

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended June 27, 2025

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number: 001-42420

Sandisk Corporation

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

951 Sandisk Drive

Milpitas

California

(Address of principal executive offices)

99-1508671

(I.R.S. Employer Identification No.)

95035

(Zip Code)

(408) 801-1000

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$0.01 Par Value Per Share	SNDK	The Nasdaq Stock Market LLC (Nasdaq Global Select Market)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

☐

Accelerated filer

☐

Non-accelerated filer

☒

Smaller reporting company

☐

Emerging growth company

☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to § 240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate value of voting stock held by non-affiliates of the registrant as of December 27, 2024 was \$0. As of December 27, 2024, the last business day of Sandisk Corporation's most recently completed second fiscal quarter, there was no established public market for the registrant's common stock, par value \$0.01 per share. The registrant's common stock began trading on the Nasdaq Global Select Market ("Nasdaq") under the symbol "SDNK" on February 24, 2025.

As of the close of business on August 13, 2025, 145,805,548 shares of common stock, par value \$0.01 per share, were outstanding.

Documents Incorporated by Reference

The information required by Part III of this Report incorporates by reference certain information from the registrant's definitive proxy statement (the "Proxy Statement") for the 2025 Annual Meeting of Stockholders, which we intend to file with the Securities and Exchange Commission within 120 days after the end of the 2025 fiscal year. Except with respect to information specifically incorporated by reference in this Form 10-K, the Proxy Statement is not deemed to be filed as part hereof.

SANDISK CORPORATION

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Unless otherwise indicated, references herein to specific years and quarters are to our fiscal years and fiscal quarters, and references to financial information are on a consolidated basis. As used herein, the terms “we,” “us,” “our,” the “Company,” and “Sandisk” refer to Sandisk Corporation and its subsidiaries, unless we state, or the context indicates, otherwise.

Sandisk Corporation, a Delaware corporation, is the parent company of our NAND flash data storage business. Our principal executive offices are located at 951 Sandisk Drive, Milpitas, California, 95035. Our telephone number is (408) 801-1000.

FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements within the meaning of the federal securities laws. These forward-looking statements include but are not limited to, statements regarding Sandisk Corporation's (the "Company's") expectations related to operating as an independent company, its product and technology developments and all statements regarding the Company's expected future position, results of operations, cash flows, dividends, financing plans, business strategy, budgets, capital expenditures, competitive positions, growth opportunities, plans and objectives of management, and statements containing the use of forward-looking words, such as "may," "will," "could," "would," "should," "project," "believe," "anticipate," "expect," "estimate," "continue," "potential," "plan," "forecast," "approximate," "intend," "target" and the like, or the use of future tense of these or similar words. Statements contained herein concerning the Company's expectations related to operating as an independent company, outlook or future economic performance, anticipated profitability, revenues, expenses, dividends, or other financial items, products or services line growth of the Company, and predicted market outcomes, together with other statements that are not historical facts, are forward-looking statements that are estimates reflecting the best judgment of the Company based upon currently available information. Statements concerning current conditions may also be forward-looking if they imply a continuation of current conditions.

These forward-looking statements are based on management's current expectations, represent the most current information available to the Company as of the date of this Annual Report on Form 10-K and are subject to a number of risks, uncertainties and other factors that could cause actual results or performance to differ materially from those expressed or implied in the forward-looking statements. You are urged to carefully review the disclosures we make concerning risks and other factors that may affect the outcome of our forward-looking statements and our business and operating results, including those made in Part I, Item 1A. of this Annual Report on Form 10-K and any of those made in our other reports filed with the Securities and Exchange Commission. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this Report. We do not intend, and undertake no obligation, to update or revise these forward-looking statements to reflect new information or events after the date of this document or to reflect the occurrence of unanticipated events, except as required by law.

WEBSITE REFERENCES

In this Annual Report on Form 10-K, we make references to our website at www.sandisk.com. References to our website through this Form 10-K are provided for convenience only and the content on our website does not constitute a part of, and shall not be deemed incorporated by reference into, this Annual Report on Form 10-K.

PART I

Item 1. *Business*

Separation from Western Digital Corporation

Prior to February 21, 2025, we were wholly owned by Western Digital Corporation (“WDC”). As of February 21, 2025, we separated from WDC (the “separation”) and became a standalone publicly traded company, trading under the stock symbol “SNDK” on the Nasdaq Global Select Market. For more information about the separation, see Part II, Item 7., Management’s Discussion and Analysis of Financial Condition and Results of Operation and Part II, Item 8., Note 1, *Organization, Basis of Presentation and Summary of Significant Accounting Policies* of the Notes to the Consolidated Financial Statements included in this Annual Report on Form 10-K.

General

Sandisk is a leading developer, manufacturer and provider of data storage devices and solutions based on NAND flash technology. With a differentiated innovation engine driving advancements in storage and semiconductor technologies, our broad and ever-expanding portfolio delivers powerful flash storage solutions for AI workloads in datacenters, edge devices, and consumers. Our technologies enable everyone from students, gamers, and home offices to the largest enterprises and public clouds to produce, analyze, and store data. Our solutions include a broad range of solid-state drives, embedded products, removable cards, universal serial bus drives and wafers and components. Our broad portfolio of technology and products addresses multiple end markets of “Cloud,” “Client” and “Consumer.”

Through the Client end market, we provide our original equipment manufacturer and channel customers a broad array of high-performance flash solutions across personal computer, mobile, gaming, automotive, virtual reality headsets, at-home entertainment, and industrial spaces. The Consumer end market is highlighted by our broad range of retail and other end-user products, which capitalizes on the strength of our product brand recognition and vast presence around the world. Cloud is comprised primarily of products for datacenters, cloud service providers, and private cloud customers.

We hold a strong position in the Consumer end market and have significant consumer brands and franchises globally, with valuable patent portfolios containing approximately 7,900 granted patents and approximately 3,200 pending patent applications worldwide. We have extensive customer, partner and channel relationships across a number of end-markets and geographies and have a rich heritage of innovation and operational excellence, a wide range of intellectual property assets, broad research and development capabilities and large-scale, efficient manufacturing supply chains. The strong growth in the amount, value and use of data continues, creating a global need for larger, faster, and more capable storage solutions.

We are a customer-focused organization that has developed deep relationships with industry leaders to continue to deliver innovative solutions to help users capture, store and transform data across a boundless range of applications. We help original equipment manufacturers address storage opportunities and solutions to capture and transform data into a myriad of devices and edge technologies. We have also built strong consumer brands with tools to manage vast libraries of personal content and to push the limits of what’s possible for storage. At Sandisk, we continue to transform ourselves to address the growth in data by providing what we believe to be the broadest range of storage technologies in the industry with a comprehensive product portfolio and global reach.

Industry

We operate in the data storage industry. The ability to access, store and share data from anywhere on any device is increasingly important to our customers and end users. From the intelligent edge to the cloud, data storage is a fundamental component underpinning the global technology architecture. Our strengths in innovation and cost leadership, diversified product portfolio and broad routes to market provide a foundation upon which we are solidifying our position as an essential building block of the digital economy. We believe there is a tremendous market opportunity flowing from the rapid global adoption of the technology architecture built with cloud infrastructure tied to intelligent endpoints all connected by high-performance networks. The value and urgency of data storage at every point across this architecture have never been clearer.

The increase in computing complexity and advancements in artificial intelligence, along with growth in cloud computing applications, connected mobile devices and Internet-connected products, and edge devices is driving unabated growth in the volume of digital content to be stored and used. We believe our expertise and innovation in flash technology enable us to bring powerful solutions to a broader range of applications. We continuously monitor the full array of flash-based storage technologies, including reviewing these technologies with our customers, to ensure we are appropriately resourced to meet our customers’ storage needs.

Flash Technology

Flash products provide non-volatile data storage based on flash technology. We develop and manufacture solid state storage products for a variety of applications including enterprise or cloud storage, client storage, automotive, mobile devices and removable memory devices. Over time, we have successfully developed and commercialized successive generations of 2- and 3-dimensional flash technology with increased numbers of storage bits per cell in an increasingly smaller form factor, further driving cost reductions. We devote significant research and development resources to the development of highly reliable, high-performance, cost-effective flash-based technology and are continually pursuing developments in next-generation flash-based technology capacities. We are leveraging our expertise, resources and strategic investments in non-volatile memories to explore a wide spectrum of persistent memory and storage class memory technologies. We have also initiated, defined and developed standards to meet new market needs and to promote wide acceptance of flash storage standards through interoperability and ease of use.

Our Data Solutions

Our broad portfolio of technology and products addresses multiple end markets of “Cloud,” “Client” and “Consumer” and are comprised of the Sandisk™ brand. Certain of our products will also be sold for a limited transitional period under the Western Digital®, WD® and other brands under license from WDC.

Cloud represents a large and growing end market comprised primarily of products for public or private cloud environments and enterprise customers. We provide the Cloud end market with an array of high-performance enterprise solid state drives. Our high-performance enterprise class solid state drives include high-performance flash-based solid state drive and software solutions that are optimized for performance applications providing a range of capacity and performance levels primarily for use in enterprise servers and supporting high-volume online transactions, AI-related workloads, data analysis and other enterprise applications.

Through the Client end market, we provide numerous data solutions that we incorporate into our client’s devices, which consist of solid state drive desktop and notebook PCs, gaming consoles and set top boxes, as well as flash-based embedded storage products for mobile phones, tablets, notebook PCs and other portable and wearable devices, automotive applications, Internet of Things, and industrial and connected home applications. Our solid state drives are designed for use in devices requiring high performance, reliability and capacity with various attributes such as low cost per gigabyte, quiet acoustics, low power consumption and protection against shocks.

We serve the Consumer end market with a portfolio of solid state drives and removable flash, including cards and universal serial bus flash drives, through our retail and channel routes to market. We offer client portable solid state drives with a range of capacities and performance characteristics to address a broad spectrum of the client storage market. Our removable cards are designed primarily for use in consumer devices, such as mobile phones, tablets, imaging systems, cameras and smart video systems. Our universal serial bus flash drives are used in the computing and consumer markets and are designed for high performance and reliability.

Competition

Our industry is highly competitive. We believe we are well positioned with our leading flash product portfolio, premium consumer brand, differentiated semiconductor innovation engine and leadership in driving cost efficiency. Nevertheless, we face strong competition from other manufacturers of flash in the Cloud, Client and Consumer end markets. We compete with vertically integrated suppliers such as Kioxia, Micron Technology, Inc., Samsung Electronics Co., Ltd., SK Hynix, Inc., Yangtze Memory Technologies Co., Ltd. and numerous smaller companies that assemble flash into products.

Business Strategy

Our overall strategy is to leverage our innovation, technology and execution capabilities to be an industry-leading and broad-based developer, manufacturer and provider of storage devices and solutions that support the infrastructure that has enabled the unabated proliferation of data. We strive to successfully execute our strategy through the following foundational elements in order to create long-term value for our customers, partners, investors and employees:

- *Innovation and Cost Leadership:* We continue to innovate and develop advanced technologies across platforms to deliver timely new products and solutions to meet growing demands for scale, performance and cost efficiency in the market.
- *Broad Product Portfolio:* We leverage our capabilities in firmware, software and systems to deliver compelling and differentiated integrated storage solutions to our customers that offer the best combinations of performance, cost, power consumption, form factor, quality and reliability, while creating new use cases for our solutions in emerging markets.

- *Operational Excellence*: We are focused on delivering the best value for our customers in Cloud, Client and Consumer end markets through a relentless focus on appropriately scaling our operations to efficiently support business growth; achieving best in class cost, quality and cycle-time; maintaining industry leading manufacturing capabilities; and having a competitive advantage in supply-chain management.

Our strategy provides the following benefits, which distinguish us in the dynamic and competitive data storage industry:

- a varied product portfolio that establishes us as a leading developer and manufacturer of integrated products and solutions, making us a more strategic supply partner to our customers;
- efficient and flexible manufacturing capabilities, allowing us to leverage our flash research and development and capital expenditures to deliver innovative and cost-effective storage solutions to multiple markets;
- deep relationships with industry leaders across the data ecosystems that give us the broadest routes to market; and
- industry leading consumer brand awareness and global retail distribution presence.

Research and Development

We devote substantial resources to the development of new products and the improvement of existing products. We focus our engineering efforts on optimizing our product design and manufacturing processes to bring our products to market in a cost-effective and timely manner. For a discussion of associated risks, see Part I, Item 1A., *Risk Factors* of this Annual Report on Form 10-K.

Patents, Licenses and Proprietary Information

We rely on a combination of patents, trademarks, copyright and trade secret laws, confidentiality procedures and licensing arrangements to protect our intellectual property rights.

We have approximately 7,900 granted patents and approximately 3,200 pending patent applications worldwide. We continually seek additional U.S. and international patents on our technology. We believe that, although our active patents and patent applications have considerable value, the successful manufacturing and marketing of our products also depend upon the technical and managerial competence of our staff. Accordingly, the patents held and applied for cannot alone ensure our future success.

In addition to patent protection of certain intellectual property rights, we consider elements of our product designs and processes to be proprietary and confidential. We believe that our non-patented IP, particularly some of our process technology, is an important factor in our success. We rely upon non-disclosure agreements, contractual provisions and a system of internal safeguards to protect our proprietary information. Despite these safeguards, there is a risk that competitors may obtain and use such information. The laws of foreign jurisdictions in which we conduct business may provide less protection for confidential information than the laws of the U.S.

We rely on certain technology that we license from other parties to manufacture and sell our products. We believe that we have adequate cross-licenses and other agreements in place in addition to our own intellectual property portfolio to compete successfully in the storage industry. For a discussion of associated risks, see Part I, Item 1A., *Risk Factors* of this Annual Report on Form 10-K.

Manufacturing

We believe that we have significant know-how, unique product manufacturing processes, test and tooling, execution skills, human resources and training to continue to be successful and to adjust our manufacturing operations as necessary. We strive to maintain manufacturing flexibility, high manufacturing yields, reliable products and high-quality components. The critical elements of our production are high volume and utilization, low-cost assembly and testing, strict adherence to quality metrics and maintaining close relationships with our strategic component suppliers to access best-in-class technology and manufacturing capacity. We continually monitor our manufacturing capabilities to respond to the changing requirements of our customers and maintain our competitiveness and position as a data technology leader.

Flash manufacturing requires complex processes involving the production and assembly of precision components with narrow tolerances and rigorous testing. The manufacturing processes involve a number of steps that are dependent on each other and occur in “clean room” environments. These processes require skill in process engineering and efficient space utilization in order to keep the operating costs of these specialized manufacturing environments under control. We continually evaluate our manufacturing processes in an effort to increase productivity, sustain and improve quality and decrease manufacturing costs. We continually evaluate which steps in the manufacturing process would benefit from automation and how automated manufacturing processes can improve productivity and reduce manufacturing costs. We also leverage contract manufacturers when strategically advantageous.

Operations

Our flash offerings consist of flash-based memory, controllers and firmware and other components. Substantially all of our flash-based memory is obtained from our joint ventures with Kioxia, which provides us with leading-edge, high-quality and low-cost flash memory wafers. While substantially all of our flash memory supply utilized for our products are purchased from these ventures, from time to time we also purchase flash memory from other flash manufacturers. Controllers are primarily designed in-house and manufactured by third-party foundries or acquired from third-party suppliers. Our assembly and test operations comprise in-house assembly and test facilities located in Penang, Malaysia and other contract manufacturers, and the assembly and test facility owned and operated by SDSS Venture. SDSS is 20% owned by Sandisk and 80% owned by JCET Management Co., Ltd. We believe the use of our in-house assembly and test facilities and manufacturing partners provide flexibility and give us access to increased production capacity.

We and Kioxia currently operate three business ventures, Flash Partners Ltd., Flash Alliance Ltd. and Flash Forward Ltd., (collectively, “Flash Ventures”) across seven flash-based manufacturing facilities in Japan, six of which are located in Yokkaichi, Japan and one of which is located in Kitakami, Japan. Flash Ventures will begin flash-based manufacturing operations at an eighth facility in Japan in calendar year 2025. Through Flash Ventures, we and Kioxia collaborate in the development and manufacture of flash-based memory wafers using semiconductor manufacturing equipment owned or leased by each of the Flash Ventures entities. We co-develop flash technologies (including process technology and memory design) with Kioxia for Flash Ventures’ use. We and Kioxia jointly own these co-developed flash technologies. We and Kioxia also contribute to the collaboration and license to each other technologies that are independently developed and owned by each of us and are reasonably necessary to our joint development or manufacture of flash-based memory. We hold a 49.9% ownership position in each of the Flash Ventures entities. We jointly control the operations of Flash Ventures with Kioxia, and we believe our participation in Flash Ventures helps us reduce product costs, increases our ability to control the quality of our products and speeds delivery of our products to our customers.

Kioxia owns the facilities and provides wafer manufacturing services to Flash Ventures at cost using manufacturing equipment owned or leased by Flash Ventures and process technologies co-owned or contributed by us and Kioxia. Flash Ventures accounts for approximately 80% of the total manufacturing capacity in the facilities owned by Kioxia. We and Kioxia are entitled to purchase a share of Flash Ventures’ output, which generally equals 50% each. The price for which we and Kioxia pay Flash Ventures for flash memory wafers is cost plus a small markup. We are obligated to pay for variable costs incurred in producing our share of Flash Ventures’ flash-based memory wafer supply based on a rolling forecast. In addition, we are obligated to pay for half of Flash Ventures’ fixed costs regardless of the output we choose to purchase. The Company’s 49.9% interest in the earnings of the Flash Ventures entities is recognized one quarter in arrears, reported in Other expense, net in the Consolidated Statements of Operations.

While Flash Ventures is operating, we and Kioxia are restricted from working with third parties to manufacture flash-based memory or from fabricating flash-based memory beyond the capacity specified in our agreements with Kioxia. In addition, we may not manufacture flash-based memory ourselves except to the extent that we acquire the manufacturing capacity of a Flash Ventures entity as a result of such entity’s dissolution or termination of its joint venture agreements or upon our acquisition of all the ownership interests in such entity.

The agreements governing the operations of the Flash Ventures entities also set out a framework for any investment by the joint venture partners in flash manufacturing capacity. We have jointly invested, and intend to continue to jointly invest, with Kioxia in the manufacturing equipment needed to support Flash Ventures’ flash manufacturing operations. In addition, we are obligated to fund 49.9% to 50.0% of capital investments that a Flash Ventures entity decides to make to the extent that the Flash Ventures entity’s operating cash flow is insufficient to fund these investments.

Each Flash Ventures entity operates for a set amount of time as agreed between us and Kioxia. Since the start of Flash Ventures, we and Kioxia have extended the term for all three of the Flash Ventures entities. Absent further extensions as mutually agreed between us and Kioxia, Flash Partners Ltd. and Flash Alliance Ltd. are currently set to expire on December 31, 2029, and Flash Forward Ltd. is currently set to expire on December 31, 2034. Each Flash Ventures entity’s joint venture agreements may also be terminated earlier upon the occurrence of certain specified events, including earlier dissolution by agreement of the parties or an event of default or bankruptcy. Upon the expiration of a Flash Ventures entity’s joint venture agreements, the applicable Flash Ventures entity will commence a wind-up process and be dissolved. Net proceeds from the dissolution will be distributed in kind or cash to us and Kioxia on a pro rata basis based on our respective ownership positions. The applicable Flash Venture entity will continue to operate during the period of winding up.

On January 24, 2025, the Company and WDC entered into an equity transfer agreement (the “Equity Transfer Agreement”) to transfer WDC’s entire equity interest in Unisplendour Corporation Limited and Unissoft (Wuxi) Group Co. Ltd. (“Unis”), referred to as the “Unis Venture,” to the Company. The Unis Venture is 48% owned by the Company and 52% owned by Unis. The Unis Venture markets and sells the Company’s products in China.

Prior to the execution of the Equity Transfer Agreement, the Unis Venture was not historically managed as a component of the Company and as such, the related equity method investment was not reflected in our Consolidated Financial Statements. Following the execution of the Equity Transfer Agreement, the Company accounts for its investment in the Unis Venture under the equity method of accounting. The Company's 48% interest in the earnings of the Unis Venture will be recognized one quarter in arrears from the date the Unis Venture was transferred to the Company and will be reported in Other expense, net in the Consolidated Statements of Operations.

For a discussion of associated risks, see Part I, Item 1A., *Risk Factors* of this Annual Report on Form 10-K.

Materials and Supplies

Our products consist of flash-based memory, controllers and firmware and other components. Following our separation from Western Digital, the Company has independently maintained strategic relationships with Flash Ventures and other key suppliers, and our supply relationships are now governed independently under the Company's standalone procurement structure. We continue to source flash memory and components primarily through these partnerships, while independently managing our supplier portfolio to balance business continuity, cost efficiency, and risk mitigation. Substantially all of our flash memory wafers are currently obtained from Flash Ventures. From time to time, we also purchase flash memory wafers from other flash manufacturers. Controllers are primarily designed in-house and manufactured by third-party foundries or acquired from third-party suppliers. We believe the use of our assembly and test facilities, as well as contract manufacturers, provides flexibility and gives us access to increased production capacity.

We generally retain multiple suppliers for our component requirements, but for business or technology reasons we source some of our components from a limited number of sole or single source providers. For a discussion of associated risks, see Part I, Item 1A., *Risk Factors* of this Annual Report on Form 10-K.

Sales and Distribution

We sell our products to computer manufacturers and original equipment manufacturers, cloud service providers, resellers, distributors and retailers throughout the world. We maintain sales offices in selected parts of the world including the major geographies of the Americas, Asia Pacific, Europe and the Middle East. Our international sales, which include sales to foreign subsidiaries of U.S. companies but do not include sales to U.S. subsidiaries of foreign companies, represented 80%, 86% and 81% of our net revenue for 2025, 2024 and 2023, respectively. Sales to international customers are subject to certain risks not normally encountered in domestic operations, including exposure to tariffs and various trade and other regulations. For a discussion of associated risks, see Part I, Item 1A., *Risk Factors* of this Annual Report on Form 10-K.

We perform our marketing and advertising functions both internally and through outside firms utilizing both consumer media and trade publications targeting various reseller and end-user markets. We also maintain customer relationships through direct communication and by providing information and support through our website. In accordance with standard storage industry practice, we provide distributors and retailers with limited price protection and programs under which we reimburse certain marketing expenditures. We also provide distributors, resellers and original equipment manufacturers with other sales incentive programs.

For 2025 and 2024, no customer accounted for more than 10% of our net revenue. For 2023, one customer accounted for 15% of our net revenue.

Seasonality

Historically, we have experienced seasonal fluctuations in our business with higher levels of demand in the first and second fiscal quarters as a result of increased customer spending. Seasonality can also be impacted by cyclicalities in the industry and macroeconomic conditions. For a discussion of associated risks, see Part I, Item 1A., *Risk Factors* of this Annual Report on Form 10-K.

Service and Warranty

We generally warrant our newly manufactured products against defects in materials and workmanship from one to five years from the date of sale, depending on the type of product, with a small number of products having a warranty ranging up to ten years or more. Our warranty obligation is generally limited to repair or replacement. We have engaged third parties in various countries in multiple regions to provide various levels of testing, processing or recertification of returned products for our customers. For additional information regarding our service and warranty policy, see Part II, Item 8., Note 1, *Organization, Basis of Presentation and Summary of Significant Accounting Policies* and Note 5, *Supplemental Financial Statement Data* of the Notes to Consolidated Financial Statements included in this Annual Report on Form 10-K.

Human Capital Management

Our People

We believe data should inspire every person to move, create, discover, share, and unlock their potential. Our investment in our people seeks to empower our employees to develop breakthrough Flash memory solutions for our customers and drive meaningful impact for our stakeholders. As of June 2025, our global team includes approximately 11,000 employees across 33 countries—73% in Asia Pacific, 19% in the Americas, and 8% in Europe, the Middle East, and Africa.

Belonging

To attract and retain top talent, we are committed to fostering a culture where every individual feels a sense of belonging, respect, and collaboration. We continue to evolve our approach to community and connection in the workplace through innovative, employee-led groups that reflect the variety of identities, interests, and aspirations of our people. While our Employee Resource Groups remain a cornerstone in celebrating the unique backgrounds and experiences of our employees, we are expanding the scope of these communities to include shared interests, hobbies, and areas of personal and professional growth. These evolving employee-led communities create meaningful opportunities for connection, learning, and engagement, enabling employees to bring their whole selves to work and contribute creatively to our culture. Together, these communities reinforce our commitment to our core values of Innovation, Collaboration, Winning, Agility, and Openness.

Talent Development and Engagement

We believe in supporting our people through learning and development opportunities and our pay-for-performance philosophy. To help our employees reach their full potential, we aim to cultivate an environment that encourages learning, development, and career growth. Our performance framework includes developing goals collaboratively through transparent and actionable feedback through regular performance discussions. Our new on-demand learning management system offers learning activities and tools to help employees chart their career journey and track their progress. We also provide upskilling and reskilling opportunities to our factory employees through on-the-job training, technical classes, workshops, and partnerships with universities and colleges.

We believe that ongoing engagement is key to retention and prioritize these efforts by listening to and identifying opportunities to strengthen employee engagement, while influencing our overall strategy. As part of this commitment, we solicit feedback through a variety of methods, including engagement surveys, which are a valuable tool to capture employee sentiment and identify clear, actionable ways to improve the employee experience.

Compensation and Benefits

We believe recognition and rewards are essential to attracting, retaining, and motivating top talent, especially in our dynamic and complex industry. Our approach to compensation is rooted in flexibility, competitiveness, and responsiveness to the unique needs of our workforce and the evolving local talent markets in which we operate.

We offer a modern Total Rewards strategy that goes beyond traditional compensation by incorporating employee choice, creativity, and ongoing feedback. Our programs include a mix of base salary, short-term and long-term incentives, and regionally tailored benefits. These are informed by annual benchmarking that uses third-party market data, as well as proactive engagement with our employees through focus groups, listening sessions, and surveys. This ongoing dialogue helps us identify new opportunities and tailor offerings that align with employee priorities and expectations.

In addition, we invest in the physical, mental, and financial well-being of our employees through a differentiated suite of benefits that reflect local needs while staying true to our global culture and values. These benefits—which may include health coverage, life and disability insurance, retirement plans, paid time off, employee assistance programs, and an employee stock purchase plan—empower employees to make choices that support their personal and professional goals.

Health and Safety

We are committed to creating a safe work environment everywhere we operate. We provide extensive health and safety resources and training to all our employees, including additional training to those who work in manufacturing and operations through an integrated system to manage health and safety standards at our facilities.

Government Regulation

Our worldwide business activities are subject to various laws, rules and regulations of the United States (the “U.S.”) as well as of foreign governments. Compliance with existing or future governmental regulations, including, but not limited to, those pertaining to global trade, the environment, consumer and data protection, employee health and safety and taxes, could have a material impact on our capital expenditures, earnings, competitive position and overall business in subsequent periods. For a discussion of associated risks, see Part I, Item 1A., *Risk Factors* of this Annual Report on Form 10-K.

Corporate Responsibility and Sustainability

We believe responsible and sustainable business practices support our long-term success. As a company, we strive to protect and support our people, our environment and our communities. This commitment to better is why we support sustainability-focused initiatives to minimize our impacts in day-to-day operations and in our long-term strategic plans. Initiatives range from fostering an inclusive workplace, continuously improving the efficient use of materials and energy, active and mindful management of our supply chain, and impactful, globally integrated ethics and compliance programs.

- We strive to protect the human rights and civil liberties of our employees and partners through policies, procedures and programs that avoid risks of compulsory and child labor, both within our company and throughout our supply chain.
- We foster a workplace of dignity, respect, and inclusion through our recruiting, professional development and advancement practices, internal communications and employee engagement initiatives.
- We strive to educate our employees at least annually on relevant ethics and compliance topics, publish accessible guidance on ethics and compliance-related issues and available company resources in our Global Code of Conduct and encourage reporting of ethical concerns through any of several global and local reporting channels.
- We use a robust integrated management system, with associated policies and procedures, to evaluate and manage occupational health and safety risks, environmental compliance and chemical and hazardous substance risks.
- We seek to minimize our impact on the environment through emissions reduction targets and other initiatives and to evaluate and enhance our climate resilience.
- We continuously innovate to identify opportunities to reduce the energy used by our products, and the energy used and quantity and types of new materials required to manufacture them.

Available Information

We maintain an Internet website at www.sandisk.com. The information on our website is not incorporated in this Annual Report on Form 10-K. Our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to reports filed or furnished pursuant to Sections 13(a) and 15(d) of the Securities Exchange Act of 1934 (the “Exchange Act”), as amended, are available on our website at www.sandisk.com, free of charge, as soon as reasonably practicable after the electronic filing of these reports with, or furnishing of these reports to, the U.S. Securities and Exchange Commission (the “SEC”). The SEC maintains a website at www.sec.gov that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC, including us.

Item 1A. Risk Factors**Summary of Risk Factors**

An investment in our common stock is subject to a number of risks, including market, financial, regulatory and operational risks related to our business, our separation from Western Digital Corporation (“WDC”) and our common stock. The following is a summary of certain key risk factors for investors in our securities. You should read this summary together with the more detailed description of risks and uncertainties discussed below.

RISKS RELATED TO OUR BUSINESS***Operational Risks***

- Adverse global or regional conditions could harm our business.
- Disruption in our supply chain, other inability to source our supply requirements, or an increase in the costs of materials or components could negatively affect our business.
- Our operations are subject to a substantial risk of damage or disruption.
- Public health crises have had, and could in the future have, a negative effect on our business.
- Our inability to attract, retain and develop highly skilled management and technical talent could negatively impact our business prospects.
- Product defects could subject us to costly warranty claims, litigation or indemnification claims.
- The compromise, damage or interruption of our technology infrastructure, systems or products from cyber incidents, data security breaches or other related problems could have a material negative impact on our business.
- We may be adversely affected by risks and challenges associated with the use of artificial intelligence (“AI”).

Business and Strategic Risks

- We rely substantially on strategic relationships that subject us to risks and uncertainties.
- Competitive conditions, including declining average selling prices, volatile demand, technological change, industry consolidation and lengthy supply qualifications, in our industry can negatively impact our business.
- Failure to properly manage technology transitions and product development and introduction could harm our competitiveness and operating results.
- We experience sales seasonality and cyclicalities, and accurate forecasting has become more difficult.
- Failure to successfully execute on strategic initiatives may negatively impact our future results.
- Loss of revenue from a key customer, or customer base consolidation, could harm our operating results.
- If we fail to respond to demand changes within our distribution channel or retail market or maintain and grow our applicable market share, our business could suffer.

Financial Risks

- Our level of debt may negatively impact our liquidity, restrict our operations and ability to respond to business opportunities and increase our vulnerability to adverse economic and industry conditions.
- Fluctuations in currency exchange rates may negatively affect our operating results.
- Increases in our customers’ credit risk could result in credit losses and term extensions under existing contracts with customers with credit losses could result in an increase in our operating costs.

Legal and Compliance Risks

- Our failure to comply with laws, rules and regulations related to data use and security could subject us to legal proceedings, penalties, significant liability, loss of customers, loss of revenue or reputational harm.
- We are or may be subject to legal and regulatory requirements as well as customer, industry and coalition standards, and compliance with those requirements could increase our operating costs and failure to comply may harm our business.
- Our aspirations, disclosures and actions related to environmental, social and governance matters expose us to risks that could adversely affect our reputation and performance.
- We and certain of our officers may at times be involved in litigation, investigations and governmental proceedings, which may be costly and could result in adverse court rulings, fines or penalties.
- Our industry’s and our company’s reliance on intellectual property and other proprietary information subjects us to the risk that key components of our business could be copied and also subjects us and our suppliers, customers and partners to the risk of significant litigation.
- Future material impairments in the value of our goodwill, intangible assets and other long-lived assets would negatively affect our operating results.

RISKS RELATED TO THE SPIN-OFF

- We may not achieve the expected benefits of the spin-off, and the spin-off may adversely impact our business.
- We have incurred and may continue to incur material costs and expenses as a result of the spin-off.
- Failure to ensure compliance with Section 404 of the Sarbanes-Oxley Act or ineffective internal control over financial reporting could result in uncertainties regarding our financial statements and lead our stock price to suffer.
- Our historical financial information is not necessarily representative of the results that we would have achieved as a separate, public company and may not be reliable as to our future results.
- WDC may fail to perform under various transaction agreements that were executed as part of the spin-off, or we may fail to have necessary systems and services in place when WDC is no longer obligated to provide services under the various agreements.
- WDC's indemnification of us for certain liabilities in connection with the spin-off may not be sufficient to protect us against the full amount of such liabilities, or WDC may not be able to satisfy its indemnification obligation in the future.
- If we are required to make payments pursuant to our indemnities to WDC in connection with the spin-off, our financial results could be adversely impacted.
- If the distribution of our shares does not continue to qualify for the Intended Tax Treatment or if we fail to preserve such treatment, we, WDC and WDC stockholders could be subject to significant United States ("U.S.") federal income tax liabilities, and we could be required to indemnify WDC.
- The spin-off and related internal restructuring transactions may expose us to potential liabilities arising out of state and federal fraudulent conveyance laws and legal dividend requirements.
- Overlapping officer roles and directorships with WDC may give rise to actual or potential conflicts of interest.
- Failure to have received third party consent for contracts and other assets from the spin-off requiring such consent could adversely impact our financial condition and future results of operations.
- We may be unable to effectively make the changes necessary to operate as an independent company.

RISKS RELATED TO OUR COMMON STOCK

- Our stock price may fluctuate significantly, which may make it difficult to resell our common stock.
- Provisions of Delaware law, our certificate of incorporation and our bylaws may prevent or delay an acquisition of our company, which could decrease the market price of our common stock.
- Our certificate of incorporation contains an exclusive forum provision that could impact stockholder's ability and interest in bringing lawsuits against us and any of our directors, officers or other employees;
- Tax matters may materially affect our financial position and results of operations.
- Provisions in our joint venture agreements with Kioxia Corporation ("Kioxia") may deter, prevent or delay an acquisition of us, which could decrease the market price of our common stock and limit our future strategic opportunities.

RISKS RELATED TO OUR BUSINESS

OPERATIONAL RISKS

Adverse global or regional conditions could harm our business.

A large portion of our revenue is derived from our international operations, and substantially all of our products are produced overseas. As a result, our business depends significantly on global and regional conditions. Adverse changes in global or regional economic conditions, including, but not limited to, volatility in the financial markets, tighter credit, recession, inflation, rising interest rates, slower growth in certain geographic regions, political uncertainty, geopolitical tensions or conflicts, trade war, other macroeconomic factors, changes to social conditions and regulations, could significantly harm demand for our products, increase credit and collectability risks, result in revenue reductions, reduce profitability as a result of underutilization of our assets, cause us to change our business practices, increase manufacturing and operating costs or result in impairment charges or other expenses.

Our revenue growth is significantly dependent on the growth of international markets, and we may face challenges in international sales markets. We are subject to risks and regulatory obligations associated with our global manufacturing operations and global sales efforts, as well as risks and regulatory obligations associated with our utilization of contract manufacturers, including:

- obtaining governmental approvals and compliance with evolving foreign regulations;
- the need to comply with regulations on international business, including the Foreign Corrupt Practices Act, the United Kingdom Bribery Act 2010, the anti-bribery laws of other countries and rules regarding conflict minerals;
- the impacts of political and economic instability;
- exchange, currency and tax controls and reallocations;

- the continued evolution and implementation of complex global and local tax regimes;
- weaker protection of intellectual property rights;
- policies and financial incentives by governments in China, the U.S. and countries in Europe and Asia designed to reduce dependence on foreign semiconductor manufacturing capabilities;
- trade barriers, such as export controls, export bans, import restrictions, embargoes, sanctions, license and certification requirements (including semiconductor, encryption and other technology), tariffs and complex customs regulations;
- difficulties in managing international operations, including appropriate internal controls; and
- financial volatility and disruptions to supply chain resulting from public health crises.

For example, the United States has recently announced changes to U.S. trade policy, including increased tariffs on imported goods. In August 2025, President Trump and members of his administration have stated tariffs on semiconductors may be implemented soon, subject to exemptions. We are monitoring to assess potential implications on the Company. Though the majority of our products sold in the U.S. are currently exempt from tariffs, additional tariff increases or the loss of applicable exemptions would increase the cost of goods sold for our products sold in the U.S., which could negatively impact our margins and financial performance. Increases in the price of our products in response to increased costs may adversely impact demand for those products in the U.S., which could also negatively impact our performance and financial results. Future trade policies and regulations in the U.S. and other countries, the terms of any trade arrangements that may be negotiated between the U.S. and other countries, the scope, amount, or duration of tariffs that may be imposed by any country, and the impact of these factors on our business, either directly or as a result of the impact on the business of our customers, are uncertain and may contribute to increased costs and reduced demand for our products, each of which could harm our financial performance. Uncertainty surrounding international trade policy and regulations could also have an adverse effect on consumer confidence and spending.

As a result of these risks, our business could be harmed.

We are dependent on a limited number of qualified suppliers who provide critical services, materials or components, and a disruption in our supply chain or other inability to source our supply requirements, or an increase in the costs of materials or components, could negatively affect our business.

We depend on an external supply base for technologies, software (including firmware), controllers, dynamic random-access memory, components, equipment and materials for use in our product design and manufacturing. We also depend on suppliers for a portion of our wafer testing, chip assembly, product assembly and product testing, and on service suppliers for providing technical support for our products. In addition, we use logistics partners to manage our worldwide just-in-time hubs and distribution centers and to meet our freight needs. Many of the components and much of the equipment we acquire must be specifically designed for use in our products or for developing and manufacturing our products and are only available from a limited number of suppliers, some of whom are our sole-source suppliers. We therefore depend on these suppliers to meet our business needs, including dedicating adequate engineering resources to develop components that can be successfully integrated into our products.

Our suppliers have in the past been, and may in the future be, unable or unwilling to meet our requirements, including as a result of events outside of their control such as trade restrictions (including tariffs, quotas and embargoes), supply chain shortages, geopolitical conflicts, cybersecurity incidents, public health emergencies or natural disasters. If we are unable to purchase sufficient quantities from our current suppliers or qualify and engage additional suppliers, or if we cannot purchase materials at a reasonable price, we may not be able to meet demand for our products. Trade restrictions, including tariffs, quotas and embargoes, demand from other high-volume industries for materials or components used in our products, disruptions in supplier relationships or shortages in other components and materials used in our customers' products could result in increased costs to us, longer lead times, or decreased demand for our products, which could negatively impact our business. Delays, shortages or cost increases experienced by our suppliers in developing or sourcing materials and components for use in our products or incompatibility or quality issues relating to our products could also harm our business.

We do not have long-term contracts with some of our existing suppliers, nor do we always have guaranteed manufacturing capacity with our suppliers, so we cannot guarantee that they will devote sufficient resources or capacity to manufacturing our products. Any significant problems that occur at our suppliers could lead to product shortages or quality assurance problems. When we do have contractual commitments with suppliers in an effort to stabilize the supply of our components, those commitments may require us to buy a substantial number of components or make significant cash advances to the supplier and may not result in a satisfactory supply of our components. We may cancel or defer outstanding purchase commitments with certain suppliers due to changes in actual and forecasted demand, which may result in fees, penalties and other associated charges. Such cancellations or deferments may also negatively impact our relationships with certain suppliers or lead to a decline in the financial performance of certain suppliers, each of which could result in even more limited availability of components needed for our products.

In addition, our supply base has experienced industry consolidation. Our suppliers may be acquired by our competitors, decide to exit the industry or redirect their investments and increase costs to us. In addition, some of our suppliers have experienced a decline in financial performance, including as a result of canceled or deferred purchase commitments. Where we rely on a limited number of suppliers or a single supplier, the risk of supplier loss due to industry consolidation or a decline in financial performance is increased. Some of our suppliers may also be competitors in other areas of our or their business, which could lead to difficulties in price negotiations or meeting our supply requirements.

Our operations, and those of certain of our suppliers and customers, are subject to substantial risk of damage or disruption.

We conduct our operations at large, high-volume, purpose-built facilities in Japan, Malaysia and throughout Asia. The facilities of many of our customers, our suppliers and our customers' suppliers are also concentrated in certain geographic locations throughout Asia and elsewhere. If a fire (including a climate change-related fire), flood, earthquake, tsunami or other natural disaster, condition or event such as a power outage, contamination event, terrorist attack, cybersecurity incident, physical security breach, political instability, civil unrest, localized labor unrest or other employment issues, or a health epidemic negatively affects any of these facilities, it would significantly affect our ability to manufacture or sell our products and source components and would harm our business. Possible impacts include work and equipment stoppages and damage to or closure of our facilities, or those of our suppliers or customers, for an indefinite period of time. Impacts of any of these events may also include closures of our manufacturing facilities, under-absorbed overhead, increased logistics, component and other costs, decreased demand for our products, and manufacturing challenges. Climate change has in the past and is expected to continue to increase the incidence and severity of certain natural disasters, including wildfires and adverse weather events. In addition, the geographic concentration of our manufacturing sites could exacerbate the negative impacts resulting from any of these problems.

We may incur losses beyond the limits of, or outside the scope of, the coverage of our insurance policies. There can be no assurance that in the future we will be able to maintain existing insurance coverage or that premiums will not increase substantially. Due to market availability, pricing or other reasons, we may elect not to purchase insurance coverage or to purchase only limited coverage. We maintain limited insurance coverage and, in some cases, no coverage at all, for natural disasters and damage to our facilities, as these types of insurance are sometimes not available or available only at a prohibitive cost. Climate change may reduce the availability or increase the cost of certain types of insurance by contributing to an increase in the incidence and severity of certain natural disasters. We depend upon Kioxia to obtain and maintain sufficient property, business interruption and other insurance for Flash Ventures. If Kioxia fails to do so, we could suffer significant unreimbursable losses, and such failure could also cause Flash Ventures to breach various financing covenants.

Public health crises have had, and could in the future have, a negative effect on our business.

Public health crises may negatively impact our workforce and operations, as well as those of our strategic partners, customers, suppliers and logistics providers. Impacts of public health crises may include, without limitation, closures of our manufacturing facilities; under-absorbed overhead; increased logistics, component and other costs; decreased demand for our products; and manufacturing challenges. Employee infections or government restrictions to contain the spread of infectious disease, like travel restrictions, quarantines, business shutdowns, or trade controls, could harm employees' productivity and hinder operations in Flash Ventures' factories or our other worksites and our business and results of operations as a whole. Further, global pandemics and other public health crises may cause financial market instability, credit issues, and increased cybersecurity and data privacy risks as more employees work remotely. The degree to which any public health crises ultimately impact our business will depend on many factors beyond our control, which are highly uncertain and cannot be predicted at this time.

Our success depends on our ability to attract, retain and develop highly skilled management and technical talent.

The success of our business depends on our ability to attract, retain, and develop highly skilled management and technical talent capable of advancing NAND technology in an increasingly complex and competitive global environment. The rapid pace of innovation driven by AI, global research and development competition, evolving models of work, and intensifying customer demands for faster, more efficient solutions has significantly raised the bar for the type of technical expertise required to power current and next-generation technologies. As a result, acquiring and retaining such talent has become increasingly difficult. If we are unable to hire and retain key talent and to effectively manage succession planning for key leadership roles, our operating results could be harmed.

These challenges are further compounded by uncertainty surrounding our post-separation performance and evolving organizational structure, which may impact employee confidence and lead to increased attrition or operational inefficiencies. While we have implemented retention arrangements for key employees to mitigate this risk, we may still experience further attrition following the payment of these incentives. Additionally, compensation is closely tied to the performance of our business and given the inherent cyclicality of the memory and storage markets, we may face periods where our ability to offer competitive compensation is constrained, placing us at a disadvantage in attracting or retaining top talent during downturns in our operating results. Constraints on global talent mobility and hiring may also affect our ability to attract and retain the specialized skills needed to support our business.

While we continue to invest in employee development, workforce planning, and structural agility, the speed and complexity of technological change and market demands create ongoing people-related risks that may impact our ability to sustain long-term innovation and operational performance.

We are subject to risks related to product defects, which could result in product recalls or epidemic failures and could subject us to warranty claims in excess of our warranty provisions or which are greater than anticipated, litigation or indemnification claims.

We warrant the majority of our products for periods of one to five years. We test our products in our manufacturing facilities through a variety of means. However, our testing may fail to reveal defects in our products that may not become apparent until after the products have been sold into the market. In addition, our products may be used in a manner that is not intended or anticipated by us, resulting in potential liability. Accordingly, there is a risk that product defects will occur, including as a result of third-party components or applications that we incorporate in our products, which could require a product recall. Product recalls can be expensive to implement. As part of a product recall, we may be required or choose to replace the defective product. Moreover, there is a risk that product defects may trigger an epidemic failure clause in a customer agreement. If an epidemic failure occurs, we may be required to replace or refund the value of the defective product and to cover certain other costs associated with the consequences of the epidemic failure. In addition, product defects, product recalls or epidemic failures may cause damage to our reputation or customer relationships, lost revenue, indemnification for a recall of our customers' products, warranty claims, litigation or loss of market share with our customers, including our original equipment manufacturer and original design manufacturer customers. Our business liability insurance may be inadequate or future coverage may be unavailable on acceptable terms, which could negatively impact our operating results and financial condition.

Our standard warranty provisions attempt to put limits on damages and exclude liability for consequential damages and for misuse, improper installation, alteration, accident or mishandling while in the possession of someone other than us, but may be unenforceable or fail to limit our liability as intended. We record an accrual for estimated warranty costs at the time revenue is recognized. We may incur additional expenses if our warranty provisions do not reflect the actual cost of resolving issues related to defects in our products, whether as a result of a product recall, epidemic failure or otherwise. If these additional expenses are significant, they could harm our business.

The compromise, damage or interruption of our technology infrastructure, systems or products by cyber incidents, data security breaches, other security problems, design defects or system failures could have a material negative impact on our business.

We experience cyber incidents of varying degrees on our technology infrastructure and systems and, as a result, unauthorized parties may obtain access to our computer systems and networks, including cloud-based platforms.

In addition, the technology infrastructure and systems of some of our suppliers, vendors, service providers, contract manufacturers, cloud solution providers and partners have in the past experienced, and may in the future experience, such incidents. Cyber incidents can be caused by ransomware, computer denial-of-service attacks, data exfiltration, worms and other malicious software programs or other attacks, including the covert introduction of malware to computers and networks, and the use of techniques or processes that change frequently, may be disguised or difficult to detect, or are designed to remain dormant until a triggering event, and may continue undetected for an extended period of time. Cyber incidents may result from social engineering or impersonation of authorized users, and may also result from efforts to discover and exploit any design flaws, bugs, security vulnerabilities or security weaknesses, intentional or unintentional acts by employees or other insiders with access privileges, intentional acts of vandalism or fraud by third parties and sabotage. In some instances, efforts to correct vulnerabilities or prevent incidents may reduce the functionality or performance of our computer systems and networks, which could negatively impact our business. We believe malicious cyber acts are increasing in number and that cyber threat actors are increasingly organized and well-financed or supported by state actors, and are developing increasingly sophisticated systems and means to not only infiltrate systems, but also to evade detection or to obscure their activities. Geopolitical tensions or conflicts may create heightened risk of cyber incidents.

Our increasing use of AI, including generative AI technologies, may also elevate the risk of cyber incidents. These technologies can be leveraged by threat actors to automate and scale cyberattacks, generate highly convincing phishing or social engineering content, identify and exploit vulnerabilities more efficiently, or create malicious code that is more difficult to detect. In addition, generative AI models may inadvertently expose sensitive information if not properly secured or trained on confidential data. The use of AI by malicious actors may also accelerate the development of novel attack techniques that are adaptive, evasive, and capable of bypassing traditional security controls. As AI tools become more accessible and sophisticated, the potential for their misuse increases, further complicating efforts to detect, prevent, and respond to cyber threats.

Our products are also targets for malicious cyber acts. While some of our products contain encryption or security algorithms to protect third-party content or user-generated data stored on our products, these products could still be hacked or the encryption schemes could be compromised, breached or circumvented by motivated and sophisticated attackers, which could harm our business by exposing us to litigation and indemnification claims and hurting our reputation. In addition, our products themselves may contain vulnerabilities, whether due to design flaws, implementation errors, or integration with third-party components, that could be exploited to gain unauthorized access to or disrupt functionality of the product. These vulnerabilities may be identified internally or disclosed by external security researchers, independent entities, or other third parties, including in the form of previously unknown or zero-day exploits. If efforts to breach our infrastructure, systems or products are successful or we are unable to protect against these risks, we could suffer interruptions, delays or cessation of operations of our systems, and loss or misuse of proprietary or confidential information, IP or sensitive or personal information. Compromises of our infrastructure, systems or products could also cause our customers and other affected third parties to suffer loss or misuse of proprietary or confidential information, IP or sensitive or personal information, and could harm our relationships with customers and other third parties and subject us to liability. As a result of actual or perceived breaches, we may experience additional costs, notification requirements, civil and administrative fines and penalties, indemnification claims, litigation or damage to our brand and reputation. All of these consequences could harm our reputation and our business and materially and negatively impact our operating results and financial condition.

We may be adversely affected by the risks, challenges, and evolving regulatory landscape associated with the use of AI in our operations, product development, and business practices.

We are increasingly leveraging AI technologies, including generative AI applications and tools, to support and enhance our various operational processes. While AI may promote efficiency and offer analytical advantages, it is complex and rapidly-changing, and its implementation carries inherent risks. Implementation of AI technologies can be costly and time-consuming, and there is no guarantee that such technology will be effective or beneficial. The incorporation of AI algorithms or training methodologies into our decision-making processes may result in flawed, irrelevant, insufficient, or biased outputs, potentially impacting our strategic choices, operational effectiveness, and regulatory compliance. These inaccuracies can arise from limitations in training data, algorithmic design, or unintended consequences of machine learning models. Actual or perceived deficiencies or failures in our implementation or use of AI could result in competitive disadvantages, regulatory action, legal liability, brand or reputational harm, and negative financial results.

In addition, the use of AI in the development of our products could potentially lead to ambiguities in intellectual property ownership, infringement or misappropriation risks, which could impact our competitive position and expose us to litigation, monetary penalties, or operational disruptions. The unauthorized or unapproved use of generative AI tools by our employees, contractors, or other third parties may lead to the inadvertent disclosure of confidential, proprietary, or personal information, exposing us to data security, privacy, and legal risks and reputational harm. Misuse of such tools can also result in violations of applicable laws and regulations, including data protection and intellectual property laws. As legal and regulatory frameworks surrounding AI continue to evolve, we may be required to adapt our practices, policies, or systems, which could increase operational costs, limit innovation, or expose us to liability. This could materially affect our operations, financial condition, and ability to achieve our strategic objectives.

BUSINESS AND STRATEGIC RISKS

We rely substantially on strategic relationships with various partners, including Kioxia, which subjects us to risks and uncertainties that could harm our business.

We have entered into and expect to continue to enter into strategic relationships with various partners for product development, manufacturing, sales growth and the supply of technologies, components, equipment and materials for use in our product design and manufacturing, including our business ventures with Kioxia. We depend on Flash Ventures for the development and manufacture of flash-based memory. Our strategic relationships, including Flash Ventures, are subject to various risks that could harm the value of our investments, our revenue and costs, our future rate of spending, our technology plans and our future growth opportunities.

The terms of our agreements with Kioxia with respect to Flash Ventures require that substantially all of our flash-based memory be obtained from Flash Ventures, which limits our ability to respond to market demand and supply changes and makes our financial results particularly susceptible to variations from our forecasts and expectations. For example, we are contractually obligated to pay for 50% of the fixed costs of Flash Ventures regardless of whether we order any flash-based memory, and our orders placed with Flash Ventures on a rolling basis are binding. As a result, a failure to accurately forecast supply and demand could cause us to over-invest or under-invest in inventory, technology transitions or the expansion of Flash Ventures' capacity. Over-investment by us or our competitors can result in excess supply and lead to significant decreases in our product prices, significant excess, obsolete inventory or inventory write-downs or underutilization charges, and the potential impairment of our investments in Flash Ventures. For example, in 2023, WDC incurred \$296 million in charges for unabsorbed manufacturing overhead costs as a result of reduced utilization of its manufacturing capacity and \$108 million in charges to write down our inventory as a result of decreases in market pricing. In 2025, we incurred \$75 million in charges as a result of underutilization of our manufacturing capacity and \$24 million in charges to write down our inventory. These charges were attributable to a significant imbalance of supply and demand and actions taken in response thereto. On the other hand, if we under-invest in Flash Ventures, or otherwise grow or transition Flash Ventures' capacity too slowly, we may not have enough supply of flash-based memory, or the right type of flash-based memory, to meet demand on a timely and cost effective basis, and we may lose opportunities for revenue, gross margin and market share as a result. If our supply is limited, we might make strategic decisions with respect to the allocation of our supply among our products and customers, which could result in less favorable gross margins or damage customer relationships. In addition, while Flash Ventures is operating, our agreements with Kioxia contain certain restrictions on our ability to work with third parties to manufacture flash-based memory or to fabricate flash-based memory beyond the capacity specified in the agreements, or to manufacture flash-based memory ourselves except to the extent that we acquire any manufacturing capacity of a Flash Ventures entity as a result of that entity's dissolution, termination of its joint venture agreements or acquisition by us. This could also impair our ability to consolidate with other industry participants who manufacture flash-based memory.

Our control over the operations of our business ventures may be limited, and our interests could diverge from our strategic partners' interests regarding ongoing and future activities. For example, each Flash Ventures entity operates for a defined period of time agreed upon between the joint venture partners. Absent further extensions as mutually agreed between us and Kioxia, Flash Partners Ltd. and Flash Alliance Ltd. are currently set to expire on December 31, 2029, and Flash Forward Ltd. is currently set to expire on December 31, 2034. Each Flash Ventures entity's joint venture agreements may also earlier terminate upon the occurrence of certain specified events, including earlier dissolution by agreement of the parties or an event of default or bankruptcy. Upon the expiration of a Flash Ventures entity's joint venture agreements, the applicable Flash Ventures entity will commence a wind-up process and be dissolved. Net proceeds from the dissolution will be distributed in kind or cash to us and Kioxia on a pro rata basis based on our respective ownership positions. The applicable Flash Venture entity will continue to operate during the period of winding up. Although we and Kioxia have agreed to extend the operating period for each Flash Ventures entity since the start of Flash Ventures, there is a risk that we and Kioxia will be unable to agree on a further extension of one or more of the Flash Ventures entities. Additionally, under the Flash Ventures agreements, we cannot unilaterally direct most of Flash Ventures' activities, and we have limited ability to source or fabricate flash outside of Flash Ventures. Flash Ventures requires significant investments by both Kioxia and us for technology transitions and capacity expansions, and our business could be harmed if our technology roadmap and investment plans are not sufficiently aligned with Kioxia's. Lack of alignment with Kioxia with respect to Flash Ventures could negatively impact our ability to react quickly to changes in the market, or to stay at the forefront of technological advancement. Misalignment could arise due to changes in Kioxia's strategic priorities, management, ownership or access to capital, which have changed in recent years and could continue to change. Kioxia's stakeholders may include, or have included in the past, competitors, customers, a private equity firm, government entities or public stockholders. Kioxia's management changes, ownership and capital structure could lead to delays in decision-making, disputes or changes in strategic direction that could negatively impact the strategic partnership, and therefore us. There may exist conflicts of interest between Kioxia's stakeholders and Flash Ventures or us with respect to, among other things, protecting and growing Flash Ventures' business, intellectual property and competitively sensitive confidential information.

