual Meeting of Stockholders or until their respective successors are duly elected and qualified: T. Michael Nevens, Jeffry R. Allen, Alan L. Earhart, Gerald Held, Kathryn M. Hill, George Kurian, George T. Shaheen, Stephen M. Smith, Robert T. Wall and Richard P. Wallace;

2. To approve an amendment to NetApp s Amended and Restated 1999 Stock Option Plan to increase the share reserve by an additional 4,300,000 shares of common stock;

3. To approve an amendment to NetApp s Employee Stock Purchase Plan to increase the share reserve by an additional 2,500,000 shares of common stock;

4. To conduct an advisory vote to approve Named Executive Officer compensation;

5. To ratify the appointment of Deloitte & Touche LLP as NetApp s independent registered public accounting firm for the fiscal year ending April 28, 2017; and

6. To transact such other business as may properly come before the Annual Meeting.

The foregoing items of business are more fully described in the Proxy Statement that accompanies this Notice of Annual Meeting of Stockholders. The Board of Directors has fixed the close of business on July 19, 2016 as the record date for determining the stockholders entitled to notice of and to vote at the Annual Meeting.

In accordance with the rules and regulations of the Securities and Exchange Commission, we have elected to provide access to our proxy materials over the Internet. Accordingly, NetApp will mail, on or about July 26, 2016, a Notice of Internet Availability of Proxy Materials to its stockholders of record and beneficial owners. The Notice of Internet Availability of Proxy Materials will identify: (1) the website where our proxy materials will be made available; (2) the date, time and location of the Annual Meeting; (3) the matters to be acted upon at the Annual Meeting and the Board of Directors recommendation with regard to each matter; (4) a toll-free telephone number, an e-mail address, and a website where stockholders can request a paper or e-mail copy of the Proxy Statement (together with a form of proxy) and our Annual Report on Form 10-K; (5) instructions on how to vote your shares by proxy; and (6) information on how to obtain directions to attend the Annual Meeting and vote in person by ballot. All proxy materials will be available free of charge.

To assure your representation at the Annual Meeting, you are urged to cast your vote as instructed in the Notice of Internet Availability of Proxy Materials over the Internet or by telephone as promptly as possible. You may also request a paper proxy card to submit your vote by mail, if you prefer. Any stockholder of record attending the Annual Meeting may vote in person by ballot, even if such stockholder has previously voted over the Internet, voted by telephone or returned a signed proxy card. Any beneficial owner who is not a stockholder of record will be required to show a legal proxy from such stockholder s bank, broker or other nominee in order to vote in person by ballot at the Annual Meeting.

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Thank you for your interest in NetApp.

BY ORDER OF THE BOARD OF DIRECTORS,

/s/ George Kurian

Chief Executive Officer and President

Sunnyvale, California

August 2, 2016

YOUR VOTE IS EXTREMELY IMPORTANT. TO ENSURE YOUR REPRESENTATION AT THE ANNUAL MEETING, YOU ARE URGED TO VOTE BY TELEPHONE OR OVER THE INTERNET AS PROMPTLY AS POSSIBLE. ALTERNATIVELY, YOU MAY REQUEST A PAPER PROXY CARD, WHICH YOU SHOULD SIGN, DATE AND RETURN BY MAIL.

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This summary highlights information contained within this Proxy Statement. It does not contain all the information found in this Proxy Statement, and is qualified in its entirety by the remainder of this Proxy Statement. You should read the entire Proxy Statement carefully and consider all information before voting. Page references are supplied to help you find further information in this Proxy Statement.

Voting Matters and Recommendation

Voting Matter	Board Vote Recommendation	Page
Election of ten (10) director nominees	FOR each nominee	8
Approval of an amendment to NetApp s Amended and Restated 1999 Stock Option Plan	FOR	67
Approval of an amendment to NetApp s Employee Stock Purchase Plan	FOR	77
Advisory approval of our executive compensation	FOR	25
Ratification of appointment of independent registered public accounting firm	FOR	85

Fiscal 2016 Business Highlights

In fiscal year 2016, NetApp generated $5.55 billion in net revenues. GAAP net income for fiscal year 2016 was $234 million, or $0.79 per share,[1] and non-GAAP net income was $633 million, or $2.13 per share.[2] Over the course of the year, we generated $974 million in cash flows from operations. We also returned approximately $1.2 billion to stockholders, comprising approximately $960 million through share repurchases and $210 million through dividends. Through share repurchases and dividends, we have returned approximately $4.6 billion to stockholders since May 2013.

In fiscal year 2016, we continued to return capital to stockholders while making fundamental changes to return NetApp to revenue growth with improved profitability and cash flow. We announced the appointment of new senior leaders and launched a transformation program to streamline the business and permanently reduce our cost structure. At the same time, we continued to invest in the growth segments of the markets and facilitate our customers success as they navigate through their IT transformations.

As part of their IT transformations, customers are looking for a broad range of IT capabilities, including consuming new architectures and types of storage systems as well as cloud-based solutions as alternatives to traditional IT. NetApp s Data Fabric strategy enables data management that seamlessly connects disparate clouds and data

[1] GAAP earnings per share is calculated using the diluted number of shares for the period presented. A reconciliation of non-GAAP to GAAP results can be found in Annex A.

[2] Non-GAAP earnings per share is calculated using the diluted number of shares for the period presented. A reconciliation of non-GAAP to GAAP results can be found in Annex A.

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centers into a cohesive, integrated hybrid cloud. We enable IT organizations to manage, secure, and protect their data wherever access is needed in the fabric from flash to disk to multiple cloud architectures at the scale required to accommodate the exponential data growth of the digital world. By coupling the strength of our Data Fabric strategy and the benefits we deliver to customers with a more efficient and agile business, we believe that we can generate long-term value for stockholders.

See also the *Fiscal 2016 Financial Performance* and *Strategic Initiatives* sections within our *Compensation Discussion and Analysis* on page 26 of this Proxy Statement. Detailed information on our products and our financial performance can be found in our Annual Report on 10-K for the year ended April 29, 2016.

Corporate Governance and Executive Compensation

Director Nominees

Name of Nominee	Age	Director Since	Independent	NetApp Committee Memberships
T. Michael Nevens*	66	2009	Yes	Audit, Corporate Governance and Nominating (Chair)
Jeffry R. Allenü	64	2005	Yes	Audit
Alan L. Earhartü	72	2004	Yes	Audit (Chair), Corporate Governance and Nominating
Gerald Held	68	2009	Yes	Compensation
Kathryn M. Hill	59	2013	Yes	Compensation
George Kurian	49	2015	No	

George T. Shaheen	72	2004	Yes	Compensation
Stephen M. Smith	60	2016	Yes	
Robert T. Wall	71	1993	Yes	Compensation (Chair), Corporate Governance and Nominating
Richard P. Wallace	56	2011	Yes	Compensation

* Chairman of the Board

ü Audit Committee Financial Expert

Corporate Governance and Executive Compensation Highlights

We are committed to good corporate governance, which promotes the long-term interests of our stockholders and strengthens our Board and management accountability. Our executive compensation program is designed to hold our executives accountable for results over the long term and reward them for consistently strong corporate performance. During fiscal 2016, we appointed an independent Chairman of the Board, adopted a clawback policy, and introduced performance-based equity awards for our executives.

Governance and executive compensation highlights include:

- Other than the Chief Executive Officer, our Board comprises all independent directors (9 out of 10 directors);
- Separation of the roles of Chairman and Chief Executive Officer;
- Four new directors joined the Board in the last five years;
- Majority voting in the election of directors;
- Each director is required to submit an irrevocable, conditional resignation effective only upon both (1) the failure to receive the required vote for reelection and (2) our Board s acceptance of such resignation;
- Three active standing Board committees with 100% independent members;
- Performance-based equity compensation;
- Annual Say-on-Pay vote;
- Director and executive stock ownership guidelines;
- Anti-hedging and anti-pledging policies;
- Compensation clawback policy;
- Board oversight of risk management;
- Annual Board and Board committee self-evaluations;
- Annual assessment of director compensation; and

Robust Code of Conduct.

For more information about our corporate governance practices, please refer to the information under *Corporate Governance* beginning on page 12 of this Proxy Statement. For more information about our executive compensation program, please refer to the information under *Compensation Discussion and Analysis* beginning on page 25 of this Proxy Statement.

Cautionary Statement Regarding Forward-Looking Statements

This Proxy Statement may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act). Forward-looking statements are all statements (and their underlying assumptions) included in this Proxy Statement that refer, directly or indirectly, to future events or outcomes and, as such, are inherently not factual, but rather reflect only our current projections for the future. Consequently, forward-looking statements usually include words such as estimate, intend, plan, predict, seek, may, will, should, would, could, anticipate, expect, b
each case, intended to refer to future events or circumstances. Our future results may differ materially from our past results and from those projected in the forward-looking statements due to various uncertainties and risks, including, but not limited to, those described in Item 1A of Part I (Risk Factors) of our Annual Report on Form 10-K. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof and are based upon information available to us at this time. These statements are not guarantees of future performance. We disclaim any obligation to update information in any forward-looking statement. Actual results could vary from our forward-looking statements due to the factors described in our Annual Report on Form 10-K, as well as other important factors.

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PROXY STATEMENT

495 East Java Drive

Sunnyvale, California 94089

FOR THE ANNUAL MEETING OF STOCKHOLDERS OF

NETAPP, INC.

To Be Held Thursday, September 15, 2016

Why am I receiving these materials?

The Board of Directors of NetApp, Inc. (Board or Board of Directors) has made these materials available to you on the Internet or, upon your request, has delivered printed proxy materials to you in connection with the solicitation of proxies for use at our 2016 Annual Meeting of Stockholders, and any adjournment, postponement or other delay thereof (the Annual Meeting). NetApp, Inc., a Delaware corporation, is referred to in this Proxy Statement as the Company, NetApp, we or our . This Proxy Statement describes proposals on which you, as a stockholder, are being asked to vote. It also gives you information on these proposals, as well as other information, so that you can make an informed decision. As a stockholder, you are invited to attend the Annual Meeting and are requested to vote on the items of business described in this Proxy Statement.

Why did I receive a Notice in the mail regarding the Internet availability of proxy materials?

In accordance with rules and regulations adopted by the Securities and Exchange Commission (the SEC), instead of mailing a printed copy of our proxy materials to each of our stockholders, we are furnishing proxy materials to our stockholders over the Internet. If you received a Notice of Internet Availability of Proxy Materials (the Notice) by mail, you will not receive a printed copy of the proxy materials. Instead, the Notice instructs you as to how you may access and review all of the information contained in the proxy materials. The Notice also instructs you as to how you may submit your proxy over the Internet or by telephone. If you received a Notice by mail and would like to receive a printed copy of our proxy materials, you should follow the instructions for requesting such materials included in the Notice.

Who can vote at the Annual Meeting?

Stockholders of record as of the close of business on July 19, 2016 (the Record Date) are entitled to vote at the Annual Meeting. If your shares are registered directly in your name with our transfer agent, Computershare Trust Company, N.A., you are considered, with respect to those shares of common stock, the stockholder of record. If your shares of common stock are held by a bank, broker or other nominee, you are considered the beneficial owner of those shares, which are held in street name. As the beneficial owner, you have the right to direct your bank, broker or

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other nominee how to vote your shares by following the voting instructions that your bank, broker or other nominee provides you. If you do not provide your bank, broker, or other nominee with instructions on how to vote your shares, your bank, broker or other nominee may not vote your shares with respect to any non-routine matters, but may, in its discretion, vote your shares with respect to routine matters. For more information on routine and non-routine matters, see *What are abstentions and broker non-votes?* below.

When and where will the Annual Meeting take place?

The Annual Meeting will be held on Thursday, September 15, 2016, at 3:30 p.m. local time at the Company s headquarters at 495 East Java Drive, Sunnyvale, California 94089. You may contact the Company at (408) 822-6000 for directions to the Annual Meeting.

How do I gain admittance to the Annual Meeting?

Each stockholder must present a valid picture identification, such as a driver s license or passport, and proof of stock ownership as of the Record Date for entrance to the Annual Meeting. Stockholders holding shares of common stock in brokerage accounts through a bank, broker or other nominee may be required to show a brokerage or account statement reflecting their stock ownership. Cameras, recording devices and other electronic devices will not be permitted at the Annual Meeting.

How many shares must be present to hold the Annual Meeting?

To hold the meeting and conduct business, a majority of NetApp s shares of common stock issued and outstanding and entitled to vote, in person or by proxy, at the Annual Meeting must be present in person or by proxy. This is called a quorum.

How many shares of NetApp common stock are entitled to vote at the Annual Meeting?

At the Annual Meeting, each holder of common stock is entitled to one vote for each share of common stock held by such stockholder on the Record Date. On the Record Date, the Company had 278,252,131 shares of common stock outstanding and entitled to vote at the Annual Meeting. No shares of the Company s preferred stock were outstanding. There are no cumulative voting rights.

Who will count the votes?

A representative of Broadridge Financial Solutions, Inc. will act as the inspector of elections and tabulate the votes.

How many votes are required for each proposal?

For Proposal No. 1, each of the 10 director nominees must receive the affirmative vote of shares representing a majority of the votes cast, meaning the number of votes FOR a director nominee must exceed the number of votes AGAINST that director nominee. Approval of Proposal Nos. 2, 3, 4 and 5 each require the affirmative vote of a majority of the stock having voting power present in person or represented by proxy. The vote on Proposal No. 4 is advisory, and is therefore not binding on the Company or the Board. Voting results will be published in a Current Report on Form 8-K, which will be filed with the SEC within four business days of the Annual Meeting.

How do I vote?

The Company is offering stockholders of record four methods of voting: (1) you may vote by telephone; (2) you may vote over the Internet; (3) you may vote in person by ballot at the Annual Meeting; and (4) finally, you may request a proxy card from us and indicate your vote by signing and dating the proxy card where indicated, and mailing or otherwise returning the proxy card in the prepaid envelope provided.

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If you submit a proxy card but do not specify your votes, your shares of common stock will be voted (1) FOR the election of all of the nominees named in Proposal No. 1; (2) FOR Proposal Nos. 2, 3, 4 and 5; and (3) in the proxy holder s discretion as to any other matters that may properly come before the Annual Meeting. Please contact your bank, broker or other nominee for information on obtaining a legal proxy.

If you hold your shares of common stock through a bank, broker or other nominee, you will receive a voting instruction form from your bank, broker or other nominee with instructions on how to vote. You will not be able to vote by ballot in person at the Annual Meeting unless you have previously obtained a legal proxy from your bank, broker or other nominee and present it with your ballot at the Annual Meeting.

How can I change my vote or revoke my proxy?

Any stockholder of record voting by proxy has the power to revoke a proxy at any time before the polls close at the Annual Meeting. You may revoke your proxy by filing with the Secretary of the Company an instrument of revocation or a duly executed proxy bearing a later date or by attending the Annual Meeting and voting in person by ballot. If you are the beneficial owner of your shares, you must contact the bank, broker or other nominee holding your shares and follow the instructions of such bank, broker or other nominee to revoke your proxy or change your vote.

What are abstentions and broker non-votes?

Abstentions will be counted for the purposes of determining both (1) the presence or absence of a quorum for the transaction of business; and (2) the total number of shares entitled to vote in person or by proxy at the Annual Meeting with respect to a proposal. Accordingly, abstentions will have the same effect as a vote against a proposal, except with respect to Proposal No. 1 (election of directors), where they will have no effect.

A broker non-vote occurs when a bank, broker or other nominee holding shares for a beneficial owner does not vote on a particular proposal because the bank, broker or other nominee does not have discretionary voting power with respect to such proposal and has not received voting instructions from the beneficial owner. Broker non-votes will be counted for the purpose of determining the presence or absence of a quorum for the transaction of business, but will not be counted for the purpose of determining the number of votes cast on a proposal. Accordingly, a broker non-vote will make a quorum more readily attainable, but will not otherwise affect the outcome of the vote on a proposal.

If your shares are held in street name and you do not instruct your bank, broker or other nominee on how to vote your shares, your bank, broker or other nominee may, at its discretion, either leave your shares unvoted or vote your shares on routine matters, but is not permitted to vote your shares on non-routine matters. The proposal to ratify the appointment of our independent registered public accounting firm for fiscal 2017 (Proposal No. 5) is a routine matter. Proposal Nos. 1, 2, 3 and 4 are considered non-routine matters.

How many copies of the proxy materials will be delivered to stockholders sharing the same address?

The SEC has adopted rules that permit companies and intermediaries, such as brokers, to satisfy delivery requirements for proxy materials with respect to two or more stockholders sharing the same address by delivering a single Proxy

Statement addressed to those stockholders. This process, which is commonly referred to as householding, potentially provides extra convenience for stockholders and cost savings for the Company. The Company and some banks and brokers household proxy materials unless contrary instructions have been received from one or more of the affected stockholders. If, at any time, you no longer wish to participate in householding and would prefer to receive a separate Proxy Statement, or if you are receiving multiple copies of the Proxy Statement and wish to receive only one, please (1) follow the instructions provided when you vote over the Internet; or (2) contact Broadridge Financial Solutions, Inc., either by calling toll free at (800) 542-1061 or by writing to Broadridge Financial Solutions, Inc., Householding Department, 51 Mercedes Way, Edgewood, New York 11717.

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Where may I obtain a copy of the Annual Report?

The Notice, this Proxy Statement and the Company s Annual Report on Form 10-K for our fiscal year that ended on April 29, 2016 (the Annual Report) have been made available on our website. Our fiscal year is reported on a 52- or 53-week year that ends on the last Friday in April, and our fiscal 2016 began on April 25, 2015 and ended on April 29, 2016 (fiscal 2016). The Annual Report is not incorporated into this Proxy Statement and is not considered proxy soliciting material. The Annual Report is posted at the following website address: http://investors.netapp.com/annuals.cfm.

Who pays for the solicitation of proxies?

We will bear the cost of soliciting proxies. Copies of solicitation materials will be made available upon request to brokerage houses, fiduciaries, and custodians holding shares in their names that are beneficially owned by others to forward to such beneficial owners. The Company may reimburse such persons for their costs of forwarding the solicitation materials to such beneficial owners. The Company has retained AST Phoenix Advisors, a professional proxy solicitation firm, to assist in the solicitation of proxies from stockholders of the Company. AST Phoenix Advisors may solicit proxies by personal interview, mail, telephone, facsimile, email, or otherwise. The Company expects that it will pay AST Phoenix Advisors a customary fee, estimated to be approximately $10,000, plus reasonable out-of-pocket expenses incurred in the process of soliciting proxies. In addition, the original solicitation of proxies may be supplemented by solicitation by telephone, electronic communication or other means from directors, officers, employees or agents of the Company. No additional compensation will be paid to these individuals for any such services.

How and when may I submit proposals for consideration at next year s Annual Meeting of Stockholders?

The Company s stockholders may submit proposals for consideration at the 2017 Annual Meeting. Stockholders may also recommend candidates for election to our Board of Directors for the 2017 Annual Meeting (see *Corporate Governance Corporate Governance and Nominating Committee*).

Pursuant to Rule 14a-8 under the Exchange Act, stockholder proposals may be included in our 2017 Proxy Statement. Any such stockholder proposals must be submitted in writing to the attention of the Corporate Secretary, NetApp, Inc., 495 East Java Drive, Sunnyvale, California 94089, no later than April 4, 2017, which is the date 120 calendar days prior to the first anniversary of the mailing date of this Proxy Statement.

Under the Company s bylaws, a proposal that a stockholder intends to present for consideration at the 2017 Annual Meeting but does not seek to include in the Company s proxy materials for the 2017 Annual Meeting (including a nomination to the Board) must be received by the Corporate Secretary (at the address specified in the preceding paragraph) not less than 120 calendar days prior to the date of the 2017 Annual Meeting. The stockholder s submission must include the information specified in the Company s bylaws.

Stockholders interested in submitting such a proposal are advised to contact knowledgeable legal counsel with regard to the detailed requirements of applicable securities laws.

If a stockholder gives notice of a proposal or a nomination after the applicable deadline specified above, the notice will not be considered timely, and the stockholder will not be permitted to present the proposal or the nomination to the stockholders for a vote at the 2017 Annual Meeting.

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The name, age and position of each of the Company s directors as of August 2, 2016 are set forth in the table below. Thomas Georgens served as the Company s Chief Executive Officer and Chairman of the Board until his resignation on June 1, 2015. Tor Braham resigned from the Board on March 29, 2016 and Stephen M. Smith was appointed to our Board on May 20, 2016. Except as described below, each director has been engaged in his or her principal occupation during the past five years. There are no family relationships among any of our directors or executive officers.

Name of Nominee	Age	Position	Director Since
T. Michael Nevens*	66	Chairman of the Board	2009
Jeffry R. Allen*	64	Director	2005
Alan L. Earhart*	72	Director	2004
Gerald Held*	68	Director	2009
Kathryn M. Hill*	59	Director	2013
George Kurian	49	Director	2015
George T. Shaheen*	72	Director	2004
Stephen M. Smith*	60	Director	2016
Robert T. Wall*	71	Director	1993

Richard P. Wallace*	56	Director	2011

*Denotes Independent Director

T. MICHAEL NEVENS has been a member of the Board since December 2009 and Chairman since June 2015. From April 2014 until becoming Chairman in June 2015, Mr. Nevens was the Company s Lead Independent Director. Since May 2006, Mr. Nevens has been a senior advisor to Permira Funds, an international private equity fund. Prior to his position with Permira Funds, Mr. Nevens spent 23 years advising technology companies with McKinsey & Co., where he managed the firm s Global High Tech Practice and chaired the firm s IT vendor relations committee. Mr. Nevens currently serves on the board of Ciena Corporation. He also served on the board of Altera Corporation until its acquisition by Intel Corporation in December 2015, as well as the board of Borland Software Corporation from 2004 until 2009. Mr. Nevens holds a B.S. degree in physics from the University of Notre Dame and an M.S. degree in industrial administration from Purdue University.

Our Board selected Mr. Nevens to serve as a director because his experience in equity investments and advising various technology companies throughout the world led our Board to conclude that he would be a valuable member of our Board, particularly as the Company seeks to grow internationally. His experience on the boards of both public and private technology companies also provides significant value and adds to his diverse perspective.

JEFFRY R. ALLEN has been a member of the Board since May 2005. Prior to joining the Board, Mr. Allen was the Executive Vice President of Business Operations for the Company. Mr. Allen joined the Company in 1996 as the Chief Financial Officer and Vice President of Finance and Operations. Prior to joining the Company, Mr. Allen served as Senior Vice President of Operations for Bay Networks, Inc., a networking company (Bay Networks),

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where he was responsible for manufacturing and distribution functions. From 1990 to 1995, he held the position of Controller for SynOptics Communications, Inc., a computer communications company, and subsequently became Vice President and Controller for Bay Networks, a networking company created via the merger of SynOptics and Wellfleet Communications. Previously, Mr. Allen had a 17-year career at Hewlett-Packard Company, a computer technology company, where he served in a variety of financial, information systems, and financial management positions, including controller for the Information Networks Group. Mr. Allen is currently the Lead Independent Director of Barracuda Networks Inc., a public technology company, and a director of Metaswitch Networks, a private technology company. Mr. Allen holds a B.S. degree in accounting from San Diego State University.

Our Board selected Mr. Allen to serve as a director because he brings to the Board extensive experience gained from working in the technology industry in a variety of positions at the senior management level, including almost 10 years at the Company. In addition, Mr. Allen also qualifies as an audit committee financial expert under the rules and regulations of the SEC. With a strong mix of operational and financial knowledge, both generally and specifically in regards to the Company, Mr. Allen adds to the Board s collective level of expertise, skills and qualifications.

ALAN L. EARHART has been a member of the Board since December 2004. From 1970 until his retirement in 2001, Mr. Earhart held several positions with Coopers & Lybrand and its successor, PricewaterhouseCoopers LLP, an accounting firm, including most recently as managing partner of PricewaterhouseCoopers Silicon Valley offices. Mr. Earhart currently serves on the board of directors of Brocade Communication Systems, Inc. and Rovi Corporation (formerly known as Macrovision Solutions Corporation), both public technology companies, and is an independent consultant and retired partner of PricewaterhouseCoopers. He previously served on the board of directors of Monolithic Power Systems, Inc. and Quantum Corporation. Mr. Earhart holds a B.S. degree in accounting from the University of Oregon.

Our Board selected Mr. Earhart to serve as a director because he brings to our Board a deep knowledge of financial and accounting issues. Through his work experience and service on the boards of several high technology public companies, Mr. Earhart has developed knowledge of the complex issues facing global companies today. In addition, Mr. Earhart qualifies as an audit committee financial expert under the rules and regulations of the SEC. Mr. Earhart is a skilled advisor who makes a strong contribution to the diversity of perspectives on our Board.

GERALD HELD has been a member of the Board since December 2009. Since 1999, Dr. Held has been the Chief Executive Officer of Held Consulting, LLC, a strategic consulting firm. From 2006 to 2010, he was the Executive Chairman of Vertica Systems, an analytic database company that was acquired by Hewlett-Packard Company. From 2002 to 2008, Dr. Held was on the board of Business Objects SA. He was also a founding director for Microplace, Inc., a microfinance marketplace that was acquired by eBay, Inc. and Chairman of Bella Pictures, Inc., which was acquired by CPI Corp. Dr. Held serves on the board of Informatica Corporation, a formerly public technology company, which was taken private by the Permira Funds and Canadian Pension Plan Investment Board. He also serves as chairman of the board of several private companies, including Tamr Inc., MemSQL Inc., and Software Development Technologies Corp. From 1976 to 1997, Dr. Held served in a variety of executive roles at Tandem Computers, Inc. and Oracle Corporation.

Our Board selected Mr. Held to serve as a director because he has over 40 years of experience in developing, managing and advising technology organizations. He also has experience leading organizations through periods of growth, including growing a startup company into a public company generating several billion dollars in annual revenue. In addition to his professional experience, Mr. Held has a strong technical background, including an M.S. degree in systems engineering from the University of Pennsylvania and a Ph.D. degree in computer science specializing in relational database technology from University of California, Berkeley.

KATHRYN M. HILL has been a member of the Board since September 2013. Ms. Hill served in a number of positions at Cisco Systems, Inc., a communications company, from 1997 to 2013, including, among others, Executive Advisor from 2011 to 2013, Senior Vice President, Development Strategy and Operations from 2009 to 2011, Senior Vice President, Access Networking and Services Group from 2008 to 2009 and Senior Vice President, Ethernet Systems and Wireless Technology Group from 2005 to 2008. Prior to Cisco, Ms. Hill had a number of engineering roles at various technology companies. Ms. Hill currently serves on the boards of Moody s Corporation and Celanese Corporation. She is a member of the Board of Trustees for the Anita Borg Institute for Women in Technology. Ms. Hill received a B.S. degree in Computational Mathematics from Rochester Institute of Technology.

Our Board selected Ms. Hill to serve as a director because she has extensive experience in business management and leadership of engineering and operations. Ms. Hill also has experience leading global technology organizations. Our Board believes that this experience as well as Ms. Hill s service on the board of another public company adds to our Board s collective level of expertise, skills and qualifications.

GEORGE KURIAN has been a member of our Board since June 2015. Mr. Kurian was appointed as our Chief Executive Officer on June 1, 2015 and President on May 20, 2016. From September 2013 to May 2015, he was Executive Vice President of Product Operations, overseeing all aspects of technology strategy, product and solutions development across our product portfolio. Mr. Kurian joined NetApp in April 2011 as the Senior Vice President of the Storage Solutions Group and was appointed to Senior Vice President of the Data ONTAP group in December 2011. Prior to NetApp, from 2002 to 2011, Mr. Kurian held several positions at Cisco Systems, including most recently as Vice President and General Manager of the application networking and switching technology group. From 1999 to 2002, Mr. Kurian was the Vice President of product management and strategy at Akamai Technologies. Prior to that he was a management consultant with McKinsey and Company, and led software engineering and product management teams at Oracle Corporation. Mr. Kurian holds a BS degree in electrical engineering from Princeton University and an MBA from Stanford University.

Our Board selected Mr. Kurian to serve as a director because, as the Company s Chief Executive Officer, Mr. Kurian has direct day-to-day exposure to all aspects of our business. In addition, Mr. Kurian has extensive experience and knowledge of the Company and the industry. As a result of these and other factors, our Board believes that Mr. Kurian adds to our Board s collective level of expertise, skills and qualifications.

