

SanDisk Corporation
Corporate Governance Principles
of the Board of Directors
(Adopted June 19, 2014)

Introduction.

The Board of Directors (the “**Board**”) of SanDisk Corporation (“**SanDisk**”) has adopted these corporate governance principles to assist it in following corporate practices that serve the best interests of SanDisk and its stockholders. The Board intends that these principles serve as a flexible framework within which the Board may conduct its business, not as a set of binding legal obligations. The principles should be interpreted in the context of all applicable laws, SanDisk’s charter documents and other applicable regulatory requirements.

Roles and Responsibilities.

A. Role of Senior Management. Senior management, led by the Chief Executive Officer, is responsible for running SanDisk’s day-to-day operations and appropriately informing the Board of the status of such operations.

B. Role of the Board of Directors. The Board oversees management’s performance on behalf of SanDisk’s stockholders. Its primary duties are (1) to oversee the Chief Executive Officer who, with senior management, runs SanDisk on a daily basis, and (2) to monitor management’s performance in operating SanDisk in an effective, efficient and ethical manner.

C. Formal Evaluation of Executive Officers. The Board is responsible for evaluating the performance of SanDisk’s executive officers, including the Chief Executive Officer. The Board has delegated the formal evaluation to the Compensation Committee of the Board, in consultation (as to each other executive officer) with the Chief Executive Officer. That committee is responsible for the annual evaluation of the salary and bonus of all executive officers (including the Chief Executive Officer).

Board Composition.

A. Size of the Board. The Board will periodically review the appropriate size of the Board as set forth in SanDisk’s bylaws. Each member of the Board is subject to election annually by the stockholders.

B. Majority of Independent Directors. A majority of the directors serving on the Board will meet the standard of director independence set forth in The Nasdaq Stock Market Inc. listing standards as the same may be amended from time to time (the “*listing standards*”), as well as such other standards of director independence not inconsistent with the listing standards that the Board considers appropriate from time to time or otherwise imposed pursuant to any applicable law, rule or regulation.

C. Affirmative Determination of Independence. The Board shall affirmatively determine annually and at other times required by the listing standards or applicable laws that the directors designated as independent have no material relationships to SanDisk (either directly or with an organization in which the director is a partner, stockholder or officer or is financially interested) that may interfere with the exercise of their independence from management and SanDisk.

D. Management Directors. The Board anticipates that SanDisk's Chief Executive Officer will be nominated annually to serve on the Board. The Board may also appoint or nominate other members of SanDisk's management whose experience and role at SanDisk are expected to help the Board fulfill its responsibilities.

E. Chair. The Board will periodically appoint a Chair of the Board. Both independent and management directors, including the Chief Executive Officer, are eligible for appointment as the Chair.

F. Designation of Presiding Independent Director. The Board may designate an independent director to preside at the meetings of independent directors but need not do so unless the Chair is also the Chief Executive Officer.

G. Selection of Board Nominees. The Board is responsible for the selection of candidates for nomination or appointment to the Board. The Nominating and Governance Committee will recommend director candidates to the Board for nomination or appointment, in consultation with the Chief Executive Officer in accordance with the Process for Evaluating and Selecting Potential Director Candidates.

H. Other Public Company Board Memberships. As a general policy, no Board member may serve on more than five public company boards (including SanDisk's Board), subject to the waiver of such restriction by a majority of non-affected members of the Board. For purposes hereof, a "public company" is a company whose stock is traded on a national securities exchange, the OTCBB or the "pink sheets."

I. Length of Board Service. The Board, based on recommendations by the Nominating and Governance Committee, will review the length of service of its members when a director is eligible to be re-nominated for Board membership, including an assessment of individual director performance, number of other company boards on which the individual serves, composition of the Board at that time, and other relevant factors.

