



UK Requirement to Publish a Corporate Tax Strategy Statement

In September 2016, the Parliament of the United Kingdom (“UK”) enacted the Finance Act 2016 (the “Act”). Schedule 19 of the Act requires that a Group with specific operations of a certain size, and a presence within the United Kingdom publish a Tax Strategy Statement (“Statement”) disclosing (a) the approach of the Group to risk management and governance arrangements in relation to UK taxation, (b) the attitude of the Group towards tax planning (so far as affecting UK taxation), (c) the level of risk in relation to UK taxation that the Group is prepared to accept and (d) the approach of the Group towards its dealings with Her Majesty’s Revenue and Customs (“HMRC”).

NetApp, Inc. and its subsidiaries (collectively, “NetApp”) operate in over 50 countries. The NetApp UK subsidiary (“NetApp Ltd. (UK)”) acts as a distributor for NetApp products and related services in the UK. NetApp Ltd. (UK) has a UK footprint and this along with the size of the NetApp Group as a whole means that publication of this Statement is required in order to comply with the UK legislation.

NetApp Ltd. (UK) Tax Strategy Statement

This Statement is made on behalf of NetApp Ltd. (UK) pursuant to Schedule 19 of the Finance Act 2016 and sets out to fulfil NetApp’s duty to publish a UK tax strategy. Consistent with NetApp’s Code of Conduct, NetApp Ltd. (UK)’s approach to UK tax is to manage and report in a manner which provides compliance across all types of taxes, complies with legal and regulatory requirements governing public statements and reports, meets our internal control requirements, and supports our business strategy.

Approach of the Company to risk management and governance arrangements in relation to UK taxation

As part of our continuous tax reporting and compliance cycle, we actively seek to identify all material tax risks with the aim of minimizing such risks. We monitor changes in tax legislation and practice and continuously assess the impact to NetApp Ltd. (UK).

Attitude of the Company towards tax planning (so far as affecting UK taxation)

Because of NetApp Ltd (UK)’s limited commercial activity as a distributor, there is little need or opportunity to undertake tax planning. Any tax planning aims to support the commercial needs of our business by seeking to conduct NetApp’s business in an ethical and tax efficient manner.

Our tax function provides input into commercial decisions so that tax consequences are understood before a final decision is made. We seek to apply tax incentives, reliefs and exemptions contained within UK tax laws where appropriate. We conduct transactions between NetApp Ltd. (UK) and affiliated companies outside the UK at an arm’s-length basis.

NetApp views itself as a high profile worldwide group that has responsibility to be a good employer and act as a responsible corporate citizen. NetApp Ltd. (UK) strives to support such a view.

Level of risk in relation to UK taxation that the Company is prepared to accept

The level of risk we deem acceptable with regard to UK taxation is consistent with our overall objective to provide compliance across all taxes, to consistently comply with legal and regulatory requirements governing public statements and reports and to support our business and commercial strategy. We often seek advice from external accounting or legal firms as part of this effort.

Approach of the Company towards its dealings with Her Majesty’s Revenue and Customs (“HMRC”)

We engage with HMRC with an open attitude to build a transparent relationship based on mutual respect and integrity. We strive to inform the HMRC of significant UK transactions and changes to the business at the earliest appropriate stage. We seek to nurture a collaborative relationship through regular meetings, discussions and written communications. Consistent with NetApp’s Code of Conduct, we cooperate fully with any inquiries.