Together with Kioxia, we fund a portion of the investments required for Flash Ventures through lease financings. Continued availability of lease financings for Flash Ventures is not guaranteed and could be limited by several factors, including investor capacity and risk allocation policies, our or Kioxia's financial performance, changes to our or Kioxia's business, ownership or corporate structure and the availability of tools and equipment eligible for lease financing. To the extent that lease financings are not accessible on favorable terms or at all, more cash would be required to fund investments.

Our strategic relationships are subject to additional risks that could harm our business, including, but not limited to, the following:

- failure by our strategic partners to comply with applicable laws or employ effective internal controls;

- difficulties and delays in product and technology development at, ramping production at and transferring technology to, our strategic partners;
- declining financial performance of our strategic partners, including failure by our strategic partners to timely fund capital investments with us or otherwise meet their commitments, including paying amounts owed to us or third parties when due;
- we may lose the rights to, or ability to independently manufacture, certain technology or products being developed or manufactured by strategic partners, including if any of them is acquired by another company, files for bankruptcy or experiences financial or other losses;
- a bankruptcy event involving a strategic partner could result in structural changes to or termination of the strategic partnership; and
- changes in tax or regulatory requirements may necessitate changes to the agreements governing our strategic partnerships.

We participate in a highly competitive industry that is often subject to declining average selling prices, volatile demand, rapid technological change and industry consolidation, as well as lengthy product qualifications, all of which can negatively impact our business.

Demand for our devices, software and solutions, which we refer to in this “Risk Factors” section as our “products,” depends in large part on the demand for systems manufactured by our customers and on storage upgrades to existing systems. The demand for systems has been volatile in the past and often has had an exaggerated effect on the demand for our products in any given period. Demand for and prices of our products are influenced by, among other factors, actual and projected data growth, the balance between supply and demand in the storage market, including the effects of new fab capacity, macroeconomic factors and geopolitical tensions, including tariffs or trade restrictions, business conditions, technology transitions and other actions taken by us or our competitors. The storage market has in the past experienced, and may continue to experience, periods of excess capacity leading to liquidation of excess inventories, inventory write-downs, underutilization charges, significant reductions in average selling prices and negative impacts on our revenue and gross margins, and volatile product life cycles that harm our ability to recover the cost of product development.

Further, our average selling prices and gross margins tend to decline when there is a shift in the mix of product sales to lower priced products. We have faced declining gross margins relating to the Flash Business in the past, and may face potential gross margin pressures in the future, resulting from our average selling prices declining more rapidly than our cost of revenue. Rapid technological changes often reduce the volume and profitability of sales of existing products and increase the risk of inventory obsolescence and write-downs. Finally, the data storage industry has experienced consolidation over the past several years, which could enhance the resources and lower the cost structure of some competitors. These factors could result in a substantial decrease in our market share and harm our business.

As we compete in new product areas, the overall complexity of our business may increase and may result in increases in research and development expenses and substantial investments in manufacturing capability, technology enhancements and go-to-market capability. We must also qualify our products with customers through potentially lengthy testing processes with uncertain results. Some of our competitors offer products that we do not offer, which may allow them to win sales from us, and some of our customers may be developing storage solutions internally, which may reduce their demand for our products. We expect that competition will continue to be intense, and our competitors may be able to gain a product offering or cost structure advantage over us, which would harm our business. Further, our competitors may utilize pricing strategies, including offering products at prices at or below cost, that we may be unable to competitively match. We may also have difficulty effectively competing with manufacturers benefiting from governmental investments and may be subject to increased complexity and reduced efficiency in our supply chain as a result of governmental efforts to promote domestic semiconductor industries in various jurisdictions.

If we do not properly manage technology transitions and product development and introduction, our competitiveness and operating results may be negatively affected.

The markets for our products continuously undergo technology transitions that may impact our product roadmaps and that we must anticipate in order to adapt our existing products or develop new products effectively. If we fail to adapt to or implement new technologies or develop new products desired by our customers quickly and cost-effectively, or if technology transitions negatively impact our existing product roadmaps, our business may be harmed.

In addition, the success of our technology transitions and product development depends on a number of other factors, including:

- research and development expenses and results;
- difficulties faced in manufacturing ramp;
- market acceptance/qualification;
- effective management of inventory levels in line with anticipated product demand;

- the vertical integration of some of our products, which may result in more capital expenditures and greater fixed costs than if we were not vertically integrated;
- our ability to cost effectively respond to customer requests for new products or features (including requests for more efficient and efficiently produced products with reduced environmental impacts) and software associated with our products;
- our ability to increase our software development capability; and
- the effectiveness of our go-to-market capability in selling new products.

Moving to new technologies and products may require us to align to, and build, a new supply base. Our success in new product areas may depend on our ability to enter into favorable supply agreements. In addition, if our customers choose to delay transition to new technologies, if demand for the products that we develop is lower than expected or if the supporting technologies to implement these new technologies are not available, we may be unable to achieve the cost structure required to support our profit objectives or may be unable to grow or maintain our market position.

Additionally, new technologies could impact demand for our products in unforeseen or unexpected ways and new products could substitute for our current products and make them obsolete, each of which would harm our business. We also develop products to meet certain industry and technical standards, which may change and cause us to incur substantial costs as we adapt to new standards or invest in different manufacturing processes to remain competitive.

We experience sales seasonality and cyclicity, which could cause our operating results to fluctuate. In addition, accurately forecasting demand has become more difficult, which could harm our business.

Sales of many of our products tend to be seasonal and subject to supply-demand cycles. Changes in seasonal and cyclical supply and demand patterns have made it, and could continue to make it, more difficult for us to forecast demand. Changes in the product or channel mix of our business may also impact seasonal and cyclical patterns. For example, we often ship a high percentage of our total quarterly sales in the third month of the quarter, which makes it difficult for us to forecast our financial results before the end of each quarter. As a result of the above or other factors, our forecast of financial results for a given quarter may differ materially from our actual financial results.

The variety and volume of products we manufacture are based in part on accurately forecasting market and customer demand for our products. Accurately forecasting demand has become increasingly difficult for us, our customers and our suppliers due to volatility in global economic conditions, end market dynamics and industry consolidation, resulting in less availability of historical market data for certain product segments. Further, for many of our original equipment manufacturer customers utilizing just-in-time inventory, we do not generally require firm order commitments and instead receive a periodic forecast of requirements, which may prove to be inaccurate. In addition, because our products are designed to be largely interchangeable with competitors' products, our demand forecasts may be impacted significantly by the strategic actions of our competitors. As forecasting demand becomes more difficult, the risk that our forecasts are not in line with demand increases. This has caused, and may in the future cause, our forecasts to exceed actual market demand, resulting in periods of product oversupply, excess inventory, underutilization of manufacturing capacity and price decreases, which has impacted and could further impact our sales, average selling prices and gross margin or require us to incur additional inventory write-downs or additional charges for unabsorbed manufacturing overhead, thereby negatively affecting our operating results and our financial condition. For example, in 2023, WDC incurred \$296 million in charges for unabsorbed manufacturing overhead costs as a result of reduced utilization of its manufacturing capacity and \$108 million in charges to write down its inventory as a result of decreases in market pricing. In 2025, we incurred \$75 million in charges as a result of underutilization of our manufacturing capacity and \$24 million in charges to write down our inventory. These charges were attributable to a significant imbalance of supply and demand and actions taken in response thereto. If market demand increases significantly beyond our forecasts or beyond our ability to add manufacturing capacity, then we may not be able to satisfy customer product needs, possibly resulting in a loss of market share if our competitors are able to meet customer demands. In addition, some of our components have long lead-times, requiring us to place orders several months in advance of anticipated demand. Such long lead-times increase the risk of excess inventory, potentially resulting in inventory write-downs or loss of sales in the event our forecasts vary substantially from actual demand.

Failure to successfully execute on strategic initiatives including acquisitions, divestitures or cost saving measures may negatively impact our future results.

We may make acquisitions and divestitures and engage in cost saving measures. In order to successfully execute on strategic initiatives, we must successfully complete attractive transactions, some of which may be large and complex, and manage post-closing issues such as integration of an acquired company or employees and integration of processes and systems. We may not be able to identify or complete appealing acquisition or investment opportunities given the intense competition for these transactions. Even if we identify and complete suitable corporate transactions, we may not be able to successfully address any integration challenges in a timely manner, or at all. There may be difficulties with implementing new systems and processes or with integrating systems and processes of companies with complex operations, which may result in inconsistencies in standards, controls, procedures and policies and may increase the risk that our internal controls are found to be ineffective.

Failing to successfully integrate or realign our business to take advantage of efficiencies or reduce redundancies of an acquisition may result in not realizing all or any of the anticipated benefits of the acquisition. In addition, failing to achieve the financial model projections for an acquisition or changes in technology development and related roadmaps following an acquisition may result in the incurrence of impairment charges (including goodwill impairments or other asset write-downs) and other expenses, both of which could negatively impact our results of operations or financial condition. Acquisitions and investments may also result in the issuance of equity securities that may be dilutive to our stockholders as well as earn-out or other contingent consideration payments and the issuance of additional indebtedness that would put additional pressure on liquidity. Furthermore, we may agree to provide continuing service obligations or enter into other agreements in order to obtain certain regulatory approvals of our corporate transactions, and failure to satisfy these additional obligations could result in our failing to obtain regulatory approvals or the imposition of additional obligations on us, any of which could negatively affect our business. In addition, new legislation or additional regulations may affect or impair our ability to invest with or in certain other countries or require us to obtain regulatory approvals to do so, including investments in joint ventures, minority investments and outbound technology transfers to certain countries.

Cost saving measures, restructurings and divestitures may result in workforce reduction and consolidation of our manufacturing or other facilities. As a result of these actions, we may experience a loss of continuity, loss of accumulated knowledge, disruptions to our operations and inefficiency during transitional periods. These actions could also impact employee retention. In addition, we cannot be sure that these actions will be as successful in reducing our overall expenses as we expect, that additional costs will not offset any such reductions or consolidations or that we will not forgo future business opportunities as a result of these actions.

Acquisitions and alliance activities inherently involve other risks as well. Additional risks we may encounter include those associated with:

- disruption to our business and the continued successful execution of our company strategy, goals and responsibilities;
- increased capital and research and development expenses and resource allocation;
- assimilation and integration of different business operations, corporate cultures, personnel, infrastructures and technologies or solutions acquired or licensed, while maintaining quality, and designing and implementing appropriate risk management measures;
- the incurrence of significant transaction fees and costs;
- the potential for unknown liabilities within the acquired or combined business that we may not become aware of until after the completion of the acquisition; and
- the possibility of conflict with joint venture or alliance partners regarding strategic direction, prioritization of objectives and goals, governance matters or operations.

Loss of revenue from a key customer, or consolidation among our customer base, could harm our operating results.

For 2025, 2024, and 2023, 40%, 41% and 47%, respectively, of our total revenue came from sales to our top ten customers. These customers have a variety of suppliers to choose from and therefore can make substantial demands on us, including demands on product pricing, contractual terms and the environmental impact and attributes of our products, often resulting in the allocation of risk or increased costs to us as the supplier. Our ability to maintain strong relationships with our principal customers is essential to our future performance. We may experience events such as the loss of a key customer, prohibition or restriction of sales to a key customer by law, regulation or other government action, reductions in sales to or orders by a key customer, customer requirements to reduce our prices before we are able to reduce costs or the acquisition of a key customer by one of our competitors. These events may impact our operating results and financial condition. Further, government authorities may implement laws or regulations or take other actions that could result in significant changes to the business or operating models of our customers. Such changes could negatively impact our operating results.

Additionally, if there is consolidation among our customer base, our customers may be able to command increased leverage in negotiating prices and other terms of sale, which could negatively impact our profitability. Consolidation among our customer base may also lead to reduced demand for our products, increased customer pressure on our prices, replacement of our products by the combined entity with those of our competitors and cancellations of orders, each of which could harm our operating results.

Also, the storage ecosystem is constantly evolving, and our traditional customer base is changing. Fewer companies now hold greater market share for certain applications and services, such as cloud storage and computing platforms, mobile, social media, shopping and streaming media. As a result, the competitive landscape is changing, giving these companies increased leverage in negotiating prices and other terms of sale, which could negatively impact our profitability. In addition, the changes in our evolving customer base create new selling and distribution patterns to which we must adapt. To remain competitive, we must respond to these changes by ensuring we have proper scale in this evolving market, as well as offer products that meet the technological requirements of this customer base at competitive pricing points. To the extent we are not successful in adequately responding to these changes, our operating results and financial condition could be harmed.

Sales in the distribution channel and to the retail market are important to our business, and if we fail to respond to demand changes within these markets, or maintain and grow our applicable market share, our business could suffer.

Our distribution customers typically sell to small computer manufacturers, dealers, systems integrators and other resellers. We face significant competition in this channel as a result of limited product qualification programs and a significant focus on price and availability of product. As a result of the shift to mobile devices, more computing devices are being delivered to the market as complete systems, which could weaken the distribution market. If we fail to respond to changes in demand in the distribution market, our business could suffer. Additionally, if the distribution market weakens as a result of technology transitions or a significant change in consumer buying preference, or if we experience significant price declines due to demand changes in the distribution channel, our operating results would be negatively impacted. Negative changes in the creditworthiness or the ability to access credit, or the bankruptcy or shutdown of any of our significant retail or distribution partners would harm our revenue and our ability to collect outstanding receivable balances.

A significant portion of our sales is also made through retailers. Our success in the retail market depends in large part on our ability to maintain our brand image and corporate reputation and to expand into and gain market acceptance of our products in multiple retail market channels. Particularly in the retail market, negative publicity, whether or not justified, or allegations of product or service quality issues, even if false or unfounded, could damage our reputation and cause our customers to choose products offered by our competitors. Further, changes to the retail environment, such as store closures caused by macroeconomic conditions or changing customer preferences, may reduce the demand for our products. If customers no longer maintain a preference for our product brands or if our retailers are not successful in selling our products, our operating results may be negatively impacted.

FINANCIAL RISKS

Our level of debt may negatively impact our liquidity, restrict our operations and ability to respond to business opportunities and increase our vulnerability to adverse economic and industry conditions.

In connection with the separation, we incurred debt financing in our capital structure, and in the future, we may incur additional debt. The amount of debt we incur may be substantial and may be on terms less favorable to us than those historically provided to WDC. Our level of debt and the terms governing our existing debt have had and could continue to have significant consequences, which may include, but are not limited to, the following:

- limiting our ability to obtain additional financing for working capital, capital expenditures, acquisitions, capital contributions to Flash Ventures or other general corporate purposes;
- requiring a substantial portion of our cash flows to be dedicated to debt service payments instead of other purposes;
- imposing financial and other restrictive covenants on our operations, including minimum liquidity and free cash flow requirements and limitations on our ability to (i) declare or pay dividends or repurchase shares of our common stock; (ii) purchase assets, make investments, complete acquisitions, consolidate or merge with or into, or sell all or substantially all of our assets to, another person; (iii) enter into sale/leaseback transactions or certain transactions with affiliates; (iv) incur additional indebtedness; and (v) incur liens; and
- making us more vulnerable to economic downturns and limiting our ability to withstand competitive pressures or take advantage of new opportunities to grow our business.

Our ability to meet our debt service obligations, comply with our debt covenants and deleverage will depend on our cash flows and financial performance, which may be affected by financial, business, economic and other factors. The rate at which we are able to or choose to deleverage is uncertain. Failure to meet our debt service obligations or comply with our debt covenants could result in an event of default under the applicable indebtedness. We may be unable to cure, or obtain a waiver of, an event of default or otherwise amend our debt agreements to prevent an event of default thereunder on terms acceptable to us or at all. In that event, the debt holders could accelerate the related debt, which may result in the cross-acceleration or cross-default of other debt, leases or other obligations. If we do not have sufficient funds available to repay indebtedness when due, whether at maturity or by acceleration, we may be required to sell important strategic assets, refinance such debt, incur additional debt or issue common stock or other equity securities, which we may not be able to do on terms acceptable to us, in amounts sufficient to meet our needs or at all. Our inability to service our debt obligations or refinance our debt could harm our business. Further, if we are unable to repay, refinance or restructure any of our indebtedness that is secured, the holder of such debt could proceed against the collateral securing the indebtedness. Refinancing our indebtedness may also require us to expense previous debt issuance costs or to incur new debt issuance costs.

Our financing arrangements include debt with interest rates consisting of a variable reference rate plus an applicable margin. For debt incurred under our revolving credit facility, the applicable margin is determined by reference to our consolidated leverage ratio. As a result, rising reference rates or an increase in our consolidated leverage ratio could result in increased interest expense and debt service obligations. In addition, our credit ratings have impacted and could continue to impact the cost and availability of future borrowings and, accordingly, our cost of capital. Our credit ratings will reflect the views of the ratings agencies as to our financial strength, operating performance and ability to meet our debt obligations. There can be no assurance that we will achieve a particular credit rating or maintain a particular credit rating in the future.

We also guarantee a significant amount of lease and other financial obligations of Flash Ventures owed to third parties. In particular, Flash Ventures sells to and leases back a portion of its equipment from a consortium of financial institutions. All of the lease obligations are guaranteed 50% by us and 50% by Kioxia. The leases are subject to customary covenants and cancellation events that relate to Flash Ventures and each of the guarantors. If a cancellation event were to occur, Flash Ventures would be required to negotiate a resolution with the other parties to the lease transactions to avoid cancellation and acceleration of the lease obligations. Such resolution could include, among other things, supplementary security to be supplied by us, increased interest rates or waiver fees. If a resolution is not reached, we may be required to pay all of the outstanding lease obligations covered by our guarantees, which would significantly reduce our cash position and may force us to seek additional financing, which may not be available on terms acceptable to us, if at all.

We may from time to time seek to further refinance our indebtedness by issuing additional shares of common stock, preferred stock or other securities that are convertible into common stock or grant the holder the right to purchase common stock, each of which may dilute our existing stockholders, reduce the value of our common stock, or both.

Fluctuations in currency exchange rates as a result of our international operations may negatively affect our operating results.

Because we manufacture and sell our products abroad, our revenue, cost of revenue, margins, operating costs and cash flows are impacted by fluctuations in foreign currency exchange rates. If the U.S. dollar exhibits sustained weakness against most foreign currencies, the U.S. dollar equivalents of unhedged manufacturing costs could increase because a significant portion of our production costs are foreign-currency denominated. Conversely, there would not be an offsetting impact to revenues since revenues are substantially U.S. dollar denominated. Additionally, we negotiate and procure some of our component requirements in U.S. dollars from non-U.S. based vendors. If the U.S. dollar weakens against other foreign currencies, some of our component suppliers may increase the price they charge for their components in order to maintain an equivalent profit margin. In addition, our purchases of flash-based memory from Flash Ventures and our investment in Flash Ventures are denominated in Japanese yen. If the Japanese yen appreciates against the U.S. dollar, our cost of purchasing flash-based memory wafers and the cost to us of future capital funding of Flash Ventures would increase. When such events occur, they have had, and may in the future have, a negative impact on our business.

Prices for our products are substantially U.S. dollar denominated, even when sold to customers that are located outside the U.S. Therefore, as a substantial portion of our sales are from countries outside the U.S., fluctuations in currency exchanges rates, most notably the strengthening of the U.S. dollar against other foreign currencies, contribute to variations in sales of products in impacted jurisdictions and could negatively impact demand and revenue growth. In addition, currency variations may adversely affect margins on sales of our products in countries outside the U.S.

We have historically attempted to manage the impact of foreign currency exchange rate changes by, among other things, entering into short-term foreign exchange contracts. The effectiveness of this hedging strategy is highly dependent on business, market and global economic conditions. We do not hedge all of our foreign currency exchange rate exposure, and even when used for hedging purposes, foreign exchange contracts do not cover our full exposure, can be canceled by the counterparty if currency controls are put in place and may actually harm our operating results. Further, the ability to enter into foreign exchange contracts with financial institutions is based upon our available credit from such institutions and compliance with covenants and other restrictions. Operating losses, third-party downgrades of our credit rating or instability in the worldwide financial markets could impact our ability to effectively manage our foreign currency exchange rate risk. Hedging also exposes us to the credit risk of our counterparty financial institutions.

Increases in our customers' credit risk could result in credit losses and term extensions under existing contracts with customers with credit losses could result in an increase in our operating costs.

Some of our original equipment manufacturer customers have adopted a subcontractor model that requires us to contract directly with companies, such as original design manufacturers, that provide manufacturing and fulfillment services to our original equipment manufacturer customers. Because these subcontractors are generally not as well capitalized as our direct original equipment manufacturer customers, this subcontractor model exposes us to increased credit risks. Our agreements with our original equipment manufacturer customers may not permit us to increase our product prices to alleviate this increased credit risk. Additionally, as we attempt to expand our original equipment manufacturer and distribution channel sales into emerging economies, the customers with the most success in these regions may have relatively short operating histories, making it more difficult for us to accurately assess the associated credit risks. Our customers' credit risk may also be exacerbated by an economic downturn or other adverse global or regional economic conditions. Any credit losses we may suffer as a result of these increased risks, or as a result of credit losses from any significant customer, especially in situations where there are term extensions under existing contracts with such customers, would increase our operating costs, which may negatively impact our operating results.

LEGAL AND COMPLIANCE RISKS

We are subject to laws, rules and regulations relating to the collection, use, sharing and security of data, including personal data, and our failure to comply with these laws, rules and regulations could subject us to proceedings by governmental entities or others and cause us to incur penalties, significant legal liability or loss of customers, loss of revenue and reputational harm.

We are subject to laws, rules and regulations relating to the collection, use, security and privacy of third-party data, including data that relates to or identifies an individual person. We are also subject to the terms of our privacy policies and obligations to third parties related to privacy, data protection and cybersecurity. In many cases, these requirements apply not only to third-party transactions, but also to transfers of information between us and our subsidiaries, and among us, our subsidiaries and other parties with which we have commercial relations. Our possession and use of third-party data, including personal data and employee data in conducting our business, subjects us to legal and regulatory burdens that require us to notify vendors, customers or employees or other parties with which we have commercial relations of a data security breach and to respond to regulatory inquiries and to enforcement proceedings. Laws and regulations relating to the collection, use, security and privacy of third-party data change over time and new laws and regulations become effective from time to time. We are subject to notice and privacy policy requirements, as well as obligations to respond to requests to know and access personal information, correct personal information, delete personal information and say no to the sale of personal information. Global privacy and data protection legislation, enforcement and policy activity in this area are rapidly expanding and evolving and may be inconsistent from jurisdiction to jurisdiction. We may also be subject to restrictions on cross-border data transfers and requirements for localized storage of data that could increase our compliance costs and risks and affect the ability of our global operations to coordinate activities and respond to customers. Compliance requirements or even our inadvertent failure to comply with applicable laws may cause us to incur substantial costs, subject us to proceedings by governmental entities or others, and cause us to incur penalties or other significant legal liability or lead us to change our business practices.

We are or may in the future be subject to state, federal and international legal and regulatory requirements, such as environmental, labor, health and safety, trade and public-company reporting and disclosure regulations, customers' standards of corporate citizenship and industry and coalition standards, such as those established by the Responsible Business Alliance ("RBA"), and compliance with those regulations and requirements could cause an increase in our operating costs and failure to comply may harm our business.

We are subject to, and may become subject to additional, state, federal and international laws and regulations governing our environmental, labor, trade, financial transactions, health and safety practices and public-company reporting and disclosures requirements. These laws and regulations, particularly those applicable to our international operations, are or may be complex, extensive and subject to change. Implementing compliance with such laws and regulations may result in an increase in our operating costs, and failure to comply with such laws and regulations could also lead to significant liabilities. Legislation has been, and may in the future be, enacted in locations where we manufacture or sell our products, which could impair our ability to conduct business in certain jurisdictions or with certain customers and harm our operating results. In addition, climate change and financial reform legislation is a significant topic of discussion and has generated and may continue to generate federal, international or other regulatory responses in the near future, which could substantially increase the complexity of our disclosure requirements and our compliance and operating costs. If we or our suppliers, customers or partners fail to timely comply with applicable legislation, certain customers may refuse to purchase our products or we may face increased operating costs as a result of taxes, fines or penalties, or legal liability and reputational damage, which could harm our business.

In connection with our compliance with environmental laws and regulations, as well as our compliance with industry and coalition environmental initiatives, such as those established by the RBA, the standards of business conduct required by some of our customers, and our commitment to sound corporate citizenship in all aspects of our business, we could incur substantial compliance and operating costs and be subject to disruptions to our operations and logistics. In addition, if we or our suppliers, customers or partners were found to be in violation of these laws or noncompliant with these initiatives or standards of conduct, we could be subject to governmental fines, liability to our customers and damage to our reputation and corporate brand, which could cause our financial condition and operating results to suffer.

Our aspirations, disclosures and actions related to environmental, social and governance matters expose us to risks that could adversely affect our reputation and performance.

In addition to Sandisk's commitment to operating responsibly, there is demonstrated interest from customers, investors, business partners, associates, and other stakeholders regarding Sandisk's assessment and management of relevant environmental, social and governance matters. Where matters, or aspects of a matter, are determined to be material, we may announce initiatives and goals to mitigate such risks from time to time, for example, our intentions regarding operational and product energy efficiency and net zero emissions. These statements reflect our current plans and aspirations; they are not guarantees that we will be able to achieve them. Our ability to achieve any environmental, social and governance objective is subject to numerous factors, including risks, many of which may be outside of our control. These may include availability and cost of clean energy sources, the evolving regulatory and reporting requirements affecting environmental, social and governance practices and disclosures, where and how our products are used and any related implications of their greenhouse gas emissions, and successful execution of our business strategy. Our failure to achieve our goals or accurately track and report on our performance in a timely basis, or in accordance with regulatory requirements, and the potential added costs involved, could adversely affect our reputation; financial performance and growth; our ability to attract or retain talent; and our attractiveness as a business partner or supplier, and could expose us to increased litigation risk, as well as increased scrutiny from the investment community and enforcement authorities.

We and certain of our officers may at times be involved in litigation, investigations and governmental proceedings, which may be costly, may divert the efforts of our key personnel and could result in adverse court rulings, fines or penalties, which could materially harm our business.

From time to time, we may be involved in litigation, including antitrust and commercial matters, putative securities class action suits and other actions. We may be the plaintiff in some of these actions and the defendant in others. Some of the actions may seek injunctive relief, including injunctions against the sale of our products, and substantial monetary damages, which if granted or awarded, could materially harm our business. From time to time, we may also be the subject of inquiries, requests for information, investigations and actions by government and regulatory agencies regarding our business. Any such matters could result in material adverse consequences to our results of operations, financial condition or ability to conduct our business, including fines, penalties or restrictions on our business activities.

Litigation is subject to inherent risks and uncertainties that may cause actual results to differ materially from our expectations. In the event of an adverse outcome in any litigation, investigation or governmental proceeding, we could be required to pay substantial damages, fines or penalties and cease certain practices or activities, including the manufacture, use and sale of products. With or without merit, such matters may be complex, may extend for a protracted period of time, may be very expensive, and the expense may be unpredictable. Litigation initiated by us could also result in counter-claims against us, which could increase the costs associated with the litigation and result in our payment of damages or other judgments against us. In addition, litigation, investigations or governmental proceedings and any related publicity may divert the efforts and attention of some of our key personnel, affect demand for our products and harm the market prices of our securities.

We may be obligated to indemnify our current or former directors or employees, or former directors or employees of companies that we have acquired, in connection with litigation, investigations or governmental proceedings. These liabilities could be substantial and may include, among other things: the costs of defending lawsuits against these individuals; the cost of defending shareholder derivative suits; the cost of governmental, law enforcement or regulatory investigations or proceedings; civil or criminal fines and penalties; legal and other expenses; and expenses associated with the remedial measures, if any, which may be imposed.

The nature of our industry and its reliance on intellectual property and other proprietary information subjects us and our suppliers, customers and partners to the risk of significant litigation.

The data storage industry has been characterized by significant litigation. This includes litigation relating to patent and other intellectual property rights, product liability claims and other types of litigation. We have historically been involved in frequent disputes regarding patent and other intellectual property rights, and we and our customers have in the past received, and we and our customers may in the future receive, communications from third parties asserting that certain of our products, processes or technologies infringe upon their patent rights, copyrights, trademark rights or other intellectual property rights. Even if we believe that such claims are without merit, they may be time-consuming and costly to defend against and may divert management's attention and resources away from our business. We may also receive claims of potential infringement if we attempt to license intellectual property to others. Intellectual property risks increase when we enter into new markets where we have little or no intellectual property protection as a deterrent against litigation. The complexity of the technology involved and the uncertainty of intellectual property litigation increase the intellectual property risks we face. Litigation may be expensive, lengthy and disruptive to normal business operations. Moreover, the results of litigation are inherently uncertain and may result in adverse rulings or decisions. We may be subject to injunctions, enter into settlements or be subject to judgments that may harm our business.

If we incorporate third-party technology into our products or if claims or actions are asserted against us for alleged infringement of the intellectual property of others, we may be required to obtain a license or cross-license, modify our existing technology or design a new non-infringing technology. Such licenses or design modifications may be extremely costly. We evaluate notices of alleged patent infringement and notices of patents from patent holders that we receive from time to time. We may decide to settle a claim or action against us, which settlement could be costly. We may also be liable for past infringement. If there is an adverse ruling against us in an infringement lawsuit, an injunction could be issued barring production or sale of any infringing product. It could also result in a damage award equal to a reasonable royalty or lost profits or, if there is a finding of willful infringement, treble damages. Any of these results would increase our costs and harm our operating results. In addition, our suppliers, customers and partners are subject to similar risks of litigation, and a material, adverse ruling against a supplier, customer or partner could negatively impact our business.

Moreover, from time to time, we agree to indemnify certain of our suppliers and customers for alleged intellectual property infringement. The scope of such indemnity varies but may include indemnification for direct and consequential damages and expenses, including attorneys' fees. We may be engaged in litigation as a result of these indemnification obligations. Third-party claims for patent infringement are excluded from coverage under our insurance policies. A future obligation to indemnify our customers or suppliers may harm our business.

Our reliance on intellectual property and other proprietary information subjects us to the risk that these key components of our business could be copied by competitors.

Our success depends, in significant part, on the proprietary nature of our technology, including non-patentable intellectual property such as our process technology. If we fail to protect our technology, intellectual property or contract rights, our customers and others may seek to use our technology and intellectual property without the payment of license fees and royalties, which could weaken our competitive position, reduce our operating results and increase the likelihood of costly litigation. We primarily rely on patent, copyright, trademark and trade secret laws, as well as non-disclosure agreements and other methods, to protect our proprietary technologies and processes. There can be no assurance that our existing patents will continue to be held valid, if challenged, or that they will have sufficient scope or strength to protect us. It is also possible that competitors or other unauthorized third parties may obtain, copy, use or disclose, illegally or otherwise, our proprietary technologies and processes, despite our efforts to protect our proprietary technologies and processes. If a competitor is able to reproduce or otherwise capitalize on our technology despite the safeguards we have in place, it may be difficult, expensive or impossible for us to obtain necessary legal protection. There are entities whom we believe may infringe our IP. Enforcement of our rights often requires litigation. If we bring a patent infringement action and are not successful, our competitors may be able to use similar technology to compete with us. Moreover, the defendant in such an action may successfully countersue us for infringement of their patents or assert a counterclaim that our patents are invalid or unenforceable. Also, the laws of some foreign countries do not protect our intellectual property to the same extent as do U.S. laws. In addition to patent protection of intellectual property rights, we consider elements of our product designs and processes to be proprietary and confidential. We rely upon employee, consultant and vendor non-disclosure agreements and contractual provisions and a system of internal safeguards to protect our proprietary information. However, we cannot be certain that these contracts and safeguards have not been and will not be breached, that we will be able to timely detect unauthorized use or transfer of our technology and intellectual property, that we will have adequate remedies for any breach, or that our trade secrets will not otherwise become known or be independently discovered by competitors. Any of our registered or unregistered intellectual property rights may be challenged or exploited by others in the industry, which could harm our operating results.

Maintaining and strengthening our brands are important to maintaining and expanding our business, as well as to our ability to enter into new markets for our technologies, products and services. The success of our brands depends in part on the positive image that consumers have of our brands. We believe the popularity of our brands makes them a target of counterfeiting or imitation, with third parties attempting to pass off counterfeit products as our products. Any occurrence of counterfeiting, imitation or confusion with our brands could negatively affect our reputation and impair the value of our brands, which in turn could negatively impact sales of our branded products, our share and our gross margin, as well as increase our administrative costs related to brand protection and counterfeit detection and prosecution. Additionally, our ability to prevent unauthorized uses of our brands and technologies would be negatively impacted if our trademark registrations were successfully challenged or overturned in the jurisdictions where we do business. We also have trademark applications pending in a number of jurisdictions that may not ultimately be granted, or if granted, may be challenged or invalidated, in which case we would be unable to prevent unauthorized use of our brands and logos in such jurisdictions. We have not filed trademark registrations in all jurisdictions where our brands or logos may be used.

Future material impairments in the value of our goodwill, intangible assets and other long-lived assets would negatively affect our operating results.

We regularly review our goodwill and property, plant and equipment for potential impairment. Goodwill and indefinite-lived intangible assets are subject to impairment reviews on an annual basis, or more frequently if events or changes in circumstances indicate that goodwill may be impaired. We use qualitative factors to determine whether goodwill is more-likely-than-not impaired and whether a quantitative test for impairment is considered necessary. If we conclude from the qualitative assessment that goodwill is more-likely-than-not-impaired, we are required to perform a quantitative analysis to determine the amount of impairment. Subsequent to the completion of the separation, we identified potential impairment indicators related to the trading price of our common stock and a resulting market capitalization that was below its December 27, 2024 net book value. In accordance with Accounting Standards Codification No. 350, Intangibles - Goodwill and Other, we performed a quantitative test, which indicated that the carrying value of our reporting unit exceeded its estimated fair value resulting in the recognition of a \$1.8 billion impairment charge as of, and for the nine months ended, March 28, 2025.

Further adverse changes to macroeconomic conditions, our operating or financial results, or our estimates of the fair value of our reporting unit could impact the amount of any impairment charges or lead to additional impairment charges. Material impairment charges would negatively affect our results of operations.

RISKS RELATED TO THE SPIN-OFF

We may not achieve some or all of the expected benefits of the spin-off, and the spin-off may adversely impact our business.

We may not realize any strategic, financial, operational or other benefits from the spin-off. We cannot predict with certainty if or when anticipated benefits will occur or the extent to which they will be achieved. Following the completion of the spin-off, our operational and financial profile has changed and may continue to change, and we face new risks. We are now a smaller and less-diversified company compared to WDC prior to the spin-off and may be more vulnerable to changing market conditions, which could result in greater volatility in our financial results and cash flows. While we believe that the spin-off has positioned each company to better unlock its full standalone long-term potential, we cannot assure you that we will be successful. Further, there can be no assurance that the combined value of our shares and the shares of WDC is or will be equal to or greater than what the value of our common stock would have been had the spin-off not occurred. We or WDC may offer products or engage in businesses that compete with the other company's products or businesses. Under the separation and distribution agreement between WDC and us, WDC is subject to certain limited noncompetition obligations for a specified period of time after the separation but otherwise will not be restricted in its ability to compete with us.

We have incurred and expect to continue to incur ongoing material costs and expenses as a result of the spin-off.

We have and will continue to incur costs and expenses as a result of the spin-off. These costs and expenses may arise from various factors, including, without limitation, financial reporting, the continuing development and implementation of our own accounting, legal, treasury, corporate governance, internal audit, investor relations and other compliance and corporate functions, the establishment of our own information technology system (including enterprise resource planning), and costs associated with complying with federal securities laws (including compliance with the Sarbanes-Oxley Act). We have incurred and expect to continue to incur ongoing costs and dis-synergies in connection with, or as a result of, the separation and related restructuring transactions, including costs of operating as independent, publicly traded companies that the two businesses will no longer be able to share. We cannot assure you that these costs will not be material to our business and financial results.

If we are unable to satisfy the requirements of Section 404 of the Sarbanes-Oxley Act, or our internal control over financial reporting is not effective, the reliability of our financial statements may be questioned, and our stock price may suffer.

Section 404 of the Sarbanes-Oxley Act requires any company subject to the reporting requirements of the U.S. securities laws to do a comprehensive evaluation of its and its consolidated subsidiaries' internal control over financial reporting. Neither we nor our independent registered public accounting firm is required to formally attest to the effectiveness of our internal control over financial reporting until the year following the first annual report required to be filed with the SEC. To comply with this statute, we are required to document and test our internal control procedures, our management is required to assess and issue a report concerning our internal control over financial reporting and our independent registered public accounting firm is required to issue an opinion on our internal control over financial reporting. The rules governing the standards that must be met for management to assess our internal control over financial reporting are complex and require significant documentation, testing and possible remediation to meet the detailed standards under the rules. During the course of our testing, our management may identify material weaknesses or deficiencies which may not be remedied in time to meet the deadline imposed by the Sarbanes-Oxley Act. If our management concludes that our internal control over financial reporting is not effective, or we identify material weaknesses in our internal controls, any remedial actions required could divert internal resources and take a significant amount of time and effort to complete, and could result in us incurring additional costs that we did not anticipate, including the hiring of outside consultants. Further, our ability to produce timely and accurate financial statements or comply with applicable regulations could be impaired, which could lead to weakened investor confidence in our financial results, and our stock price may suffer.

We were spun off from our former parent company, WDC, and our historical financial information is not necessarily representative of the results that we would have achieved as a separate, publicly traded company and therefore may not be a reliable indicator of our future results.

We were spun off from WDC, our former parent company, and have only operated as an independent, publicly traded company since February 21, 2025. Some of the historical information about us in this annual report on Form 10-K refers to our business as part of pre-spin-off WDC. Our historical financial information included in this annual report on Form 10-K is derived from the consolidated financial statements of Sandisk and the combined financial statements and accounting records of WDC. Accordingly, the historical financial information included in this annual report on Form 10-K does not necessarily reflect the financial condition, results of operations or cash flows that we would have achieved as a separate, publicly traded company during the periods presented or those that we will achieve in the future primarily as a result of the factors described below:

- we may need to make significant investments to replicate or outsource certain systems, infrastructure and functional expertise in the future. These initiatives to develop our independent ability to operate will be costly to implement. We may not be able to operate our business as efficiently or at comparable costs, and our profitability may decline;
- how we finance our working capital or other cash requirements may differ from how we financed those requirements as part of pre-spin-off WDC. Our access to and cost of debt financing is different from the historical access to and cost of debt financing under pre-spin-off WDC. Differences in access to and cost of debt financing are likely to result in differences in interest rates charged to us on financings, the amounts of indebtedness, types of financing structures and debt markets that may be available to us, which may have an adverse effect on our business, financial condition, results of operations and cash flows; and
- in preparing our financial statements, pre-spin-off WDC made allocations of costs and corporate expenses deemed to be attributable to our business. However, these costs and expenses reflect the costs and expenses attributable to how our business operated as part of a larger organization and do not necessarily reflect costs and expenses that would be incurred by us had we been operating independently. As a result, our historical financial information may not be a reliable indicator of future results.

For additional information about the past financial performance of our business and the basis of presentation of the current and historical financial statements, see the sections of this annual report on Form 10-K entitled “*Financial Statements and Supplementary Data*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*.”

WDC may fail to perform under various transaction agreements that were executed as part of the spin-off, or we may fail to have necessary systems and services in place when WDC is no longer obligated to provide services under the various agreements.

In connection with our spin-off, we entered into certain agreements with WDC, such as the separation and distribution agreement, a transition services agreement, a tax matters agreement, an employee matters agreement, a stockholder’s and registration rights agreement, a transitional trademark license agreement and an intellectual property cross-license agreement, as discussed in greater detail in the section of this annual report on Form 10-K entitled “*Related Party Transactions—Separation and Distribution Agreement and Other Related Party Transactions with WDC*,” which provide for the performance by each company for the benefit of the other for a period of time after the spin-off. If WDC is unable to satisfy its obligations under these agreements, including its indemnification obligations in favor of us, we could incur operational difficulties or losses.

If we do not have in place our own systems and services, and do not have agreements with other providers of these services when the transitional or other agreements terminate, or if we do not implement the new systems or replace WDC’s services successfully, we may not be able to operate our business effectively, which could disrupt our business and have a material adverse effect on our business, financial condition and results of operations. These systems and services may also be more expensive to install, implement and operate, or less efficient than the systems and services WDC provides during the transition period.

In connection with our spin-off from WDC, WDC has agreed to indemnify us for certain liabilities. However, there can be no assurance that the indemnity will be sufficient to protect us against the full amount of such liabilities, or that WDC’s ability to satisfy its indemnification obligation will not be impaired in the future.

WDC has agreed to indemnify us for certain liabilities as discussed further in the section of this annual report on Form 10-K entitled “*Related Party Transactions—Separation and Distribution Agreement and Other Related Party Transactions with WDC*.” However, third parties could also seek to hold us responsible for liabilities that WDC has agreed to retain, and there can be no assurance that the indemnity from WDC will be sufficient to protect us against the full amount of such liabilities, or that WDC will be able to fully satisfy its indemnification obligations. In addition, WDC’s insurers may attempt to deny coverage to us for liabilities associated with certain occurrences of indemnified liabilities prior to the spin-off.

In connection with our spin-off from WDC, we have agreed to assume, and indemnify WDC for, certain liabilities. If we are required to make payments pursuant to these indemnities to WDC, we would need to meet those obligations and our financial results could be adversely impacted.

We have agreed to assume, and indemnify WDC for, certain liabilities as discussed further in the section of this annual report on Form 10-K entitled “*Related Party Transactions—Separation and Distribution Agreement and Other Related Party Transactions with WDC*.” Payments pursuant to these indemnities may be significant and could adversely impact our business, financial condition, results of operations and cash flows, particularly indemnities relating to our actions that could impact the tax-free nature of the distribution.

If the distribution of our shares, together with certain related transactions, does not continue to qualify for the Intended Tax Treatment, Sandisk, WDC and WDC stockholders could be subject to significant U.S. federal income tax liabilities and, in certain circumstances, we could be required to indemnify WDC for material taxes pursuant to indemnification obligations under the tax matters agreement. We are also restricted from taking certain actions that could adversely impact the Intended Tax Treatment to preserve the tax-free treatment to WDC and its stockholders and to comply with the tax matters agreement.

As a condition to the completion of the distribution, WDC received an opinion of counsel (the “Tax Opinion”) that, among other things, the distribution, together with certain related transactions, qualifies for the Intended Tax Treatment. The Tax Opinion was based on and relies on certain facts, assumptions, representations and undertakings from WDC and us, including those regarding the past and future conduct of the companies’ respective businesses and other matters. Nevertheless, an opinion of counsel neither binds the Internal Revenue Service (the “IRS”) nor precludes the IRS or the courts from adopting a contrary position. Therefore, notwithstanding the Tax Opinion, the IRS could determine that the distribution or any such related transaction is taxable if it determines that any of these facts, assumptions, representations or undertakings are not correct or have been violated, or that the distribution should be taxable for other reasons, including if the IRS were to disagree with the conclusions in the Tax Opinion.

If the distribution or certain related transactions failed to qualify for the Intended Tax Treatment, in general, for U.S. federal income tax purposes, WDC would recognize taxable gain as if it had sold the shares of our stock in a taxable sale for their fair market value and WDC stockholders that received shares of our stock in the distribution or receive shares of our stock in a clean-up distribution would be subject to tax as if they had received a taxable distribution equal to the fair market value of such shares.

In addition, WDC and Sandisk could incur significant U.S. federal income tax obligations, whether under applicable law or under the tax matters agreement that we entered into with WDC.

Further, to preserve the tax-free treatment to WDC and its stockholders of the distribution and certain related transactions, under the tax matters agreement that we entered into with WDC, we are restricted from taking certain actions that could adversely impact the Intended Tax Treatment of the distribution, together with certain related transactions. Failure to adhere to any such restrictions, including in certain circumstances that may be outside of our control, could result in tax being imposed on WDC for which we could bear responsibility and for which we could be obligated to indemnify WDC. In addition, even if we are not responsible for tax liabilities of WDC under the tax matters agreement, we nonetheless could potentially be liable under applicable tax law for such liabilities if WDC were to fail to pay such taxes.

The terms of the tax matters agreement, furthermore, restrict us from taking certain actions, particularly for the two years following the spin-off, including (among other things) the ability to freely issue stock, to merge or agree to merge with a third party, to be acquired or agree to be acquired by certain parties and to raise additional equity capital. Such restrictions could impair our ability to implement strategic initiatives. Also, any indemnity obligation to WDC might discourage, delay or prevent a change of control that we or our stockholders may otherwise consider favorable. These restrictions may limit our ability to enter into certain strategic transactions or other transactions that we may believe to be in the best interests of our stockholders or that might increase the value of our business, which could negatively impact our stock price performance. In addition, under the tax matters agreement, we are required to indemnify WDC against certain tax liabilities as a result of the acquisition of our stock or assets, even if we did not participate in or otherwise facilitate the acquisition. For a discussion of the tax matters agreement, see the section of this annual report on Form 10-K entitled “*Related Party Transactions—Separation and Distribution Agreement and Other Related Party Transactions with WDC.*”

The spin-off and related internal restructuring transactions may expose us to potential liabilities arising out of state and federal fraudulent conveyance laws and legal dividend requirements.

The spin-off could be challenged under various state and federal fraudulent conveyance laws. Fraudulent conveyances or transfers are generally defined to include (a) transfers made or obligations incurred with the actual intent to hinder, delay or defraud current or future creditors or (b) transfers made or obligations incurred for less than reasonably equivalent value when the debtor was insolvent, or that rendered the debtor insolvent, inadequately capitalized or unable to pay its debts as they become due. A creditor or an entity acting on behalf of a creditor (including, without limitation, a trustee or debtor-in-possession in a bankruptcy by us or WDC or any of our or its respective subsidiaries) may bring a lawsuit alleging that the spin-off or any of the related transactions constituted a fraudulent conveyance. If a court accepts these allegations, it could impose a number of remedies, including, without limitation, voiding the distribution and returning our assets or shares and subjecting WDC and/or us to liability.

The distribution of our common stock was also subject to state corporate distribution statutes. Under applicable Delaware law, including the DGCL, a corporation may only pay a distribution of common stock to its stockholders if certain conditions are met, including that the distribution is made entirely out of surplus. Although WDC made the distribution of our common stock entirely out of surplus and we and WDC obtained solvency opinions from an independent appraisal firm, we and WDC cannot ensure that a court would reach the same conclusion in determining the availability of surplus for the separation and the distribution to WDC's stockholders.

Some of our officers and directors currently hold or previously held positions with WDC and may still hold equity in WDC, which may give rise to actual or potential conflicts of interest.

There is an overlap between certain of our directors and directors of WDC. Shared directors may have actual or apparent conflicts of interest with respect to matters involving or affecting each of WDC and Sandisk. For example, there is a potential for a conflict of interest when we on the one hand, and WDC and its respective subsidiaries and successors on the other hand, are party to commercial transactions concerning the same or adjacent investments.

In addition, certain of our executive officers and directors, because of their current or former positions with WDC, own shares or equity awards of WDC. Following the spin-off, even though our board of directors currently consists of a majority of directors who are independent, and our executive officers who were employees of WDC prior to the completion of the spin-off ceased to be employees of WDC upon the spin-off, some of our executive officers and directors continue to have financial interests in shares of WDC common stock and equity awards. Specifically, each outstanding WDC equity award held by our employees at the level of vice president and above was converted into both a post-separation WDC award relating to shares of WDC common stock and a Sandisk award relating to shares of our common stock at the time of separation. Continuing ownership of shares of WDC common stock and equity awards could create, or appear to create, potential conflicts of interest if we and WDC pursue the same corporate opportunities or face decisions that could have different implications for us and WDC.

These ownership interests could create actual, apparent or potential conflicts of interest when these individuals are faced with decisions that could have different implications for our company and WDC.

Some contracts and other assets which needed to be transferred or assigned from WDC or its affiliates to us in connection with our spin-off from WDC required the consent of a third party. If such consent was not given, we may not be entitled to the benefit of such contracts and other assets in the future, which could adversely impact our financial condition and future results of operations.

In connection with our spin-off from WDC, a number of contracts and licenses with third parties and other assets were to be transferred or assigned from (x) WDC or its affiliates to us or our subsidiaries or (y) us or our affiliates to WDC or its subsidiaries. However, the transfer or assignment of certain of these contracts, licenses or assets may still require the consent of a third party to such a transfer or assignment. Similarly, in some circumstances, we and another business unit of WDC are joint beneficiaries of contracts, and we or WDC will need to (x) enter into a new agreement with the third party to replicate the existing contract, (y) be assigned and delegated the portion of the existing contract related to the applicable business or (z) use commercially reasonable efforts to provide for an alternative arrangement to obtain the same or reasonably similar benefits and burdens of the applicable portion of the existing contract. It is possible that some parties may use the requirement of a consent or the fact that the spin-off occurred to seek more favorable contractual terms from us, to terminate the contract or license or to otherwise request additional accommodations, commitments or other agreements from us. If we are unable to obtain such consents on commercially reasonable and satisfactory terms or if the contracts are terminated, we may be unable to obtain the benefits, assets and contractual commitments which are intended to be allocated to us as part of our spin-off from WDC. The failure to timely complete the assignment of existing contracts, licenses or assets, or the negotiation of new arrangements, or a termination of any of those arrangements, could have a material adverse impact on our financial condition and future results of operations. To the extent we require a specific arrangement and agree to less favorable terms in connection with obtaining any consent to retain that arrangement, the basis for that arrangement may be less favorable than previously held by us and could adversely impact our financial conditions and future results of operations. In addition, where we do not intend to obtain consent from third-party counterparties based on our belief that no consent was required, the third-party counterparties may challenge the transfer of assets on the basis that the terms of the applicable commercial arrangements required the third-party counterparties' consent. We may incur substantial litigation and other costs in connection with any such claims and, if we do not prevail, our ability to use these assets could be materially and adversely impacted.

We may be unable to implement, on a timely or cost-effective basis, the changes necessary to operate as an independent company.

Changes in our personnel and systems in connection with the separation, including the allocation of key employees between us and WDC and the separation of key systems, has and may continue to result in loss of continuity, loss of accumulated knowledge, disruptions to our operations and inefficiency during transitional periods. To operate as an independent company, we rely on WDC to provide certain transitional services for a certain amount of time post-separation, allowing us to benefit from the continuation of certain services and cost efficiencies in sharing certain resources and personnel, including with respect to the functionality and reliability of our information technology systems. During this post-separation transitional period, we continue to execute our transformation strategy, including the establishment of standalone financial, administrative, governance, public company compliance and other similar organizations and systems, to replace services and personnel historically provided to us by WDC. We cannot assure you that we will be able to successfully implement these updates on a timely or cost-effective basis. Failure to effectively implement the post-separation initiatives, integrate new governance structures, implement sufficient internal controls and corporate policies, fully develop standalone teams and align stakeholder expectations may result in operational disruptions, regulatory non-compliance, weakened stakeholder relationships, reputational harm, loss of business opportunities, and our inability to realize anticipated financial and strategic benefits.

Additionally, we are in the process of transitioning to a new enterprise resource planning (“ERP”) system. The efforts to transition to an updated ERP system are costly and could introduce new quality and cybersecurity issues into our systems. Our failure to successfully transition to a new information system could harm our ability to meet our reporting obligations.

RISKS RELATED TO OUR COMMON STOCK

Our stock price may fluctuate significantly, which may make it difficult for you to resell the common stock when you want or at prices you find attractive.

The market price of our common stock may fluctuate significantly due to a number of factors, some of which may be beyond our control, including:

- our business profile, market capitalization or capital allocation policies may not fit the investment objectives of pre-spin-off WDC stockholders, causing a shift in our investor base and our common stock may not be included in some indices in which WDC common stock is included, causing certain holders to sell their shares;
- our quarterly or annual earnings, or those of other companies in its industry;
- the failure of securities analysts to cover our common stock;
- actual or anticipated fluctuations in our operating results;
- changes in earnings estimates by securities analysts or our ability to meet those estimates;
- our ability to meet our forward looking guidance;
- the operating and stock price performance of other comparable companies;
- overall market fluctuations and domestic and worldwide economic conditions, including adverse geopolitical conditions; and
- other factors described in these “Risk Factors” and elsewhere in this annual report on Form 10-K.

Stock markets in general have experienced volatility that has often been unrelated to the operating performance of a particular company. Broad market and industry factors may materially harm the market price of our common stock, regardless of our operating performance. In the past, following periods of volatility in the market price of a company’s securities, shareholder derivative lawsuits and/or securities class action litigation has often been instituted against such company. Such litigation, if instituted against us, could result in substantial costs and a diversion of management’s attention and resources.

In addition, investors may have difficulty accurately valuing our common stock. Investors often value companies based on the stock prices and results of operations of other comparable companies. Investors may find it difficult to find comparable companies and to accurately value our common stock, which may cause the trading price of our common stock to fluctuate.

Provisions of Delaware law, our certificate of incorporation and our bylaws may prevent or delay an acquisition of our company, which could decrease the market price of our common stock.

Delaware law, our certificate of incorporation and our bylaws each contain provisions that are intended to deter coercive takeover practices and inadequate takeover bids by making such practices or bids unacceptably expensive to the bidder and to encourage prospective acquirers to negotiate with our board of directors rather than to attempt a hostile takeover. These provisions include, among others:

- provisions regarding the election of directors, classes of directors, the term of office of directors and the filling of director vacancies;
- no cumulative voting;

- removal of directors either with or without cause, by the affirmative vote of the stockholders then entitled to vote at an election of directors having a majority of the voting power of the Company;
- our board of directors has the authority to determine designations and the powers, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof, including, without limitation, the dividend rate, conversion rights, redemption price and liquidation preference, of any series of shares of preferred stock, and to fix the number of shares constituting any such series, and to increase or decrease the number of shares of any such series (but not below the number of shares thereof then outstanding);
- advance notice requirements applicable to stockholders for director nominations and actions to be taken at annual meetings; and
- our bylaws may be altered, amended or repealed, and new bylaws may be adopted, (i) by our board of directors, by vote of a majority of the number of directors then in office as directors, acting at any duly called and held meeting of our board of directors, or (ii) by our stockholders; provided that notice of such proposed amendment, modification, repeal or adoption is given in the notice of special meeting. To the extent permitted by law, any bylaws made or altered by the stockholders may be altered or repealed by either our board of directors or the stockholders.

Public stockholders who might desire to participate in these types of transactions may not have an opportunity to do so, even if the transaction is considered favorable to stockholders. These anti-takeover provisions could substantially impede the ability of public stockholders to benefit from a change in control or a change in our management and board of directors and, as a result, may adversely affect the market price of our common stock and your ability to realize any potential change of control premium.

In addition, we are subject to Section 203 of the DGCL. Section 203 of the DGCL protects publicly traded Delaware corporations, such as us following the distribution, from hostile takeovers and from actions following a hostile takeover, by prohibiting some transactions once a potential acquirer has gained a significant holding in the corporation. Subject to certain exceptions, the statute prohibits a publicly held Delaware corporation from engaging in a “business combination” with an “interested stockholder” for a period of three years after the date of the transaction in which the person became an interested stockholder, unless:

- prior to such date, the board of directors of such corporation approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder;
- upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of such corporation outstanding at the time the transaction commenced (excluding for purposes of determining the number of shares outstanding (but not the outstanding voting stock owned by the interested stockholder), those shares owned by (i) persons who are directors and also officers and (ii) employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer); or
- on or after such date the business combination is approved by the board of directors of such corporation and authorized at an annual or special meeting of stockholders and not by written consent, by the affirmative vote of at least 66 2/3% of the outstanding voting stock that is not owned by the interested stockholder.