J. Retirement Age. If during any 12-month period following an annual meeting of SanDisk's stockholders a director will reach or exceed 70 years of age, then by October 31 during such 12-month period the affected director shall tender his or her resignation to the Nominating and Governance Committee, for consideration by the Board upon the recommendation of the Nominating and Governance Committee. Such resignation, unless rejected or deferred for consideration to a later date by a majority of the non-affected directors, shall become effective as of the date of the next annual meeting of SanDisk stockholders.

K. Significant Changes in Director Occupation. A director should notify the Nominating and Governance Committee promptly if he or she contemplates retirement or a material change in his or her principal occupation or business association. Upon an individual director's material change in principal occupation or business association, unless such change has been approved previously by the Nominating and Governance Committee (which may consider such change as a committee or, at the committee's discretion, submit such change for consideration to the Board), the director shall tender his or her resignation to the Nominating and Governance Committee, for consideration by the Board upon the recommendation of the Nominating and Governance Committee. Such a letter of resignation shall become effective only if accepted by the Board.

L. Board Compensation. The Board, through the Compensation Committee, will review or request management or outside consultants to review appropriate compensation policies or changes in compensation policies for the directors serving on the Board and its committees. This review may

consider Board compensation practices of other comparable companies, contributions to the Board functions, time commitment expected for Board and committee service and other appropriate factors.

M. Stock Ownership Guidelines.

The Board believes that Board members and executive officers (as determined by the Board under applicable law) of SanDisk should hold an equity stake, including shares held outright, in SanDisk. The Board has formulated the following ownership guidelines for SanDisk.

Ownership Guidelines¹

	Required Equity Stake	Required Outright Equity Ownership
Board Member	5,000	3,000
Chief Executive Officer	65,000	16,250
Executive Vice President	25,000	6,250
Senior Vice President	15,000	3,750

Each Board member shall have five years from the later of (a) March 20, 2014 or (b) the date of his or her initial appointment as a member of the Board to comply with the Ownership Guidelines (the “**Director Phase-In Period**”). Each executive officer of SanDisk shall have five years from the later of (a) March 20, 2014 or (b) his or her appointment as an executive officer of SanDisk, to comply with the Ownership Guidelines, and in the event an executive officer is promoted from one level to another that requires additional equity holdings, he or she shall have five years to comply with the additional holding requirement that is in excess of his or her prior level (the “**Executive Officer Phase-In Period**”). Subject to the phase-in periods described above, each Board member and each executive officer must at all times comply with these Ownership Guidelines; provided, however, that if a Board member or executive officer achieves compliance with either (or both, as the case may be) of the Required Equity Stake and the Required Outright Equity Ownership prior to expiration of the applicable phase-in period, then the Board member or executive officer must continue to comply with such holding requirement(s) as if the applicable phase-in period had expired.

For purposes of determining a Board member’s or SanDisk executive officer’s compliance with the Required Equity Stake column set forth in the Ownership Guidelines table above, the calculation shall include only (a) shares of SanDisk common stock owned outright and (b) half a share for each SanDisk unvested restricted stock unit (RSU). For avoidance of doubt, no SanDisk stock options, whether vested or unvested, shall be included in the calculation.

For purposes of determining a Board Member’s or SanDisk executive officer’s compliance with the Required Outright Equity Ownership column set forth in in the Ownership Guidelines table above, only SanDisk shares owned outright shall be included in the calculation and, for avoidance of doubt, neither unvested RSUs nor any SanDisk option, whether vested or unvested, shall be included in the calculation.

¹ Only executive officers are subject to these guidelines; if an employee holds an Executive Vice President title or a Senior Vice President title but is not determined to be an executive officer by the Board, then he or she shall not be subject to these stock ownership guidelines.

If an executive officer is also a Board member, then he or she is only subject to the executive officer guidelines.

