

**Charter of the Compensation Committee  
of the Board of Directors of  
SanDisk Corporation**

**Purposes.**

The primary purposes of the committee are to (1) discharge the board's responsibilities relating to compensation of SanDisk's executives and directors, and (2) prepare the annual report on executive compensation for inclusion in the proxy statement for each annual meeting of stockholders.

**Composition of the Committee.**

At Least Two Members. There shall be at least two directors serving on the committee, with a chair appointed by the board.

Independence. All committee members shall be independent as defined in the Nasdaq listing standards as the same may be amended from time to time (the "listing standards") and applicable laws. As more fully set forth in the listing standards, independent directors must not have been (1) in the past 5 years, employed by SanDisk, affiliated with or employed by SanDisk's auditors, or employed by another company whose compensation committee includes an officer of SanDisk, or (2) a family member of an individual so employed or affiliated in the past 5 years. In addition, all committee members shall be independent and qualified to serve on this committee within the meaning of applicable rules under Section 16(b) of the Securities Exchange Act of 1934 and applicable regulations under Section 162(m) of the Internal Revenue Code of 1986, as amended.

Appointment. Subject to the requirements of the listing standards, the board may appoint and remove committee members in accordance with SanDisk's bylaws. Committee members shall serve for such terms as may be fixed by the board, or at the will of the board if no specific term is fixed. Upon expiration of any term or to fill any vacancy on the committee, the members of the committee shall be appointed by the board upon the recommendation of the nominating committee.

**Committee Functions.** The committee will:

- Executive Officer Compensation: review and approve the corporate goals and objectives relevant to the compensation of SanDisk's chief executive officer and, in consultation with SanDisk's chief executive officer, other executive officers, evaluate the chief executive officer's performance in light of those goals and objectives and, in consultation with SanDisk's chief executive officer, evaluate the other executive officers' performance in light of those goals and objectives, and, in each case, set the officers' compensation level based on this evaluation, including in any determination of long-term incentive compensation SanDisk's performance and relative stockholder return, value of incentive awards to executive officers at comparable companies, and the awards given SanDisk's officers in past years.
- Significant Officer Contracts: review and approve significant employment agreements, separation and severance agreements, arrangements or transactions with executive officers, including any arrangements having any compensatory effect or purpose.
- Succession Planning: review and assist the board in developing succession plans for the executive officers, in consultation with the CEO, other board members and other appropriate management personnel.

- Non-Employee Director Compensation: review and recommend to the board appropriate director compensation programs for non-employee directors, committee chairs, and committee members, consistent with any applicable requirements of the listing standards and applicable laws for independent directors and including consideration of cash and equity components.
- Compensation Policies and Performance Criteria: develop and periodically assess the committee's compensation policies applicable to SanDisk's executive officers and directors, including the relationship of corporate performance to executive compensation, and periodically review SanDisk's performance criteria and assess and make recommendations to the board concerning SanDisk's stock and incentive compensation plans, including the impact of stock compensation plans on stockholder value and the impact of dilution from SanDisk stock plans.
- Compensation Plan Awards: approve stock option grants and other equity-based or incentive awards under SanDisk's stock and incentive compensation plans, including any performance criteria relating to the plans or awards, and otherwise assist the board in administering awards under these plans. A secondary committee of one or more directors may be appointed by either the committee or the board of directors to have separate but concurrent authority with the committee to grant stock options and other discretionary awards under SanDisk's stock-based and other incentive compensation plans to all eligible individuals other than directors and executive officers.
- Retention of Compensation Consultant: have sole authority to retain and terminate any compensation consulting firm used to evaluate director, committee member, CEO or executive officer compensation, and to approve the consulting firm's fees and other retention terms.
- Committee Report in Proxy Statement: timely prepare and approve a report of the committee for inclusion in SanDisk's proxy statement for each annual meeting of stockholders, including a discussion of the committee's compensation policies applicable to executive officers and other information required under SEC rules.
- Other Functions: perform any other activities consistent with this charter, the bylaws and applicable listing standards and laws as the committee or the board of directors considers appropriate.

#### **Meetings, Reports and Resources of the committee.**

Meetings. The committee (1) will meet from time to time as appropriate to approve appropriate executive officer and director compensation and any related performance goals for each fiscal year, and to prepare the committee report concerning compensation in the prior fiscal year for inclusion in the annual meeting proxy statement, and (2) may also hold special meetings or act by unanimous written consent as the committee may decide, for purposes of approving awards under stock or incentive plans, or other purposes of the committee.

The committee, as it may determine to be appropriate, may meet in separate executive sessions with other directors, the chief executive officer and other SanDisk employees, agents or representatives invited by the committee.

Procedures. The committee may establish its own procedures, including the formation and delegation of authority to subcommittees, in a manner not inconsistent with this charter, the bylaws or the listing standards. The chairperson or majority of the committee members may call meetings of the committee. A majority of the authorized number of committee members shall constitute a quorum for the transaction of committee business, and the vote of a majority of the

committee members present at a meeting at which a quorum is present shall be the act of the committee, unless in either case a greater number is required by this charter, the bylaws or the listing standards. The committee shall keep written minutes of its meetings and deliver copies of the minutes to the corporate secretary for inclusion in the corporate records.

Committee Access and Resources. The committee is at all times authorized to have direct, independent access to SanDisk's other directors, management and personnel to carry out the committee's purposes. The committee is authorized to communicate in confidence with any of these individuals.

Nothing in this charter is intended to preclude or impair the protection provided in Section 141(e) of the Delaware General Corporation Law for good faith reliance by members of the committee on reports or other information provided by others.