For purposes of Section 203 of the DGCL, a “business combination” includes a merger, asset sale or other transaction resulting in a financial benefit to the interested stockholder, with an “interested stockholder” being defined as a person who, together with affiliates and associates, owns (or who is an affiliate or associate of the corporation and did own within three years prior to the date of determination whether the person is an “interested stockholder”) 15% or more of the corporation’s voting stock.

A corporation may elect not to be governed by Section 203 of the DGCL. Neither our certificate of incorporation nor our bylaws contains the election not to be governed by Section 203 of the DGCL. Therefore, we are governed by Section 203 of the DGCL.

We believe these provisions protect our stockholders from coercive or otherwise unfair takeover tactics by requiring potential acquirers to negotiate with our board of directors and by providing our board of directors with more time to assess any acquisition proposal. These provisions are not intended to make us immune from takeovers. However, these provisions will apply even if the offer may be considered beneficial by some stockholders and could delay or prevent an acquisition that our board of directors determines is not in the best interests of us and our stockholders. These provisions may also prevent or discourage attempts to remove and replace incumbent directors.

Our certificate of incorporation contains an exclusive forum provision that could limit a stockholder's ability to bring a claim in a judicial forum that the stockholder believes is favorable for such disputes and may discourage lawsuits against us and any of our directors, officers or other employees.

Our certificate of incorporation provides that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or the federal district court in the State of Delaware if the Court of Chancery does not have subject matter jurisdiction) is the sole and exclusive forum for (i) any derivative action brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our current or former director, officer or other employee or our stockholders, (iii) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law or our certificate of incorporation or bylaws or (iv) any action asserting a claim governed by the internal affairs doctrine (the "Delaware Exclusive Forum Provision"). Our certificate of incorporation further provides that, unless we consent in writing to the selection of an alternative forum, the federal district courts of the U.S. shall be, to the fullest extent permitted by law, the exclusive forum for resolving any complaint asserting a cause of action under the Securities Act (the "Federal Forum Provision").

The Delaware Exclusive Forum Provision is intended to apply to claims arising under Delaware state law and would not apply to claims brought pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act") or any other claim for which the federal courts have exclusive jurisdiction. In addition, the Federal Forum Provision is intended to apply to claims arising under the Securities Act and would not apply to claims brought pursuant to the Exchange Act. The exclusive forum provisions we included in our certificate of incorporation will not relieve us of our duties to comply with the federal securities laws and the rules and regulations thereunder and, accordingly, actions by our stockholders to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder must be brought in federal courts. Our stockholders are not deemed to have waived our compliance with these laws, rules and regulations.

The exclusive forum provisions we included in our certificate of incorporation may limit a stockholder's ability to bring a claim in a judicial forum of its choosing for disputes with the company or its directors, officers or other employees, which may discourage lawsuits against us and our directors, officers and other employees. In addition, stockholders who do bring a claim in the Court of Chancery of the State of Delaware pursuant to the Delaware Exclusive Forum Provision could face additional litigation costs in pursuing any such claim, particularly if they do not reside in or near Delaware. The court in the designated forum under our exclusive forum provisions may also reach different judgments or results than would other courts, including courts where a stockholder would otherwise choose to bring the action, and such judgments or results may be more favorable to us than to our stockholders. Further, the enforceability of similar exclusive forum provisions in other companies' organizational documents has been challenged in legal proceedings, and it is possible that a court could find any of our exclusive forum provisions to be inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings. If a court were to find all or any part of our exclusive forum provisions to be inapplicable or unenforceable in an action, we might incur additional costs associated with resolving such action in other jurisdictions.

Tax matters may materially affect our financial position and results of operations.

Changes in tax laws in the United States, the European Union and around the globe have impacted and will continue to impact our effective worldwide tax rate, which may materially affect our financial position and results of operations. Further, the majority of countries in the G20 and Organization for Economic Cooperation and Development Inclusive Framework on Base Erosion and Profit Shifting have agreed to adopt a two-pillar approach to taxation, which includes the implementation of a global corporate minimum tax rate of 15%, which when effective could materially increase our tax obligations in these countries. The leaders of the G7 have agreed to work to eliminate the impact of the Undertaxed Profit Rule (UTPR) and the Income Inclusion Rule (IIR) on U.S. parented companies, which we expect would partially reduce our global tax complexity and exposure, however, the Qualified Domestic Minimum Top-Up Taxes (QDMTT) are not expected to be included in such exemption and mitigation efforts. Due to the large scale of our U.S. and international business activities, many of these enacted and proposed changes to the taxation of our activities, including cash movements, could increase our worldwide effective tax rate and harm our business. Depending on our operating results, these changes can materially impact our effective tax rate and our operating cash flows. Additionally, portions of our operations are subject to a reduced tax rate or are free of tax under tax holidays that expire in whole or in part from time to time, or may be terminated if certain conditions are not met. Although these holidays may be extended when certain conditions are met, we may not be able to meet such conditions. If the tax holidays are not extended, or if we fail to satisfy the conditions of the reduced tax rate, then our effective tax rate could increase in the future. Our determination of our tax liability in the U.S. and other jurisdictions is subject to review by applicable domestic and foreign tax authorities. Although we believe our tax positions are properly supported, the final timing and resolution of any tax examinations are subject to significant uncertainty and could result in litigation or the payment of significant amounts to the applicable tax authority in order to resolve examination of our tax positions, which could result in an increase of our current estimate of unrecognized tax benefits and may harm our business.

Provisions in our joint venture agreements with Kioxia may deter, prevent or delay an acquisition of us, which could decrease the market price of our common stock and limit our future strategic opportunities.

The joint venture agreements with Kioxia contain provisions that may deter, prevent or delay third parties from acquiring us. These provisions include, among others:

- restrictions limiting our ability and the ability of any of our affiliates to manufacture or have a third party fabricate flash memory outside of Flash Ventures' Yokkaichi and Kitakami facilities;
- restrictions limiting our ability and the ability of any of our affiliates to fabricate flash memory beyond our share of Flash Ventures' manufacturing capacity; and
- restrictions limiting our ability to transfer equity in the Flash Ventures entities or their assets, particularly partial transfers.

If we nevertheless wanted to pursue a transaction providing for our acquisition by a third party, the provisions in our joint venture agreements with Kioxia could deter, prevent or delay a potential acquiror from pursuing such a transaction, even if the transaction is considered favorable to our stockholders.

We may seek a waiver of applicable provisions of the joint venture agreements from Kioxia or Kioxia's consent with respect to such a transaction, but there is no guarantee that we will successfully obtain Kioxia's consent or waiver.

The provisions in our joint venture agreements with Kioxia could substantially impede the ability of public stockholders to benefit from future strategic transactions, including an acquisition of Sandisk and, as a result, may adversely affect the market price of our common stock and your ability to realize any potential change of control premium.

Item 1B. *Unresolved Staff Comments*

Not applicable.

Item 1C. *Cybersecurity*

Risk Management and Strategy

At Sandisk, our management team is charged with managing risk and bringing to our Board of Directors' attention all material risk exposures to our company. Our enterprise risk management ("ERM") process is designed to facilitate the identification, assessment, management, reporting and monitoring of material risks our company may face over the short-term and long-term and promote regular communication with our Board of Directors and its committees regarding these risks. Through our ERM process, we have determined that the compromise, damage or interruption of our technology infrastructure, information systems or products by cybersecurity incidents is a key risk to our company that may have a material negative impact on our business. To help mitigate the potential impact of cybersecurity incidents on our business and protect against cybersecurity threats, we have established organizational structures, procedural measures and response plans that define roles and responsibilities related to cybersecurity risk management.

Sandisk's Information Security organization addresses cybersecurity risks with a broad spectrum of technologies, controls, and processes that focus on mitigating these risks. Our cybersecurity strategy is designed to be dynamic and adaptive to combat the rapidly-evolving cybersecurity threat landscape and is influenced by commonly leveraged frameworks such as the NIST-CSF (National Institute of Standard and Technologies – Cyber Security Framework). Our program includes, but is not limited to, endpoint protection and response systems, network security protocols, electronic communications protections, vulnerability management programs, least-privilege access controls, third-party risk management procedures, workforce education and training exercises, and compliance programs.

Our dedicated 24x7 Security Operations Center incorporates specialized systems and processes for handling security incidents into its regular work and operates a robust, modern security infrastructure with appropriate security sensors and event monitoring capabilities. Upon detection of a cybersecurity incident, the Security Operations Center determines the severity of the incident in accordance with a pre-established incident severity matrix, initiates the appropriate notification and escalation protocols and begins triage. Predefined severity tiers serve as a guide to match our response to each incident's determined severity or risk level.

Additionally, we have established a Cyber Incident Response Plan that follows the structure of the Incident Handling Guide published by the U.S. National Institute of Standards and Technology (SP 800-61r2) and that serves as an operational guide for handling cybersecurity incidents at Sandisk. Our Cyber Incident Response Plan provides procedural and strategic guidance that is designed to be flexible enough to apply to a variety of different incidents, but also specific enough to provide guidelines for incident prevention, detection, analysis, escalation and notification, and containment, eradication and recovery.

As part of our ongoing information security program, the Company utilizes periodic independent third-party experts to conduct assessments of our program's effectiveness. These experts are also leveraged to design and orchestrate tabletop exercises where multiple business functions and leadership levels navigate incident scenarios based on industry trends and relevant threats, to help determine our level of preparedness for various cybersecurity incidents.

As part of our business operations, the Company engages with a number of third parties, including but not limited to, online software service providers, vendors, consultants, and partners. These third parties are analyzed based on business criticality and impact and must be cleared through a formal cybersecurity risk assessment process before being allowed to integrate with Sandisk's information systems, access confidential data, or provide electronic services to members of our workforce.

The Company has in the past experienced cybersecurity incidents of varying degrees involving our technology infrastructure and information systems. While these incidents have at times resulted in some disruptions to our business operations, as of the date of this Annual Report on Form 10-K, we do not believe that known risks from cybersecurity threats, including as a result of any previous cybersecurity incident, have materially affected or are reasonably likely to materially affect us, including our business strategy, results of operations or financial condition. However, we can give no assurance that we have detected or protected against all such cybersecurity incidents or threats or that we will not experience such an incident in the future. Further details about the cybersecurity risks we face are described under "The compromise, damage or interruption of our technology infrastructure, information systems or products by cybersecurity incidents, data security breaches, other security problems, design defects, information system failures or other events could have a material negative impact on our business" in Part I, Item 1A., *Risk Factors* of this Annual Report on Form 10-K.

Governance

The Company has implemented a governance framework related to cybersecurity that includes operational risk-mitigation practices and Board-level cybersecurity risk oversight.

Our management team is charged with managing cybersecurity risk and identifying material cybersecurity risk exposures to our company and carries out this function primarily through our Information Security organization, which is led by our Chief Information Security Officer (“CISO”) who has a CISO executive certification from the Heinz College at Carnegie Mellon University, a bachelor’s degree in Electrical Engineering, over a decade of information security leadership, and over twenty years of consolidated IT leadership experience. Additionally, our Cyber Incident Response Plan discussed above calls for the establishment of a management Impact Assessment Committee, which consists of key leadership representatives from the organization and is convened on an ad hoc basis to assess the detailed business impact of a cybersecurity incident. The Impact Assessment Committee is led by our Chief Information Security Officer and includes key representatives from the Company’s functional groups, including human resources, ethics and compliance, labor, privacy, internal audit, finance, communications, legal, risk and accounting. The Impact Assessment Committee receives updates and communications from the Security Operations Center on a fixed cadence determined by incident severity and follows our pre-established escalation framework to communicate with and include executive leadership, outside counsel and the Board of Directors, as appropriate. The Impact Assessment Committee works with the Company’s internal and external legal counsel to determine and facilitate appropriate communications with the Board of Directors.

Our Board of Directors is responsible for overseeing the cybersecurity risk management process and exercises this risk oversight through both our full Board of Directors and its Audit Committee. Our Board of Directors has delegated to the Audit Committee the responsibility to oversee risks related to cybersecurity threats, and our Audit Committee Charter requires the Audit Committee to review and discuss with management the Company’s policies with respect to risk assessment and enterprise risk management and to review the risk exposure of the Company related to the Committee’s areas of responsibility, including with respect to cybersecurity. In carrying out this role, the Audit Committee meets with our Chief Information Security Officer regularly and receives at least quarterly reports on cybersecurity matters.

Additionally, at least annually, our Chief Audit Executive, who manages the day-to-day activities of our ERM program, reports to our Board of Directors on enterprise risk assessment under our ERM program, providing updates on key risks, status of mitigation efforts and residual risk trends, including an analysis of cybersecurity risks. Also at least annually, our Chief Information Security Officer reports to the full Board of Directors on cybersecurity matters related to or impacting our company and our business.

Item 2. Properties

Our principal executive offices are currently located at 951 Sandisk Drive, Milpitas, California 95035. Our principal manufacturing, research and development (“R&D”), marketing and administrative facilities as of the date of this information statement were as follows:

Location	Buildings Owned or Leased	Approximate Square Footage	Description
United States			
California			
Irvine	Leased	105,000	Flash R&D, marketing and sales, and administrative
Milpitas	Leased	578,000	Flash R&D, marketing and sales, and administrative
Colorado			
Longmont	Leased	31,000	Flash R&D
Minnesota			
Rochester	Leased	45,000	Flash product development
Asia			
Korea			
Seoul	Leased	4,000	Flash R&D
China			
Beijing	Leased	5,000	Flash R&D, marketing and sales, and administrative
Shanghai	Leased	5,000	Flash assembly and testing
Shenzhen	Leased	6,000	Flash R&D, marketing and sales, and administrative
Taiwan			
Hsinchu	Leased	27,000	Flash R&D
Taichung	Leased	6,000	Flash R&D
Taipei	Leased	7,000	Flash R&D, marketing and sales
Japan			
Fujisawa	Owned	23,000	Flash R&D, Sales
Malaysia			
Penang	Owned	1,177,000	Flash R&D, manufacturing of media
India			
Bangalore	Owned and Leased	37,000	Flash R&D and administrative
Middle East			
Israel			
Kfar Saba	Owned	204,000	Flash R&D
Tefen	Owned	58,000	Flash R&D
Omer	Leased	39,000	Flash R&D
Europe			
Prague	Leased	5,000	Flash R&D, marketing and sales, and administrative

We also lease office space in various other locations throughout the world primarily for R&D, sales, operations, manufacturing, administration and technical support. We believe our present facilities are adequate for our current needs, although we update our facilities from time to time to meet anticipated future technological and market requirements.

Substantially all of our flash-based memory wafers are manufactured by the Flash Ventures in purpose-built, wafer fabrication facilities, that they lease, located in Yokkaichi and Kitakami, Japan.

Item 3. *Legal Proceedings*

There are no material legal proceedings, other than ordinary routine litigation incidental to the company, to which we or any of our subsidiaries is a party or of which any of our or our subsidiaries' property is subject.

Item 4. *Mine Safety Disclosures*

Not applicable.

PART II

Item 5. *Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities*

Market Information for Common Stock

Our common stock is listed on the Nasdaq Global Select Market (“Nasdaq”) under the symbol “SDNK”. The approximate number of holders of record of our common stock as of August 13, 2025 was 685.

Dividends

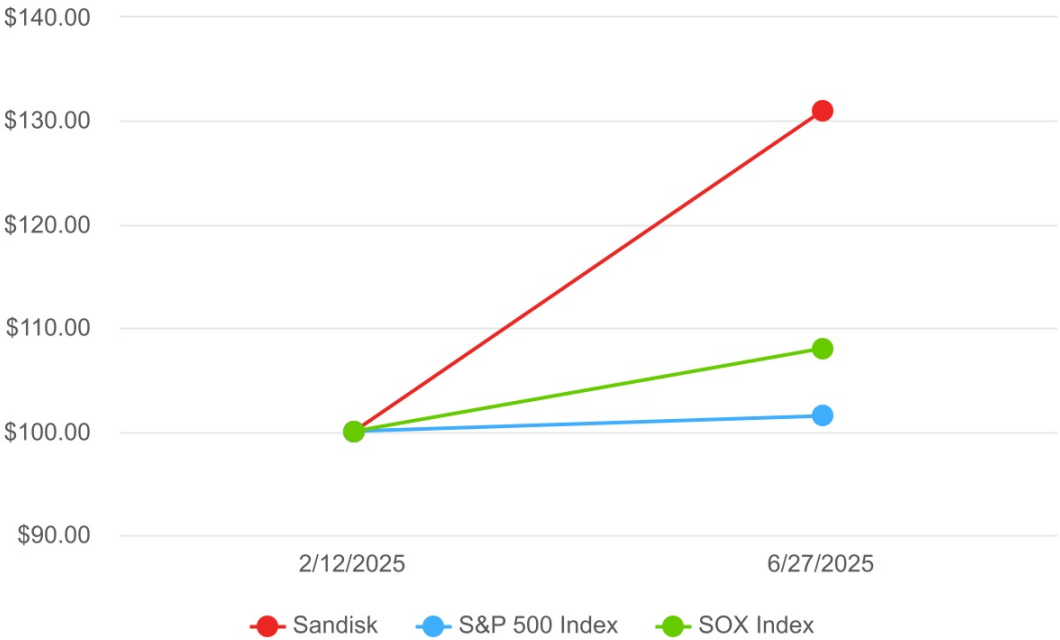
We do not currently intend to pay any cash dividends in the foreseeable future. We currently intend to retain all available funds and future earnings, if any, for the operation of our business and to strengthen our financial position and flexibility.

Stock Performance Graph

The following graph compares the cumulative total stockholder return of our common stock with the cumulative total return of the S&P 500 Index and the PHLX Semiconductor Sector (SOX) Index for the year ended June 27, 2025. The graph assumes that \$100 was invested in our common stock, and the comparative indices, on February 12, 2025 (the date that the Company’s stock began on a “when-issued” basis), and that all dividends were reinvested. Stockholder returns over the indicated period should not be considered indicative of future stockholder returns.

We believe that the S&P 500 Index and the PHLX Semiconductor Sector Index are appropriate indices to compare our performance with other companies in our industry. These indices are widely recognized and used, for which components and total return information are readily accessible to our security holders, to assist in their understanding of our performance relative to other companies.

COMPARISON OF CUMULATIVE TOTAL RETURN TO STOCKHOLDERS
Among Sandisk, the S&P 500 Index and the PHLX Semiconductor Sector (SOX) Index
(Assumes \$100 investment on February 12, 2025)



Total Return Analysis

	February 12, 2025		June 27, 2025	
Sandisk Corporation	\$	100.00	\$	130.97
S&P 500 Index	\$	100.00	\$	101.49
PHLX Semiconductor Sector (SOX) Index	\$	100.00	\$	108.01

The stock performance graph shall not be deemed soliciting material or to be filed with the SEC or subject to Regulation 14A or 14C under the Securities Exchange Act of 1934 or to the liabilities of Section 18 of the Securities Exchange Act of 1934, nor shall it be incorporated by reference into any past or future filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent we specifically request that it be treated as soliciting material or specifically incorporate it by reference into a filing under the Securities Act of 1933 or the Securities Exchange Act of 1934.

Item 6. *[Reserved]*

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis contains forward-looking statements within the meaning of the federal securities laws, and should be read in conjunction with the disclosures we make concerning risks and other factors that may affect our business and operating results. You should read this information in conjunction with the Consolidated Financial Statements and the notes thereto included in Part II, Item 8., of this Annual Report on Form 10-K. See also "Forward-Looking Statements" immediately prior to Part I, Item 1., of this Annual Report on Form 10-K.

For management's discussion of our combined results for the year ended June 28, 2024 in comparison with the year ended June 30, 2023, and other financial information related to fiscal year 2024, refer to Item 2., "Management's Discussion and Analysis of Financial Condition and Results of Operations," included in our Form 10, initially filed with the U.S. Securities and Exchange Commission ("SEC") on November 25, 2024, and as further amended thereafter and declared effective on January 31, 2025 (as amended, the "Form 10").

Unless otherwise indicated, references herein to specific years and quarters are to our fiscal years and fiscal quarters. As used herein, the terms "we," "us," "our," and the "Company" refer to Sandisk Corporation and its subsidiaries.

Overview***The Separation***

On October 30, 2023, Western Digital Corporation ("WDC") announced that its board of directors (the "WDC Board of Directors") authorized management to pursue a plan to separate the Company into an independent public company. The separation received final approval by the WDC Board of Directors and was completed on February 21, 2025. Prior to February 21, 2025, we were wholly owned by WDC.

On February 21, 2025, WDC executed the spin-off of the Company through WDC's pro rata distribution of 116,035,464 or 80.1% of the outstanding shares of common stock of the Company to holders of WDC's common stock. Each WDC stockholder received one-third (1/3) of one share of the Company's common stock for each share of WDC's common stock held by such WDC stockholder as of February 12, 2025, the record date of the distribution. Upon completion of the separation, WDC owned 28,827,787 or 19.9% of the outstanding shares of the Company's common stock, which WDC was expected to retain for a period of up to twelve months following the distribution. Following the distribution, the Company became an independent publicly listed company, and on February 24, 2025, the Company began trading as an independent publicly traded company under the stock symbol "SNDK" on Nasdaq.

On June 6, 2025, WDC disposed of 21,314,768 or 14.6% of our common stock through an exchange of our common stock for WDC debt held by WDC creditors.

Our Business

Sandisk is a leading developer, manufacturer and provider of data storage devices and solutions based on NAND flash technology. With a differentiated innovation engine driving advancements in storage and semiconductor technologies, our broad and ever-expanding portfolio delivers powerful flash storage solutions for artificial intelligence ("AI") workloads in datacenters, edge devices, and consumers. Our technologies enable everyone from students, gamers and home offices to the largest enterprises and public clouds to produce, analyze, and store data. Our solutions include a broad range of solid-state drives ("SSDs"), embedded products, removable cards, universal serial bus drives and wafers and components. Our broad portfolio of technology and products addresses multiple end markets of "Cloud," "Client," and "Consumer."

Through the Client end market, we provide our original equipment manufacturer ("OEM") and channel customers a broad array of high-performance flash solutions across personal computer, mobile, gaming, automotive, virtual reality headsets, at-home entertainment and industrial spaces. The Consumer end market is highlighted by our broad range of retail and other end-user products, which capitalizes on the strength of our product brand recognition and vast presence around the world. Cloud is comprised primarily of products for datacenters, cloud service providers, and private cloud customers.

Our fiscal year ends on the Friday nearest to June 30 and typically consists of 52 weeks. Approximately every five to six years, we report a 53-week fiscal year to align the fiscal year with the foregoing policy. Fiscal years 2025, 2024, and 2023, which ended on June 27, 2025, June 28, 2024, and June 30, 2023 are each comprised of 52 weeks, with each fiscal quarter consisting of 13 weeks. Fiscal year 2026 will be comprised of 52 weeks and end on July 3, 2026.

Sale-Leaseback

In September 2023, WDC completed a sale and leaseback of its facility in Milpitas, California, and received net proceeds of \$191 million in cash. A substantial majority of these assets are associated with the Company, and as a result, \$134 million of the net proceeds from the sale-leaseback transaction were allocated to us on a relative square footage basis. The property is being leased back to us at a total annual rate of \$16 million for the first year and increasing by 3% per year thereafter through January 1, 2039. The lease includes three five-year renewal options and one four-year renewal option that provide the ability to extend through December 2057. The associated operating lease liability and right-of-use asset for this facility have been included in the Consolidated Balance Sheets as of June 27, 2025 and June 28, 2024.

SanDisk Semiconductor (Shanghai) Co. Ltd. (“SDSS”)

As discussed in Part II, Item 8., Note 10, *Related Parties and Related Commitments and Contingencies* of the Notes to the Consolidated Financial Statements included in this Annual Report on Form 10-K, on September 28, 2024, prior to the separation, WDC’s wholly-owned subsidiary, SanDisk China Limited (“SanDisk China”) completed the sale of 80% of its equity interest in SDSS (the “Transaction”) to JCET Management Co., Ltd. (“JCET”), a wholly-owned subsidiary of JCET Group Co., Ltd., a Chinese publicly listed company, thereby forming a venture between SanDisk China and JCET (the “SDSS Venture”). The Transaction resulted in a pre-tax gain of \$34 million.

Subsequent to and in connection with the Transaction, Western Digital Technologies, Inc. (“WDT”) entered into a five-year supply agreement with SDSS (the “Supply Agreement”) to purchase certain flash-based products with a minimum annual commitment of \$550 million. On January 10, 2025, the Company and WDT entered into an assignment agreement, pursuant to which, WDT assigned all of its rights and obligations under the Supply Agreement to the Company. The Supply Agreement contains specific penalties the Company must pay if SDSS fails to meet its minimum annual commitment. The Supply Agreement also provides that if SDSS purchases exceed the minimum annual commitment in any of the two years immediately succeeding any annual period where a shortfall penalty has been paid, SDSS shall reimburse the Company an amount not exceeding the previously paid penalty amount. The Supply Agreement expires on September 28, 2029, and automatically renews for additional one-year terms unless earlier terminated by either of the parties. The Company also entered into an agreement to grant SDSS certain intellectual property rights on a royalty-free basis for use in manufacturing products on the Company’s behalf for the term of and under the Supply Agreement. As a result of the Transaction, we expect to incur a modest reduction in annual operating expenses and a reduction in annual capital expenditure related to the assembly and testing of flash-based products. We also anticipate that the transition to a contract manufacturing model through the SDSS Venture will result in a small increase in our annual cost of revenue for flash-based products.

Goodwill Impairment

As discussed in Part II, Item 8., Note 5, *Supplemental Financial Statement Data* of the Notes to the Consolidated Financial Statements included in this Annual Report on Form 10-K, subsequent to the separation, we conducted a quantitative analysis of potential goodwill and long-lived assets impairments, in accordance with Accounting Standards Codification (“ASC”) No. 350, Intangibles - Goodwill and Other. This analysis indicated that the estimated carrying value of our reporting unit exceeded its fair value. Consequently, we recorded a goodwill impairment charge of \$1.8 billion during the third quarter of the fiscal year ended June 27, 2025.

Our policy is to perform an annual impairment test on the first day of the fourth fiscal quarter. For the year ended June 27, 2025, we performed a qualitative analysis which did not indicate that goodwill was more-likely-than-not impaired. As a result, no additional quantitative analysis was required and no additional impairment charge was recorded during the fiscal year ended June 27, 2025.

Financing Activities

Prior to the separation, we received financing from certain of WDC’s subsidiaries in the form of borrowings under revolving credit agreements and promissory notes to fund activities primarily related to Flash Ventures. Additional information regarding our outstanding notes due to (from) Western Digital Corporation is included in Part II, Item 8., Note 10, *Related Parties and Related Commitments and Contingencies* of the Notes to Consolidated Financial Statements included in this Annual Report on Form 10-K.

As discussed in Part II, Item 8., Note 8, *Debt* of the Notes to the Consolidated Financial Statements included in this Annual Report on Form 10-K, on February 21, 2025, we entered into a loan agreement comprised of a seven-year Term Loan B facility in an aggregate principal amount of \$2.0 billion (the “Term Loan Facility”) and a five-year revolving credit facility (the “Revolving Credit Facility”) in an aggregate principal amount of \$1.5 billion with \$150 million available for letters of credit.

On February 21, 2025, we borrowed \$2.0 billion under the Term Loan Facility. We used a portion of the proceeds of the borrowing to make a net distribution payment of approximately \$1.5 billion to WDC, with the remainder to be used for general corporate purposes. The proceeds of the Revolving Credit Facility may be used for working capital and general corporate purposes.

As of June 27, 2025, we have drawn no amounts under the Revolving Credit Facility.

Operational Update

In 2025, we generally saw an improvement in the supply and demand dynamics, leading to improved revenues and gross margin in fiscal 2025 compared to 2024. As part of our actions to align supply with market demand in the later half of fiscal 2025, we incurred charges for unabsorbed manufacturing overhead costs due to reduced utilization of our manufacturing capacity totaling \$75 million, and we anticipate incurring some underutilization charges as we moderate production levels to align with demand for our products in the first quarter of 2026.

Additionally, in 2025, the U.S. announced changes to U.S. trade policy, including increased tariffs on imported goods. Currently, the majority of our products sold in the U.S. are exempt from tariffs, but additional tariff increases, or the loss of applicable exemptions would increase the cost of goods sold for our products sold in the U.S., which could negatively impact our margins and financial performance. Increases in the price of our products in response to increased costs may adversely impact demand for those products in the U.S., which could also negatively impact our performance and financial results. Future trade policies and regulations in the U.S. and other countries, the terms of any trade arrangements that may be negotiated between the U.S. and other countries, the scope, amount, or duration of tariffs that may be imposed by any country, and the impact of these factors on our business are uncertain and may contribute to increased costs and reduced demand for our products, each of which could harm our financial performance.

With regard to technological advances, we anticipate that digital transformation, including the AI data-cycle, will drive improved market conditions in the long term for our data storage products.

We will continue to actively monitor developments impacting our business and may take additional responsive actions that we determine to be in the best interest of our business and stakeholders.

Basis of Presentation

On February 21, 2025, we became a standalone publicly traded company, and our financial statements are now presented on a consolidated basis. Prior to the separation, our historical financial statements were derived from WDC's consolidated financial statements and accounting records and prepared as if we existed on a standalone basis. The financial statements for all periods presented, including our historical results prior to February 21, 2025, are now referred to as "Consolidated Financial Statements" and have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP").

The following discussion reflects our financial condition and results of operations as set forth in the Consolidated Financial Statements included in this Annual Report on Form 10-K.

The Consolidated Statements of Operations include all revenues and costs directly attributable to us, including costs for facilities, functions, and services used by us. Prior to the separation, our business had historically functioned together with the other businesses controlled by WDC. Accordingly, we relied on WDC's corporate overhead and other support functions. Therefore, certain corporate overhead and shared costs were allocated to us including (i) certain general and administrative expenses related to WDC's support functions that are provided on a centralized basis within WDC (e.g., expenses for corporate facilities, executive oversight, treasury, finance, legal, human resources, compliance, information technology, employee benefit plans, stock compensation plans and other corporate functions), and (ii) certain operations support costs incurred by WDC, including product sourcing, maintenance and support services, and other supply chain functions. These expenses were specifically identified, when possible, or allocated based on revenues, headcount, usage or other allocation methods that are considered to be a reasonable reflection of the utilization of services provided or benefit received. While management considers that such allocations were made on a reasonable basis consistent with benefits received, the Consolidated Financial Statements included in this Annual Report on Form 10-K may not be indicative of our future performance, do not necessarily include the actual expenses that would have been incurred by us and may not reflect our results of operations, financial position, and cash flows had we been a separate, standalone company during the periods presented. For additional information, see Part II, Item 8., Note 1, *Organization, Basis of Presentation and Summary of Significant Accounting Policies* of the Notes to Consolidated Financial Statements included in this Annual Report on Form 10-K.

Results of Operations

Overview

The following table sets forth, for the periods presented, selected summary information from our Consolidated Statements of Operations by dollars and percentage of net revenue⁽¹⁾:

	2025		2024		2023	
	(in millions, except percentages)					
Revenue, net	\$ 7,355	100.0 %	\$ 6,663	100.0 %	\$ 6,086	100.0 %
Cost of revenue	5,143	69.9	5,591	83.9	5,656	92.9
Gross profit	2,212	30.1	1,072	16.1	430	7.1
Operating expenses:						
Research and development	1,132	15.4	1,061	15.9	1,167	19.2
Selling, general and administrative	573	7.8	455	6.8	558	9.2
Goodwill impairment	1,830	24.9	—	—	671	11.0
Business separation costs	67	0.9	64	1.0	—	—
Employee termination and other	21	0.3	(40)	(0.6)	69	1.1
Gain on business divestiture	(34)	(0.5)	—	—	—	—
Total operating expenses	3,589	48.8	1,540	23.1	2,465	40.5
Operating income (loss)	(1,377)	(18.7)	(468)	(7.0)	(2,035)	(33.4)
Interest and other income (expense), net:						
Interest income	22	0.3	12	0.2	21	0.3
Interest expense	(63)	(0.9)	(40)	(0.6)	(31)	(0.5)
Other income (expense), net	(61)	(0.8)	(7)	(0.1)	43	0.7
Total interest and other income (expense), net	(102)	(1.4)	(35)	(0.5)	33	0.5
Income (loss) before taxes	(1,479)	(20.1)	(503)	(7.5)	(2,002)	(32.9)
Income tax expense	162	2.2	169	2.5	141	2.3
Net income (loss)	\$ (1,641)	(22.3)%	\$ (672)	(10.0)%	\$ (2,143)	(35.2)%

⁽¹⁾ Percentage may not total due to rounding.

The following table sets forth, for the periods presented, summary information regarding our disaggregated revenue:

	2025	2024	2023
	(in millions)		
Revenue by end market:			
Cloud	\$ 960	\$ 325	\$ 500
Client	4,127	4,069	3,637
Consumer	2,268	2,269	1,949
Total revenue	<u>\$ 7,355</u>	<u>\$ 6,663</u>	<u>\$ 6,086</u>
Revenue by geography:			
Asia	\$ 4,457	\$ 4,510	\$ 3,890
Americas	1,618	1,095	1,266
Europe, Middle East and Africa	1,280	1,058	930
Total revenue	<u>\$ 7,355</u>	<u>7355000000\$ 6,663</u>	<u>\$ 6,086</u>

Our broad portfolio of technology and products addresses multiple end markets. Cloud represents a large and growing end market comprised primarily of products for public or private cloud environments and enterprise customers. Through the Client end market, we provide our OEM and channel customers a broad array of high-performance flash solutions across personal computer, mobile, gaming, automotive, virtual reality headsets, at-home entertainment, and industrial spaces. The Consumer end market is highlighted by our broad range of retail and other end-user products, which capitalize on the strength of our product brand recognition and vast points of presence around the world.

Net Revenue

Net revenue increased 10%, or \$692 million, in 2025 compared to 2024, primarily due to a 6% increase in exabytes sold due to stronger demand in our Cloud end market and a 4% increase in average selling prices (“ASP”) per gigabyte due to enhanced pricing as the supply-demand balance improved.

Cloud revenue increased 195%, or \$635 million, in 2025 compared to 2024, primarily due to a 153% increase in exabytes sold due to increased enterprise SSD shipments to data center customers and a 17% increase in ASP per gigabyte due to improved pricing.

Client revenue increased 1%, or \$58 million, in 2025 compared to 2024, primarily due to an 8% increase in ASP per gigabyte, partially offset by a 7% decrease in exabytes sold.

Consumer revenue decreased \$1 million in 2025 compared to 2024, primarily due to a 6% increase in exabytes sold, offset by a 7% decrease in ASP per gigabyte due to pricing pressure.

The changes in net revenue by geography in 2025 compared to 2024 primarily reflected higher revenue in the Americas region from Cloud customers.

Consistent with standard industry practice, we offer sales incentives and marketing programs that provide customers with price protection and other incentives or reimbursements that are recorded as reductions of gross revenue. For 2025, 2024 and 2023, these programs represented 19%, 19%, and 21%, respectively, of gross revenues. The amounts attributed to our sales incentive and marketing programs generally vary according to several factors, including industry conditions, list pricing strategies, seasonal demand, competitor actions, channel mix and overall availability of products. Changes in future customer demand and market conditions may require us to adjust our incentive programs as a percentage of gross revenue.

Gross Profit and Gross Margin

Gross profit increased \$1,140 million in 2025 compared to 2024, primarily due to improved pricing, a favorable product mix, a decrease in manufacturing underutilization charges incurred in 2025 compared to the comparable prior year period, and a \$54 million write-down of Flash inventory in 2024 as a result of decreases in market pricing, for which a similar charge was not incurred in 2025, partially offset by \$36 million of insurance recoveries received during 2024 for losses incurred due to a contamination incident in 2022. In 2024, we recognized a \$252 million charge due to reduced manufacturing capacity utilization, compared to an underutilization charge of \$75 million incurred in 2025.

Gross profit margin increased 14% in 2025 compared to 2024, with approximately 10% driven by higher revenue due to improved pricing, higher demand for our offerings, and favorable product mix and the remaining 4% due to the decrease in manufacturing underutilization charges incurred in 2025 and a write-down of Flash inventory in 2024 for which a similar charge was not incurred in the current period.

Operating Expenses

Research and development (“R&D”) expenses increased \$71 million in 2025 compared to 2024, primarily due to a \$32 million increase in compensation and benefits mainly due to higher variable compensation which includes short-term incentives, an \$18 million increase in spending for R&D projects, a \$15 million increase in material purchases, and a \$5 million increase in legal and outside service fees.

Selling, general and administrative expenses increased \$118 million in 2025 compared to 2024, primarily due to an \$84 million increase in compensation and benefits due to higher variable compensation which includes short-term incentives, a \$24 million increase in materials, a \$16 million increase in legal service fees, and a \$14 million increase in sales and marketing expenses, partially offset by a \$20 million decrease in strategic review costs incurred in 2024 for which there are no comparable costs in the current year.

Employee termination and other charges decreased \$61 million in 2025 compared to 2024, primarily due to a \$60 million gain on the sale-leaseback of a facility in the prior period, for which there is no comparable transaction in 2025. For additional information regarding employee termination and other charges, see Part II, Item 8., Note 15, *Employee Termination and Other Charges* of the Notes to Consolidated Financial Statements included in this Annual Report.

Goodwill impairment

Goodwill impairment increased \$1.8 billion in 2025 compared to 2024 due to an impairment charge resulting from the difference between the carrying value of our reporting unit and its fair value.

Business separation costs

Business separation costs increased \$3 million in 2025 compared to 2024, primarily due to the completion of the separation from WDC.

Gain on business divestiture

Gain on business divestiture increased \$34 million in 2025 compared to 2024 due to the pre-tax gain on the sale of SDSS.

Interest and Other Expense, net

Interest and other expense, net increased \$67 million in 2025 compared to 2024, primarily due to a \$56 million increase in interest expense from our Loan Agreement, a \$37 million increase in losses on our equity method investments, and a \$24 million increase in foreign exchange losses, partially offset by a \$28 million decrease in interest expense on borrowings due to WDC, a \$15 million increase in interest income due to an increase in available cash, and a \$7 million increase in interest income arising from the accretion of the present value discount on the outstanding SDSS sale consideration receivable.

Income Tax Expense

H.R.1, more widely known as the Big Beautiful Bill Act, was recently signed into law on July 4, 2025. It reversed the requirement for capitalization of U.S. research and development expenditures that came into law under the Tax Cuts and Jobs Act of 2017, but the mandatory requirement of capitalization of foreign research and development expenditures remains. The tax rates for income earned by our foreign subsidiaries will also be changed under H.R. 1. Depending on our operating results, these changes can materially impact our effective tax rate and reduce our operating cash flows. As H.R.1 was enacted after our fiscal year 2025, its impact on the tax provision will be reflected in fiscal year 2026.

On August 16, 2022, the Inflation Reduction Act of 2022 was signed into law, which contained significant changes to laws related to tax, climate, energy, and health care. The tax measures include, among other things, a corporate alternative minimum tax ("CAMT") of 15% on corporations with three-year average annual adjusted financial statement income ("AFSI") exceeding \$1.0 billion. We do not expect to be subject to the CAMT of 15% for 2025 as our average annual AFSI did not exceed \$1.0 billion for the preceding three-year period.

On December 20, 2021, the Organization for Economic Co-operation and Development G20 Inclusive Framework on Base Erosion and Profit Shifting released Model Global Anti-Base Erosion rules under Pillar Two ("Pillar Two"). Several non-U.S. jurisdictions have either enacted legislation or announced their intention to enact future legislation to adopt certain or all components of Pillar Two, some of which are effective for us in 2025. For 2025, we currently expect to be able to meet certain transitional safe harbors and do not expect any material Pillar Two taxes. As more jurisdictions adopt this legislation in 2026, there may be material increases in our future tax obligations in certain jurisdictions.

The following table presents our Income tax expense and the effective tax rate:

	2025	2024	2023
	<i>(in millions)</i>		
Income (loss) before taxes	\$ (1,479)	\$ (503)	\$ (2,002)
Income tax expense	162	169	141
Effective tax rate	(11)%	(34)%	(7)%

The relative mix of earnings and losses by jurisdiction, the goodwill impairment, the foreign income inclusion, credits, and tax holidays in Malaysia that will expire at various dates during years 2028 through 2031 resulted in decreases to the effective tax rate below the U.S. statutory rate for the years ended June 27, 2025.

For additional information regarding income tax expense, see Part II, Item 8., Note 14, *Income Tax Expense* of the Notes to the Consolidated Financial Statements included in this Annual Report on Form 10-K.

Financial condition, liquidity and capital resources

The following table summarizes our Consolidated Statements of Cash Flows:

	2025	2024	2023
	<i>(in millions)</i>		
Net cash provided by (used in):			
Operating activities	\$ 84	\$ (309)	\$ (713)
Investing activities	556	210	(189)
Financing activities	518	136	860
Effect of exchange rate changes on cash	(5)	(1)	(1)
Net increase (decrease) in cash and cash equivalents	<u>\$ 1,153</u>	<u>\$ 36</u>	<u>\$ (43)</u>

In alignment with market conditions, we have maintained a conservative capital expenditure strategy for 2025 and 2024. For fiscal year 2026, we anticipate increased capital investments as we transition to newer nodes to meet the demand and technology needs of our product portfolio.

We believe our cash and cash equivalents will be sufficient to meet our working capital needs for at least the next twelve months and for the foreseeable future thereafter. We believe we can also access the various capital markets to further supplement our liquidity position if necessary. Our ability to sustain our working capital position is subject to a number of risks that we discuss in Part I, Item 1A., *Risk Factors* included in this Annual Report on Form 10-K.

A total of \$692 million and \$321 million of our cash and cash equivalents were held outside of the U.S. as of June 27, 2025 and June 28, 2024 respectively. There are no material tax consequences that were not previously accrued for the repatriation of this cash. Our cash equivalents are primarily invested in money market funds that invest in U.S. Treasury securities and U.S. Government agency securities.

Operating Activities

Net cash provided by (used in) operating activities primarily consists of net income or loss, adjusted for non-cash charges, plus or minus changes in operating assets and liabilities. Net cash used as a result of changes in operating assets and liabilities was \$380 million for 2025, compared to \$86 million net cash provided for 2024, reflecting an increase in the volume of our business, as discussed above.

Changes in our operating assets and liabilities are largely affected by our working capital requirements, which are dependent on the volume of our business and the effective management of our cash conversion cycle as well as timing of payments for taxes. Our cash conversion cycle measures how quickly we can convert our products into cash through sales. The cash conversion cycles were as follows (in days):

	2025	2024	2023
Days sales outstanding	51	48	35
Days in inventory	135	158	134
Days payable outstanding	(50)	(54)	(37)
Cash conversion cycle	<u>136</u>	<u>152</u>	<u>132</u>

Changes in days sales outstanding, or DSO, are generally due to the timing of shipments. Changes in days in inventory, or DIO, are generally related to the timing of inventory builds. Changes in days payable outstanding, or DPO, are generally related to production volume and the timing of purchases during the period. From time to time, we modify the timing of payments to our vendors. We make modifications primarily to manage our vendor relationships and to manage our cash flows, including our cash balances. Generally, we make payment term modifications through negotiations with our vendors or by granting to or receiving from our vendors payment term accommodations.

In 2025, DSO increased 3 days when compared to the prior year, reflecting lower accounts receivable factoring and the timing of shipments and customer collections. DIO decreased 23 days over the prior year, primarily reflecting greater consumption of inventory. DPO decreased 4 days over the prior year, primarily due to routine variations in the timing of purchases and payments.

Investing Activities

Net cash provided by investing activities in 2025 primarily consisted of \$401 million in net proceeds from our sale of a majority interest in one of our subsidiaries and \$358 million in net proceeds from activity related to Flash Ventures, partially offset by \$204 million in capital expenditures. Net cash provided by investing activities in 2024 primarily consisted of \$239 million in net proceeds from activity related to Flash Ventures and \$137 million of proceeds from the sale-leaseback of our Milpitas, California facility, partially offset by \$166 million in capital expenditures.

Financing Activities

Net cash provided by financing activities in 2025 primarily consisted of \$1,970 million in proceeds from borrowings from the Term Loan Facility, \$550 million in proceeds from borrowings on notes due to WDC, and \$101 million in proceeds from principal repayments on notes due from WDC, partially offset by \$1,887 million transferred to WDC, \$100 million in repayment on the Term Loan Facility, and \$76 million in net repayments on notes due to WDC. Net cash provided by financing activities in 2024 primarily consisted of \$394 million in net transfers from WDC, partially offset by \$170 million in origination of notes due from WDC and \$102 million in net repayments on notes due to WDC.

A discussion of our cash flows for 2024, including a comparison of such cash flows to 2023, is included in Item 2., *Management's Discussion and Analysis of Financial Condition and Results of Operations* in our Form 10.

Off-Balance Sheet Arrangements

Other than the Flash Ventures and SDSS-related commitments incurred in the normal course of business and certain indemnification provisions (see “*Short-and-Long-term Liquidity - Purchase Obligations and Other Commitments*” below), we do not have any other material off-balance sheet financing arrangements or liabilities, guarantee contracts, retained or contingent interests in transferred assets, or any other obligations arising out of a material variable interest in an unconsolidated entity. We do not have any majority-owned subsidiaries that are not included in the Consolidated Financial Statements. Additionally, with the exception of Flash Ventures, the SDSS Venture and the Unis Venture, we do not have an interest in, or relationships with, any variable interest entities. For additional information regarding our off-balance sheet arrangements, see Part II, Item 8., Note 10, *Related Parties and Related Commitments and Contingencies* of the Notes to the Consolidated Financial Statements included in this Annual Report on Form 10-K.

Short-and-Long-term Liquidity

Material Cash Requirements

The following is a summary of our known material cash requirements, including those for capital expenditures, as of June 27, 2025. In addition, see the discussions further below related to unrecognized tax benefits, foreign exchange contracts and indemnifications.

	Total	1 year (2026)	2-3 Years (2027-2028)	4-5 Years (2029-2030)	More than 5 Years (Beyond 2030)
			<i>(in millions)</i>		
Long-term debt, including current portion ⁽¹⁾	\$ 1,900	\$ 20	\$ 40	\$ 40	\$ 1,800
Interest on debt	905	143	276	267	219
Flash Ventures related commitments ⁽²⁾	4,539	2,226	1,583	667	63
Operating leases	331	41	63	44	183
Purchase obligations and other commitments	2,633	250	1,153	1,140	90
Total	<u>\$ 10,308</u>	<u>\$ 2,680</u>	<u>\$ 3,115</u>	<u>\$ 2,158</u>	<u>\$ 2,355</u>

⁽¹⁾ Principal portion of debt, excluding issuance costs.

⁽²⁾ Includes reimbursement for depreciation and lease payments on owned and committed equipment, funding commitments for loans and equity investments and payments for other committed expenses, including R&D and building depreciation. Funding commitments assume no additional operating lease guarantees. Additional operating lease guarantees can reduce funding commitments.

Debt

In connection with the separation, on February 21, 2025, we entered into a loan agreement (the “Loan Agreement”) comprised of a \$1.5 billion revolving credit facility, on which no amounts have been drawn, and a \$2.0 billion term loan facility due in 2032. The Company used a portion of the proceeds received from the term loan facility, as well as cash on hand, to make a net distribution payment of \$1.5 billion to WDC in exchange for assets, liabilities and certain legal entities of WDC associated with the Company.

As of June 27, 2025, we were in compliance with the Loan Agreement financial covenant that requires us to maintain a maximum Leverage Ratio. Additional information regarding our indebtedness, including information about availability under our revolving credit facility and the principal repayment terms, interest rates, covenants, collateral and other key terms of our outstanding indebtedness, is included in Part II, Item 8., Note 8, *Debt* of the Notes to Consolidated Financial Statements included in this Annual Report on Form 10-K.

Flash Ventures

Flash Ventures sells to, and leases back from, a consortium of financial institutions a portion of its tools and has entered into equipment lease agreements, of which we guarantee half of all of the outstanding obligations under each lease agreement. The leases are subject to customary covenants and cancellation events that relate to Flash Ventures and each of the guarantors. The occurrence of a cancellation event could result in an acceleration of the lease obligations and a call on our guarantees. As of June 27, 2025, and as of June 28, 2024, we were in compliance with all covenants under these Japanese lease facilities. See Part II, Item 8., Note 10, *Related Parties and Related Commitments and Contingencies* of the Notes to the Consolidated Financial Statements included in this Annual Report on Form 10-K for information regarding Flash Ventures.

Purchase Obligations and Other Commitments

In the normal course of business, we enter into purchase orders with suppliers for the purchase of components used to manufacture our products. These purchase orders generally cover forecasted component supplies needed for production during the next quarter, are recorded as a liability upon receipt of the components, and generally may be changed or canceled at any time prior to shipment of the components. We also enter into long-term agreements with suppliers that contain fixed future commitments, which are contingent on certain conditions such as performance, quality and technology of the vendor’s components. These arrangements are included under “*Purchase obligations and other commitments*” in the table above.

Unrecognized Tax Benefits

As of June 27, 2025, our liability for unrecognized tax benefits (excluding accrued interest and penalties) was approximately \$140 million. Accrued interest and penalties included in the Company’s liability related to unrecognized tax benefits as of June 27, 2025 and June 28, 2024 was \$11 million and \$9 million, respectively. Of these amounts, approximately \$138 million could result in potential cash payments.

Foreign Exchange Contracts

We purchase foreign exchange contracts to hedge the impact of foreign currency fluctuations on certain underlying assets, liabilities and commitments for operating expenses and product costs denominated in foreign currencies. See Part II, Item 7A., *Quantitative and Qualitative Disclosures About Market Risk* included in this Annual Report on Form 10-K for additional information.

Indemnifications

Concurrent with the separation, we and WDC entered into a Tax Matters Agreement under which we and WDC agreed to indemnify each other for certain tax positions. As a result of this agreement, we recorded a tax indemnification liability of \$112 million on February 21, 2025, which was recognized as an adjustment to the Net investment from Western Digital Corporation. This liability was subsequently reduced by approximately \$2 million, reflecting the outstanding balance as of June 27, 2025. The remaining tax indemnification liability of \$110 million is classified as Other liabilities in the Consolidated Balance Sheets as of June 27, 2025.

In the ordinary course of business, we may provide indemnifications of varying scope and terms to customers, vendors, lessors, business partners, and other parties with respect to certain matters, including, but not limited to, losses arising out of our breach of agreements, products or services to be provided by us, environmental compliance, or intellectual property infringement claims made by third parties. In addition, we have entered into indemnification agreements with our directors and certain of our officers that will require us, among other things, to indemnify them against certain liabilities that may arise by reason of their status or service as directors or officers. We maintain director and officer insurance, which may cover certain liabilities arising from our obligation to indemnify our directors and officers in certain circumstances.

It is not possible to determine the maximum potential amount under these indemnification agreements due to the limited history of prior indemnification claims and the unique facts and circumstances involved in each particular agreement. Such indemnification agreements may not be subject to maximum loss clauses. Historically, we have not incurred material costs as a result of obligations under these agreements.

Recent Accounting Pronouncements

Recently Issued Accounting Pronouncements Not Yet Adopted

In December 2023, the FASB issued ASU 2023-09, “Income Taxes (Topic 740): Improvements to Income Tax Disclosures.” This ASU calls for enhanced income tax disclosure requirements surrounding the tabular rate reconciliation and income taxes paid. The Company is currently compiling the information required for these disclosures. These incremental disclosures will be required beginning with the Company’s financial statements for the year ending July 3, 2026, with early adoption permitted. The Company expects to provide any required disclosures at that time.

In November 2024, the FASB issued ASU 2024-03, “Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses,” which is intended to improve disclosures about the expenses of public entities. This ASU requires more detailed information about the types of expenses in commonly presented expense captions (such as cost of sales and selling, general and administrative expenses) and requires public entities to disclose, on an annual and interim basis, the amounts of expenses included in each relevant expense caption presented on the face of the income statement within continuing operations, in a tabular format. Additionally, public entities will be required to disclose a qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated quantitatively, the total amount of selling expenses, and, in annual reporting periods, the definition of selling expenses. This ASU is effective on either a prospective or retrospective basis for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027, with early adoption permitted. The Company is currently compiling the information required for these disclosures and assessing the basis of adoption. The Company expects to provide any required disclosures for annual reporting periods included in the Company’s financial statements for the year ending June 30, 2028.

Critical Accounting Estimates

We have prepared the accompanying Consolidated Financial Statements in accordance with accounting principles generally accepted in the United States. The preparation of the financial statements requires the use of judgments and estimates that affect the reported amounts of revenues, expenses, assets, and liabilities. We have adopted accounting policies and practices that are generally accepted in the industry in which we operate. If these estimates differ significantly from actual results, the impact to the Consolidated Financial Statements may be material. Our accounting policies are fully described in Part II, Item 8., Note 1, *Organization, Basis of Presentation and Summary of Significant Accounting Policies* of the Notes to Consolidated Financial Statements included in this Annual Report on Form 10-K.

Revenue

We provide distributors and retailers (collectively referred to as “resellers”) with limited price protection for inventories held by resellers at the time of published list price reductions. We also provide resellers and OEMs with other sales incentive programs. We record estimates of variable consideration related to these items as a reduction of revenue at the time of revenue recognition. We use judgment in our assessment of variable consideration in contracts to be included in the transaction price. We use the expected value method to arrive at the amount of variable consideration. We constrain variable consideration until the likelihood of a significant revenue reversal is not probable and believe that the expected value method is the appropriate estimate of the amount of variable consideration based on the fact that we have a large number of contracts with similar characteristics.

For sales to OEMs, our methodology for estimating variable consideration is based on the amount of consideration expected to be earned based on the OEMs’ volume of purchases from agreed-upon sales incentive programs. For sales to resellers, the methodology for estimating variable consideration is based on several factors, including historical pricing information, current pricing trends and channel inventory levels. Estimating the impact of these factors requires significant judgment and differences between the estimated and actual amounts of variable consideration can be significant.

Inventories

We value inventories at the lower of cost or net realizable value, or “NRV,” with cost determined on a first-in, first-out basis. We record inventory write-downs of our inventory to the lower of cost or net realizable value or for obsolete or excess inventory based on assumptions, which requires significant judgment. The determination of NRV involves estimating the average selling prices less any selling expenses of inventory based on market conditions and customer demand. To estimate the average selling prices and selling expenses of inventory, we review historical sales, future demand, economic conditions, contract prices and other information.

We periodically perform an excess and obsolete analysis of our inventory based on assumptions, which includes changes in business and economic conditions, changes in technology and projected demand of our products. If in any period we anticipate a change in those assumptions to be less favorable than our previous estimates, additional inventory write-downs may be required and could materially and negatively impact our gross margin. If in any period, we can sell inventories that had been written down to a level below the realized selling price in the previous period, higher gross profit would be recognized in that period. Although adjustments to these reserves have typically been immaterial, in 2024, we recorded a charge to cost of revenue of \$95 million, primarily to reduce component inventory to NRV as a result of a sudden change in demand for certain products. Adjustments to the reserve in 2025 were immaterial.