GEORGE T. SHAHEEN has been a member of our Board since June 2004. From December 2006 until July 2009, he was the Chief Executive Officer and Chairman of the Board of Directors of Entity Labs, Ltd., a technology company in the data collection, storage and analytics space. Mr. Shaheen was the Chief Executive Officer of Siebel Systems, Inc., a customer relationship management software company, from April 2005 until the sale of the company in January 2006. From October 1999 to April 2001, he served as the Chief Executive Officer and Chairman of the Board of Webvan Group, Inc. Prior to joining Webvan Group, Inc., Mr. Shaheen was the Chief Executive Officer and Global Managing Partner of Andersen Consulting, which later became Accenture. Mr. Shaheen currently serves as Chairman of the Board of Korn/Ferry International. He also serves on the boards of 24/7 Customer, Inc., Green Dot Corporation and Marcus & Millichap, Inc. He has served as an IT Governor of the World Economic Forum and as a member of the Board of Advisors for the Northwestern University Kellogg Graduate School of Management. He has also served on the Board of Trustees of Bradley University. Mr. Shaheen received a B.S. degree in business and an M.B.A. from Bradley University.

Our Board selected Mr. Shaheen to serve as a director because he has significant experience leading, managing and advising companies. Mr. Shaheen s consulting background gives him keen insight into sales and the customer-based service aspect of the Company s operations. In addition, Mr. Shaheen has expertise on compliance matters as a result of his service on the boards of several private and public technology companies, including service as a chairman and member of the audit and compensation committees of those boards.

STEPHEN M. SMITH has been a member of the Board since May 2016. Since 2007, Mr. Smith has served as the Chief Executive Officer, President and member of the board of directors of Equinix, Inc., a global interconnection and data center company. Prior to joining Equinix, Mr. Smith served as Senior Vice President at HP-Services, a business segment of Hewlett-Packard Co., from January 2005 to October 2006. From September 2003 to January 2005, Mr. Smith served as Vice-President of Global Professional and Managed Services at Lucent Technologies, Inc., a communications solutions provider. Prior to joining Lucent Technologies, Mr. Smith spent 17 years with Electronic Data Systems Corporation (EDS), a business and technology solutions company, in a variety of positions, including

Chief Sales Officer, President of EDS Asia-Pacific and President of EDS Western Region. Mr. Smith serves on the board of directors of F5 Networks, a public company, and, during the past five years, served as a director of the public companies of 3PAR Inc. and Volterra Semiconductor.

Our Board selected Mr. Smith to serve as a director because of his executive leadership skills and management experience as a current chief executive officer of a publicly traded company, his extensive career history in technology and critical infrastructure companies and his deep technology expertise. Mr. Smith brings a unique understanding of the evolution of IT impacting our customers and current technology trends, all of which qualify him to serve on our Board.

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ROBERT T. WALL has been a member of the Board since January 1993. Since August 1984, Mr. Wall has been the Founder and President of On Point Developments, LLC, a venture management and investment company. Mr. Wall was a founder and, from November 2000 to December 2006, the Chairman of the Board of Directors of Airgo Networks, Inc., a Wi-Fi wireless networking systems company that was acquired by Qualcomm, Inc. in December 2006. From June 1997 to November 1998, he was Chief Executive Officer and a member of the board of directors of Clarity Wireless, Inc., a broadband wireless data communications company that was acquired by Cisco Systems, Inc., in November 1998. Mr. Wall was Chairman of the Board, President, and Chief Executive Officer of Theatrix Interactive, Inc., a consumer educational software publisher, from April 1994 to August 1997, and was a member of the board of directors of Complete Genomics, Inc., a human genome sequencing and informatics company, from September 2010 to March 2013. Mr. Wall has been a member of the Board of Trustees of the Fine Arts Museums of San Francisco since June 2007. He received an A.B. degree in economics from DePauw University and an M.B.A. from Harvard Business School.

Our Board selected Mr. Wall to serve as a director because he brings to our Board over 30 years of experience leading and founding several technology companies, including companies in the data storage, computer systems, and wireless networking areas. As the Company s first outside director, he brings a long-term perspective of the evolution of the Company to its present position and the development of its management team. In addition to having served on the boards of other public companies, he has also had a varied strategic M&A experience, both as an industry executive and as head of technology investment banking.

RICHARD P. WALLACE has been a member of the Board since March 2011. Mr. Wallace currently serves as the President and Chief Executive Officer of KLA-Tencor Corporation, a supplier of process control and yield management solutions for semiconductor and related microelectronics industries. He began his career at KLA Instruments in 1988 as an applications engineer and has held various general management positions throughout his 27-year tenure with the company. Mr. Wallace became the CEO of KLA-Tencor in January 2006. Mr. Wallace previously served as a member of the board of directors for Semiconductor Equipment and Materials International (SEMI), an industry trade association, and previously served as a member of the board of directors for Beckman Coulter from 2009 to 2011. Mr. Wallace earned his B.S. degree in electrical engineering from the University of Michigan and an M.S. degree in engineering management from Santa Clara University.

Our Board selected Mr. Wallace to serve as a director because of his experience as chief executive officer of a publicly traded high-technology company. He brings to the Board more than two decades of experience gained while working at a technology company that has experienced growth. Mr. Wallace offers a unique perspective and expertise that is relevant to leading and advising a growth company. His experience as a board member of another publicly traded company also provides important value and adds to his unique perspective.

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Summary

Our Board has adopted policies and procedures that our Board believes are in the best interests of the Company and its stockholders while being compliant with the Sarbanes-Oxley Act of 2002 and the rules and regulations of the SEC and the NASDAQ Stock Market, LLC (NASDAQ).

Our Board leadership structure reflects our Company leadership needs and provides effective oversight of Company management and risk management. Nine of our ten directors are independent, including our Chairman of the Board. Within the last five years, the Company has added four new independent directors to our Board.

The operation and functions of the Board are governed by our Corporate Governance Guidelines. In addition, all of the Company s directors, officers, and employees are subject to our Code of Conduct.

Further details on our governance practices are provided in the following sections.

Board Leadership Structure

Our Board does not view any particular leadership structure as preferred and routinely considers the appropriate leadership structure. This consideration includes the pros and cons of alternative leadership structures in light of the Company s operating and governance environment at the time, with the goal of achieving the optimal model for Board leadership and effective oversight of management by our Board.

Our Board consists of ten directors, nine of whom are independent. Our only management director is Mr. Kurian, our Chief Executive Officer. Mr. Nevens, an independent director, holds the role of Chairman of the Board. The Board believes this structure benefits the Board and the Company by enabling the Chief Executive Officer to focus on operational and strategic matters while enabling the Chairman to focus on Board and governance matters.

As described in more detail below, our Board of Directors has three standing committees, each of which is composed solely of independent directors and chaired by an independent director. Our Board delegates substantial responsibility to each Board committee, which regularly reports its activities and actions back to the Board. We believe that our independent Board committees and their respective chairs are an important aspect of our Board leadership structure.

Corporate Governance Guidelines

Our Board has adopted a formal set of Corporate Governance Guidelines concerning various issues related to Board membership, structure, function and processes; Board committees; leadership development, including succession planning; oversight of risk management; and our ethics helpline. A copy of the Corporate Governance Guidelines is available on our website at http://investors.netapp.com/corporate-governance.cfm.

Risk Oversight

Our Board, as a whole and through its committees, has responsibility for the oversight of risk management. With the oversight of our Board, our executive officers are responsible for the day-to-day management of the material risks the Company faces. In its oversight role, our Board has the responsibility to satisfy itself that the risk management processes designed and implemented by our executive officers are adequate and functioning as designed. The involvement of our Board in setting our business strategy at least annually is a key part of our Board s oversight of risk management and allows our Board to assess and determine what constitutes an appropriate level of risk for the Company and review and consider management s role in risk management. Our Board regularly receives updates from management and outside advisors regarding material risks the Company faces.

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Each committee of our Board oversees specific aspects of risk management. For example, our Audit Committee oversees overall integrity of our financial statements, accounting and auditing matters and our compliance with legal, regulatory and public disclosure requirements; our Compensation Committee oversees the management risks associated with succession planning and the relationship between our compensation policies and programs; and our Corporate Governance and Nominating Committee oversees the management of risks associated with director independence, conflicts of interest, board composition and organization, and director succession planning. Our committees regularly report their findings to our Board.

Other than when our Board or a committee of our Board meets in executive session, senior management attends all meetings of our Board and its committees and is available to address questions raised by directors with respect to risk management and other matters.

Independent Directors

A majority of our Board is composed of independent directors, as defined in the applicable laws and regulations of the SEC and the Listing Rules of NASDAQ. The independent directors regularly meet in executive session, without management, as part of the normal agenda of our Board meetings. Our Chairman, Mr. Nevens, is a nonemployee director and is independent (as defined by the NASDAQ rules).

Committees of the Board of Directors

Our Board of Directors maintains three standing committees and has adopted a charter for each that meets applicable NASDAQ rules. Charters are reviewed by their respective committees annually and are available at http://investors.netapp.com/corporate-governance.cfm.

Corporate Governance and Nominating Committee

The responsibilities of the committee include:

- Review of matters concerning corporate governance and providing recommendations to the Board
- Review of composition of the Board of Directors and its committees and providing recommendations to the Board
- Evaluation of the performance of the Board and director compensation
- Review of conflicts of interest of members of the Board and corporate officers

- Review and approval of related person transactions

- Oversight and management of risks associated with director independence, conflicts of interest, board composition and organization, and director succession planning

All of the members of the Corporate Governance and Nominating Committee meet the applicable requirements for independence from Company management.

Compensation Committee

The responsibilities of the committee include:

- Review of the Company s overall compensation and benefits philosophy and strategy and advising the Company s management

- Evaluation and approval of the compensation policies, plans and programs for our Chief Executive Officer, other executive officers and nonemployee directors, and determination of compensation in accordance with the Compensation Committee charter

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- Review and approval of our incentive compensation plans in accordance with the Compensation Committee charter

- In accordance with NASDAQ rules, review and assessment of the independence of any compensation consultant, legal counsel or other advisor that provides advice to the Compensation Committee

All of the members of the Compensation Committee meet the applicable requirements for independence as defined by applicable NASDAQ and Internal Revenue Service rules.

Audit Committee

The responsibilities of the committee include:

- Appointment, compensation, retention, termination and oversight of the work of the Company s independent registered public accounting firm, Deloitte & Touche LLP, which reports directly to the Audit Committee

- Oversight of the integrity of the Company s financial statements and integrity of the Company s internal controls

- Oversight of the quality of the internal audit function of the Company, which reports directly to the Audit Committee

- Establishment of policies and procedures that are consistent with the SEC and NASDAQ requirements for auditor independence

All of the members of the Audit Committee meet the applicable requirements for independence from Company management and requirements for financial literacy. Each member of the Audit Committee has the requisite financial management expertise.

Director Selection

Our Board has adopted guidelines for the identification, evaluation and nomination of candidates for director.

To assist with director nominations, our Board has assigned the Corporate Governance and Nominating Committee responsibility for reviewing and recommending nominees to our Board. Although there are no specific minimum qualifications for director nominees, the ideal candidate should have the highest professional and personal ethics and values, and broad experience at the policy-making level in business, government, education, technology, or public service. In evaluating the suitability of a particular director nominee, our Board considers a broad range of factors, including, without limitation, diversity of business experience, professional expertise, length of service, character, integrity, judgment, independence, diversity (including with respect to race and gender), age, skills, education, understanding of the Company s business, and other commitments.

The Corporate Governance and Nominating Committee makes an effort to ensure that our Board s composition reflects a broad diversity of experience, professions, skills, viewpoints, geographic representation, personal traits and backgrounds. Additionally, although we have no formal policy with respect to diversity, due to the global and complex nature of our business, our Board believes it is important to identify otherwise qualified candidates who would increase our Board s racial, ethnic, gender and/or cultural diversity. No specific weights are assigned to particular criteria, and the Corporate Governance and Nominating Committee does not believe that any specific criterion is necessarily applicable to all prospective nominees. When the Corporate Governance and Nominating Committee reviews a potential new candidate, it looks specifically at the candidate s qualifications in light of the needs of our Board at that time, given the then-current mix of director attributes. With respect to the nomination of continuing directors for re-election, each continuing director s past contributions to our Board are also considered.

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In the case of new director candidates, the Corporate Governance and Nominating Committee also determines whether the nominee must be independent for NASDAQ purposes, which determination is based upon applicable NASDAQ listing standards, applicable SEC rules and regulations and the advice of counsel, if necessary. The Corporate Governance and Nominating Committee generally relies on a variety of resources to compile a list of potential candidates, including, among other things and depending upon the circumstances, its network of contacts, searches of corporate, academic and government environments and resources, and, when appropriate, a professional search firm. We believe utilizing such a broad variety of resources furthers our Board s goal of ensuring the identification and consideration of a diverse range of qualified candidates, including, without limitation, women and minority candidates. After considering the function and needs of our Board, the Corporate Governance and Nominating Committee conducts appropriate and necessary inquiries into the backgrounds and qualifications of possible candidates. The Corporate Governance and Nominating Committee meets to discuss and consider such candidates qualifications and then selects a nominee for recommendation to our Board by majority vote.

If the Corporate Governance and Nominating Committee determines that it wants to identify new independent director candidates for Board membership, it is authorized to retain and to approve the fees of third-party executive search firms to help determine the skills and qualifications that would best complement our Board and identify prospective director nominees.

The Corporate Governance and Nominating Committee uses the same process for evaluating all nominees, regardless of the source of the nomination. In 2016, the Corporate Governance and Nominating Committee retained the services of an executive search firm to assist it in identifying new candidates to join the Board. Mr. Smith was identified to the Corporate Governance and Nominating Committee as a potential candidate for the Board by this search firm.

A stockholder who desires to recommend a candidate for election to our Board must direct the recommendation in writing to NetApp, Inc., 495 East Java Drive, Sunnyvale, California 94089, Attention: Corporate Secretary and must include the same information required by the Company s bylaws in connection with the nomination of a director of our Board, including, without limitation, the candidate s name; home and business contact information; detailed biographical data and qualifications; information regarding any relationships between the candidate and the Company within the last three years; evidence of the nominating person s ownership of Company stock; and a written statement that, if nominated, such candidate will tender an irrevocable advance resignation in accordance with the Company s Corporate Governance Guidelines.

Meetings and Committees of our Board of Directors

Our Board held thirteen meetings and also acted by written consent during fiscal 2016. Three of the meetings were meetings of only independent directors. During fiscal 2016, each member of our Board attended at least 92% of the aggregate of (1) the total number of meetings of our Board held during fiscal 2016 (and, in the case of Mr. Kurian, those meetings that were not solely for independent directors); and (2) the total number of meetings held by all Board committees on which such director served, in each case covering the periods of fiscal 2016 during which such director served on our Board or such committees, as applicable. Nine out of the ten directors then serving attended all meetings of our Board and all meetings of their respective committees during fiscal 2016.

There are no family relationships among executive officers, directors or nominees of the Company. Our Board currently has three standing committees, each of which is comprised entirely of independent directors, and each of which operates under a charter approved by our Board: the Audit Committee, the Corporate Governance and Nominating Committee, and the Compensation Committee.

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The members of the committees as of the date of this Proxy Statement are identified in the following table:

Director	Audit	Compensation	Corporate Governance and Nominating
T. Michael Nevens	þ		**Chair**
Jeffry R. Allen	þ		
Alan L. Earhart	**Chair**		þ
Gerald Held		þ	
Kathryn M. Hill		þ	
George T. Shaheen		þ	
Robert T. Wall		**Chair**	þ
Richard P. Wallace		þ	

All members of the Audit Committee are independent in accordance with the applicable laws and regulations of the SEC and the Listing Rules of NASDAQ. Our Board has determined that Messrs. Earhart and Allen each qualify as an audit committee financial expert under the rules and regulations of the SEC. The Audit Committee reviews, acts on and reports to our Board with respect to various auditing and accounting matters, including the selection of the Company s independent registered public accounting firm, the scope of the annual audits, fees to be paid to the independent registered public accounting firm, the performance of the Company s independent registered public accounting firm, the accounting practices of the Company and other such functions as detailed in the Audit Committee Charter, which can be found on the Company s website at http://investors.netapp.com/corporate-governance.cfm. The

Audit Committee held ten meetings during fiscal 2016.

All members of the Compensation Committee are independent in accordance with the applicable laws and regulations of the SEC and the Listing Rules of NASDAQ, and qualify as an outside director within the meaning of Section 162(m) of the Internal Revenue Code, as amended. The Compensation Committee establishes salaries, incentive compensation programs, and other forms of compensation for our officers; creates the compensation guidelines under which management establishes salaries for non-officers and other employees of the Company; and administers the incentive compensation and benefit plans of the Company. In carrying out its responsibilities, the Compensation Committee reviews, at least annually, compensation for the Chief Executive Officer and other officers, corporate goals relevant to compensation, and executive and leadership development policies. The functions of the Compensation Committee are detailed in the Compensation Committee Charter, which can be found on the Company s website at http://investors.netapp.com/corporate-governance.cfm. The Compensation Committee meets regularly with its outside advisors independently of management. The Compensation Committee held eight meetings during fiscal 2016.

All members of the Corporate Governance and Nominating Committee are independent in accordance with the applicable laws and regulations of the SEC and the Listing Rules of NASDAQ. The Corporate Governance and Nominating Committee evaluates and recommends to our Board candidates for Board membership and considers nominees recommended by stockholders who satisfy the conditions described above under *Corporate Governance Corporate Governance and Nominating Committee.* The Corporate Governance and Nominating Committee also develops and recommends corporate governance policies and other governance guidelines and procedures to our Board. The functions of the Corporate Governance and Nominating Committee are detailed in the Corporate Governance and Nominating Committee Charter, which can be found on the Company s website at http://investors.netapp.com/corporate-governance.cfm. The Corporate Governance and Nominating Committee held three meetings during fiscal 2016.

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Stockholder Meeting Attendance for Directors

While we do not have a formal policy for director attendance at our annual meetings, historically they have been scheduled on the same day as a Board of Directors meeting and were attended by at least a majority of the directors. In 2015, all of the directors then serving attended the annual meeting in person.

Code of Conduct

The Company has adopted a Code of Conduct that includes a conflict of interest policy that applies to all directors, officers and employees. All employees are required to affirm in writing their understanding and acceptance of the Code of Conduct.

The Code of Conduct is posted on the Company s website at: http://investors.netapp.com/corporate-governance.cfm. The Company will post any amendments to or waivers of the provisions of the Code of Conduct on its website.

Political Contributions Policy

The Company s Political Contributions Policy and its Code of Conduct prohibit political contributions of any kind, by or on behalf of the Company. Our Code of Conduct also requires advance approval of any donation of NetApp assets or funds. We believe this provides an additional measure of oversight in enforcing our policy against Company political contributions.

Personal Loans to Executive Officers and Directors

The Company does not provide personal loans or extend credit to any executive officer or director.

Stockholder Communications Policy

Stockholders may contact any of the Company s directors by writing to them c/o NetApp, Inc., 495 East Java Drive, Sunnyvale, California 94089, Attn: Corporate Secretary. Employees and others who wish to contact our Board or any member of the Audit Committee to report questionable practices may do so anonymously by using this address and designating the communication as confidential.

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The Compensation Committee evaluates the compensation and form of compensation for nonemployee directors annually. Nonemployee directors receive annual cash retainers as well as equity awards for their service on our Board. Details of the compensation are discussed in the narrative below. Employee directors do not receive any compensation for their services as members of our Board.

Director Compensation Table

The table below summarizes the total compensation paid by the Company to our directors for fiscal 2016.

Name	Fees Earned or Paid in Cash ($)(1)	Restricted Stock Units ($)(2)	Option Awards ($)(3)	Nonequity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
T. Michael Nevens	180,000	244,302					424,302
Jeffry R. Allen	80,000	244,302					324,302
Tor R. Braham(4)	80,000	244,302					324,302
Alan L. Earhart	120,000	244,302					364,302
Gerald Held	75,000	244,302					319,302
Kathryn M. Hill	75,000	244,302					319,302
George T. Shaheen	75,000	244,302					319,302
Stephen M. Smith(5)							
Robert T. Wall	107,500	244,302					351,802
Richard P. Wallace	75,000	244,302					319,302
George Kurian(6)							
Thomas Georgens(7)							

(1) The amounts in this column represent compensation that was earned in fiscal 2016. Our Board year does not correspond with our fiscal year. Our Board year begins on the date of each annual meeting and runs until the next annual meeting. Board fees are paid at the beginning of each quarter of the Board year. A portion of the fees earned during the first quarter of fiscal 2016 were paid in the last quarter of fiscal 2015 and are included in this table. A portion of the fees earned during the first quarter of fiscal 2017 were paid in the last quarter of

fiscal 2016 and are not included in this table.

(2) The amounts reported represent the grant date fair value of time-based restricted stock unit (RSU) awards to the director under the Company s Amended and Restated 1999 Stock Option Plan and are computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718 (FASB ASC 718). Assumptions used in the valuations of these awards are included in Note 1 of the Annual Report. These amounts do not necessarily represent the actual value that may be realized by the nonemployee director.

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(3) The table below sets forth the number of shares of common stock subject to outstanding options and RSUs (including RSUs for which the payout of shares has been deferred by such director) held by the nonemployee directors as of April 29, 2016:

Name	# of Outstanding Options (in Shares)	# of RSUs (in Shares)	Total Equity Awards Outstanding
T. Michael Nevens	62,831	7,916	70,747
Jeffry R. Allen	109,914	7,916	117,830
Alan L. Earhart	37,916	7,916	45,832
Gerald Held	74,416	32,026	106,442
Kathryn M. Hill	26,997	7,916	34,913
George T. Shaheen	86,916	16,694	103,610
Robert T. Wall	76,416	10,772	87,188
Richard P. Wallace	84,331	23,004	107,335

(4) Mr. Braham forfeited his RSUs in connection with his resignation from the Board in March 2016.

(5) Mr. Smith was appointed to the Board on May 20, 2016 and did not receive compensation during fiscal 2016.

(6) During fiscal 2016, Mr. Kurian served as our Chief Executive Officer and a member of the Board. Mr. Kurian did not receive any additional compensation for serving on our Board. For more information on Mr. Kurian s compensation as our Chief Executive Officer, please see the *Executive Compensation and Related Information Summary Compensation Table* below.

(7) Mr. Georgens served as our Chief Executive Officer and Chairman of the Board until his departure in June 2015. Mr. Georgens did not receive any additional compensation for serving on our Board. For more information on Mr. Georgens compensation as our Chief Executive Officer, please see the *Executive Compensation and Related Information Summary Compensation Table* below.

Summary of Director Compensation Policy

The following table sets forth a summary of our total compensation policy for our nonemployee directors as of the end of fiscal 2016:

Position	Annual Cash Retainer ($)	Equity Grants ($)
Board of Directors		
Lead Independent Director/Chairman	135,000	250,000
Board Member (other than Lead Independent Director/Chairman)	60,000	250,000
Audit Committee		

Chairperson	50,000
Member	20,000
Compensation Committee	
Chairperson	37,500
Member	15,000
Corporate Governance and Nominating Committee	
Chairperson	25,000
Member	10,000

In May 2016, in accordance with its annual practice, the Compensation Committee evaluated the compensation for nonemployee directors, including benchmarking the directors cash and equity compensation against our Compensation Practices Peer group (as disclosed on page 33 of this Proxy Statement) modified to exclude Microsoft, IBM, Oracle, Hewlett-Packard, and CommVault, since each of these companies is substantially different in size from NetApp). The Compensation Committee determined, with the assistance of its independent advisor, that the total compensation for our nonemployee directors was within an acceptable competitive range, and that no changes to the compensation arrangements were warranted.

Our nonemployee directors receive automatic annual equity grants under the Automatic Award Program of the 1999 Plan pursuant to an outside director compensation policy adopted by our Board and the Compensation Committee,

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which may be revised from time to time as our Board or the Compensation Committee deems appropriate. Starting in fiscal 2016, all nonemployee director automatic annual equity grants will be in the form of RSUs.

Following the 2015 Annual Meeting of Stockholders (the 2015 Annual Meeting), each of the individuals re-elected as a nonemployee director received a number of RSUs as indicated in the table below with respect to their automatic annual equity awards.

Name	RSUs	Stock Option Grants (in Shares)	Stock Option Exercise Price ($)	Grant Date
T. Michael Nevens	7,916			September 11, 2015
Jeffry R. Allen	7,916			September 11, 2015
Tor R. Braham(1)	7,916			September 11, 2015
Alan L. Earhart	7,916			September 11, 2015
Gerald Held	7,916			September 11, 2015
Kathryn M. Hill	7,916			September 11, 2015
George T. Shaheen	7,916			September 11, 2015
Robert T. Wall	7,916			September 11, 2015
Richard P. Wallace	7,916			September 11, 2015

(1) Mr. Braham forfeited his RSUs in connection with his resignation from the Board in March 2016.

A newly elected or appointed nonemployee director receives a pro-rated grant of RSUs upon his or her first election or appointment to the Board with a value of $250,000 (if such election or appointment occurs before February of the applicable year) or with a value of $125,000 (if such election or appointment occurs after February of the applicable year).

Equity awards for nonemployee directors are represented as a dollar value. For these purposes, the value of any awards of RSUs will equal the product of (1) the fair market value of one share of common stock on the grant date of such award and (2) the aggregate number of RSUs. With respect to stock options, the value is determined by using the Black-Scholes option valuation methodology, or such other methodology our Board or the Compensation Committee may determine, on the grant date of the option.

Each nonemployee director is also eligible to receive an annual cash retainer for his or her Board and committee service, pursuant to the terms of the outside director compensation policy. The Compensation Committee has approved a deferral program for our nonemployee directors, which allows each nonemployee director to elect to defer the receipt of his or her annual cash retainer until a later date in accordance with applicable tax laws. Additionally, for any automatic equity grant in the form of RSUs, the director may be permitted to elect in accordance with federal tax laws when he or she will receive payout from his or her vested RSUs and defer income taxation until the award is paid. In connection with this deferral, a director may elect to receive payout within 30 days of the earliest of: (1) if the director so specifies, a specified date that is no earlier than January 1 of the second calendar year immediately following the date on which the RSUs vested; (2) the date the director ceases to serve as a director for any reason (in accordance with Section 409A of the Internal Revenue Code of 1986, as amended and the regulations thereunder); and (3) the date on which a Change of Control occurs. If the director does not specify a date per (1) above, then the RSUs shall be paid out upon the earlier to occur of (2) and (3) above. For the definition of Change of Control , please see

Termination of Employment and Change of Control Agreements Definitions Contained in Change of Control Severance Agreements below. An election to defer the payout of vested RSUs is not intended to increase the value of the payout to the nonemployee director, but rather to give the nonemployee director the flexibility to decide when he or she will be subject to taxation with respect to the award. Any election to defer payment of any vested RSUs will not alter the other terms of the award, including the vesting requirements.

In May 2012, the Company adopted stock ownership guidelines applicable to the Company s nonemployee directors to ensure the directors remain meaningfully invested in Company stock. Under these guidelines, each nonemployee director must hold a minimum number of shares of the Company s common stock (including certain RSUs and options) equal in value to at least three times the amount of such director s annual cash retainer amount. The Company s nonemployee directors have five years from the adoption date of the stock ownership guidelines to meet these guidelines. All of the nonemployee directors on the Board as of the end of fiscal 2016 met these guidelines.

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To the Company s knowledge, the following table sets forth certain information regarding beneficial ownership of the Company s common stock as of July 19, 2016 by (1) each person or entity who is known by the Company to own beneficially more than 5% of the Company s common stock; (2) each of the Company s directors and nominees for director; (3) each of the Company s executive officers set forth in the Summary Compensation Table; and (4) all of the Company s current directors and executive officers as a group.

Except as indicated, the address of the beneficial owners is c/o NetApp, Inc., 495 East Java Drive, Sunnyvale, California 94089. Information related to holders of more than 5% of the Company s common stock was obtained from filings with the SEC pursuant to Sections 13(d) or 13(g) of the Exchange Act.

Name of Beneficial Owners	Number of Shares Beneficially Owned+	Percentage of Class(1)
PRIMECAP Management Company(2) 225 South Lake Avenue, #400 Pasadena, CA 91101	41,952,548	15.1%
Dodge & Cox(3) 555 California Street, 40th Floor San Francisco, CA 94104	34,850,491	12.5%
Invesco Ltd.(4) 1555 Peachtree Street NE, Suite 1800 Atlanta, GA 30309	27,730,343	10%
The Vanguard Group(5) 100 Vanguard Boulevard Malvern, PA 19355	24,776,599	8.9%
BlackRock, Inc.(6) 55 East 52nd Street New York, NY 10055	17,280,564	6.2%
State Street Corporation(7) State Street Financial Center, One Lincoln Street Boston, MA 02111	13,584,953	4.9%
George Kurian(8)	312,964	*
Thomas Georgens(9)	11,663	*
Ronald J. Pasek(10)		*
Jeffrey K. Bergmann(11)	45,031	*

Nicholas R. Noviello(12)	22,073	*
Joel Reich(13)	59,456	*
Robert F. Salmon(14)	436,228	*
Matthew K. Fawcett(15)	214,622	*
Jeffry R. Allen(16)	124,480	*
Alan L. Earhart(17)	63,609	*
Gerald Held(18)	106,701	*
Kathryn M. Hill(19)	40,625	*
T. Michael Nevens(20)	76,669	*
George T. Shaheen(21)	108,076	*
Stephen M. Smith(22)	4,898	*
Robert T. Wall(23)	138,264	*
Richard P. Wallace(24)	107,335	*
All current directors and executive officers as a group (14 persons)(25)	1,357,699	*

* Less than 1%

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\+ Pursuant to our outside director compensation policy, options to purchase shares of our common stock held by our nonemployee directors are early exercisable. Shares issued upon early exercise of stock options remain subject to the same vesting schedule applicable to the exercised stock options. If a nonemployee director ceases to provide services to us prior to the date on which all such shares have vested, we have a right to repurchase any unvested shares at the exercise price paid per share.

