

Aerohive Networks, Inc.

Recoupment Policy

(Adopted Effective April 1, 2017)

Aerohive Networks, Inc. (“**Aerohive**” or the “**Company**”) is committed to the principle of strong corporate governance. As part of its commitment, Aerohive’s Board of Directors (the “**Board**”) has implemented this policy to confirm its discretion to require that designated Aerohive employees repay cash incentive or equity compensation to Aerohive if the Board determines that the individual’s actions directly caused or directly contributed to cause Aerohive to materially restate all or a portion of its financial statements, due to such individual’s fraudulent or material misconduct. This repayment requirement (also known as a “**clawback**”) applies to those Aerohive employees holding the positions described on **Appendix A** (these employees are referred to as “**participants**”). The Board believes that Aerohive’s recoupment policy is in keeping with good standards of corporate governance and mitigates the potential for excessive risk taking.

Pursuant to the terms of the Recoupment Policy, and notwithstanding anything to the contrary in any Aerohive bonus, incentive or equity plan now or then in-effect applicable to the Aerohive employee subject to this policy), this Recoupment Policy provides as follows:

if:

- Aerohive materially restates its financial statements filed pursuant to the Securities Exchange Act of 1934 as a result of a material error in such financial statements;
- a majority of the independent members of the Board determines, in their sole respective discretion, that the gross negligence, intentional misconduct or fraud committed by a participant caused or partially caused such material restatement of all or a portion of the financial statements(s) at issue (a “**Culpable Participant**”), and that the Culpable Participant should repay to Aerohive the Recoverable Compensation (as defined below) (together, a “**Recoverable Event**”); and
- no more than three (3) years have elapsed from the original filing date of the financial statements upon which the Recoverable Compensation (as defined below) was calculated or determined with respect to the Culpable Participant or other participants

then, to the extent permitted by law

- the Culpable Participant shall repay to Aerohive up to the gross amount of any cash incentive or performance-based equity compensation paid or payable to such participant during the prior 12-month fiscal-year period (such compensation, the “**Incentive Compensation**”)
- all other participants shall repay to Aerohive up to the gross amount of any Incentive Compensation which was, in whole or in part, based on the achievement of the misstated

financial or operating results and which would have been less if such financial statements had been correct at the time the Incentive Compensation was originally calculated or determined;

(together, the “**Recoverable Compensation**”)

With respect to the Recoverable Compensation, the Board of Directors may also, in its sole discretion, cancel, without payment of any consideration whatsoever, the portion of such Incentive Compensation not yet paid or delivered to such participant up to the amount of the Recoverable Compensation. In addition, in its sole discretion, the Board may consider as Recoverable Compensation any equity compensation awards that are or were subject solely to time-based vesting may be subject to forfeiture or repayment upon a Recoverable Event in accordance with the terms of this Recoupment policy and for purposes of this Policy.

Before the independent members of the Board vote on any proposal that would require repayment or forfeiture of any Incentive Compensation or time-based equity awards pursuant to the terms of this Recoupment Policy, the Culpable Participant will be given the opportunity to address the Board (after receiving no fewer than five (5) business days’ notice of the date, location and subject of the Board meeting) and the participant may elect to be accompanied by his or her personal counsel.

Unless otherwise determined by the Board in its sole discretion, upon a Recoverable Event, any Recoverable Compensation relating to (i) unvested and/or outstanding equity awards will be forfeited or returned by the participant in question through the cancellation of outstanding equity awards; (ii) shares issued pursuant to vested equity awards or shares purchased pursuant to the exercise of options will be repaid in the form of shares of Aerohive common stock or in an amount of cash, or its equivalent, in a single lump sum, of equal value; and (iii) paid cash incentive amounts will be repaid by the participant in cash, or its equivalent, in a single lump sum. In the case of a Recoverable Event and Recoverable Compensation paid in the form of equity awards, the Board may also seek to recover gains from the sale or disposition of vested shares (including shares purchased upon the exercise of options that vested based on the achievement of financial or operating results). In addition, upon a Recoverable Event, the Board may, to the extent it deems appropriate, determine to cancel outstanding equity awards where the Board or its Compensation Committee considered Aerohive’s financial or operating results in granting such awards and the amount of such awards would have been less if such financial statements had been correct at the time the awards were originally granted.

This Recoupment Policy will be revised as necessary so that the terms and conditions of the Recoupment policy, as applied on a participant-by-participant basis, will comply with all applicable laws, rules and regulations applicable to Aerohive and or a participant or group of participants. For purposes of clarity, if this policy is required to be revised with respect to a sub-set of participants, then the policy will be revised with respect to those participants, but the revisions will not apply to other participants for which the revisions were not required.

At all times, exercise of the remedies provided in this policy will be determined by the Board and subject to its discretion. Upon a Recoverable Event, the provisions of this Recoupment policy are not intended to be Aerohive’s exclusive remedy and Aerohive reserves its ability to pursue any rights or remedies to which it is entitled, whether at law, tort, contract or otherwise.

Appendix A

Aerohive employees who hold the following positions or their equivalents (to the extent such positions are then held) will be deemed to be participants subject to the Recoupment Policy:

- any person appointed and confirmed by the Board of Directors as an officer of Aerohive in accordance with its bylaws (e.g., President, Chief Executive Officer, Chief Financial Officer, Secretary, etc.)