Goodwill

Goodwill attributed to us represents the amount by which the purchase price of businesses acquired in a business combination exceeded the estimated fair value of acquired net assets.

Goodwill is not amortized. Instead, it is tested for impairment at least annually, as of the beginning of the Company's fourth quarter, or more frequently if events or changes in circumstances indicate that goodwill may be impaired. We use qualitative factors to determine whether goodwill is more-likely-than-not impaired and whether a quantitative test for impairment is considered necessary. If we conclude from the qualitative assessment that goodwill is more-likely-than-not impaired, we are required to perform a quantitative assessment to determine the amount of impairment.

We are required to use judgment when assessing goodwill for impairment, including evaluating the impact of industry and macroeconomic conditions and the determination of the fair value of the reporting unit. In addition, the estimates and assumptions used to determine the fair value as well as the actual carrying value may change based on future changes in our results of operations, macroeconomic conditions, or other factors. Changes in these estimates and assumptions could materially affect our assessment of the fair value and goodwill impairment. In addition, if negative macroeconomic conditions continue or worsen, goodwill could become impaired, which could result in an impairment charge and materially adversely affect our financial condition and results of operations.

Subsequent to the completion of the separation in February 2025, we identified potential impairment indicators related to macroeconomic indicators, industry developments, the trading price of our common stock and resulting market capitalization that warranted a quantitative impairment analysis of long-lived assets and goodwill.

Subsequently, we performed a quantitative test, which indicated that the carrying value of our reporting unit exceeded its estimated fair value, resulting in the recognition of a \$1.8 billion impairment charge during the third quarter of the year ended June 27, 2025 which was recorded in the accompanying Consolidated Statements of Operations.

We performed a qualitative impairment test on the first day of the fourth fiscal quarter, which did not indicate that goodwill was more-likely-than-not impaired. As a result, no additional quantitative analysis was required and no additional impairment charge was recorded during the fiscal year ended June 27, 2025, other than as stated above.

The tests for goodwill and long-lived asset impairment are further explained in Part II, Item 8., Note 5, *Supplemental Financial Statement Data* of the Notes to the Consolidated Financial Statements. Determining the fair value used in our impairment calculations involves using significant estimates and assumptions, including revenue forecasts, terminal growth rate, tax rate, and a weighted average cost of capital adjusted for company-specific risk. These estimates and assumptions are based on the most current information available to the Company, and there is no assurance that these estimates and assumptions will accurately predict future outcomes. If our assumptions are not realized, or if any of these assumptions change due to changes in economic conditions, our results of operations, or other factors, it is possible that an additional impairment charge may be recorded.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk**Foreign Currency Risk**

Although the majority of our transactions are in U.S. dollars, some transactions are based in various foreign currencies. We have historically purchased short-term foreign exchange contracts to hedge the impact of foreign currency exchange fluctuations on certain underlying assets, liabilities and commitments for product costs and Operating expenses denominated in foreign currencies. The purpose of entering into these hedge transactions is to reduce the impact of foreign currency fluctuations on our results of operations. Substantially all of the contract maturity dates do not exceed twelve months. We do not purchase foreign exchange contracts for speculative or trading purposes.

We have performed sensitivity analyses as of June 27, 2025, using a modeling technique that measures the change in the fair values arising from a hypothetical 10% adverse movement in the levels of foreign currency exchange rates relative to the U.S. dollar, with all other variables held constant. The analyses cover all of our foreign currency derivative contracts used to offset the underlying exposures. The foreign currency exchange rates used in performing the sensitivity analyses were based on market rates in effect at June 27, 2025. The sensitivity analyses indicated that a hypothetical 10% adverse movement in foreign currency exchange rates relative to the U.S. dollar would result in a foreign exchange fair value loss of \$85 million at June 27, 2025.

During 2025, 2024 and 2023, total net realized and unrealized transaction and foreign exchange contract currency losses were \$29 million, \$4 million, and \$5 million, respectively, to our Consolidated Financial Statements.

Notwithstanding our efforts to mitigate some foreign exchange risks, we do not hedge all of our foreign currency exposures, and there can be no assurance that our mitigating activities related to the exposures that we do hedge will adequately protect us against risks associated with foreign currency fluctuations. Additionally, the overall effectiveness of our historical hedging strategy is dependent on business, market and global economic conditions. We have revised, and may continue to alter, our hedging program and may choose to discontinue our hedging activities at any time.

Interest Rate Risk

We held variable rate debt. As of June 27, 2025, our variable rate debt outstanding consisted of our Term Loan Facility, which is based on various index rates as discussed further in Part II, Item 8., Note 8, *Debt* of the Notes to Consolidated Financial Statements included in this Annual Report on Form 10-K. As of June 27, 2025, the outstanding balance on our variable rate debt was approximately \$1.9 billion and a one percent increase in the variable rate of interest would increase our annual interest expense by \$19 million.

Item 8. *Financial Statements and Supplementary Data*

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Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors

Sandisk Corporation:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Sandisk Corporation and subsidiaries (the Company) as of June 27, 2025 and June 28, 2024, the related consolidated statements of operations, comprehensive income (loss), shareholders' equity, and cash flows for each of the fiscal years in the three-year period ended June 27, 2025, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of June 27, 2025 and June 28, 2024, and the results of its operations and its cash flows for each of the fiscal years in the three-year period ended June 27, 2025, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Assessment of variable consideration for sales to resellers

As discussed in Note 1 to the consolidated financial statements, the Company provides resellers with price protection for inventories held by resellers at the time of published list price reductions and other sales incentive programs. The Company records estimated variable consideration related to these items as a reduction to revenue at the time of revenue recognition. The Company uses judgment in its assessment of variable consideration in contracts to be included in the transaction price. For sales to resellers, the Company's methodology for estimating variable consideration is based on several factors, including historical pricing information, current pricing trends, and channel inventory levels.

We identified the assessment of variable consideration for sales to resellers as a critical audit matter. A high degree of subjective auditor judgment was required to evaluate the Company's assumptions for historical pricing information and the level of channel inventory used to estimate variable consideration for sales to resellers as minor changes in these assumptions could cause significant changes in the estimate.

The following are the primary procedures we performed to address this critical audit matter. To assess the reasonableness of the estimated variable consideration for sales to resellers, we developed an independent expectation of the variable consideration for sales to resellers based on historically recorded payments and issued credits and then compared our expectation to the estimated variable consideration recorded.

KPMG LLP

We have served as the Company's auditor since 2023.
Irvine, California
August 20, 2025

SANDISK CORPORATION CONSOLIDATED BALANCE SHEETS
(in millions, except par value)

	June 27, 2025	June 28, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,481	\$ 328
Accounts receivable, net	1,068	935
Inventories	2,079	1,955
Income tax receivable	66	7
Other current assets	392	221
Notes due from Western Digital Corporation	—	102
Total current assets	5,086	3,548
Property, plant and equipment, net	619	791
Notes receivable and investments in Flash Ventures	654	1,001
Goodwill	4,999	7,207
Deferred tax assets	58	96
Income tax receivable, non-current	80	11
Other non-current assets	1,489	852
Total assets	\$ 12,985	\$ 13,506
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 366	\$ 357
Accounts payable to related parties	400	313
Accrued expenses	425	424
Accrued compensation	173	195
Income tax payables	43	20
Notes due to Western Digital Corporation	—	814
Current portion of long-term debt	20	—
Total current liabilities	1,427	2,123
Deferred tax liabilities	17	15
Long-term debt	1,829	—
Other liabilities	496	286
Total liabilities	3,769	2,424
Commitments and contingencies (Notes 10, 11, 14 and 16)		
Shareholders' equity:		
Common stock, \$0.01 par value; authorized — 450 shares; issued and outstanding — 146 shares	\$ 1	\$ —
Additional paid-in capital	11,248	—
Accumulated deficit	(1,784)	—
Accumulated other comprehensive loss	(249)	(452)
Net investment from Western Digital Corporation	—	11,534
Total shareholders' equity	9,216	11,082
Total liabilities and shareholders' equity	\$ 12,985	\$ 13,506

The accompanying notes are an integral part of these Consolidated Financial Statements.

SANDISK CORPORATION CONSOLIDATED STATEMENTS OF OPERATIONS
(in millions, except per share amounts)

	Year Ended		
	June 27, 2025	June 28, 2024	June 30, 2023
Revenue, net	\$ 7,355	\$ 6,663	\$ 6,086
Cost of revenue	5,143	5,591	5,656
Gross profit	2,212	1,072	430
Operating expenses:			
Research and development	1,132	1,061	1,167
Selling, general and administrative	573	455	558
Goodwill impairment	1,830	—	671
Business separation costs	67	64	—
Employee termination and other	21	(40)	69
Gain on business divestiture	(34)	—	—
Total operating expenses	3,589	1,540	2,465
Operating loss	(1,377)	(468)	(2,035)
Interest and other income (expense), net:			
Interest income	22	12	21
Interest expense	(63)	(40)	(31)
Other income (expense), net	(61)	(7)	43
Total interest and other income (expense), net	(102)	(35)	33
Loss before taxes	(1,479)	(503)	(2,002)
Income tax expense	162	169	141
Net loss	<u>\$ (1,641)</u>	<u>\$ (672)</u>	<u>\$ (2,143)</u>
Net loss per common share:			
Basic and diluted	\$ (11.32)	\$ (4.63)	\$ (14.78)
Weighted average shares outstanding:			
Basic and diluted	145	145	145

The accompanying notes are an integral part of these Consolidated Financial Statements.

SANDISK CORPORATION CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(in millions)

	Year Ended		
	June 27, 2025	June 28, 2024	June 30, 2023
Net loss	\$ (1,641)	\$ (672)	\$ (2,143)
Other comprehensive income (loss), before tax:			
Foreign currency translation adjustment	10	(43)	(35)
Net unrealized gain (loss) on derivative contracts	222	(87)	128
Total other comprehensive income (loss), before tax	232	(130)	93
Income tax benefit (expense) related to items of other comprehensive income (loss), before tax	(19)	21	(29)
Other comprehensive income (loss), net of tax	213	(109)	64
Total comprehensive loss	<u>\$ (1,428)</u>	<u>\$ (781)</u>	<u>\$ (2,079)</u>

The accompanying notes are an integral part of these Consolidated Financial Statements.

SANDISK CORPORATION CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)

	Year Ended		
	June 27, 2025	June 28, 2024	June 30, 2023
Cash flows from operating activities			
Net loss	\$ (1,641)	\$ (672)	\$ (2,143)
Adjustments to reconcile net loss to net cash provided by (used in) operations:			
Depreciation and amortization	163	224	448
Stock-based compensation	182	149	165
Goodwill impairment	1,830	—	671
Deferred income taxes	(12)	(16)	(81)
Asset Impairment	—	4	1
Gain on disposal of assets	(1)	(60)	—
Non-cash portion of impairment of cost method investments	1	—	—
Unrealized foreign exchange (gain) loss	(25)	13	(37)
Gain on business divestiture	(34)	—	—
Amortization of debt issuance costs and discounts	3	—	—
Equity loss in investees, net of dividends received	74	49	(45)
Gain on sale of investments	—	(1)	(3)
Other non-cash operating activities, net	23	87	114
Settlement of accrued interest on Notes due to Western Digital Corporation	(99)	—	—
Changes in:			
Accounts receivable, net	(100)	(395)	750
Inventories	(160)	314	(277)
Accounts payable	93	32	(124)
Accounts payable to related parties	(23)	21	(23)
Accrued expenses	13	(51)	(104)
Accrued compensation	21	99	(56)
Other assets and liabilities, net	(224)	(106)	31
Net cash provided by (used in) operating activities	84	(309)	(713)
Cash flows from investing activities			
Purchases of property, plant and equipment	(204)	(166)	(219)
Proceeds from the sale of property, plant and equipment	—	137	—
Proceeds from dispositions of business	401	—	—
Notes receivable issuances to Flash Ventures	(333)	(243)	(627)
Notes receivable proceeds from Flash Ventures	515	482	641
Distributions from Flash Ventures	176	—	—
Strategic investments and other, net	1	—	16
Net cash provided by (used in) investing activities	556	210	(189)
Cash flows from financing activities			
Issuance of stock under employee stock plans	5	—	—
Taxes paid on vested stock awards under employee stock plans	(13)	—	—
Proceeds from debt	1,970	—	—
Repayments of debt	(100)	—	—
Debt issuance costs	(32)	—	—
Proceeds from borrowings on Notes due to Western Digital Corporation	550	—	54
Proceeds from principal repayments on Notes due from Western Digital Corporation	101	14	216
Repayments of principal on Notes due to Western Digital Corporation	(76)	(102)	(86)
Transfers from (to) Western Digital Corporation	(1,887)	394	676
Origination of Notes due from Western Digital Corporation	—	(170)	—
Net cash provided by financing activities	518	136	860
Effect of exchange rate changes on cash	(5)	(1)	(1)
Net increase (decrease) in cash and cash equivalents	1,153	36	(43)
Cash and cash equivalents, beginning of year	328	292	335
Cash and cash equivalents, end of year	\$ 1,481	\$ 328	\$ 292
Supplemental disclosure of cash flow information:			
Cash paid for interest	\$ 139	\$ 12	\$ 7
Cash received for interest	2	10	12
Cash paid for income taxes	50	—	—
Non-cash transfers of:			
Notes due to (from) Western Digital Corporation	1,223	(113)	(316)
Other assets and liabilities, net, from Western Digital Corporation	105	—	—
Contribution of equity interest in Unis Venture from Western Digital Corporation	61	—	—
Property, plant and equipment from Western Digital Corporation	27	11	18
Tax balances from (to) Western Digital Corporation	8	(17)	(2)
Tax indemnification liability to Western Digital Corporation	(112)	—	—

The accompanying notes are an integral part of these Consolidated Financial Statements.



SANDISK CORPORATION CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(in millions)

	Common Stock		Additional Paid in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Net Investment from Western Digital Corporation	Total
	Shares	Amount					
Balance at July 01, 2022	—	\$ —	\$ —	\$ —	\$ (407)	\$ 13,384	\$ 12,977
Net loss	—	—	—	—	—	(2,143)	(2,143)
Foreign currency translation adjustment	—	—	—	—	(35)	—	(35)
Net unrealized gain on derivative contracts	—	—	—	—	99	—	99
Stock-based compensation	—	—	—	—	—	165	165
Net transfer from Western Digital Corporation	—	—	—	—	—	376	376
Balance at June 30, 2023	—	—	—	—	(343)	11,782	11,439
Net loss	—	—	—	—	—	(672)	(672)
Foreign currency translation adjustment	—	—	—	—	(43)	—	(43)
Net unrealized loss on derivative contracts	—	—	—	—	(66)	—	(66)
Stock-based compensation	—	—	—	—	—	149	149
Net transfer from Western Digital Corporation	—	—	—	—	—	275	275
Balance at June 28, 2024	—	—	—	—	(452)	11,534	11,082
Net income / (loss)	—	—	—	(1,784)	—	143	(1,641)
Net transfers to Western Digital Corporation, including spin-off-related adjustments	—	—	—	—	(10)	(602)	(612)
Issuance of common stock and reclassification of net transfers from Western Digital Corporation	145	1	11,189	—	—	(11,190)	—
Employee stock plans	1	—	(8)	—	—	—	(8)
Foreign currency translation adjustment	—	—	—	—	10	—	10
Net unrealized gain on derivative contracts	—	—	—	—	203	—	203
Stock-based compensation	—	—	67	—	—	115	182
Balance at June 27, 2025	<u>146</u>	<u>\$ 1</u>	<u>\$ 11,248</u>	<u>\$ (1,784)</u>	<u>\$ (249)</u>	<u>\$ —</u>	<u>\$ 9,216</u>

The accompanying notes are an integral part of these Consolidated Financial Statements.

SANDISK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Organization, Basis of Presentation and Summary of Significant Accounting Policies

Description of the Company

Sandisk Corporation (“Sandisk, or” the “Company”) is a leading developer, manufacturer and provider of data storage devices and solutions based on NAND flash technology. With a differentiated innovation engine driving advancements in storage and semiconductor technologies, Sandisk’s broad and ever-expanding portfolio delivers powerful flash storage solutions for AI workloads in datacenters, edge devices, and consumers. Sandisk’s technologies enable everyone from students, gamers, and home offices to the largest enterprises and public clouds to produce, analyze, and store data. The Company’s solutions include a broad range of solid state drives, embedded products, removable cards, universal serial bus drives and wafers and components. The Company’s broad portfolio of technology and products addresses multiple end markets of “Cloud,” “Client” and Consumer.” The Company operates primarily in the United States (“U.S.”), and also internationally, with a significant concentration in the Asia Pacific region.

On October 30, 2023, Western Digital Corporation (“WDC”) announced that its board of directors (the “WDC Board of Directors”) authorized WDC management to pursue a plan to separate the Company into an independent public company (the “separation” or the “spin-off”). The separation received final approval by the WDC Board of Directors and was completed on February 21, 2025. Prior to February 21, 2025, the Company was wholly owned by WDC. On February 24, 2025, following the separation, the Company began trading as an independent, publicly traded company under the stock symbol “SNDK” on Nasdaq.

WDC executed the spin-off of the Company through WDC’s pro rata distribution of 116,035,464, or 80.1%, of the Company’s outstanding shares of common stock to holders of WDC’s common stock as of the close of business on February 21, 2025. Each WDC stockholder received one-third (1/3) of one share of the Company’s common stock for each share of WDC’s common stock held by such WDC stockholder as of February 12, 2025, the record date of the distribution. Upon completion of the separation, WDC owned 28,827,787 or 19.9% of the shares of the Company’s common stock. On June 6, 2025, WDC disposed of 21,314,768 or 14.6% of the Company’s common stock through an exchange of Sandisk’s common stock for WDC debt held by WDC creditors.

In connection with the separation, on February 21, 2025, the Company entered into definitive agreements with WDC that set forth the terms and conditions of the spin-off and provided a framework for the relationship between WDC and the Company following the separation. These agreements include the Separation and Distribution Agreement, which contains certain key provisions related to the spin-off, as well as a Transition Services Agreement, a Tax Matters Agreement, an Employee Matters Agreement, an Intellectual Property Cross-License Agreement, a Transitional Trademark License Agreement, and a Stockholder and Registration Rights Agreement, as described in and filed as Exhibits to the Company’s Current Report on Form 8-K on February 24, 2025 and incorporated by reference to this Annual Report on Form 10-K. Additionally, the Company adopted certain compensation plans filed as Exhibits to the Company’s Registration Statement on Form 10, initially filed with the U.S. Securities and Exchange Commission (“SEC”) on November 25, 2024, and as further amended thereafter and declared effective on January 31, 2025 (as amended, the “Form 10”). The Company also entered into various sublease agreements and established a stock compensation incentive plan in connection with the separation.

On February 21, 2025, in connection with the separation, the Company entered into a \$1.5 billion revolving credit facility that remains undrawn to date, and a \$2.0 billion term loan facility due in 2032. The Company used a portion of the proceeds received from the term loan facility and cash on hand to make a net distribution payment of \$1.5 billion to WDC in exchange for assets, liabilities, and certain legal entities of WDC associated with the Company.

After the separation, outstanding restricted stock units (“RSU”) and performance stock units (“PSU”) previously granted by WDC to employees of the Company were adjusted per the terms of the Employee Matters Agreement, in an attempt to maintain the economic value of those awards before and after the separation. Generally, continuing Sandisk employees with outstanding RSU awards held as of the spin-off date were converted solely to equivalent RSU awards of the Company, and any outstanding WDC RSU awards held as of the spin-off date were canceled. Outstanding RSU and PSU awards at the time of the spin-off, held by employees at levels equal to Vice President and above, were converted into RSU and PSU awards of both the Company and WDC.

SANDISK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Basis of Presentation

On February 21, 2025, the Company became a standalone publicly-traded company, and the Company's financial statements are now presented on a consolidated basis. Prior to the separation, the Company's historical combined financial information was derived from WDC's consolidated financial statements and accounting records and prepared as if the Company existed on a standalone basis. The financial statements for all periods presented, including the historical results of the Company prior to February 21, 2025, are now referred to as "Consolidated Financial Statements" and have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") and policies and practices that are generally accepted in the industry in which it operates. The Company's significant accounting policies are summarized below.

Basis of Consolidation

The Consolidated Financial Statements include the accounts of the Company and its wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated in the preparation of the Consolidated Financial Statements. The accounts of these foreign subsidiaries have been remeasured using the U.S. dollar as the functional currency. Gains or losses resulting from the remeasurement of these accounts from local currencies into U.S. dollars were immaterial to the Consolidated Financial Statements. Financial statements of the Company's foreign subsidiaries for which the functional currency is the local currency are translated into U.S. dollars using the exchange rate at each balance sheet date for assets and liabilities and a weighted average exchange rate for each period for statement of operations items. Translation adjustments are recorded in Accumulated other comprehensive income (loss), a component of shareholders' equity.

Unless otherwise noted, all figures within the Consolidated Financial Statements are stated in U.S. Dollars and millions.

Periods Prior to the Separation

Prior to the separation on February 21, 2025, the Company was an operating segment of WDC. Consequently, standalone financial statements were not historically prepared for the Company. The accompanying Consolidated Financial Statements were prepared based upon WDC's historical consolidated financial statements and accounting records. They were presented on a standalone basis as if the Company's operations had been conducted independently from WDC. The Company utilized allocations and carve-out methodologies to prepare these historical Consolidated Financial Statements. The Consolidated Financial Statements included the historical results of operations, financial position, and cash flows of the Company and were prepared in accordance with GAAP, and the Company adopted accounting policies and practices generally accepted in the industry in which it operates.

Intercompany transactions were eliminated. With the exception of balances associated with lending arrangements reflected within Notes due to (from) Western Digital Corporation in the Consolidated Balance Sheets, transactions between the Company and WDC were generally considered to be effectively settled in the Consolidated Financial Statements at the time the transactions were recorded. The total net effect of the settlement of these transactions was reflected in the Consolidated Statements of Cash Flows as a financing activity and in the Consolidated Balance Sheets as Net investment from Western Digital Corporation. General financing activities included the net impact of any cash movements resulting from WDC's centralized treasury cash management.

The Consolidated Balance Sheets included all assets and liabilities that were identifiable or otherwise attributable to the Company. Assets and liabilities shared between the Company and WDC were included in the standalone financial statements to the extent that the asset was primarily used by the Company. If the Company was not the primary user of the asset, it was excluded entirely from the Consolidated Financial Statements. WDC historically used a centralized approach to cash management and financing of its operations, as needed. Certain of the Company's cash was transferred to WDC according to centrally managed cash programs by treasury, and WDC funded the Company's operating and investing activities, as needed. Cash transfers to and from WDC's cash management accounts were reflected as a component of the Net investment from Western Digital Corporation in the Consolidated Balance Sheets. Cash and cash equivalents in the Company's Consolidated Balance Sheets primarily represented cash held locally by entities included in the Company's Consolidated Financial Statements.

None of the debt obligations of WDC or corresponding interest expense were included in the Consolidated Financial Statements, as the Company was neither the legal obligor nor transferee for any portion of such debt. WDC's debt obligations were secured by a lien on substantially all assets and properties of WDC and certain key subsidiaries, which included assets and properties of the Company prior to the completion of the separation.

SANDISK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Statements of Operations and Comprehensive Income (Loss) included all revenues and costs directly attributable to the Company as well as an allocation of expenses related to facilities, functions, and services provided by WDC. Allocation of general corporate expenses from WDC included, but was not limited to, executive management, finance, tax, legal, information technology, employee benefits administration, treasury, risk management, procurement, and other shared services. These corporate expenses were allocated to the Company based on direct usage or benefit, where identifiable, with the remainder allocated based on headcount, revenue, or other relevant measures. The allocated costs were deemed to be settled between the Company and WDC in the period in which the expense was recorded in the Consolidated Statements of Operations. The Consolidated Statements of Cash Flows present these corporate expenses as cash flows from operating activities, as these costs were incurred by WDC on the Company's behalf. The Company considers these allocations to be a reasonable reflection of the utilization of services by, or the benefits provided to, the Company. The allocations may not, however, reflect the expenses the Company would have incurred as a standalone company for the periods presented. Additionally, these costs may not be indicative of the expenses that the Company will incur in the future or would have incurred if the Company had obtained these services from an unrelated third party. It is not practicable to estimate the actual costs that would have been incurred had the Company been a standalone company during the periods presented. The actual costs that may have been incurred would depend on a number of factors, including the chosen organizational structure, whether functions were outsourced or performed by employees, and decisions with respect to areas such as facilities, information technology, and operating infrastructure.

WDC maintains various stock-based compensation plans at a corporate level. Employees of the Company participated in those programs, and a portion of the compensation costs associated with those plans was included in the Company's Consolidated Statements of Operations for the periods presented in this Annual Report on Form 10-K. Before the spin-off, stock-based compensation expense was included within Net investment from Western Digital Corporation. The amounts presented in the Consolidated Financial Statements are not necessarily indicative of future awards and may not reflect the results that the Company would have experienced as a standalone entity.

Current and deferred income taxes and related tax expenses were determined based on the standalone results of the Company by applying Accounting Standards Codification ("ASC") No. 740, Income Taxes, to the Company's operations in each country as if it were a separate taxpayer (i.e., following the "Separate Return Methodology").

Periods Post Separation

After the separation on February 21, 2025, the Company's financial statements for the period from February 22, 2025, through June 27, 2025, are consolidated financial statements based on the Company's reported results as a standalone company. All significant transactions and accounts between controlled entities within the Company were eliminated.

Following the separation, certain functions continue to be provided by or for WDC under the Transition Services Agreement ("TSA") for up to fifteen months or are being performed using the Company's own resources or third-party service providers. As of June 27, 2025, charges under the TSA were not material.

Fiscal Year

The Company's fiscal year ends on the Friday nearest to June 30 and typically consists of 52 weeks. Approximately every five to six years, we report a 53-week fiscal year to align the fiscal year with the foregoing policy. Fiscal years 2025, 2024, and 2023, which ended on June 27, 2025, June 28, 2024, and June 30, 2023, are each comprised of 52 weeks, with all quarters presented consisting of 13 weeks. Fiscal year 2026 will be comprised of 52 weeks and end on July 3, 2026. Unless otherwise indicated, references herein to specific years and quarters are to fiscal years and fiscal quarters, and references to financial information are on a consolidated basis.

Segment Reporting

The Company develops, manufactures, markets, and sells data storage devices and solutions based on NAND flash technology in the United States ("U.S.") and in foreign countries through its sales personnel, dealers, distributors, retailers, and subsidiaries. The Company manages and reports its business operations under a single reportable operating segment. Operating segments are components of an enterprise for which separate financial information is available and are evaluated regularly by the Company's Chief Operating Decision Maker ("CODM") in deciding how to allocate resources and in assessing performance.

The Chief Executive Officer, who is the CODM, evaluates the performance of the Company and makes resource allocation decisions for its single reportable operating segment based upon the Company's consolidated net income (loss). The CODM considers variances of actual performance to forecasted amounts when making decisions. Asset information is not used by the CODM to evaluate performance or allocate resources.

SANDISK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

See Note 9, *Segment Reporting*, for additional disclosures.

Use of Estimates

Management has made estimates and assumptions relating to the reporting of certain assets and liabilities in conformity with GAAP. These estimates and assumptions have been applied using methodologies that are consistent throughout the periods presented, with consideration given to the potential impacts of current macroeconomic conditions, including the evolving impacts from tariffs. However, actual results could differ materially from these estimates.

Business Separation Costs

The Company has incurred separation and transition costs related to the completion of its separation from WDC. The separation and transition costs are recorded in Business separation costs in the Consolidated Statements of Operations.

Cash Equivalents

The Company's cash equivalents represent highly liquid investments in money market funds, which are invested in U.S. Treasury securities and U.S. Government agency securities as well as time deposits with original maturities at purchase of three months or less. These deposits are maintained at financial institutions which may exceed U.S. federal insured limits. Cash equivalents are carried at cost which approximates fair value.

Equity Investments

The Company enters into certain strategic investments for the promotion of business and strategic objectives. The equity method of accounting is used if the Company's ownership interest is greater than or equal to 20.0% but less than a majority or where the Company has the ability to exercise significant influence over operating and financial policies. The Company's equity in the earnings or losses in equity-method investments is recognized in Other income (expense), net, in the Consolidated Statements of Operations. Equity earnings or losses in the Company's equity method investments (as defined in Note 10, *Related Parties and Related Commitments and Contingencies*) are reported on a three-month lag.

If the Company's ownership interest is less than 20.0% and the Company does not have the ability to exercise significant influence over operating and financial policies of the investee, the Company accounts for these investments at fair value, or if these equity securities do not have a readily determinable fair value, these securities are measured at cost minus impairment, if any, plus or minus changes resulting from observable price changes. These investments are recorded in Other non-current assets in the Consolidated Balance Sheets and are periodically analyzed to determine whether or not impairment indicators exist.

Variable Interest Entities

The Company evaluates its investments and other significant relationships to determine whether any investee is a variable interest entity ("VIE"). If the Company concludes that an investee is a VIE, the Company evaluates its power to direct the activities of the investee, its obligation to absorb the expected losses of the investee and its right to receive the expected residual returns of the investee to determine whether the Company is the primary beneficiary of the investee. If the Company is the primary beneficiary of a VIE, the Company consolidates such entity and reflects the non-controlling interest of other beneficiaries of that entity. For the period presented, the Company determined that it did not have any VIEs that are required to be consolidated.

Fair Value of Financial Instruments

The carrying amounts of cash equivalents, accounts receivable, accounts payable and accrued expenses approximate fair value for all periods presented because of the short-term maturity of these assets and liabilities. The carrying value of notes receivable from Flash Ventures (as defined in Note 10, *Related Parties and Related Commitments and Contingencies*) also approximates fair value for all periods presented because they bear variable market rates of interest. The fair value of investments that are not accounted for under the equity method is based on appropriate market information. The carrying amounts of Notes due to (from) Western Digital Corporation approximate their fair value as the notes were due on demand.

Inventories

The Company values inventories at the lower of cost (first-in, first-out) or net realizable value. Inventory write-downs are recorded for the valuation of inventory at the lower of cost or net realizable value by analyzing market conditions and estimates of future sales prices as compared to inventory costs and inventory balances.

SANDISK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Company evaluates inventory balances for excess quantities and obsolescence on a regular basis by analyzing estimated demand, inventory on hand, sales levels and other information, and reduces inventory balances to net realizable value for excess and obsolete inventory based on this analysis. Unanticipated changes in technology or customer demand could result in a decrease in demand for one or more of the Company's products, which may require a write-down of inventory that could materially affect operating results.

Property, Plant and Equipment

Property, plant, and equipment are carried at cost less accumulated depreciation and amortization. The cost of property, plant and equipment is depreciated over the estimated useful lives of the respective assets. The Company's buildings and improvements are depreciated over periods ranging from fifteen to thirty years. The majority of the Company's machinery and equipment, software and furniture and fixtures are depreciated on a straight-line basis over a period of two to seven years. Leasehold improvements are amortized over the lesser of the estimated useful lives of the assets or the related lease terms.

Goodwill

Goodwill attributed to the Company represents the amount by which the purchase price of businesses acquired in a business combination exceeded the estimated fair value of acquired net assets.

Goodwill is not amortized. Instead, it is tested for impairment on at least an annual basis or more frequently whenever events or changes in circumstances indicate that goodwill may be impaired. The Company performs an annual impairment test as of the beginning of its fourth quarter or sooner if an indicator of impairment exists. The Company uses qualitative factors to determine whether goodwill is more-likely-than-not impaired and whether a quantitative test for impairment is considered necessary. If the Company concludes from the qualitative assessment that goodwill is more-likely-than-not impaired, the Company is required to perform a quantitative approach to determine the amount of impairment.

The Company is required to use judgment when applying the goodwill impairment test including the identification of reporting units, assignment of assets, liabilities and goodwill to reporting units, and determination of the fair value of each reporting unit. In addition, the estimates used to determine the fair value of reporting units may change based on results of operations, macroeconomic conditions or other factors. Changes in these estimates could materially affect the Company's assessment of the fair value and goodwill impairment.

The Company's assessment resulted in no impairment of goodwill in 2024. In 2025 and 2023, certain macroeconomic conditions caused the Company to perform a quantitative impairment analysis which resulted in a \$1.8 billion and \$671 million impairment of goodwill for the years ended June 27, 2025 and June 30, 2023, respectively. See Note 5, *Supplemental Financial Statement Data* for additional disclosures.

Revenue and Accounts Receivable

The Company recognizes revenue when it satisfies a performance obligation by transferring control over a product or service to the customer. The transaction price to be recognized as revenue is adjusted for variable consideration, such as sales incentives, and excludes amounts collected on behalf of third parties, including taxes imposed by governmental authorities. The Company's performance obligations are typically not constrained based on the Company's history with similar transactions and the fact that uncertainties are resolved in a fairly short period of time.

Substantially all of the Company's revenue is derived from the sale of tangible products for which the performance obligations are satisfied at a point in time, generally upon delivery. The Company's services revenue mainly includes professional service arrangements and post-contract customer support, warranty as a service and maintenance contracts and was not material for the periods presented. The performance obligations for the Company's services are generally satisfied ratably over the service period based on the nature of the service provided and contract terms. Similarly, revenue from patent licensing arrangements is recognized based on whether the arrangement provides the customer a right-to-use or right-to-access the IP. Revenue for a right to use arrangement is recognized at the time the control of the license is transferred to the customer. Revenue for a right to access arrangement is recognized over the contract period as the access is provided to the customer. For the sales-based royalty arrangements, the Company estimates and recognizes revenue in the period in which customers' licensable sales occur.

The Company's customer payment terms are typically less than two months from the date control over the product or service is transferred to the customer. The Company uses the practical expedient and does not recognize a significant financing component for payment considerations of less than one year.

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The Company provides distributors and retailers, which we refer to collectively as resellers, with limited price protection for inventories held by resellers at the time of published list price reductions. The Company also provides resellers and OEMs with other sales incentive programs. The Company records estimated variable consideration related to these items as a reduction of revenue at the time of revenue recognition. The Company uses judgment in its assessment of variable consideration in contracts to be included in the transaction price. The Company uses the expected value method to arrive at the amount of variable consideration. The Company constrains variable consideration until the likelihood of a significant revenue reversal is not probable and believes that the expected value method is the appropriate estimate of the amount of variable consideration based on the fact that the Company has a large number of contracts with similar characteristics.

For sales to OEMs, the Company's methodology for estimating variable consideration is based on the amount of consideration expected to be earned based on the OEMs' volume of purchases from the Company or other agreed-upon sales incentive programs. For sales to resellers, the Company's methodology for estimating variable consideration is based on several factors including historical pricing information, current pricing trends and channel inventory levels. Differences between the estimated and actual amounts of variable consideration are recognized as adjustments to revenue.

Marketing development program costs are typically recorded as a reduction of the transaction price and, therefore, of revenue. The Company nets sales rebates against open customer receivable balances if the criteria to offset are met, otherwise they are recorded in other accrued liabilities.

For contracts with multiple performance obligations, the Company evaluates whether each deliverable is a distinct promise and should be accounted for as a separate performance obligation. If a promised good or service is not distinct in accordance with the revenue guidance, the Company combines that good or service with the other promised goods or services in the arrangement until a distinct bundle of goods is identified. If applicable, the Company allocates the transaction price to the performance obligations of each distinct product or service, or distinct bundle, based on their relative standalone selling prices.

The Company records an allowance for doubtful accounts by analyzing specific customer accounts and assessing the risk of loss based on insolvency or other collection issues. In addition, the Company routinely analyzes the various receivable aging categories to establish reserves based on a combination of past due receivables and expected future losses. If the financial condition of a significant customer deteriorates resulting in its inability to pay its accounts when due, or if the Company's overall loss trajectory changes significantly, an adjustment in the Company's allowance for doubtful accounts would be required, which could materially affect operating results.

Warranty

The Company records an accrual for estimated warranty costs when revenue is recognized. The Company generally warrants its products for a period of one to five years, with a small number of products having a warranty ranging up to ten years or more. The warranty provision considers estimated product failure rates and trends, estimated replacement costs, estimated repair costs which include scrap costs and estimated costs for customer compensatory claims related to product quality issues, if any. For warranties ten years or greater, including lifetime warranties, the Company uses the estimated useful life of the product to calculate the warranty exposure. A statistical warranty tracking model is used to help prepare estimates and assist the Company in exercising judgment in determining the underlying estimates. The statistical tracking model captures specific details on product reliability, such as factory test data, historical field return rates and costs to repair by product type. Management's judgment is subject to a greater degree of subjectivity with respect to newly introduced products because of limited field experience with those products upon which to base warranty estimates. Management reviews the warranty accrual quarterly for products shipped in prior periods and which are still under warranty. Any changes in the estimates underlying the accrual may result in adjustments that impact current period gross profit and income. Such changes are generally a result of differences between forecasted and actual return rate experience and costs to repair and could differ significantly from the estimates.

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Litigation and Other Contingencies

When the Company becomes aware of a claim or potential claim, the Company assesses the likelihood of any loss or exposure. The Company discloses information regarding each material claim where the likelihood of a loss contingency is probable or reasonably possible. If a loss contingency is probable and the amount of the loss can be reasonably estimated, the Company records an accrual for the calculated loss exposure. In such cases, there may be an exposure to potential loss in excess of the amount accrued. Where a loss is not probable but is reasonably possible or where a loss in excess of the amount accrued is reasonably possible, the Company discloses an estimate of the amount of the loss or range of possible losses for the claim if a reasonable estimate can be made, unless the amount of such reasonably possible losses is not material to the Company's financial position, results of operations or cash flows. The ability to predict the ultimate outcome of such matters involves judgments, estimates and inherent uncertainties. The actual outcome of such matters could differ materially from management's estimates. See Note 16, *Legal Proceedings* for additional disclosures related to the Company's litigation.

Advertising Expense

Advertising costs are expensed as incurred and amounted to \$29 million, \$31 million, and \$35 million in 2025, 2024 and 2023, respectively. These expenses are included in Selling, general and administrative in the Consolidated Statements of Operations.

Research and Development Expense

Research and Development ("R&D") expenditures are expensed as incurred.

Income Taxes

Income taxes are calculated as if the Company filed U.S. tax returns on a stand-alone basis separate from WDC for the pre-spin period. The Company accounts for income taxes under the asset and liability method, which provides that deferred tax assets and liabilities be recognized for temporary differences between the financial reporting basis and the tax basis of assets and liabilities and expected benefits of utilizing net operating loss ("NOL") and tax credit carryforwards. The Company records a valuation allowance when it is more-likely-than-not that the deferred tax assets will not be realized. Each quarter, the Company evaluates the need for a valuation allowance for its deferred tax assets and adjusts the valuation allowance so that the Company records net deferred tax assets only to the extent that it has concluded it is more-likely-than-not that these deferred tax assets will be realized. The assessment of valuation allowances against the Company's deferred tax assets requires estimation and significant judgment. The Company continues to assess and adjust its valuation allowance based on operating results and market conditions. The Company accounts for interest and penalties related to income taxes as a component of the provision for income taxes.

The Company recognizes liabilities for uncertain tax positions based on a two-step process. To the extent a tax position does not meet a more-likely-than-not level of certainty, no benefit is recognized in the financial statements. If a position meets the more-likely-than-not level of certainty, it is recognized in the financial statements at the largest amount that has a greater than 50% likelihood of being realized upon ultimate settlement. Interest and penalties related to unrecognized tax benefits are recognized in liabilities recorded for uncertain tax positions and are recorded in the provision for income taxes. The actual liability for unrealized tax benefits in any such contingency may be materially different from the Company's estimates, which could result in the need to record additional liabilities for unrecognized tax benefits or potentially adjust previously recorded liabilities for unrealized tax benefits and may materially affect the Company's operating results.

Net Income (Loss) Per Common Share

Basic net income (loss) per common share is computed using the weighted average number of shares of common stock outstanding during the period. Diluted net income (loss) per common share is computed using the weighted average shares of common stock outstanding during the period and potentially dilutive common shares, including the effect of RSUs, PSUs, and right to purchase shares of common stock under the Company's Employee Stock Purchase Program ("ESPP") using the treasury stock method.

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Stock-based Compensation Expense

Stock-based compensation represents the cost associated with stock-based awards granted to employees under stock-based compensation plans. The Company establishes stock-based compensation values at the grant date based on the estimated fair value of the award, and recognizes the cost on a straight-line basis over the requisite service period of the employee. The Company grants RSUs and PSUs subject to market conditions. RSUs are typically awarded to employees over a two- to four-year period. Market-conditioned PSUs are granted to employees with vesting conditions based on the Company's stock price and are cliff-vested at the end of the service period. The fair value of RSUs is determined on the grant date based on the Company's stock price at that time. The fair value of market-conditioned PSUs awards is determined on the grant date using a Monte Carlo simulation model, which estimates the probability of satisfying the market conditions of the award. Forfeitures are recognized as they occur. Stock-based compensation cost is recorded in Cost of Revenue and Operating Expenses in the Consolidated Statement of Income based on the employees' respective functions.

Prior to the separation, the Consolidated Statements of Operations included all stock-based compensation expenses for WDC RSU and PSU awards directly attributable to Sandisk's employees, as well as an allocation of WDC's corporate and shared functional employees' expenses. See Note 12, *Shareholders' Equity* for additional disclosures.

Other comprehensive income (loss), net of tax

Other comprehensive income (loss), net of tax refers to gains and losses that are recorded as an element of equity but are excluded from net income (loss). The Company's other comprehensive income (loss), net of tax, is primarily comprised of unrealized gains or losses on foreign exchange contracts designated as cash flow hedges and foreign currency translation.

Derivative Contracts

The majority of the Company's transactions are in U.S. dollars; however, some transactions are based in various foreign currencies. The Company purchases foreign exchange contracts to hedge the impact of foreign currency exchange fluctuations on certain underlying assets, liabilities and commitments for operating expenses and product costs denominated in foreign currencies. The purpose of entering into these hedging transactions is to minimize the impact of foreign currency fluctuations on the Company's results of operations. Substantially all of these contract maturity dates do not exceed 12 months. All foreign exchange contracts are for risk management purposes only. The Company does not purchase foreign exchange contracts for speculative or trading purposes. The Company had foreign exchange contracts with commercial banks for European euro, Canadian dollar, Japanese yen, Malaysian ringgit, Korean won and Israeli shekel, which had an aggregate notional amount of \$2.5 billion and \$2.9 billion at June 27, 2025 and June 28, 2024, respectively.

If the derivative is designated as a cash flow hedge and is determined to be highly effective, the change in fair value of the derivative is initially deferred in Other comprehensive income (loss), net of tax. These amounts are subsequently recognized into earnings when the underlying cash flow being hedged is recognized into earnings. Recognized gains and losses on foreign exchange contracts are reported in Cost of revenue and Operating expenses and presented in cash flows from operating activities. Hedge effectiveness is measured by comparing the hedging instrument's cumulative change in fair value from inception to maturity to the underlying exposure's terminal value. The Company determined the ineffectiveness associated with its cash flow hedges to be immaterial to the Consolidated Financial Statements for the periods presented.

A change in the fair value of undesignated hedges is recognized in earnings in the period incurred and is reported in Other income (expense), net.

Leases

The Company leases certain domestic and international facilities under long-term, non-cancelable operating leases that expire at various dates through 2039. These leases include no material variable or contingent lease payments. Operating lease assets and liabilities are recognized based on the present value of the remaining lease payments discounted using the Company's incremental borrowing rate. Operating lease assets also include prepaid lease payments minus any lease incentives. Extension or termination options present in the Company's lease agreements are included in determining the right-of-use asset and lease liability when it is reasonably certain the Company will exercise that option. Lease expense is recognized on a straight-line basis over the lease term.

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Note 2. Recent Accounting Pronouncements

Accounting Pronouncements Recently Adopted

In November 2023, the Financial Accounting Standards Board (“FASB”) issued ASU No. 2023-07, “Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures,” which expands segment reporting requirements, primarily through enhanced disclosures surrounding significant segment expenses. This ASU expands on existing segment reporting requirements to require that a public entity disclose, on an annual and interim basis, significant segment expenses that are regularly provided to an entity’s CODM, a description of other segment items by reportable segment, and any additional measures of a segment’s profit or loss used by the CODM when deciding how to allocate resources. These incremental disclosures are required beginning with the Company’s financial statements for the fiscal year ending 2025. The Company adopted the guidance retrospectively in the fourth quarter of fiscal 2025. See Note 9, *Segment Reporting*, for additional disclosures.

Recently Issued Accounting Pronouncements Not Yet Adopted

In December 2023, the FASB issued ASU 2023-09, “Income Taxes (Topic 740): Improvements to Income Tax Disclosures.” This ASU calls for enhanced income tax disclosure requirements surrounding the tabular rate reconciliation and income taxes paid. The Company is currently compiling the information required for these disclosures. These incremental disclosures will be required beginning with the Company’s financial statements for the year ending July 3, 2026, with early adoption permitted. The Company expects to provide any required disclosures at that time.

In November 2024, the FASB issued ASU 2024-03, “Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses,” which is intended to improve disclosures about the expenses of public entities. This ASU requires more detailed information about the types of expenses in commonly presented expense captions (such as cost of sales and selling, general and administrative expenses) and requires public entities to disclose, on an annual and interim basis, the amounts of expenses included in each relevant expense caption presented on the face of the income statement within continuing operations, in a tabular format. Additionally, public entities will be required to disclose a qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated quantitatively, the total amount of selling expenses, and, in annual reporting periods, the definition of selling expenses. This ASU is effective on either a prospective or retrospective basis for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027, with early adoption permitted. The Company is currently compiling the information required for these disclosures and assessing the basis of adoption. The Company expects to provide any required disclosures for annual reporting periods included in the Company’s financial statements for the year ending June 30, 2028.

Note 3. Geographic Information and Concentrations of Risk

Disaggregated Revenue

The Company’s broad portfolio of technology and products addresses multiple end markets. Cloud represents a large and growing end market comprised primarily of products for public or private cloud environments and enterprise customers. Through the Client end market, the Company provides its OEM and channel customers a broad array of high-performance flash solutions across personal computer, mobile, gaming, automotive, virtual reality headsets, at-home entertainment, and industrial spaces. The Consumer end market is highlighted by the Company’s broad range of retail and other end-user products, which capitalize on the strength of the Company’s product brand recognition and vast points of presence around the world.

The Company’s disaggregated revenue information was as follows:

	2025	2024	2023
	<i>(in millions)</i>		
Revenue by end market:			
Cloud	\$ 960	\$ 325	\$ 500
Client	4,127	4,069	3,637
Consumer	2,268	2,269	1,949
Total revenue	<u>\$ 7,355</u>	<u>\$ 6,663</u>	<u>\$ 6,086</u>

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The Company's operations outside the United States include owned manufacturing facilities in Malaysia, manufacturing operations contracted via related parties in China and Japan, as well as sales offices throughout the Americas, Asia Pacific, Europe and the Middle East. The following tables summarize the Company's operations by geographic area:

	2025	2024	2023
	<i>(in millions)</i>		
Net Revenue ⁽¹⁾			
United States	\$ 1,447	\$ 933	\$ 1,133
China	2,040	2,549	2,302
Hong Kong	1,301	1,044	690
Europe, Middle East and Africa	1,280	1,058	930
Rest of Asia	1,116	917	898
Other	171	162	133
Total revenue	<u>\$ 7,355</u>	<u>\$ 6,663</u>	<u>\$ 6,086</u>

⁽¹⁾Net revenue is attributed to geographic regions based on the ship-to location of the customer. License and royalty revenue is attributed to countries based upon the location of the headquarters of the licensee.

Disaggregated Long-lived Assets

The Company's long-lived assets, including property, plant and equipment by geographic area, are as follows:

	2025	2024
	<i>(in millions)</i>	
Long-lived assets		
United States	\$ 93	\$ 77
China	14	249
Malaysia	398	388
Rest of Asia	67	4
Europe, Middle East and Africa	47	73
Total Long-lived assets	<u>\$ 619</u>	<u>\$ 791</u>

Customer Concentration and Credit Risk

The Company sells its products to computer manufacturers and OEMs, cloud service providers, resellers, distributors and retailers throughout the world. For 2025 and 2024 no single customer accounted for more than 10% of the Company's net revenue. For 2023, one customer accounted for 15% of the Company's net revenue. For 2025, 2024 and 2023, the Company's top 10 customers accounted for 40%, 41% and 47% of the Company's net revenue, respectively.

The Company performs ongoing credit evaluations of its customers' financial condition and generally requires no collateral. The Company maintains allowances for potential credit losses, and such losses have historically been within management's expectations. At any given point in time, the total amount outstanding from any one of a number of its customers may be individually significant to the Company's financial results. As of June 27, 2025, the Company had net accounts receivable of \$1.1 billion, and one customer accounted for approximately 11% of the Company's outstanding accounts receivable. As of June 28, 2024, the Company had net accounts receivable of \$935 million, and one customer accounted for 10% of the Company's outstanding accounts receivable. Reserves for potential credit losses were not material as of each period end.

The Company also has cash equivalent and investment policies that limit the amount of credit exposure to any one financial institution or investment instrument and requires that investments be made only with financial institutions or in investment instruments evaluated as highly credit-worthy.

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Supplier Concentration

All of the Company's flash products require silicon wafers for the memory and controller components. Substantially all of the Company's flash memory wafers are currently supplied from Flash Ventures, and the Company's controller wafers are all manufactured by third-party sources. The failure of any of these sources to deliver silicon wafers could have a material adverse effect on the Company's business, financial condition and results of operations. See Note 10, *Related Parties and Related Commitments and Contingencies* for additional disclosures.

In addition, some key components are purchased from single-source vendors for which alternative sources are currently not available. Shortages could occur in these essential materials due to an interruption of supply or increased demand in the industry. If the Company was unable to procure certain of such materials, the Company's sales could decline, which could have a material adverse effect upon its results of operations. The Company also relies on third-party subcontractors to assemble and test a portion of its products. The Company does not have long-term contracts with some of these subcontractors and cannot directly control product delivery schedules or manufacturing processes. This could lead to product shortages or quality assurance problems that could increase the manufacturing costs of the Company's products and have material adverse effects on the Company's operating results.

Note 4. Revenues

The Company applies the practical expedients and does not disclose the transaction price allocated to the remaining performance obligations for (i) arrangements with an original expected duration of one year or less, mainly consisting of professional service, support, and maintenance contracts, and (ii) variable consideration for sale-based or usage-based royalties for intellectual property license arrangements, which typically range longer than one year. The remaining performance obligations are mainly attributed to right-to-access patent license arrangements, professional service arrangements, and customer support and service contracts, which will be recognized over their contract period. The transaction price allocated to the remaining performance obligations as of 2025, 2024, and 2023, was not material.

Contract assets represent the Company's rights to consideration where performance obligations are completed but the customer payments are not due until another performance obligation is satisfied. The Company did not have any contract assets as of June 27, 2025, June 28, 2024, and June 30, 2023. Contract liabilities relate to customers' payments in advance of performance under the contract and primarily relate to remaining performance obligations under professional service, support, and maintenance contracts. Contract liabilities as of June 27, 2025, June 28, 2024, and June 30, 2023, and changes in contract liabilities during 2025, 2024, and 2023, were not material.

The Company incurs sales commissions as direct incremental costs to obtain sales contracts. The Company has applied the practical expedient to recognize sales commissions as an expense when incurred if the amortization period is expected to be one year or less or the amount is not material, with these costs charged to Selling, general and administrative expenses. The Company had no other direct incremental costs to obtain contracts with an expected benefit of more than one year.

Note 5. Supplemental Financial Statement Data

Goodwill

The following table provides a summary of goodwill activity for the period presented:

	<i>(in millions)</i>	
Balance at June 28, 2024	\$	7,207
Divestiture ⁽¹⁾		(382)
Impairment charges		(1,830)
Foreign currency translation adjustment		4
Balance at June 27, 2025	\$	4,999

⁽¹⁾ On September 28, 2024, the Company sold its majority interest in a subsidiary. See Note 10, *Related Parties and Related Commitments and Contingencies* for additional disclosures.

Goodwill attributed to the Company represents the historical goodwill balances in WDC's business arising from acquisitions specific to the Company.

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The Company determined that its single operating segment was also its single reporting unit. Goodwill is not amortized. Instead, it is tested for impairment annually as of the beginning of the Company's fourth quarter or more frequently if events or changes in circumstances indicate that goodwill may be impaired. The Company uses qualitative factors to determine whether goodwill is more-likely-than-not impaired and whether a quantitative test for impairment is considered necessary. If the Company concludes from the qualitative assessment that goodwill is more-likely-than-not impaired, the Company is required to perform a quantitative assessment to determine the amount of impairment.

The Company is required to use judgment when assessing goodwill for impairment, including evaluating the impact of industry and macroeconomic conditions and the determination of the fair value of the reporting unit. In addition, the estimates and assumptions used to determine the fair value as well as the actual carrying value may change based on future changes in the Company's results of operations, macroeconomic conditions, or other factors. Changes in these estimates and assumptions could materially affect the Company's assessment of the fair value and goodwill impairment. In addition, if negative macroeconomic conditions continue or worsen, goodwill could become impaired, which could result in an impairment charge and materially adversely affect the Company's financial condition and results of operations.

Subsequent to the completion of the separation, the Company identified potential impairment indicators related to macroeconomic indicators, industry developments, the trading price of the Company's common stock and resulting market capitalization that warranted a quantitative impairment analysis of long-lived assets and goodwill.

The Company performed a recoverability test at the asset group level, which was determined to be equivalent to its reporting unit, to assess potential impairment of long-lived assets. The results of the recoverability test showed that the estimated undiscounted net cash flows to be generated from the use and eventual disposition of the Company's long-lived assets exceeded its net carrying value. As a result, no write-down of long-lived assets was recognized as of June 27, 2025.

Next, the Company performed a quantitative test by measuring the fair value of its reporting unit based on a weighing of two valuation methodologies: an income approach and a market approach.

The income approach valued the projected discounted cash flows that are expected to be generated by the Company's reporting unit and required judgments and estimates surrounding general economic conditions and company-specific performance inputs such as revenue growth rates, gross margins, operating costs, capital expenditures, assumed tax rates and other assumptions deemed reasonable by management.

The market approach valued the reporting unit based on financial performance and market multiples of comparable public companies, including consideration of a control premium representing the estimated amount a market participant would pay to obtain a controlling interest in the Company.

The results of the quantitative test indicated that the carrying value of the Company's reporting unit exceeded its estimated fair value, resulting in the recognition of a \$1.8 billion impairment charge during the third quarter of the year ended June 27, 2025 which was recorded in the accompanying Consolidated Statements of Operations.

The Company's policy is to perform an annual impairment test on the first day of the fourth fiscal quarter. The Company performed a qualitative analysis, which did not indicate that goodwill was more-likely-than-not impaired. As a result, no additional quantitative analysis was required and no additional impairment charge was recorded during the fiscal year ended June 27, 2025.

For the year ended June 28, 2024, there were no impairment charges recorded. For the year ended June 30, 2023, the Company recorded an impairment charge of \$671 million.

Accounts receivable, net

Prior to the separation, from time to time and in connection with factoring agreements, WDC sold certain of the Company's trade accounts receivable without recourse to third-party purchasers in exchange for cash.

