

**CHARTER OF THE  
CORPORATE GOVERNANCE AND  
NOMINATING COMMITTEE OF  
SUN MICROSYSTEMS, INC.**

**PURPOSE:**

The purpose of the Corporate Governance and Nominating Committee is to ensure that the Board of Directors is properly constituted to meet its fiduciary obligations to stockholders and the Company and that the Company has and follows appropriate governance standards. To carry out this purpose, the Corporate Governance and Nominating Committee shall: (1) assist the Board of Directors by identifying prospective director nominees and approving the director nominees for the next annual meeting of stockholders; (2) develop and recommend to the Board of Directors the governance principles applicable to the Company; (3) oversee the annual evaluation of the Board of Directors and its committees and (4) recommend to the Board of Directors the directors that shall serve on each committee of the Board of Directors.

**COMMITTEE MEMBERSHIP AND ORGANIZATION:**

- The Corporate Governance and Nominating Committee shall be comprised of no fewer than two (2) members.
- Each member of the Corporate Governance and Nominating Committee shall be “independent” as defined by the rules of the Nasdaq Stock Market.
- The members of the Corporate Governance and Nominating Committee shall be appointed and replaced by the Board of Directors.

**COMMITTEE RESPONSIBILITIES AND AUTHORITY:**

- Evaluate the current composition, organization and governance of the Board of Directors and its committees; determine future requirements; and make recommendations to the Board of Directors concerning the appointment of directors to committees of the Board of Directors, including recommending the selection of chairs of committees of the Board of Directors.
- Determine the desired qualifications, expertise and characteristics for potential directors and conduct searches, as needed, for director candidates that have corresponding attributes. Identify, evaluate, and recommend nominees for election to the Board of Directors, where such recommended nominees will be subject to approval by a majority of the independent members of the Board.

Evaluate and consider individuals recommended by stockholders pursuant to the Company's policies and procedures for director candidates. For individuals nominated for election to the Board of Directors by a stockholder pursuant to the Company's bylaws, determine compliance with (a) the Company's bylaw requirements and (b) any applicable provisions of the Securities Exchange Act of 1934 and the rules and regulations promulgated by the Securities and Exchange Commission thereunder.

- Oversee the Board of Directors' performance evaluation process, including conducting surveys of director observations, suggestions and preferences.
- Form and delegate authority to subcommittees when appropriate.
- Adopt policies and procedures regarding stockholder recommendations of candidates for the Board of Directors.
- Evaluate and recommend termination of service of individual members of the Board of Directors as appropriate, in accordance with the Board of Directors' governance principles, for cause or for other proper reasons.
- Make regular reports to the Board of Directors.
- Review and re-examine this Charter periodically and make recommendations to the Board of Directors with respect to any proposed changes.
- Review annually the Company's corporate governance guidelines and make recommendations to the Board of Directors with respect to any proposed changes.
- Make recommendations to the Board regarding enhancing communications with stockholders.
- Make recommendations and review disclosure regarding director nominations and recommendations included in the Company's proxy statement as required by law.
- Review annually its own performance against the responsibilities outlined in this Charter and as otherwise established by the Board.
- In performing its responsibilities, the Corporate Governance and Nominating Committee shall have the authority to obtain advice, reports or opinions from internal or external counsel and expert advisors,

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including director search firms and shall have the sole authority to approve related fees and retention terms.

**MEETING AND MINUTES:**

- Members of the Corporate Governance and Nominating Committee shall meet at least once annually and will also meet, as required, in response to the needs of the Board of Directors and as necessary to fulfill their responsibilities.

The Corporate Governance and Nominating Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.