(1) Percentage of Class is based on 278,252,131 shares of common stock outstanding on July 19, 2016. Shares of common stock subject to stock options and RSUs that are currently exercisable or will become exercisable or issuable within 60 days of July 19, 2016 are deemed outstanding for computing the percentage of the person or group holding such options and/or RSUs, but are not deemed outstanding for computing the percentage of any other person or group. Except as indicated in the footnotes to this table and pursuant to applicable community property laws, the persons named in the table have sole voting and investment power with respect to all shares of common stock.

(2) Information concerning stock ownership was obtained from Amendment No. 2 to the Schedule 13G filed with the SEC on February 12, 2016. PRIMECAP Management Company reported sole voting power with respect to 12,760,086 of such shares of common stock and sole dispositive power with respect to all 41,952,548 shares of common stock.

(3) Information concerning stock ownership was obtained from Amendment No. 4 to the Schedule 13G filed with the SEC on February 12, 2016. Dodge & Cox reported sole voting power with respect to 32,938,391 of such shares of common stock and sole dispositive power with respect to all 34,850,491 shares of common stock.

(4) Information concerning stock ownership was obtained from the Schedule 13G filed with the SEC on February 16, 2016. Invesco Ltd. reported sole voting power with respect to 26,537,016 of such shares of common stock and sole dispositive power with respect to all 27,730,343 shares of common stock.

(5) Information concerning stock ownership was obtained from Amendment No. 1 to the Schedule 13G filed with the SEC on February 10, 2016. The Vanguard Group reported sole voting power with respect to 548,134 of such shares of common stock and sole dispositive power with respect to all 24,204,586 of such shares of common stock.

(6) Information concerning stock ownership was obtained from Amendment No. 4 to the Schedule 13G filed with the SEC on February 10, 2016 by BlackRock, Inc. BlackRock reported sole voting power with respect to 14,394,346 of such shares of common stock and sole dispositive power with respect to all 17,204,170 shares of common stock.

(7) Information concerning stock ownership was obtained from the Schedule 13G filed with the SEC on February 22, 2016. State Street Corporation reported sole voting power with respect to none of such shares of common stock and sole dispositive power with respect to none of such shares of common stock.

(8) Consists of (i) 60,246 shares of common stock held of record by Mr. Kurian; and (ii) 252,718 shares of common stock issuable upon exercise of outstanding options exercisable within 60 days of July 19, 2016, of which 243,056 shares were fully vested as of such date.

(9) Consists of (i) 11,131 shares of common stock held of record by Mr. Georgens; and (ii) 532 shares held by Mr. Georgens wife. Mr. Georgens was not an executive officer at the end of fiscal 2016.

(10) Mr. Pasek does not have any shares of common stock held of record as of July 19, 2016.

(11) Consists of (i) 15,286 shares of common stock held of record by Mr. Bergmann; and (ii) 29,745 shares of common stock issuable to Mr. Bergmann upon exercise of outstanding options exercisable within 60 days of July 19, 2016, of which 29,179 shares were fully vested as of such date. Mr. Bergmann was not an executive officer at the end of fiscal 2016.

(12) Consists of 22,073 shares of common stock held of record by Mr. Noviello. Mr. Noviello was not an executive officer at the end of fiscal 2016.

(13) Consists of (i) 489 shares of common stock held of record by Mr. Reich; and (ii) 58,967 shares of common stock issuable to Mr. Reich upon exercise of outstanding stock options exercisable within 60 days of July 19, 2016, of which 56,625 shares were fully vested as of such date.

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(14) Consists of (i) 103,498 shares of common stock held of record by Robert Salmon and Patricia Mertens-Salmon, trustees to the Salmon Trust; (ii) 240 shares held of record by Patricia Mertens-Salmon, Custodian under Michael T. Salmon UTMA CA; (iii) 240 shares held of record by Patricia Mertens-Salmon, Custodian under Gregory Salmon UTMA CA; and (iv) 332,250 shares of common stock issuable upon exercise of outstanding options exercisable within 60 days of July 19, 2016, all of which were fully vested as of such date. Mr. Salmon has shared voting and investment power with respect to the shares held of record by Robert Salmon and Patricia Mertens-Salmon, trustees to the Salmon Trust.

(15) Consists of (i) 1,192 shares of common stock held of record by Mr. Fawcett; (ii) 213,430 shares of common stock issuable upon exercise of outstanding options exercisable within 60 days of July 19, 2016, of which 208,009 shares were fully vested as of such date.

(16) Consists of (i) 6,650 shares of common stock held of record by Jeffry R. Allen and Teri Allen, as Trustees of the Jeffry and Teri Allen Revocable Trust dated 1/29/2002; (ii) 109,914 shares of common stock issuable upon exercise of outstanding options exercisable within 60 days of July 19, 2016, all of which were fully vested as of such date; and (iii) 7,916 shares of common stock issuable upon the vesting of RSUs within 60 days of July 19, 2016. Mr. Allen has shared voting and investment power with respect to the shares held of record by Jeffry R. Allen and Teri Allen, as Trustees of the Jeffry and Teri Allen Revocable Trust dated 1/29/2002.

(17) Consists of (i) 17,777 shares of common stock held of record by Mr. Earhart; (ii) 37,916 shares of common stock issuable upon exercise of outstanding options exercisable within 60 days of July 19, 2016, all of which were fully vested as of such date; and (iii) 7,916 shares of common stock issuable upon the vesting of RSUs within 60 days of July 19, 2016.

(18) Consists of (i) 259 shares of common stock held of record by Mr. Held; (ii) 24,110 shares of common stock issuable upon exercise of outstanding options exercisable within 60 days of July 19, 2016 but for which Mr. Held has elected to defer issuance; (iii) 74,416 shares of common stock issuable upon exercise of outstanding options exercisable within 60 days of July 19, 2016, all of which were fully vested as of such date; and (iv) 7,916 shares of common stock issuable upon the vesting of RSUs within 60 days of July 19, 2016 and for which payout has been deferred by Mr. Held for all such RSUs. The RSUs for which Mr. Held has elected to defer payout shall be paid out within 30 days of the earlier of the date his service on the Board ceases for any reason or the date on which a Change of Control occurs. For the definition of Change of Control please see *Termination of Employment and Change of Control Agreements Definitions Contained in Change of Control Severance Agreements* below.

(19) Consists of (i) 5,712 shares of common stock held of record by Ms. Hill; (ii) 26,997 shares of common stock issuable upon exercise of outstanding options exercisable within 60 days of July 19, 2016, none of which were fully vested as of such date and (iii) 7,916 shares of common stock issuable upon the vesting of RSUs within 60 days of July 19, 2016.

(20)

Consists of (i) 5,922 shares of common stock held of record by Mr. Nevens; (ii) 62,831 shares of common stock issuable to Mr. Nevens upon exercise of outstanding options exercisable within 60 days of July 19, 2016, all of which were fully vested as of such date; (ii) 7,916 shares of common stock issuable upon the vesting of RSUs within 60 days of July 19, 2016 and for which payout has been deferred by Mr. Nevens for all such RSUs. The RSUs for which Mr. Nevens has elected to defer payout shall be paid out within 30 days of the earlier of the date his service on the Board ceases for any reason or the date on which a Change of Control occurs. For the definition of Change of Control please see *Termination of Employment and Change of Control Agreements Definitions Contained in Change of Control Severance Agreements* below.

(21) Consists of (i) 4,466 shares of common stock held of record by George T. Shaheen and Darlene F. Shaheen, as Trustees to the Shaheen Revocable Trust U/A DTD 12/15/88; (ii) 8,778 shares of common stock issuable upon the payout of RSUs that are vested as of July 19, 2016 but for which Mr. Shaheen has elected to defer payout; (iii) 86,916 shares of common stock issuable upon exercise of outstanding options exercisable within 60 days of July 19, 2016, all of which were fully vested as of such date; and (iv) 7,916 shares of common stock issuable upon the vesting of RSUs within 60 days of July 19, 2016. The RSUs

for which Mr. Shaheen has elected to defer payout shall be paid out within 30 days of the earlier of the date his service on the Board ceases for any reason or the date on which a Change of Control occurs. For the definition of Change of Control please see *Termination of Employment and Change of Control Agreements Definitions Contained in Change of Control Severance Agreements* below. Mr. Shaheen has shared voting and investment power with respect to the shares held of record by George T. Shaheen and Darlene F. Shaheen, as Trustees to the Shaheen Revocable Trust U/A DTD 12/15/88.

(22) Consists of 4,898 shares of common stock issuable to Mr. Smith upon the vesting of RSUs within 60 days of July 19, 2016.

(23) Consists of (i) 51,076 shares of common stock held of record by Mr. Wall; (ii) 2,856 shares of common stock issuable upon the payout of RSUs that are vested as of July 19, 2016 but for which Mr. Wall has elected to defer payout; (iii) 76,416 shares of common stock issuable upon exercise of outstanding options exercisable within 60 days of July 19, 2016, all of which were fully vested as of such date; and (iv) 7,916 shares of common stock issuable upon the vesting of RSUs within 60 days of July 19, 2016, but for which Mr. Wall has elected to defer payout. The RSUs for which Mr. Wall has elected to defer payout shall be paid out within 30 days of the earlier of the date his service on the Board ceases for any reason or the date on which a Change of Control occurs. For the definition of Change of Control please see *Termination of Employment and Change of Control Agreements Definitions Contained in Change of Control Severance Agreements* below.

(24) Consists of (i) 15,088 shares of common stock issuable to Mr. Wallace upon the payout of RSUs that are vested as of July 19, 2016 but for which Mr. Wallace has elected to defer payout; (ii) 84,331 shares of common stock issuable upon exercise of outstanding options exercisable within 60 days of July 19, 2016, all of were fully vested as of such date; and (iii) 7,916 shares of common stock issuable upon the vesting of RSUs within 60 days of July 19, 2016, and for which payout has been deferred by Mr. Wallace for all such RSUs. The RSUs for which Mr. Wallace has elected to defer payout shall be paid out within 30 days of the earlier of the date his service on the Board ceases for any reason or the date on which a Change of Control occurs. For the definition of Change of Control please see *Termination of Employment and Change of Control Agreements Definitions Contained in Change of Control Severance Agreements* below.

(25) Consists of (i) 153,789 shares of common stock held of record by our current directors and executive officers; (ii) 50,832 shares of common stock issuable upon the payout of RSUs that are vested as of July 19, 2016 but for which have been elected to be deferred for payout; (iii) 1,084,852 shares of common stock issuable upon the exercise of outstanding options held by our directors and exercisable within 60 days of July 19, 2016, of which 1,067,427 were fully vested as of such date; (iv) 36,562 shares of common stock issuable upon the vesting of RSUs within 60 days of July 19, 2016; and (v) 31,664 shares of common stock issuable to our directors upon the vesting of RSUs within 60 days of July 19, 2016 and for which payout has been deferred.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires the Company s directors and executive officers and persons who own more than 10% of a registered class of the Company s equity securities to file with the SEC initial reports of ownership and reports of changes in their ownership of common stock and other equity securities of the Company. Executive officers, directors and greater than 10% stockholders are required by SEC regulations to furnish the Company with copies of all Section 16(a) forms they file.

Based solely on the review of the copies of such reports furnished to the Company and written representations that no other reports were required, the Company believes that during fiscal 2016, its executive officers, directors and greater than 10% stockholders complied with all Section 16 filing requirements.

This Compensation Discussion and Analysis (CD&A) provides information on our executive compensation program and our compensation philosophy for our named executive officers (NEOs), who in fiscal 2016 were:

- George Kurian, Chief Executive Officer and President
- Ronald Pasek, Executive Vice President and Chief Financial Officer
- Joel Reich, Executive Vice President, Product Operations
- Matthew K. Fawcett, Senior Vice President, General Counsel and Secretary
- Thomas Georgens, Former Chairman and Chief Executive Officer
- Jeffrey K. Bergmann, Former Interim Chief Financial Officer
- Nicholas R. Noviello, Former Executive Vice President of Finance and Operations and Chief Financial Officer
- Robert E. Salmon, Former President

Mr. Georgens resigned as Chief Executive Officer on June 1, 2015. Mr. Noviello resigned as Executive Vice President, Finance and Operations and Chief Financial Officer on December 30, 2015 and departed the Company on January 14, 2016. Mr. Salmon retired from his position as President at the end of fiscal 2016. Mr. Bergmann served as interim Chief Financial Officer from January 4, 2016 to April 11, 2016, after which he returned to his position as Vice President, Corporate Finance. The Board has delegated to the Compensation Committee sole authority and responsibility for establishing and overseeing salaries, incentive compensation programs, and other forms of compensation for our executive officers, general remuneration policies for the balance of our employee population and for overseeing and administering our equity incentive and benefits plans.

Business Overview and Program Highlights

Fiscal 2016 Company Performance

In fiscal 2016, we continued to experience constrained enterprise IT spending in our markets as customers acted with caution due to an ongoing uncertain macroeconomic environment and shifted some of their workloads to the cloud.

As a result, the Company did not fully achieve its fiscal 2016 annual target operating profit[3] and revenue goals. In keeping with its pay-for-performance philosophy, annual cash incentives in fiscal 2016 were paid below target.

[3] All references to operating profit in this CD&A refer to non-GAAP measures of operating profit, the calculation and use of which is discussed in greater detail below under Components of Compensation Incentive Compensation Plan. A reconciliation of non-GAAP to GAAP results can be found in Annex A.

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Our below target performance impacted our total stockholder return as shown in the table below:

Annualized Total Stockholder Return		
	Year-Over-Year (%)	3-Year (%)
	Fiscal 2015 vs. Fiscal 2016	Fiscal 2014 Fiscal 2016
NetApp, Inc.	**-33.0%**	**0.3%**
S&P 500 Information Technology Index	**-2.0%**	**0.2%**
S&P 500 Index	**0.3%**	**16.0%**

Fiscal 2016 Financial Performance

We reported net revenues of $5.55 billion in fiscal 2016, down $577 million, or 9%, compared to fiscal 2015, primarily due to a decrease of 18% in product revenues, which included the impact of foreign currency exchange rate changes, partially offset by a 4% increase in software and hardware maintenance and other service revenues. Non-GAAP gross margin was 62.5%, down 1.5% compared to fiscal 2015 primarily due to a decline in average selling prices largely due to higher discounting and promotions. Operating margin was 13.5%, compared to operating margin of 16.5% in fiscal 2015.[4]

Our cash flows from operations for fiscal 2016 totaled $974 million, compared to $1.27 billion in fiscal 2015. We continued our commitment to our quarterly cash dividend of $0.18 per share and paid stockholders an aggregate of $210 million in cash dividends. Additionally, we repurchased and retired 33 million shares of our common stock for an aggregate of $960 million, bringing our total cash returned to stockholders to approximately $1.17 billion in fiscal 2016. We closed fiscal 2016 with just over $5.30 billion in cash and short-term investments.

Strategic Initiatives

Despite continued headwinds in fiscal 2016, our management team and Board made fundamental changes to return the Company to revenue growth with improved profitability, cash flow, and stockholder returns, including:

In fiscal 2016, we appointed new senior leaders across the business, building a strong bench for the future. This leadership transition resulted in the following appointments in fiscal 2016: (1) George Kurian as Chief Executive Officer and President, (2) Ronald Pasek as Executive Vice President and Chief Financial Officer, and (3) Joel Reich as Executive Vice President, Product Operations. In addition, in early fiscal 2017, Henri Richard, a seasoned sales leader with global experience, was appointed Executive Vice President of Worldwide Field and Customer Operations.

Management focused on pivoting to the growth segments of the markets and facilitating our customers success as they navigate through their IT transformations, which leverage modern architectures and hybrid cloud environments. Our strategic solutions, which enable our customers transformations and consist of clustered Data ONTAP, Branded E-series, all flash arrays including SolidFire, hybrid cloud solutions, and OnCommand Insight, experienced significant growth in customer adoption and revenue in fiscal 2016 and will continue to be our focus in fiscal 2017.

In February 2016, we completed the acquisition of an all-flash start-up company, SolidFire, Inc., which when combined with our existing all-flash offerings, allows us to offer the industry s broadest portfolio of all-flash solutions.

We launched a transformation program designed to streamline the business and reduce our cost structure, while at the same time, maintaining our ability to pivot to the growth segments of the market and invest in strategic opportunities. This included a reduction of our global workforce of approximately 11% in fiscal 2016.

[4] A reconciliation of non-GAAP to GAAP results can be found in Annex A.

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Fiscal Year 2016 Executive Compensation Principles and Highlights

The Compensation Committee designed our compensation program for our executives, including our NEOs, other than Mr. Bergmann due to his interim role, in order to:

- Drive long-term positive stock price appreciation and financial performance by linking a meaningful portion of executive compensation to the creation of stockholder value;
- Reward our executives when the Company achieves high levels of Company financial performance on key measures that drive stockholder value;
- Help recruit and retain experienced and highly qualified executives despite the competitive labor environment in which the Company competes for such talent; and
- Motivate our executives to perform to the best of their abilities while conducting themselves ethically.

In keeping with these objectives, the Compensation Committee took the following key actions with respect to executive compensation in fiscal year 2016:

- Held salaries and target incentive compensation awards as a percentage of salary flat for our NEOs, except for Messrs. Kurian and Reich in connection with their promotions to CEO and Executive Vice President of Product Operations, respectively;
- Introduced performance-based restricted stock unit awards for our NEOs (other than Messrs. Georgens, Bergmann and Pasek) tied to our 2- and 3-year total stockholder return relative to companies in the S&P 1500 Technology Hardware and Equipment Index to better align the long-term interests of our executives with those of our stockholders;
- Changed the long-term incentive mix of our CEO and NEOs, except for Mr. Bergmann who was at the VP level in fiscal 2016, to be more than 50% performance-based; and
- Adopted a clawback policy, which applies to the NEOs and all persons holding the position of Executive Vice President and Senior Vice President and gives the Board discretion to require that these employees repay cash and/or equity compensation in the event of a material restatement.

The Committee believes that through these actions, the relationship between pay and performance and the alignment between executive and stockholder interests were further strengthened.

Alignment of Performance and Compensation

As evidenced by the actions described above, the Compensation Committee has a strong commitment to aligning performance and compensation. As such, each year, the Compensation Committee, on behalf of the full Board, requests that Farient Advisors LLC (Farient), our independent compensation consultant, evaluate the relationship between our executive compensation and our financial and stockholder return performance. In addition to conducting quantitative analyses commonly relied upon by independent proxy governance organizations to test the alignment of our CEO s pay and performance, Farient uses its proprietary pay for performance alignment model to test whether the Company s Performance-Adjusted Compensation™ (PAC™) was: (1) reasonable in comparison to the Company s revenue size and the Compensation Peer Group (described below) that are significantly different in size as described in the *Competitive Market Data* section below), and (2) sensitive to the Company s total stockholder return (TSR) over time. PAC includes our then serving CEO s salary, actual annual incentive compensation, the performance-adjusted value of long-term incentives, averaged over 3-year rolling periods, and the value of other compensation, as reported in the Summary Compensation Table. Performance is defined as TSR, averaged over the same 3-year rolling periods. Each data point on the chart below, which is adjusted for inflation and the Company s size, represents PAC over a three-year period and TSR for the same 3-year period.

As indicated by the chart below, the Compensation Committee concluded there was a strong relationship between our CEO s PAC and the Company s performance. This is because our CEO s PAC generally fluctuates with performance, recognizing that there is some variation in the pattern of pay since not all pay elements are directly dependent upon TSR. Moreover, the Compensation Committee determined that our CEO s PAC was reasonable because it generally fell below the upper boundary of a competitive pay range that our consultant deemed to be acceptable based on the Company s size, Compensation Peer Group PAC levels, and performance. Farient s assessment considers the pay to the individual serving as CEO, not specific individuals, so in this case, the chart below reflects the pay to Thomas Georgens, our former CEO and George Kurian, our current CEO for the three-year period ending in fiscal year 2016.

Based on its review of Farient s analyses, the Compensation Committee satisfied itself as to the coherence and integrity of our executive pay system because the Company s pay practices move in concert with the Company s performance.

The link between Company performance, the performance of our stock, and compensation for our NEOs is illustrated by the following charts, which show the portion of the major elements of the fiscal 2016 compensation for our NEOs disclosed in the *Summary Compensation Table* below (other than Messrs. Georgens, Bergmann, Noviello and Pasek, which are not applicable for the full fiscal year 2016).

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As these charts illustrate, most of Mr. Kurian s and the other NEOs total compensation (other than for Messrs. Georgens, Bergmann, Noviello and Pasek) is performance-based, meaning that the actual value realized is subject to the Company s short-term financial performance or long-term stock price performance. By linking more of our NEOs total compensation to performance, the Company emphasizes variable pay, which is consistent with the Company s pay-for-performance philosophy.

Elements and Objectives of Executive Compensation

NetApp uses a number of pay elements to achieve the pay and performance alignment shown above. The following table describes the elements of compensation used in for our fiscal year 2016 executive compensation program and the compensation decisions that were taken in fiscal year 2016 and the rationale for each.

Type	Element	Key Characteristics	Objective	How We Determine Amount	2016 Decisions
Fixed	**Base Salary**	**Adjustments to base salary are impacted by Company performance and market forces**	**Designed to promote excellence in the day-to-day management and operation of our business**	**Qualifications and experience, scope of responsibilities, future potential, past performance, and tenure**	**Only Messrs. Kurian and Reich received salary increases as a result of their respective promotions**
Variable	**Executive Compensation Plan**	**Cash incentive tied to annual operational performance metrics**	**Aligns executive compensation to our annual performance and motivates our participating NEOs to enhance the value of the Company**	**Based on achievement of 2016 operating profit (2/3) and revenue (1/3)** **Competitive market data and CEO recommendations**	**Performance above threshold but below target for both operating profit and revenue resulted in a payout of 38.3% of the target amount for NEOs and 46.4% of the target amount for Mr. Kurian s additional cash opportunity**

Other	**Other Cash Incentives**	**One-time discretionary bonus**	**Discretionary bonuses are not typically granted; only used to reward extraordinary effort that is not captured by payments under the Executive Compensation Plan**	**Based on the Compensation Committee s discretion and on merit**	**Certain NEOs successfully drove key initiatives not contemplated at the beginning of fiscal year when the performance measures for the fiscal 2016 Executive Compensation Plan were established**

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Type	Element	Key Characteristics	Objective	How We Determine Amount	2016 Decisions
Fixed	**Time-Based RSUs**	**Vest annually in equal installments**	**Promotes retention while aligning the ultimate award value directly with changes in our stock price over the vesting period**	**Competitive market data and CEO recommendations**	**25% of annual grant for CEO and 40% of annual grant for other NEOs, based on 60-day trailing average price as of grant**
Variable	**Performance-Based RSUs (PBRSUs)**	**50% of PBRSUs vest after a 2-year performance period and 50% vest after a 3-year performance period, dependent on relative TSR performance**	**Provides strong alignment between the interests of the NEOs and the stockholders**	**Based on the relative performance of our TSR compared to the S&P 1500 Technology Hardware and Equipment Index during 2- and 3-year performance periods**	**75% of annual grant for CEO and 60% of annual grant for other NEOs, based on 60-day trailing average price as of grant**
Other	**Supplemental Equity Awards**	**One-time awards of RSUs and PBRSUs with vesting terms consistent, as applicable with RSUS and PBRSUs described above**	**Retains high-performing leaders, rewards exceptional performance and/or recognizes expanded responsibility or promotion**	**Compensation Committee s discretion**	**5 NEOs received supplemental equity awards in fiscal 2016 as a result of their promotion and/or for retention purposes**

Adherence to Best Practices

As noted above, the Compensation Committee seeks to ensure that total compensation is weighted toward variable, performance-based compensation and that non-performance-based compensation is limited. In addition, we adhere to the following best practices for our executive compensation programs and policies:

No Pension or SERPs. We do not provide our NEOs with a defined benefit pension plan or any supplemental executive retirement plans. Our employees, including NEOs, are able to participate in our 401(k) plan and our senior executives are able to participate in our nonqualified deferred compensation program.

No Individual Executive Contracts. We do not have separate employment contracts with our NEOs other than offer letters that set forth the basic terms of employment.

Double Trigger Change of Control Severance Agreements. Our change of control severance agreements provide severance payments and accelerated vesting of equity awards only on a double trigger basis; that is, the change of control severance agreements provide for severance payments and accelerated vesting of equity awards only if the Company terminates the individual s employment without Cause or if the individual resigns for Good Reason (as such terms are defined in the agreements), and, pursuant to the agreements in effect as of the end of fiscal 2016, such termination or resignation occurs on or within 12 months after a change of control of the Company. Following the end of fiscal 2016, the Company entered into new change of control agreements with key senior executives, including Messrs. Kurian, Pasek, Reich and Fawcett, which supersede the change of control severance agreements in effect at the end of fiscal 2016 and provide for a 24-month post-change of control coverage period for without Cause or Good Reason termination.

No Tax Gross-Ups. Tax gross-ups are not provided to our NEOs on change of control severance payments or any other compensation.

Clawback Policy. We have a clawback, or recoupment, policy that covers all elements of our Executive Compensation Plan.

Ownership Guidelines. Equity compensation encourages our directors and executives to have an owner s perspective in managing the Company. To extend and maintain that ownership perspective over time, the Company has established stock ownership guidelines for the Company s directors, CEO, and all Executive Vice Presidents (discussed further below in Policies Regarding Granting of Equity Awards).

Risk Oversight. The Compensation Committee oversees and evaluates the design and implementation of the incentives and risks associated with our compensation policies and practices.

Independent Compensation Consultant. The Compensation Committee s compensation consultant provides services only for the Compensation Committee and does not provide any other services to the Company.

The Compensation Committee believes that the programs and policies described above demonstrate our commitment to an effective pay-for-performance executive compensation program in fiscal 2016. For more information, please see the discussion below.

Our Process for Determining and Administering Our Compensation Program

The Compensation Committee determines and approves the principal components of compensation for our NEOs on an annual basis, typically shortly after the beginning of the applicable fiscal year. At the outset of each fiscal year, the Compensation Committee establishes a formal planning calendar to ensure a consistent and deliberative approach to its executive compensation decisions, including scheduling its process for evaluating competitive market data, reviewing compensation strategy and ensuring that its pay programs support the business strategy, approving executive pay actions, administering executive incentive plans, and reporting outcomes to stockholders.

In making its decisions regarding compensation, the Compensation Committee obtains the advice and counsel of Farient. In fiscal 2016, Farient provided information and guidance on our compensation strategy, our peer group, competitive pay levels and pay practices, including dilution, investor trends, the alignment between our executive pay and performance, the design of our incentive plans, including the performance measures and goals used in our Incentive Compensation Plan, our pay mix, including the mix of long-term incentive vehicles, disclosures to our stockholders, our annual compensation risk assessment, and Board compensation. Farient also provided advice on key talent development processes, including top management evaluation and succession planning. Farient did not provide any services to the Company other than those requested and approved by the Compensation Committee. The Compensation Committee has assessed the independence of Farient pursuant to SEC rules and concluded that no conflict of interest exists that would prevent Farient from independently representing the Compensation Committee.

The Compensation Committee also solicits the input of our CEO regarding the salary, incentive compensation and equity-based compensation to be paid to those executives reporting to him, including all of the NEOs other than himself. As part of the annual review process, our CEO provides recommendations for the executives consistent with our pay-for-performance philosophy, and therefore his recommendations are based on his assessment of the Company s performance and each NEO s contributions to overall Company performance. With respect to compensation for our CEO, the Chair of the Compensation Committee solicits input from our CEO and the Board of Directors as to their perspectives of the CEO s and the Company s performance, and from Farient regarding CEO compensation relative to the market and Company performance. The Compensation Committee deliberates and makes decisions on our CEO s compensation outside of the presence of our CEO.

