

NetApp, Inc.  
Form DEF 14A  
August 02, 2016  
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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 ☐

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))**

☒ 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):

b 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**

<b>Voting Matter</b>	<b>Board Vote Recommendation</b>	<b>Page</b>
<b>Election of ten (10) director nominees</b>	FOR each nominee	8
<b>Approval of an amendment to NetApp's Amended and Restated 1999 Stock Option Plan</b>	FOR	67
<b>Approval of an amendment to NetApp's Employee Stock Purchase Plan</b>	FOR	77
<b>Advisory approval of our executive compensation</b>	FOR	25
<b>Ratification of appointment of independent registered public accounting firm</b>	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,<sup>1</sup> and non-GAAP net income was \$633 million, or \$2.13 per share.<sup>2</sup> 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

<sup>1</sup> 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.

<sup>2</sup> 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)
Jeffrey R. Allen	64	2005	Yes	Audit
Alan L. Earhart	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	

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



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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?***

## Edgar Filing: NetApp, Inc. - Form DEF 14A

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 consider