

F5 Networks, Inc.

Policy Regarding the Granting of Equity-Based Compensation Awards

Introduction

The Compensation Committee ("Committee") of the Board of Directors of F5 Networks, Inc. ("Company") believes that equity-based compensation plays an important role as a component of the Company's overall compensation plans. The Committee recognizes however that the granting of equity awards can present significant legal, tax and accounting issues. Therefore, this policy shall be followed in connection with any issuance or grant of compensatory awards under the Company's equity plans, including, but not limited to, stock options, restricted stock and restricted stock units (an "equity award").

General Policy

It is the policy of the Committee and of the Company that neither the Committee nor any member of the Company's management shall backdate or manipulate any equity award, or manipulate the timing of the public release of material information or of any equity award with the intent of benefiting a recipient of the award. Nor shall the Committee or any member of management manipulate or knowingly permit the manipulation of exercise dates of equity awards. In furtherance of this policy, the Committee has adopted the specific practices described below.

Annual Grant Date for Existing Employees and Service Providers

The Committee or the Board of Directors, as applicable, shall approve equity awards to existing employees and service providers (other than newly-promoted individuals and non-employee directors) on an annual basis on August 1 (or, if such day is not a business day, on the following business day) (the "Annual Grant Date"). Such approval shall occur on or prior to the Annual Grant Date. However, the Committee or the Board of Directors, as applicable, may approve equity awards outside of the Annual Grant Date to select individuals in the event of extraordinary circumstances. The Committee or the Board of Directors, as applicable, may also determine to exercise its discretion to change the annual grant date for a given year in the event the Committee or the Board of Directors, as applicable, determines that a grant on the Annual Grant Date when the Company has material nonpublic information may create an unfavorable appearance or otherwise may not be in the best interest of the Company.

Quarterly Grant Date for New Hires and Newly-Promoted Individuals

The Committee or the Board of Directors, as applicable, shall approve equity awards to newly-hired employees and service providers (other than non-employee directors) and to newly-promoted individuals on a quarterly basis on February 1, May 1, August 1 and November 1 (or, if such day is not a business day, on the following business day) (the "New Hire Grant Date"). Such approval shall occur on or prior to the New Hire Grant Date. However, the Committee or the Board of Directors, as applicable, may approve equity awards outside of the New Hire Grant

Date to select individuals in the event of extraordinary circumstances. The Committee or the Board of Directors, as applicable, may also determine to exercise its discretion to change the quarterly grant date for a given quarter in the event the Committee or the Board of Directors, as applicable, determines that a grant on the New Hire Grant Date when the Company has material nonpublic information may create an unfavorable appearance or otherwise may not be in the best interest of the Company. In no event shall a grant be made before the first day of employment or commencement of services for any new hire.

Grants to Non-Employee Directors

Prior to each annual meeting of shareholders, the Committee shall review and recommend to the Board of Directors for approval the amount and terms of any equity awards to be granted to non-employee directors. The Board of Directors shall finally approve all equity awards to be granted to non-employee directors on the date of the annual meeting of shareholders.

Non-employee directors who are appointed to the Board of Directors within six months after the date of the prior annual meeting of shareholders shall be granted a full equity award(s) and non-employee directors who are appointed to the Board of Directors more than six months after the date of the prior annual meeting of shareholders will be granted a pro-rated equity award(s). Awards to non-employee directors commencing mid-year shall be approved by the Board of Directors on a quarterly basis on February 1, May 1, August 1 and November 1 (or, if such day is not a business day, on the following business day)(the "New Director Grant Date"). However, the Board of Directors may approve equity awards outside of the New Director Grant Date to select individuals in the event of extraordinary circumstances. The Board of Directors may also determine to exercise its discretion to change the quarterly grant date for a given quarter in the event the Board of Directors determines that a grant on the New Director Grant Date when the Company has material nonpublic information may create an unfavorable appearance or otherwise may not be in the best interest of the Company. In no event shall a grant be made before the first day of commencement of services for any new non-employee director.

Approval Process

Grant. The Committee shall finally approve all equity awards to persons other than the Company's Chief Executive Officer and non-employee directors. The Board of Directors shall finally approve all equity awards to the Chief Executive Office and the non-employee directors. The grant date of equity awards shall be the date on which the equity awards are approved by the Committee or the Board of Directors, as applicable.

Pricing. The grant price for any equity awards requiring a grant price shall be equal to the fair market value (as defined in the plan under which the equity awards are granted) of the Company's common stock on the grant date. Such grant prices shall not be repriced without approval by the Company's shareholders.

Modifications. The Company's Chief Accounting Officer shall quantify the accounting impact of any proposed modification to any equity award prior to any action to modify the equity award. Modifications to outstanding equity awards shall be approved by the Committee or the Board of Directors, as applicable. All modifications shall be approved prospectively.

Action. The Committee and the Board of Directors shall strive to approve all equity awards and any modifications to outstanding equity awards at a live or telephonic meeting, using unanimous written consents as a limited exception. If the Committee or the Board of Directors takes action by written consent in lieu of a meeting, then the date of the Committee or Board of Directors action shall be the date that the last director has executed the consent.

Timing of Public Announcements

The Company shall not purposely accelerate or delay the public release of material information in consideration of a pending equity award in order to allow the recipient to benefit from a more favorable share price. The Company recognizes however that a release of information in close proximity to an equity award could create the appearance of an effort to time the recipient's equity award to the recipient's benefit, even if no such benefit was intended. Accordingly, the Committee and the Board of Directors shall consider, and the Company's management shall so advise the Committee and the Board of Directors, whenever material non-public information is planned to be released to the public in close proximity to the grant of an equity award.

Compliance Review

Compliance with this policy shall be evaluated quarterly by management and a compliance briefing shall be made to the Committee at least twice a year. The Committee shall regularly review whether this policy should be modified in light of developments in best practices generally or developments at the Company.

In addition, a review and reconciliation of data in the stock plan database with grant dates, hire dates, meeting dates, stock prices and written approvals shall be conducted by management and the Company's General Counsel who shall report to the Committee and the Audit Committee at least twice a year regarding the outcome of these reviews.

Training

All personnel responsible for administration of the Company's equity plans shall be provided training regarding the implementation of this policy and the accounting and legal implications of equity awards.

Internal Communication and Publication

This policy shall be made available to all recipients of equity awards and shall be posted on the "Investor Relations" page of the Company's website.

Approved by the Compensation Committee and the Audit Committee on January 8, 2007 and by the Board of Directors on January 8, 2007.