During the year ended June 27, 2025, there were no trade accounts receivable sold by WDC or the Company. In 2024 and 2023, WDC sold trade accounts receivable of the Company and received cash proceeds of \$339 million and \$370 million, respectively. The discounts on the trade accounts receivable sold during the period were not material and were recorded in Other expense, net, in the Consolidated Statements of Operations. There were no factored receivables outstanding as of June 27, 2025 and June 28, 2024.

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Inventories

	2025	2024
	<i>(in millions)</i>	
Inventories:		
Raw materials and component parts	\$ 1,517	\$ 1,398
Work-in-process	262	237
Finished goods	300	320
Total inventories	<u>\$ 2,079</u>	<u>\$ 1,955</u>

Property, plant and equipment, net

	2025	2024
	<i>(in millions)</i>	
Property, plant and equipment:		
Land	\$ 10	\$ 10
Machinery and equipment	1,480	2,340
Buildings and improvements	390	397
Computer equipment and software	176	123
Furniture and fixtures	18	16
Construction-in-process	51	108
Property, plant and equipment, gross	2,125	2,994
Accumulated depreciation	(1,506)	(2,203)
Property, plant and equipment, net	<u>\$ 619</u>	<u>\$ 791</u>

Depreciation expense for property, plant and equipment totaled \$163 million, \$224 million, and \$315 million in 2025, 2024, and 2023, respectively.

Intangible assets

Intangibles are amortized over the estimated useful life based on the pattern in which the economic benefits are expected to be received. As of June 27, 2025 and June 28, 2024, all finite-lived intangible assets were fully amortized. During 2023, the Company recognized intangible amortization charges of \$133 million.

Product warranty liability

Changes in the warranty accrual were as follows:

	2025	2024	2023
	<i>(in millions)</i>		
Warranty accrual, beginning of period	\$ 48	\$ 42	\$ 52
Charges to operations	27	28	30
Utilization	(35)	(34)	(26)
Changes in estimate related to pre-existing warranties	4	12	(14)
Warranty accrual, end of period	<u>\$ 44</u>	<u>\$ 48</u>	<u>\$ 42</u>

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The current portion of the warranty accrual was classified in Accrued expenses and the long-term portion was classified in Other liabilities as noted below:

	2025	2024
	<i>(in millions)</i>	
Warranty accrual:		
Current portion	\$ 22	\$ 27
Long-term portion	22	21
Total warranty accrual	<u>\$ 44</u>	<u>\$ 48</u>
 Other liabilities		
	2025	2024
	<i>(in millions)</i>	
Other liabilities:		
Non-current lease liability	\$ 193	\$ 171
Non-current net tax payable	131	56
Tax indemnification liability	110	—
Other non-current liabilities	62	59
Total other liabilities	<u>\$ 496</u>	<u>\$ 286</u>

In connection with the separation, the Company recorded an initial \$112 million liability to indemnify WDC as a result of the Tax Matters Agreement entered into between the parties. The indemnification pertains to certain WDC tax positions where the underlying issues are determined to be related to the Company's business before the spin-off. As WDC receives tax assessments, settles with tax authorities, or when the statute of limitation lapses, the indemnification liabilities will be reassessed and adjusted accordingly. This liability was subsequently reduced by approximately \$2 million reflecting the outstanding balance as of June 27, 2025.

Accumulated other comprehensive loss

Accumulated other comprehensive loss ("AOCL"), net of tax, refers to expenses, gains, and losses that are recorded as an element of equity but are excluded from net income. The components of AOCL were as follows:

	Foreign Currency Translation Adjustment	Unrealized Income (Losses) on Derivative Contracts	Total Accumulated Comprehensive Loss
	<i>(in millions)</i>		
Balance at June 30, 2023	\$ (165)	\$ (178)	\$ (343)
Other comprehensive loss	(43)	(87)	(130)
Income tax benefit related to items of other comprehensive loss	—	21	21
Net current-period other comprehensive loss	(43)	(66)	(109)
Balance at June 28, 2024	\$ (208)	\$ (244)	\$ (452)
Other comprehensive income	10	222	232
Income tax expense related to items of other comprehensive income	—	(19)	(19)
Net current-period other comprehensive income	10	203	213
Net transfer to Western Digital Corporation	(4)	(6)	(10)
Balance at June 27, 2025	<u>\$ (202)</u>	<u>\$ (47)</u>	<u>\$ (249)</u>

During the years ended June 27, 2025 and June 28, 2024 the amounts reclassified out of AOCL included losses of \$189 million and \$215 million related to foreign exchange contracts. The losses related to foreign contracts were substantially all charged to Cost of revenue in the Consolidated Statements of Operations.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As of June 27, 2025, substantially all existing net losses related to cash flow hedges recorded in AOCL are expected to be reclassified to earnings within the next twelve months.

Note 6. Fair Value Measurements and Investments

Financial Instruments Carried at Fair Value

Financial assets and liabilities that are remeasured and reported at fair value at each reporting period are classified and disclosed in one of the following three levels:

Level 1. Quoted prices in active markets for identical assets or liabilities.

Level 2. Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3. Inputs that are unobservable for the asset or liability and that are significant to the fair value of the assets or liabilities.

The following tables present information about the Company's financial instruments that were measured at fair value on a recurring basis for the periods presented and indicate the fair value hierarchy of the valuation techniques utilized to determine such values:

	June 27, 2025			
	Level 1	Level 2	Level 3	Total
	(in millions)			
Assets:				
Cash equivalents - Money market funds	\$ 751	\$ —	\$ —	\$ 751
Foreign exchange contracts (included in Other current assets)	—	17	—	17
Total assets at fair value	<u>\$ 751</u>	<u>\$ 17</u>	<u>\$ —</u>	<u>\$ 768</u>
Liabilities:				
Foreign exchange contracts (included in Accrued expenses)	\$ —	\$ 22	\$ —	\$ 22
Total liabilities at fair value	<u>\$ —</u>	<u>\$ 22</u>	<u>\$ —</u>	<u>\$ 22</u>

	June 28, 2024			
	Level 1	Level 2	Level 3	Total
	(in millions)			
Assets:				
Cash equivalents - Money market funds	\$ 28	\$ —	\$ —	\$ 28
Foreign exchange contracts (included in Other current assets)	—	7	—	7
Total assets at fair value	<u>\$ 28</u>	<u>\$ 7</u>	<u>\$ —</u>	<u>\$ 35</u>
Liabilities:				
Foreign exchange contracts (included in Accrued expenses)	\$ —	\$ 179	\$ —	\$ 179
Total liabilities at fair value	<u>\$ —</u>	<u>\$ 179</u>	<u>\$ —</u>	<u>\$ 179</u>

Money Market Funds. The Company's money market funds are funds invested in U.S. Treasury and U.S. Government agency securities. Money market funds are valued based on quoted market prices.

Foreign Exchange Contracts. The Company's foreign exchange contracts are short-term contracts to hedge the Company's foreign currency risk. Foreign exchange contracts are valued using an income approach that is based on the present value of a future cash flows model. The market-based observable inputs for the model include forward rates and credit default swap rates. See Note 7, *Derivative Instruments and Hedging Activities* for additional disclosures.

SANDISK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

During the periods presented, the Company had no transfers of financial instruments between levels, and there were no changes in valuation techniques or the inputs used in the fair value measurement.

Financial Instruments Not Carried at Fair value

Financial instruments not recorded at fair value on a recurring basis (debt) had an estimated fair value of \$1.9 billion as of June 27, 2025. The fair value of the debt was determined based on observable market prices in less active markets. See Note 8, *Debt* for additional disclosures.

Note 7. Derivative Instruments and Hedging Activities

As of June 27, 2025, the Company had outstanding foreign exchange forward contracts that were designated as either cash flow hedges or non-designated hedges. Substantially all of the contract maturity dates of these foreign exchange forward contracts do not exceed twelve months. As of June 27, 2025, the Company did not have any derivative contracts with credit-risk-related contingent features.

Changes in the fair values of the non-designated foreign exchange contracts are recognized in Other income (expense), net, and are largely offset by corresponding changes in the fair values of the foreign currency-denominated monetary assets and liabilities. For 2025, 2024, and 2023, total net realized and unrealized transactions and foreign exchange contract currency losses were \$29 million, \$4 million, and \$5 million respectively.

Unrealized gains or losses on designated cash flow hedges are recognized in AOCL. See Note 5, *Supplemental Financial Statement Data—Accumulated other comprehensive loss* for additional disclosures.

Note 8. Debt

Loan Agreement

Debt consisted of the following:

	June 27, 2025	June 28, 2024
	<i>(in millions)</i>	
Variable interest rate Term Loan Facility maturing 2032	\$ 1,900	\$ —
\$1.5B Revolving Credit Facility maturing 2030	—	—
Total Debt	1,900	—
Unamortized Issuance Costs	51	—
Subtotal	1,849	—
Less: current portion of long-term debt	20	—
Long term debt	<u>\$ 1,829</u>	<u>\$ —</u>

On February 21, 2025, the Company entered into a Loan Agreement (the “Loan Agreement”) by and among the Company, the lenders party thereto, JPMorgan Chase Bank, N.A., as administrative agent and collateral agent and the other parties party thereto. The Loan Agreement comprises a term loan B facility in the principal amount of \$2.0 billion (the “Term Loan Facility”) and a revolving credit facility in the principal amount of \$1.5 billion (the “Revolving Credit Facility” and together with the Term Loan Facility, the “Facilities”).

The obligations under the Loan Agreement are guaranteed by the Company’s wholly-owned subsidiary, Sandisk Technologies, Inc. (“SDT”), and are required to be guaranteed by any of the Company’s future material U.S. wholly-owned subsidiaries, subject to certain exceptions outlined in the Loan Agreement. The obligations under the Loan Agreement are secured by the Company’s assets and SDT’s assets and are required to be secured by the assets of any of the Company’s future material U.S. wholly-owned subsidiaries, subject, in each case, to certain exceptions outlined in the Loan Agreement.

The Loan Agreement includes certain restrictions (subject to certain exceptions outlined in the Loan Agreement) on the ability of the Company and its subsidiaries to undertake certain activities, including to incur indebtedness and liens, merge or consolidate with other entities, dispose or transfer their assets, pay dividends or make distributions, make investments, make payments on junior or subordinated debt, enter into burdensome agreements or transact with affiliates. The Loan Agreement also includes a financial covenant, which is solely for the benefit of the lenders under the Revolving Credit Facility, that requires the Company to maintain a maximum Leverage Ratio (as defined in the Loan Agreement).

SANDISK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

On February 21, 2025, the Company borrowed \$2.0 billion under its Term Loan Facility. The Company used a portion of the proceeds of the borrowing to make a net distribution payment of \$1.5 billion to WDC, with the remainder to be used for general corporate purposes of the Company. The Revolving Credit Facility may be borrowed by the Company from time to time for general corporate purposes.

In connection with the Loan Agreement, the Company and SDT entered into a security agreement to secure the obligations under the Facilities on a first-priority basis (subject to permitted liens) by a lien on substantially all the assets and properties of the Company and SDT, subject to certain exceptions.

In connection with the Loan Agreement, the Company (solely with respect to obligations of any additional Borrower under the Loan Agreement) and SDT entered into a guaranty agreement to secure and unconditionally guarantee the obligations under the Loan Agreement, respectively, in each case, subject to certain exceptions.

Term Loan Facility

The Term Loan Facility bears interest, at the Company's option, at (x) the Adjusted Term SOFR Rate (as defined in the Loan Agreement) plus an interest rate margin of 3.00% per annum or (y) a base rate plus an interest rate margin of 2.00% per annum. The selection of the interest rate index determines the interest payment frequency, which is either monthly or quarterly. The Company may elect the applicable rate at the beginning of each interest period, subject to the terms of the agreement.

The outstanding principal balance of the Term Loan Facility is required to be repaid in quarterly installments beginning on June 27, 2025, in an aggregate amount equal to 0.25% of the aggregate principal amount of the Term Loan Facility and a final payment comprised of all principal and interest due and payable at maturity on February 20, 2032.

The annualized interest rate for Term Loan Facility as of June 27, 2025 was 7%. During the year ending June 27, 2025, the Company made scheduled and voluntary payments totaling \$100 million.

In connection with the issuance of the Term Loan Facility, the Company recognized issuance costs of \$54 million, which will be amortized to Interest expense over the life of the facility.

For the year ended June 27, 2025, the total interest expense was \$51 million and amortization of issuance cost was \$3 million.

Revolving Credit Facility

Borrowings under the Revolving Credit Facility, for U.S. dollar borrowings, will bear interest, at the Company's option, at (x) the Adjusted Term SOFR Rate (as defined in the Loan Agreement), which rate includes a credit spread adjustment of 0.10%, plus an interest rate margin of 2.00% per annum (subject to step-ups based on the Company's Leverage Ratio (as defined in the Loan Agreement)), or (y) a base rate plus an interest rate margin of 1.00% per annum (subject to step-ups based on the Company's Leverage Ratio (as defined in the Loan Agreement)). The Company will pay a commitment fee of 0.30% per annum (subject to step-ups based on the Company's Leverage Ratio (as defined in the Loan Agreement)) in respect of undrawn revolving commitments under the Revolving Credit Facility. The Revolving Credit Facility will also provide for borrowings in Euros, Yen, and additional currencies agreed to by the lenders under the Revolving Credit Facility. The Revolving Credit Facility will mature on February 21, 2030, at which time the commitments thereunder shall be terminated and will not have any amortization.

In connection with the issuance of the Revolving Credit Facility, the Company recognized deferred costs, classified as Other non-current assets of \$8 million, which will be amortized to Interest expense over the life of the facility.

The Loan Agreement also includes a financial covenant, which is solely for the benefit of the lenders under the Revolving Credit Facility, that requires the Company to maintain a maximum Leverage Ratio (as defined in the Loan Agreement). As of June 27, 2025, the Company was in compliance with the financial covenant.

As of June 27, 2025, the Company had no outstanding standby letters of credit, and the available capacity under the Revolving Credit Facility was \$1.5 billion.

For the year ended June 27, 2025, the total commitment fee expense was \$2 million and amortization of issuance costs was \$1 million.

SANDISK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Maturity of Debt

As of June 27, 2025, the Company is subject to required principal payment as follows:

	Contractual Maturity <i>(in millions)</i>
Fiscal year:	
2026	\$ 20
2027	20
2028	20
2029	20
2030	20
2031 and thereafter	1,800
Total debt maturities	1,900
Issuance costs	(51)
Net carrying value	\$ 1,849

Subsequent to the June 27, 2025 fiscal year end, on August 4, 2025, the Company made a voluntary \$100 million payment on its Term Loan Facility.

Note 9. Segment Reporting

The following table presents the revenue, costs of revenue, operating expenses, and operating income (loss) of the Company's reportable operating segment under its internal management reporting system, along with a reconciliation to consolidated net income (loss) before taxes. This presentation aligns with how the CODM evaluates performance and allocates resources.

	Year Ended		
	June 27, 2025	June 28, 2024	June 30, 2023
	<i>(in millions)</i>		
Revenue	\$ 7,355	\$ 6,663	\$ 6,086
Costs of revenue ⁽¹⁾	(5,127)	(5,607)	(5,637)
Operating expenses ⁽¹⁾	(1,539)	(1,365)	(1,425)
Stock-based compensation expenses	(182)	(149)	(165)
Amortization of acquired intangible assets	—	—	(133)
Employee termination and other	(21)	40	(69)
Goodwill impairment	(1,830)	—	(671)
Business separation costs	(67)	(64)	—
Strategic review	—	(20)	(20)
Gain on business divestiture	34	—	—
Recoveries of contamination related charges	—	36	—
Other	—	(2)	(1)
Total interest and other income (expense), net	(102)	(35)	33
Income tax expense	(162)	(169)	(141)
Net loss	\$ (1,641)	\$ (672)	\$ (2,143)

⁽¹⁾ For the management view, Costs of revenue excludes stock-based compensation and Operating expenses excludes stock-based compensation, amortization of intangibles, employee termination, goodwill impairment, business separation/strategic review costs, gain on business divestiture and recoveries of contamination-related charges, that are presented separately in the table above.

SANDISK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 10. Related Parties and Related Commitments and Contingencies

Flash Ventures

The Company procures substantially all of its flash-based memory wafers from its business ventures with Kioxia Corporation (“Kioxia”), which consists of three separate legal entities: Flash Partners Ltd. (“Flash Partners”), Flash Alliance Ltd. (“Flash Alliance”) and Flash Forward Ltd. (“Flash Forward”), collectively referred to as “Flash Ventures.” The Company has a 49.9% ownership interest and Kioxia has a 50.1% ownership interest in each of these entities. Through Flash Ventures, the Company and Kioxia collaborate in the development and manufacture of flash-based memory wafers, which are manufactured by Kioxia at its wafer fabrication facilities located in Japan using semiconductor manufacturing equipment individually owned or leased by each Flash Ventures entity. Each Flash Ventures entity purchases wafers from Kioxia at cost and then resells those wafers to the Company and Kioxia at cost plus a markup.

Flash Partners. Flash Partners was formed in 2004 in connection with the construction of Kioxia’s “Y3” 300-millimeter wafer fabrication facility located in Yokkaichi, Japan.

Flash Alliance. Flash Alliance was formed in 2006 in connection with the construction of Kioxia’s “Y4” 300-millimeter wafer fabrication facility located in Yokkaichi, Japan.

Flash Forward. Flash Forward was formed in 2010 in connection with the construction of Kioxia’s “Y5” 300-millimeter wafer fabrication facility located in Yokkaichi, Japan. Y5 was built in two phases of approximately equal size.

New Y2. The Company has a facility agreement with Kioxia related to the construction and operation of Kioxia’s “New Y2” 300-millimeter wafer fabrication facility located in Yokkaichi, Japan. New Y2 primarily provided additional clean room space to convert a portion of 2-dimensional (“2D”) flash-based wafer production capacity to 3-dimensional (“3D”) flash-based wafer production capacity. Production of flash-based wafers in New Y2 started in 2016.

Y6. The Company also has a facility agreement with Kioxia related to the construction and operation of Kioxia’s “Y6” 300-millimeter wafer fabrication facility in Yokkaichi, Japan. Y6 is primarily intended to provide clean room space to continue the transition of existing 2D flash-based wafer capacity to 3D flash-based wafer production capacity. Production of flash-based wafers in Y6 started in 2018.

K1. The Company also has a facility agreement with Kioxia related to the construction and operation of Kioxia’s “K1” 300-millimeter wafer fabrication facility in Kitakami, Japan. The primary purpose of K1 is to provide clean room space to continue the transition of existing flash-based wafer capacity to newer technology nodes. Production of flash-based wafers in K1 started in 2019.

Y7. In January 2022, the Company entered into additional agreements regarding Flash Ventures’ investment in a new wafer fabrication facility in Yokkaichi, Japan, referred to as “Y7”. The primary purpose of Y7 is to provide clean room space to continue the transition of existing flash-based wafer capacity to newer flash technology nodes. Production of flash-based wafers in Y7 started in 2022.

K2. In June 2024, the Company entered into additional agreements regarding Flash Ventures’ investment in a new wafer fabrication facility in Kitakami, Japan, referred to as “K2”. The primary purpose of K2 is to provide clean room space to continue the transition of existing flash-based wafer capacity to newer flash technology nodes. Output from K2 is expected to begin in the first half of 2026.

In connection with the construction of these facilities, the Company makes prepayments toward future building depreciation. In connection with the start-up of the K1, Y7 and K2 facilities, the Company has made prepayments over time, and as of June 27, 2025, \$946 million, with \$131 million recorded in Other current assets and \$815 million recorded in Other non-current assets in the Consolidated Balance Sheets, remain to be credited against future building depreciation charges. As of June 27, 2025, the Company is also committed to making additional building depreciation prepayments of \$264 million, based on the Japanese yen to U.S. dollars exchange rate of ¥144.73 as of such date, payable as follows: \$32 million in 2026, \$121 million in 2027, \$97 million in 2028 and \$14 million in 2029. As of June 27, 2025, in addition to the requirements to make building depreciation prepayments, the Company will also make payments for building depreciation of approximately \$209 million at varying dates through fiscal 2035.

SANDISK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Company accounts for its ownership position of each entity within Flash Ventures under the equity method of accounting. The financial and other support provided by the Company in all periods presented was either contractually required or the result of a joint decision to expand wafer capacity, transition to new technologies or refinance existing equipment lease commitments. Entities within Flash Ventures are VIEs. The Company evaluated whether it is the primary beneficiary of any of the entities within Flash Ventures for all periods presented and determined that it is not the primary beneficiary of any of the entities within Flash Ventures because it does not have a controlling financial interest in any of those entities. In determining whether the Company is the primary beneficiary, the Company analyzed the primary purpose and design of Flash Ventures, the activities that most significantly impact Flash Ventures' economic performance, and whether the Company had the power to direct those activities. The Company concluded, based upon its 49.9% ownership, the voting structure and the manner in which the day-to-day operations are conducted for each entity within Flash Ventures, that the Company lacked the power to direct most of the activities that most significantly impact the economic performance of each entity within Flash Ventures.

The following table presents the notes receivable from, and equity investments in, Flash Ventures for the periods presented:

	June 27, 2025	June 28, 2024
	<i>(in millions)</i>	
Notes receivable, Flash Partners	\$ 7	\$ 1
Notes receivable, Flash Alliance	36	5
Notes receivable, Flash Forward	316	485
Investment in Flash Partners	55	148
Investment in Flash Alliance	115	219
Investment in Flash Forward	125	143
Total notes receivable and investments in Flash Ventures	<u>\$ 654</u>	<u>\$ 1,001</u>

During 2025, the Company received distributions from Flash Ventures of \$176 million.

During 2025, 2024, and 2023 the Company made net payments to Flash Ventures of \$3.4 billion, \$3.4 billion, and \$4.2 billion respectively, for purchases of flash-based memory wafers and net loans. During 2025, 2024, and 2023 the Company received distributions from Flash Ventures of \$176 million, \$0 and \$0 respectively.

The Company makes, or will make, loans to Flash Ventures to fund equipment investments for new process technologies and additional wafer capacity. The Company aggregates its Flash Ventures' notes receivable into one class of financing receivables due to the similar ownership interest and common structure in each Flash Ventures entity. For all reporting periods presented, no loans were past due, and no loan impairments were recorded. The Company's notes receivable from each Flash Ventures entity, denominated in Japanese yen, are secured by equipment owned by that Flash Ventures entity.

As of June 27, 2025, and June 28, 2024, the Company had accounts payable balances due to Flash Ventures of \$279 million and \$313 million, respectively.

The Company's maximum reasonably estimable loss exposure (excluding lost profits) as a result of its involvement with Flash Ventures, based upon the Japanese yen to U.S. dollar exchange rate at June 27, 2025, is presented below. Investments in Flash Ventures are denominated in Japanese yen, and the maximum estimable loss exposure excludes any cumulative translation adjustment due to revaluation from the Japanese yen to the U.S. dollar.

	June 27, 2025
	<i>(in millions)</i>
Notes receivable	\$ 359
Equity investments	295
Operating lease guarantees	1,404
Inventory and prepayments	1,326
Maximum estimable loss exposure	<u>\$ 3,384</u>

As of June 27, 2025, the Company's net equity included undistributed earnings of Flash Ventures of \$85 million.

SANDISK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Company is obligated to pay for variable costs incurred in producing its share of Flash Ventures' flash-based memory wafer supply, based on its rolling three-month forecast, which generally equals 50% of Flash Ventures' output. In addition, the Company is obligated to pay for half of Flash Ventures' fixed costs regardless of the output the Company chooses to purchase. The Company is not able to estimate its total wafer purchase commitment obligation beyond its rolling three-month purchase commitment because the price is determined by reference to the future cost of producing the semiconductor wafers. In addition, the Company is committed to fund 49.9% to 50.0% of each Flash Ventures entity's capital investments to the extent that the Flash Ventures entity's operating cash flow is insufficient to fund these investments.

Flash Ventures has historically operated near 100% of its manufacturing capacity. During 2025 and 2024, as a result of flash market conditions, the Company temporarily reduced its utilization of its share of Flash Ventures' manufacturing capacity to an abnormally low level to more closely align the Company's flash-based wafer supply with projected demand. In 2025 and 2024 the Company incurred costs of \$75 million and \$249 million, respectively, associated with the reduction in utilization related to Flash Ventures, which was recorded as a charge to Cost of revenue.

Inventory Purchase Commitments with Flash Ventures. Purchase orders placed with Flash Ventures for up to three months are binding and cannot be canceled.

Research and Development Activities. The Company participates in common R&D activities with Kioxia and is contractually committed to a minimum funding level. R&D commitments due for 2026 are \$130 million.

Off-Balance Sheet Liabilities. Flash Ventures sells to, and leases back from, a consortium of financial institutions a portion of its tools and has entered into equipment lease agreements of which the Company guarantees half of all of the outstanding obligations under each lease agreement. The lease agreements are subject to customary covenants and cancellation events related to Flash Ventures and each of the guarantors. The occurrence of a cancellation event could result in an acceleration of Flash Ventures' obligations and a call on the Company's guarantees.

The following table presents the Company's portion of the remaining guarantee obligations under the Flash Ventures' lease facilities in both Japanese yen and U.S. dollar-equivalent, based upon the Japanese yen to U.S. dollar exchange rate as of June 27, 2025:

	Lease Amounts	
	<i>(Japanese yen, in billions)</i>	<i>(U.S. dollar, in millions)</i>
Total guarantee obligations	¥ 203	\$ 1,404

The following table details the breakdown of the Company's remaining guarantee obligations between the principal amortization and the purchase option exercise price at the end of the term of the Flash Ventures lease agreements, in annual installments, in U.S. dollars, based upon the Japanese yen to U.S. dollar exchange rate as of June 27, 2025:

Annual Installments	Payment of Principal Amortization	Purchase Option Exercise Price at Final Lease Terms	Guarantee Amount
		<i>(in millions)</i>	
2026	\$ 507	\$ 124	\$ 631
2027	259	106	365
2028	124	102	226
2029	48	55	103
2030	16	63	79
Total guarantee obligations	\$ 954	\$ 450	\$ 1,404

The Company and Kioxia have agreed to mutually contribute to and indemnify each other and Flash Ventures for environmental remediation costs or liabilities resulting from Flash Ventures' manufacturing operations in certain circumstances. The Company has not made any indemnification payments nor recorded any indemnification receivables under any such agreements. As of June 27, 2025, no amounts have been accrued in the Consolidated Financial Statements with respect to these indemnification agreements.

SANDISK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Sale of a Majority Interest in a Subsidiary

In March 2024, SanDisk China Limited (“SanDisk China”), an indirect wholly-owned subsidiary of WDC, entered into an equity purchase agreement to sell 80% of its equity interest in SanDisk Semiconductor (Shanghai) Co. Ltd. (“SDSS”) an indirect wholly-owned subsidiary of WDC which holds one of the Company’s manufacturing facilities, to JCET Management Co., Ltd. (“JCET”), a wholly-owned subsidiary of JCET Group Co., Ltd., a Chinese publicly listed company, thereby forming a venture between SanDisk China and JCET (the “Transaction”). The venture aims to provide independent semiconductor assembly, testing, and other related services in the People’s Republic of China for customers including, but not limited to, the Company and its affiliates.

The Transaction closed on September 28, 2024, and SanDisk China completed the sale of 80% of its equity interest in SDSS to JCET.

Proceeds from the sale, including working capital adjustments, were \$659 million (pre-tax). On October 1, 2024, the Company received an initial pre-tax installment of \$262 million. On January 6, 2025, the Company received a second pre-tax installment of \$210 million and expects to receive the remaining \$187 million pre-tax proceeds in five equal installments of approximately \$37 million on September 28 of each year through September 28, 2029. As of June 27, 2025, the outstanding consideration receivable was recognized at its present value of \$168 million, with \$37 million classified as Other current assets and \$131 million classified as Other non-current assets in the Consolidated Balance Sheets. The remaining present value discount of \$19 million as of June 27, 2025 will be recognized using the effective interest method over the next five years as Interest income in the Consolidated Statements of Operations.

The Company’s 20% retained interest in SDSS was determined to be valued at \$158 million based on the fair value of the total pre-tax consideration received and receivable from JCET for its purchase of its 80% interest in SDSS. The Company accounts for its 20% interest in SDSS as an equity method investment in Other non-current assets in the Consolidated Balance Sheets. The Company’s 20% interest in the earnings of SDSS is recognized one quarter in arrears and is reported in Other income (expense), net in the Consolidated Statements of Operations. As of June 27, 2025, the 20% retained interest in SDSS was valued at \$161 million.

The Transaction resulted in a pre-tax gain of \$34 million, calculated as the difference between the total consideration for the sale, including the outstanding consideration receivable and the fair value of the Company’s 20% retained interest, less the carrying value of the net assets divested, which included, among other items, \$71 million of cash and cash equivalents and \$382 million of goodwill that was allocated to SDSS.

Subsequent to and in connection with the Transaction, Western Digital Technologies, Inc. (“WDT”) entered into a five-year supply agreement with SDSS (the “Supply Agreement”) to purchase certain flash-based products with a minimum annual commitment of \$550 million (the “minimum annual commitment”). On January 10, 2025, the Company and WDT entered into an assignment agreement, pursuant to which, WDT assigned all of its rights and obligations under the Supply Agreement to the Company. The Supply Agreement contains specific penalties the Company must pay if SDSS fails to meet its minimum annual commitment. The Supply Agreement also provides that if SDSS purchases exceed the minimum annual commitment in any of the two years immediately succeeding any annual period where a shortfall penalty has been paid, SDSS shall reimburse the Company an amount not exceeding the previously paid penalty amount. The Supply Agreement expires on September 28, 2029, and automatically renews for additional one-year terms unless earlier terminated by either of the parties. The Company also entered into an agreement to grant SDSS certain intellectual property rights on a royalty-free basis for use in manufacturing products on the Company’s behalf for the term of and under the Supply Agreement. For the year ended June 27, 2025, the Company made purchases of \$341 million under the Supply Agreement and had a \$121 million accounts payable balance due to SDSS as of June 27, 2025.

The Company also entered into an arrangement to provide certain transition services for a limited period following the closing of the Transaction. Charges under this arrangement were not material.

Unis Venture

On January 24, 2025, the Company and WDC entered into an equity transfer agreement (the “Equity Transfer Agreement”) to transfer WDC’s entire equity interest in its venture with Unisplendour Corporation Limited and Unisoftware (Wuxi) Group Co. Ltd. (“Unis”), referred to as the “Unis Venture”, to the Company. The Unis Venture is 48% owned by the Company and 52% owned by Unis. The Unis Venture markets and sells the Company’s products in China.

SANDISK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Prior to the execution of the Equity Transfer Agreement, the Unis Venture was not historically managed as a component of the Company and as such, the related equity method investment was not reflected in the Company's Consolidated Financial Statements. After the execution of the Equity Transfer Agreement, the Company accounts for its investment in the Unis Venture under the equity method of accounting. The Company's 48% interest in the earnings of the Unis Venture will be recognized one quarter in arrears from the date the Unis Venture was transferred to the Company and will be reported in Other income (expense), net in the Consolidated Statements of Operations and was not material for the year ended June 27, 2025.

Revenue from products distributed by the Unis Venture is recognized upon sell-through to third-party customers. For the years ended June 27, 2025, June 28, 2024, and June 30, 2023, the Company recognized approximately 1%, 1%, and 2% respectively, of its consolidated revenue on products distributed by the Unis Venture. The outstanding accounts receivable due from the Unis Venture were 1% and 4% of Accounts receivable, net, as of June 27, 2025 and June 28, 2024, respectively.

Related Party Transactions

Separation and Distribution Agreement and Other Related Party Transactions with WDC

As described in Note 1, *Organization, Basis of Presentation and Summary of Significant Accounting Policies* of the Notes to Consolidated Financial Statements included in this Annual Report on Form 10-K, on February 21, 2025, in connection with the separation, the Company entered into several agreements that provide a framework for Sandisk's relationship with WDC after the separation. These include, but are not limited to, the following:

- *Separation and Distribution Agreement* – The separation and distribution agreement contains key provisions related to the separation of the Company from WDC, including the transfer of assets and assumptions of liabilities. In connection with this agreement, certain assets and liabilities included in the Company's Consolidated Balance Sheets were retained by WDC and certain assets and liabilities not included in the Company's Consolidated Balance Sheets were transferred to the Company as of the date of the separation.

Separation-related adjustments resulted in a decrease to net assets and total equity of \$0.6 billion and are reflected in the "Net transfers from (to) WDC, including spin-off related adjustments" line item of the Consolidated Statements of Shareholders' Equity.

- *Transition Services Agreement* – The TSA governs the provision of transition services from WDC to Sandisk, and from Sandisk to WDC and its affiliates, on an interim, transitional basis following the separation.

For the year ended June 27, 2025, the Company recognized \$5 million in expenses related to the TSA, and the Company expects to recognize an additional expense related to the TSA of approximately \$4 million during the next twelve months.

- *Tax Matters Agreement* – The Tax Matters Agreement governs, among other things, WDC's and the Company's respective rights, responsibilities and obligations after the spin-off with respect to tax liabilities and benefits, tax attributes, the preparation and filing of tax returns, the control of audits and other tax proceedings and other matters regarding taxes. In addition, the Tax Matters Agreement imposes certain restrictions on the Company and its subsidiaries (including restrictions on share issuances, business combinations, sales of assets, and similar transactions) that are designed to preserve the tax-free status of the spin-off and certain related transactions.

As a result of this agreement, the Company recorded a tax indemnification liability of \$112 million on February 21, 2025. This liability was subsequently reduced by approximately \$2 million reflecting the outstanding balance as of June 27, 2025. The remaining tax indemnification liability of \$110 million is classified as Other liabilities in the Consolidated Balance Sheets as of June 27, 2025.

Notes Due to (from) Western Digital Corporation

Prior to the separation, the Company received financing from certain of WDC's subsidiaries in the form of borrowings under revolving credit agreements and promissory notes to fund activities primarily related to Flash Ventures. Additionally, cash generated by the Company was lent from time to time via promissory notes to certain of WDC's subsidiaries for use in general corporate purposes. Outstanding balances due under these financing arrangements were due on demand.

Prior to the separation, the Company had outstanding borrowings due to WDC's subsidiaries of \$553 million, inclusive of interest payable. As part of the separation, WDC contributed \$550 million to the Company, and the Company repaid \$6 million in cash, which included interest accrued until the date of the separation.

SANDISK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following presents Interest expense and Interest income on notes due to (from) Western Digital Corporation, which were recorded in Interest expense and Interest income in the Consolidated Statements of Operations for the periods presented:

	June 27, 2025		June 28, 2024		June 30, 2023
	<i>(in millions)</i>				
Interest expense on notes due to Western Digital Corporation	\$ 7	\$	6	\$	16
Interest (income) on notes due from Western Digital Corporation	\$ (1)	\$	(37)	\$	(29)

Allocation of Corporate Expenses

Prior to the separation, WDC provided various corporate services to the Company in the ordinary course of business, including executive management, finance, tax, legal, information technology, employee benefits administration, treasury, risk management, procurement and other shared services. These corporate expenses were allocated to the Company based on direct usage or benefit, where identifiable, with the remainder allocated based on headcount, revenue or other relevant measures. Management believes the basis on which the expenses were allocated to be a reasonable reflection of the utilization of services provided to us or the benefit received by us.

Effective at the beginning of the second quarter of 2025, the Company was operationally separated from the operations that were ultimately retained by WDC following completion of the spin-off transaction. In connection with this operational separation, personnel serving the Company in shared service functions were transferred into legal entities dedicated to the Company, and substantially all assets, liabilities, and contracts pertaining to operations of the Company were transferred to legal entities dedicated to the Company as well. Accordingly, there was a substantial reduction in the pool of shared corporate overhead costs of WDC that were subject to allocation in the second and third quarters of 2025.

The table below summarizes the impact of expense allocations from WDC in the Consolidated Statements of Operations for the periods presented:

	June 27, 2025		June 28, 2024		June 30, 2023
	<i>(in millions)</i>				
Research and development	\$ 189	\$	723	\$	750
Selling general, and administrative	158		418		452
Business separation costs	50		(40)		61
Employee termination and other charges	5		64		—
Total allocation of Corporate Expenses	<u>\$ 402</u>		<u>\$ 1,165</u>		<u>\$ 1,263</u>

The Company's historical financial statements do not purport to reflect what results of operations, financial position, equity or cash flows would have been if Sandisk had operated as a standalone company during the periods presented.

Cash Management

Prior to the separation, WDC provided funding for the Company's operating and investing activities, including pooled cash managed by WDC's treasury, to fund operating expenses and capital expenditures. WDC also directly collected certain of the Company's receivables. These activities were reflected as a component of the Net investment from Western Digital Corporation, and this arrangement is not reflective of the manner in which Sandisk would operate on a standalone company separate from WDC during the periods presented.

Western Digital Corporation Net Investment

Prior to the separation, the Net investment from Western Digital Corporation on the Consolidated Balance Sheets represented WDC's historical investment in the Company, the net effect of transactions with and allocations from WDC, the Company's retained earnings and the allocation to the Company of cumulative effect adjustments from the adoption of new accounting standards.

SANDISK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Net Transfers from (to) Western Digital Corporation

A reconciliation of Net transfers from (to) Western Digital Corporation on the Consolidated Statements of Shareholders' Equity to the corresponding amounts on the Consolidated Statements of Cash Flows is as follows:

	June 27, 2025	June 28, 2024	June 30, 2023
	(in millions)		
Net transfers from Western Digital Corporation per Consolidated Statements of Shareholders' Equity	\$ (585)	\$ 275	\$ 376
Notes due (to) from Western Digital Corporation	(1,223)	113	316
Other assets and liabilities, net transferred from Western Digital Corporation	(105)	—	—
Unis venture transferred from Western Digital Corporation	(61)	—	—
Property, plant and equipment, net transferred from Western Digital Corporation	(27)	(11)	(18)
Tax balances transferred from Western Digital Corporation	(8)	17	2
Accumulated other comprehensive loss transferred to Western Digital Corporation	10	—	—
Tax indemnification liability transferred to Western Digital Corporation	112	—	—
Net transfers (to) from Western Digital Corporation per Consolidated Statements of Cash Flows	<u>\$ (1,887)</u>	<u>\$ 394</u>	<u>\$ 676</u>

As of June 27, 2025, the outstanding accounts receivable from WDC were \$65 million, related to the sale of NAND components, and the outstanding accounts payable and accrued expenses due to WDC, primarily related to the TSA were \$11 million.

Note 11. Leases and Other Commitments

Leases

The Company leases certain domestic and international facilities and data center space under long-term, non-cancelable operating leases that expire at various dates through 2039. In connection with and subsequent to the separation, the Company entered into various sublease agreements with WDC under long-term, non-cancelable operating leases that expire at various dates through 2031.

These leases include no material variable or contingent lease payments. Operating lease assets and liabilities are recognized based on the present value of the remaining lease payments discounted using the Company's incremental borrowing rate. Operating lease assets also include prepaid lease payments minus any lease incentives. Extension or termination options present in the Company's lease agreements are included in determining the right-of-use asset and lease liability when it is reasonably certain the Company will exercise those options. Lease expense is recognized on a straight-line basis over the lease term.

The following table presents right-of-use lease assets and lease liabilities included in the Company's Consolidated Balance Sheets:

	June 27, 2025	June 28, 2024
	(in millions)	
Operating lease right-of-use assets (included in other non-current assets)	\$ 214	\$ 179
Operating lease liabilities:		
Current portion of long-term operating lease liabilities (included in accrued expenses)	26	11
Long-term operating lease liabilities (included in other liabilities)	193	171
Total operating lease liabilities	<u>\$ 219</u>	<u>\$ 182</u>

SANDISK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following table summarizes supplemental disclosures of operating cost and cash flow information related to operating leases:

	June 27, 2025	June 28, 2024	June 30, 2023
	<i>(in millions)</i>		
Cost of operating leases	\$ 38	\$ 29	\$ 21
Cash paid for operating leases	33	30	14
Operating lease assets obtained in exchange for operating lease liabilities	49	167	3
Decrease in operating lease liabilities and right-of-use assets due to lease remeasurement	—	71	—

The weighted average remaining lease term and discount rate for the Company's operating leases were as follows:

	June 27, 2025	June 28, 2024
Weighted average remaining lease term in years	11.00	13.7
Weighted average discount rate	7.3 %	7.5 %

As of June 27, 2025, minimum lease payments were as follows:

	Lease Amounts
	<i>(in millions)</i>
Minimum lease payments by fiscal year:	
2026	\$ 41
2027	35
2028	28
2029	24
2030	20
Thereafter	183
Total future minimum lease payments	331
Less: Imputed interest	112
Present value of lease liabilities	\$ 219

Sale-Leaseback

In September 2023, WDC completed a sale and leaseback of its facility in Milpitas, California and received net proceeds of \$191 million in cash. A substantial majority of these assets are associated with the Company, and as a result, \$134 million of the net proceeds from the sale-leaseback transaction were allocated to us on a relative square footage basis and reflected as a cash inflow from investing activities in the Consolidated Statements of Cash Flows for the year ended March 29, 2024. In connection with the sale and leaseback, the Company recorded a gain of \$60 million upon the closing of the transaction. For more information, see Note 15, *Employee Termination and Other Charges* for additional disclosures.

The property is being leased back to the Company at a total annual rate of \$16 million for the first year and increasing by 3% per year thereafter through January 1, 2039. The lease includes three five-year renewal options and one four-year renewal option for the ability to extend through December 2057. The associated operating lease liability and right-of-use asset for this facility has been included in the Consolidated Balance Sheets as of June 27, 2025 and June 28, 2024.

SANDISK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Purchase Agreements and Other Commitments

In the normal course of business, the Company enters into purchase orders with suppliers for the purchase of components used to manufacture its products. These purchase orders generally cover forecasted component supplies needed for production during the coming months, are recorded as a liability upon receipt of the components, and generally may be changed or canceled at any time prior to shipment of the components. The Company also enters into long-term agreements with suppliers that contain fixed future commitments, which are contingent upon certain conditions such as performance, quality and technology of the vendor's components. As of June 27, 2025, the Company had the following minimum long-term commitments:

	Long-term commitments
	<i>(in millions)</i>
Fiscal year:	
2026	\$ 250
2027	583
2028	570
2029	570
2030	570
Thereafter	90
Total	<u>\$ 2,633</u>

Note 12. Shareholders' Equity

Prior to the separation, certain of the Company's employees participated in WDC's stock incentive plans (the "WDC Plans"), whereby all awards granted under the plans consisted of WDC common stock. The Stock-based compensation expense recognized in the Company's Consolidated Financial Statements was determined based upon employees who participated in the WDC Plans and exclusively supported the Company's operations, as well as an allocation of WDC's corporate and shared employee stock-based compensation expenses.

In connection with the separation, all outstanding RSU and PSU awards held by former employees of WDC and its affiliates, who became Sandisk employees after the separation, were adjusted pursuant to conversion ratios determined in accordance with the terms of the Employee Matters Agreement. Outstanding RSU and PSU awards held by employees in the positions of Vice President and above as of the separation date were converted into RSU or PSU awards of Sandisk shares and RSU awards of WDC shares on a ratio of one-third (1/3) of one share of the Company's common stock for each WDC award held by each such employee. For all other employees, the value of the converted RSU awards was designed to preserve the aggregate intrinsic value of the award immediately after the separation when compared to the aggregate intrinsic value of those award immediately prior to separation. Pursuant to the Employee Matters Agreement, the converted awards shall generally continue to be subject to the same terms and conditions as were applicable to the original WDC awards, including with respect to vesting, except as described in the Employee Matters Agreement. As a result of the conversion, the Company will incur approximately \$41 million of incremental stock-based compensation expense over the remaining service period for the awards. Of this amount, \$11 million was recognized during the year ended June 27, 2025, and approximately \$30 million will be recognized over the awards' remaining service periods.

Additionally, the Company adopted the following incentive plans for Sandisk employees: (i) Sandisk Corporation 2025 Long-Term Incentive Plan (the "2025 Long-Term Incentive Plan"), and (ii) Sandisk Corporation 2025 Employee Stock Purchase Plan. Grants of equity awards made after the separation to the Company's executive officers and other employees will be made under the 2025 Long-Term Incentive Plan, which became effective on January 25, 2025.

2025 Long-Term Incentive Plan

The types of awards that may be granted include stock options, stock appreciation rights, RSUs, PSUs, cash awards, and other stock-based awards. Persons eligible to receive awards include officers and employees of the Company or any of its subsidiaries, members of the Board and certain consultants and advisors. The vesting of awards is determined at the grant date. Each award expires on a date determined at the grant date. RSUs typically vest over periods ranging from two to four years from the grant date. PSUs are granted to certain employees and vest only after the achievement of a predetermined performance or market conditions and completion of requisite service periods. Once the performance or market conditions are met, the employee's vesting of PSUs is generally subject to continued service.

SANDISK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As of June 27, 2025, the maximum number of shares of the Company's common stock that was authorized for award grants was 23.8 million shares. The 2025 Long-Term Incentive Plan terminates on January 25, 2035, unless terminated earlier by the Company's Board of Directors.

2025 Employee Stock Purchase Plan

The Company has an ESPP under which WDC, as its then sole stockholder, has approved an aggregate of approximately 4.3 million shares of common stock for issuance to eligible employees. The fair value of the award at the grant date is based on the Black-Scholes valuation model. The plan permits eligible employees to purchase common stock, through payroll deductions, at 95% of the fair market value of a share of common stock on the first day of the 24-month offering period in which the employees are participating or 95% of the fair market value of a share of common stock on the applicable exercise date, whichever is lower. Rights to purchase shares are granted during the second and fourth quarters of each year.

After the separation, the Company had an offering period starting on April 1, 2025 and ending on May 31, 2025. Following the end of this offering period, the Company will initiate regular offering periods of six months each generally beginning on June 1st and December 1st.

As of June 27, 2025, the Company issued 0.1 million shares under the ESPP for aggregate purchase amounts of \$5 million.

Stock-based Compensation Expense

The following tables present the Company's stock-based compensation expense for equity-settled awards by type, financial statement line, and the related tax benefit included in the Company's Consolidated Statements of Operations:

	2025	2024	2023
	<i>(in millions)</i>		
RSUs and PSUs	\$ 171	\$ 133	\$ 148
ESPP	11	16	17
Total	\$ 182	\$ 149	\$ 165

	2025	2024	2023
	<i>(in millions)</i>		
Cost of revenue	\$ 16	\$ 20	\$ 19
Research and development	81	71	88
Selling general, and administrative	85	58	58
Subtotal	\$ 182	\$ 149	\$ 165
Tax benefit	(22)	(21)	(22)
Total	\$ 160	\$ 128	\$ 143

Any shortfalls or excess windfall tax benefits and tax deficiencies for shortfalls related to the vesting and exercise of stock-based awards, which are recognized as a component of the Company's Income tax expense, were not material for the periods presented.

Compensation cost related to unvested RSUs, PSUs, and rights to purchase shares of common stock under the ESPP are amortized on a straight-line basis over the remaining service period. The following table presents the unamortized compensation cost and weighted average service period of all unvested outstanding awards as of June 27, 2025:

	Unamortized Compensation Costs	Weighted average service period
	<i>(in millions)</i>	<i>(years)</i>
RSUs and PSUs	\$ 315	2.27
ESPP	16	1.81
Total unamortized compensation cost	\$ 331	

SANDISK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

RSUs and PSUs

The following table summarizes RSU and PSU award activity under the Company's incentive plans during the year ended June 27, 2025:

	Number of Shares	Weighted Average Grant Date Fair Value	Aggregate Intrinsic Value at Vest Date
	<i>(in millions)</i>		
RSUs and PSUs outstanding at June 28, 2024	—	\$ —	\$ —
Awards converted from Western Digital Corporation Plans ⁽¹⁾	6.4	35.32	—
Granted	1.5	50.47	—
Vested	(1.1)	34.07	46.95
Canceled/forfeited	(0.2)	36.14	—
RSUs and PSUs outstanding at June 27, 2025	<u>6.6</u>	<u>\$ 38.98</u>	<u>\$ —</u>

⁽¹⁾ This amount excludes 3.1 million of WDC equity awards held by Sandisk employees, which upon vesting will be issued in WDC shares instead of the Company's shares.

RSUs and PSUs are generally settled in an equal number of shares of the Company's common stock upon vesting. Forfeitures are recognized as they occur.

Fair Value Assumptions

RSU and PSU Grants

The fair value of the Company's RSU and PSU awards with a performance condition is determined based upon the closing price of the Company's stock price on the grant date. The fair value of PSU awards with a market condition is estimated using a Monte Carlo simulation model on the grant date.

ESPP - Black-Scholes-Merton Model

The fair value of ESPP purchase rights issued is estimated at the grant date of the purchase rights using the Black-Scholes-Merton option pricing model. The Black-Scholes-Merton option pricing model requires the input of assumptions such as the expected stock price volatility and the expected period until options are exercised. Purchase rights under the ESPP are generally granted on either June 1st or December 1st of each year.

The fair values of ESPP purchase rights have been estimated at the grant date using a Black-Scholes-Merton option pricing model with the following weighted average assumptions:

	2025
Weighted-average expected term (in years)	0.93
Risk-free interest rate	4.02 %
Stock price volatility	0.56
Dividend yield	— %
Fair value	\$ 11.85

Note 13. Net Income (loss) per Common Share

The separation was executed through WDC's pro rata distribution of 80.1% of the outstanding shares of common stock of the Company to holders of WDC's common stock as of February 21, 2025. On the separation date, the Company issued 145 million shares of common stock, par value \$0.01 per share. This share amount is utilized for the calculation of basic and diluted earnings per share for all periods presented prior to the separation, and these shares are treated as issued and outstanding for purposes of calculating historical earnings per share. For periods prior to the separation, it is assumed that there are no dilutive equity instruments as there were no equity awards of Sandisk outstanding prior to the separation.

SANDISK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following table presents the computation of basic and diluted income (loss) per common share:

	2025	2024	2023
	<i>(in millions, except per share amounts)</i>		
Net income (loss)	\$ (1,641)	\$ (672)	\$ (2,143)
Weighted average shares outstanding:			
Basic and diluted	145	145	145
Net loss per common share:			
Basic and diluted	\$ (11.32)	\$ (4.63)	\$ (14.78)
Dilutive weighted-average shares ⁽¹⁾	2	—	—

⁽¹⁾ Dilutive stock-based awards were excluded from the calculation of diluted shares because their effect would have been anti-dilutive.

Basic net income (loss) per share is computed using (i) net income (loss) divided by (ii) weighted average basic shares outstanding. Diluted net income (loss) per share is computed as (i) net income divided by (ii) weighted average diluted shares outstanding. The treasury stock method is used to determine the dilutive impact of unvested equity awards.

Potentially dilutive shares include dilutive outstanding employee RSUs, PSUs, and rights to purchase shares of common stock under the ESPP. For the year ended June 27, 2025, the Company recorded net losses, and as such, all potentially dilutive securities have been excluded from those periods as including them would be anti-dilutive.

Note 14. Income Tax Expense

Income (Loss) Before Taxes

The domestic and foreign components of Income (loss) before taxes were as follows:

	2025	2024	2023
	<i>(in millions)</i>		
Foreign	\$ (1,348)	\$ (543)	\$ (2,253)
Domestic	(131)	40	251
Income (loss) before taxes	<u>\$ (1,479)</u>	<u>\$ (503)</u>	<u>\$ (2,002)</u>

Income Tax Expense

The components of income tax expense were as follows:

	2025	2024	2023
	<i>(in millions)</i>		
Current:			
Foreign	\$ 165	\$ 158	\$ 138
U.S. - Federal	7	20	76
U.S. - State	2	7	8
	<u>174</u>	<u>185</u>	<u>222</u>
Deferred:			
Foreign	(13)	7	(15)
U.S. - Federal	1	(19)	(65)
U.S. - State	—	(4)	(1)
	<u>(12)</u>	<u>(16)</u>	<u>(81)</u>
Income tax expense	<u>\$ 162</u>	<u>\$ 169</u>	<u>\$ 141</u>

SANDISK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

H.R.1, more widely known as the One Big Beautiful Bill Act, was recently signed into law on July 4, 2025. It reversed the requirement for capitalization of U.S. research and development expenditures that came into law under the Tax Cuts and Jobs Act of 2017, but the mandatory requirement of capitalization of foreign research and development expenditures remains. The tax rates for income earned by our foreign subsidiaries will also be changed under H.R. 1. Depending on the Company's operating results, these changes can materially impact the Company's effective tax rate and reduce its operating cash flows. As H.R.1 was enacted after our fiscal year 2025, its impact on the tax provision will be reflected in fiscal year 2026.

On August 16, 2022, the Inflation Reduction Act of 2022 was signed into law, which contained significant changes to laws related to tax, climate, energy, and health care. The tax measures include, among other things, a corporate alternative minimum tax ("CAMT") of 15% on corporations with three-year average annual adjusted financial statement income ("AFSI") exceeding \$1.0 billion. The Company does not expect to be subject to the CAMT of 15% for 2025 as its average annual AFSI did not exceed \$1.0 billion for the preceding three-year period.

On December 20, 2021, the Organization for Economic Co-operation and Development G20 ("OECD/G20") Inclusive Framework on Base Erosion and Profit Shifting released Model Global Anti-Base Erosion rules under Pillar Two ("Pillar Two"). Several non-U.S. jurisdictions have either enacted legislation or announced their intention to enact future legislation to adopt certain or all components of Pillar Two, some of which are effective for the Company in 2025. For 2025, the Company currently expects to be able to meet certain transitional safe harbors and does not expect any material Pillar Two taxes. As more jurisdictions adopt this legislation in 2026, there may be material increases in the Company's future tax obligations in certain jurisdictions.

The following table presents the Company's Income tax expense and the effective tax rate:

	2025	2024	2023
	<i>(in millions)</i>		
Income (loss) before taxes	\$ (1,479)	\$ (503)	\$ (2,002)
Income tax expense	162	169	141
Effective tax rate	(11)%	(34)%	(7)%

The relative mix of earnings and losses by jurisdiction, the goodwill impairment, the foreign income inclusion, credits, and tax holidays in Malaysia that will expire at various dates during years 2028 through 2031 resulted in decreases to the effective tax rate below the U.S. statutory rate for the year ended June 27, 2025.

The primary drivers of the difference between the effective tax rate for the years ended June 28, 2024 and the U.S. federal statutory rate of 21% are the relative mix of earnings and losses by jurisdiction, the foreign income inclusion, credits, and tax holidays in Malaysia.

SANDISK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Deferred Taxes

Temporary differences and carryforwards, which give rise to a significant portion of deferred tax assets and liabilities were as follows:

	June 27, 2025	June 28, 2024
	<i>(in millions)</i>	
Deferred tax assets:		
Sales related reserves and accrued expenses not currently deductible	\$ 38	\$ 45
Accrued compensation and benefits not currently deductible	29	34
Net operating loss carryforward	41	19
Business credit carryforward	44	—
Long-lived assets	22	15
Interest and hedging costs not currently deductible	15	67
Other	15	27
Total deferred tax assets	204	207
Deferred tax liabilities:		
Long-lived assets	(7)	(3)
Unremitted Earnings of Certain Non-US Entities	(77)	(86)
Other	(18)	(10)
Total deferred tax liabilities	(102)	(99)
Valuation allowances	(61)	(27)
Deferred tax assets, net	\$ 41	\$ 81

The decrease in the net deferred tax assets is attributable primarily to a decrease in hedging costs not currently deductible and is based on the Company's position in its foreign exchange contracts. The Company continues to assess and adjust its valuation allowance based on operating results and market conditions. After weighing both the positive and negative evidence available, including, but not limited to, earnings history, projected future outcomes, industry and market trends and the nature of each of the deferred tax assets, the Company determined that it is able to realize its deferred tax assets except for certain loss and credit carryforwards.