The Compensation Committee has established an equity subcommittee to award equity to employees who are (1) Vice Presidents who do not report to the CEO; or (2) hold positions below the level of Vice President. This subcommittee is currently composed of our CEO and the Executive Vice President of Human Resources. The exception to this delegation is that the subcommittee may not grant awards in excess of the pool authorized by the Compensation Committee. The Compensation Committee establishes equity grant guidelines each year for the equity subcommittee s consideration in approving such grants, and the Compensation Committee is informed on a regular basis of all grants made by the equity subcommittee.

Factors in Determining Compensation

The primary factors that the Compensation Committee takes into consideration in establishing the principal components of compensation for our NEOs are discussed below. While these are typically the considerations upon which the Compensation Committee bases its compensation decisions for our NEOs, the Compensation Committee may, at its discretion, apply entirely different factors, such as different measures of financial performance, for future fiscal years.

We do not have either a policy or a practice in place to grant equity awards that are timed to precede or follow the release or withholding of material nonpublic information.

Say-on-Pay

Our stockholders will have the opportunity once again at this year s Annual Meeting to endorse our executive compensation program through the stockholder advisory vote to approve executive compensation (commonly known as a say-on-pay vote) included as Proposal No. 4 in this Proxy Statement. Last year, over 95% of the stockholder votes cast on this proposal (excluding broker non-votes) were voted in favor of our executive compensation proposal. The Compensation Committee believes that the result of this vote affirms our stockholders support for our approach to executive compensation. Last year s stockholder vote on executive compensation occurred in September 2015, while the Compensation Committee s consideration of fiscal 2016 executive compensation occurred earlier in 2015, with compensation for most elements established by June 2015. As a result, the Compensation Committee did not set or change fiscal 2016 executive compensation directly as a result of last year s stockholder vote. However, deliberations of fiscal 2016 compensation did consider stockholder views on performance-based equity compensation and the Compensation Committee took into account stockholder views and best practice in adopting a policy in fiscal 2016 providing for the recovery of incentive compensation, also known as a clawback policy. The Compensation Committee expects to continue to consider input from stockholders and the outcome of our annual say-on-pay votes when making future executive compensation decisions. We encourage you to review this CD&A, together with the compensation tables that follow, prior to casting your advisory vote on the say-on-pay proposal.

Performance Assessment

After each fiscal year, executives in senior vice president positions and above perform an evaluation of their organization s performance and their own individual performance for the prior year and how that performance contributed to the Company s performance. Our CEO uses these assessments as one of the factors, along with the others described below, in making his recommendations to the Compensation Committee regarding executive equity and salaries for the following fiscal year. Likewise, our CEO typically performs a similar self-assessment and communicates this to the Chairman of our Compensation Committee near the end of the fiscal year. Because Mr. Kurian was named CEO shortly after the beginning of fiscal 2016 on June 1, 2015, his self-assessment leading into this fiscal year related to his role of Executive Vice President of Product Operations. Shortly following the end of fiscal 2016, Mr. Kurian submitted a written self-assessment regarding his performance as CEO to the Chairman of the Compensation Committee.

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Competitive Market Data

In order to establish the market rate of pay for NEOs (including in connection with the hire of new NEOs), the Compensation Committee reviews data from a targeted peer group of similarly situated technology companies. The exception to this is Mr. Bergmann who did not enter into any new compensatory arrangements with the Company during his time as the Company s interim Chief Financial Officer. To determine the appropriate peer group, the Compensation Committee considers companies that are similar in one or more of the following criteria: revenue, number of employees, market capitalization and other comparable business considerations. In addition to focusing on our direct product line competitors, we consider other companies with whom we compete for talent in our various markets for which compensation data is available.

For fiscal 2016, the Compensation Committee reviewed the Company s compensation peer group used to benchmark compensation of our NEOs, as well as our broader executive population, with assistance and guidance from Farient. In particular, the Company focused on a set of technology companies where the median revenue of the group approximates NetApp s revenue.

The fiscal 2016 Compensation Peer Group consisted of:

Adobe Systems Inc.	Hitachi Data Systems	Riverbed Technology, Inc.
Apple Inc.	Intel Corporation	Salesforce.com
Applied Materials Inc.	International Business Machines Corp.	SanDisk Corp.
Broadcom Corporation	Intuit Inc.	SAP AG
Brocade Communications Systems, Inc.	Juniper Networks, Inc.	Seagate Technology
CA Technologies	KLA-Tencor Corp.	Silicon Graphics International
Cisco Systems, Inc.	Lexmark International Inc.	Symantec Corporation
Citrix Systems, Inc.	Microsoft Corporation	Teradata Corporation
CommVault Systems, Inc.	NVIDIA Corporation	VMware, Inc.
eBay Inc.	Oracle Corp.	Western Digital Corp.
EMC Corporation	QLogic Corp.	Xilinx, Inc.
Google Inc.	QUALCOMM Incorporated	Yahoo! Inc.
Hewlett-Packard Company	Red Hat, Inc.	

In addition, with Farient s assistance and guidance, the Compensation Committee identified a more targeted list of fourteen companies in the storage and enterprise solutions markets in order to assess pay practices (for example, the use of equity incentives, performance measures, and goal setting) and to supplement our compensation benchmarking of specific NEO compensation. The fiscal 2016 Compensation Practices Peers consisted of the following companies:

Brocade Communications Systems, Inc.	Hewlett-Packard Company	QUALCOMM Incorporated
CA Technologies	International Business Machines Corp.	SanDisk Corp.
Citrix Systems, Inc.	Juniper Networks, Inc.	Symantec Corporation
CommVault Systems, Inc.	Microsoft Corporation	Teradata Corporation
EMC Corporation	Oracle Corp.	VMware, Inc.

Pay Positioning

The Compensation Committee has established a pay positioning philosophy for NEOs that examines the compensation practices of the Compensation Peer Group. The Compensation Committee established this pay positioning philosophy considering the highly competitive market for talent in which we participate and the relatively aggressive incentive goals for our organization. As a starting point, the Compensation Committee looked at the NEO s current compensation and the ranges of base salary, target annual cash incentive and equity compensation at the 25th, 50th and 75th percentiles within the Compensation Peer Group. The Committee then applied its judgment in determining proper levels of each component of compensation for NEOs. The end result for fiscal 2016 was a total compensation package for NEOs (other than Mr. Bergmann and Mr. Pasek) targeted at approximately the 50th percentile for total compensation relative to the Compensation Peer Group. In connection with the appointment of Mr. Pasek as Chief Financial Officer shortly before the end of fiscal 2016, the Compensation Committee considered the compensation package of chief financial officers with similar experience in our Compensation Peer Group as well as Mr. Pasek s total compensation history.

For our NEOs other than Mr. Bergmann, a majority of their total compensation is performance-based, meaning that the actual value realized is subject to short-term financial performance or long-term stock price performance. Target pay positioning may vary by individual based on a wide range of considerations, including each executive s role, skills, and overall impact on the management and strategic development of the Company. By linking the majority of our NEOs total compensation to performance, the Company emphasizes variable pay, which is consistent with the Company s pay-for-performance philosophy.

Components of Compensation

Base Salary

Base salaries are intended to compensate our NEOs on a day-to-day basis for their services to the Company. Base salaries for NEOs are set within the competitive percentile range discussed above. Using this range ensures that the Company s base salaries are competitive with the companies for which we compete for talent, but also permits the Compensation Committee to use its own judgment to ultimately determine NEO salaries. In setting the base salary for each NEO, the Compensation Committee considers the NEO s qualifications and experience, scope of responsibilities, future potential contributions to the Company, the NEO s past performance relative to the goals and objectives of the NEO, and the length of the NEO s tenure with the Company. The relative weight given to each factor varies by individual.

In fiscal 2016, George Kurian was promoted to the position of CEO from his prior position as Executive Vice President of Product Operations. In connection with his promotion, Mr. Kurian received a salary increase appropriate for the position of CEO, but also at the lower end of a competitive range due to the fact Mr. Kurian had no prior CEO experience. Joel Reich received a salary increase upon his promotion to Executive Vice President of Product Operations to better align his salary with the market range discussed above. Otherwise, the Compensation Committee did not adjust base salaries for NEOs in fiscal 2016. The Company hired a new Chief Financial Officer, Ronald Pasek, in fiscal 2016 and his salary was set at approximately the 50th percentile relative to our Compensation Peer Group.

Name	Fiscal 2015 Base Salary	Fiscal 2016 Base Salary	Percentage Increase
George Kurian	**$500,000***	**$800,000**	**60%(4)**
Ronald Pasek	**N/A(5)**	**$550,000**	**N/A**

Joel Reich	**N/A(5)**	**$425,000**	**N/A**
Robert Salmon	**$650,000**	**$650,000**	**N/A**
Matthew Fawcett	**$480,000***	**$480,000**	**N/A**
Thomas Georgens(1)	**$975,000**	**$975,000**	**N/A**
Jeffrey Bergmann(2)	**N/A(5)**	**$324,800**	**N/A**
Nicholas Noviello(3)	**$600,000**	**$600,000**	**N/A**

* Effective October 2014

(1) Mr. Georgens resigned as Chief Executive Officer on June 1, 2015.

(2) Mr. Bergmann served as interim Chief Financial Officer from January 4, 2016 to April 11, 2016.

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(3) Mr. Noviello resigned as Executive Vice President, Finance and Operations and Chief Financial Officer on December 30, 2015 and departed the Company on January 14, 2016.

(4) In fiscal 2016, Mr. Kurian was promoted to the position of CEO from his prior position as Executive Vice President of Product Operations. Mr. Kurian s fiscal 2015 base salary was his salary for his position as Executive Vice President of Product Operations.

(5) Messrs. Pasek, Reich and Bergmann were not NEOs in fiscal 2015.

Executive Compensation Plan

The Compensation Committee believes that a cash incentive compensation plan that is tied to operational performance metrics motivates our NEOs to achieve short-term performance goals that are important factors in achieving business results and ultimately stock price performance. The Compensation Committee annually develops an incentive compensation plan under our Executive Compensation Plan with payment of incentives, if any, shortly following the end of a particular fiscal year. None of Messrs. Georgens, Noviello, Bergmann or Pasek participated in our Executive Compensation Plan in fiscal 2016. Mr. Georgens and Mr. Noviello were not eligible participants because they resigned from their positions with the Company prior to the end of fiscal 2016. Mr. Bergmann participated in a non-executive incentive compensation plan in fiscal 2016. Mr. Pasek did not participate in the Executive Compensation Plan because he joined the Company near the end of fiscal 2016.

The short-term incentive compensation for NEOs is set within the 50th to 65th percentile relative to the Compensation Peer Group. For fiscal 2016, our NEOs (other than Messrs. Bergmann, Georgens and Pasek) target short-term incentive cash compensation was actually positioned at approximately the 55th percentile relative to the Compensation Peer Group.

For fiscal 2016, the Compensation Committee maintained the framework from fiscal 2015 for evaluating short-term incentives for our participating NEOs such that the incentive compensation plan established for fiscal 2016 under our Executive Compensation Plan included a combination of revenue and operating profit targets (as described in more detail below), with revenue weighted 1/3rd and operating profit weighted 2/3rds. The Compensation Committee believes that the continued use of revenue as a performance measure for fiscal 2016 encourages our participating NEOs to expand market share in the highly competitive markets within which we compete and mitigated the inherent volatility of relying solely on operating profit as the performance measure. The continued use of operating profit encourages the participating NEOs to effectively manage resources that directly impact the Company s underlying operations. These measures are intended to reflect the Company s business strategy, which includes making tradeoffs between operating profit and revenue growth. Additionally, the use of two corporate metrics encouraged executives to make balanced decisions that were intended to benefit the Company as a whole, while mitigating potential risks that might exist were executives to be focused on achieving a single metric, which could lead them to take actions that could be contrary to the Company s overall interests.

Prior to or shortly after the beginning of each fiscal year, including fiscal 2016, the Company presents to the Board an annual operating plan (or AOP) that includes a measure of non-GAAP income from operations (or operating profit) (as described below) and revenue. The AOP is derived from results of the prior year as well as the Company s expectations for its performance relative to its strategy, the Company s competitors and the overall market for the upcoming year and is reviewed and approved by the Board of Directors. The target operating profit and revenue goals for the incentive compensation plan for fiscal 2016 were set at the expected level of achievement of the AOP.

Fiscal Year AOP Measure	Fiscal 2015 Actual ($MMs)	Fiscal 2016 Target AOP ($MMs)	Target Growth Rate
Revenue **(1/3 weighting)**	**$6,123**	**$5,947**	**-3%**
Operating Profit **(2/3 weighting)**	**$1,040**	**$928**	**-11%**

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The measure of non-GAAP operating profit is derived from the revenues of our products, software maintenance and hardware maintenance and other services and the costs related to the generation of those revenues, such as cost of revenue and sales and marketing, research and development, and general and administrative expenses. Non-GAAP operating profit, both on an actual and target basis, excludes items that we believe are not reflective of our short-term operating performance, such as amortization of intangible assets, stock-based compensation expenses, acquisition-related income and expenses, restructuring and other charges and gains on the sale of or losses on impairments of assets. We publicly disclose a detailed reconciliation of actual GAAP to non-GAAP net income and operating profit, along with other statement of operations items, on a regular basis with the Company s quarterly earnings announcements.

In establishing our operating income and revenue goals, we set the following targets:( )

	Fiscal 2016 Revenue Goals ($MMs)	% of Target Goal	% of Target Award	Fiscal 2016 Operating Profit Goals ($MMs)	% of Target Goal	% of Target Award
Maximum	**$6,542**	**110%**	**200%**	**$1,021**	**110%**	**200%**
Target	**$5,947**	**100%**	**100%**	**$928**	**100%**	**100%**
Threshold	**$5,055**	**85%**	**25%**	**$742**	**80%**	**20%**
<Threshold	**<$5,055**	**<85%**	**0%**	**<$742**	**<80%**	**0%**

The accelerators and decelerators for fiscal 2016 were maintained at the same level as in fiscal 2015.

Percent of Operating Profit Target	Percent of Incentive Compensation Payout for Factor	Percent of Revenue Target	Percent of Incentive Compensation Payout for Factor
110% or higher	**200%**	**110% or higher**	**200%**
	150%	**105%**	**150%**

105%			
100%	**100%**	**100%**	**100%**
95%	**80%**	**95%**	**75%**
90%	**60%**	**90%**	**50%**
85%	**40%**	**85%**	**25%**
80%	**20%**	**Below 85%**	**0%**
Below 80%	**0%**		

( ) Amount of awards determined by interpolating for performance between established points.

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For fiscal 2016, the Company achieved 81.1% of our annual target operating profit goal and 93.3% of our annual target revenue goal, which resulted in actual cash incentives paid to our NEOs equaling 38.3% of their target amounts.

Performance Goal	Fiscal 2016 Performance Target ($MMs)	Fiscal 2016 Actual Performance ($MMs)
Revenue **(1/3 weighting)**	**$5,947**	**$5,546**
Operating Profit **(2/3 weighting)**	**$928**	**$751**

The following table sets forth the amount of the incentive compensation payout that the participants received for fiscal 2016. As noted above, Mr. Georgens, Mr. Noviello and Mr. Pasek did not receive incentive compensation for fiscal 2016.

Name	Fiscal 2016 Incentive Compensation
George Kurian	**$477,366**
Joel Reich	**$180,589**
Robert Salmon	**$311,159**
Matthew Fawcett	**$153,186**
Jeffrey Bergmann (1)	**$115,866**

(1) Mr. Bergmann received incentive compensation under a plan for non-executives under which a payment of 66% of target was paid to participating employees.

In fiscal 2016, in connection with the promotion of Mr. Kurian, the Compensation Committee adjusted his incentive compensation target. Prior to his promotion to CEO, the Compensation Committee previously awarded Mr. Kurian an annual cash incentive with a target award opportunity equal to 110% of his base salary for the full 2016 fiscal year. In connection with his promotion to Chief Executive Officer, the Compensation Committee

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awarded Mr. Kurian an additional cash incentive opportunity under the Executive Compensation Plan with a target award equal to 40% of his base salary for the full 2016 fiscal year with revenue and operating income targets measured over a prorated performance period from June 1, 2015 through the end of the Company s fiscal 2016, which are different than the targets for the cash incentives that are based on the full fiscal year performance. This adjusted and prorated performance period was selected in order to coincide with the commencement of Mr. Kurian s tenure as CEO and was intended to provide Mr. Kurian a total target cash incentive opportunity equal to 150% from June 1, 2015 through the end of the Company s 2016 fiscal year because the Compensation Committee wanted to place a greater emphasis on performance based compensation for Mr. Kurian for the period during fiscal 2016 in which he served as CEO.

The additional cash incentive opportunity for the performance period June 1, 2015 through April 29, 2016, was calculated on the basis of revenue (1/3) and operating profit (2/3) funding targets measured over the June 1, 2015 through April 29, 2016 performance period based on the following goals:

	Prorated Revenue Goals ($MMs)	% of Target Goal	% of Target Award	Prorated Operating Profit Goals ($MMs)	% of Target Goal	% of Target Award
Maximum	**$5,982**	**110%**	**200%**	**$970**	**110%**	**200%**
Target	**$5,438**	**100%**	**100%**	**$882**	**100%**	**100%**
Threshold	**$4,622**	**85%**	**25%**	**$706**	**80%**	**20%**
<Threshold	**<$4,622**	**<85%**	**0%**	**<$706**	**<80%**	**0%**

Performance Goal	Fiscal 2016 CEO Additional Performance Target ($MMs)	Fiscal 2016 CEO Actual Performance ($MMs)
Revenue **(1/3 weighting)**	**$5,438**	**$5,190**
Operating Profit **(2/3 weighting)**	**$882**	**$730**

During the applicable performance period, the Company achieved 82.8% of the prorated target operating profit goal and 95.4% of the prorated annual target revenue goal, which resulted in additional cash incentive paid to our CEO equaling 46.4% of his target amount.

Other Cash Incentives

The Compensation Committee retains authority to pay additional discretionary bonuses outside the Executive Compensation Plan if warranted. For fiscal year 2016, the Compensation Committee elected to award a one-time discretionary bonus to certain NEOs as set forth below:

Name	Fiscal 2016 Discretionary Bonus
George Kurian	**$44,990**
Joel Reich	**$24,202**
Robert Salmon	**$41,700**
Matthew Fawcett	**$20,529**

The Compensation Committee determined that payment of additional discretionary bonuses was merited as our participating NEOs successfully drove key initiatives that were not contemplated at the beginning of the fiscal year when the performance measures for the fiscal year 2016 Executive Compensation Plan were established. Specifically, the participating NEOs drove the completion of the acquisition of SolidFire, Inc. and the integration of the SolidFire, Inc. business into the Company.

Long-Term Stock-Based Incentive Compensation

The grant of equity awards to our NEOs is designed to align their interests with those of the stockholders and provide our NEOs with a significant incentive to manage the Company from the perspective of an owner with an equity stake in the business.

Equity award guidelines for our NEOs (other than Mr. Bergmann) are set within the 50th and 65th percentile relative to the Compensation Peer Group. The size of the actual equity grant to each NEO is designed to create a meaningful opportunity for stock ownership and is based on a number of factors, which include the NEO s current position with the Company, external comparability with equity grants made to executive officers of the Compensation Peer Group, internal comparability with equity grants made to other executives within the Company, the number of vested and unvested options, PBRSUs and time-based RSUs held by the NEO, the NEO s current level of performance, the NEO s potential for future responsibility and promotion over time, and the remaining share reserve under the Company s equity plan. The Compensation Committee, however, does not place any particular weight on any one individual factor and does not adhere to any specific guidelines in making its determinations.

In fiscal 2016, the Compensation Committee granted PBRSUs and RSUs to certain of our NEOs.

PBRSUs

The PBRSUs granted in fiscal 2016 allow the recipient to earn a variable number of shares of our common stock based on the relative performance of our TSR compared to the median TSR of companies listed in the Hardware and Equipment Index (composed of 84 companies at the time the PBRSUs were granted).

The PBRSUs have the following features:

- The number of earned PBRSUs will be determined based on the Company s TSR measured against the TSR of the companies listed in the Hardware and Equipment Index during separate two-year and three-year performance periods. At the end of each performance period, our TSR is compared to the median TSR of the companies listed in the Hardware and Equipment Index at the end of the applicable performance period, and the actual award amount is determined according to the relevant payout schedule. See the table below for a description of how achievement of the PBRSU awards is calculated.

- 50% of the total number of PBRSUs may be earned and issued at the end of a two-year performance period and 50% of the total number of PBRSUs may be earned and issued at the end of a three-year performance period.

- The PBRSUs will not vest until the completion of the applicable performance period and vesting is subject to continued service through the vesting date, which is the last day of each performance period.

The Compensation Committee selected TSR because it believes that TSR is an important indicator of the Company s performance and provides strong alignment between the interests of the NEOs and the stockholders. Separate performance periods help to moderate volatility and encourage and reward sustained and continuous growth which aligns the interests of the NEOs and our stockholders. The Hardware and Equipment Index was selected to measure performance because it represents the broader market against which we compete for talent and represents the broad range of our business operations while also being objectively determinable.

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The number of earned PBRSUs will depend upon the percentage of achievement of our TSR against the median TSR of the companies listed in the Hardware and Equipment Index as follows:

Relative Company TSR performance less median TSR of companies listed in the Hardware and Equipment Index (1)	% of Target Number of PBRSUs Earned (2)
³+30%	200%
0%	100%
-20%	50%
<-20%	0%

(1) Performance will be measured at the end of two-year and three-year performance periods with 50% of the total number of PBRSUs eligible to be earned during each performance period. The median for the Hardware and Equipment Index will be determined based on the TSR data for the companies in the index as of the end of the performance period.

(2) The percentage earned will be interpolated for performance between discrete points.

At the end of each performance period, our TSR will be measured against the median TSR of the companies listed in the Hardware and Equipment Index and the actual award amount will be paid following the completion of the applicable performance period.

The performance period for Mr. Kurian s PBRSUs commenced on June 1, 2015, whereas the performance period for the PBRSUs granted to other executives commenced on April 27, 2015. The performance periods for the PBRSUs granted in fiscal 2016 will conclude at the end of our fiscal 2017 and fiscal 2018, respectively. As a result, the PBRSUs granted in fiscal 2016 were not eligible to vest in fiscal 2016.

Time-Based RSUs

Time-based RSUs allow the recipient to earn a fixed number of shares of our common stock for their continued service to the Company. Recognizing that a large portion of the NEOs equity compensation is at risk through the PBRSU program discussed above, the Compensation Committee also granted time-based RSUs to promote retention while aligning the ultimate award value directly with changes in our stock price over the vesting period. The RSUs are scheduled to vest in equal annual installments on each annual anniversary of the grant date beginning on the first anniversary of the grant date, subject to continued service through the applicable vesting date.

For fiscal 2016, the mix of PBRSUs versus RSUs for Mr. Kurian s annual grant was 75% PBRSUs and 25% RSUs based on the Company s 60-day trailing average stock price as of the date of grant. The mix for all other NEOs who received PBRSUs (as noted in the chart below) as part of their annual grant was 60% PBRSUs and 40% RSUs based on the Company s 60-day trailing average stock price as of the date of grant. A greater portion of the equity awards was granted in the form of PBRSUs to reflect the Company s philosophy of pay-for-performance by exhibiting a strong focus on long-term performance, while also mitigating the dilutive impact of options. In particular, the

Company determined that the CEO should have an even greater percentage of PBRSUs to drive performance.

The mix of PBRSUs versus RSUs will be reviewed by the Compensation Committee annually and may fluctuate from year to year.

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The following chart shows the grants of PBRSUs and RSUs to our NEOs in fiscal 2016, other than Messrs. Georgens and Pasek, who did not receive RSUs or PBRSUs and Mr. Bergmann, who received 6,200 RSUs but no PBRSUs in fiscal 2016.

Name	Target Number of PBRSUs	Maximum Number PBRSUs	RSUS
George Kurian	128,600	257,200	42,900
Joel Reich	17,100	34,200	11,400
Robert Salmon	58,300	116,600	38,900
Matthew Fawcett	29,200	58,400	19,400
Nicholas Noviello (1)	55,700	111,400	37,100

(1) Mr. Noviello forfeited his awards in connection with his resignation in January 2016.

Supplemental Equity Awards

From time to time the Compensation Committee may grant equity awards to executives to retain high-performing leaders, reward exceptional performance or recognize expanded responsibility or promotion. These equity awards have vesting and other provisions designed to promote retention of the services and skills of the recipient. For example, these awards generally do not vest until two to four years after the grant date and, in the case of RSUs or options, are forfeited in full if the executive resigns, retires or is terminated for cause prior to vesting. PBRSUS are not forfeited if an executive voluntarily retires from the Company (a) on or after reaching 62 years of age or (b) on or after reaching 55 years of age following a minimum of ten (10) years of continuous service to the Company or its subsidiaries. Instead, the PBRSUs vest based on the pro rata portion of the time that the qualifying former executive was employed during the performance period.

In addition to the grants described above, the Compensation Committee approved the following one-time supplemental equity awards, in the form of both PBRSUs (with terms substantially similar to those described above) and RSUs in fiscal 2016:

Name	Target Number of PBRSUs	Maximum Number PBRSUs	RSUs
George Kurian	42,900	85,800	42,900
Joel Reich (1)	20,600	41,200	13,700
Matthew Fawcett	11,400	22,800	11,400
Robert Salmon	11,400	22,800	11,400
Nicholas Noviello (2)	11,400	22,800	11,400

(1) Mr. Reich received his supplemental equity grant in recognition of his promotion to Executive Vice President of Product Operations.

(2) Mr. Noviello forfeited his awards in connection with his resignation in January 2016.

Stock Ownership Guidelines

The Board believes that stock ownership by the Company s directors and executives helps to align the interests of the Company s directors and executives with the interests of the Company s stockholders. To extend and maintain that ownership perspective over time, the Company has established the following minimum share ownership guidelines for the Company s directors, CEO, and Executive Vice Presidents:

Position	Guideline as a Multiple of Salary/Cash Board Retainer
Independent Directors	3x
CEO	5x
EVPs	2x

The Company s directors and executives have five years from the adoption date of these stock ownership guidelines in fiscal year 2013 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 at the guideline amount must be maintained.

Recovery of Incentive-Based Compensation

At the recommendation of the Compensation Committee, the Board adopted a policy that gives the Board discretion to require that designated Company employees, including the NEOs and all persons holding the position of Executive Vice President and Senior Vice President, repay cash incentive or equity compensation to the Company if the Board determines that the individual s actions caused or partially caused the Company to materially restate all or a portion of its financial statements on which such compensation was calculated. Such determination must be made by the Board within three years of the date of filing of the applicable financial statements. The Compensation Committee believes that the Company s clawback policy is in keeping with good standards of corporate governance and mitigates the potential for excessive risk taking by Company executives. The SEC is expected to adopt regulations requiring national listing exchanges to enact listing standards governing policies providing for the recovery of incentive-based compensation, and the Company will revise and update its clawback policy within the time periods necessary to comply with such listing standards.

Anti-Hedging and Anti-Pledging Policies

Our Board has adopted a policy prohibiting all employees, including the NEOs and members of the Board, from engaging in any hedging transactions with respect to any equity securities of the Company held by them, which includes the purchase of any financial instrument (including prepaid variable forward contracts, equity swaps, collars, and exchange funds) designed to hedge or offset any decrease in the market value of such equity securities. In addition, under the Company s Insider Trading Policy, employees of the Company, including the NEOs, and members of the Board are prohibited from pledging the Company s securities as collateral for a loan.

Other Compensation for NEOs

Severance and Change of Control Arrangements

The Compensation Committee maintains change of control severance agreements for its key senior executives to: (1) assure we will have the continued dedication and objectivity of our senior executives, notwithstanding the possibility of a change of control of the Company, thereby aligning the interests of these key senior executives with those of the stockholders in connection with potentially advantageous offers to acquire the Company; and (2) create a total executive compensation plan that was competitive with our peer group. The Compensation Committee from time to time determines which key senior executives will receive a change of control severance agreement. Individuals are selected as needed to support the above outlined objectives.

The terms of the individual Change of Control Severance Agreements are described in further detail in the section below titled *Potential Payments upon Termination or Change in Control.* The Compensation Committee believes that these change of control severance agreements satisfy the objectives above and ensure that key executives are focused on the Company s goals and objectives, as well as the interests of our stockholders, rather than any negative personal consequences that may arise as a result of a change of control.

Effective June 23, 2015, in connection with his promotion to CEO, Mr. Kurian entered into an amendment to his Change of Control Severance Agreement. Please see *Termination of Employment and Change of Control Agreements Change of Control Severance Agreements* below for further information on Mr. Kurian s amendment to the Change of Control Severance Agreement.

Effective June 23, 2015, in connection with his promotion to Executive Vice President of Product Operations, Mr. Reich entered into a Change of Control Severance Agreement. Please see *Termination of Employment and Change of Control Agreements Change of Control Severance Agreements* below for further information on Mr. Reich s Change of Control Severance Agreement.

