



SILICON GRAPHICS, INC.

A Delaware corporation

Compensation and Human Resources Committee Charter

Amended as of November 3, 2004

Purpose

The Compensation and Human Resources Committee is created by the Board of Directors of the Company to:

- oversee the Company's compensation and benefits policies generally;
- evaluate senior executive performance and review the Company's management succession plan;
- oversee and set compensation for the Company's senior executives; and
- prepare the report on executive compensation that Securities and Exchange Commission rules require to be included in the Company's annual proxy statement.

Membership

The Compensation and Human Resources Committee shall consist of at least three members, comprised solely of independent directors meeting the independence requirements of the New York Stock Exchange. The Corporate Governance and Nominating Committee shall recommend nominees for appointment to the Compensation and Human Resources Committee annually and as vacancies or newly created positions occur. Compensation and Human Resources Committee members shall be appointed by the Board and may be removed by the Board at any time. The Corporate Governance and Nominating Committee shall recommend to the Board, and the Board shall designate, the Chairman of the Compensation and Human Resources Committee.

Authority and Responsibilities

In addition to any other responsibilities which may be assigned from time to time by the Board, the Compensation and Human Resources Committee is responsible for the following matters.

Compensation Programs

- The Compensation and Human Resources Committee shall review and approve the Company's overall compensation and benefits philosophy and strategy (subject, if applicable, to shareholder ratification), including reviewing and approving executive incentive compensation plans, executive perquisites and all equity-based plans of the Company. In reviewing such compensation and benefits plans, the Compensation and Human Resources Committee may consider the recruitment, development, promotion, retention and compensation of senior executives and other employees of the Company and any other factors that it deems appropriate. The Compensation and Human Resources Committee shall report the results of such review and any action it takes with respect to the Company's compensation and benefits plans to the Board.

Executive Compensation

- The Compensation and Human Resources Committee shall review and approve for each of the Company's senior executives his or her (i) annual base salary level, (ii) annual incentive bonus compensation, (iii) long-term incentive compensation, and (iv) employment, severance and change-in-control agreements, if any. In addition, the Compensation and Human Resources Committee shall review and approve any other compensation, perquisite or special benefit programs that apply to senior executives.
- With respect to the chief executive officer of the Company, the Compensation and Human Resources Committee also shall, among other things:
 - identify corporate goals and objectives relevant to the CEO's compensation;
 - evaluate the CEO's performance in light of such goals and objectives and set his or her compensation based on such evaluation and such other factors as the Compensation and Human Resources Committee deems appropriate and in the best interests of the Company (including the cost to the Company of such compensation); and
 - determine any long-term incentive component of the CEO's compensation based on awards given to such executive in past years, the Company's performance, shareholder return and the value of similar incentive awards relative to such targets at comparable companies and such other factors as the Compensation and Human Resources Committee deems appropriate and in the best interests of the Company (including the cost to the Company of such compensation).
- The Compensation and Human Resources Committee shall report the results of such review and any action it takes with respect to the compensation of the Company's senior executives to the Board.

Management Succession

- The Compensation and Human Resources Committee shall, in consultation with the Company's CEO, periodically review the Company's management succession planning including policies for CEO selection and succession in the event of the incapacitation, retirement or removal of the CEO, and evaluations of, and development plans for, any potential successors to the CEO.

Disclosure

- The Compensation and Human Resources Committee shall prepare the report on executive compensation that Securities and Exchange Commission rules require to be included in the Company's annual proxy statement. In addition, the Committee shall review and approve any other compensation related disclosures included in the annual proxy statement.

Reporting to the Board

- The Compensation and Human Resources Committee shall report to the Board periodically. This report shall include a review of any recommendations or issues that arise with respect to Company compensation and benefits policies, executive compensation, management succession planning and any other matters that the Compensation and Human Resources Committee deems appropriate or is requested to be included by the Board.
- At least annually, the Compensation and Human Resources Committee shall evaluate its own performance and report to the Corporate Governance and Nominating Committee on such evaluation.
- The Compensation and Human Resources Committee shall periodically review and assess the adequacy of this charter and recommend any proposed changes to the Corporate Governance and Nominating Committee.

Procedures

The Compensation and Human Resources Committee shall meet as often as it determines is appropriate to carry out its responsibilities under this charter. The Chairman of the Compensation and Human Resources Committee, in consultation with the other committee members, shall set a schedule for regular committee meetings and identify agenda items for periodic review consistent with this charter. No senior executive should attend that portion of any meeting where such executive's performance or compensation is discussed, unless specifically invited by the Compensation and Human Resources Committee. The Compensation and Human Resources Committee has the sole authority to retain and terminate any compensation consultant assisting the Compensation and Human Resources Committee in the evaluation of CEO or senior executive compensation, including sole authority to approve all such compensation consultant's fees and other retention terms. The Compensation and Human Resources Committee may delegate its authority to subcommittees or the Chairman of the Compensation and Human Resources Committee when it deems appropriate and in the best interests of the Company.