If a Board member is not in full compliance with both the Required Equity Stake column and the Required Outright Equity Ownership column after the Director Phase-In Period, then that Board member must retain 50% of the net shares received upon vesting of an RSU award and all shares owned outright at the time the director became subject to these Ownership Guidelines until he or she has achieved compliance with these Ownership Guidelines. For the avoidance of doubt, after the director becomes subject to these Ownership Guidelines all subsequent shares received through the exercise of an option originally granted by SanDisk as equity compensation and then sold in a same-day sale are not required to be retained to achieve compliance with these Ownership Guidelines.

If an executive officer is not in full compliance with both the Required Equity Stake column and the Required Outright Equity Ownership column after the Executive Officer Phase-In Period, then that executive officer must retain 50% of the net shares received upon vesting of an RSU award (net shares received are shares vested net of any shares withheld to satisfy taxes related to the vesting of the RSU) and all shares owned outright at the time the executive officer became subject to these Ownership Guidelines until he or she has achieved compliance with these Ownership Guidelines. For the avoidance of doubt, after the executive officer becomes subject to these Ownership Guidelines all subsequent shares purchased through SanDisk's ESPP program or received through the exercise of an option originally granted by SanDisk as equity compensation and sold in a same-day sale are not required to be retained to achieve compliance with these Ownership Guidelines.

Notwithstanding any provisions of these Ownership Guidelines, all Board members and executive officers must at all times comply with the terms of the SanDisk Insider Trading Policy.

Any exceptions to this policy must be approved by the Compensation Committee of SanDisk.

N. Director Resignation Policy.

1. Required Conditional Resignation. In furtherance of principles regarding majority election of directors set forth in SanDisk's Bylaws, the Board shall nominate for election or re-election as directors only candidates who, as a condition to being nominated, have tendered or agree to tender, an irrevocable resignation in advance of the meeting for the election of directors that will be effective upon: (i) the failure of the candidate to receive the required vote at the next annual meeting at which he or she is nominated for election or re-election; and (ii) the Board's acceptance of the tendered resignation. The Board shall fill director vacancies only with candidates who have agreed to tender the same form of resignation tendered by the other directors in accordance with this requirement.

2. Consideration of Resignation. The Nominating and Governance Committee shall promptly consider the resignation offer of any director who fails to receive the required number of votes for election in accordance with SanDisk's Bylaws and recommend to the full Board whether to accept it. In considering whether to accept or reject the resignation offer, the Nominating and Governance Committee will consider all factors deemed relevant by members of the Nominating and Governance Committee, including, without limitation, (i) the perceived reasons why stockholders withheld votes 'for' election from the director, (ii) the length of service and qualifications of the director, (iii) the director's contributions to SanDisk, (iv) compliance with listing standards, (v) possible contractual ramifications in the event the director in question is a management director, (vi) the purpose and provisions of these principles, and (vii) the best interests of SanDisk and its stockholders.

3. Director Recusal. The Board expects that any director who tenders his or her offer to resign from the Board pursuant to this policy will not participate in the Nominating and Governance Committee or Board deliberations regarding whether to accept that offer of resignation.

4. Board Action Regarding Director Resignations. The Board will act on the Nominating and Governance Committee's recommendation within 90 days following the certification of the stockholder vote by the Inspector of Elections, which action may include, without limitation, acceptance of the offer of resignation, adoption of measures intended to address the issues underlying the perceived reasons why stockholders withheld votes 'for' election from the director, or rejection of the resignation offer. Thereafter, the Board will disclose its decision whether to accept the director's resignation offer and the reasons for rejecting the offer, if applicable, on a Form 8-K to be filed with the Securities and Exchange Commission (the "**SEC**") within four business days of the Board's determination.

5. Board Vacancies. To the extent that one or more director's resignation is accepted by the Board, the Nominating and Governance Committee will recommend to the Board whether to fill such vacancy or vacancies or take the appropriate action to reduce the size of the Board.

Board Meetings.

A. Scheduling of Full Board Meetings. The Chair of the Board will schedule in advance regular meetings of the Board, ordinarily held five times per year at SanDisk's principal executive office.