Effective April 11, 2016, Mr. Pasek entered into a Change of Control Severance Agreement. Please see *Termination of Employment and Change of Control Agreements Change of Control Severance Agreements* below for further information on Mr. Pasek s Change of Control Severance Agreement.

On June 1, 2015, Thomas Georgens resigned as CEO. In connection with his resignation, Mr. Georgens entered into a separation and release agreement with the Company (the Georgens Separation Agreement). Please see *Termination of Employment and Change of Control Agreements Separation Agreements* below for further information on the Georgens Separation Agreement.

On April 7, 2016, Robert Salmon entered into a transition services and release agreement with the Company (the Salmon Transition Agreement) whereby he retired as President and Head of Go-to-Market Operations as of the end of fiscal 2016. Please see *Termination of Employment and Change of Control Agreements Separation Agreements* below for further information on the Salmon Transition Agreement.

Following the conclusion of fiscal 2016, effective June 22, 2016, the Company entered into Change of Control Severance Agreements with Messrs. Kurian, Pasek, Reich and Fawcett, which superseded their existing Change of Control Severance Agreement, as amended. Please see *Termination of Employment and Change of Control Agreements Change of Control Severance Agreements* below for further information on the new Change of Control Agreements.

Perquisites

Certain of our executives at the Executive Vice President level and above are eligible to participate in the Company s Executive Retirement Medical Plan, which upon retirement provides medical coverage beyond the COBRA maximum benefit period to a defined group of senior executives based on minimum age, service and level of responsibility as a fully-insured plan. The plan was adopted by the Company as a method to retain the defined group of executives. In fiscal 2016, the Compensation Committee closed the Executive Retirement Medical Plan to the executives eligible for participation as of November 12, 2015. Participation in the plan will not be offered to Company executives who were not eligible for the plan on that date. Our NEOs are also entitled to a preventative care medical benefit of up to $2,500 per calendar year not available to nonexecutives. The Compensation Committee approved the use of a car service by Mr. Kurian for travel between his residence and the office in an amount of up to $40,000 per year so that he can conduct business during his commute. In fiscal 2016, the expense for the car service did not exceed $10,000 and is therefore not reported in our *Summary Compensation Table*.

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Other Benefits and Reimbursements

NEOs are eligible to participate in all of our employee benefit plans, such as medical, dental, vision, group life and accidental death and dismemberment insurance, our 401(k) plan and our nonqualified deferred compensation program. Effective January 1, 2015, we match 100% of the first 2% of eligible earnings contributed to our 401(k) plan, and match 50% of the next 4% of eligible earnings contributed, up to a maximum of $6,000 per calendar year. Under the Company s nonqualified deferred compensation program (discussed in further detail below), participating employees (including the NEOs) may defer a percentage of their compensation. The program permits contributions on a tax deferred basis in excess of IRS limits imposed on 401(k) plans as permitted and in compliance with Internal Revenue Code Section 409A. The only additional retirement benefits (other than the 401(k) plan) that we offer to certain of our NEOs are those under the Executive Retirement Medical Plan discussed above.

Tax Deductibility of Compensation

Section 162(m) of the Code generally disallows a tax deduction to publicly held companies for compensation paid to certain executive officers to the extent that compensation exceeds $1 million per officer in any year. The Company generally seeks to maximize the deductibility for tax purposes of all elements of compensation. Our 1999 Plan is structured so that any compensation recognized by an executive officer in connection with the exercise of his or her outstanding options under the plan will qualify as performance-based compensation and will not be subject to the $1 million limitation. In addition, our 1999 Plan allowed our Compensation Committee to structure the PBRSUs as performance-based compensation under Section 162(m), and our Executive Compensation Plan allows us to structure our cash incentives that are paid thereunder to qualify for a deduction under Section 162(m). The Compensation Committee, however, periodically reviews applicable tax provisions, such as Section 162(m), and may revise compensation plans from time to time to comply with their rules and to maximize deductibility.

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The information contained in the following Compensation Committee Report shall not be deemed to be soliciting material or to be filed with the Securities and Exchange Commission, nor shall such information be incorporated by reference into any future filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that the Company specifically incorporates it by reference in such filing.

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management and, based upon such review and discussions, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in this Proxy Statement.

Submitted by the Compensation Committee of the Board of Directors:

Robert T. Wall, Chairman

Gerald Held

Kathryn M. Hill

George T. Shaheen

Richard P. Wallace

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Summary Compensation Table

The table below summarizes the compensation information for the NEOs for fiscal 2016, fiscal 2015, and fiscal 2014.

Name and Principal Position	Year	Salary ($)(1)	Bonus ($)(2)	Stock Awards ($)(3)	Option Awards ($)(3)	Non-Equity Incentive Plan Compensation ($)(4)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)(5)	Total ($)
George Kurian	2016	786,538	44,990	8,196,616		477,366		8,813	9,514,323
Chief Executive Officer	2015	480,000		1,855,845	1,320,490	353,760		7,635	4,017,730
and President(6)	2014	428,000		1,254,975	704,579	414,304		7,450	2,809,308
Thomas Georgens	2016	112,500						5,004,439	5,116,139
Former Chairman	2015	962,500		4,368,750	3,079,500	967,312		13,482	9,391,544
of the Board and Former Chief Executive Officer(7)	2014	942,500		2,476,275	3,909,560	1,244,100		8,140	8,580,575
Ronald Pasek Executive Vice President and Chief Financial Officer(8)	2016	31,731						208	31,939
Jeffrey Bergmann Former interim Chief Financial Officer; Vice President,	2016	331,046		207,514		115,866		13,069	667,495

Corporate Finance(9)									
Nicholas R. Noviello Former Executive Vice President Finance and Operations; Former Chief Financial Officer(10)	2016 2015 2014	436,154 600,000 504,327		4,118,009 1,374,894 1,203,795	 1,006,132 977,390	 442,200 488,188		3,006 8,489 4,575	4,557,169 3,431,715 3,178,275
Joel Reich Executive Vice President, Product Operations(11)	2016	419,454	24,202	2,243,252		180,589		10,967	2,878,464
Robert E. Salmon Former President and Head of Go-to-Market Operations(12)	2016 2015 2014	662,500 650,000 613,942	41,700	4,274,976 1,560,870 1,326,705	 1,142,227 1,075,129	311,159 522,600 594,296		12,574 10,431 6,248	5,302,909 3,886,128 3,616,320
Matthew K. Fawcett Senior Vice President, General Counsel and Secretary(13)	2016 2015 2014	489,231 465,000 430,000	20,529	2,539,327 1,485,375 903,750	 452,481 733,043	153,186 249,240 302,720		7,716 7,536 4,455	3,202,909 2,659,632 2,373,968

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(1) Our fiscal 2016 was a 53-week year and therefore the salary for 2016 contains an extra week of pay. Fiscal 2015 and fiscal 2014 were 52-week years.

(2) Amounts shown represent a one-time discretionary bonus approved by the Compensation Committee in recognition of the recipient s successful execution and completion of the acquisition of SolidFire, Inc. and the integration of the SolidFire, Inc. business into the Company.

(3) Amounts shown represent the aggregate grant date fair value as calculated for financial statement reporting purposes in accordance with FASB ASC 718 for RSUs, PBRSUs and stock option awards, as applicable, granted in fiscal 2016, fiscal 2015, and fiscal 2014. The estimated fair value of PBRSUs, which were first granted in fiscal 2016, is calculated based on the Monte Carlo simulation method at the date of grant. This estimated fair value for PBRSUs is different from (and lower than) the maximum value of PBRSUs set forth above. These amounts do not necessarily represent actual value that may be realized by the NEOs. Assumptions used in the valuations of these awards are included in Note 11 of the Annual Report.

(4) Amounts shown consist of payouts under the Company s Executive Compensation Plan paid based upon the Company achieving 93.3% of its target revenue goal and 81.1% of its target operating profit goal under its fiscal 2016 plan, 94% of its target revenue goal and 92% of its target operating profit goal under its fiscal 2015 plan, and 93% of its target revenue goal and 99% of its target operating profit goal under its fiscal 2014 plan. This resulted in each NEO receiving 38.3%, 67%, and 88% of his non-equity compensation target for fiscal 2016, fiscal 2015, and fiscal 2014, respectively. The amount shown for Mr. Kurian in fiscal reflects the Company achieving 95.4% of its prorated target revenue goal and 82.8% of its prorated target operating profit goal during the prorated performance period from June 1, 2015 through the end of fiscal 2016 and Mr. Kurian receiving 46.4% of his additional non-equity compensation target. Mr. Bergmann did not participate in the Company s Executive Compensation Plan in fiscal 2016. Instead, he participated in the incentive compensation plan for non-executives under which a payment of 66% of target was paid to participating employees.

(5) **All Other Compensation Table**

Name	**Year**	**401(k) ($) (A)**	**Life Insurance Coverage ($) (B)**	**Other ($)**	**Total ($)**
George Kurian	2016	6,000	2,813		8,813
	2015	6,000	1,635		7,635
	2014	6,000	1,450		7,450
Thomas Georgens	2016		1,007	5,003,432 (C)	5,004,439
	2015	6,000	7,482		13,482
	2014	3,000	5,140		8,140
Ronald Pasek	2016		208		208

Jeffrey Bergmann	2016	6,250	6,819	13,069
Nicholas R. Noviello	2016	1,292	1,714	3,006
	2015	6,000	2,489	8,489
	2014	3,000	1,575	4,575
Joel Reich	2016	6,915	4,052	10,967
Robert E. Salmon	2016	6,000	6,574	12,574
	2015	6,000	4,431	10,431
	2014	3,000	3,248	6,248
Matthew K. Fawcett	2016	6,046	1,670	7,716
	2015	5,954	1,582	7,536
	2014	3,000	1,455	4,455

(A) Amounts shown represent Company s matching contributions under the tax-qualified 401(k) plan.

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(B) Amounts shown represent the imputed income of term life insurance coverage in excess of $50,000.

(C) Amount consists of $5,000,000 cash severance payment plus $3,432 in approximate value of administrative services provided pursuant to the Georgens Separation Agreement entered into in June 2015.

(6) Mr. Kurian became our CEO in June 2015 and our President in May 2016. He previously served as our Executive Vice President of Product Operations, and first became an NEO effective September 20, 2013. Mr. Kurian received 60.7 % of his eligible earnings for fiscal 2016, 73.7% of his eligible earnings for fiscal 2015, and 96.8% of his eligible earnings for fiscal 2014.

(7) Mr. Georgens served as our Chairman and CEO until his departure in June 2015. He was not eligible for participation in fiscal 2016 and received 100.5% of his eligible earnings for fiscal 2015, and 132% of his eligible earnings for fiscal 2014.

(8) Mr. Pasek became our Executive Vice President and Chief Financial Officer in March 2016.

(9) Mr. Bergmann served as our Interim Chief Financial Officer from January 4, 2016 to April 11, 2016. Upon Mr. Pasek s appointment, Mr. Bergmann resumed his previous role as Vice President of Corporate Finance of the Company. Mr. Bergmann received 35% of his eligible earnings for fiscal 2016.

(10) Mr. Noviello resigned as an executive officer on December 30, 2015 and departed from the Company on January 14, 2016. Mr. Noviello was not eligible for participation in fiscal 2016 and received 73.7% of his eligible earnings for fiscal 2015, and 96.8% of his eligible earnings for fiscal 2014.

(11) Mr. Reich received 43.1% of his eligible earnings for fiscal 2016. He first became an NEO effective June 2015.

(12) Mr. Salmon received 47% of his eligible earnings for fiscal 2016, 80.4% of his eligible earnings for fiscal 2015, and 96.8% of his eligible earnings for fiscal 2014. Mr. Salmon retired from the Company effective April 29, 2016.

(13) Mr. Fawcett received 31.3% of his eligible earnings for fiscal 2016, 53.6% of his eligible earnings for fiscal 2015, and 70.4% of his eligible earnings for fiscal 2014.

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Grants of Plan-Based Awards

The table below summarizes information concerning all plan-based awards granted to the NEOs during fiscal 2016, which ended on April 29, 2016. Mr. Georgens and Mr. Pasek did not receive any plan-based awards during fiscal 2016. Mr. Noviello forfeited his grants in connection with his resignation in January 2016.

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards(1)			Estimated Future Payouts Under Equity Incentive Plan Awards(2)				
Name	**Grant Date**	**Threshold ($)(3)**	**Target ($)(4)**	**Maximum ($)(5)**	**Threshold (#)**	**Target (#)**	**Maximum (#)**	**All Other Stock Awards: Number of Shares of Stock or Units (#)(6)**	**Grant Date Fair Value of Stock Awards ($)(7)**
George Kurian	08/03/15							42,900	1,240,260
	08/03/15							42,900	1,240,260
	08/03/15				32,150	64,300	128,600		2,133,474
	08/03/15				10,725	21,450	42,900		711,711
	08/03/15				32,150	64,300	128,600		2,152,764
	08/03/15				10,725	21,450	42,900		718,146
		187,458	865,192	1,730,384					
		68,167	314,615	629,230					
Jeffrey K. Bergmann	06/23/15							6,200	207,514
		52,967	158,902	278,079					
Nicholas R. Noviello	06/23/15							37,100	1,215,767
	06/23/15							11,400	373,578
	06/23/15				13,925	27,850	55,700		1,041,590
	06/23/15				2,850	5,700	11,400		213,180
	06/23/15				13,925	27,850	55,700		1,057,465
	06/23/15				2,850	5,700	11,400		216,429
		143,000	660,000	1,320,000					
Joel Reich	06/23/15							11,400	373,578
	06/23/15							13,700	448,949
	06/23/15				4,275	8,550	17,100		319,770
	06/23/15				5,150	10,300	20,600		385,220
	06/23/15				4,275	8,550	17,100		324,644
	06/23/15				5,150	10,300	20,600		391,091
		99,970	461,399	922,798					

Robert E. Salmon	06/23/15							11,400	373,578
	06/23/15							38,900	1,274,753
	06/23/15				14,575	29,150	58,300		1,090,210
	06/23/15				2,850	5,700	11,400		213,180
	06/23/15				14,575	29,150	58,300		1,106,826
	06/23/15				2,850	5,700	11,400		216,429
		172,250	795,000	1,590,000					
Matthew K. Fawcett	06/23/15							19,400	635,738
	06/23/15							11,400	373,578
	06/23/15				7,300	14,600	29,200		546,040
	06/23/15				2,850	5,700	11,400		213,180
	06/23/15				7,300	14,600	29,200		554,362
	06/23/15				2,850	5,700	11,400		216,429
		84,800	391,385	782,769					

(1) Amounts shown in these columns represent the range of possible cash payouts for each NEO under the Company s Executive Compensation Plan, as determined by the Compensation Committee in June 2015 and, in the case of Mr. Kurian, August 2015, except in the case of Mr. Bergmann where the amounts shown represent the range of possible payouts under the Company s non-executive incentive compensation plan. For more detail on Mr. Kurian s two cash incentive opportunities, please see the discussion in the *Executive Compensation Plan* section of the *Compensation Discussion and Analysis* above.

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(2) Represents awards of PBRSUs granted under the Stock Issuance Program of the 1999 Plan. Each PBRSU has performance-based vesting criteria (in addition to the service based vesting criteria) such that the PBRSU cliff-vests at the end of either an approximate two year or three year performance period, which began on the date specified in the grant agreement and ends the last day of fiscal 2017 or 2018, respectively. The number of shares of common stock that will be issued to settle the PBRSUs at the end of the applicable performance and service period will range from 0% to 200% of a target number of shares originally granted, and will depend upon our Total Stockholder Return (TSR) as compared to an index TSR (each expressed as a growth rate percentage) calculated as of the applicable period end date. For additional information regarding the specific terms of the PBRSUs granted to our NEOs in fiscal 2016, see the discussion in the *PBRSUs* section of the *Compensation Discussion and Analysis* above. Upon vesting, each PBRSU automatically converts into one share of Company common stock, and does not have an exercise price or expiration date.

(3) This column sets forth the threshold amount payout based on the Company s achievement of at least 80% of its targeted operating profit goal and 85% of its targeted revenue goal for fiscal 2016. If the Company fails to achieve these targets, no amounts under the Executive Compensation Plan are paid. For Mr. Bergmann, this column sets forth the payout amount based on the Company s achievement of the threshold amounts under a plan for non-executive employees.

(4) The estimated payouts are based upon the Company achieving 100% of its targeted operating profit and 100% of its targeted revenue goal for fiscal 2016. For Mr. Bergmann, this column sets forth the payout amount based on the Company s achievement of the target amounts under a plan for non-executive employees.

(5) The Executive Compensation Plan is capped at a maximum of 200% of the target cash payouts. For Mr. Bergmann, this column sets forth the payout amount based on the Company s achievement of the maximum amounts under a plan for non-executive employees.

(6) The RSUs were granted under the Stock Issuance Program of the 1999 Plan. Each award vests as to 25% of the shares beginning on the first anniversary of the grant date and 25% on each of the next three anniversaries of the grant date, subject to the NEO s continuous service with the Company on each such date.

(7) The amounts shown represent the aggregate grant date fair value as calculated for financial statement reporting purposes in accordance with FASB ASC 718 for RSUs and PBRSUs, as applicable, granted in fiscal 2016. The estimated fair value of PBRSUs is calculated based on Monte Carlo simulation method at the date on which the PBRSUs are granted. This estimated fair value for PBRSUs is different from (and lower than) the maximum value of PBRSUs set forth below. These amounts do not necessarily represent actual value that may be realized by the NEOs. Assumptions used in the valuations of these awards are included in Note 11 of the Annual Report.

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Outstanding Equity Awards at Fiscal Year End

The following table sets forth information regarding stock options and stock awards held by the NEOs as of April 29, 2016.

		Option Awards					**Stock Awards**			
	Grant Date	**Number of Securities Underlying Unexercised Options (#) Exercisable**	**Number of Securities Underlying Unexercised Options (#) Unexercisable**	**Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)**	**Option Exercise Price ($)**	**Option Expiration Date**	**Number of Shares or Units of Stock That Have Not Vested (#)**	**Market Value of Shares or Units of Stock That Have Not Vested ($)**	**Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)**	**Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)**
George Kurian	04/15/2011 (1)	75,000			48.56	04/14/2018				
	06/01/2012 (2)(3)	31,145	1,355		29.44	05/31/2019	2,700	63,828		
	10/15/2012 (2)						5,000	118,200		
	06/03/2013 (2)(3)	24,862	10,238		37.64	06/02/2020	10,850	256,494		
	10/15/2013 (2)(4)	23,250	12,750		40.70	10/14/2020	6,000	141,840		
	06/03/2014 (2)(3)	73,700	87,100		36.59	06/02/2021	39,825	941,463		
	08/03/2015 (2)						42,900	1,014,156		

	08/03/2015 (2)					42,900	1,014,156		
	08/03/2015 (5)							64,300	1,520,052
	08/03/2015 (5)							64,300	1,520,052
	08/03/2015 (5)							21,450	507,078
	08/03/2015 (5)							21,450	507,078
Thomas Georgens	06/01/2010 (1)	300,000		37.62	06/05/2016				
	06/01/2011 (1)	275,000		53.22	06/05/2016				
	06/01/2012 (1)	58,334		29.44	06/05/2016				
	06/03/2013 (1)	200,000		37.64	06/05/2016				
	06/03/2014 (1)	93,750		36.59	06/05/2016				
Jeffrey K. Bergmann	06/01/2010 (1)	4,688		37.62	05/31/2017				
	06/01/2011 (1)	7,400		53.22	05/31/2018				
	06/01/2012 (2)(3)	7,666	334	29.44	05/31/2019	675	15,957		
	06/01/2013 (2)(3)	5,737	2,363	37.64	05/31/2020	1,350	31,914		
	06/03/2014 (2)(3)	2,507	2,963	36.59	06/02/2021	3,187	75,341		
	06/23/2015 (6)					6,200	146,568		
Joel D. Reich	06/01/2010 (1)	7,709		37.62	05/31/2017				
	06/01/2011 (1)	10,000		53.22	05/31/2018				
	06/01/2012 (2)(3)	3,900	600	29.44	05/31/2019	1,200	28,368		
	06/03/2013 (2)(3)	10,200	4,200	37.64	06/02/2020	2,400	56,736		
	11/15/2013 (2)(3)	15,625	9,375	41.42	11/14/2020	4,166	98,484		
	06/03/2014 (2)(3)	5,600	9,100	36.59	06/02/2021	9,750	230,490		
	06/23/2015 (2)					11,400	269,496		
	06/23/2015 (2)					13,700	323,868		
	06/23/2015 (5)							8,550	202,122
	06/23/2015 (5)							10,300	243,492
	06/23/2015 (5)							8,550	202,122
	06/23/2015 (5)							10,300	243,492
Robert E. Salmon	06/01/2010 (1)	75,000		37.62	05/31/2017				
	06/01/2011 (1)	64,000		53.22	05/31/2018				
	06/01/2012 (2)(3)	31,250	3,125	29.44	05/31/2019	11,250	265,950		
	06/03/2013 (2)(3)	77,916	32,084	37.64	06/02/2020	18,350	433,794		
	05/15/2014 (2)	70,500	70,500	34.71	05/14/2021	35,250	833,310		
	06/23/2015 (2)					38,900	919,596		
	06/23/2015 (2)					11,400	269,496		
	06/23/2015 (5)							29,150	689,106
	06/23/2015 (5)							5,700	134,748
	06/23/2015 (5)							29,150	689,106
	06/23/2015 (5)							5,700	134,748

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		Option Awards					Stock Awards			
	Grant Date	Number of Securities Underlying Unexercised Options (#) Exercisable	Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)
Matthew K. Fawcett	09/15/2010 (1)	75,000			49.30	09/14/2017				
	06/01/2011 (1)	21,500			53.22	05/31/2018				
	06/01/2012 (2)(3)	23,958	1,042		29.44	05/31/2019	3,950	93,378		
	06/03/2013 (2)(3)	53,125	21,875		37.64	06/02/2020	12,500	295,500		
	06/03/2014 (2)(3)	25,254	29,846		36.59	06/02/2021	31,875	753,525		
	06/23/2015 (2)						19,400	458,616		
	06/23/2015 (2)						11,400	269,496		
	06/23/2015 (5)								14,600	345,144
	06/23/2015 (5)								5,700	134,748
	06/23/2015 (5)								14,600	345,144
	06/23/2015 (5)								5,700	134,748

(1) All shares subject to the option are fully vested.

(2) For these awards, 1/4th of the RSU shares awarded on the grant date vest over four years on each anniversary of the grant date, subject to continued service on each applicable vesting date.

(3) For this option, 1/48th of the shares subject to the option vest monthly in equal installments over four years measured from the grant date, subject to continued service through each applicable vesting date.

(4) For this option, 1/4th of the shares subject to the option vested on the one-year anniversary of the vesting commencement date. Thereafter, 1/48th of the shares subject to the option vest monthly in equal installments over 36 months, subject to continued service through each applicable vesting date.

(5) These awards are PBRSUs. The number of shares and value of the shares reported in the table is the target amount as of April 29, 2016. Up to an additional 100% of the target amount may be earned, depending on the relative performance of our TSR compared to the median TSR of the companies listed in the Hardware and Equipment Index.

(6) For these awards, 50% of the shares awarded on the grant date vest over two years on each anniversary of the grant date, subject to continued service on each applicable vesting date.

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Option Exercises and Stock Vested for Fiscal 2016

The following table provides information regarding options and stock awards exercised and vested, respectively, and the value realized for each of the NEOs during fiscal 2016.

	Option Awards		Stock Awards	
Name	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($)(1)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ($)(2)
George Kurian			38,150 (3)	1,222,803
Thomas Georgens	200,000	687,000	63,375 (4)	2,105,552
Jeffrey K. Bergmann			6,788 (5)	212,694
Nicholas R. Noviello	45,000	283,950	26,925 (6)	916,683
Joel D. Reich			11,083 (7)	343,927
Robert E. Salmon			37,200 (8)	1,260,571
Matthew K. Fawcett			22,525 (9)	748,335

(1) Represents the product obtained by multiplying (1) the number of shares of the Company s common stock issued upon the exercise of stock options; by (2) the excess of the closing price of the Company s common stock on the NASDAQ Global Select Market on the exercise date over the exercise price per share.

(2) Represents the product obtained by multiplying (1) the number of shares of the Company s common stock issued upon the vesting of RSUs; by (2) the closing price of the Company s common stock on the NASDAQ Global Select Market on the vesting date.

(3) Of this amount, 16,553 shares were withheld by the Company to satisfy tax withholding requirements.

(4) Of this amount, 28,670 shares were withheld by the Company to satisfy tax withholding requirements.

(5) Of this amount, 2,622 shares were withheld by the Company to satisfy tax withholding requirements.

(6) Of this amount, 10,993 shares were withheld by the Company to satisfy tax withholding requirements.

(7) Of this amount, 3,593 shares were withheld by the Company to satisfy tax withholding requirements.

(8) Of this amount, 15,122 shares were withheld by the Company to satisfy tax withholding requirements.

(9) Of this amount, 8,462 shares were withheld by the Company to satisfy tax withholding requirements.

Nonqualified Deferred Compensation

Under the Company s Deferred Compensation Plan, key employees, including the NEOs, may defer from 1% to 100% of the compensation they receive. The Deferred Compensation Plan allows contributions on a tax deferred basis in excess of IRS limits imposed on 401(k) plans as permitted and in compliance with Internal Revenue Code Section 409A. Eligible employees may defer an elected percentage of eligible earnings that include base salary, sales incentive compensation, and Company incentive compensation. Eligible employees are director level and higher employees who are on the U.S. payroll. Elections made under the Deferred Compensation Plan are irrevocable for the period (plan year) to which they apply, and cannot be changed or terminated. If no new election is made for a subsequent plan year, the election will be 0%. Previous elections do not carry forward.

Interest (earnings) is not calculated by the Company or related to the Company s earnings in the last fiscal year. Instead, deferrals are placed (at the participant s direction) into a variety of publicly traded mutual funds administered through Fidelity Investments. The mutual funds available mirror those in our 401(k) plan. Available mutual funds are selected and monitored by the 401(k) Committee, which comprises a group of executives (none of whom are NEOs), with input from an outside investment advisor as well as Fidelity Investment Advisors.

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Participants are permitted to make changes to their investment choices (but not their deferral percentages) at any time, but always within the family of publicly traded mutual funds. Neither common stock of the Company nor securities of any other issuers are included among the investment choices. However, it is possible that common stock of the Company may compose a portion of the portfolio of investments held by these mutual funds.

At the time of initial election, the participant must also elect a distribution option. Distribution options include a Separation Account (paid six months after termination of employment) or an In-Service Account (paid at a specified fixed future date). Participants are not permitted to change the timing of a Separation Account. In-Service Account distributions begin on January 15 of the specified year, and deferrals must be at least two years old before distribution can begin. Participants are permitted to delay the timing of an In-Service Account, but any such modification to timing must delay the distribution for at least five years.

The following table represents the executive contributions, earnings and account balances for the NEOs in the Deferred Compensation Plan.

Nonqualified Deferred Compensation for Fiscal 2016

Name	Executive Contributions in Last Fiscal Year ($)(2)	Company Contributions in Last Fiscal Year ($)(3)	Aggregate Earnings in Last Fiscal Year ($)(4)	Aggregate Withdrawals/ Distributions ($)	Aggregate Balance at Last Fiscal Year End ($)
George Kurian					
Thomas Georgens					
Jeffrey K. Bergmann					
Nicholas R. Noviello(1)	111,099		(13,125)		289,640
Joel D. Reich					
Robert E. Salmon					
Matthew K. Fawcett					

(1) Mr. Noviello was the only NEO who participated in the Deferred Compensation Plan during fiscal 2016.

(2) Mr. Noviello s contributions during fiscal 2016 included $66,330 of cash incentive compensation for fiscal 2015 and $44,769 of base salary for 2016, which amounts are included in the respective columns of the Summary Compensation Table.

(3) The Company does not make contributions to the Deferred Compensation Plan.

(4)

The amounts in this column correspond to a composite of the actual market earnings (or losses) on a group of investment funds selected by the applicable NEO for purposes of tracking the notional investment return on his account balance for fiscal 2016. No portion of the reported amount was above market or preferential. Accordingly, amounts reported in the aggregate earnings column are not reported in the Change in Pension Value and Nonqualified Deferred Compensation Earnings column of the Summary Compensation Table.

Pension Benefits

The Company does not provide pension benefits or a defined contribution plan to the NEOs other than the tax-qualified 401(k) plan.