The Company is permanently reinvested with respect to certain foreign earnings. There is no unrecognized deferred tax liability associated with the repatriation of these foreign undistributed earnings as it can be achieved without additional federal tax consequences.

SANDISK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Effective Tax Rate

Reconciliation of the U.S. federal statutory rate to the Company's effective tax rate is as follows:

	2025	2024	2023
	<i>(in millions)</i>		
U.S. federal statutory rate	21 %	21 %	21 %
Tax rate differential on international incomes	(1)	(42)	(29)
Foreign withholding tax	(1)	(11)	(2)
Change in valuation allowance	—	(2)	—
Tax effect of U.S foreign income inclusion	(7)	(1)	—
Tax effect of U.S. foreign derived intangible income	1	2	3
Tax effect of permanent differences	—	(2)	(1)
Tax effect of goodwill impairment	(26)	—	(7)
Tax effect of intangible assets	—	1	4
Tax rate change	—	1	—
Unremitted earnings of certain non-U.S. entities	(2)	2	—
Change in uncertain tax positions	(1)	(12)	1
Return to provision adjustment	1	(1)	—
Foreign income tax credits	4	5	1
R&D tax credits	1	3	1
Federal audit settlements	—	3	—
Other	(1)	(1)	1
Effective income tax rate	<u>(11)%</u>	<u>(34)%</u>	<u>(7)%</u>

Tax Holidays and Carryforwards

A substantial portion of the Company's manufacturing operations in Malaysia operate under various tax holidays and tax incentive programs, which will expire in whole or in part at various dates during 2028 through 2031. Certain tax holidays and tax incentive programs may be extended if specific conditions are met.

The net impact of these tax holidays and tax incentives was an increase to the Company's net earnings by \$82 million, or \$0.56 per share, in 2025. The Company was at loss in Malaysia during 2024 and 2023. The tax incentives had no impact on the Company's net earnings.

As of June 27, 2025, the Company had \$38 million of state tax credit carryforwards that do not expire.

As of June 27, 2025, the Company had varying amounts of NOL carryforwards, totaling \$2.1 billion, that do not expire or, if not used, expire in various years beginning in 2028, depending on the country. The majority of the NOL carryforwards reside in Malaysia.

Uncertain Tax Positions

With the exception of certain unrecognized tax benefits that are directly associated with the tax position taken, unrecognized tax benefits are presented gross in the Consolidated Balance Sheets.

SANDISK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following is a tabular reconciliation of the total amounts of unrecognized tax benefits, excluding accrued interest and penalties for the year ended June 27, 2025:

	2025	2024	2023
	(in millions)		
Unrecognized tax benefit, beginning balance	\$ 47	\$ 25	\$ 17
Gross increases related to prior year tax positions	6	10	1
Gross increases related to current year tax positions	17	15	10
Gross decrease related to prior year tax positions	(1)	(3)	(3)
Gross increase related to transfer from Western Digital Corporation	78	—	—
Gross decrease related to settlement	(7)	—	—
Unrecognized tax benefit, ending balance	<u>\$ 140</u>	<u>\$ 47</u>	<u>\$ 25</u>

As of June 27, 2025 and June 28, 2024, the liability for unrecognized tax benefits (excluding accrued interest and penalties) was \$140 million and \$47 million, respectively. Interest and penalties related to unrecognized tax benefits are recognized in liabilities recorded for uncertain tax positions and are recorded in the provision for income taxes. Accrued interest and penalties included in the Company's liability related to unrecognized tax benefits as of June 27, 2025 and June 28, 2024 was \$11 million and \$9 million, respectively.

The Company files U.S. federal, U.S. state, and foreign tax returns. Its U.S. federal and state tax returns for fiscal year 2025 are initial filings. The Company is currently subject to, or could become subject to, tax authority examinations in various jurisdictions for previously filed returns dating back as early as 2009.

The Company believes that an adequate provision has been made for any adjustments that may result from any other tax examinations. However, the outcome of such tax examinations cannot be predicted with certainty. If any issues addressed in the Company's tax examinations are resolved in a manner inconsistent with management's expectations, the Company may be required to adjust its provision for income taxes in the period in which such resolution occurs. As of June 27, 2025, it was not possible to estimate the amount of change, if any, in the unrecognized tax benefits that is reasonably possible within the next twelve months. Any significant change in the amount of the Company's liability for unrecognized tax benefits would most likely result from additional information resulting from the examination of the Company's tax returns.

Note 15. Employee Termination and Other Charges

Business Realignment

The Company periodically incurs charges to realign its operations with anticipated market demand, primarily consisting of organization rationalization designed to streamline its business, reduce its cost structure and focus its resources. The Company has taken actions to reduce the amount of capital invested in facilities, including the sale-leaseback of its facility in Milpitas, California, in September 2023, as discussed in Note 11, *Leases and Other Commitments*.

The Company recorded the following net charges related to these actions for the periods presented:

	2025	2024	2023
	(in millions)		
Employee termination benefits	\$ 18	\$ 15	\$ 68
Other charges (gains):			
Asset impairments and other charges (gains)	—	5	1
Contract termination and other	3	—	—
Gain on sale-leaseback of facility	—	(60)	—
Total employee termination and other charges	<u>\$ 21</u>	<u>\$ (40)</u>	<u>\$ 69</u>

SANDISK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following table presents an analysis of the components of the activity against the reserve during the years ended June 27, 2025, and June 28, 2024, which consisted entirely of employee termination benefits:

	Employee Termination Benefits
	<i>(in millions)</i>
Accrual balance at June 30, 2023	\$ 3
Charges	15
Cash payments	(18)
Accrual balance at June 28, 2024	—
Charges	18
Cash payments	(3)
Accrual balance at June 27, 2025	\$ 15

Note 16. Legal Proceedings

In the normal course of business, the Company is subject to legal proceedings, lawsuits and other claims. Although the ultimate aggregate amount of reasonably possible monetary liability or financial impact with respect to these other matters is subject to many uncertainties, management believes that any monetary liability or financial impact to the Company from these matters, individually and in the aggregate, would not be material to the Company's financial condition, results of operations or cash flows. However, any monetary liability and financial impact to the Company from these matters could differ materially from the Company's expectations.

Note 17. Summarized Financial Information

Pursuant to Rule 4-08(g) of Regulation S-X under the Securities Act of 1933, as amended, the Company presents, on an equity method basis, summarized financial information for its non-consolidated joint ventures, including the Flash Ventures, the Unis Venture, and SDSS. The summarized financial information below includes the portions attributable to both the Company and the other investees in these entities.

The Company has been an investee in the Flash Ventures for all periods presented. The Company's investment in SDSS was established upon the divestiture of the business on September 28, 2024, and its investment in the Unis Venture was transferred to the Company on January 24, 2025, See Note 10, *Related Parties and Related Commitments and Contingencies* for additional disclosures.

Accordingly, the summarized financial information of these ventures for the year ended June 30, 2025 includes the results of Flash Ventures, the Unis Venture and SDSS; whereas the comparative periods for the years ended June 28, 2024 and June 30, 2023, include only the Flash Ventures.

The table below presents the combined summarized financial information for these periods:

	2025	2024
	<i>(in millions)</i>	
Current assets	\$ 1,423	\$ 777
Non-current assets	6,185	5,783
Total Assets	7,608	6,560
Current Liabilities	2,797	2,225
Non-current Liabilities	3,701	3,312
Total Liabilities	6,498	5,537
Total net equity of investees	\$ 1,110	\$ 1,023

SANDISK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	2025	2024	2023
		(in millions)	
Net sales	\$ 2,315	\$ 2,252	\$ 2,788
Gross profit (loss)	(101)	(51)	138
Net income (loss)	\$ (63)	\$ (9)	\$ 89

Item 9. *Changes in and Disagreements with Accountants on Accounting and Financial Disclosure*

Not applicable.

Item 9A. *Controls and Procedures*

Evaluation of Disclosure Controls and Procedures

As required by Rule 13a-15(b) promulgated by the U.S. Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as such term is defined in Rule 13a-15(e) under the Exchange Act) as of the end of the period covered by this Annual Report on Form 10-K. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered by this Annual Report on Form 10-K, our disclosure controls and procedures were effective.

Internal Control over Financial Reporting

Due to a transition period established by SEC rules applicable to newly public companies, this Annual Report on Form 10-K does not include a report of management’s assessment regarding internal control over financial reporting or an attestation report of our independent registered public accounting firm.

Changes in Internal Control over Financial Reporting

Due to a transition period established by SEC rules applicable to newly public companies, our management is not required to evaluate the effectiveness of our internal control over financial reporting until after the filing of our Annual Report on Form 10-K for the year ended June 27, 2025. As a result, this Annual Report on Form 10-K does not address whether there have been any changes in our internal control over financial reporting.

Item 9B. *Other Information*

Insider Trading Arrangements

None.

Item 9C. *Disclosure Regarding Foreign Jurisdictions that Prevent Inspections*

Not applicable.

PART III

Item 10. *Directors, Executive Officers and Corporate Governance*

The information required by this Item is incorporated herein by reference to the Company's Proxy Statement for the 2025 Annual Meeting of Stockholders, which we intend to file with the U.S. Securities and Exchange Commission ("SEC") no later than 120 days after the close of the fiscal year ended June 27, 2025. In addition, our Board of Directors has adopted a Code of Business Ethics that applies to all of our directors, employees and officers, including our Chief Executive Officer and Chief Financial Officer. The current version of the Code of Business Ethics is available on our website under the Corporate Governance section at www.sandisk.com. To the extent required by rules adopted by the SEC and The Nasdaq Stock Market LLC, we intend to promptly disclose future amendments to certain provisions of the Code of Business Ethics, or waivers of such provisions granted to executive officers and directors, on our website under the Corporate Governance section at www.sandisk.com.

Item 11. *Executive Compensation*

The information required by this Item is incorporated herein by reference to the Company's Proxy Statement for the 2025 Annual Meeting of Stockholders, which we intend to file with the SEC no later than 120 days after the close of the fiscal year ended June 27, 2025.

Item 12. *Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters*

The information required by this Item is incorporated herein by reference to the Company's Proxy Statement for the 2025 Annual Meeting of Stockholders, which we intend to file with the SEC no later than 120 days after the close of the fiscal year ended June 27, 2025.

Item 13. *Certain Relationships and Related Transactions, and Director Independence*

The information required by this Item is incorporated herein by reference to the Company's Proxy Statement for the 2025 Annual Meeting of Stockholders, which we intend to file with the SEC no later than 120 days after the close of the fiscal year ended June 27, 2025.

Item 14. *Principal Accountant Fees and Services*

The information required by this Item is incorporated herein by reference to the Company's Proxy Statement for the 2025 Annual Meeting of Stockholders, which we intend to file with the SEC no later than 120 days after the close of the fiscal year ended June 27, 2025.

PART IV

Item 15. Exhibits and Financial Statement Schedules

The following documents are filed as a part of this Annual Report on Form 10-K:

- (1) *Financial Statements.* The financial statements included in Part II, Item 8 of this document are filed as part of this Annual Report on Form 10-K.
- (2) *Financial Statement Schedules.*

All schedules are omitted as the required information is immaterial, inapplicable or the information is presented in the Consolidated Financial Statements or related Notes.

- (3) *Exhibits.* The exhibits listed in the Exhibit Index below are filed with, or incorporated by reference in, this Annual Report on Form 10-K, as specified in the Exhibit List, from exhibits previously filed with the SEC.

EXHIBIT INDEX

Exhibit Number	Description
2.1	Separation and Distribution Agreement, dated as of February 21, 2025, by and between Western Digital Corporation and Sandisk Corporation (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K dated February 24, 2025)
3.1	Amended and Restated Certificate of Incorporation of Sandisk Corporation (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K dated February 24, 2025)
3.2	Amended and Restated Bylaws of Sandisk Corporation (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K dated February 14, 2025)
4.1	Stockholder's and Registration Rights Agreement, dated as of February 21, 2025, by and between Western Digital Corporation and Sandisk Corporation (incorporated by reference to Exhibit 10.6 to the Company's Current Report on Form 8-K dated February 24, 2025)#
4.2	Description of Sandisk Corporation's Capital Stock†
10.1	Transition Services Agreement, dated as of February 21, 2025, by and between Western Digital Corporation and Sandisk Corporation (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated February 24, 2025)#
10.2	Tax Matters Agreement, dated as of February 21, 2025, by and between Western Digital Corporation and Sandisk Corporation (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K dated February 24, 2025)#
10.3	Employee Matters Agreement, dated as of February 21, 2025, by and between Western Digital Corporation and Sandisk Corporation (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K dated February 24, 2025)#
10.4	Intellectual Property Cross-License Agreement, dated as of February 21, 2025, by and between Western Digital Corporation and Sandisk Corporation (incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K dated February 24, 2025)#
10.5	Transitional Trademark License Agreement, dated as of February 21, 2025, by and between Western Digital Corporation and Sandisk Corporation (incorporated by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K dated February 24, 2025)#
10.6	Loan Agreement, dated as of February 21, 2025, by and among Sandisk Corporation, each lender party thereto, JPMorgan Chase Bank, N.A., as administrative agent and collateral agent and the other parties party thereto (incorporated by reference to Exhibit 10.7 to the Company's Current Report on Form 8-K dated February 24, 2025)#
10.7	Security Agreement, dated as of February 21, 2025, by and among Sandisk Corporation, Sandisk Technologies, Inc. and JPMorgan Chase Bank, N.A., as collateral agent (incorporated by reference to Exhibit 10.8 to the Company's Current Report on Form 8-K dated February 24, 2025)#
10.8	Guaranty Agreement, dated as of February 21, 2025, by and among Sandisk Corporation, Sandisk Technologies, Inc. and JPMorgan Chase Bank, N.A., as administrative agent (incorporated by reference to Exhibit 10.9 to the Company's Current Report on Form 8-K dated February 24, 2025)#
10.9	Flash Alliance, Master Agreement dated as of July 7, 2006, by and among SanDisk Corporation, Toshiba Corporation and SanDisk (Ireland) Limited (incorporated by reference to Exhibit 10.7 to the Company's Registration Statement on Form 10, filed on November 25, 2024)#
10.10	Operating Agreement of Flash Alliance, Ltd., dated as of July 7, 2006, by and between Toshiba Corporation and SanDisk (Ireland) Limited (incorporated by reference to Exhibit 10.8 to the Company's Registration Statement on Form 10, filed on November 25, 2024)#
10.11	Joint Venture Restructure Agreement, dated as of January 29, 2009, by and among SanDisk Corporation, SanDisk (Ireland) Limited, SanDisk (Cayman) Limited, Toshiba Corporation, Flash Partners Limited and Flash Alliance Limited (incorporated by reference to Exhibit 10.9 to the Company's Registration Statement on Form 10, filed on November 25, 2024)#
10.12	New Y2 Facility Agreement, dated October 20, 2015, by and among SanDisk Corporation, SanDisk (Ireland) Limited, SanDisk (Cayman) Limited, SanDisk Flash B.V., Toshiba Corporation, Flash Partners Limited, Flash Alliance Limited and Flash Forward Limited (incorporated by reference to Exhibit 10.10 to the Company's Registration Statement on Form 10, filed on November 25, 2024)#
10.13	FAL Commitment and Extension Agreement, dated as of December 12, 2017, by and among Western Digital Corporation, SanDisk LLC, SanDisk (Ireland) Limited and Toshiba Memory Corporation (incorporated by reference to Exhibit 10.11 to the Company's Registration Statement on Form 10, filed on November 25, 2024)#
10.14	Y6 Facility Agreement, dated as of December 12, 2017, by and among Western Digital Corporation, SanDisk LLC, SanDisk (Cayman) Limited, SanDisk (Ireland) Limited, SanDisk Flash B.V., Flash Partners, Ltd., Flash Alliance, Ltd., Flash Forward, Ltd. and Toshiba Memory Corporation (incorporated by reference to Exhibit 10.12 to the Company's Registration Statement on Form 10, filed on November 25, 2024)#
10.15	K1 Facility Agreement, dated as of May 15, 2019, by and among Western Digital Corporation, SanDisk LLC, SanDisk (Cayman) Limited, SanDisk (Ireland) Limited, SanDisk Flash B.V., Flash Partners, Ltd., Flash Alliance, Ltd., Flash Forward Ltd., Toshiba Memory Corporation and Toshiba Memory Iwate Corporation (incorporated by reference to Exhibit 10.13 to the Company's Registration Statement on Form 10, filed on November 25, 2024)#

10.16	Confidential Settlement and Mutual Release Agreement, dated as of December 12, 2017, by and among Western Digital Corporation, SanDisk LLC, SanDisk (Cayman) Limited, SanDisk (Ireland) Limited, SanDisk Flash B.V., Toshiba Corporation and Toshiba Memory Corporation (incorporated by reference to Exhibit 10.14 to the Company's Registration Statement on Form 10, filed on November 25, 2024)#
10.17	Flash Forward Master Agreement, dated as of July 13, 2010, by and among, on one side, Toshiba Corporation and, on the other side, SanDisk Corporation, and SanDisk Flash B.V. (incorporated by reference to Exhibit 10.15 to the Company's Registration Statement on Form 10, filed on November 25, 2024)#
10.18	Operating Agreement of Flash Forward, Ltd, dated as of March 1, 2011, between Toshiba Corporation and SanDisk Flash B.V. (incorporated by reference to Exhibit 10.16 to the Company's Registration Statement on Form 10, filed on November 25, 2024)#
10.19	FFL Commitment and Extension Agreement, dated as of December 12, 2017, by and among Toshiba Memory Corporation, Western Digital Corporation, SanDisk LLC and SanDisk Flash B.V. (incorporated by reference to Exhibit 10.17 to the Company's Registration Statement on Form 10, filed on November 25, 2024)#
10.20	FFL Second Commitment and Extension Agreement, dated as of May 15, 2019, by and among Toshiba Memory Corporation, Toshiba Memory Iwate Corporation, Western Digital Corporation, SanDisk LLC, SanDisk (Cayman) Limited, SanDisk (Ireland) Limited, SanDisk Flash B.V., Flash Partners, Ltd., Flash Alliance, Ltd., and Flash Forward, Ltd. (incorporated by reference to Exhibit 10.18 to the Company's Registration Statement on Form 10, filed on November 25, 2024)#
10.21	Flash Partners Master Agreement, dated as of September 10, 2004, by and among Toshiba Corporation, SanDisk Corporation, and SanDisk International Limited. (incorporated by reference to Exhibit 10.19 to the Company's Registration Statement on Form 10, filed on November 25, 2024)#
10.22	Operating Agreement of Flash Partners Ltd., dated as of September 10, 2004, by and between Toshiba Corporation and SanDisk International Limited (incorporated by reference to Exhibit 10.20 to the Company's Registration Statement on Form 10, filed on November 25, 2024)#
10.23	FPL Commitment and Extension Agreement, dated as of October 20, 2015, by and among Toshiba Corporation, SanDisk Corporation and SanDisk (Cayman) Limited (incorporated by reference to Exhibit 10.21 to the Company's Registration Statement on Form 10, filed on November 25, 2024)#
10.24	K2 PH1 Facility Agreement, dated as of June 27, 2024, by and among Kioxia Corporation, Kioxia Iwate Corporation, Western Digital Corporation, SanDisk LLC, SanDisk (Cayman) Limited, SanDisk (Ireland) Limited, SanDisk Flash B.V., Flash Alliance, Ltd., and Flash Forward, Ltd. (incorporated by reference to Exhibit 10.22 to the Company's Registration Statement on Form 10, filed on November 25, 2024)#
10.25	BICS License & Development Agreement, dated as of March 1, 2011, by and between Toshiba Corporation and SanDisk Corporation (incorporated by reference to Exhibit 10.23 to the Company's Registration Statement on Form 10, filed on November 25, 2024)#
10.26	Amended and Restated Joint Memory Development Agreement, dated as of June 27, 2024, by and between Kioxia Corporation and SanDisk LLC (incorporated by reference to Exhibit 10.24 to the Company's Registration Statement on Form 10, filed on November 25, 2024)#
10.27	Amended and Restated Equity Purchase Agreement, dated as of September 12, 2024, by and between SanDisk China Limited and JCET Management Co., Ltd. (incorporated by reference to Exhibit 10.25 to the Company's Registration Statement on Form 10, filed on November 25, 2024)#
10.28	Form of Indemnification Agreement for Directors and Officers (incorporated by reference to Exhibit 10.10 to the Company's Current Report on Form 8-K dated February 24, 2025)
10.29	Sandisk Corporation 2025 Long Term Incentive Plan†*
10.30	Form of Restricted Stock Unit Award Agreement - Vice President and Above (Applicable to New Grants Post-Spin-Off) (incorporated by reference to Exhibit 10.27 to the Company's Registration Statement on Form 10, filed on November 25, 2024) *
10.31	Form of Performance Stock Unit Award Agreement (Applicable to New Grants Post-Spin-Off) (incorporated by reference to Exhibit 10.28 to the Company's Registration Statement on Form 10, filed on November 25, 2024)*
10.32	Form of Assumed and Converted Fiscal 2022, 2023 & 2024 Restricted Stock Unit Award Agreement - VP and Above (incorporated by reference to Exhibit 10.29 to the Company's Registration Statement on Form 10, filed on November 25, 2024)
10.33	Form of Assumed and Converted Fiscal 2025 Restricted Stock Unit Award Agreement - VP and Above (incorporated by reference to Exhibit 10.30 to the Company's Registration Statement on Form 10, filed on November 25, 2024)*
10.34	Form of Assumed and Converted Fiscal 2023 Performance Stock Unit Award Agreement (incorporated by reference to Exhibit 10.31 to the Company's Registration Statement on Form 10, filed on November 25, 2024)*
10.35	Form of Assumed and Converted Fiscal 2024 Performance Stock Unit Award Agreement (incorporated by reference to Exhibit 10.32 to the Company's Registration Statement on Form 10, filed on November 25, 2024)*
10.36	Form of Assumed and Converted Fiscal 2025 Performance Stock Unit Award Agreement (incorporated by reference to Exhibit 10.33 to the Company's Registration Statement on Form 10, filed on November 25, 2024)*
10.37	Form of Launch Performance Stock Unit Award Agreement†*
10.38	Form of Non-Employee Director Restricted Stock Unit Program (incorporated by reference to Exhibit 10.34 to the Company's Registration Statement on Form 10, filed on November 25, 2024)
10.39	Sandisk Corporation Deferred Compensation Plan†*
10.40	Sandisk Corporation 2025 Employee Stock Purchase Plan†*
10.41	Sandisk Executive Severance Plan†*
10.42	Sandisk Change in Control Severance Plan†*
10.43	Sandisk Executive Short-Term Incentive Plan†*
10.44	Offer Letter, dated as of July 1, 2024, to Luis Felipe Visoso (incorporated by reference to Exhibit 10.40 to the Company's Registration Statement on Form 10, filed on November 25, 2024)
19.1	Sandisk Policy Regarding Insider Trading and Unauthorized Disclosures†
21.1	Subsidiaries of the Registrant†
23.1	Consent of KPMG LLP†
31.1	Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002†
31.2	Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002†

32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**
32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**
97.1	Sandisk Corporation Compensation Recovery (Clawback) Policy†
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	XBRL Taxonomy Extension Schema Document†
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document†
101.LAB	XBRL Taxonomy Extension Label Linkbase Document†
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document†
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document†
104	Cover Page Interactive Data File - formatted in Inline XBRL and contained in Exhibit 101

† Filed with this report.

* Management contract or compensatory plan or arrangement required to be filed as an exhibit pursuant to applicable rules of the Securities and Exchange Commission.

** Furnished with this report.

Schedules and exhibits have been omitted pursuant to Item 601(a)(5) of Regulation S-K.

As permitted by Regulation S-K, Item 601(b)(10)(iv) of the Securities Exchange Act of 1934, as amended, certain confidential portions of this exhibit have been redacted from the publicly filed document.

Item 16. *Form 10-K Summary*

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Annual Report on Form 10-K to be signed on its behalf by the undersigned, thereunto duly authorized.

Sandisk Corporation

By: /s/ Michael R. Pokorny
Michael R. Pokorny
Vice President, Chief Accounting Officer
(Principal Accounting Officer and Duly Authorized Officer)

Dated: August 20, 2025

Pursuant to the requirements of the Securities Exchange Act of 1934, this Annual Report on Form 10-K has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Title	Date
<u>/s/ David V. Goeckeler</u> David V. Goeckeler	Chief Executive Officer, Director (Principal Executive Officer)	August 20, 2025
<u>/s/ Luis F. Visoso</u> Luis F. Visoso	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	August 20, 2025
<u>/s/ Michael R. Pokorny</u> Michael R. Pokorny	Vice President, Chief Accounting Officer (Principal Accounting Officer)	August 20, 2025
<u>/s/ Kimerly E. Alexy</u> Kimerly E. Alexy	Director	August 20, 2025
<u>/s/ Richard B. Cassidy II</u> Richard B. Cassidy II	Director	August 20, 2025
<u>/s/ Thomas Caulfield</u> Thomas Caulfield	Director	August 20, 2025
<u>/s/ Devinder Kumar</u> Devinder Kumar	Director	August 20, 2025
<u>/s/ Matthew E. Massengill</u> Matthew E. Massengill	Director	August 20, 2025
<u>/s/ Necip Sayiner</u> Necip Sayiner	Director	August 20, 2025
<u>/s/ Ellyn J. Shook</u> Ellyn J. Shook	Director	August 20, 2025
<u>/s/ Miyuki Suzuki</u> Miyuki Suzuki	Director	August 20, 2025

DESCRIPTION OF SANDISK CORPORATION CAPITAL STOCK

The following is a summary of the material provisions of Sandisk Corporation (“Sandisk,” “we,” or “our”) Amended and Restated Certificate of Incorporation (our “Certificate of Incorporation”), and Amended and Restated Bylaws (our “Bylaws”), insofar as they relate to the material terms of our capital stock. This summary is qualified in its entirety by reference to our Certificate of Incorporation and Bylaws, each of which is an exhibit to the Annual Report on Form 10-K to which this description is an exhibit. Additionally, the General Corporation Law of the State of Delaware (the “DGCL”) may also affect the terms of our capital stock.

General

Our authorized capital stock consists of

- 450,000,000 shares of common stock, par value \$0.01 per share (“Common Stock”); and
- 10,000,000 shares of preferred stock, par value \$0.01 per share (“Preferred Stock”).

As of June 27, 2025, 145,778,762 shares of our Common Stock were issued and outstanding and no shares of our Preferred Stock were issued and outstanding. The outstanding shares of common stock are duly authorized, validly issued, fully paid and non-assessable.

Common Stock

Subject to the relative rights, limitations and preferences of the holders of any then-outstanding Preferred Stock, holders of our Common Stock are entitled to certain rights, including (i) to share ratably in dividends if, when and as declared by our Board of Directors (our “Board”) out of funds legally available therefor and (ii) in the event of liquidation, dissolution or winding up of the Company, to share ratably in the distribution of assets legally available therefor, after payment of debts and expenses. Each outstanding share of our Common Stock entitles the holder to one vote on all matters submitted to a vote of the stockholders, including the election of directors, and the holders of shares of our Common Stock and our Preferred Stock (if any), collectively, possess the exclusive voting power. The holders of our Common Stock do not have cumulative voting rights in the election of directors or preemptive rights to subscribe for additional shares of our capital stock. Our Bylaws require that, in uncontested elections, each director be elected by the majority of votes cast with respect to such director. This means that the number of shares voted “for” a director nominee must exceed the number of votes cast “against” that nominee in order for that nominee to be elected.

Holders of shares of our Common Stock have no preference, conversion, exchange, sinking fund, redemption or appraisal rights. The rights, preferences and privileges of holders of our Common Stock are subject to the terms of any series of Preferred Stock which Sandisk may issue in the future.

Preferred Stock

Our Board has the authority, within the limitations and restrictions that are stated in our Certificate of Incorporation, to authorize the issuance of shares of Preferred Stock, in one or more classes or series, and to fix the rights, preferences, privileges and restrictions thereof, including dividend rights, conversion rights, voting rights, terms of redemption, liquidation preferences, preemptive rights and the number of shares constituting any series or the designation of such series. The issuance of our Preferred Stock could have the effect of decreasing the market price of our Common Stock and could adversely affect the voting and other rights of the holders of our Common Stock.

Anti-Takeover Effect of Our Certificate of Incorporation and Bylaws and Delaware Law

Our Certificate of Incorporation and our Bylaws include provisions, summarized below, that are intended to discourage and prevent coercive takeover practices and inadequate takeover bids. These provisions are designed to encourage persons seeking to acquire control of the Company to first negotiate with our Board. They also are intended to provide our management with the flexibility to enhance the likelihood of continuity and stability if our Board determines that a takeover is not in the best interests of our stockholders. These provisions, however, could have the effect of discouraging others from making tender offers for our shares and may have the effect of deterring hostile takeovers or delaying changes in our control or management.

Special Stockholder Meetings

Our Bylaws provide that only our Board, the Chair of the Board or our Chief Executive Officer may call special meetings of stockholders. Stockholders do not have the authority to call a special meeting of stockholders.

Requirements for Advance Notification of Stockholder Nominations and Proposals

Our bylaws provide that our stockholders must comply with advance notice procedures to bring business before or nominate directors for election at a meeting of stockholders. A stockholder (or group of up to 20 stockholders) who has held at least 3% of our Common Stock for at least three years must also satisfy and comply with additional requirements that are set forth in our Bylaws to nominate and have any director nominee (generally not exceeding the greater of (i) two director nominees or (ii) 20% of the number of directors on our Board, rounded down to the nearest whole number) included in our proxy materials.

Elimination of Stockholder Action by Written Consent

The DGCL permits stockholder action by written consent unless the corporation's Certificate of Incorporation provides otherwise. Our Certificate of Incorporation eliminates the right of stockholders to act by written consent without a meeting.

No Cumulative Voting

Under Delaware law, cumulative voting for the election of directors is not permitted unless a corporation's Certificate of Incorporation authorizes cumulative voting. Our Certificate of Incorporation and our current Bylaws do not provide for cumulative voting in the election of directors. The absence of cumulative voting makes it more difficult for a minority stockholder to gain a seat on our Board to influence our Board's decision regarding a takeover.

Authorized but Unissued Shares

Subject to the requirements of the Nasdaq Stock Market and other applicable law, authorized but unissued shares of our Common Stock may be available for future issuance without stockholders' approval. Sandisk may use these additional shares for a variety of corporate purposes, including future public offerings to raise additional capital, corporate acquisitions and employee benefit plans. The existence of authorized but unissued shares of our Common Stock could render more difficult or discourage an attempt to obtain control of Sandisk by means of a proxy contest, tender offer, merger or otherwise.

Amendment of Provisions in Certificate of Incorporation and Bylaws

Our Certificate of Incorporation provides that our Certificate of Incorporation may be amended in accordance with Delaware law. Our Bylaws provide that our Bylaws as a whole, or any bylaw in particular, may be altered, amended or repealed, and new Bylaws may be adopted, (i) by our Board, by vote of a majority of the number of directors then in office as directors, acting at any duly called and held meeting of our Board, or (ii) by the stockholders; *provided* that a notice of such proposed amendment, modification, repeal or adoption is given in the notice of special meeting.

Delaware Anti-Takeover Law

We are subject to Section 203 of the DGCL, which is an anti-takeover law. In general, Section 203 prohibits a publicly held Delaware corporation from engaging in a business combination with an interested stockholder for a period of three years following the date that the person became an interested stockholder, unless the business combination or the transaction in which the person became an interested stockholder is approved in a prescribed manner. Generally, a business combination includes a merger, asset or stock sale, or another transaction resulting in a financial benefit to the interested stockholder. Generally, an interested stockholder is a person who, together with affiliates and associates, owns 15% or more of the corporation's voting stock. Under Section 203, a business combination between a corporation and an interested stockholder is prohibited unless it satisfies one of the following conditions:

- before the stockholder became interested, the board of directors approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;
- upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding, shares owned by persons who are directors and also officers, and employee stock plans, in some instances; or
- at or after the time the stockholder became interested, the business combination was approved by the board of directors of the corporation and authorized at an annual or special meeting of the stockholders by the affirmative vote of at least two-thirds of the outstanding voting stock which is not owned by the interested stockholder.

Exclusive Forum

Our Certificate of Incorporation provides that, unless Sandisk consents in writing to the selection of an alternative forum, (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our current or former directors, officers, other employees or stockholders to Sandisk or its stockholders, (iii) any action asserting a claim arising pursuant to any provision of the DGCL, or our Certificate of Incorporation or our Bylaws or as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware, or (iv) any action asserting a claim governed by the internal affairs doctrine of the law of the State of Delaware will, to the fullest extent permitted by law, be exclusively brought in the Court of Chancery of the State of Delaware or, if such court does not have subject matter jurisdiction thereof, the federal district court of the State of Delaware (the “Delaware Exclusive Forum Provision”). In addition, our Certificate of Incorporation provides that, unless Sandisk consents in writing to the selection of an alternative forum, the federal district courts of the United States will be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act of 1933, as amended (the “Federal Forum Provision”). Our Certificate of Incorporation also provides that, to the fullest extent permitted by law, any person or entity purchasing or otherwise acquiring or holding any interest in shares of our capital stock is deemed to have notice of and consented to the Delaware Exclusive Forum Provision and the Federal Forum Provision.

The Delaware Exclusive Forum Provision is intended to apply to claims arising under Delaware state law and would not apply to claims brought pursuant to the Securities Exchange Act of 1934, as amended (“Exchange Act”), or the Securities Act of 1933, as amended (“Securities Act”), or any other claim for which the federal courts have exclusive jurisdiction. In addition, the Federal Forum Provision is intended to apply to claims arising under the Securities Act and would not apply to claims brought pursuant to the Exchange Act. The exclusive forum provisions that are provided in our Certificate of Incorporation do not relieve us of our duties to comply with the federal securities laws and the rules and regulations thereunder and, accordingly, actions by our stockholders to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder must be brought in federal courts. Our stockholders are not deemed to have waived Sandisk’s compliance with these laws, rules and regulations.

Limitations on Director and Officer Liability

Under the DGCL, we may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation), by reason of the fact that they are or were our director, officer, employee or agent, or are or were serving at our request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred in connection with such action, suit or proceeding if they acted in good faith and in a manner they reasonably believed to be in or not opposed to our best interests, and, with respect to any criminal action or proceeding, had no reasonable cause to believe their conduct was unlawful. In addition, Section 102(b)(7) of the DGCL provides that a Certificate of Incorporation may contain a provision eliminating or limiting the personal liability of a director or officer to the corporation or its shareholders for monetary damages for breach of fiduciary duty as a director or officer; *provided* that such provision shall not eliminate or limit the liability of a director or officer (i) for any breach of the director's or officer's duty of loyalty to the corporation or its shareholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the DGCL (relating to liability for unauthorized acquisitions or redemptions of, or dividends on, capital stock), (iv) for any transaction from which the director or officer derived an improper personal benefit, or (v) in any action by or in the right of the corporation (with respect to any officer only). Our Certificate of Incorporation contains the provisions permitted by Section 102(b)(7) of the DGCL.

Transfer Agent and Registrar

The transfer agent and registrar for the shares of our Common Stock is Equiniti Trust Company, LLC. The transfer agent and registrar's address is 6201 15th Avenue, Brooklyn, NY 11219.

Stock Exchange Listing

Our Common Stock is listed on Nasdaq under the symbol "SNDK".

SANDISK CORPORATION
2025 Long-Term Incentive Plan
Effective Date: January 25, 2025

1. GENERAL.

(a) **Purpose.** This Plan, through the granting of Awards, is intended to help the Company secure and retain the services of eligible award recipients, provide incentives for such persons to exert maximum efforts for the success of the Company and any Affiliate and provide a means by which the eligible award recipients may benefit from increases in the value of the Common Stock.

(b) **Eligible Award Recipients.** Employees, Directors and Consultants are eligible to receive Awards.

(c) **Available Awards.** This Plan provides for the grant of the following Awards: (i) Incentive Stock Options; (ii) Nonstatutory Stock Options; (iii) Stock Appreciation Rights; (iv) Substitute Awards; (v) Restricted Stock Awards; (vi) Restricted Stock Unit Awards; (vii) Performance Stock Awards; (viii) Cash Awards; and (ix) Other Stock-Based Awards.

2. ADMINISTRATION.

(a) **Administration.** This Plan shall be administered by and all Awards under this Plan shall be authorized by the Administrator. The “**Administrator**” means the Board or a Committee or Committees (or any subcommittee thereof) to which administration of this Plan has been delegated (within its delegated authority), as provided in Section 2(d).

(b) **Powers of Administrator.** The Administrator will have the power, subject to, and within the limitations of, the express provisions of this Plan:

(i) To determine: (A) who will be granted Awards; (B) when and how each Award will be granted; (C) what type of Award will be granted; (D) the provisions of each Award (which need not be identical), including when a person will be permitted to exercise or otherwise receive cash or Common Stock under the Award; (E) the number of shares of Common Stock subject to, or the cash value of, an Award; and (F) the Fair Market Value applicable to a Stock Award.

(ii) To construe and interpret this Plan and Awards granted under it, and to establish, amend and revoke rules and regulations for administration of this Plan and Awards. The Administrator, in the exercise of these powers, may correct any defect, omission or inconsistency in this Plan or in any Award Document or in the written terms of a Cash Award, in a manner and to the extent it will deem necessary or expedient to make this Plan or Award fully effective.

(iii) To settle all controversies regarding this Plan and Awards granted under it.

(iv) To accelerate, in whole or in part, or to extend, in whole or in part, the time during which an Award may be exercised or vest, or at which cash or shares of Common Stock may be issued.

(v) To amend or terminate this Plan at any time, subject to Sections 10 and 11 of this Plan.

(vi) To submit any amendment to this Plan for stockholder approval, including, but not limited to, amendments to this Plan intended to satisfy the requirements of (A) Section 422 of the Code regarding “incentive stock options” or (B) Rule 16b-3 of the Exchange Act or any successor rule, if applicable.

(vii) To approve forms of Award Documents for use under this Plan and to amend the terms of any one or more outstanding Awards, subject to Section 10 of this Plan.

(viii) To generally exercise such powers and to perform such acts as the Administrator deems necessary or expedient to promote the best interests of the Company and that are not in conflict with the provisions of this Plan and/or Award Documents.

(ix) To adopt such procedures and sub-plans as are necessary or appropriate (A) to permit or facilitate participation in this Plan by persons eligible to receive Awards under this Plan who are not citizens of, subject to taxation by, or employed outside, the United States or (B) to allow Awards to qualify for special tax treatment in a jurisdiction other than the United States. Administrator approval will not be necessary for immaterial modifications to this Plan or any Award Document that are required for compliance with the laws of the relevant jurisdiction.

(c) **Minimum Vesting Requirements.** Notwithstanding any other provision of this Plan, Awards granted under this Plan may not become exercisable, vest or settle, in whole or in part, prior to the one-year anniversary of the date of grant, except (1) the Administrator may provide that Awards become exercisable, vest or settle in connection with a Change in Control, retirement, death or Disability or such other circumstances determined to be appropriate by the Administrator, (2) with respect to an Award that is granted in connection with a merger or other acquisition as a substitute or replacement award for awards held by grantees of the acquired business, and (3) annual Awards to Non-Employee Directors made in connection with the annual meeting of stockholders may vest on the Company’s next annual meeting of stockholders (provided that such annual meetings are at least 50 weeks apart). Notwithstanding the foregoing, up to 5% of the aggregate number of Shares authorized for issuance under this Plan (as described in Section 3(a)(1) hereof) may be issued without regard to the restrictions of the foregoing sentence.

(d) **Delegation to Committee.**

(i) General. The Board may delegate some or all of the administration of this Plan to a Committee or Committees. If administration of this Plan is delegated to a Committee, the Committee will have, in connection with the administration of this Plan, the powers theretofore possessed by the Board that have been delegated to the Committee, including the power to delegate to a subcommittee of the Committee any of the administrative powers the Committee is authorized to exercise. Any delegation of administrative powers will be reflected in the charter of the Committee to which the delegation is made, or resolutions, not inconsistent with the provisions of this Plan, adopted from time to time by the Board or Committee (as applicable). The Committee may, at any time, abolish the subcommittee and/or revest in the Committee any powers delegated to any subcommittee. Unless otherwise provided by the Board, delegation of authority by the Board to a Committee, or to an Officer or employee pursuant to Section 2(e), does not limit the authority of the Board, which may continue to exercise any authority so delegated and may concurrently administer this Plan with the Committee and may, at any time, revest in the Board some or all of the powers previously delegated.

(ii) Rule 16b-3 Compliance. If required for compliance with Rule 16b-3 of the Exchange Act, the Committee may consist solely of two or more Non-Employee Directors.

(e) **Delegation to an Officer**. The Administrator may delegate to one or more Officers the authority to do one or both of the following, to the maximum extent permitted by applicable law: (i) designate Employees who are not Officers to be recipients of Stock Awards and the terms of such Stock Awards; and (ii) determine the number of shares of Common Stock to be subject to such Stock Awards granted to such Employees; provided, however, that the Board or Committee resolutions regarding such delegation will specify the total number of shares of Common Stock that may be subject to the Stock Awards granted by such Officer and that such Officer may not grant a Stock Award to himself or herself. Any such Stock Awards will be granted on a form that is substantially the same as the form of Stock Award Document approved by the Committee or the Board for use in connection with such Stock Awards, unless otherwise provided for in the resolutions approving the delegation authority.

(f) **Effect of Administrator's Decision**. All determinations, interpretations and constructions made by the Administrator in good faith will not be subject to review by any person and will be final, binding and conclusive on all persons. No director, officer or agent of the Company or any of its Subsidiaries shall be liable for any such action or determination taken or made or omitted in good faith.

3. SHARES SUBJECT TO THIS PLAN.

(a) **Share Reserve.**

(i) Subject to Section 9(a) relating to Capitalization Adjustments, the aggregate maximum number of shares of Common Stock that may be issued pursuant to Stock Awards from and after the Effective Date will not exceed a number of shares of Common Stock equal to 17,383,590 (the "**Share Reserve**").

(ii) For clarity, the Share Reserve is a limitation on the number of shares of Common Stock that may be issued under this Plan. As a single share may be subject to grant more than once (e.g., if a share subject to a Stock Award is forfeited, it may be made subject to grant again as provided in Section 3(b) below), the Share Reserve is not a limit on the number of Stock Awards that can be granted. For the avoidance of doubt, the grant of a Cash Award, and its subsequent settlement, or Other Stock-Based Award settled in cash shall in no event reduce the number of shares of Common Stock available for issuance under this Plan.

(iii) Shares may be issued under the terms of this Plan in connection with a merger or acquisition as permitted by Nasdaq Listing Rule 5635(c), NYSE Listed Company Manual Section 303A.08, AMEX Company Guide Section 711 or other applicable rule, and such issuance will not reduce the number of shares available for issuance under this Plan.

(iv) Substitute Awards shall not reduce the shares of Common Stock authorized for issuance under this Plan or authorized for grant to a Participant in any calendar year. Additionally, in the event that a company acquired by the Company or any Subsidiary, or with which the Company or any Subsidiary combines, has shares available under a pre-existing plan approved by stockholders and not adopted in contemplation of such acquisition or combination, the shares available for grant pursuant to the terms of such pre-existing plan (as adjusted, to the extent appropriate, using the exchange ratio or other adjustment or valuation ratio or formula used in such acquisition or combination) to determine the consideration payable to the holders of common stock of the entities party to such acquisition or combination) may be used for Awards under this Plan and shall not reduce the shares of Common Stock authorized for issuance under this Plan; *provided* that Awards using such available shares shall not be made after the date awards or grants could have been made under the terms of the pre-existing plan, absent the acquisition or combination, and shall only be made to individuals who were employees of such acquired or combined company before such acquisition or combination.

(v) Subject to Section 9(a) relating to Capitalization Adjustments, the total compensation paid to any one Non-Employee Director during any Grant Year shall not exceed \$900,000, including the aggregate Fair Market Value on the date of grant of Shares subject to Awards granted under this Plan and any cash compensation paid or payable. The limitation described in this Section shall be determined without regard to amounts paid to a Non-Employee Director during or for any period in which such individual was an employee or consultant, and any severance and other payments paid to a Non-Employee Director for such director's prior or current service to the Company or any Subsidiary other than serving as a director shall not be taken into account in applying the limit provided above. For the avoidance of doubt, any compensation that is deferred shall be counted toward this limit for the year in which it was first earned, and not when paid or settled. For this purpose, "**Grant Year**" means the annual period commencing on the date of the Company's annual meeting of stockholders and concluding on the day immediately preceding the next annual meeting of stockholders, or such other annual period as the Committee may determine in its discretion.

(b) **Reversion of Shares to the Share Reserve.** The Share Reserve shall be subject to the following adjustments:

(i) If a Stock Award (or Substituted WDC Award) or any portion of a Stock Award (or Substituted WDC Award) (A) expires, is cancelled or forfeited or otherwise terminates without all of the shares covered by the Stock Award having been issued or (B) is settled in cash or a form other than shares of Common Stock, such expiration, cancellation, forfeiture, termination or settlement shall result in the shares of Common Stock subject to such Stock Award being added back to the shares of Common Stock available for Awards under this Plan.

(ii) Shares that are exchanged by a Participant or withheld by the Company as full or partial payment in connection with any Award under this Plan, and shares exchanged by a Participant or withheld by the Company or one of its Subsidiaries to satisfy the tax withholding obligations related to any Award under this Plan, shall be treated as follows: (A) to the extent that the exchange or withholding occurred with respect to an Option or SAR under this Plan, such shares shall not be available for subsequent awards under this Plan and (B) to the extent that the exchange or withholding occurs with respect to an Award under this Plan other than an Option or SAR, such shares shall be added back to the shares of Common Stock available for Awards under this Plan.

(iii) In the event that shares of Common Stock are delivered in respect of dividend equivalents granted under this Plan, only the actual number of shares delivered with respect to the award shall reduce (or otherwise offset) the number of shares of Common Stock that are available for issuance under this Plan.

(iv) To the extent that shares of Common Stock are delivered pursuant to the exercise of an Option or SAR under this Plan, the entire number of shares subject to the award shall be counted against the Share Reserve. Shares repurchased on the open market with the proceeds received by the Company upon the exercise of an Option or SAR under this Plan shall not be added to the shares of Common Stock available for Awards under this Plan.

(c) **Incentive Stock Option Limit.** Subject to Section 9(a) relating to Capitalization Adjustments, the aggregate maximum number of shares of Common Stock that may be issued on the exercise of Incentive Stock Options will be 5,000,000 shares of Common Stock.

(d) **Source of Shares.** The stock issuable under this Plan will be shares of authorized but unissued or reacquired Common Stock, including shares repurchased by the Company on the open market or otherwise or shares classified as treasury shares.

(e) **No Fractional Shares.** Unless otherwise expressly provided by the Administrator, no fractional shares shall be delivered under this Plan. The Administrator may pay cash in lieu of any fractional shares in settlements of Awards under this Plan.

4. ELIGIBILITY.

(a) **Eligibility for Specific Stock Awards.** Incentive Stock Options may be granted only to employees of the Company or a “parent corporation” or “subsidiary corporation” thereof (as such terms are defined in Sections 424(e) and 424(f) of the Code). Stock Awards other than Incentive Stock Options may be granted to Employees, Directors and Consultants.

(b) **Ten Percent Stockholders.** A Ten Percent Stockholder will not be granted an Incentive Stock Option unless the exercise price of such Option is at least 110% of the Fair Market Value on the date of grant and the Option is not exercisable after the expiration of five years from the date of grant.

5. PROVISIONS RELATING TO OPTIONS AND STOCK APPRECIATION RIGHTS.

Each Option or SAR will be in such form and will contain such terms and conditions as the Administrator deems appropriate. All Options will be separately designated Incentive Stock Options or Nonstatutory Stock Options at the time of grant, and, if certificates are issued, a separate certificate or certificates will be issued for shares of Common Stock purchased on exercise of each type of Option. If an Option is not specifically designated as an Incentive Stock Option, or if an Option is designated as an Incentive Stock Option but some portion or all of the Option fails to qualify as an Incentive Stock Option under the applicable rules, then the Option (or portion thereof) will be a Nonstatutory Stock Option. The provisions of separate Options or SARs need not be identical; provided, however, that each Award Document will conform to (through incorporation of provisions hereof by reference in the applicable Award Document or otherwise) the substance of each of the following provisions:

(a) **Term.** Subject to Section 4(b) regarding Ten Percent Stockholders, no Option or SAR will be exercisable after the expiration of ten (10) years from the date of its grant or such shorter period specified in the Award Document.

(b) **Exercise Price.** Subject to Section 4(b) regarding Ten Percent Stockholders, the exercise or strike price of each Option or SAR will be not less than 100% of the Fair Market Value of the Common Stock subject to the Option or SAR on the date the Award is granted. Notwithstanding the foregoing, an Option or SAR may be granted with an exercise or strike price lower than 100% of the Fair Market Value of the Common Stock subject to the Award if such Award is a Substitute Award and in a manner consistent with the provisions of Section 409A of the Code and, if applicable, Section 424(a) of the Code. Each SAR will be denominated in shares of Common Stock equivalents.

(c) **Purchase Price for Options.** The purchase price of Common Stock acquired pursuant to the exercise of an Option may be paid, to the extent permitted by applicable law and as determined by the Administrator in its sole discretion, by any combination of the methods of payment set forth below. The Administrator will have the authority to grant Options that do not permit all of the following methods of payment (or otherwise restrict the ability to use certain methods) and to grant Options that require the consent of the Company to use a particular method of payment. The purchase price shall be denominated in U.S. dollars. The permitted methods of payment are as follows:

- (i) a reduction in compensation otherwise payable to the Participant or for services rendered by the Participant;
- (ii) by cash, check, bank draft or money order payable to the Company;

(iii) pursuant to a program developed under Regulation T as promulgated by the United States Federal Reserve Board or a successor regulation, or a similar rule in a foreign jurisdiction of domicile of a Participant, that, prior to or contemporaneously with the issuance of the stock subject to the Option, results in either the receipt of cash (or check) by the Company or the receipt of irrevocable instructions to pay the aggregate exercise price to the Company from the proceeds of sale of such stock;

(iv) pursuant to a “cashless exercise” with a third party who provides financing for the purposes of (or who otherwise facilitates) the purchase or exercise of awards, including through same-day sales;

- (v) by delivery to the Company (either by actual delivery or attestation) of shares of Common Stock;

(vi) by a “net exercise” arrangement pursuant to which the Company will reduce the number of shares of Common Stock issuable upon exercise by the largest whole number of shares with a Fair Market Value that does not exceed the aggregate exercise price; provided, however, that the Company will accept cash or other payment from the Participant to the extent of any remaining balance of the aggregate exercise price not satisfied by such reduction in the number of whole shares to be issued. Shares of Common Stock will no longer be subject to an Option and will not be exercisable thereafter to the extent that (A) shares issuable upon exercise are used to pay the exercise price pursuant to the “net exercise,” (B) shares are delivered to the Participant as a result of such exercise, and (C) shares are withheld to satisfy tax withholding obligations; or

(vii) in any other form of legal consideration that may be acceptable to the Administrator and specified in the applicable Award Document.

(d) **Exercise and Payment of a SAR.** To exercise any outstanding SAR, the Participant must provide written notice of exercise to the Company in compliance with the provisions of the Stock Appreciation Right Award Document evidencing such SAR. The appreciation distribution payable on the exercise of a SAR will be not greater than an amount equal to the excess of (A) the aggregate Fair Market Value (on the date of the exercise of the SAR) of a number of shares of Common Stock equal to the number of Common Stock equivalents in which the Participant is vested under such SAR (with respect to which the Participant is exercising the SAR on such date), over (B) the aggregate strike price of the number of Common Stock equivalents with respect to which the Participant is exercising the SAR on such date. The appreciation distribution may be paid in Common Stock, in cash, in any combination of the two or in any other form of consideration, as determined by the Administrator and contained in the Award Document evidencing such SAR.

(e) **Transferability of Options and SARs.** The Administrator may, in its sole discretion, impose such limitations on the transferability of Options and SARs as the Administrator determines. In the absence of such a determination by the Administrator to the contrary, the following restrictions on the transferability of Options and SARs will apply:

(i) Restrictions on Transfer. An Option or SAR will not be transferable except by will or by the laws of descent and distribution (or pursuant to subsections (ii) and (iii) below), and will be exercisable during the lifetime of the Participant only by the Participant. The Administrator may permit transfer of the Option or SAR in a manner that is not prohibited by applicable tax and securities laws (including, but not limited to, a transfer to the Company to the extent consistent with applicable tax and securities laws). Except as explicitly provided herein, neither an Option nor a SAR may be transferred for consideration.

(ii) Domestic Relations Orders. Subject to the approval of the Administrator or a duly authorized Officer, an Option or SAR may be transferred pursuant to the terms of a qualified domestic relations order, official marital settlement agreement or other divorce or separation instrument as permitted by U.S. Treasury Regulation 1.421-1(b)(2) or other applicable law. If an Option is an Incentive Stock Option, such Option may be deemed to be a Nonstatutory Stock Option as a result of such transfer.

(iii) **Beneficiary Designation.** Subject to the approval of the Administrator or a duly authorized Officer, a Participant may, by delivering written notice to the Company or designated broker, in a form approved by the Company (or the designated broker), designate a third party who, on the death of the Participant, will thereafter be entitled to exercise the Option or SAR and receive the Common Stock or other consideration resulting from such exercise. In the absence of such a designation, the executor or administrator of the Participant's estate will be entitled to exercise the Option or SAR and receive the Common Stock or other consideration resulting from such exercise. However, the Company may prohibit designation of a beneficiary at any time, including due to any conclusion by the Company that such designation would be inconsistent with the provisions of applicable laws.

(f) **Vesting Generally.** The total number of shares of Common Stock subject to an Option or SAR may vest and therefore become exercisable in periodic installments that may or may not be equal. The Option or SAR may be subject to such other terms and conditions on the time or times when it may or may not be exercised (which may be based on the satisfaction of performance goals or other criteria) as the Administrator may deem appropriate. The vesting provisions of individual Options or SARs may vary. The provisions of this Section 5(f) are subject to any Option or SAR provisions governing the minimum number of shares of Common Stock as to which an Option or SAR may be exercised.

(g) **Termination of Continuous Service.** Except as otherwise provided in the applicable Award Document or other agreement between the Participant and the Company, if a Participant's Continuous Service terminates (other than for Cause and other than upon the Participant's death or Disability), the Participant may exercise his or her Option or SAR (to the extent that the Participant was entitled to exercise such Award as of the date of termination of Continuous Service) within the period of time ending on the earlier of (i) the date three months following the termination of the Participant's Continuous Service and (ii) the expiration of the term of the Option or SAR as set forth in the applicable Award Document. If, after termination of Continuous Service, the Participant does not exercise his or her Option or SAR within the applicable time frame, the Option or SAR will terminate.