B. Meetings of Independent Directors. The independent directors will hold during each fiscal year regular meetings of the independent members of the Board without management present, at such times and for such purposes as the independent directors consider to be appropriate. For the convenience of the directors, these meetings may, but need not, be scheduled to coincide with the dates of regular Board meetings. The independent directors may invite SanDisk's independent auditors, legal counsel, finance staff and other employees and any other advisors or persons they deem appropriate to attend all or a portion of these meetings.

C. Agenda. The Chair of the Board and SanDisk's Chief Executive Officer will have primary responsibility for preparing the agenda for each meeting and arranging for it to be sent in advance of the meeting to the directors along with appropriate written information and background materials. Each Board committee, and each director, is encouraged to suggest items for inclusion on the agenda. The Chair and the full Board separately have authority to require the Board to meet in executive sessions to discuss sensitive matters with or without distribution of written materials.

D. Access to Information. SanDisk's management will afford each Board member access to SanDisk employees, legal counsel, investment bankers, the outside auditors and any other SanDisk advisors as well as books, records and facilities for any purpose reasonably related to the Board's responsibilities. Management is responsible for arranging presentations at Board meetings by SanDisk executives and other employees and otherwise providing reports to the Board that will communicate to the Board at appropriate times meaningful information about (1) SanDisk's financial and business plans, strategies and objectives; (2) the recent financial results and condition of SanDisk and its business segments; (3) significant accounting, regulatory, competitive, litigation and other external issues affecting SanDisk; and (4) systems of disclosure controls and procedures and internal controls which promote accurate and timely reporting of financial information to stockholders and compliance with laws and corporate policies. Each director is entitled to inspect SanDisk's books and records and obtain such other data and information as the director may reasonably request; inspect facilities as reasonably appropriate for the performance of director duties; and to receive copies of all Board meeting minutes.

E. Independent Inquiries and Advisers. The Board is authorized to conduct investigations, and to retain at SanDisk's expense, independent legal, accounting, financial, governance, or other professional

advisors selected by the Board, for any matters relating to the purpose or responsibilities of the Board.

F. Confidentiality. The materials, proceedings and deliberations of the Board and its committees are confidential. Each director will maintain the confidentiality of information received in connection with his or her service as a director.

Board Committees.

A. Committees. The principal committees of the Board are the Audit Committee, the Compensation Committee, and the Nominating and Governance Committee.

B. Committee Member Selection. After considering the recommendations of the Nominating and Governance Committee, if such recommendations are requested by the Board, the Board will designate the members and the Chair of each committee, endeavoring to match the committee's function and needs for expertise with individual skills and experience of the appointees to the committee. Each member of the Audit, Compensation and Nominating and Governance Committees shall be independent as defined in the listing standards and applicable laws, rules and regulations and shall comply with all listing standards, applicable laws, rules and regulations. In particular, the members of the Compensation Committee shall meet the independence and corollary standards set forth under Section 162(m) of the Internal Revenue Code of 1986, as amended, and Section 16 of the Exchange Act, including the rules and regulations thereunder, and the members of the Audit Committee shall meet the independence standards set forth in Rule 10A-3 under the Exchange Act.

Committee Functions. Each of the Audit, Compensation and Nominating and Governance Committees shall have a written charter approved by the Board in compliance with applicable listing standards, laws and regulations. The number and content of committee meetings and means of carrying out committee responsibilities will be determined by each committee in accordance with the committee's charter, the authority delegated by the Board to the committee, and legal, regulatory, accounting or governance principles applicable to that committee's function. SanDisk will afford access to SanDisk's employees, legal counsel, outside auditors and other professional advisors and resources, if needed, to enable committee members to carry out their responsibilities.

Board Member Responsibilities.

A. Director Responsibilities.

1. Generally. A director is expected to discharge his or her director duties, including duties as a member of any committee on which he or she serves, in good faith and in a manner the director reasonably believes to be in the best interests of the corporation and its stockholders.