Potential Payments upon Termination or Change of Control

Change of Control Severance Agreements

In June 2008, the Compensation Committee approved the terms of a change of control severance arrangement. Since then, we have entered into a Change of Control Severance Agreement with certain senior executives, including each of the NEOs, other than Mr. Bergmann. In July 2012, the Compensation Committee approved the extension of the current Change of Control Severance Agreements with each of the then-current senior executives, including Mr. Salmon, Mr. Noviello and Mr. Fawcett, until June 15, 2015. Thereafter, the Change of Control Severance Agreements renew automatically for an additional one-year term unless either party provides the other with a notice of nonrenewal at least 60 days prior to the date of automatic renewal. Mr. Kurian entered into a Change of Control Severance Agreement on September 20, 2013, in connection with his appointment as Executive Vice President Product Operations. In June 2015, in connection with Mr. Kurian being named CEO, the Compensation Committee approved an amendment to Mr. Kurian s Change of Control Severance Agreement. In June 2015, the Company entered into a Change of Control Severance Agreement with Mr. Reich in connection with his promotion to Executive Vice President of Product Operations. In April 2016, the Company entered into a Change of Control Agreement with Mr. Pasek in connection with his appointment as Executive Vice President, Chief Financial Officer. In August 2009, the Compensation Committee approved the terms of, and we entered into, an Amended and Restated Change of Control Severance Agreement with Mr. Georgens. Mr. Georgens employment with the Company concluded in June 2015 and he is no longer eligible to receive benefits under his Amended and Restated Change of Control Severance Agreement. Mr. Noviello resigned in January 2016 and he is no longer eligible to receive benefits under his Change of Control Severance Agreement. Mr. Salmon retired as President at the end of fiscal 2016 and left the Company in June 2016 and he is no longer eligible to receive benefits under his Change of Control Severance Agreement. Following the end of fiscal 2016, on June 22, 2016, the Company entered into new Change of Control Severance Agreements (the New Change of Control Agreements) with key senior executives, including Messrs. Kurian, Pasek, Reich and Fawcett, which supersede the Change of Control Severance Agreements in effect at the end of fiscal 2016.

The Compensation Committee believes these agreements are necessary for us to retain key senior executives in the event of an acquisition of the Company. In approving the agreements, the Compensation Committee s objectives were to (1) assure we would have the continued dedication and objectivity of our senior executives, notwithstanding the possibility of a change of control of the Company, thereby aligning the interests of these key senior executives with those of the stockholders in connection with potentially advantageous offers to acquire the Company; and (2) create a total executive compensation plan that is competitive with our Compensation Peer Group.

Term of Change of Control Severance Agreement

Each Change of Control Severance Agreement has an initial term of three years; provided that the Change of Control Severance Agreement for each of Mr. Reich and Mr. Pasek has an initial term of one year. Thereafter, the Change of Control Severance Agreement renews automatically for an additional one-year term unless either party provides the other with a notice of nonrenewal at least 60 days prior to the date of automatic renewal. If a Change of Control (as defined below) occurs at any time during the term of the agreement, the term of the Change of Control Severance Agreement will extend automatically for 12 months following the effective date of the Change of Control. If a senior executive becomes entitled to severance benefits pursuant to his or her Change of Control Severance Agreement, the Change of Control Severance Agreement will not terminate until all of obligations of the Change of Control

Severance Agreement have been satisfied.

Each New Change of Control Agreement has a term of three years. If a Change of Control (as defined below) occurs at any time during the term of the agreement, the term of the New Change of Control Agreement will extend automatically for 24 months following the effective date of the Change of Control. If a senior executive becomes entitled to severance benefits pursuant to his or her New Change of Control Agreement, the New Change of Control Agreement will not terminate until all of obligations of the New Change of Control Agreement have been satisfied.

Circumstances Triggering Payment under Change of Control Severance Agreement

Each Change of Control Severance Agreement provides that if the Company terminates a senior executive s employment without Cause (as defined below) or if the senior executive resigns for Good Reason (as defined below), and such termination or resignation occurs on or within 12 months after a Change of Control (24 months under the New Change of Control Agreement), the senior executive will receive certain benefits (as described below). The senior executive will not be entitled to any benefits, compensation or other payments or rights upon his or her termination following a Change of Control other than as set forth in his or her Change of Control Severance Agreement.

If the senior executive voluntarily terminates his or her employment with the Company (other than for Good Reason during the period that is on or within 12 months (24 months under the New Change of Control Agreement) after a Change of Control), or if the Company terminates the senior executive s employment for Cause, then the senior executive will not be entitled to receive severance or benefits except for those (if any) provided in the Company s existing severance and benefits plans and practices or pursuant to other written agreements with the Company.

If the Company terminates the senior executive s employment as a result of the senior executive s disability, or if the senior executive s employment terminates due to his or her death, then the senior executive will not be entitled to receive severance or benefits, except for those (if any) provided in the Company s existing severance and benefits plans and practices or pursuant to other written agreements with the Company.

If the senior executive voluntarily terminates his or her employment and such termination is for Good Reason, or if the Company terminates the senior executive s employment without Cause, and in either event such termination does not occur on or within 12 months after a Change of Control (24 months under the New Change of Control Agreement), then the senior executive will not be entitled to receive severance or benefits except for those (if any) as provided in the Company s existing severance and benefits plans and practices or pursuant to other written agreements with the Company.

The Company has general severance guidelines applicable to all employees, including the NEOs, providing for additional months of pay and welfare benefits based on years of service, plus periods of access to a career center and office resources, one-on-one coaching, and access to an online jobs database, but payment of any severance and other benefits pursuant to the guidelines is discretionary. For NEOs, these severance guidelines provide for up to twelve months salary and continuation of welfare benefits and payment of prorated non-equity incentive plan benefits. However, if the senior executive is eligible to receive any payments under his or her Change of Control Severance Agreement, the senior executive will not be eligible to receive any payments or benefits pursuant to any Company severance plan, policy, guidelines or other arrangement. In connection with Mr. Georgens resignation, in lieu of receiving benefits pursuant to the guidelines, he entered into the Georgens Separation Agreement and participates in the Executive Medical Retirement Plan. Mr. Salmon was not eligible to receive benefits pursuant to the guidelines because his termination of employment was in connection with his retirement. Mr. Salmon entered into the Salmon Transition Agreement and participates in the Executive Medical Retirement Plan. Please see *Termination of Employment and Change of Control Agreements Separation Agreements* below for further information on the Georgens Separation Agreement, Salmon Transition Agreement and Messr. Georgens and Salmon s benefits under the Executive Medical Retirement Plan.

Timing and Form of Severance Payments under Change of Control Severance Agreement

Unless otherwise required by Section 409A of the Internal Revenue Code, any severance payments to be made pursuant to the Change of Control Severance Agreement will be paid in a lump sum as soon as practicable following the senior executive s termination date. No severance or other benefits will be paid or provided until a separation agreement and release of claims between the senior executive and the Company becomes effective. If the senior executive should die before all of the severance has been paid, any unpaid amounts will be paid in a lump-sum payment to the senior executive s designated beneficiary.

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Severance Payments Under Change of Control Severance Agreement

If the Company terminates a senior executive s employment without Cause or if the senior executive resigns for Good Reason and such termination occurs on or within 12 months after a Change of Control (24 months under the New Change of Control Agreement), the senior executive will receive the following benefits:

The sum of (1) 200% (250% in the case of Mr. Kurian) of the senior executive s annual base salary as in effect immediately prior to the senior executive s termination date or (if greater) at the level in effect immediately prior to the Change of Control; and (2) 100% of the senior executive s target annual bonus in effect immediately prior to the senior executive s termination date or (if greater) at the level in effect immediately prior to the Change of Control;

Under the New Change of Control Agreement, the sum of (1) 150% (200% in the case of Mr. Kurian) of the senior executive s annual base salary as in effect immediately prior to the senior executive s termination date or (if greater) at the level in effect immediately prior to the Change of Control; and (2) 150% (200% in the case of Mr. Kurian) of the senior executive s target annual bonus in effect immediately prior to the senior executive s termination date or (if greater) at the level in effect immediately prior to the Change of Control;

All accrued but unpaid vacation, expense reimbursements, wages, and other benefits due to the senior executive under any Company plan or policy (except that a senior executive will not be eligible to receive any benefits under any Company severance plan, policy or other arrangement);

Accelerated vesting of the senior executive s outstanding equity awards as follows:

The Change of Control Severance Agreement entered into with Mr. Kurian, as amended in June 2015, provides that equity awards will vest in full as to 100% of the unvested portion of the award.

The Change of Control Severance Agreements entered into with the senior executives provide that equity awards subject to time-based vesting will vest as to that portion of the award that would have vested through the 24 month period following the senior executive s termination date had the senior executive remained employed through such period. Additionally, the senior executive will be entitled to accelerated vesting as to an additional 50% of the then unvested portion of all of his or her outstanding equity awards that are scheduled to vest pursuant to performance-based criteria, if any, unless otherwise provided in the applicable award agreement governing the equity award.

The New Change of Control Severance Agreements provide that equity awards subject to time-based vesting will vest as to that portion of the award that would have vested through the 48 month period following the applicable senior executive s termination date had the senior executive remained employed through such period. Additionally, the senior executive will be entitled to accelerated vesting as to an additional 100% of the then unvested portion of all of his or her outstanding equity awards that are scheduled to vest pursuant to performance-based criteria, if any, unless otherwise provided in the applicable award agreement governing the equity award.

Each senior executive will have one year following the date of his or her termination in which to exercise any outstanding stock options or other similar rights to acquire Company stock (but such post termination exercise period will not extend beyond the original maximum term of the award).

If the senior executive elects continuation coverage pursuant to COBRA for himself or herself and his or her eligible dependents, the Company will reimburse the senior executive for the COBRA premiums for such coverage until the earlier of (1) 18 months (or 24 months in the case of Mr. Kurian following the June 2015 amendment to his Change of Control Severance Agreement); or (2) the date upon which the senior executive and/or the senior executive s eligible dependents are covered under similar plans.

Conditions to Receipt of Severance under Change of Control Severance Agreement

The senior executive s receipt of any payments or benefits under the Change of Control Severance Agreement will be subject to the senior executive continuing to comply with the terms of any confidential information agreement entered into between the senior executive and the Company and complying with the provisions of the Change of

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Control Severance Agreement. Additionally, the receipt of any severance payment under the Change of Control Severance Agreement is conditioned on the senior executive signing and not revoking a separation agreement and release of claims with the Company, with such release to be effective no later than March 15 of the year following the year in which the termination occurs.

Excise Tax under Change of Control Severance Agreement

In the event that the severance payments and other benefits payable to the senior executive pursuant to his or her Change of Control Severance Agreement constitute parachute payments under Section 280G of the U.S. tax code and would be subject to the applicable excise tax, then the senior executive s severance benefits will be either (1) delivered in full; or (2) delivered to such lesser extent which would result in no portion of such benefits being subject to the excise tax, whichever results in the receipt by the senior executive on an after-tax basis of the greatest amount of benefits. To the extent the senior executive s severance benefits are delivered in full, the Company will not provide the senior executive any tax gross-up to cover the cost of any excise tax.

Definitions Contained in Change of Control Severance Agreement

Each Change of Control Severance Agreement defines Cause as: (1) the senior executive s continued intentional and demonstrable failure to perform his or her duties customarily associated with his or her position (other than any such failure resulting from the senior executive s mental or physical disability) after the senior executive has received a written demand of performance from the Company and the senior executive has failed to cure such nonperformance within 30 days after receiving such notice; (2) the senior executive s conviction of, or plea of nolo contendere to, a felony that the Board of Directors reasonably believes has had or will have a material detrimental effect on the Company s reputation or business; or (3) the senior executive s commission of an act of fraud, embezzlement, misappropriation, willful misconduct, or breach of fiduciary duty against, and causing material harm to, the Company.

Each Change of Control Severance Agreement defines Change of Control as any of the following events: (1) a change in the ownership of the Company which occurs on the date that any one person, or more than one person acting as a group (either, a Person), acquires ownership of the stock of the Company that, together with the stock held by such Person, constitutes more than 50% of the total voting power of the stock of the Company, except that any change in the ownership of the stock of the Company as a result of a private financing of the Company that is approved by the Board of Directors will not be considered a Change of Control; (2) a change in the effective control of the Company which occurs on the date that a majority of the members of the Board of Directors is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election; or (3) a change in the ownership of a substantial portion of the Company s assets which occurs on the date that any Person acquires (or has acquired during the 12 month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total gross fair market value equal to or more than 50% of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions. Notwithstanding the foregoing provisions of this definition, a transaction will not be deemed a Change of Control unless the transaction qualifies as a change of control event within the meaning of Section 409A of the Internal Revenue Code.

Mr. Kurian s Change of Control Severance Agreement, as amended in June 2015, defines Good Reason as his termination of employment within 90 days following the expiration of any cure period following the occurrence of any of the following, without his consent: (1) a material reduction of his authority or responsibilities, provided that a reduction of authority or responsibilities that occurs as a direct consequence of a Change of Control and the Company becoming part of larger entity will not be considered a material reduction of Mr. Kurian s authority or responsibilities; and any change which results in Mr. Kurian ceasing to have the same functional supervisory authority and responsibility following a Change of Control or a change in Mr. Kurian reporting position so that he no longer directly reports to the Chief Executive Officer or Board of Directors of the parent entity following a Change of Control will constitute a material reduction of his authority or responsibilities; (2) a material reduction in his base salary or target annual incentive (Base Compensation), unless the Company also similarly reduces the

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Base Compensation of all other employees of the Company; (3) a material change in the geographic location at which he must perform services; (4) any purported termination of his employment for Cause without first satisfying the procedural protections set forth in his agreement; or (5) the failure of the Company to obtain the assumption of the agreement by a successor and/or acquirer and an agreement that he will retain substantially similar responsibilities in the acquirer or the merged or surviving company as he had prior to the transaction.

The Change of Control Severance Agreement for each of the senior executives defines Good Reason as the termination of employment within 90 days following the occurrence of any of the following, without the senior executive s consent: (1) a material reduction of the senior executive s authority or responsibilities, or a change in the senior executive s reporting position such that the senior executive no longer reports directly to the officer position or its functional equivalent to which the senior executive was reporting immediately prior to such change in reporting position (unless the senior executive is reporting to the comparable officer position of the parent corporation in a group of controlled corporations following a Change of Control); (2) a material reduction in the senior executive s base salary or target annual incentive (Base Compensation), unless the Company also similarly reduces the Base Compensation of all other employees of the Company with positions, duties and responsibilities comparable to the senior executive s; (3) a material change in the geographic location at which the senior executive must perform services; (4) any purported termination of the senior executive s employment for Cause without first satisfying the procedural protections set forth in his or her agreement; or (5) the failure of the Company to obtain the assumption of the agreement by a successor and/or acquirer and an agreement that the senior executive will retain substantially similar responsibilities in the acquirer or the merged or surviving company as he or she had prior to the transaction.

PBRSUs

In the event of a Change of Control prior to the expiration of the applicable two or three-year performance period for a PBRSU grant, the measurement period will terminate upon the consummation of the Change of Control and the relative performance of the Company s TSR using the per share value of the Company s common stock payable to stockholders in connection with the Change of Control will be measured against the median TSR of the companies listed in the Hardware and Equipment Index for the same period to determine the number of shares that vest at the end of the applicable performance period based on the payout schedule described in the *PBRSUs* section of the *Compensation Discussion & Analysis* of this Proxy Statement (such vesting, the Change of Control Vesting), subject to continuous service by the NEO through the end of the performance period. If the NEO is terminated without Cause or resigns for Good Reason (each as defined in the NEO s Change of Control Agreement) prior to the first anniversary (and, in the case of Mr. Kurian, the second anniversary) of the Change of Control, the vesting of the PBRSUs will accelerate upon the date on which the NEO is terminated or resigns and the number of PBRSUs that vest will be determined in accordance with the Change of Control Vesting. If the NEO s employment terminates due to the NEO s death or permanent disability (a Qualifying Termination), then the measurement period for TSR shall terminate on the date of the Qualifying Termination and the number of PBRSUs that vest (measured based on the actual performance of the Company s TSR against the median TSR of the companies listed in the Hardware and Equipment Index) will be prorated based on the percentage of time worked during the applicable performance period. In the event of the voluntary termination of employment by the NEO either (a) after reaching 62 years of age or (b) on or after reaching 55 years of age following a minimum of ten (10) years of continuous service to the Company of its subsidiaries, the NEO s PBRSUs will remain outstanding through the applicable performance period and the number of PBRSUs that vest will be prorated based on the percentage of time worked during the applicable performance period.

Executive Medical Retirement Plan

The Company adopted the Executive Medical Retirement Plan (the Medical Plan) as a method to retain its senior executives. The Medical Plan provides continued medical benefits for the lifetime of individuals (and their eligible dependents) who retire from the Company and satisfy certain age and service requirements and are otherwise eligible. In order to be eligible to participate in the Medical Plan, individuals must, at the time of retirement, hold the title of Executive Vice President or above and, if not the Chief Executive Officer, report to the Company s Chief Executive Officer, must be at least 50 years of age, and must satisfy certain service requirements such that the sum

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of their age and two times their number of years of service (with a minimum of 5 years of service required) to the Company equals or exceeds 65. In fiscal 2016, the Compensation Committee closed the Medical Plan to the executives eligible for participation as of November 12, 2015. As of the end of fiscal 2016, the medical benefits are fully insured and are coordinated with Medicare for retirees age 65 and above. Assuming our NEOs retired from their employment on April 29, 2016, the last day of our fiscal year, satisfied the age and service requirements, and were otherwise eligible to receive benefits under the Medical Plan, the present value of the benefits the NEOs would have been entitled to receive are $2.1 million for each of Mr. Georgens and Mr. Reich and $2.5 million for Mr. Salmon. The value of benefits Mr. Georgens was entitled to receive under the Medical Plan as of his resignation on June 1, 2015 was $2.1 million.

Note that these amounts represent the present value of benefits to be received based on certain actuarial assumptions and it is likely that actual costs will differ from the assumptions utilized and scenarios presented.

Estimated Payments Upon Termination of Employment and/or a Change of Control

The following table provides information concerning the estimated payments and benefits that would be provided in the circumstances described above for each of the named executive officers serving as of the end of fiscal 2016 pursuant to the Change of Control Severance Agreements in effect at that time. Payments and benefits are estimated assuming that the triggering event took place on the last business day of fiscal 2016 (April 29, 2016), and the price per share of the Company s common stock is the closing price of the NASDAQ Global Select Market as of that date of $23.64. There can be no assurance that a triggering event would produce the same or similar results as those estimated below if such event occurs on any other date or at any other price, or if any other assumption used to estimate potential payments and benefits is not correct. Due to the number of factors that affect the nature and amount of any potential payments of benefits, any actual payments and benefits may be different.

		Potential Payments Upon			
		Involuntary Termination Other Than For Cause		**Voluntary Termination For Good Reason**	
Name	**Type of Benefit (1)**	**Prior to Change of Control ($)**	**On or Within 12 Months Following Change of Control ($)**	**Prior to Change of Control ($)**	**On or Within 12 Months Following Change of Control ($)**
George Kurian	Cash severance payments		2,000,000 (2)		2,000,000 (2)
	Vesting acceleration of time-based equity (3)	923,733 (5)	3,550,137 (4) (4)(6)	923,733 (5)	3,550,137 (4) (4)(6)

	Vesting acceleration of PBRSUs				
	Continued coverage of employee benefits (7)		55,000		55,000
	Total termination benefits	923,733	5,605,137	923,733	5,605,137
	Total previously vested equity value				
	Full walk away value	923,733	5,624,137	923,733	5,624,137
Ronald J. Pasek	Cash severance payments		1,100,000 (8)		1,100,000 (8)
	Vesting acceleration of time-based equity (3)		(9)		(9)
	Vesting acceleration of PBRSUs	(5)	(6)(9)	(5)	(6)(9)
	Continued coverage of employee benefits (10)		37,000		37,000

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		Potential Payments Upon			
		Involuntary Termination Other Than For Cause		Voluntary Termination For Good Reason	
Name	Type of Benefit(1)	Prior to Change of Control ($)	On or Within 12 Months Following Change of Control ($)	Prior to Change of Control ($)	On or Within 12 Months Following Change of Control ($)
	Total termination benefits		1,137,000		1,137,000
	Total previously vested equity value				
	Full walk away value		1,137,000		1,137,000
Joel Reich	Cash severance payments		850,000 (8)		850,000 (8)
	Vesting acceleration of time-based equity (3)		633,930 (9)		633,930 (9)
	Vesting acceleration of PBRSUs	191,295 (5)	(6)(9)	191,295 (5)	(6)(9)
	Continued coverage of employee benefits (10) (11)		26,000		26,000
	Total termination benefits	191,295	1,509,930	191,295	1,509,930
	Total previously vested equity value				
	Full walk away value	191,295	1,509,930	191,295	1,509,930
	Cash severance payments		960,000 (8)		960,000 (8)

Matthew K. Fawcett					
	Vesting acceleration of time-based equity (3)		1,255,284 (9)		1,255,284 (9)
	Vesting acceleration of PBRSUs	228,315 (5)	(6)(9)	28,315 (5)	(6)(9)
	Continued coverage of employee benefits (10)		24,000		24,000
	Total termination benefits	228,315	2,239,284	228,315	2,239,284
	Total previously vested equity value				
	Full walk away value	228,315	2,239,284	228,315	2,239,284

(1) Reflects the terms of the senior executive s applicable Change of Control Severance Agreement and the terms of the PBRSU agreements, each as in effect on April 29, 2016. The Company entered into New Change of Control Severance Agreements effective June 22, 2016 with Messrs. Kurian, Pasek, Reich and Fawcett, the terms of which are not reflected in this table.

(2) Pursuant to the applicable terms of Mr. Kurian s Change of Control Severance Agreement, as amended, in effect on April 29, 2016, this amount represents the sum of 250% of the Mr. Kurian s annual base salary and 100% of Mr. Kurian s target annual bonus.

(3) Reflects the aggregate value of unvested option grants with exercise prices less than or equal to $23.64, the closing price of our common stock on the NASDAQ Global Select Market on April 29, 2016, and other equity awards. For unvested option grants with exercise prices less than or equal to $23.64, aggregate

market value is determined by multiplying (1) the number of shares subject to such options as of April 29, 2016; by (2) the difference between $23.64 and the exercise price of such options. Does not reflect any dollar value associated with the acceleration of options with exercise prices in excess of $23.64. For unvested RSUs, aggregate market value is determined by multiplying (1) the number of shares subject to such awards as of April 29, 2016; by (2) $23.64. If there is no amount listed in this row, all of the senior executive s unvested outstanding options have an exercise price in excess of $23.64 and the individual does not hold any unvested restricted stock and/or RSUs.

(4) Pursuant to the applicable terms of Mr. Kurian s Change of Control Severance Agreement, as amended, in effect on April 29, 2016, equity awards will vest as to 100% of the unvested portion of the award.

(5) Pursuant to the terms of the grant agreement for the PBRSUs, if the senior executive s employment terminates due to a Qualifying Termination (as defined above), then the measurement period for TSR shall terminate on the date of the Qualifying Termination and the number of PBRSUs that vest (measured based on the actual performance of the Company s TSR against the median TSR of the companies listed in the Hardware and Equipment Index during the measurement period) will be prorated based the percentage of time worked during the applicable performance period.

(6) Pursuant to the terms of the grant agreement for the PBRSUs, the vesting of the PBRSUs will accelerate upon the date on which the senior executive is terminated or resigns and the number of PBRSUs that vest will be determined in accordance with the Change of Control Vesting. For purposes of this table, the closing price of the Company s common stock on April 29, 2016 ($23.64) is used as the per share value of the Company s common stock payable to stockholders in connection with the change of control.

(7) Pursuant to the applicable terms of the Change of Control Severance Agreement in effect on April 29, 2016, if Mr. Kurian elects continuation coverage pursuant to COBRA for himself and his eligible dependents, the Company will reimburse the senior executive for the COBRA premiums for such coverage until the earlier of (1) 24 months; or (2) the date upon which Mr. Kurian and/or his eligible dependents are covered under similar plans.

(8) Pursuant to the applicable terms of the Change of Control Severance Agreement in effect on April 29, 2016, this amount represents the sum of 200% of the senior executive s annual base salary and 100% of the senior executive s target annual bonus.

(9) Pursuant to the applicable terms of the Change of Control Severance Agreement in effect on April 29, 2016, equity awards that are subject to time-based vesting will vest as to that portion of the award that would have vested through the 24-month period following the senior executive s termination date had the senior executive remained employed through such period. Additionally, the senior executive will be entitled to accelerated vesting as to an additional 50% of the then-unvested portion of all of his outstanding equity awards that are scheduled to vest pursuant to performance-based criteria, unless otherwise provided in the applicable award agreement governing the equity award.

(10) Pursuant to the applicable terms of the Change of Control Severance Agreement in effect on April 29, 2016, if the senior executive elects continuation coverage pursuant to COBRA for the senior executive and his or her eligible dependents, the Company will reimburse the senior executive for the COBRA premiums for such coverage until the earlier of (1) 18 months; or (2) the date upon which the senior executive and/or his or her eligible dependents are covered under similar plans. This does not reflect the amendment to Mr. Kurian s Change of Control Severance Agreement in June 2015.

(11) Assumes that Mr. Reich elects to continue coverage of employee benefits under COBRA, and does not continue coverage under the Medical Plan. Please see the section entitled *Executive Medical Retirement Plan* for further information on the value of benefits provided through the Medical Plan.

Separation Agreements

In June 2015, Mr. Georgens entered into the Georgens Separation Agreement, which included a release of all claims by Mr. Georgens in favor of the Company and reaffirmed Mr. Georgens obligations regarding non-disclosure of the Company s confidential information. As consideration for entering into the Separation

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Agreement, and to ensure an orderly and expedited transition, Mr. Georgens received the following benefits: (i) a payment of $5 million; (ii) an extension of the post-termination exercise period for Mr. Georgens outstanding and vested options to June 5, 2016; and (iii) up to ten hours per week in administrative/secretarial support for up to nine months following termination (with an approximate value of $3,432). Mr. Georgens also participates in the Medical Plan. The value of benefits Mr. Georgens was entitled to receive under the Medical Plan as of his resignation on June 1, 2015 was $2.1 million.

On April 7, 2016, Mr. Salmon entered into the Salmon Transition Agreement in connection with his resignation as President of the Company effective April 29, 2016. The Salmon Transition Agreement provides for (i) the release of all claims by Mr. Salmon in favor of the Company; and (ii) a payment of $650,000 to Mr. Salmon for his transition services to the Company. Upon his retirement, Mr. Salmon is entitled to participate in the Medical Plan. The present value of benefits Mr. Salmon is entitled to receive under the Medical Plan as of April 29, 2016 is $2.1 million.

Equity Compensation Plan Information

The following table provides information as of April 29, 2016 with respect to the shares of the Company s common stock that may be issued under the Company s existing equity compensation plans. The table does not include information with respect to shares subject to outstanding options and awards granted under equity compensation plans assumed by the Company in connection with mergers and acquisitions of the companies that originally granted those options and awards. Footnote 5 to the table sets forth the total number of shares of common stock issuable upon the exercise of those assumed options and awards as of April 29, 2016 and the weighted-average exercise price.

	A	B	C
	Number of Securities to be Issued upon Exercise of Outstanding Options, RSU and PBRSU Awards (#)(2)	**Weighted-Average Exercise Price of Outstanding Options ($)(3)**	**Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (#) (Excluding Securities Reflected in Column A)(4)**
Equity compensation plans approved by stockholders(1)	19,556,705	$ 40.26	33,813,263
Equity compensation plans not approved by stockholders(5)			
Total(6)	19,556,705	$ 40.26	33,813,263

(1) The category consists of the Company s Amended and Restated 1995 Stock Incentive Plan, the 1999 Plan and the Purchase Plan.

(2) Includes 7,191,835 shares of common stock issuable upon exercise of outstanding options, 11,374,670 shares of common stock issuable upon vesting and payout of shares subject to outstanding RSU awards and 990,200 shares of common stock issuable upon vesting and payout of shares subject to PBRSU awards, assuming the maximum number of shares vest. Excludes purchase rights accruing under the Company s Purchase Plan. The Purchase Plan was approved by the stockholders in connection with the initial public offering of the Company s common stock. Under the Purchase Plan, each eligible employee may purchase up to 1,500 shares of common stock at semiannual intervals on the last business day of May and November of each year at a purchase price per share equal to 85% of the lower of (1) the closing selling price per share of common stock on the employee s entry date into the two-year offering period in which that semiannual purchase date occurs; or (2) the closing selling price per share on the semiannual purchase date.

(3) Column B does not take into account shares issuable upon the vesting of outstanding RSUs and PBRSUs, which have no exercise price.