(h) **Extension of Termination Date.** Except as otherwise provided in the applicable Award Document or other agreement between the Participant and the Company, if the exercise of an Option or SAR following the termination of the Participant's Continuous Service (other than for Cause and other than upon the Participant's death or Disability) would be prohibited at any time solely because the issuance of shares of Common Stock would violate the registration requirements under the Securities Act, then the Option or SAR will terminate on the earlier of (i) the expiration of a total period of three (3) months (that need not be consecutive) after the termination of the Participant's Continuous Service during which the exercise of the Option or SAR would not be in violation of such registration requirements, and (ii) the expiration of the term of the Option or SAR as set forth in the applicable Award Document. In addition, unless otherwise provided in a Participant's applicable Award Document or other agreement between the Participant and the Company, if the sale of any Common Stock received upon exercise of an Option or SAR following the termination of the Participant's Continuous Service (other than for Cause) would violate the Company's insider trading policy, and the Company does not waive the potential violation of the policy or otherwise permit the sale, or allow the Participant to surrender shares of Common Stock to the Company in satisfaction of any exercise price and/or any withholding obligations under Section 8(g), then the Option or SAR will terminate on the earlier of (i) the expiration of a period of months (that need not be consecutive) equal to the applicable post-termination exercise period after the termination of the Participant's Continuous Service during which the sale of the Common Stock received upon exercise of the Option or SAR would not be in violation of the Company's insider trading policy, or (ii) the expiration of the term of the Option or SAR as set forth in the applicable Award Document.

(i) **Disability of Participant.** Except as otherwise provided in the applicable Award Document or other agreement between the Participant and the Company, if a Participant's Continuous Service terminates as a result of the Participant's Disability, the Participant may exercise his or her Option or SAR (to the extent that the Participant was entitled to exercise such Option or SAR as of the date of termination of Continuous Service), but only within such period of time ending on the earlier of (i) the date twelve (12) months following such termination of Continuous Service, and (ii) the expiration of the term of the Option or SAR as set forth in the applicable Award Document. If, after termination of Continuous Service, the Participant does not exercise his or her Option or SAR within the applicable time frame, the Option or SAR (as applicable) will terminate.

(j) **Death of Participant.** Except as otherwise provided in the applicable Award Document, or other agreement between the Participant and the Company, if (i) a Participant's Continuous Service terminates as a result of the Participant's death, or (ii) the Participant dies within the period (if any) specified in this Plan or the applicable Award Document, or other agreement between the Participant and the Company, for exercisability after the termination of the Participant's Continuous Service (for a reason other than death), then the Option or SAR may be exercised (to the extent the Participant was entitled to exercise such Option or SAR as of the date of death) by the Participant's estate, by a person who acquired the right to exercise the Option or SAR by bequest or inheritance or by a person designated to exercise the Option or SAR upon the Participant's death, but only within the period ending on the earlier of (i) the date thirty-six (36) months following the date of death, and (ii) the expiration of the term of such Option or SAR as set forth in the applicable Award Document. If, after the Participant's death, the Option or SAR is not exercised within the applicable time frame, the Option or SAR will terminate.

(k) **Termination for Cause.** Except as explicitly provided otherwise in a Participant's Award Document or other individual written agreement between the Company or any Subsidiary and the Participant, if a Participant's Continuous Service is terminated for Cause, the Option or SAR will terminate upon the date on which the event giving rise to the termination for Cause first occurred, and the Participant will be prohibited from exercising his or her Option or SAR from and after the date on which the event giving rise to the termination for Cause first occurred (or, if required by law, the date of termination of Continuous Service). If a Participant's Continuous Service is suspended pending an investigation of the existence of Cause, all of the Participant's rights under the Option or SAR will also be suspended during the investigation period.

(l) **No Repricing or Cash Buyout.** Neither an Option nor SAR may be modified to reduce the exercise price thereof nor may a new Option, SAR or other Award at a lower price be substituted or exchanged for a surrendered Option or SAR nor may an outstanding Option or SAR with an exercise price per share that equals or exceeds the Fair Market Value of one share of Common Stock be exchanged or substituted for cash (including a Cash Award) (other than adjustments or substitutions in accordance with Section 9(a) relating to Capitalization Adjustments), unless such action is approved by the stockholders of the Company.

6. PROVISIONS OF STOCK AWARDS OTHER THAN OPTIONS AND SARS.

(a) **Restricted Stock Awards.** Each Restricted Stock Award Document will be in such form and will contain such terms and conditions as the Administrator deems appropriate. To the extent consistent with the Company's bylaws, at the Administrator's election, shares of Common Stock may be (x) held in book entry form subject to the Company's instructions until any restrictions relating to the Restricted Stock Award lapse, or (y) evidenced by a certificate, which certificate will be held in such form and manner as determined by the Administrator. The terms and conditions of Restricted Stock Award Documents may change from time to time, and the terms and conditions of separate Restricted Stock Award Documents need not be identical. Each Restricted Stock Award Document will conform to (through incorporation of the provisions hereof by reference in the agreement or otherwise) the substance of each of the following provisions:

(i) **Consideration.** A Restricted Stock Award may be awarded in consideration for (A) cash, check, bank draft or money order payable to the Company, (B) past services to the Company or a Subsidiary, or (C) any other form of legal consideration (including future services) that may be acceptable to the Administrator, in its sole discretion, and permissible under applicable law.

(ii) **Vesting.** Shares of Common Stock awarded under the Restricted Stock Award Document may be subject to forfeiture to the Company in accordance with a vesting schedule and subject to such conditions as may be determined by the Administrator.

(iii) **Termination of Participant's Continuous Service.** If a Participant's Continuous Service terminates, the Company may receive through a forfeiture condition or a repurchase right, any or all of the shares of Common Stock held by the Participant that have not vested as of the date of termination of Continuous Service under the terms of the Restricted Stock Award Document.

(iv) **Transferability.** Common Stock issued pursuant to an Award, and rights to acquire shares of Common Stock under the Restricted Stock Award Document, will be transferable by the Participant only upon such terms and conditions as are set forth in the Restricted Stock Award Document, as the Administrator determines in its sole discretion, so long as such Common Stock remains subject to the terms of the Restricted Stock Award Document. Notwithstanding the foregoing or anything in this Plan or the Restricted Stock Award Document to the contrary, no Restricted Stock Award may be transferred to any financial institution without prior stockholder approval.

(v) **Dividends.** Any dividends paid on Restricted Stock will be subject to the same vesting and forfeiture restrictions as apply to the shares subject to the Restricted Stock Award to which they relate.

(b) **Restricted Stock Unit Awards.** Each Restricted Stock Unit Award Document will be in such form and will contain such terms and conditions as the Administrator deems appropriate. The terms and conditions of Restricted Stock Unit Award Documents may change from time to time, and the terms and conditions of separate Restricted Stock Unit Award Documents need not be identical. Each Restricted Stock Unit Award Document will conform to (through incorporation of the provisions hereof by reference in the Agreement or otherwise) the substance of each of the following provisions:

(i) Consideration. At the time of grant of a Restricted Stock Unit Award, the Administrator will determine the consideration, if any, to be paid by the Participant upon delivery of each share of Common Stock subject to the Restricted Stock Unit Award. The consideration to be paid (if any) by the Participant for each share of Common Stock subject to a Restricted Stock Unit Award may be paid in any form of legal consideration that may be acceptable to the Administrator, in its sole discretion, and permissible under applicable law.

(ii) Vesting. At the time of the grant of a Restricted Stock Unit Award, the Administrator may impose such restrictions on or conditions to the vesting of the Restricted Stock Unit Award as it, in its sole discretion, deems appropriate.

(iii) Payment. A Restricted Stock Unit Award may be settled by the delivery of shares of Common Stock, their cash equivalent, any combination thereof or in any other form of consideration, as determined by the Administrator and contained in the Restricted Stock Unit Award Document.

(iv) Additional Restrictions. At the time of the grant of a Restricted Stock Unit Award, the Administrator, as it deems appropriate, may impose such restrictions or conditions that delay the delivery of the shares of Common Stock (or their cash equivalent) subject to a Restricted Stock Unit Award to a time after the vesting of such Restricted Stock Unit Award.

(v) Dividend Equivalents. Dividend equivalents may be credited in respect of shares of Common Stock covered by a Restricted Stock Unit Award, as determined by the Administrator and contained in the Restricted Stock Unit Award Document. At the sole discretion of the Administrator, such dividend equivalents may be converted into additional shares of Common Stock covered by the Restricted Stock Unit Award in such manner as determined by the Administrator. Any dividend equivalents and/or additional shares covered by the Restricted Stock Unit Award credited by reason of such dividend equivalents will be subject to all of the same terms and conditions of the underlying Restricted Stock Unit Award Document to which they relate (including the same vesting and forfeiture restrictions).

(vi) Termination of Participant's Continuous Service. Except as otherwise provided in the applicable Restricted Stock Unit Award Document, or other agreement between the Participant and the Company, such portion of the Restricted Stock Unit Award that has not vested will be forfeited upon the Participant's termination of Continuous Service.

(c) **Performance Stock Awards.**

(i) Performance Stock Awards. A Performance Stock Award is a Stock Award (including, but not limited to, in the form of Restricted Stock and Restricted Stock Units) that is payable (including that may be granted, vest or exercised) contingent upon the attainment during a Performance Period of the achievement of certain performance goals. A Performance Stock Award may, but need not, require the completion of a specified period of Continuous Service. The length of any Performance Period, the performance goals to be achieved during the Performance Period, and the measure of whether and to what degree such performance goals have been attained will be conclusively determined by the Committee, the Administrator, or an authorized Officer, in its sole discretion. In addition, to the extent permitted by applicable law and the applicable Award Document, the Administrator may determine that cash may be used in payment of Performance Stock Awards.

(ii) Dividends; Dividend Equivalents. Any dividends paid on a Performance Stock Award in the form of Restricted Stock will be subject to the same vesting and forfeiture restrictions as apply to the shares subject to the Performance Stock Award to which they relate. Dividend equivalents may be credited in respect of shares of Common Stock covered by a Performance Stock Award in the form of Restricted Stock Units, as determined by the Administrator and contained in the Performance Stock Award Document. At the sole discretion of the Administrator, such dividend equivalents may be converted into additional shares of Common Stock covered by such Performance Stock Award in such manner as determined by the Administrator. Any dividend equivalents and/or additional shares covered by such Performance Stock Award credited by reason of such dividend equivalents will be subject to all of the same terms and conditions of the underlying Performance Stock Award Document to which they relate (including the same vesting and forfeiture restrictions).

(iii) Administrator Discretion. The Administrator or an authorized Officer, as the case may be, retains the discretion to define the manner of calculating the performance criteria it selects to use for a Performance Period.

(d) **Cash Awards.** A Cash Award is an award of cash that is granted under this Plan. A Cash Award that may become payable contingent upon the attainment during a Performance Period of the achievement of certain performance goals is a Performance Cash Award. A Cash Award (including a Performance Cash Award) may require the completion of a specified period of Continuous Service. At the time of grant of a Performance Cash Award, the length of any Performance Period, the performance goals to be achieved during the Performance Period, and the measure of whether and to what degree such performance goals have been attained will be conclusively determined by the Committee, the Administrator, or an authorized Officer, in its sole discretion. The Administrator may specify the form of payment of Cash Awards, which may be cash or other property, or may provide for a Participant to have the option for his or her Cash Award, or such portion thereof as the Administrator may specify, to be paid in whole or in part in cash or other property. The Administrator or an authorized Officer, as the case may be, retains the discretion to define the manner of calculating the performance criteria it selects to use for a Performance Period.

(e) **Other Stock-Based Awards.** Other Stock-Based Awards will consist of other types of equity-based or equity-related awards not otherwise described by the terms of this Plan in such amounts and subject to such terms and conditions, as the Administrator or an authorized Officer shall determine. Such Awards may involve the transfer of actual shares of Common Stock, or payment in cash or otherwise of amounts based on the value of Common Stock. Other Stock-Based Awards may include, but not be limited to, dividend equivalent rights granted as a separate award or in connection with another award under this Plan; provided, however, that dividend equivalent rights may not be granted in connection with Options or SARs granted under this Plan. In addition, any dividends and/or dividend equivalents as to the portion of an Award that is subject to unsatisfied vesting requirements will be subject to termination and forfeiture to the same extent as the corresponding portion of the Award to which they relate in the event the applicable vesting requirements are not satisfied.

7. COVENANTS OF THE COMPANY.

(a) **Securities Law Compliance.** The Company will seek to obtain from each regulatory commission or agency having jurisdiction over this Plan such authority as may be required to grant Stock Awards and to issue and sell shares of Common Stock upon exercise of the Stock Awards; provided, however, that this undertaking will not require the Company to register under the Securities Act this Plan, any Stock Award or any Common Stock issued or issuable pursuant to any such Stock Award. If, after reasonable efforts and at a reasonable cost, the Company is unable to obtain from any such regulatory commission or agency the authority that counsel for the Company deems necessary for the lawful issuance and sale of Common Stock under this Plan, the Company will be relieved from any liability for failure to issue and sell Common Stock upon exercise of such Stock Awards unless and until such authority is obtained. A Participant will not be eligible for the grant of an Award or the subsequent issuance of cash or Common Stock pursuant to the Award if such grant or issuance would be in violation of any applicable securities law.

(b) **No Obligation to Notify or Minimize Taxes.** The Company will have no duty or obligation to any Participant to advise such holder as to the time or manner of exercising such Stock Award. Furthermore, the Company will have no duty or obligation to warn or otherwise advise such holder of a pending termination or expiration of an Award or a possible period in which the Award may not be exercised. The Company has no duty or obligation to, and does not undertake to, provide tax advice or to minimize the tax consequences of an Award to the holder of such Award.

8. MISCELLANEOUS.

(a) **Use of Proceeds from Sales of Common Stock.** Proceeds from the sale of shares of Common Stock pursuant to Stock Awards will constitute general funds of the Company.

(b) **Corporate Action Constituting Grant of Awards.** Corporate action constituting a grant by the Company of an Award to any Participant will be deemed completed as of the latest date that all necessary corporate action has occurred and all material terms of the Award (including, in the case of stock options, the exercise price thereof) are fixed, unless otherwise determined by the Administrator, regardless of when the documentation evidencing the Award is communicated to, or actually received or accepted by, the Participant. In the event that the corporate records (e.g., Board or Committee consents, resolutions or minutes) documenting the corporate action constituting the grant contain terms (e.g., exercise price, vesting schedule or number of shares) that are inconsistent with those in the Award Document as a result of a clerical error in the papering of the Award Document, the corporate records will control and the Participant will have no legally binding right to the incorrect term in the Award Document.

(c) **Stockholder Rights.** No Participant will be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Common Stock subject to a Stock Award unless and until (i) such Participant has satisfied all requirements for exercise of, or the issuance of shares of Common Stock under, the Stock Award pursuant to its terms, and (ii) the issuance of the Common Stock subject to such Stock Award has been entered into the books and records of the Company.

(d) **No Employment or Other Service Rights or Rights to Awards.** Nothing in this Plan, any Award Document or any other instrument executed thereunder or in connection with any Award granted pursuant thereto will confer upon any Participant any right to continue to serve the Company or an Affiliate in the capacity in effect at the time the Award was granted or any other capacity or will interfere in any way with the right of the Company or Affiliate to change a Participant's compensation or other benefits, or will affect the right of the Company or an Affiliate to terminate (i) the employment of an Employee with or without notice and with or without cause, including, but not limited to, Cause, (ii) the service of a Consultant pursuant to the terms of such Consultant's agreement with the Company or an Affiliate, or (iii) the service of a Director pursuant to the organizational documents of the Company or an Affiliate (including articles of incorporation and bylaws), and any applicable provisions of the corporate law of the state in which the Company or the Affiliate is incorporated, as the case may be. In addition, no person shall have any claim or rights to be granted an Award (or additional Awards, as the case may be) under this Plan, subject to any express contractual rights (set forth in a document other than this Plan) to the contrary.

(e) **Incentive Stock Option Limitations.** To the extent that the aggregate Fair Market Value (determined at the time of grant) of Common Stock with respect to which Incentive Stock Options are exercisable for the first time by any optionholder during any calendar year (under all plans of the Company and any Affiliates) exceeds USD\$100,000 (or such other limit established in the Code) or otherwise does not comply with the rules governing Incentive Stock Options, the Options or portions thereof that exceed such limit (according to the order in which they were granted) or otherwise do not comply with such rules will be treated as Nonstatutory Stock Options, notwithstanding any contrary provision of the applicable Option Agreement(s).

(f) **Withholding Obligations.** Unless prohibited by the terms of an Award Document, the Company may, in its sole discretion, satisfy any national, state, local or other tax withholding obligation relating to an Award by any of the following means or by a combination of such means: (i) causing the Participant to tender a cash payment; (ii) withholding shares of Common Stock from the shares of Common Stock issued or otherwise issuable to the Participant in connection with the Award (only up to the amount permitted that will not cause an adverse accounting consequence or cost); (iii) withholding cash from an Award settled in cash; (iv) withholding payment from any amounts otherwise payable to the Participant, including proceeds from the sale of shares of Common Stock issued pursuant to a Stock Award; or (v) by such other method as may be set forth in the Award Document.

(g) **Electronic Delivery.** Any reference herein to a "written" agreement or document will include any agreement or document delivered electronically, filed publicly at www.sec.gov (or any successor website thereto), or posted on the Company's intranet (or other shared electronic medium controlled by the Company to which the Participant has access).

(h) **Deferrals.** To the extent permitted by applicable law, the Administrator, in its sole discretion, may determine that the delivery of Common Stock or the payment of cash, upon the exercise, vesting or settlement of all or a portion of any Award may be deferred and may establish programs and procedures for deferral elections to be made by Participants. Deferrals by Participants will be made in accordance with Section 409A of the Code (to the extent applicable to a Participant). Consistent with Section 409A of the Code, the Administrator may provide for distributions while a Participant is still an employee or otherwise providing services to the Company. The Administrator is authorized to make deferrals of Awards and determine when, and in what annual percentages, Participants may receive payments, including lump sum payments, following the Participant's termination of Continuous Service, and implement such other terms and conditions consistent with the provisions of this Plan and in accordance with applicable law.

(i) **Compliance with Section 409A.** Unless otherwise expressly provided for in an Award Document, or other agreement between the Participant and the Company, this Plan and Award Documents will be interpreted to the greatest extent possible in a manner that makes this Plan and the Awards granted hereunder exempt from Section 409A of the Code, to the extent that Section 409A of the Code is applicable to an Award, and, to the extent not so exempt, in compliance with Section 409A of the Code. If the Administrator determines that any Award granted hereunder is subject to Section 409A of the Code, the Award Document evidencing such Award will incorporate the terms and conditions necessary to avoid the consequences specified in Section 409A(a)(1) of the Code, and to the extent an Award Document is silent on terms necessary for compliance, such terms are hereby incorporated by reference into the Award Document. Notwithstanding anything to the contrary in this Plan (and unless the Award Document specifically provides otherwise), if the shares of Common Stock are publicly traded, and if a Participant holding an Award that constitutes "deferred compensation" under Section 409A of the Code is a "specified employee" for purposes of Section 409A of the Code and the Participant is otherwise subject to Section 409A of the Code, no distribution or payment of any amount that is due because of a "separation from service" (as defined in Section 409A of the Code without regard to alternative definitions thereunder) will be issued or paid before the date that is six months following the date of such Participant's "separation from service" or, if earlier, the date of the Participant's death, unless such distribution or payment can be made in a manner that complies with Section 409A of the Code, and any amounts so deferred will be paid in a lump sum on the day after such six month period elapses, with the balance paid thereafter on the original schedule.

(j) **Clawback/Recovery.** All Awards granted under this Plan will be subject to recoupment in accordance with the Company's compensation recovery (clawback) policy or policies then in effect, including, without limitation, the Sandisk Corporation Compensation Recovery (Clawback) Policy. No recovery of compensation under any such policy will be an event giving rise to a right to resign for "good reason" or "constructive termination" (or similar term) under any agreement with the Company or a Subsidiary.

(k) **Plan Not Funded.** Awards payable under this Plan shall be payable in shares or from the general assets of the Company, and no special or separate reserve, fund or deposit shall be made to assure payment of such Awards. No Participant, beneficiary or other person shall have any right, title or interest in any fund or in any specific asset (including shares of Common Stock, except as expressly otherwise provided) of the Company or one of its Subsidiaries by reason of any Award hereunder. Neither the provisions of this Plan (or of any related documents), nor the creation or adoption of this Plan, nor any action taken pursuant to the provisions of this Plan shall create, or be construed to create, a trust of any kind or a fiduciary relationship between the Company or one of its Subsidiaries and any Participant, beneficiary or other person. To the extent that a Participant, beneficiary or other person acquires a right to receive payment pursuant to any Award hereunder, such right shall be no greater than the right of any unsecured general creditor of the Company.

9. ADJUSTMENTS UPON CHANGES IN COMMON STOCK; OTHER CORPORATE EVENTS.

(a) **Capitalization Adjustments.** In the event of a Capitalization Adjustment, the Administrator will appropriately and proportionately adjust: (i) the class(es) and maximum number of securities subject to this Plan pursuant to Section 3(a); (ii) the class(es) and maximum number of securities that may be issued pursuant to the exercise of Incentive Stock Options pursuant to Section 3(c); and (iii) the class(es) and number of securities or other property and value (including price per share of stock) subject to outstanding Stock Awards. The Administrator will make such adjustments, and its determination will be final, binding and conclusive.

(b) **Dissolution or Liquidation.** Except as otherwise provided in the Stock Award Document, or other agreement between the Participant and the Company, in the event of a dissolution or liquidation of the Company, all outstanding Stock Awards (other than Stock Awards consisting of vested and outstanding shares of Common Stock not subject to a forfeiture condition or the Company's right of repurchase) will terminate immediately prior to the completion of such dissolution or liquidation, and the shares of Common Stock subject to the Company's repurchase rights or subject to a forfeiture condition may be repurchased or reacquired by the Company notwithstanding the fact that the holder of such Stock Award is providing Continuous Service; provided, however, that the Administrator may, in its sole discretion, cause some or all Stock Awards to become fully vested, exercisable and/or no longer subject to repurchase or forfeiture (to the extent such Stock Awards have not previously expired or terminated) before the dissolution or liquidation is completed but contingent on its completion.

(c) **Change in Control.** The following provisions will apply to Awards in the event of a Change in Control unless otherwise provided in the instrument evidencing the Award or any other written agreement between the Company or any Subsidiary and the Participant or unless otherwise expressly provided by the Administrator at the time of grant of an Award. In the event of a Change in Control, then, notwithstanding any other provision of this Plan, the Administrator will take one or more of the following actions with respect to each outstanding Award, contingent upon the closing or completion of the Change in Control:

(i) arrange for the surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company) to assume or continue the Award or to substitute a similar award for the Award (including, but not limited to, an award to acquire the same consideration per share paid to the stockholders of the Company pursuant to the Change in Control);

(ii) arrange for the assignment of any reacquisition or repurchase rights held by the Company in respect of Common Stock issued pursuant to the Award to the surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company);

(iii) accelerate the vesting, in whole or in part, of the Award (and, if applicable, the time at which the Award may be exercised) to a date prior to the effective time of such Change in Control as the Administrator will determine (or, if the Administrator will not determine such a date, to the date that is five days prior to the effective date of the Change in Control), with such Award terminating if not exercised (if applicable) at or prior to the effective time of the Change in Control, and with such exercise reversed if the Change in Control does not become effective;

(iv) arrange for the lapse, in whole or in part, of any reacquisition or repurchase rights held by the Company with respect to the Award;

(v) cancel or arrange for the cancellation of the Award, to the extent not vested or not exercised prior to the effective time of the Change in Control, in exchange for such cash consideration, if any, as the Administrator, in its reasonable determination, may consider appropriate as an approximation of the value of the canceled Award, taking into account the value of the Common Stock subject to the canceled Award, the possibility that the Award might not otherwise vest in full, and such other factors as the Administrator deems relevant; and

(vi) cancel or arrange for the cancellation of the Award, to the extent not vested or not exercised prior to the effective time of the Change in Control, in exchange for a payment, in such form as may be determined by the Administrator equal to the excess, if any, of (A) the value in the Change in Control of the property the Participant would have received upon the exercise of the Award immediately prior to the effective time of the Change in Control, over (B) any exercise price payable by such holder in connection with such exercise.

The Administrator need not take the same action or actions with respect to all Awards or portions thereof or with respect to all Participants. The Administrator may take different actions with respect to the vested and unvested portions of an Award.

In the absence of any affirmative determination by the Administrator at the time of a Change in Control, each outstanding Award will be assumed or an equivalent Award will be substituted by such successor corporation or a parent or subsidiary of such successor corporation (the "**Successor Corporation**"), unless the Successor Corporation does not agree to assume the Award or to substitute an equivalent Award, in which case the vesting of such Award will accelerate in its entirety (along with, if applicable, the time at which the Award may be exercised) to a date prior to the effective time of such Change in Control as the Administrator will determine (or, if the Administrator will not determine such a date, to the date that is five days prior to the effective date of the Change in Control), with such Award terminating if not exercised (if applicable) at or prior to the effective time of the Change in Control, and with such exercise reversed if the Change in Control does not become effective; provided, that the holder of a Stock Option or SAR shall be given reasonable advance notice of the impending termination and a reasonable opportunity to exercise his or her outstanding vested Stock Options and SARs (after giving effect to any accelerated vesting required in the circumstances) in accordance with their terms before the termination of such Awards (except that in no case shall more than ten days' notice of the impending termination be required and any acceleration of vesting and any exercise of any portion of an award that is so accelerated may be made contingent upon the actual occurrence of the event).

(d) **Acceleration of Awards upon a Change in Control.** An Award may be subject to additional acceleration of vesting and exercisability upon or after a Change in Control as may be provided in the Award Document for such Award or as may be provided in any other written agreement between the Company or any Subsidiary and the Participant, but in the absence of such provision, no such acceleration will occur.

10. AMENDMENT OF THIS PLAN AND OUTSTANDING AWARDS.

(a) **Amendment to Plan.** The Administrator may amend this Plan in any respect the Administrator deems necessary or advisable, subject to the limitations of applicable law. If required by applicable law or listing requirements, and except as provided in Section 9(a) relating to Capitalization Adjustments, the Company will seek stockholder approval of any amendment of this Plan that (a) materially increases the number of shares of Common Stock available for issuance under this Plan, (b) materially expands the class of individuals eligible to receive Awards under this Plan, (c) materially increases the benefits accruing to Participants under this Plan, (d) materially reduces the price at which shares of Common Stock may be issued or purchased under this Plan, (e) materially extends the term of this Plan, or (f) materially expands the types of Awards available for issuance under this Plan.

(b) **Amendment to Outstanding Awards.** The Administrator may also amend the terms of any one or more outstanding Awards, including, but not limited to, amendments to provide terms more favorable to the Participant than previously provided in the Award Documents for such Awards, subject to any specified limits in this Plan that are not subject to Administrator discretion. A Participant's rights under any Award will not be impaired by any such amendment unless the Company requests the consent of the affected Participant, and the Participant consents in writing. However, a Participant's rights will not be deemed to have been impaired by any such amendment if the Administrator, in its sole discretion, determines that the amendment, taken as a whole, does not materially impair the Participant's rights. Subject to the limitations of applicable law, the Administrator may amend the terms of any one or more Awards without the affected Participant's consent (a) to maintain the qualified status of the Award as an Incentive Stock Option under Section 422 of the Code, (b) to change the terms of an Incentive Stock Option, if such change results in impairment of the Award solely because it impairs the qualified status of the Award as an Incentive Stock Option under Section 422 of the Code, (c) to clarify the manner of exemption from, or to bring the Award into compliance with, Section 409A of the Code, or (d) to comply with other applicable laws or listing requirements.

11. EFFECTIVE DATE OF PLAN; TIMING OF FIRST GRANT OR EXERCISE; TERM; TERMINATION.

(a) **Effective Date; Timing of First Grant or Exercise.** This Plan is effective as of January 25, 2025 (the “**Effective Date**”) and no Award may be granted under this Plan with respect to the Reserved Shares prior to the Effective Date. In addition, no Stock Award may be exercised (or, in the case of a Restricted Stock Award, Restricted Stock Unit Award, or Performance Stock Award, may be granted) and no Cash Award may be settled unless and until this Plan has been approved by the stockholders of the Company, which approval will be within twelve (12) months before or after the Adoption Date.

(b) **Term; Termination.** This Plan shall remain available for the grant of Awards until the 10th anniversary of the Effective Date. Notwithstanding the foregoing, this Plan may be terminated at such earlier time as the Administrator may determine. No Awards may be granted under this Plan after it is terminated. Termination of this Plan will not affect the rights and obligations of the Participants and the Company arising under Awards theretofore granted.

12. CHOICE OF LAW.

The laws of the State of Delaware will govern all questions concerning the construction, validity and interpretation of this Plan, without regard to that state's conflict of laws rules.

13. DEFINITIONS.

As used in this Plan, the following definitions will apply to the capitalized terms indicated below:

(a) **"Adoption Date"** means the date this Plan is originally adopted by the Board.

(b) **"Affiliate"** means, at the time of determination, any "parent" or "subsidiary" of the Company, as such terms are defined in Rule 405 of the Securities Act. The Administrator will have the authority to determine the time or times at which "parent" or "subsidiary" status is determined within the foregoing definition.

(c) **"Award"** means a Stock Award or a Cash Award.

(d) **"Award Document"** means a written agreement between the Company and a Participant, or a written notice issued by the Company to a Participant, evidencing the terms and conditions of an Award.

(e) **"Beneficially Own" or "Beneficial Owner"** (as the context may require) means a "beneficial owner" as defined in Rule 13d-3 of the Exchange Act, except that a person shall also be deemed the beneficial owner of all securities which such person may have a right to acquire, whether or not such right is presently exercisable.

(f) **"Board"** means the Board of Directors of the Company.

(g) **"Business Combination"** means the consummation of any merger, consolidation, reorganization or other extraordinary transaction (or series of related transactions) involving the Company, a sale or other disposition of all or substantially all of the assets of the Company, or the acquisition of assets or stock of another entity by the Company or any of its subsidiaries.

(h) **"Capitalization Adjustment"** means any change that is made in, or other events that occur with respect to, the Common Stock subject to this Plan or subject to any Stock Award after the Adoption Date without the receipt of consideration by the Company through merger, consolidation, reorganization, recapitalization, reincorporation, stock dividend, dividend in property other than cash, large nonrecurring cash dividend, stock split, reverse stock split, liquidating dividend, combination of shares, exchange of shares, change in corporate structure or other similar equity restructuring transaction, as that term is used in Financial Accounting Standards Board Accounting Standards Codification Topic 718 (or any successor thereto). Notwithstanding the foregoing, the conversion of any convertible securities of the Company will not be treated as a Capitalization Adjustment.

(i) **“Cash Award”** means an award of cash granted pursuant to the terms and conditions of Section 6(d).

(j) **“Cause”** means the occurrence or existence of any of the following with respect to a Participant: (i) the Participant’s conviction by, or entry of a plea of guilty or nolo contendere in, a court of competent and final jurisdiction for any crime involving moral turpitude or any felony punishable by imprisonment in the jurisdiction involved; (ii) the Participant’s willful engaging in dishonest or fraudulent actions or omissions; (iii) the Participant’s failure or refusal to perform his or her duties as reasonably required by the Company or any Subsidiary; (iv) negligence, insubordination, violation by the Participant of any duty (of loyalty or otherwise) owed to the Company or any Subsidiary, or any other material misconduct on the part of the Participant; (v) conduct by the Participant which, upon reasonable investigation, is determined by the Company to violate the Company’s or any Subsidiary’s anti-harassment, discrimination or retaliation policies; (vi) conduct endangering, or likely to endanger, the health or safety of another employee; (vii) falsifying or misrepresenting information on the records of the Company or any Subsidiary; (viii) the Participant’s physical destruction or theft of substantial property or assets of the Company or any Subsidiary; or (ix) breach of any policy of, or agreement with, the Company or any Subsidiary applicable to the Participant or to which the Participant is otherwise bound.

(k) **“Change in Control”** means the occurrence, in a single transaction or in a series of related transactions, of any one or more of the following events:

(i) any Person, alone or together with its affiliates and associates, including any group of persons which is deemed a “person” under Section 13(d)(3) of the Exchange Act (other than the Employer or any employee benefit plan (or related trust) of the Employer, or any underwriter in connection with a firm commitment public offering of the Company’s capital stock), becomes the Beneficial Owner of: (i) thirty-three and one-third percent or more of the then Outstanding Company Common Stock; or (ii) securities representing thirty-three and one-third percent or more of the Outstanding Company Voting Securities (in each case above, other than an acquisition in the context of a merger, consolidation, reorganization, asset sale or other extraordinary transaction covered by, and which does not constitute a Change in Control under, clause (iii) below);

(ii) a change, during any period of two consecutive years, of a majority of the Board as constituted as of the beginning of such period, unless the election, or nomination for election by the Company’s stockholders, of each director who was not a director at the beginning of such period was approved by vote of at least two-thirds of the Incumbent Directors then in office;

(iii) a Business Combination, unless, following such Business Combination, (i) all or substantially all of the individuals and entities that were the Beneficial Owners of the Outstanding Company Common Stock and the Outstanding Company Voting Securities immediately prior to such Business Combination Beneficially Own, directly or indirectly, more than 50% of the then-outstanding shares of common stock and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the entity resulting from such Business Combination (including, without limitation, a Parent), (ii) no Person (excluding any entity resulting from such Business Combination or a Parent or any employee benefit plan (or related trust) of the Company or such entity resulting from such Business Combination or Parent, and excluding any underwriter in connection with a firm commitment public offering of the Company's capital stock) Beneficially Owns, directly or indirectly, more than thirty-three and one-third percent of, respectively, the then-outstanding shares of common stock of the entity resulting from such Business Combination or the combined voting power of the then-outstanding voting securities of such entity, and (iii) at least a majority of the members of the board of directors of the entity resulting from such Business Combination or a Parent were Incumbent Directors at the time of execution of the initial agreement or of the action of the Board providing for such Business Combination; or

(iv) the stockholders of the Company approve a plan of complete liquidation or dissolution of the Company (other than in the context of a merger, consolidation, reorganization, asset sale or other extraordinary transaction covered by, and which does not constitute a Change in Control under, clause (iii) above).

Notwithstanding the foregoing definition or any other provision of this Plan, (A) the term Change in Control will not include a sale of assets, merger or other transaction effected exclusively for the purpose of changing the domicile of the Company, and (B) the definition of Change in Control (or any analogous term) in an individual written agreement between the Company or any Subsidiary and the Participant will supersede the foregoing definition with respect to Awards subject to such agreement; provided, however, that if no definition of Change in Control or any analogous term is set forth in such an individual written agreement, the foregoing definition will apply.

If required for compliance with Section 409A of the Code, in no event will a Change in Control be deemed to have occurred if such transaction is not also a "change in the ownership or effective control of" the Company or "a change in the ownership of a substantial portion of the assets of" the Company as determined under U.S. Treasury Regulation Section 1.409A-3(i)(5) (without regard to any alternative definition thereunder). The Administrator may, in its sole discretion and without a Participant's consent, amend the definition of "Change in Control" to conform to the definition of "Change in Control" under Section 409A of the Code, and the regulations thereunder.

(l) "**Code**" means the U.S. Internal Revenue Code of 1986, as amended, including any applicable regulations and guidance thereunder.

(m) "**Committee**" means a committee of one or more Directors to whom authority has been delegated by the Board in accordance with Section 2(d).

(n) "**Compensation Committee**" means the Compensation and Talent Committee of the Board.

(o) "**Common Stock**" means the common stock, \$.01 par value per share, of the Company.

(p) "**Company**" Sandisk Corporation, a Delaware corporation.

(q) **“Consultant”** means any person, including an advisor, who is (i) engaged by the Company or a Subsidiary to render consulting or advisory services and is compensated for such services, or (ii) serving as a member of the board of directors of a Subsidiary and is compensated for such services. However, service solely as a Director, or payment of a fee for such service, will not cause a Director to be considered a “Consultant” for purposes of this Plan. Notwithstanding the foregoing, a person is treated as a Consultant under this Plan only if a Form Registration Statement on Form S-8 or a successor form under the Securities Act is available to register either the offer or the sale of the Company’s securities to such person.

(r) **“Continuous Service”** means that the Participant’s service with the Company or a Subsidiary, whether as an Employee, Director or Consultant, is not interrupted or terminated. Unless the express policy of the Company or any Subsidiary, or the Administrator, otherwise provides, or except as otherwise required by applicable law, a Participant will not be deemed to have terminated Continuous Service in the case of (i) sick leave, (ii) military leave, (iii) transfer from one Affiliate to another Affiliate, or (iv) any other leave of absence authorized by the Company (or Subsidiary) or the Administrator, provided that such leave is for a period of not more than three months (unless the Administrator otherwise provides or reemployment or continued service is guaranteed by contract or law upon the expiration of such leave). In the case of any Participant of the Company or one of its Subsidiaries on an approved leave of absence, continued vesting of an Award while on leave from the service of the Company or one of its Subsidiaries may be suspended until the Participant returns to service, unless the Administrator otherwise provides or applicable law otherwise requires. For purposes of this Plan and any Award, if an entity ceases to be a Subsidiary, a termination of Continuous Service shall be deemed to have occurred with respect to each Participant in respect of such Subsidiary who does not continue as an Employee, Director or Consultant in respect of the Company or another Subsidiary that continues as such after giving effect to the transaction or other event giving rise to the change in status. In addition, if required for exemption from or compliance with Section 409A of the Code, the determination of whether there has been a termination of Continuous Service will be made, and such term will be construed, in a manner that is consistent with the definition of “separation from service” as defined under U.S. Treasury Regulation Section 1.409A-1(h) (without regard to any alternative definition thereunder).

(s) **“Director”** means a member of the Board.

(t) **“Disability”** means, with respect to a Participant, the inability of such Participant to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or that has lasted or can be expected to last for a continuous period of not less than twelve (12) months as provided in Sections 22(e)(3) and 409A(a)(2)(C)(i) of the Code, and will be determined by the Administrator on the basis of such medical evidence as the Administrator deems warranted under the circumstances.

(u) **“Employee”** means any person providing services as an employee of the Company or a Subsidiary. However, service solely as a Director, or payment of a fee for such services, will not cause a Director to be considered an “Employee” for purposes of this Plan.

(v) **“Entity”** means a corporation, partnership, limited liability company or other entity.

(w) **“Exchange Act”** means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

(x) **“Fair Market Value”** means, as of any date, the value of the Common Stock determined as follows:

(i) If the Common Stock is listed on any established stock exchange or traded on any established market, the Fair Market Value of a share of Common Stock as of any date of determination will be, unless otherwise determined by the Administrator, the closing sales price for such stock as quoted on such exchange or market (or the exchange or market with the greatest volume of trading in the Common Stock) on the date of determination, as reported in a source the Administrator deems reliable.

(ii) Unless otherwise provided by the Administrator, if there is no closing sales price for the Common Stock on the date of determination, then the Fair Market Value will be the closing selling price on the last preceding date for which such quotation exists.

(iii) In the absence of such markets for the Common Stock, the Fair Market Value will be determined by the Administrator in good faith and in a manner that complies with Sections 409A and 422 of the Code.

(y) **“Incentive Stock Option”** means an option granted pursuant to Section 5 of this Plan that is intended to be, and that qualifies as, an “incentive stock option” within the meaning of Section 422 of the Code.

(z) **“Incumbent Directors”** means the directors holding office as of the Effective Date and any person becoming a director subsequent to such date whose election, or nomination for election by the Company’s stockholders, is approved by a vote of at least a majority of the Incumbent Directors then in office.

(aa) **“Non-Employee Director”** means a Director who either (i) is not a current employee or officer of the Company or a Subsidiary, does not receive compensation, either directly or indirectly, from the Company or a Subsidiary for services rendered as a consultant or in any capacity other than as a Director (except for an amount as to which disclosure would not be required under Item 404(a) of Regulation S-K promulgated pursuant to the Securities Act (**“Regulation S-K”**)), does not possess an interest in any other transaction for which disclosure would be required under Item 404(a) of Regulation S-K, and is not engaged in a business relationship for which disclosure would be required pursuant to Item 404(b) of Regulation S-K; or (ii) is otherwise considered a “non-employee director” for purposes of Rule 16b-3 of the Exchange Act.

(ab) **“Nonstatutory Stock Option”** means any option granted pursuant to Section 5 of this Plan that does not qualify as an Incentive Stock Option.

(ac) **“Officer”** means a person who is an officer of the Company within the meaning of Section 16 of the Exchange Act.

(ad) **“Option”** means an Incentive Stock Option or a Nonstatutory Stock Option to purchase shares of Common Stock granted pursuant to this Plan.

(ae) **“Option Agreement”** means an Award Document evidencing the terms and conditions of an Option grant. Each Option Agreement will be subject to the terms and conditions of this Plan.

- (af) **“Other Stock-Based Awards”** means an award granted pursuant to the terms and conditions of Section 6(e).
- (ag) **“Outstanding Company Common Stock”** means the outstanding shares of the Company’s common stock.
- (ah) **“Outstanding Company Voting Securities”** means the combined voting power of the Company's then outstanding voting securities.
- (ai) **“Own,” “Owned,” “Owner,” “Ownership”** means a person or Entity will be deemed to “Own,” to have “Owned,” to be the “Owner” of, or to have acquired “Ownership” of securities if such person or Entity, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares voting power, which includes the power to vote or to direct the voting, with respect to such securities.
- (aj) **“Parent”** means an entity that, as a result of a Business Combination, owns the Company or all or substantially all of the Company’s assets directly or through one or more subsidiaries.
- (ak) **“Participant”** means a person to whom an Award is granted pursuant to this Plan or, if applicable, such other person who holds an outstanding Stock Award.
- (al) **“Performance Cash Award”** means an award of cash granted pursuant to the terms and conditions of Section 6(d).
- (am) **“Performance Period”** means the period of time selected by the Administrator over which the attainment of one or more performance goals will be measured for the purpose of determining a Participant’s right to and the payment of a Stock Award or a Performance Cash Award. Performance Periods may be of varying and overlapping duration, at the sole discretion of the Administrator.
- (an) **“Performance Stock Award”** means a Stock Award granted under the terms and conditions of Section 6(c)(i).
- (ao) **“Person”** means a person as defined in Sections 13(d) and 14(d) of the Exchange Act.
- (ap) **“Plan”** means this 2025 Long-Term Incentive Plan of Sandisk Corporation, as amended and restated from time to time.
- (aq) **“Restricted Stock Award”** means an award of shares of Common Stock which is granted pursuant to the terms and conditions of Section 6(a).
- (ar) **“Restricted Stock Award Document”** means an Award Document evidencing the terms and conditions of a Restricted Stock Award grant. Each Restricted Stock Award Document will be subject to the terms and conditions of this Plan.
- (as) **“Restricted Stock Unit Award”** means a right to receive shares of Common Stock which is granted pursuant to the terms and conditions of Section 6(b).
- (at) **“Restricted Stock Unit Award Document”** means an Award Document evidencing the terms and conditions of a Restricted Stock Unit Award grant. Each Restricted Stock Unit Award Document will be subject to the terms and conditions of this Plan.

(au) “**Securities Act**” means the U.S. Securities Act of 1933, as amended.

(av) “**Stock Appreciation Right**” or “**SAR**” means a right to receive the appreciation on Common Stock that is granted pursuant to the terms and conditions of Section 5.

(aw) “**Stock Appreciation Right Award Document**” means an Award Document evidencing the terms and conditions of a Stock Appreciation Right grant. Each Stock Appreciation Right Award Document will be subject to the terms and conditions of this Plan.

(ax) “**Stock Award**” means any right to receive Common Stock granted under this Plan, including an Incentive Stock Option, a Nonstatutory Stock Option, a Restricted Stock Award, a Restricted Stock Unit Award, a Stock Appreciation Right, or a Performance Stock Award.

(ay) “**Stock Award Document**” means an Award Document evidencing the terms and conditions of a Stock Award grant. Each Stock Award Document will be subject to the terms and conditions of this Plan.

(az) “**Subsidiary**” means, with respect to the Company, (i) any corporation of which more than 50% of the outstanding capital stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether, at the time, stock of any other class or classes of such corporation will have or might have voting power by reason of the happening of any contingency) is at the time, directly or indirectly, Owned by the Company, and (ii) any partnership, limited liability company or other entity in which the Company has a direct or indirect interest (whether in the form of voting or participation in profits or capital contribution) of more than 50%.

(ba) “**Substitute Awards**” means (i) Awards granted or Common Stock issued by the Company in assumption of, or in substitution or exchange for, awards previously granted, or the right or obligation to make future awards, by a company acquired by the Company or any Subsidiary or with which the Company or any Subsidiary combines and (ii) the former Western Digital Corporation (“**WDC**”) awards assumed by the Company in connection with the separation of the Company from WDC and pursuant to the Employee Matters Agreement between WDC and the Company, dated February 21, 2025 (the “**Substituted WDC Awards**”).

(bb) “**Ten Percent Stockholder**” means a person who Owns (or is deemed to Own pursuant to Section 424(d) of the Code) stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or any Affiliate.

END OF DOCUMENT

**SANDISK CORPORATION
2025 LONG-TERM INCENTIVE PLAN**

**GRANT NOTICE FOR
EXECUTIVE LAUNCH PERFORMANCE STOCK UNIT AWARD**

FOR GOOD AND VALUABLE CONSIDERATION, Sandisk Corporation (the “**Company**”), hereby grants to the Participant named below the number of Executive Launch Performance Stock Units (the “**PSUs**”) listed below (this “**Award**”) under the Sandisk Corporation 2025 Long-Term Incentive Plan (as amended from time to time, the “**Plan**”). Each PSU represents the right to receive one share of Common Stock, subject to the terms and conditions in this Grant Notice, the Plan and the Standard Terms and Conditions (the “**Standard Terms and Conditions**”) of such Plan, attached as Exhibit A hereto. Capitalized terms not otherwise defined here shall have the meaning set forth in the Plan.

Name of Participant:	
Employee ID	
Grant Date:	
Grant Number	
Target Number of PSUs:	[●]
Vesting Schedule:	The vesting date of the PSUs is February 24, 2028 (the “ Vesting Date ”). Vesting shall be subject to Participant’s Continuous Service from the Grant Date through the Vesting Date, unless provided otherwise under Section 2 of the Standard Terms and Conditions.
Performance Period:	The PSUs shall be eligible to vest based on performance during the three-year Performance Period, which begins on March 3, 2025 (the “ Beginning Date ”) and ends on February 24, 2028. The actual number of PSUs that may become eligible to vest on the Vesting Date is based on the achievement of performance metrics over the Performance Period and may range from 0% to 300% of the Target Number of PSUs, subject to forfeiture as provided in the Standard Terms and Conditions, all as determined in accordance with <u>Exhibit B</u> .

IN CONNECTION WITH THIS GRANT, AND IN ADDITION TO THIS GRANT NOTICE, PARTICIPANT HAS RECEIVED A COPY OF THE PLAN AND THE STANDARD TERMS AND CONDITIONS. PARTICIPANT MAY REJECT THIS AWARD BY NOTIFYING THE COMPANY NO LATER THAN THE FIFTH BUSINESS DAY FOLLOWING RECEIPT OF THIS AWARD DOCUMENT. FAILURE TO REJECT THIS AWARD WITHIN SUCH 5-DAY PERIOD SHALL BE DEEMED ACCEPTANCE OF THIS AWARD AND THE TERMS AND CONDITIONS OF THE AWARD DOCUMENT.

Grant Notice for
Executive Launch Performance Stock Unit Award

EXHIBIT A

Sandisk Corporation 2025 LONG-TERM INCENTIVE PLAN

STANDARD TERMS AND CONDITIONS FOR EXECUTIVE LAUNCH PERFORMANCE STOCK UNITS

These Standard Terms and Conditions apply to this Award of Executive Launch Performance Stock Units granted under the Sandisk Corporation 2025 Long-Term Incentive Plan (the “**Plan**”). The Executive Launch Performance Stock Units are also subject to the terms of the Plan and the attached Grant Notice, which are incorporated here by this reference. Capitalized terms not otherwise defined here shall have the meaning set forth in the Plan.

1. TERMS OF PERFORMANCE STOCK UNITS

Sandisk Corporation (the “**Company**”) has granted to the Participant named in the attached Grant Notice an award of Executive Launch Performance Stock Units (this “**Award**” or the “**PSUs**”) described in the Grant Notice, with each PSU representing the right to receive one share of Common Stock. For purposes of these Standard Terms and Conditions and the Grant Notice, any reference to the Company shall include a reference to any Subsidiary.

2. VESTING AND SETTLEMENT OF PERFORMANCE STOCK UNITS

(a) The Award shall be unvested as of the Grant Date and be forfeitable unless and until otherwise vested pursuant to the terms of the Grant Notice and these Standard Terms and Conditions. After the Grant Date, subject to termination or acceleration as provided in these Standard Terms and Conditions and the Plan, this Award shall become vested as described in the Grant Notice. PSUs that have vested and are no longer subject to forfeiture are referred to as “**Vested PSUs**.” PSUs that are not vested and remain subject to forfeiture are referred to as “**Unvested PSUs**.” No portion of this Award, nor the shares of Common Stock subject to this Award, may be deferred under the Sandisk Corporation Deferred Compensation Plan (or any applicable successor plan) or any other deferred compensation arrangement of the Company.

Following the end of the Performance Period (or at such other times determined by the Administrator), the Administrator shall determine the number of PSUs eligible to vest based on the applicable Stock Price Achievement. Any PSUs (including any related credited dividend equivalents) that do not become eligible to vest shall terminate as of the end of the Performance Period. The PSUs that become eligible to vest based on performance during the Performance Period shall vest on the Vesting Date set forth in the Grant Notice, subject to Continuous Service through such date, except as expressly provided in Section 2(b), 2(c) or 2(d) below. The Company shall deliver to the Participant on the Settlement Date a number of shares of Common Stock equal to the number of Vested PSUs. The Company may, in its sole discretion, settle any PSUs accrued as dividend equivalents by a cash payment equal to the Fair Market Value of a share of Common Stock on the date of payment (as opposed to payment in the form of shares of Common Stock). “**Settlement Date**” means: as soon as practicable following the vesting of the PSUs on the Vesting Date but in no event later than December 31 of the calendar year in which the Vesting Date occurs.

(b) *Termination without Cause under the Executive Severance Plan.* For a Participant who is subject to the terms of the Sandisk Corporation Executive Severance Plan, as applicable (or any applicable successor plan) (the “**Executive Severance Plan**”) at the time of termination of Continuous Service, then upon Participant’s termination of employment by the Company without Cause (as defined in the Executive Severance Plan) under circumstances that would entitle the Participant to severance benefits under the Executive Severance Plan, subject to compliance with the terms of the Executive Severance Plan, then the PSUs will be payable in accordance with the Vesting Schedule set forth in the Grant Notice above, with no acceleration, and vest as follows:

- (i) If the Performance Period has not ended as of the date of termination of Continuous Service, the PSUs (and any credited dividend equivalent rights) will remain outstanding and a pro-rated portion will vest, if at all, based on the actual Stock Price Achievement over the Performance Period, (with the number of shares vesting determined before taking the crediting of (if applicable) dividend equivalent rights into account) with such pro-rated portion equal to a fraction with a numerator equal to the total number of calendar days in the period beginning with the Beginning Date through and including the Participant’s termination of Continuous Service and a denominator equal to the total number of calendar days in the Performance Period.

Any Unvested PSUs that do not vest as described above shall be forfeited as of the date of the Participant’s termination of Continuous Service.

(c) *Termination without Cause or for Good Reason under the Change in Control Severance Plan.* For a Participant who is subject to the terms of the Sandisk Corporation Change in Control Severance Plan, as applicable (or any applicable successor plan) (the “**CIC Severance Plan**”) at the time of termination of Continuous Service, then upon Participant’s termination of employment by the Company without Cause or due to a resignation by Participant for Good Reason (both as defined in the CIC Severance Plan) under circumstances that would entitle the Participant to severance benefits under the CIC Severance Plan, subject to compliance with the terms of the CIC Severance Plan, the PSUs (and any credited dividend equivalents) will be payable upon the Participant’s termination of Continuous Service and vest as follows:

- (i) If the Performance Period has not ended as of the date of the Change in Control, the number of shares of Common Stock that will vest, if at all, shall be based on the actual Stock Price Achievement over the Performance Period through the date of the Change in Control, with such Stock Price Achievement to be determined based on the per-share price paid for the Common Stock in the Change in Control transaction (as determined by the Administrator).

Notwithstanding the foregoing, the Participant must have completed six consecutive months of service following the Grant Date to be eligible for the treatments described in Section 2(b) and (c) above.

(d) *Termination due to Death; Termination due to a Qualifying Retirement.* (1) Upon Participant’s termination of Continuous Service due to death, or (2) upon Participant’s termination of employment due to a Qualifying Retirement (as defined below), the PSUs will be payable in accordance with the Vesting Schedule set forth in the Grant Notice above, with no acceleration, and vest as follows:

(i) If the Performance Period has not ended as of the date of termination of Continuous Service, the PSUs (and any credited dividend equivalent rights) will remain outstanding and a pro-rated portion will vest, if at all, based on the actual Stock Price Achievement over the Performance Period (with the number of shares vesting determined before taking the crediting of (if applicable) dividend equivalent rights into account) with such pro-rated portion equal to a fraction with a numerator equal to the total number of calendar days in the period beginning with the Beginning Date through and including the Participant's termination of Continuous Service and a denominator equal to the total number of calendar days in the Performance Period.

“Qualifying Retirement” means the termination of the Participant's employment with the Company and its Subsidiaries due to his or her retirement from employment with the Company or one of its Subsidiaries after satisfying all of the following requirements at the time of such termination: (i) the Participant is at least 55 years of age, (ii) the Participant has five or more whole years of credited service with the Company and/or any of its Subsidiaries; and (iii) the Participant's age plus years of credited service with the Company and/or any of its Subsidiaries (including only whole years in the case of both age and credited service for purposes of this requirement) totals at least 70.

Any Unvested PSUs that do not vest as described above shall be forfeited as of the date of the Participant's termination of Continuous Service, provided that the Unvested PSUs shall remain eligible to vest in accordance with the Grant Notice and these Standard Terms and Conditions in the event the Participant terminates employment due to a Qualifying Retirement yet continues to provide services to the Company and its Subsidiaries in a capacity other than as an employee. Such continued vesting is subject to the Participant's Continuous Services through the Vesting Date.

(e) *Resignation.* Upon Participant's termination of Continuous Service by the Company due to a resignation by Participant for any reason, other than a Qualifying Retirement or a resignation for Good Reason under circumstances that would entitle the Participant to severance benefits under the CIC Severance Plan, subject to compliance with the terms of the CIC Severance Plan, the PSUs held by the Participant shall be forfeited as of the date of the Participant's termination of Continuous Service.

(f) Upon Participant's termination of Continuous Service by the Company for Cause, the entire Award held by the Participant shall be forfeited as of the date of the Participant's termination of Continuous Service.

(g) *Non-U.S. Eligible Employees Participating in the Executive Severance Plan and Change in Control Severance Plan.* For avoidance of doubt, if Participant is not a U.S. Eligible Employee (as defined in the applicable severance plan), the Participant will only be eligible for the vesting treatment on a termination without Cause as described in Section 2(b) or termination without Cause or resignation for Good Reason as described in Section 2(c) in accordance with the terms of the applicable severance plan, which provides that the administrator of such severance plan will compare any Local Severance Benefits (as defined in the applicable severance plan) with the Plan Severance Benefits (as defined in the applicable severance plan) and if the value of the Local Severance Benefits equals or exceeds the value of the Plan Severance Benefits, the Participant will not be eligible to receive the vesting treatment on a termination without Cause as described in Section 2(b) or termination without Cause or resignation for Good Reason as described in Section 2(c). For the avoidance of doubt, a Participant who is retirement-eligible and receives Local Severance Benefits shall also receive the vesting treatment described in Section 2(d) as though the Participant had experienced a Qualifying Retirement.