2. Disclose Relationships. Each independent director is expected to disclose promptly to SanDisk's Chief Legal Officer any existing or proposed relationships with SanDisk (other than service as a Board member or on Board committees) which could affect the independence of the director under applicable listing standards or any additional standards as may be established by the Board from time to time, including direct relationships between SanDisk and the director, and indirect relationships between SanDisk and any business, nonprofit or other organization in which the director is a general partner or manager, officer, or significant stockholder, or is materially financially interested. All of these relationships should be disclosed to the Chief Legal Officer whether or not the director considers them to be material.

3. Reporting and Compliance Systems. Based on information available to the director, each director should be satisfied that SanDisk management maintains an effective system for timely reporting to the Board or appropriate Board committees on the following: (i) SanDisk's financial and business plans, strategies and objectives; (ii) the recent financial results and condition of SanDisk and its business segments; (iii) significant accounting, regulatory, competitive, litigation and other external issues affecting SanDisk; and (iv) systems of control which promote accurate and timely reporting of financial information and disclosure of all other required information to stockholders and compliance with laws and corporate policies. Each director is expected to have a basic understanding of the foregoing matters to the extent information is furnished by management or otherwise available to the Board.

4. Preparation and Attendance. Board members are expected to devote sufficient time and attention to prepare for, attend and participate in Board meetings and meetings of committees on which they serve, including advance review of meeting materials that may be circulated prior to each meeting. All directors are encouraged to attend SanDisk's annual meeting of stockholders.

5. Reliance on Information. In discharging responsibilities as a director, a director is entitled to rely in good faith on reports or other information provided by SanDisk management, independent auditors, legal counsel and other persons as to matters the director reasonably believes to be within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of SanDisk.

B. Transactions Affecting Director Independence. Without the prior approval of the audit committee, SanDisk will not make significant charitable contributions to organizations in which a director, or a director's immediate family member (as defined under the listing standards), is affiliated, enter into consulting contracts with (or otherwise provide indirect forms of compensation to) a director, or enter into any relationships or transactions (other than service as a director and Board committee member) between SanDisk and the director (or any business or nonprofit entity or organization in which the director is a general partner, controlling stockholder, officer, manager, or trustee, or materially financially interested) or any other related party transactions. Notwithstanding the foregoing, to the extent required to comply with SEC rules, no member of the audit committee shall be an affiliated person of SanDisk or receive any direct or indirect compensation from SanDisk other than for service as a director and on committees on which the individual serves.

C. Continuing Education. The Board is expected periodically to review appropriate practices and procedures for providing orientation sessions for newly elected or appointed directors, and recommending continuing director education programs for Board and committee members.

D. Annual Evaluation. The Board is expected to annually evaluate these corporate governance principles and whether the Board, its members and its committees are functioning effectively and whether each director is fulfilling his or her obligations.

Management Responsibility.

A. Management Succession Planning. The Chief Executive Officer will review with the Board management succession and development plans for executive officers. The Board may from time to time ask the Compensation Committee to undertake specific reviews concerning management succession planning.

B. Financial Reporting and Legal Compliance. The Board's governance and oversight functions do not relieve the primary responsibilities of SanDisk's management for (1) preparing financial

statements which accurately and fairly present SanDisk's financial results and condition, and (2) maintaining systems, procedures and corporate culture which promote compliance with legal and regulatory requirements and the ethical conduct of SanDisk's business.

C. Corporate Communications. Executive management has the primary responsibility to establish policies concerning SanDisk's communications with investors, the press, customers, suppliers and employees.

D. Communication of Corporate Governance Principles. As required by the listing standards, management will ensure that SanDisk's Web site will include a copy of these principles, copies of the charters of the Audit, Compensation, and Nominating and Governance Committees and, if applicable, other key committees of the Board, and a copy of SanDisk's code of business conduct and ethics. Management will also include in SanDisk's annual report to stockholders statements to the effect that this information is available on SanDisk's website and in print to any stockholder who requests it, as required by applicable laws, rules and regulations.