(4) Includes (1) 23,305,921 shares of common stock available for issuance under the 1999 Plan; and (2) 10,507,342 shares available for issuance under the Purchase Plan. As of July 19, 2016, 15,061,213 shares

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were available for issuance under the 1999 Plan. As of July 19, 2016, 8,591,803 shares are available under the Purchase Plan.

(5) The table does not include information for equity compensation plans assumed by the Company in connection with mergers and acquisitions of the companies that originally established those plans. As of April 29, 2016, there were a total of 2,343,812 shares subject to outstanding awards under all equity compensation plans assumed by the Company in connection with mergers and acquisitions, of which 1,587,549 shares were subject to outstanding option awards and 756,263 shares were subject to outstanding full value awards. The outstanding stock options had a weighted-average exercise price of $5.70 per share and a weighted-average remaining term of 8.14 years as of such date. No additional awards may be made under those assumed plans.

(6) As of April 29, 2016, there were a total of 21,900,517 shares subject to outstanding awards under all of the Company s equity compensation plans, including equity compensation plans assumed by the Company in connection with mergers and acquisitions, of which 8,779,384 shares were subject to outstanding option awards and 12,130,933 shares were subject to outstanding RSUs and 990,200 shares were subject to outstanding PBRSUs, assuming the maximum number of eligible shares vest. The outstanding stock options had a weighted-average exercise price of $34.01 per share and a weighted-average remaining term of 3.58 years as of such date. As of July 19, 2016, there were a total of 20,767,235 shares subject to outstanding awards under all of the Company s equity compensation plans, including equity compensation plans assumed by the Company in connection with mergers and acquisitions, of which 7,430,695 shares were subject to outstanding option awards and 11,328,720 shares were subject to outstanding RSUs and 2,007,820 shares were subject to outstanding PBRSUs, assuming the maximum number of eligible shares vest. The outstanding stock options had a weighted-average exercise price of $33.70 and a weighted-average remaining term of 3.49 years as of such date.

During fiscal 2016, Messrs. Wall, Held, Shaheen and Wallace and Ms. Hill served on the Compensation Committee. None of these individuals was at any time during fiscal 2016, or at any other time, an officer or employee of the Company. No executive officer of the Company serves as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving as a member of our Board or Compensation Committee.

Our Corporate Governance and Nominating Committee is responsible for the review, approval, and ratification of transactions with related persons. Specifically, the Corporate Governance and Nominating Committee has the authority to:

Consider questions of possible conflicts of interest of members of our Board and corporate officers;

- Review actual and potential conflicts of interest of members of our Board and corporate officers, and clear any involvement of such persons in matters that may involve a conflict of interest;

- Establish policies and procedures for the review and approval of related person transactions, as defined in applicable SEC rules;

- Conduct ongoing reviews of potential related person transactions; and

- Review and approve all related person transactions.

Pursuant to the SEC s rules and regulations, related persons include, but are not limited to, the Company s directors, executive officers, and beneficial owners of more than 5% of the Company s outstanding common stock. If the determination is made that a related person has a material interest in any Company transaction, then the Corporate Governance and Nominating Committee, consisting of all independent directors, is responsible for reviewing and approving or ratifying it. An approved transaction would be disclosed in accordance with the SEC rules if required. If the related person at issue is a director of the Company, or a family member of a director, then that director would not participate in those discussions.

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The information contained in the following Audit Committee Report shall not be deemed to be soliciting material or to be filed with the Securities and Exchange Commission, nor shall such information be incorporated by reference into any future filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that the Company specifically incorporates it by reference in such filing.

The Audit Committee has reviewed and discussed the Company s consolidated financial statements with management and Deloitte & Touche LLP, the Company s independent registered public accounting firm (Deloitte & Touche). The Audit Committee has discussed with Deloitte & Touche the matters required by Public Company Accounting Oversight Board Auditing Standard (PCAOB) No. 16, *Communications with Audit Committees,* and Rule 2-07 of SEC Regulation S-X.

The Audit Committee has received and reviewed the written disclosures and the letter from Deloitte & Touche required by the applicable requirements of the PCAOB regarding the independent auditor s communications with the Audit Committee concerning independence, and has discussed with Deloitte & Touche its independence.

Based on the review and discussions referred to above, the Audit Committee recommended to the Board of Directors that the Company s audited consolidated financial statements be included in the Company s Annual Report on Form 10-K for the fiscal year ended April 29, 2016, as filed with the SEC on June 22, 2016.

Submitted by the Audit Committee

of the Board of Directors:

Alan L. Earhart, Chairman

Jeffry R. Allen

T. Michael Nevens

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PROPOSAL NUMBER 1:

ELECTION OF DIRECTORS

Introduction

At the Annual Meeting, 10 directors will be elected to serve until the 2017 Annual Meeting or until successors for such directors are elected and qualified, or until the death, resignation or removal of such directors.

The Board has nominated for re-election the Company s current directors:

T. Michael Nevens	George Kurian
Jeffry R. Allen	George T. Shaheen
Alan L. Earhart	Stephen M. Smith
Gerald Held	Robert T. Wall
Kathryn M. Hill	Richard P. Wallace

Each person nominated has consented to being named in this Proxy Statement and has agreed to serve as a director, if elected, and our Board has no reason to believe that any nominee will be unavailable or will decline to serve as a director. In the event, however, that any nominee is unable or declines to serve as a director, the proxies will be voted for any nominee who is designated by our Board to fill the vacancy and following appropriate disclosure of the identity of that individual. The proxies solicited by this Proxy Statement may not be voted for more than 10 nominees.

Information Regarding the Nominees

Information regarding the qualifications and experience of each of the nominees may be found in the section of this Proxy Statement titled Our Board of Directors.

Vote Required

In an uncontested election of directors, to be elected to our Board, each nominee must receive the affirmative vote of shares representing a majority of the votes cast, meaning that the number of votes FOR such nominee must exceed the number of votes AGAINST such nominee. Under our Corporate Governance Guidelines, each director is required to submit in advance an irrevocable, conditional resignation that will be effective only upon both (1) the failure to receive the required vote at the next stockholders meeting at which the director faces reelection; and (2) our Board s acceptance of such resignation. If an incumbent director fails to receive the required vote for reelection, the Corporate Governance and Nominating Committee will act to determine whether to accept the director s irrevocable, conditional resignation and will submit its recommendation to our Board for consideration.

Recommendation of the Board

Our Board of Directors Unanimously Recommends That Stockholders

Vote FOR Proposal Number 1

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PROPOSAL NUMBER 2:

AMENDMENT TO THE COMPANY S AMENDED AND RESTATED 1999 STOCK OPTION PLAN

Introduction

We are asking our stockholders to approve an amendment to the Company s Amended and Restated 1999 Stock Option Plan (the 1999 Plan) to increase the number of shares that may be issued thereunder by 4,300,000. The Board, pursuant to a recommendation by the Compensation Committee, has approved the increase in the number of shares reserved for issuance under the 1999 Plan, subject to approval from stockholders at the Annual Meeting. The Company s named executive officers and directors have an interest in this Proposal Number 2 due to their participation in the 1999 Plan.

The 1999 Plan is intended to increase incentives and to encourage stock ownership on the part of eligible employees, nonemployee directors and consultants who provide significant services to the Company and its affiliates. The Company believes strongly that the approval of this amendment to the 1999 Plan will enable the Company to continue to use the 1999 Plan to achieve our goals in attracting and retaining our most valuable asset: our employees. Offering a broad-based equity compensation program is vital to attracting and retaining highly skilled people in our industry. The Company believes that employees who have a stake in the future success of our business become highly motivated to achieve our long-term business goals and increase stockholder value. Our employees innovation and productivity are critical to our success in a highly competitive and fast-paced industry. The 1999 Plan is designed to assist in recruiting, motivating and retaining talented employees who help us achieve our business goals, including creating long-term value for stockholders.

Following review and deliberation by both our Board and the Compensation Committee and pursuant to final authority delegated by our Board, the Compensation Committee approved the increase to the number of shares reserved for issuance under the 1999 Plan. In determining the number of shares reserved for issuance under the 1999 Plan, our Board and Compensation Committee considered a number of factors, including:

Historical Grant Practices. The historical numbers of equity awards that the Company has granted in the past three years. Our three-year burn rate, which we define as the number of options plus adjusted RSUs (adjusted consistent with the ISS volatility multiplier) subject to equity awards granted in a year divided by the weighted average shares of common stock outstanding for that fiscal year is 5.48%.

Historical Grant and Delivery/Vesting/Exercised Table. The table below is provided to highlight the timing of both the issuance and delivery of PBRSUs and time-based RSUs and the issuance and exercise of options in the past three fiscal years. Generally, all options and RSUs issued to the Company s employees have time-vesting requirements. Performance-based issuances became eligible to vest upon the achievement of Company performance goals within specified time periods. The Company believes this additional disclosure is important to evaluate the dilutive impact of its equity compensation programs.

Shares Granted (#)	Shares Delivered/Vested/Exercised (#)

	2014	2015	2016	2014	2015	2016
Options(1)	2,880,673	2,181,586		6,334,900	4,616,594	1,354,292
PBRSUs(2)			1,124,400			
RSUs(3)	6,535,789	6,533,895	5,649,443	3,025,014	3,189,018	3,373,323
Total	9,416,462	8,715,481	6,773,843	9,359,914	7,805,612	4,727,615

(1) Reflects options granted and exercised during the past three fiscal years.

(2) Units become eligible to vest upon achievement of Company performance goals within specified time periods.

(3) Units subject to time vesting requirements.

Forecasted Grant Practices. For fiscal 2017, we currently forecast granting full value awards (in the form of RSUs) and PBRSUs covering 15,850,000 shares (assuming maximum vesting of such PBRSUs), which is equal to

5.69% of our common stock outstanding as of July 19, 2016. We also forecast cancellation of options and forfeitures of RSUs and PBRSUs of approximately 4,004,000 shares over this period, based on our historic rates. If our expectation for cancellations is accurate, our net grants (grants less cancellations) for fiscal 2017 would be approximately 11,846,000 shares, or approximately 4.26% of our common stock outstanding as of July 19, 2016. If approved, the amendment to the 1999 Plan would increase the number of shares issuable under the 1999 Plan by an additional 4,300,000 shares, bringing the total number of shares available for future grants to 19,361,213 shares as of July 19, 2016, assuming that the additional 4,300,000 shares were available for grant on that date. We believe, and the Board and Compensation Committee considered, that this expected forecast will provide us with a share reserve that will allow us to make equity awards for expected new hires, focal awards, any special retention needs and employee growth through any opportunistic acquisitions or hiring for fiscal 2017. On behalf of our Board, the Compensation Committee expects that the total available shares for issuance under the 1999 Plan (as proposed to be amended) should be sufficient to cover the Company s projected equity awards for the current, as well as into the following, fiscal year. Consistent with its practice in prior years, the Company anticipates making future requests for additional increases in the share reserve on an annual basis so that stockholders can routinely evaluate the 1999 Plan s continued effectiveness. However, circumstances such as a change in business conditions, our compensation programs, or our strategy could alter this projection and our expectations.

Awards Outstanding Under Existing Grants and Dilutive Impact. As of July 19, 2016, we have outstanding stock options covering approximately 7,430,695 shares, approximately 11,328,720 unvested RSUs and approximately 2,007,820 unvested PBRSUs, assuming that the maximum number of granted PBRSUs vest. On behalf of our Board, the Compensation Committee evaluated the value of available awards (adjusted for the relative dilutive cost of stock options vs. full value shares), based on outstanding awards under the 1999 Plan as a percentage of the Company s market capitalization, and determined that authorizing 4,300,000 additional shares for issuance under the 1999 Plan, in addition to shares remaining available for issuance under the 1999 Plan, was reasonable relative to accepted technology industry norms of value transfer. Accordingly, the approximately 20,767,235 shares subject to outstanding awards (commonly referred to as the overhang) represent approximately 7.5% of our outstanding shares as of July 19, 2016, and the total of approximately 19,361,213 shares that would be available for issuance if Proposal Number 2 is approved would represent an additional 7% of our outstanding shares. Based on this analysis, the Compensation Committee concluded that the total overhang percentage was within the 50th and 75th percentile of its Compensation Practices Peer group and would not result in excessive overhang for stockholders.

Current Awards Outstanding

Set forth below is information regarding shares currently outstanding under all of the Company s equity compensation plans, including the 1999 Plan and equity compensation plans assumed by the Company in connection with mergers and acquisitions.

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Selected Data as of July 19, 2016

Number of shares subject to outstanding awards under all of the Company s equity compensation plans, including equity compensation plans assumed by the Company in connection with mergers and acquisitions(1)		20,767,235
Number of shares subject to outstanding options		7,430,695
Weighted average exercise price of outstanding options	$	33.70
Weighted average remaining term of outstanding options (in years)		3.49
Number of shares subject to outstanding RSUs		11,328,720
Number of shares subject to outstanding PBRSUs (assuming maximum vest)		2,007,820
Shares remaining for grant under the 1999 Plan (before Proposal No. 2 is approved)		15,061,213
Shares remaining for grant under the 1999 Plan (assuming this Proposal No. 2 is approved)		19,361,213
Shares remaining for grant under all other equity compensation plans		0

(1) Does not include shares of common stock reserved for issuance under the Company s Employee Stock Purchase Plan. See Proposal No. 3 for additional information regarding these shares. Under the 1999 Plan, shares subject to full value awards granted on or after the 2013 Annual Meeting will count against the share reserve as two shares for every one share subject to such an award. To the extent that a share that was subject to an award that counted as two shares against the 1999 Plan reserve is returned to the 1999 Plan, then the 1999 Plan reserve will be credited with two shares that will thereafter be available for issuance under the 1999 Plan.

Description of the 1999 Plan

The following paragraphs provide a summary of the principal features of the 1999 Plan and its operation. The 1999 Plan is set forth in its entirety and is attached as Appendix A to this Proxy Statement with the SEC. The following summary is qualified in its entirety by reference to the complete text of the 1999 Plan.

The 1999 Plan is divided into five separate equity programs:

1. *Discretionary Option Grant Program*. Under the Discretionary Option Grant Program, the Plan Administrator (as defined below) is able to grant options to purchase shares of stock at an exercise price not less than the fair market value of those shares on the grant date.

2. *Stock Appreciation Rights Program*. Under the Stock Appreciation Rights Program, the Plan Administrator is able to grant stock appreciation rights that will allow individuals to receive the appreciation in share price between the date of grant and the exercise date for shares subject to the award.

3. *Stock Issuance Program*. Under the Stock Issuance Program, the Plan Administrator is able to make direct issuances of shares of stock either through the issuance (or promise to issue) or immediate purchase of such shares or as a bonus for services rendered by participants on such terms as the Plan Administrator deems appropriate. In addition, the Plan Administrator is able to make grants of RSUs on such terms as the Plan Administrator deems appropriate.

4. *Performance Share and Performance Unit Program*. Under the Performance Share and Performance Unit Program, the Plan Administrator is able to grant performance shares and performance units, which are awards that will result in a payment to a participant only if the performance goals or other vesting criteria established by the Plan Administrator are achieved or the awards otherwise vest.

5. *Automatic Award Program*. Under the Automatic Award Program, nonemployee directors automatically receive award grants at periodic intervals to purchase or receive shares of stock.

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Administration of the 1999 Plan

The Compensation Committee of the Board administers the 1999 Plan (in this role, the Plan Administrator). The members of the Compensation Committee qualify as nonemployee directors under Rule 16b-3 of the Exchange Act and as outside directors under Section 162(m) of the Internal Revenue Code of 1986, as amended (Section 162(m)), such that the Company can receive a federal tax deduction for certain compensation paid under the 1999 Plan.

Subject to the terms of the 1999 Plan, the Plan Administrator has the sole discretion to select the employees, consultants, nonemployee directors and other independent advisors who will receive awards, determine the terms and conditions of awards (for example, the exercise price and vesting schedule), and interpret the provisions of the 1999 Plan and outstanding awards; *provided*, *however*, that the Company is unable (without the approval of stockholders) to reduce the exercise price of any outstanding stock options or stock appreciation rights granted under the 1999 Plan or cancel any outstanding stock options or stock appreciation rights and immediately replace them with new stock options or stock appreciation rights with a lower exercise price, awards of a different type, and/or cash. Administration of the Automatic Award Program is self-executing in accordance with the terms of the program, but the Plan Administrator has discretion to revise the amount or type of award made under the program on a prospective basis. Subject to the terms of our Compensation Committee charter, the Compensation Committee may delegate any part of its authority and powers under the 1999 Plan to a subcommittee consisting of at least two members, at least one of whom must be a member of the Board and the other of whom may be an officer or the Company s Executive Vice President of Human Resources, subject to Section 16(b) of the Exchange Act (such officers are referred to herein as executive officers), but only the Compensation Committee itself can make awards to participants who are executive officers of the Company.

Shares Subject to the 1999 Plan

If Proposal Number 2 is approved, a total of 148,680,429 shares will be reserved for issuance under the 1999 Plan. As of July 19, 2016, (1) 17,586,013 shares were subject to outstanding awards granted under the 1999 Plan, of which 6,003,426 shares were subject to option awards, 19,578,677 shares were subject to full value RSU awards and 2,007,820 shares were subject to PBRSUs, assuming that the maximum number of granted PBRSUs vest; and (2) 15,061,213 shares remained available for any new awards to be granted in the future. Shares subject to full value awards granted on or after the 2013 Annual Meeting will count against the share reserve as two shares for every one share subject to such an award. To the extent that a share that was subject to an award that counted as two shares against the 1999 Plan reserve pursuant to the preceding sentence is returned to the 1999 Plan, the 1999 Plan reserve will be credited with two shares that will thereafter be available for issuance under the 1999 Plan. If the exercise price of an award under the 1999 Plan is paid with shares, or if shares otherwise issuable under the 1999 Plan are withheld by the Company to satisfy any withholding taxes incurred in connection with the exercise of an award or the vesting or disposition of exercised shares or stock issuances under the 1999 Plan, then the number of shares available for issuance under the 1999 Plan will be reduced by the gross number of shares for which the award is exercised or the gross number of exercised shares or stock issuances which vest, and not by the net number of shares issued to the holder of such award or exercised shares or stock issuances. With respect to stock appreciation rights, all of the shares covered by the award (that is, shares actually issued pursuant to a stock appreciation right, as well as the shares of common stock that represent payment of the exercise price) will cease to be available under the 1999 Plan. The 1999 Plan and applicable law prohibits the Company from adding shares that have been repurchased by the Company using stock option exercise proceeds to the number of shares available for issuance under the 1999 Plan without stockholder approval. As of July 19, 2016, the outstanding option awards have a weighted-average exercise price of $40.28 per share and a weighted-average remaining term of 2.43 years. The closing price of our common stock was $25.54 on July 19, 2016.

If an award expires or is cancelled without having been fully exercised or vested, the unvested or cancelled shares generally will be returned to the available pool of shares reserved for issuance under the 1999 Plan. Also, in the event any change is made to our common stock issuable under the 1999 Plan by reason of any stock split, stock dividend, recapitalization, combination of shares, merger, reorganization, consolidation, recapitalization, exchange of shares, or other change in capitalization of the Company affecting the common stock as a class without the Company s receipt of consideration, appropriate adjustments will be made to (1) the maximum number and/or class of securities issuable under the 1999 Plan; (2) the maximum number, value and/or class of securities for which any one individual may be granted stock options, stock appreciation rights, stock issuances, RSUs, or performance shares or performance units under the 1999 Plan per calendar year; (3) the class, value and/or number of securities and the purchase price per share in effect under each outstanding award; and (4) the class, value and/or number of securities for which automatic awards are to be subsequently made under the Automatic Award Program. The Plan Administrator will make adjustments to outstanding awards to prevent the dilution or enlargement of benefits intended to be provided thereunder.

Eligibility

All of our employees (including employees of any parent or subsidiary, our Chief Executive Officer and the three most highly compensated officers), our nonemployee members of the Board and any consultants and other independent advisors who provide services to the Company (or any parent or subsidiary of the Company) are eligible to receive awards under the 1999 Plan. However, the Company does not currently grant equity awards to its consultants or other independent advisors who provide services to the Company. No nonemployee member of the Board participating in the Discretionary Option Grant, Stock Appreciation Rights, Stock Issuance and Performance Share and Performance Unit Programs may be granted, in any calendar year of the Company, awards (whether settled in cash or stock) with a grant date fair value (determined in accordance with U.S. generally accepted accounting principles) of more than $1,000,000. For purposes of clarification, this limitation only applies to awards granted under the Discretionary Option Grant, Stock Appreciation Rights, Stock Issuance and Performance Share and Performance Unit Programs and does not apply to the value of awards nonemployee Board members may receive under the Automatic Award Program. No nonemployee member of the Board participating in the Automatic Award Program may be granted, in any calendar year, awards (whether settled in cash or stock) with a grant date fair value (determined in accordance with U.S. generally accepted accounting principles) of more than $1,000,000.

As of July 19, 2016, approximately 10,775 employees and 9 nonemployee Board members were eligible to participate in the 1999 Plan.

Discretionary Option Grant Program

A stock option is the right to acquire shares at a fixed exercise price for a fixed period of time. Under the Discretionary Option Grant Program, the Plan Administrator may grant nonstatutory stock options and/or incentive stock options (which entitle the recipients, but not the Company, to more favorable tax treatment). The Plan Administrator will determine the number of shares covered by each option, but during any calendar year and subject to the provisions of the 1999 Plan, no participant may be granted options and/or stock appreciation rights covering more than 3,000,000 shares.

The exercise price of each option is set by the Plan Administrator, but cannot be less than 100% of the fair market value of the shares covered by the option on the date of grant. The exercise price of an incentive stock option must be at least 110% of fair market value if on the grant date the participant owns stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or any of its subsidiaries.

An option granted under the Discretionary Option Grant Program cannot be exercised until it becomes vested. The Plan Administrator establishes the vesting schedule of each option at the time of grant. Options become exercisable at the times and on the terms established by the Plan Administrator. To the extent that the aggregate fair market value of the shares (determined on the grant date) covered by incentive stock options that first become exercisable by any participant during any calendar year is greater than $100,000, the excess above $100,000 will be treated as a nonstatutory stock option. Options granted under the 1999 Plan expire at the times established by the Plan

Administrator, but not later than seven years after the grant date.

Stock Appreciation Rights Program

A stock appreciation right is the right to receive the appreciation in fair market value between the date of grant and exercise date, for shares subject to the award. We can pay the appreciation in either cash or shares. Stock appreciation rights will become exercisable at the times and on the terms established by the Plan Administrator,

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subject to the terms of the 1999 Plan. Subject to the provisions of the 1999 Plan, no participant will be granted stock appreciation rights and/or options covering more than 3,000,000 shares during any calendar year. The exercise price of each stock appreciation right is set by the Plan Administrator, but cannot be less than 100% of the fair market value of the shares covered by the award on the date of grant. A stock appreciation right granted under the 1999 Plan cannot be exercised until it becomes vested. The Plan Administrator establishes the vesting schedule of each stock appreciation right at the time of grant. Stock appreciation rights granted under the 1999 Plan expire at the times established by the Plan Administrator, but not later than seven years after the grant date.

Stock Issuance Program

Stock issuances are awards where shares are or will be issued to a participant and the participant s right to retain or receive such shares will vest in accordance with the terms and conditions established by the Plan Administrator. RSUs (restricted stock units) are awards that will result in a payment to a participant only if the performance goals or other vesting criteria established by the Plan Administrator are achieved or the awards otherwise vest. The number of shares covered by a stock issuance award or restricted stock unit awards will be determined by the Plan Administrator. During any calendar year and subject to the provisions of the 1999 Plan, no participant is able to receive awards granted under the Stock Issuance Program covering more than 1,000,000 shares.

In determining whether an award should be made and/or the vesting schedule for any such award, the Plan Administrator may impose whatever conditions to vesting as it determines to be appropriate. For example, the Plan Administrator may determine to make an award only if the participant satisfies performance goals established by the Plan Administrator.

Performance Share and Performance Unit Program

Performance shares and performance units are awards that will result in a payment to a participant only if the performance goals or other vesting criteria established by the Plan Administrator are achieved or the awards otherwise vest. The Plan Administrator will establish organizational goals, individual performance goals, or other vesting criteria at its discretion, which, depending on the extent to which they are met, will determine the number and/or the value of performance units and performance shares to be paid to participants. Subject to the provisions of the 1999 Plan, no participant is able to receive performance units with an initial value greater than $5,000,000, and no participant is able to receive more than 1,000,000 performance shares during any calendar year. Performance units will have an initial dollar value established by the Plan Administrator prior to the grant date. Performance shares have an initial value equal to the fair market value of a share on the grant date.

Performance Goals

The Plan Administrator (at its discretion) may make performance goals applicable to a participant with respect to an award intended to qualify as performance-based compensation under Section 162(m). At the Plan Administrator s discretion, one or more of the following performance goals may apply: annual revenue, cash position, earnings per share, EBIT, EBITDA, free cash flow, individual objectives, net income, operating cash flow, operating income, operating profit, return on assets, return on capital, return on equity, return on sales, and total stockholder return, in each case as defined in the 1999 Plan. The Plan Administrator may utilize other performance criteria for awards not intended to qualify as performance-based compensation under Section 162(m).

Automatic Award Program

The terms of the 1999 Plan provide that our nonemployee directors will automatically receive equity grants pursuant to a compensation policy adopted by the Board or the Compensation Committee. These grants may be revised from time to time as the Board or the Compensation Committee deems appropriate. Notwithstanding the foregoing, no nonemployee director participating in the Automatic Award Program may be granted, in any calendar year of the Company, awards (whether settled in cash or stock) with a grant date fair value (determined in accordance with U.S. generally accepted accounting principles) of more than $1,000,000. Subject to the provisions of the 1999 Plan, nonemployee directors are also eligible to receive discretionary awards pursuant to the other equity programs under the 1999 Plan. The Board or the Compensation Committee, in their respective discretion, may change and otherwise revise the terms of awards granted pursuant to the compensation policy for awards granted on or after the date they make the change.

Pursuant to the terms of the outside director compensation policy adopted by the Board and the Compensation Committee, our nonemployee directors are eligible to receive an automatic annual equity award equal in value to $250,000 under the Automatic Award Program of the 1999 Plan, which may be revised from time to time as our Board or the Compensation Committee deems appropriate, subject to the provisions of the 1999 Plan. Starting in fiscal 2016, all automatic equity grants to nonemployee directors will be in the form of RSUs. A newly elected or appointed director receives a pro-rated grant upon his or her first election or appointment to the Board with a value of $250,000 (if such election or appointment occurs before February of the applicable year) or with a value of $125,000 (if such election or appointment occurs after February of the applicable year). Equity awards for nonemployee directors are represented as a dollar value rather than a fixed number of shares. For these purposes, the value of any awards of RSUs will equal the product of (1) the fair market value of one share of common stock on the grant date of such award; and (2) the aggregate number of RSUs. With respect to stock options, the value is determined by using the Black-Scholes option valuation methodology, or such other methodology our Board or the Compensation Committee may determine, on the grant date of the option.

The exercise price of each option granted to a nonemployee director is equal to 100% of the fair market value of the shares covered by the option on the date of grant. The shares subject to each nonstatutory stock option granted pursuant to an initial award are scheduled to vest over four years, with five-elevenths of such shares vesting upon the nonemployee director s completion of one year of Board service measured from the option grant date and the remaining balance vesting in three equal annual installments over the three year period measured from the first anniversary of the option grant date (assuming that he or she remains a nonemployee director on each scheduled vesting date). The shares subject to each nonstatutory stock option granted pursuant to an annual award shall become 100% vested on the day preceding the next annual stockholders meeting following the grant date, subject to the nonemployee director s continued service on such date. An option granted under the compensation policy is immediately exercisable. However, any shares purchased under the option program are subject to repurchase by the Company if the nonemployee director ceases service on the Board prior to vesting. If a nonemployee director terminates his or her service on the Board due to death or disability, his or her options would immediately vest.

Options granted to nonemployee directors generally expire no later than seven years after the date of grant. If a nonemployee director terminates his or her service on the Board prior to an option s normal expiration date, the option will remain exercisable for 12 months to the extent it has vested. However, the option may not be exercised later than the original expiration date.

RSUs granted under the compensation policy shall have a value equal to the fair market value of the shares on the grant date. RSUs granted pursuant to an initial award vest over four years, with 5/11ths of the RSUs vesting upon the completion of the nonemployee director s first year of service on the Board measured from the RSU grant date and the remaining balance of RSUs vesting in three equal annual installments over the three year period measured from the first anniversary of the RSU grant date (assuming that he or she remains a nonemployee director on each scheduled vesting date). All RSUs granted pursuant to an annual award become 100% vested on the day preceding the next annual stockholders meeting following the grant date, subject to the nonemployee director s continued service on such date. If a nonemployee director terminates his or her service on the Board due to death or disability, 100% of his or her unvested RSUs would immediately vest. Additionally, the Board (or its authorized designee) may provide that holders of RSUs granted pursuant to the compensation policy be permitted to defer the delivery of the proceeds from vested RSUs to the extent that such deferral satisfies the requirements of the U.S. tax code.

