

WHEREAS:

Over 90% of S&P 500 companies have at least one woman on their board of directors;

NetApp is among the 10% of S&P 500 companies that do not have any women directors, and it is the only company without female representation among its self-identified technology peer group of similarly sized storage and enterprise solutions companies (9 companies in the 2012 proxy statement);

A February 20, 2013 public statement by U.S. Securities and Exchange Commissioner Luis Aguilar noted that "investors, academics, consultants, and corporate insiders have observed that increasing diversity improves board performance or otherwise benefits shareholders...Diverse boards help companies recruit talent, retain staff, and boost productivity. Diverse boards also enhance a company's responsiveness to an increasingly diverse world of customers and stakeholders."

A growing body of academic research shows a significant positive relationship between company performance and the percentage of women and minorities on boards;

We believe that diversity, inclusive of gender and race, is an essential measure of sound governance and a critical attribute of a well-functioning board;

We commend NetApp's Corporate Governance and Nominating Committee Charter which identifies race and gender explicitly as among the factors considered in the board nomination process; however, the company does not provide sufficient information on how these considerations are implemented.

RESOLVED:

Shareholders request that the Board of Directors, consistent with their fiduciary duties:

1. Take every reasonable step to ensure that women and minority candidates are in the pool from which Board nominees are chosen;
2. Publicly commit itself to a policy of board inclusiveness to ensure that:
 - Women and minority candidates are routinely sought as part of every Board search the company undertakes;
 - The Board strives to obtain diverse candidates by expanding director searches to include nominees from both corporate positions beyond the executive suite and non-traditional environments such government, academia, and non-profit organizations; and
 - Board composition is reviewed periodically to ensure that the Board reflects the knowledge, experience, skills, and diversity required for the Board to fulfill its duties.
3. Report to shareholders, at reasonable expense and omitting proprietary information, its efforts to encourage diversified representation on the Board.

Supporting Statement:

We believe NetApp's board nomination practices and disclosures do not address sufficiently its explicit commitment to consider gender and racial diversity in the board nomination process, an area of growing investor interest. For example, SEC Commissioner Aguilar also stated that companies without adequate diversity "should state whether or not it has considered increasing the size of its board to enhance diversity—and if not, why." He also suggests disclosure around the use of executive search firms that specialize in identifying women and racial minority candidates.

In our view, companies combining competitive financial performance with high standards of corporate governance, including board diversity, are better positioned to generate long-term value for their shareholders. As such, we urge the Board to broaden its pool of candidates and publicly commit to taking additional steps to establish an inclusive Board.