

WIND RIVER SYSTEMS, INC.
Compensation Committee Charter
April 1, 2004

I. PURPOSES

The Compensation Committee (the “Committee”) shall assist the Board of Directors (the “Board”) of Wind River Systems, Inc. (the “Company”) in overseeing the Company’s management compensation policies and practices, including (i) determining and approving the compensation of the Company’s Chief Executive Officer (“CEO”); (ii) reviewing and approving compensation levels for the Company’s other executive officers; (iii) reviewing and approving management incentive compensation policies and programs; (iv) reviewing and approving equity compensation programs for employees, and exercising discretion in the administration of such programs; and (v) producing an annual report on executive compensation for inclusion in the proxy statement.

In discharging its duties, the Committee is empowered to inquire into any matter that it considers appropriate to carry out its responsibilities, with access to all books, records, facilities and personnel of the Company. The Committee has the power to retain outside counsel, compensation consultants or other advisors to assist it in carrying out its activities. The Company shall provide adequate resources to support the Committee’s activities, including compensation of the Committee’s counsel, consultants and other advisors. The Committee shall have the sole authority to retain, compensate, direct, oversee and terminate counsel, compensation consultants, and other advisors hired to assist the Committee, who shall be accountable ultimately to the Committee.

II. COMMITTEE MEMBERSHIP

The Committee shall consist of three or more members of the Board, each of whom the Board has selected and determined to be “independent” in accordance with applicable rules of the Nasdaq National Market (“Nasdaq”). In addition, no director may serve unless he or she (i) is a “Non-employee Director” for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and (ii) satisfies the requirements of an “outside director” for purposes of Section 162(m) of the Internal Revenue Code.

Committee members shall serve as set forth in Article IV, Section 24(c) of the Bylaws of the Company. The Chairman of the Committee shall be appointed from among the Committee members by, and serve at the pleasure of, the Board to convene and chair meetings of the Committee, set agendas for meetings, and determine the Committee’s information needs. In the event the Board does not designate a Chairman, the Committee members may appoint their own Chairman by majority vote. In the absence of the Chairman at a duly convened meeting, the Committee shall select a temporary substitute from among its members.

III. COMMITTEE MEETINGS

The Committee shall meet on a regularly scheduled basis at least once per year, or more frequently as circumstances dictate.

The Committee shall establish its own schedule. Meetings of the Committee may be held telephonically and shall conform to the requirements of Article IV, Section 24(d) of the Company's Bylaws regarding matters of procedure, including, without limitation, those regarding notice and quorum.

The Committee shall meet at least annually with the CEO and any other corporate officers the Board and Committee deem appropriate to discuss and review the performance criteria and compensation levels of key executives.

IV. KEY RESPONSIBILITIES

The following responsibilities are set forth as a guide for fulfilling the Committee's purpose, with the understanding that the Committee's activities may diverge as appropriate given the circumstances. The Committee is authorized to carry out these activities and other actions reasonably related to the Committee's purposes or assigned by the Board from time to time:

1. in consultation with management of the Company establish and review the Company's overall management compensation philosophy and policy for the Company's employees at all levels, including general performance and measurement guidelines for the determination of bonuses and other forms of incentive compensation;
2. review and approve corporate goals and objectives relevant to CEO compensation, including annual performance objectives;
3. evaluate at least annually the performance of the CEO against corporate goals and objectives, including the annual performance objectives for the CEO and, based on this evaluation, determine and approve the compensation level (including any discretionary incentive awards) for the CEO, reviewing as appropriate, any agreement or understanding relating to the CEO's employment, incentive compensation, or other benefits based on this evaluation;
4. review at least annually the compensation of such executive officers or other members of management as the Board and Committee determine appropriate;
5. review on a periodic basis the Company's management compensation programs, including any management incentive compensation plans, to determine whether they are appropriate, properly coordinated and achieve their intended purpose(s), and recommend to the Board any appropriate modifications or new plans or programs;
6. upon the delegation of authority by the Board, and subject to the limitations of such delegation, act as administrator of all of the Company's incentive and equity-based plans, including without limitation its stock option plans and its employee stock purchase plans. In its administration of the plans, the Committee may, pursuant to authority delegated by the Board (i) grant stock options or stock purchase rights to individuals eligible for such grants (including grants to individuals subject to Section 16 of the Securities Exchange Act of 1934 in

compliance with Rule 16b-3 promulgated thereunder), and in accordance with procedures and guidelines as may be established by the Board of Directors, and (ii) amend such stock options or stock purchase rights. The Compensation Committee shall also make recommendations to the Board with respect to amendments to the plans and changes in the number of shares reserved for issuance thereunder;

7. review and recommend to the Board incentive and equity-based compensation plans of the Company and any modifications of such plans (whether or not final approval rests with the Company's stockholders);
8. upon the delegation of authority by the Board, and subject to the limitations of such delegation, acting as administrator of all of the Company's retirement plans, including without limitation its 401(k) plan;
9. upon the delegation of authority by the Board, and subject to the limitations of such delegation, reviewing and approving loans to employees of the Company;
10. administer and monitor compliance by executives with the rules and guidelines of the Company's equity-based plans;
11. review and recommend to the Board any changes in employee retirement plans or programs, and other employee benefit plans and program;
12. prepare a report to be included in the Company's annual proxy statement, in accordance with applicable rules and regulation of the Securities and Exchange Commission, Nasdaq and other applicable regulatory bodies;
13. review and make recommendations from time to time to the Board regarding general equity and cash compensation incentives for outside directors on the Board;
14. review and reassess the adequacy of this Charter annually, and recommend to the Board amendments as the Committee deems appropriate;
15. report regularly to the Board on Committee findings and recommendations and any other matters the Committee deems appropriate or the Board requests; and
16. maintain minutes or other records of Committee meetings and activities.