Awards to be Granted to Certain Individuals and Groups

The number of awards that an employee, nonemployee director, or consultant may receive under the 1999 Plan is at the discretion of the Plan Administrator and therefore cannot be determined in advance. The following table sets forth (1) the aggregate number of shares subject to awards of RSUs granted under the 1999 Plan during fiscal 2016; (2) the aggregate number of shares subject to awards of PBRSUs granted under the 1999 Plan during fiscal

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2016, using the maximum vesting of 200% of target shares that could be earned if the highest level of performance is attained. At 100% target vesting, the shares reflected for PBRSUs in the table would decrease by 50%. The Company did not grant options during fiscal 2016. Messrs. Smith, Georgens and Pasek did not receive any plan-based awards during 2016. Messrs. Braham and Noviello forfeited their grants in connection with their resignations.

AMENDED PLAN BENEFITS

1999 Plan

Name of Individual or Group and Position	Number of RSUs Granted	Number of PBRSUs Granted(1)	Total(1)
George Kurian *Chief Executive Officer and President*(2)	85,800	343,000	428,800
Jeffrey K. Bergmann *Former interim Chief Financial Officer; Vice President, Corporate Finance*	6,200		6,200
Nicholas R. Noviello *Former Executive Vice President Finance and Operations; Former Chief Financial Officer*	48,500	134,200	182,700
Joel Reich *Executive Vice President, Product Operations*	25,100	75,400	100,500
Robert E. Salmon *Former President and Head of Go-to-Market Operations*	50,300	139,400	189,700
Matthew K. Fawcett *Senior Vice President, General Counsel and Secretary*	30,800	81,200	112,000
T. Michael Nevens *Chairman of the Board*	7,916		7,916
Jeffry R. Allen *Director*	7,916		7,916
Tor R. Braham *Former Director*	7,916		7,916
Alan L. Earhart *Director*	7,916		7,916
Kathryn M. Hill *Director*	7,916		7,916
Gerald Held *Director*	7,916		7,916
George T. Shaheen *Director*	7,916		7,916

Robert T. Wall *Director*	7,916		7,916
Richard P. Wallace *Director*	7,916		7,916
All current executive officers, as a group (5 persons)	141,700	499,600	641,300
All current directors who are not executive officers, as a group (9 persons)	63,328		63,328
All employees, including current officers who are not executive officers, as a group (5,271 persons)	5,444,415	624,800	6,069,215

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(1) Assumes maximum vesting of 200% of target shares that could be earned if the highest level of performance is attained. At 100% target vesting, the shares reflected for PBRSUs in the table would decrease by 50%.
(2) Mr. Kurian was appointed Chief Executive Officer and a member of the Board on June 1, 2015.

Limited Transferability of Awards

Options granted under the 1999 Plan generally may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the applicable laws of descent and distribution. However, participants may, in a manner specified by the Plan Administrator, transfer nonstatutory stock options (1) to a member of the participant s family; (2) to a trust or other entity for the sole benefit of the participant and/or a member of his or her family; or (3) to a former spouse pursuant to a domestic relations order.

Federal Tax Aspects

The following paragraphs are a summary of the general federal income tax consequences to U.S. taxpayers and the Company of awards granted under the 1999 Plan. Tax consequences for any particular individual may be different.

Nonstatutory Stock Options

No taxable income is reportable when a nonstatutory stock option is granted to a participant. Upon exercise, the participant will recognize ordinary income in an amount equal to the excess of the fair market value (on the exercise date) of the shares purchased over the exercise price of the option. Any taxable income recognized in connection with an option exercise by an employee of the Company is subject to tax withholding by the Company. Any additional gain or loss recognized upon any later disposition of the shares would be capital gain or loss.

As a result of Section 409A of the Internal Revenue Code of 1986, as amended (the Code), and the Treasury regulations promulgated thereunder (Section 409A), nonstatutory stock options granted with an exercise price below the fair market value of the underlying stock or with a deferral feature may be taxable to the recipient in the year of vesting in an amount equal to the difference between the then fair market value of the underlying stock and the exercise price of such awards and may be subject to an additional 20% tax plus penalties and interest. In addition, certain states, such as California, have adopted similar tax provisions, and as a result, failure to comply with such similar provisions may result in an additional tax.

Incentive Stock Options

No taxable income is reportable when an incentive stock option is granted or exercised (except for purposes of the alternative minimum tax, in which case taxation is the same as for nonstatutory stock options). If the participant exercises the option and then later sells or otherwise disposes of the shares more than two years after the grant date and more than one year after the exercise date, the difference between the sale price and the exercise price will be taxed as capital gain or loss. If the participant exercises the option and then later sells or otherwise disposes of the shares before the end of the two year or one year holding periods described above, he or she generally will have ordinary income at the time of the sale equal to the fair market value of the shares on the exercise date (or the sale price, if less) minus the exercise price of the option.

Stock Appreciation Rights

No taxable income is reportable when a stock appreciation right is granted to a participant. Upon exercise, the participant will recognize ordinary income in an amount equal to the amount of cash received and the fair market value of any shares received. Any additional gain or loss recognized upon any later disposition of the shares would be capital gain or loss.

As a result of Section 409A, however, stock appreciation rights granted with an exercise price below the fair market value of the underlying stock or with a deferral feature may be taxable to the recipient in the year of vesting in an amount equal to the difference between the then fair market value of the underlying stock and the

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exercise price of such options and may be subject to an additional 20% tax plus penalties and interest. In addition, certain states, such as California, have adopted similar tax provisions, and as a result, failure to comply with such similar provisions may result in an additional tax.

Stock Issuance, Restricted Stock Units, Performance Units and Performance Shares

A participant generally will not have taxable income at the time an award of stock, RSUs, performance shares or performance units is granted. Instead, he or she will recognize ordinary income in the first taxable year in which his or her interest in the shares underlying the award becomes either (1) freely transferable; or (2) no longer subject to substantial risk of forfeiture. However, the recipient of an award of restricted stock may elect to recognize income at the time he or she receives the award in an amount equal to the fair market value of the shares underlying the award (less any cash paid for the shares) on the date the award is granted and the recipient of an RSU granted pursuant to the Annual Award Program may be permitted to elect in accordance with federal tax laws when he or she will receive the payout from his or her earned RSUs and defer income taxation until the award is paid.

Tax Effect for the Company

The Company generally will be entitled to a tax deduction in connection with an award under the 1999 Plan in an amount equal to the ordinary income realized by a participant and at the time the participant recognizes such income (for example, the exercise of a nonstatutory stock option). Special rules limit the deductibility of compensation paid to our Chief Executive Officer and to certain other of our most highly compensated executive officers. Under Section 162(m) of the Code, the annual compensation paid to any of these specified executive officers will be deductible only to the extent that it does not exceed $1,000,000. However, the Company can preserve the deductibility of certain compensation in excess of $1,000,000 if the conditions of Section 162(m) are met. These conditions include stockholder approval of the 1999 Plan, setting limits on the number of awards that any individual may receive and for awards other than stock options, establishing performance criteria that must be met before the award actually will vest or be paid. The 1999 Plan has been designed to permit the Plan Administrator to grant awards that qualify as performance-based compensation for purposes of satisfying the conditions of Section 162(m), thereby permitting the Company to continue to receive a federal income tax deduction in connection with such awards. However, the Plan Administrator may determine that it is in the best interest of the Company and its stockholders to structure awards under the 1999 Plan that do not satisfy the conditions of Section 162(m), which could cause the Company to forgo a potential federal income tax deduction.

Amendment and Termination of the Plan

The Board or the Primary Committee (as defined in the 1999 Plan) generally may amend or terminate the 1999 Plan at any time and for any reason, subject to stockholder approval, if applicable.

Summary

The 1999 Plan is designed to assist us in recruiting, motivating and retaining talented employees who help us achieve our business goals, including creating long-term value for stockholders. We strongly believe that the amendment to the 1999 Plan to increase the number of shares we can use to grant awards is essential for us to compete for talent in the very competitive labor markets in which we operate.

Vote Required

The affirmative vote of a majority of the stock having voting power present in person or represented by proxy is required to approve this Proposal Number 2. Unless you indicate otherwise, your proxy will be voted FOR the proposal.

Recommendation of the Board

Our Board of Directors Unanimously Recommends That Stockholders

Vote FOR Proposal Number 2

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PROPOSAL NUMBER 3:

AMENDMENT TO THE COMPANY S EMPLOYEE STOCK PURCHASE PLAN

Introduction

The Company is asking the stockholders to approve an amendment to the Company s Employee Stock Purchase Plan (the Purchase Plan) to increase the number of shares authorized for issuance under the Purchase Plan by an additional 2,500,000 shares. The requested increase of 2,500,000 shares represents approximately 1% of the outstanding shares of Company s common stock as of July 19, 2016. The Company s named executive officers have an interest in this Proposal Number 3 due to their ability to participate in the Purchase Plan.

We are asking our stockholders to increase the number of shares authorized for issuance under the Purchase Plan to ensure that the Company can maintain a sufficient reserve of shares of the Company s common stock available under the Purchase Plan. A sufficient reserve will ensure that the Purchase Plan continues to provide eligible employees of the Company and its participating affiliates (whether now existing or subsequently established) with the opportunity to purchase shares at semiannual intervals through their accumulated periodic payroll deductions.

The Purchase Plan was adopted by our Board on September 26, 1995 and became effective on November 20, 1995, in connection with the Company s initial public offering of its common stock.

The terms and provisions of the Purchase Plan, as most recently amended, are summarized below. This summary, however, does not purport to be a complete description of the Purchase Plan. The Purchase Plan is set forth in its entirety as Appendix B to this Proxy Statement and has been filed with the SEC. The following summary is qualified in its entirety by reference to the complete text of the Purchase Plan. Any stockholder may obtain a copy of the actual plan document by making a written request to the Corporate Secretary at the Company s principal offices in Sunnyvale, California.

In considering its recommendation to amend the Purchase Plan to reserve an additional 2,500,000 shares for issuance, our Board considered the historical number of shares purchased under the Purchase Plan in the past three years. In fiscal 2014, fiscal 2015 and fiscal 2016, the number of shares purchased under the Purchase Plan was 3,772,969 shares, 3,419,774 shares and 3,431,126 shares, respectively. The actual number of shares that will be purchased under the Purchase Plan in any given year will depend on a number of factors, including the number of participants, the participants participation rates and our stock price. Based on usage in fiscal 2016, an additional 2,500,000 shares would meet our needs for approximately three years. The Board also considered management s recommendation as to the amount of the increase and its expectation for the number of employees who will participate in the Purchase Plan.

Description of the Purchase Plan

The Purchase Plan is administered by the Compensation Committee of our Board, serving as the plan administrator (the Plan Administrator). As Plan Administrator, such committee has full authority to adopt administrative rules and procedures and to interpret the provisions of the Purchase Plan.

Share Reserve

If Proposal Number 3 is approved, the maximum number of shares reserved for issuance over the term of the Purchase Plan will be 61,200,000 shares. As of July 19, 2016, 50,108,197 shares had been issued under the Purchase Plan, and 8,591,803 shares were available for future issuance. The closing price of our common stock was $25.54 on July 19, 2016.

The shares issuable under the Purchase Plan may be made available from authorized but unissued shares or from shares of common stock reacquired by the Company, including shares purchased on the open market.

In the event that any change is made to the outstanding common stock (whether by reason of any stock split, stock dividend, recapitalization, exchange or combination of shares or other change affecting the outstanding common stock as a class without the Company s receipt of consideration), appropriate adjustments will be made to (1) the maximum number and class of securities issuable under the Purchase Plan; (2) the maximum number and class of securities purchasable per participant on any one semiannual purchase date; (3) the maximum number and class

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of shares purchasable in total by all participants on any one purchase date (if applicable); and (4) the number and class of securities subject to each outstanding purchase right and the purchase price per share in effect thereunder. Such adjustments will be designed to preclude any dilution or enlargement of benefits under the Purchase Plan or the outstanding purchase rights thereunder.

Offering Period and Purchase Rights

Shares are offered under the Purchase Plan through a series of overlapping offering periods, each not to exceed 24 months in duration. Such offering periods will begin on the first business day of June and on the first business day of December of each year during the term of the Purchase Plan. Accordingly, two separate offering periods will begin in each calendar year.

Each offering period will consist of a series of one or more successive purchase intervals. Purchase intervals will run from the first business day in June to the last business day in November each year and from the first business day in December each year to the last business day in May in the immediately succeeding year. Accordingly, shares will be purchased on the last business day in May and November each year with the payroll deductions collected from the participants for the purchase interval ending with each such semiannual purchase date.

If the fair market value per share of common stock on any semiannual purchase date within a particular offering period is less than the fair market value per share of common stock on the start date of that offering period, then the participants in that offering period will automatically be transferred from that offering period after the semiannual purchase of shares on their behalf and enrolled in the new offering period, which begins on the next business day following such purchase date.

Eligibility and Participation

Any individual who is employed on a basis under which he or she is regularly expected to work for more than 20 hours per week for more than five months per calendar year in the employ of the Company or any participating parent or subsidiary corporation (including any corporation which subsequently becomes such at any time during the term of the Purchase Plan), or any lesser number of hours per week and/or number of months in any calendar year established by the Plan Administrator in accordance with applicable law and the provisions of the Purchase Plan, is eligible to participate in the Purchase Plan.

An individual who is an eligible employee on the start date of any offering period may join that offering period, subject to certain enrollment timing restrictions contained in the Purchase Plan, by properly electing to participate in the offering period pursuant to procedures established by the Plan Administrator in accordance with the terms of the Purchase Plan. However, no employee may participate in more than one offering period at a time.

As of July 19, 2016, approximately 10,775 employees, including all 4 of our current named executive officers, were eligible to participate in the Purchase Plan.

Purchase Price

The purchase price of the shares purchased on behalf of each participant on each semiannual purchase date will be equal to 85% of the lower of (1) the fair market value per share on the start date of the offering period in which the participant is enrolled; or (2) the fair market value on the semiannual purchase date.

The fair market value per share on any particular date under the Purchase Plan will be deemed to be equal to the closing selling price per share on such date reported on the NASDAQ Global Select Market. On July 19, 2016, the closing selling price per share of the Company s common stock on the NASDAQ Global Select Market was $25.54.

Payroll Deductions and Stock Purchases

Each participant may authorize periodic payroll deductions in any multiple of 1% up to a maximum of 10% of his or her total cash earnings (generally base salary, bonuses, overtime pay and commissions) to be applied to the acquisition of shares at semiannual intervals. Accordingly, on each semiannual purchase date (the last business day in May and November each year), the accumulated payroll deductions of each participant will automatically be applied to the purchase of whole shares at the purchase price in effect for the participant for that purchase date. Any payroll deductions not applied to the purchase of shares on the purchase date shall be promptly refunded to the participant after the purchase date.

Special Limitations

The Purchase Plan imposes certain limitations upon a participant s rights to acquire common stock, including the following limitations:

- Purchase rights granted to a participant may not permit such individual to purchase more than $25,000 worth of shares (valued at the time each purchase right is granted) for each calendar year those purchase rights are outstanding.

- Purchase rights may not be granted to any individual if such individual would, immediately after the grant, own or hold outstanding options or other rights to purchase stock possessing 5% or more of the total combined voting power or value of all classes of stock of the Company or any of its affiliates.

- No participant may purchase more than 1,500 shares on any one purchase date.

The Plan Administrator will have the discretionary authority to increase, decrease, or implement the per participant and any total participant limitations prior to the start date of any new offering period under the Purchase Plan.

Withdrawal Rights and Termination of Employment

The participant may withdraw from the Purchase Plan at any time on or before the seventh business day prior to the next scheduled purchase date (subject to the Plan Administrator s authority to designate a different withdrawal date in accordance with the provisions of the Purchase Plan, subject to any laws of the applicable jurisdiction), and upon such timely withdrawal, his or her accumulated payroll deductions will be promptly refunded.

Upon the participant s cessation of employment or loss of eligible employee status, payroll deductions will automatically cease. Any payroll deductions which the participant may have made for the semiannual period in which such cessation of employment or loss of eligibility occurs will be promptly refunded.

Stockholder Rights

No participant will have any stockholder rights with respect to the shares covered by his or her purchase rights until the shares are actually purchased on the participant s behalf. No adjustment will be made for dividends, distributions or other rights for which the record date is prior to the date of such purchase.

Assignability

Purchase rights are not assignable or transferable by the participant and may be exercised only by the participant.

Change of Control

In the event a change of control occurs, all outstanding purchase rights will automatically be exercised immediately prior to the effective date of such change of control. The purchase price in effect for each participant will be equal to 85% of the lower of (1) the fair market value per share on the start date of the offering period in which the participant is enrolled at the time the change of control occurs; or (2) the fair market value per share immediately prior to the effective date of such change of control.

A change of control will be deemed to occur if (1) the Company is acquired through a merger or consolidation in which more than 50% of the Company s outstanding voting stock is transferred to a person or persons different from those who held stock immediately prior to such transaction; (2) the Company sells, transfers or disposes of all

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or substantially all of its assets; or (3) any person or related group of persons acquires ownership of securities representing more than 50% of the total combined voting power of the Company s outstanding securities pursuant to a tender or exchange offer made directly to the Company s stockholders.

Share Proration

Should the total number of shares to be purchased pursuant to outstanding purchase rights on any particular date exceed either (1) the maximum number of shares purchasable in total by all participants on any one purchase date (if applicable); or (2) the number of shares then available for issuance under the Purchase Plan, then the Plan Administrator will make a pro-rata allocation of the available shares on a uniform and nondiscriminatory basis. In such an event, the Plan Administrator will refund the accumulated payroll deductions of each participant, to the extent such deductions are in excess of the purchase price payable for the shares prorated to such individual.

Amendment and Termination

The Purchase Plan will terminate upon the earliest of (1) the date on which all shares available for issuance thereunder are sold pursuant to exercised purchase rights; or (2) the date on which all purchase rights are exercised in connection with a change of control.

Our Board may at any time alter, amend, suspend or discontinue the Purchase Plan and will seek stockholder approval of any changes to the extent necessary to comply with the Internal Revenue Code or other applicable law, regulation or stock exchange rule.

Plan Benefits

The table below shows, as to the named executive officers (NEOs) and specified groups, the number of shares purchased under the Purchase Plan during fiscal 2016, together with the value of those shares as of the date of purchase.

Participation in the Purchase Plan

Participation in the Purchase Plan is voluntary and dependent on each eligible employee s election to participate and his or her determination as to the level of payroll deductions. Accordingly, future purchases under the Purchase Plan are not determinable. Nonemployee directors are not eligible to participate in the Purchase Plan. The following table sets forth certain information regarding shares purchased under the Purchase Plan during the last fiscal year for each of the NEOs, for all current executive officers as a group, and for all other employees who participated in the Purchase Plan as a group:

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AMENDED PLAN BENEFITS

Employee Stock Purchase Plan

Name and Position	Number of Purchased Shares	Dollar Value of Purchased Shares ($)(1)
George Kurian *Chief Executive Officer and President*(2)		
Thomas Georgens *Former Chairman of the Board and Former Chief Executive Officer*(3)		
Ronald J. Pasek *Executive Vice President and Chief Financial Officer*		
Jeffrey K. Bergmann *Former interim Chief Financial Officer; Vice President, Corporate Finance*	679	3,358
Nicholas R. Noviello *Former Executive Vice President Finance and Operations; Former Chief Financial Officer*	389	1,832
Joel Reich *Executive Vice President of Product Operations*	715	3,410
Robert E. Salmon *Former President and Head of Go-to-Market Operations*	667	3,342
Matthew K. Fawcett *Senior Vice President, General Counsel and Secretary*	750	3,449
All current executive officers as a group (4 persons)	1,465	6,860
All employees, including current officers who are not executive officers, as a group (9,324 persons)	3,429,661	16,489,796

(1) Determined based on the fair market value of the shares on date of purchase, minus the purchase price under the Purchase Plan.
(2) Mr. Kurian was appointed Chief Executive Officer on June 1, 2015.
(3) Messrs. Georgens, Noviello and Salmon are no longer employed with the Company. As a result, they are no longer eligible to participate in the Purchase Plan.

New Plan Benefits

No purchase rights have been granted, and no shares have been issued, on the basis of the share increase that is the subject of this Proposal Number 3.

Federal Tax Consequences

The Purchase Plan is intended to be an employee stock purchase plan within the meaning of Section 423 of the Code. Under an employee stock purchase plan, which so qualifies, no taxable income will be recognized by a participant, and no deductions will be allowable to the Company, upon either the grant or the exercise of the purchase rights. Taxable income will not be recognized until there is a sale or other disposition of the shares acquired under the Purchase Plan or in the event that the participant should die while still owning the purchased shares.

If the participant sells or otherwise disposes of the purchased shares within two years after the start date of the offering period in which such shares were acquired or within one year after the actual semiannual purchase date of those shares, then the participant will recognize ordinary income in the year of sale or disposition equal to the amount by which the fair market value of the shares on the purchase date exceeded the purchase price paid for

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those shares, and the Company will be entitled to an income tax deduction, for the taxable year in which such disposition occurs, equal in amount to such excess. The participant will also recognize capital gain equal to the amount by which the amount realized upon the sale or disposition exceeds the sum of the aggregate purchase price paid for the shares and the ordinary income recognized in connection with their acquisition.

If the participant sells or disposes of the purchased shares more than two years after the start date of the offering period in which the shares were acquired and more than one year after the actual semiannual purchase date of those shares, then the participant will recognize ordinary income in the year of sale or disposition equal to the lesser of (1) the amount by which the fair market value of the shares on the sale or disposition date exceeded the purchase price paid for those shares; or (2) 15% of the fair market value of the shares on the start date of that offering period. Any additional gain upon the disposition will be taxed as a long-term capital gain. The Company will not be entitled to an income tax deduction with respect to such disposition.

If the participant still owns the purchased shares at the time of death, the lesser of (1) the amount by which the fair market value of the shares on the date of death exceeds the purchase price; or (2) 15% of the fair market value of the shares on the start date of the offering period in which those shares were acquired will constitute ordinary income in the year of death.

Summary

Our Board believes that it is in the best interests of the Company and its stockholders to continue to provide employees with the opportunity to acquire an ownership interest in the Company through their participation in the Purchase Plan and thereby encourage them to remain in the Company s employ and more closely align their interests with those of the stockholders.

Vote Required

The affirmative vote of a majority of the stock having voting power present in person or represented by proxy is required to approve this Proposal Number 3. Unless you indicate otherwise, your proxy will be voted FOR the proposal.

Recommendation of the Board

Our Board of Directors Unanimously Recommends That Stockholders

Vote FOR Proposal Number 3

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PROPOSAL NUMBER 4:

ADVISORY VOTE TO APPROVE NAMED EXECUTIVE OFFICER COMPENSATION (SAY ON PAY)

Introduction

In accordance with Section 14A of the Exchange Act, we are asking stockholders to approve an advisory resolution approving the compensation of our Named Executive Officers (NEOs) as reported in this Proxy Statement. As described in the *Compensation Discussion and Analysis* section of this Proxy Statement, the Compensation Committee has designed the compensation of our NEOs to align each NEO s compensation with our short-term and long-term performance and interests of our stockholders, and to provide the compensation and incentives needed to attract, motivate and retain our NEOs, who are crucial to our long-term success. You are urged to read the disclosure under *Compensation Discussion and Analysis*, which describes in more detail our executive compensation policies, as well as the Summary Compensation Table and other related compensation tables and narrative disclosure, which provide detailed information on the compensation of our NEOs.

Our compensation programs reflect our continued commitment to pay-for-performance, with a substantial portion of each NEO s compensation being at-risk and subject to important performance measures aligned with long-term stockholder value. During fiscal 2016, a significant percentage of each NEO s total compensation (as reported in the Summary Compensation Table) was at-risk, being composed of performance-based cash bonus opportunities, restricted stock units, (RSUs), performance-based RSUs (PBRSUs), and stock options which become valuable to the executive only upon realized share appreciation. The Compensation Committee sets a portion of the compensation of the NEOs based on their ability to achieve annual operational objectives that advance our long-term business objectives and that are designed to create sustainable long-term stockholder value in a cost-effective manner. Our performance-based compensation elements are guided by the Compensation Committee s long-term objectives of maintaining the market competitiveness and retention value of our compensation packages. In addition, we continue to be committed to good compensation governance practices. The Compensation Committee believes that the compensation arrangements for our NEOs are consistent with market practice and provide for compensation that is reasonable in light of our and each individual NEO s performance. Moreover, the Compensation Committee does not include egregious pay practices, such as excessive perquisites or tax gross up payments, as elements of our NEOs compensation. The detailed ways in which we link pay with Company and individual performance and structure our NEO compensation arrangements consistent with good governance practices is described in the *Compensation Discussion and Analysis* section.

The resolution to approve the compensation of our NEOs on an advisory basis, commonly known as a say-on-pay proposal, gives stockholders the opportunity to express their views on our NEOs compensation. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our NEOs and the philosophy, policies and practices described in this Proxy Statement. Accordingly, you are being asked to vote on the following resolution at the Annual Meeting:

RESOLVED, that the Company s stockholders approve, on an advisory basis, the compensation of the Named Executive Officers, as disclosed in the Company s Proxy Statement for the 2016 Annual Meeting of Stockholders pursuant to the executive compensation disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, the fiscal 2016 Summary Compensation Table and the other related tables and disclosure.

The say-on-pay vote is advisory, and is therefore not binding on us, the Compensation Committee or our Board. However, our Board and the Compensation Committee value the opinions of our stockholders, and the Compensation

Committee will consider the results of this Proposal Number 4 in evaluating whether any actions are necessary to address those concerns. At the 2015 Annual Meeting, consistent with the recommendation of our Board, our stockholders voted in support of our advisory say-on-pay resolution, with 96% of the votes cast in favor. In light of the results of this vote, and after also considering a variety of other factors, the Compensation Committee continued its focus on performance based compensation in fiscal 2016. We currently conduct advisory votes on NEO compensation on an annual basis, and we expect to conduct our next advisory vote at the 2017 Annual Meeting.

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Vote Required

The affirmative vote of a majority of the stock having voting power present in person or represented by proxy is required to approve this Proposal Number 4. Unless you indicate otherwise, your proxy will be voted FOR the proposal.

Recommendation of the Board

Our Board of Directors Unanimously Recommends That Stockholders

Vote, on an Advisory Basis, FOR Proposal Number 4

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PROPOSAL NUMBER 5:

RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Introduction

The Company is asking the stockholders to ratify the selection of Deloitte & Touche LLP as the Company s independent registered public accounting firm for the fiscal year ending April 28, 2017.

In the event the stockholders fail to ratify the appointment, the Audit Committee of our Board of Directors will consider it as a direction to select other independent registered public accounting firms for the subsequent fiscal year. Even if the selection is ratified, the Audit Committee at its discretion may direct the appointment of a different independent registered public accounting firm at any time during the year if it determines that such a change would be in the best interest of the Company and its stockholders.

A representative of Deloitte & Touche LLP is expected to be present at the Annual Meeting, will have the opportunity to make a statement if he or she desires to do so, and will be available to respond to appropriate questions.

Principal Accountant Fees and Services

The Audit Committee preapproves services performed by its independent registered public accounting firm and reviews auditor billings in accordance with the Audit Committee charter. All requests for audit, audit-related, tax and other services must be submitted to the Audit Committee for specific preapproval and cannot commence until such approval has been granted. Normally, preapproval is provided at regularly scheduled meetings. However, the authority to grant specific preapproval between meetings, as necessary, has been delegated to the Chairman of the Audit Committee. The Chairman must update the Audit Committee at its next regularly scheduled meeting of any services that were granted specific preapproval.

Aggregate fees to the Company incurred in fiscal 2016 and fiscal 2015, respectively, represent fees billed or to be billed by the Company s independent registered accounting firm, Deloitte & Touche LLP, the member firms of Deloitte Touche Tohmatsu Limited and their respective affiliates (collectively, Deloitte & Touche). During fiscal 2016 and 2015, all of the services shown in the table below were preapproved by the Audit Committee in accordance with the preapproval policies discussed above.

	Fiscal Year	
	2016	**2015**
Audit fees(1)	$ 5,186,000	$ 4,893,000
Audit-related fees(2)	$ 23,000	$ 104,000
Total audit and audit-related fees	$ 5,209,000	$ 4,997,000
Tax fees(3)	$ 1,141,000	$ 1,175,000

All other fees(4)	$ 899,000	$ 118,000
Total fees	$ 7,249,000	$ 6,290,000

(1) Includes fees for professional services incurred in fiscal 2016 and fiscal 2015 in co