3. RIGHTS AS STOCKHOLDER; DIVIDEND EQUIVALENTS

(a) Participant shall not be, nor have any of the rights or privileges of, a stockholder of the Company in respect of any PSUs unless and until shares of Common Stock settled for such PSUs shall have been issued by the Company to Participant.

(b) Notwithstanding Section 3(a), from and after the Grant Date and until the earlier of (i) the Participant's receipt of Common Stock upon settlement of the PSUs and (ii) the time when the Participant's right to receive Common Stock upon settlement of the PSUs is forfeited, the Participant shall be entitled to receive as a dividend equivalent a number of additional PSUs on the date that the Company pays a cash dividend (if any) to Common Stock holders generally. Such dividend equivalent shall be determined by dividing (i) the product of (A) the dollar amount of the cash dividend paid per share of Common Stock on such date and (B) the total number of PSUs (including dividend equivalents accrued thereon) previously credited to the Participant as of such date, by (ii) the Fair Market Value per share of Common Stock on such date. Such dividend equivalents (if any) shall be subject to the same terms and conditions and shall be settled or forfeited in the same manner and at the same time as the PSUs to which the dividend equivalents were credited. Dividend equivalents shall be settled in whole shares of Common Stock with any dividend equivalents accrued in the form of fractional PSUs settled in cash. However, for the avoidance of doubt, the Company may, in its sole discretion, settle any PSUs accrued as dividend equivalents by a cash payment equal to the Fair Market Value of a share of Common Stock on the date of payment (as opposed to payment in the form of shares of Common Stock). For the avoidance of doubt, in no event will any dividend equivalents credited to PSUs be delivered to the Participant unless and until such PSUs vest and settle.

4. RESTRICTIONS ON REALES OF SHARES

The Company may impose such restrictions as it determines appropriate as to the timing and manner of any resales by the Participant or other subsequent transfers by the Participant of any shares of Common Stock issued pursuant to Vested PSUs, including (a) restrictions under an insider trading policy, (b) restrictions designed to delay and/or coordinate the timing and manner of sales by Participant and other holders and (c) restrictions as to the use of a specified brokerage firm for such resales or other transfers.

5. INCOME TAXES

The Participant may satisfy tax withholding obligations relating to the PSUs by any combination of the following: (i) a cash payment; (ii) a Company deduction from any amounts payable to Participant; (iii) Company withholding of shares from the Common Stock issuable to the Participant in connection with the PSUs (only up to the amount permitted that will not cause an adverse accounting consequence); or (iv) Company withholding a payment from the proceeds from the sale of shares of Common Stock issued pursuant to the PSUs. In addition, the Administrator may, in its sole discretion but only to the extent consistent with Section 409A of the Code, reduce the number of PSUs remaining subject to this Award, with each such PSU to have a value for such purpose equal to the then Fair Market Value of a share of Common Stock, to satisfy such withholding obligation at the applicable withholding rates.

6. NONTRANSFERABILITY OF AWARD

The Participant agrees that, except as otherwise provided in the Plan or as permitted by the Administrator, this Award may not be sold, assigned, transferred, pledged or otherwise directly or indirectly encumbered or disposed of other than by will or the laws of descent and distribution or pursuant to the terms of a qualified domestic relations order, official marital settlement agreement or other divorce or separation instrument.

7. OTHER AGREEMENTS SUPERSEDED

The Grant Notice, these Standard Terms and Conditions and the Plan constitute the entire understanding between the Participant and the Company regarding this Award. Any prior agreements, commitments or negotiations concerning this Award are superseded.

8. NO ADDITIONAL RIGHTS

The Participant's receipt of the PSUs does not confer upon the Participant any right to continue to serve the Company or an Affiliate in any capacity and will not affect the right of the Company or an Affiliate to terminate the service of the Participant.

9. GENERAL

(a) In the event that any provision of these Standard Terms and Conditions (including, for the avoidance of doubt, the Plan, which is incorporated here by this reference) is declared to be unenforceable by an arbitrator selected in accordance with Section 11 below or a court of competent jurisdiction, such provision shall be reformed, if possible, to the extent necessary to render it enforceable, or otherwise deleted, and the remainder of these Standard Terms and Conditions shall not be affected except to the extent necessary to reform or delete such unenforceable provision. Furthermore, except as otherwise provided by Section 11, it is the parties' intent that any order striking any portion of this Award Document and/or the Plan should modify the stricken terms as narrowly as possible to give as much effect as possible to the intentions of the parties hereunder.

(b) The headings preceding the text of the sections in these Standard Terms and Conditions are inserted solely for convenience of reference, and shall not constitute a part of these Standard Terms and Conditions, nor shall they affect its meaning, construction or effect. References to any agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof and not prohibited by the Plan or these Standard Terms and Conditions.

(c) These Standard Terms and Conditions shall inure to the benefit of and be binding upon the parties and their respective permitted heirs, beneficiaries, successors and assigns.

(d) These Standard Terms and Conditions shall be interpreted in accordance with and governed by the laws of the State of Delaware, without regard to principles of conflicts of law.

(e) In the event of any conflict between the Grant Notice, these Standard Terms and Conditions and the Plan, the Grant Notice and these Standard Terms and Conditions shall control. In the event of any conflict between the Grant Notice and these Standard Terms and Conditions, the Grant Notice shall control.

(f) The PSUs and any shares of Common Stock acquired under the Plan, and the income and value of the same, are not part of the Participant's normal or expected compensation for any purposes including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, holiday pay, long-service awards, leave-related pay, pension or retirement benefits or payments or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company or the Participant's employer or any Subsidiary.

(g) All questions under the Plan or under these Standard Terms and Conditions shall be decided by the Administrator in its total and absolute discretion.

(h) This Award will be subject to recoupment in accordance with the Company's compensation recovery (clawback) policy or policies then in effect. No recovery of compensation under any such policy will be an event giving rise to a right to resign for "good reason" or "constructive termination" (or similar term) under any agreement with the Company or a Subsidiary.

10. ELECTRONIC DELIVERY

By accepting the Grant Notice, the Participant hereby consents to the delivery of information (including, without limitation, information required to be delivered to the Participant pursuant to applicable securities laws) regarding the Company and the Subsidiaries, the Plan, and the PSUs via Company web site or other electronic delivery.

11. ARBITRATION

Any controversy arising out of or relating to the Grant Notice, these Standard Terms and Conditions, and/or the Plan ("***Covered Claims***"), shall be resolved in accordance with the terms and conditions of the Sandisk Dispute Resolution Agreement (the "***DRA***"), except with respect to any specific performance provided for in Section 13(f) below.

If, however, Participant has opted out of the DRA, any Covered Claims shall be submitted to arbitration pursuant to this Section 11. Unless otherwise agreed to between the Participant and Company, such arbitration shall be held no more than 45 miles from the Company's headquarters. The arbitration will be held before a sole arbitrator selected from Judicial Arbitration and Mediation Services, Inc., or its successor ("**JAMS**"), or if JAMS is no longer able to supply the arbitrator, such arbitrator shall be selected from the American Arbitration Association, and shall be conducted in accordance with the provisions of the Federal Arbitration Act; provided, however, that provisional injunctive relief may, but need not, be sought by either party in a court of law to maintain the status quo while arbitration proceedings are pending, and any provisional injunctive relief granted by such court shall remain effective until the matter is finally determined by the arbitrator. Any such action for provisional injunctive relief shall be subject to the exclusive jurisdiction of the Delaware Chancery Court and each party consents to jurisdiction with respect to any such action in Delaware Chancery Court. To the fullest extent permitted by applicable law, Participant and the Company agree to bring any Covered Claims on an individual basis only, and not on a class, collective, joint, or representative basis. If, however, the preceding sentence be determined invalid or unenforceable by a court of competent jurisdiction and not by an arbitrator with respect to any particular Covered Claim, then that Covered Claim will not proceed in arbitration but rather will be resolved in a court of competent jurisdiction for that Covered Claim only. All other Covered Claims must be resolved in arbitration on an individual basis. Any award or relief granted by the arbitrator shall be final and binding on the Company and the Participant and may be enforced by any court of competent jurisdiction.

The Company shall be responsible for payment of the forum costs of any arbitration hereunder, including the arbitrator's fee. Each party shall bear its own attorney's fees and costs (other than forum costs associated with the arbitration) incurred by it or him or her in connection with the resolution of the dispute. If, however, any party prevails on a statutory claim, which affords the prevailing party attorneys' fees and costs, then the arbitrator may award reasonable fees and costs to the prevailing party. The parties agree that they are hereby waiving any rights to trial by jury in relation to any matter arising out of or in any way connected with any Covered Claim(s).

12. NON-U.S. EMPLOYEES

The Award shall be subject to any additional terms and conditions for non-U.S. employees set forth in Appendix A ("**Appendix A**") and any terms and conditions for the Participant's country set forth in Appendix B ("**Appendix B**"). Moreover, if the Participant relocates to one of the countries included in Appendix B, the terms and conditions for such country will apply to the Participant to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. Appendix A and Appendix B constitute part of the Agreement.

13. ADDITIONAL PARTICIPANT OBLIGATIONS

(a) The Participant, in accepting this Award, (i) agrees to the terms of this Award as set forth in this Award Document generally, and (ii) specifically (and without limiting the generality of clause (i)) agrees to the provisions of this Section 13.

(b) The Participant agrees that during the Restricted Period (as defined below), the Participant will not directly or indirectly solicit, induce or encourage, or attempt to solicit, induce or encourage, any employee or independent contractor of the Company or any of its Subsidiaries to leave the employ or service, as applicable, of the Company or any such Subsidiary, or become employed or engaged by any third party, or in any way interfere with the relationship between the Company or any such Subsidiary, on the one hand, and any employee or independent contractor thereof, on the other hand. This Section 13(b) does not limit any general advertising or job posting not directed at any individual or group of employees of the Company or any of its Subsidiaries. For purposes of this Award Document, “Restricted Period” means the period of time the Participant is employed by or provides services to the Company or one of its Subsidiaries and the period of twenty-four (24) months after the date on which the Participant’s Continuous Service terminates.

(c) The Participant agrees that if the Participant were to become employed by, or substantially involved in, the business of a competitor of the Company or any of its Subsidiaries, it would be very difficult for the Participant not to rely on or use the Company’s and its Subsidiaries’ trade secrets and confidential information. Thus, to avoid the inevitable disclosure of the Company’s and its Subsidiaries’ trade secrets and confidential information, and to protect such trade secrets and confidential information and the Company’s and its Subsidiaries’ relationships and goodwill with customers, during the Restricted Period, the Participant will not directly or indirectly through any other person engage in, enter the employ of, render any services to, have any ownership interest in, nor participate in the financing, operation, management or control of, any Competing Business. For purposes of this Agreement, the phrase “directly or indirectly through any other Person engage in” shall include, without limitation, any direct or indirect ownership or profit participation interest in such enterprise, whether as an owner, stockholder, member, partner, joint venturer or otherwise, and shall include any direct or indirect participation in such enterprise as an employee, consultant, director, officer, advisor, licensor of technology or otherwise. For purposes of this Agreement, “Competing Business” means a person anywhere in the continental United States and elsewhere in the world where the Company or any of its Subsidiaries engages in business, or reasonably anticipates engaging in business, (the “Restricted Area”) that is engaged in design, development, manufacture, maintenance, offering, production or sales of hard disk drives or flash-based memory or other data storage devices or solutions. However, nothing in this Section 13(c) shall prohibit the Participant from being a passive owner of a *de minimis* amount of outstanding stock of any class of a corporation which is publicly traded, so long as such ownership is indirect through a mutual fund, similar passive common investment fund, or a broadly-diversified account managed by an unaffiliated third party.

(d) The Participant acknowledges that, in the course of the Participant’s employment with the Company and/or its Subsidiaries and their predecessors, the Participant has become familiar, or will become familiar, with the Company’s and its Subsidiaries’ and their predecessors’ trade secrets and with other confidential and proprietary information concerning the Company, its Subsidiaries and their respective predecessors and that the Participant’s services have been and will be of special, unique and extraordinary value to the Company and its Subsidiaries. The Participant agrees that the covenants set forth in Sections 13(b) and (c) (together, the “Restrictive Covenants”) are reasonable and necessary to protect the Company’s and its Subsidiaries’ trade secrets and other confidential and proprietary information, good will, stable workforce, and customer relations.

(e) Without limiting the generality of the Participant's agreement in Section 13(d), the Participant (i) represents that the Participant is familiar with and has carefully considered the Restrictive Covenants, (ii) represents that the Participant is fully aware of the Participant's obligations hereunder, (iii) agrees to the reasonableness of the length of time, scope and geographic coverage, as applicable, of the Restrictive Covenants, (iv) agrees that the Company and its Subsidiaries currently conduct business throughout the world, and (v) agrees that the Restrictive Covenants will continue in effect for the applicable periods set forth above in this Section 13 regardless of whether the Participant is then entitled to receive any form of compensation, severance pay or benefits from the Company or any of its Subsidiaries. The Participant understands that the Restrictive Covenants may limit the Participant's ability to earn a livelihood in a business similar to the business of the Company or any of its Subsidiaries, but the Participant nevertheless believes that the Participant has received and will receive sufficient consideration and other benefits as an employee of the Company or one of its Subsidiaries, and as otherwise provided hereunder, to clearly justify such restrictions which, in any event (given the Participant's education, skills and ability), the Participant does not believe would prevent the Participant from otherwise earning a living. The Participant agrees that the Restrictive Covenants do not confer a benefit upon the Company and its Subsidiaries that is disproportionate to the detriment of the Participant.

(f) The Participant agrees that a breach by the Participant of any of the covenants in this Section 13 would cause immediate and irreparable harm to the Company that would be difficult or impossible to measure, and that damages to the Company for any such injury would therefore be an inadequate remedy for any such breach. Therefore, the Participant agrees that in the event of any breach or threatened breach of any provision of this Section 13, the Company (or its applicable Subsidiary, as the case may be) shall be entitled, in addition to and without limitation upon all other remedies the Company (or any of its Subsidiaries) may have under this Award Document, at law or otherwise, to obtain specific performance, injunctive relief and/or other appropriate relief (without posting any bond or deposit) in order to enforce or prevent any violations of the provisions of this Section 13, or require the Participant to account for and pay over to the Company all compensation, profits, moneys, accruals, increments or other benefits derived from or received as a result of any transactions constituting a breach of this Section 13 if and when final judgment of a court of competent jurisdiction or arbitrator, as applicable, is so entered against the Participant. The Participant further agrees that the applicable period of time any Restrictive Covenant is in effect following the date of the Participant's termination of Continuous Service shall be extended by the same amount of time that the Participant is in breach of any Restrictive Covenant following the date on which the Participant's Continuous Service terminates. The Participant further agrees that in the event of any breach of any provision of this Section 13, in addition to and without limitation upon all other remedies the Company (or any of its Subsidiaries) may have under this Award Document, at law or otherwise, this Award (to the extent outstanding at the time of such breach) shall automatically terminate and be forfeited as of the time of such breach.

EXHIBIT B

**EXECUTIVE LAUNCH PERFORMANCE STOCK UNIT AWARD
Performance Measures and Goals**

Sandisk Corporation
Deferred Compensation Plan

Effective January 1, 2025

IMPORTANT NOTE

This document has not been approved by the Department of Labor, Internal Revenue Service, or any other governmental entity. An adopting Employer must determine whether the Plan is subject to the Federal securities laws and the securities laws of the various states. An adopting Employer may not rely on this document to ensure any particular tax consequences or to ensure that the Plan is “unfunded and maintained primarily for the purpose of providing deferred compensation to a select group of management or highly compensated employees” under Title I of the Employee Retirement Income Security Act of 1974, as amended, with respect to the Employer’s particular situation. FMR LLC, its affiliates and employees cannot provide you with legal advice in connection with the execution of this document. This document should be reviewed by the Employer’s attorney prior to execution.

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Preamble

The Plan is intended to be a “plan which is unfunded and is maintained by an employer primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees” within the meaning of Sections 201(2), 301(a)(3) and 401(a)(1) of the Employee Retirement Income Security Act of 1974, as amended, or an “excess benefit plan” within the meaning of Section 3(36) of the Employee Retirement Income Security Act of 1974, as amended, or a combination of both. The Plan is further intended to conform with the requirements of Internal Revenue Code Section 409A and the final regulations issued thereunder and shall be interpreted, implemented, and administered in a manner consistent therewith.

Article 1 - General

1.1. Plan

The Plan will be referred to by the name specified in the Adoption Agreement.

1.2. Effective Dates

- (a) Original Effective Date. The Original Effective Date is the date as of which the Plan was initially adopted.
- (b) Amendment Effective Date. The Amendment Effective Date is the date specified in the Adoption Agreement as of which the Plan is amended and restated. Except as otherwise provided in the Adoption Agreement, all amounts deferred under the Plan prior to the Amendment Effective Date shall be governed by the terms of the Plan as in effect on the day before the Amendment Effective Date.
- (c) Special Effective Date. A Special Effective Date may apply to any given provision if so specified in Appendix A of the Adoption Agreement. A Special Effective Date will control over the Original Effective Date or Amendment Effective Date, whichever is applicable, with respect to such provision of the Plan.

1.3. Amounts Not Subject to Code Section 409A

Except as otherwise indicated by the Plan Sponsor in Section 1.01 of the Adoption Agreement, amounts deferred before January 1, 2005 that are earned and vested on December 31, 2004 will be separately accounted for and administered in accordance with the terms of the Plan as in effect on December 31, 2004.

Article 2 - Definitions

Wherever used herein, the following terms have the meanings set forth below, unless a different meaning is clearly required by the context:

2.1. Account

“Account” means an account and any subaccounts established for the purpose of recording amounts credited on behalf of a Participant and any earnings, expenses, gains, losses, or distributions included thereon. The Account shall be a bookkeeping entry only and shall be utilized solely as a device for the measurement and determination of the amounts to be paid to a Participant or to the Participant’s Beneficiary pursuant to the Plan.

2.2. Administrator

“Administrator” means the person or persons designated by the Plan Sponsor in Section 1.05 of the Adoption Agreement to be responsible for the administration of the Plan. If no Administrator is designated in the Adoption Agreement, the Administrator is the Plan Sponsor.

2.3. Adoption Agreement

“Adoption Agreement” means the agreement adopted by the Plan Sponsor that establishes the Plan.

2.4. Beneficiary

“Beneficiary” means the persons, trusts, estates, or other entities entitled under Section 8.2 to receive benefits under the Plan upon the death of a Participant.

2.5. Board or Board of Directors

“Board” or “Board of Directors” means the Board of Directors of the Plan Sponsor.

2.6. Bonus

“Bonus” means an amount of incentive remuneration payable by the Employer to a Participant.

2.7. Change in Control

“Change in Control” means the occurrence of an event involving the Plan Sponsor that is described in Section 9.7.

2.8. Code

“Code” means the Internal Revenue Code of 1986, as amended.

2.9. Compensation

“Compensation” has the meaning specified in Section 3.01 of the Adoption Agreement.

2.10. Director

“Director” means a non-employee member of the Board who has been designated by the Employer as eligible to participate in the Plan.

2.11. Disability

“Disability” means that a Participant is disabled as defined in Section 6.01(i) of the Adoption Agreement.

2.12. Eligible Employee

“Eligible Employee” means an employee of the Employer who satisfies the requirements in Section 2.01 of the Adoption Agreement.

2.13. Employer

“Employer” means the Plan Sponsor and any other Related Employer that is listed in Section 1.04 of the Adoption Agreement and which is authorized by the Plan Sponsor to participate in and, in fact, does adopt the Plan.

2.14. ERISA

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

2.15. Identification Date

“Identification Date” means the date as of which Key Employees are determined which is specified in Section 1.06 of the Adoption Agreement.

2.16. Key Employee

“Key Employee” means an employee who satisfies the conditions set forth in Section 9.6.

2.17. Participant

“Participant” means an Eligible Employee or Director who commences participation in the Plan in accordance with Article 3.

2.18. Plan

“Plan” means the unfunded plan of deferred compensation set forth herein, including the Adoption Agreement and any trust agreement, as adopted by the Plan Sponsor, and as amended from time to time.

2.19. Plan Sponsor

“Plan Sponsor” means the entity identified in Section 1.03 of the Adoption Agreement or any successor by merger, consolidation or otherwise.

2.20. Plan Year

“Plan Year” means the period identified in Section 1.02 of the Adoption Agreement.

2.21. Related Employer

“Related Employer” means the Plan Sponsor and (a) any corporation that is a member of a controlled group of corporations as defined in Code Section 414(b) that includes the Plan Sponsor and (b) any trade or business that is under common control as defined in Code Section 414(c) that includes the Plan Sponsor.

2.22. Retirement

“Retirement” has the meaning specified in 6.01(f) of the Adoption Agreement.

2.23. Separation from Service

“Separation from Service” means the date that the Participant dies, retires, or otherwise has a termination of employment with respect to all entities comprising the Related Employer. A Separation from Service does not occur if the Participant is on military leave, sick leave or other bona fide leave of absence if the period of leave does not exceed six months or such longer period during which the Participant’s right to re-employment is provided by statute or contract. If the period of leave exceeds six months and the Participant’s right to re-employment is not provided either by statute or contract, a Separation from Service will be deemed to have occurred on the first day following the six-month period. If the period of leave is due to any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than six months, where the impairment causes the Participant to be unable to perform the duties of his or her position of employment or any substantially similar position of employment, a 29 month period of absence may be substituted for the six month period.

Whether a termination of employment has occurred is based on whether the facts and circumstances indicate that the Related Employer and the Participant reasonably anticipated that no further services would be performed after a certain date or that the level of bona fide services the Participant would perform after such date (whether as an employee or as an independent contractor) would permanently decrease to no more than 20 percent of the average level of bona fide services performed (whether as an employee or an independent contractor) over the immediately preceding 36 month period (or the full period of services to the Related Employer if the employee has been providing services to the Related Employer for less than 36 months).

An independent contractor is considered to have experienced a Separation from Service with the Related Employer upon the expiration of the contract (or, in the case of more than one contract, all contracts) under which services are performed for the Related Employer if the expiration constitutes a good-faith and complete termination of the contractual relationship.

If a Participant provides services as both an employee and an independent contractor of the Related Employer, the Participant must separate from service both as an employee and as an independent contractor to be treated as having incurred a Separation from Service. If a Participant ceases providing services as an independent contractor and begins providing services as an employee, or ceases providing services as an employee and begins providing services as an independent contractor, the Participant will not be considered to have experienced a Separation from Service until the Participant has ceased providing services in both capacities.

If a Participant provides services both as an employee and as a member of the Board of Directors of a corporate Related Employer (or an analogous position with respect to a noncorporate Related Employer), the services provided as a Director are not taken into account in determining whether the Participant has incurred a Separation from Service as an employee for purposes of a nonqualified deferred compensation plan in which the Participant participates as an employee that is not aggregated under Code Section 409A with any plan in which the Participant participates as a Director.

If a Participant provides services both as an employee and as a member of the Board of Directors of a corporate related Employer (or an analogous position with respect to a noncorporate Related Employer), the services provided as an employee are not taken into account in determining whether the Participant has experienced a Separation from Service as a Director for purposes of a nonqualified deferred compensation plan in which the Participant participates as a Director that is not aggregated under Code Section 409A with any plan in which the Participant participates as an employee.

All determinations of whether a Separation from Service has occurred will be made in a manner consistent with Code Section 409A and the final regulations thereunder.

2.24. Unforeseeable Emergency

“Unforeseeable Emergency” means a severe financial hardship of the Participant resulting from an illness or accident of the Participant, the Participant’s spouse, the Participant’s Beneficiary, or the Participant’s dependent (as defined in Code Section 152, without regard to Code section 152(b)(1), (b)(2) and (d)(1)(B); loss of the Participant’s property due to casualty; or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant.

2.25. Valuation Date

“Valuation Date” means each business day of the Plan Year that the New York Stock Exchange is open.

2.26. Years of Service

“Years of Service” means each one-year period for which the Participant receives service credit in accordance with the provisions of Section 7.01(d) of the Adoption Agreement.

Article 3 - Participation

3.1. Participation

The Participants in the Plan shall be those Eligible Employees and Directors of the Employer who satisfy the requirements of Section 2.01 of the Adoption Agreement.

3.2. Termination of Participation

The Administrator may terminate a Participant's participation in the Plan in a manner consistent with Code Section 409A. If the Employer terminates a Participant's participation before the Participant experiences a Separation from Service, the Participant's vested Accounts shall be paid in accordance with the provisions of Article 9.

Article 4 - Participant Elections

4.1. *Deferral Agreement*

If permitted by the Plan Sponsor in accordance with Section 4.01 of the Adoption Agreement, each Eligible Employee and Director may elect to defer his or her Compensation within the meaning of Section 3.01 of the Adoption Agreement by executing in writing or electronically, a deferral agreement in accordance with rules and procedures established by the Administrator and the provisions of this Article 4.

A new deferral agreement must be timely executed for each Plan Year during which the Eligible Employee or Director desires to defer Compensation. An Eligible Employee or Director who does not timely execute a deferral agreement shall be deemed to have elected zero deferrals of Compensation for such Plan Year.

A deferral agreement may be changed or revoked during the period specified by the Administrator. Except as provided in Section 9.3, a deferral agreement becomes irrevocable at the close of the specified period.

4.2. *Amount of Deferral*

An Eligible Employee or Director may elect to defer Compensation in any amount permitted by Section 4.01(a) of the Adoption Agreement.

4.3. *Timing of Election to Defer*

Each Eligible Employee or Director who desires to defer Compensation otherwise payable during a Plan Year must execute a deferral agreement within the period preceding the Plan Year specified by the Administrator. Each Eligible Employee who desires to defer Compensation that is a Bonus must execute a deferral agreement within the period preceding the Plan Year during which the Bonus is earned that is specified by the Administrator, except that if the Bonus can be treated as performance based compensation as described in Code Section 409A(a)(4)(B)(iii), the deferral agreement may be executed within the period specified by the Administrator, which period, in no event, shall end after the date which is six months prior to the end of the period during which the Bonus is earned, provided the Participant has performed services continuously from the later of the beginning of the performance period or the date the performance criteria are established through the date the Participant executed the deferral agreement and provided further that the compensation has not yet become 'readily ascertainable' within the meaning of Treas. Reg. § 1.409A-2(a)(8). In addition, if the Compensation qualifies as 'fiscal year compensation' within the meaning of Treas. Reg. § 1.409A-2(a)(6), the deferral agreement may be made not later than the end of the Employer's taxable year immediately preceding the first taxable year of the Employer in which any services are performed for which such Compensation is payable.

Except as otherwise provided below, an employee who is classified or designated as an Eligible Employee during a Plan Year or a Director who is designated as eligible to participate during a Plan Year may elect to defer Compensation otherwise payable during the remainder of such Plan Year in accordance with the rules of this Section 4.3 by executing a deferral agreement within the thirty (30) day period beginning on the date the employee is classified or designated as an Eligible Employee or the date the Director is designated as eligible, whichever is applicable, if permitted by Section 4.01(b)(ii) of the Adoption Agreement. If Compensation is based on a specified performance period that begins before the Eligible Employee or Director executes his or her deferral agreement, the election will be deemed to apply to the portion of such Compensation equal to the total amount of Compensation for the performance period multiplied by the ratio of the number of days remaining in the performance period after the election becomes irrevocable and effective over the total number of days in the performance period. The rules of this paragraph shall not apply unless the Eligible Employee or Director can be treated as initially eligible in accordance with Treas. Reg. § 1.409A-2(a)(7).

4.4. Election of Payment Schedule and Form of Payment

All elections of a payment schedule and a form of payment will be made in accordance with rules and procedures established by the Administrator and the provisions of this Section 4.4.

- (a) If the Plan Sponsor has elected to permit annual distribution elections in accordance with Section 6.01(h) of the Adoption Agreement the following rules apply. At the time an Eligible Employee or Director completes a deferral agreement, the Eligible Employee or Director must elect a distribution event (which includes a specified time) and a form of payment for the Compensation subject to the deferral agreement from among the options the Plan Sponsor has made available for this purpose and which are specified in 6.01(b) of the Adoption Agreement. Prior to the time required by Treas. Reg. § 1.409A-2, the Eligible Employee or Director shall elect a distribution event (which includes a specified time) and a form of payment for any Employer contributions that may be credited to the Participant's Account during the Plan Year. If an Eligible Employee or Director fails to elect a distribution event, he or she shall be deemed to have elected Separation from Service as the distribution event. If he or she fails to elect a form of payment, he or she shall be deemed to have elected a lump sum form of payment.
- (b) If the Plan Sponsor has elected not to permit annual distribution elections in accordance with Section 6.01(h) of the Adoption Agreement the following rules apply. At the time an Eligible Employee or Director first completes a deferral agreement but in no event later than the time required by Treas. Reg. § 1.409A-2, the Eligible Employee or Director must elect a distribution event (which includes a specified time) and a form of payment for amounts credited to his or her Account from among the options the Plan Sponsor has made available for this purpose and which are specified in Section 6.01(b) of the Adoption Agreement. If an Eligible Employee or Director fails to elect a distribution event, he or she shall be deemed to have elected Separation from Service in the distribution event. If the Participant fails to elect a form of payment, he or she shall be deemed to have elected a lump sum form of payment.

Article 5 - Employer Contributions

5.1. Matching Contributions

If elected by the Plan Sponsor in Section 5.01(a) of the Adoption Agreement, the Employer will credit the Participant's Account with a matching contribution determined in accordance with the formula specified in Section 5.01(a) of the Adoption Agreement. The matching contribution will be treated as allocated to the Participant's Account at the time specified in Section 5.01(a)(iii) of the Adoption Agreement.

5.2. Other Contributions

If elected by the Plan Sponsor in Section 5.01(b) of the Adoption Agreement, the Employer will credit the Participant's Account with a contribution or contributions determined in accordance with the formula or method specified in Section 5.01(b) of the Adoption Agreement. These contributions will be treated as allocated to the Participant's Account at the time specified in Section 5.01(b)(iii) of the Adoption Agreement.

Article 6 - Accounts and Credits

6.1. Establishment of Account

For accounting and computational purposes only, the Administrator will establish and maintain an Account on behalf of each Participant which will reflect the credits made pursuant to Section 6.2, distributions or withdrawals, along with the earnings, expenses, gains and losses allocated thereto, attributable to the hypothetical investments made with the amounts in the Account as provided in Article 7. The Administrator may establish and maintain such other records and accounts, as it decides in its discretion to be reasonably required or appropriate to discharge its duties under the Plan.

6.2. Credits to Account

A Participant's Account will be credited for each Plan Year with the amount of his or her elective deferrals under Section 4.1 at the time the amount subject to the deferral election would otherwise have been payable to the Participant and the amount of Employer contributions, if any, treated as allocated on his or her behalf under Article 5.

Article 7 - Investment of Contributions

7.1. Investment Options

The amount credited to each Account shall be treated as invested in the investment options designated for this purpose by the Administrator.

7.2. Adjustment of Accounts

The amount credited to each Account shall be adjusted for hypothetical investment earnings, expenses, gains or losses in an amount equal to the earnings, expenses, gains or losses attributable to the investment options selected by the party designated in Section 9.01 of the Adoption Agreement from among the investment options provided in Section 7.1. If permitted by Section 9.01 of the Adoption Agreement, a Participant (or the Participant's Beneficiary after the death of the Participant) may, in accordance with rules and procedures established by the Administrator, select the investments from among the options provided in Section 7.1 to be used for the purpose of calculating future hypothetical investment adjustments to the Account or to future credits to the Account under Section 6.2 effective as of the Valuation Date coincident with or next following notice to the Administrator. Each Account shall be adjusted as of each Valuation Date to reflect: (a) the hypothetical earnings, expenses, gains, and losses described above; (b) amounts credited pursuant to Section 6.2; and (c) distributions or withdrawals. In addition, each Account may be adjusted for its allocable share of the hypothetical costs and expenses associated with the maintenance of the hypothetical investments provided in Section 7.1.

Article 8 - Right to Benefits

8.1. *Vesting*

A Participant, at all times, has a 100% nonforfeitable interest in the amounts credited to his or her Account attributable to his or her elective deferrals made in accordance with Section 4.1.

A Participant's right to the amounts credited to his or her Account attributable to Employer contributions made in accordance with Article 5 shall be determined in accordance with the relevant schedule and provisions in Section 7.01 of the Adoption Agreement. Upon a Separation from Service and after application of the provisions of Section 7.01 of the Adoption Agreement, the Participant shall forfeit the nonvested portion of his or her Account.

8.2. *Death*

The Plan Sponsor may elect to accelerate vesting upon the death of the Participant in accordance with Section 7.01(c) of the Adoption Agreement and/or to accelerate distributions upon death in accordance with Section 6.01(b) or Section 6.01(d) of the Adoption Agreement. If the Plan Sponsor does not elect to accelerate distributions upon death in accordance with Section 6.01(b) or Section 6.01(d) of the Adoption Agreement, the vested amount credited to the Participant's Account will be paid in accordance with the provisions of Article 9.

A Participant may designate a Beneficiary or Beneficiaries, or change any prior designation of Beneficiary or Beneficiaries in accordance with rules and procedures established by the Administrator. Whenever a Participant designates a new Beneficiary, all former Beneficiary designations by such Participant shall be revoked automatically. If a Participant and the Participant's spouse divorce, any designations of the spouse as Beneficiary shall become null and void. The former spouse shall be treated as the Beneficiary under the Plan only if after the divorce is final, the Participant expressly re-designates the former spouse as the Participant's Beneficiary.

A copy of the death notice or other sufficient documentation must be filed with and approved by the Administrator. If upon the death of the Participant there is, in the opinion of the Administrator, no designated Beneficiary for part or all of the Participant's vested Account, such amount will be paid to his or her estate (such estate shall be deemed to be the Beneficiary for purposes of the Plan) in accordance with the provisions of Article 9.

8.3. *Disability*

If the Plan Sponsor has elected to accelerate vesting upon the occurrence of a Disability in accordance with Section 7.01(c) of the Adoption Agreement and/or to permit distributions upon Disability in accordance with Section 6.01(b) or Section 6.01(d) of the Adoption Agreement, the determination of whether a Participant has incurred a Disability shall be based on the definition of Disability in Section 6.01(i) of the Adoption Agreement and in a manner consistent with the requirements of Code Section 409A.

Article 9 - Distribution of Benefits

9.1. *Amount of Benefits*

The vested amount credited to a Participant's Account as determined under Articles 6, 7 and 8 shall determine and constitute the basis for the value of benefits payable to the Participant under the Plan.

9.2. *Method and Timing of Distributions*

Except as otherwise provided in this Article 9, distributions under the Plan shall be made in accordance with the elections made or deemed made by the Participant under Article 4. Subject to the provisions of Section 9.6 requiring a six-month delay for certain distributions to Key Employees, distributions following a payment event shall commence at the time specified in Section 6.01(a) of the Adoption Agreement. If permitted by Section 6.01(g) of the Adoption Agreement, a Participant may elect, at least twelve months before a scheduled distribution event, to delay the payment date for a minimum period of sixty months from the originally scheduled date of payment, provided the election does not take effect for at least twelve months from the date on which the election is made. The distribution election change must be made in accordance with procedures and rules established by the Administrator. The Participant may, at the same time the date of payment is deferred, change the form of payment but such change in the form of payment may not effect an acceleration of payment in violation of Code Section 409A or the provisions of Treas. Reg. § 1.409A-2(b). For purposes of this Section 9.2, a series of installment payments is always treated as a single payment and not as a series of separate payments.

9.3. *Unforeseeable Emergency*

A Participant may request a distribution due to an Unforeseeable Emergency if the Plan Sponsor has elected to permit Unforeseeable Emergency withdrawals under Section 8.01(a) of the Adoption Agreement. The request must be in writing and must be submitted to the Administrator along with evidence that the circumstances constitute an Unforeseeable Emergency. The Administrator has the discretion to require whatever evidence it deems necessary to determine whether a distribution is warranted, and may require the Participant to certify that the need cannot be met from other sources reasonably available to the Participant. Whether a Participant has incurred an Unforeseeable Emergency will be determined by the Administrator on the basis of the relevant facts and circumstances in its sole discretion, but, in no event, will an Unforeseeable Emergency be deemed to exist if the hardship can be relieved: (a) through reimbursement or compensation by insurance or otherwise, (b) by liquidation of the Participant's assets to the extent such liquidation would not itself cause severe financial hardship, or (c) by cessation of deferrals under the Plan. A distribution due to an Unforeseeable Emergency must be limited to the amount reasonably necessary to satisfy the emergency need and may include any amounts necessary to pay any federal, state, foreign or local income taxes and penalties reasonably anticipated to result from the distribution. The distribution will be made in the form of a single lump sum cash payment. If permitted by Section 8.01(b) of the Adoption Agreement, a Participant's deferral elections for the remainder of the Plan Year will be cancelled upon a withdrawal due to an Unforeseeable Emergency. If the payment of all or any portion of the Participant's vested Account is being delayed in accordance with Section 9.6 at the time he or she experiences an Unforeseeable Emergency, the amount being delayed shall not be subject to the provisions of this Section 9.3 until the expiration of the six month period of delay required by section 9.6.

9.4. *Payment Election Overrides*

If the Plan Sponsor has elected one or more payment election overrides in accordance with Section 6.01(d) of the Adoption Agreement, the following provisions apply. Upon the occurrence of the first event selected by the Plan Sponsor, the remaining vested amount credited to the Participant's Account shall be paid in the form designated to the Participant or his or her Beneficiary regardless of whether the Participant had made different elections of time and/or form of payment or whether the Participant was receiving installment payments at the time of the event.

9.5. *Cashouts of Amounts Not Exceeding Stated Limit*

If the vested amount credited to the Participant's Account does not exceed the limit established for this purpose by the Plan Sponsor in Section 6.01(e) of the Adoption Agreement at the time he or she incurs a Separation from Service for any reason, the Employer shall distribute such amount to the Participant at the time specified in Section 6.01(a) of the Adoption Agreement in a single lump sum cash payment following such Separation from Service regardless of whether the Participant had made different elections of time or form of payment as to the vested amount credited to his or her Account or whether the Participant was receiving installments at the time of such termination. A Participant's Account, for purposes of this Section 9.5, shall include any amounts described in Section 1.3.

9.6. *Required Delay in Payment to Key Employees*

Except as otherwise provided in this Section 9.6, a distribution made on account of Separation from Service (or Retirement, if applicable) to a Participant who is a Key Employee as of the date of his or her Separation from Service (or Retirement, if applicable) shall not be made before the date which is six months after the Separation from Service (or Retirement, if applicable).

- (a) A Participant is treated as a Key Employee if: (i) he or she is employed by a Related Employer any of whose stock is publicly traded on an established securities market, and (ii) he or she satisfies the requirements of Code Section 416(i)(1)(A)(i), (ii) or (iii), determined without regard to Code Section 416(i)(5), at any time during the twelve month period ending on the Identification Date.
- (b) A Participant who is a Key Employee on an Identification Date shall be treated as a Key Employee for purposes of the six month delay in distributions for the twelve month period beginning on the first day of a month no later than the fourth month following the Identification Date. The Identification Date and the effective date of the delay in distributions shall be determined in accordance with Section 1.06 of the Adoption Agreement.

- (c) The Plan Sponsor may elect to apply an alternative method to identify Participants who will be treated as Key Employees for purposes of the six month delay in distributions if the method satisfies each of the following requirements: (i) is reasonably designed to include all Key Employees, (ii) is an objectively determinable standard providing no direct or indirect election to any Participant regarding its application, and (iii) results in either all Key Employees or no more than 200 Key Employees being identified in the class as of any date. Use of an alternative method that satisfies the requirements of this Section 9.6(c) will not be treated as a change in the time and form of payment for purposes of Treas. Reg. § 1.409A-2(b).
- (d) The six-month delay does not apply to payments described in Section 9.9(a), (b) or (d) or to payments that occur after the death of the Participant. If the payment of all or any portion of the Participant's vested Account is being delayed in accordance with this Section 9.6 at the time he or she incurs a Disability which would otherwise require a distribution under the terms of the Plan, no amount shall be paid until the expiration of the six month period of delay required by this Section 9.6.

9.7. *Change in Control*

Administration Upon Change in Control. Upon a Change in Control, the Committee, as constituted immediately prior to such Change in Control, shall continue to act as the Committee. The individual who was the Chief Executive Officer of the Company (or if such person is unable or unwilling to act, the next highest ranking officer) prior to the Change in Control shall have the authority (but shall not be obligated) to appoint an independent third party to act as the Committee.

Upon such Change in Control, the Company may not remove the Committee, unless 2/3rds of the members of the Board of Directors of the Company and a majority of Participants and Beneficiaries with Account Balances consent to the removal and replacement of the Committee. Notwithstanding the foregoing, upon or after a Change in Control, neither the Committee nor the officer described above shall have authority to direct investment of trust assets under any rabbi trust described in Article 11 (which authority shall be exercised by the trustee of any such trust in accordance with the terms of the trust agreement).

The Participating Employer shall, with respect to the Committee identified under this Section: (i) pay all reasonable expenses and fees of the Committee, (ii) indemnify the Committee (including individuals serving as Committee members) against any costs, expenses and liabilities including, without limitation, attorneys' fees and expenses arising in connection with the performance of the Committee's duties hereunder, except with respect to matters resulting from the Committee's gross negligence or willful misconduct, and (iii) supply full and timely information to the Committee on all matters related to the Plan, any trust, Participants, Beneficiaries and Accounts as the Committee may reasonably require.

If the Plan Sponsor has elected to permit distributions upon a Change in Control, the following provisions shall apply. A distribution made upon a Change in Control will be made at the time specified in Section 6.01(a) of the Adoption Agreement in the form elected by the Participant in accordance with the procedures described in Article 4. Alternatively, if the Plan Sponsor has elected in accordance with Section 11.02 of the Adoption Agreement to require distributions upon a Change in Control, the Participant's remaining vested Account shall be paid to the Participant or the Participant's Beneficiary at the time specified in Section 6.01(a) of the Adoption Agreement as a single lump sum payment. A Change in Control, for purposes of the Plan, will occur upon a change in the ownership of the Plan Sponsor, a change in the effective control of the Plan Sponsor or a change in the ownership of a substantial portion of the assets of the Plan Sponsor, but only if elected by the Plan Sponsor in Section 11.03 of the Adoption Agreement. The Plan Sponsor, for this purpose, includes any corporation identified in this Section 9.7. All distributions made in accordance with this Section 9.7 are subject to the provisions of Section 9.6.

If a Participant continues to make deferrals in accordance with Article 4 after he or she has received a distribution due to a Change in Control, the residual amount payable to the Participant shall be paid at the time and in the form specified in the elections he or she makes in accordance with Article 4 or upon his or her death or Disability as provided in Article 8.

Whether a Change in Control has occurred will be determined by the Administrator in accordance with the rules and definitions set forth in this Section 9.7. A distribution to the Participant will be treated as occurring upon a Change in Control if the Plan Sponsor terminates the Plan in accordance with Section 10.2 and distributes the Participant's benefits within twelve months of a Change in Control as provided in Section 10.3.

- (a) Relevant Corporations. To constitute a Change in Control for purposes of the Plan, the event must relate to: (i) the corporation for whom the Participant is performing services at the time of the Change in Control, (ii) the corporation that is liable for the payment of the Participant's benefits under the Plan (or all corporations liable if more than one corporation is liable) but only if either the deferred compensation is attributable to the performance of services by the Participant for such corporation (or corporations) or there is a bona fide business purpose for such corporation (or corporations) to be liable for such payment and, in either case, no significant purpose of making such corporation (or corporations) liable for such payment is the avoidance of federal income tax, or (iii) a corporation that is a majority shareholder of a corporation identified in (i) or (ii), or any corporation in a chain of corporations in which each corporation is a majority shareholder of another corporation in the chain, ending in a corporation identified in (i) or (ii). A majority shareholder is defined as a shareholder owning more than fifty percent (50%) of the total fair market value and voting power of such corporation.
- (b) Stock Ownership. Code Section 318(a) applies for purposes of determining stock ownership. Stock underlying a vested option is considered owned by the individual who owns the vested option (and the stock underlying an unvested option is not considered owned by the individual who holds the unvested option). If, however, a vested option is exercisable for stock that is not substantially vested (as defined by Treas. Reg. § 1.83-3(b) and (j)) the stock underlying the option is not treated as owned by the individual who holds the option.

- (c) Change in the Ownership of a Corporation. A change in the ownership of a corporation occurs on the date that any one person or more than one person acting as a group, acquires ownership of stock of the corporation that, together with stock held by such person or group, constitutes more than fifty percent (50%) of the total fair market value or total voting power of the stock of such corporation. If any one person or more than one person acting as a group is considered to own more than fifty percent (50%) of the total fair market value or total voting power of the stock of a corporation, the acquisition of additional stock by the same person or persons is not considered to cause a change in the ownership of the corporation (or to cause a change in the effective control of the corporation as discussed below in Section 9.7(d)). An increase in the percentage of stock owned by any one person, or persons acting as a group, as a result of a transaction in which the corporation acquires its stock in exchange for property will be treated as an acquisition of stock. Section 9.7(c) applies only when there is a transfer of stock of a corporation (or issuance of stock of a corporation) and stock in such corporation remains outstanding after the transaction. For purposes of this Section 9.7(c), persons will not be considered to be acting as a group solely because they purchase or own stock of the same corporation at the same time or as a result of a public offering. Persons will, however, be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase, or acquisition of stock, or similar business transaction with the corporation. If a person, including an entity, owns stock in both corporations that enter into a merger, consolidation, purchase or acquisition of stock, or similar transaction, such shareholder is considered to be acting as a group with other shareholders in a corporation only with respect to ownership in that corporation prior to the transaction giving rise to the change and not with respect to the ownership interest in the other corporation.

- (d) Change in the Effective Control of a Corporation. A change in the effective control of a corporation occurs on the date that either (i) any one person, or more than one person acting as a group, acquires (or has acquired during the twelve month period ending on the date of the most recent acquisition by such person or persons) ownership of stock of the corporation possessing thirty percent (30%) or more of the total voting power of the stock of such corporation, or (ii) a majority of members of the corporation's Board of Directors is replaced during any twelve month period by Directors whose appointment or election is not endorsed by a majority of the members of the corporation's Board of Directors prior to the date of the appointment or election, provided that for purposes of this paragraph (ii), the term corporation refers solely to the relevant corporation identified in Section 9.7(a) for which no other corporation is a majority shareholder for purposes of Section 9.7(a). In the absence of an event described in Section 9.7(d)(i) or (ii), a change in the effective control of a corporation will not have occurred. A change in effective control may also occur in any transaction in which either of the two corporations involved in the transaction has a change in the ownership of such corporation as described in Section 9.7(c) or a change in the ownership of a substantial portion of the assets of such corporation as described in Section 9.7(e). If any one person, or more than one person acting as a group, is considered to effectively control a corporation within the meaning of this Section 9.7(d), the acquisition of additional control of the corporation by the same person or persons is not considered to cause a change in the effective control of the corporation or to cause a change in the ownership of the corporation within the meaning of Section 9.7(c). For purposes of this Section 9.7(d), persons will or will not be considered to be acting as a group in accordance with rules similar to those set forth in Section 9.7(c) with the following exception. If a person, including an entity, owns stock in both corporations that enter into a merger, consolidation, purchase or acquisition of stock, or similar transaction, such shareholder is considered to be acting as a group with other shareholders in a corporation only with respect to the ownership in that corporation prior to the transaction giving rise to the change and not with respect to the ownership interest in the other corporation.

- (e) Change in the Ownership of a Substantial Portion of a Corporation's Assets. A change in the ownership of a substantial portion of a corporation's assets occurs on the date that any one person, or more than one person acting as a group (as determined in accordance with rules similar to those set forth in Section 9.7(d)), acquires (or has acquired during the twelve month period ending on the date of the most recent acquisition by such person or persons) assets from the corporation that have a total gross fair market value equal to or more than forty percent (40%) of the total gross fair market value of all of the assets of the corporation immediately prior to such acquisition or acquisitions. For this purpose, gross fair market value means the value of the assets of the corporation or the value of the assets being disposed of determined without regard to any liabilities associated with such assets. There is no Change in Control event under this Section 9.7(e) when there is a transfer to an entity that is controlled by the shareholders of the transferring corporation immediately after the transfer. A transfer of assets by a corporation is not treated as a change in ownership of such assets if the assets are transferred to (i) a shareholder of the corporation (immediately before the asset transfer) in exchange for or with respect to its stock, (ii) an entity, fifty percent (50%) or more of the total value or voting power of which is owned, directly or indirectly, by the corporation, (iii) a person, or more than one person acting as a group, that owns, directly or indirectly, fifty percent (50%) or more of the total value or voting power of all the outstanding stock of the corporation, or (iv) an entity, at least fifty (50%) of the total value or voting power of which is owned, directly or indirectly, by a person described in Section 9.7(e)(iii). For purposes of the foregoing, and except as otherwise provided, a person's status is determined immediately after the transfer of assets.

9.8. *Permissible Delays in Payment*

Distributions may be delayed beyond the date payment would otherwise occur in accordance with the provisions of Articles 8 and 9 in any of the following circumstances (as long as the Employer treats all payments to similarly situated Participants on a reasonably consistent basis):

- (a) The Employer may delay payment if it reasonably anticipates that its deduction with respect to such payment would be limited or eliminated by the application of Code Section 162(m). Payment must be made during the Participant's first taxable year in which the Employer reasonably anticipates, or should reasonably anticipate, that if the payment is made during such year the deduction of such payment will not be barred by the application of Code Section 162(m) or during the period beginning with the Participant's Separation from Service and ending on the later of the last day of the Employer's taxable year in which the Participant separates from service or the 15th day of the third month following the Participant's Separation from Service. If a scheduled payment to a Participant is delayed in accordance with this Section 9.8(a), all scheduled payments to the Participant that could be delayed in accordance with this Section 9.8(a) will also be delayed.
- (b) The Employer may also delay payment if it reasonably anticipates that the making of the payment will violate federal securities laws or other applicable laws provided payment is made at the earliest date on which the Employer reasonably anticipates that the making of the payment will not cause such violation.
- (c) The Employer reserves the right to amend the Plan to provide for a delay in payment upon such other events and conditions as the Secretary of the Treasury may prescribe in generally applicable guidance published in the Internal Revenue Bulletin.

9.9. Permitted Acceleration of Payment

The Employer may permit acceleration of the time or schedule of any payment or amount scheduled to be paid pursuant to a payment under the Plan provided such acceleration would be permitted by the provisions of Treas. Reg. § 1.409A-3(j)(4), including the following events:

- (a) Domestic Relations Order. A payment may be accelerated if such payment is made to an alternate payee pursuant to and following the receipt and qualification of a domestic relations order as defined in Code Section 414(p).
- (b) Compliance with Ethics Agreement and Legal Requirements. A payment may be accelerated as may be necessary to comply with ethics agreements with the Federal government or as may be reasonably necessary to avoid the violation of Federal, state, local or foreign ethics law or conflicts of laws, in accordance with the requirements of Code Section 409A.
- (c) De Minimis Amounts. A payment may be accelerated if (i) the amount of the payment is not greater than the applicable dollar amount under Code Section 402(g)(1)(B), and (ii) at the time the payment is made the amount constitutes the Participant's entire interest under the Plan and all other plans that are aggregated with the Plan under Treas. Reg. § 1.409A-1(c)(2).
- (d) FICA Tax. A payment may be accelerated to the extent required to pay the Federal Insurance Contributions Act tax imposed under Code Sections 3101, 3121(a) and 3121(v)(2) of the Code with respect to compensation deferred under the Plan (the "FICA Amount"). Additionally, a payment may be accelerated to pay the income tax on wages imposed under Code Section 3401 of the Code on the FICA Amount and to pay the additional income tax at source on wages attributable to the pyramiding Code Section 3401 wages and taxes. The total payment under this subsection (d) may not exceed the aggregate of the FICA Amount and the income tax withholding related to the FICA Amount.
- (e) Section 409A Additional Tax. A payment may be accelerated if the Plan fails to meet the requirements of Code Section 409A; provided that such payment may not exceed the amount required to be included in income as a result of the failure to comply with the requirements of Code Section 409A.
- (f) Offset. A payment may be accelerated in the Employer's discretion as satisfaction of a debt of the Participant to the Employer, where such debt is incurred in the ordinary course of the service relationship between the Participant and the Employer, the entire amount of the reduction in any of the Employer's taxable years does not exceed \$5,000, and the reduction is made at the same time and in the same amount as the debt otherwise would have been due and collected from the Participant.
- (g) Other Events. A payment may be accelerated in the Administrator's discretion in connection with such other events and conditions as permitted by Code Section 409A.

Article 10 - Amendment and Termination

10.1. Amendment by Plan Sponsor

The Plan Sponsor reserves the right to amend the Plan (for itself and each Employer) through action of its Board of Directors or other authorized person. No amendment can directly or indirectly deprive any current or former Participant or Beneficiary of all or any portion of his or her Account which had accrued and vested prior to the amendment.

10.2. Plan Termination Following Change in Control or Corporate Dissolution

If so elected by the Plan Sponsor in 11.01 of the Adoption Agreement, the Plan Sponsor reserves the right to terminate the Plan and distribute all amounts credited to all Participant Accounts within the 30 days preceding or the twelve months following a Change in Control as determined in accordance with the rules set forth in Section 9.7. For this purpose, the Plan will be treated as terminated only if all agreements, methods, programs and other arrangements sponsored by the Related Employer immediately after the Change in Control which are treated as a single plan under Treas. Reg. § 1.409A-1(c)(2) are also terminated so that all Participants under the Plan and all similar arrangements are required to receive all amounts deferred under the terminated arrangements within twelve months of the date the Plan Sponsor irrevocably takes all necessary action to terminate the arrangements. In addition, the Plan Sponsor reserves the right to terminate the Plan within twelve months of a corporate dissolution taxed under Code Section 331 or with the approval of a bankruptcy court pursuant to 11 U. S. C. Section 503(b)(1)(A) provided that amounts deferred under the Plan are included in the gross incomes of Participants in the latest of (a) the calendar year in which the termination and liquidation occurs, (b) the first calendar year in which the amount is no longer subject to a substantial risk of forfeiture, or (c) the first calendar year in which payment is administratively practicable.

10.3. Other Plan Terminations

The Plan Sponsor retains the discretion to terminate the Plan if (a) all arrangements sponsored by the Plan Sponsor that would be aggregated with any terminated arrangement under Code Section 409A and Treas. Reg. § 1.409A-1(c)(2) are terminated, (b) no payments other than payments that would be payable under the terms of the arrangements if the termination had not occurred are made within twelve months of the termination of the arrangements, (c) all payments are made within twenty-four months of the date the Plan Sponsor takes all necessary action to irrevocably terminate and liquidate the arrangements, (d) the Plan Sponsor does not adopt a new arrangement that would be aggregated with any terminated arrangement under Code Section 409A and the regulations thereunder at any time within the three year period following the date of termination of the arrangement, and (e) the termination does not occur proximate to a downturn in the financial health of the Plan Sponsor. The Plan Sponsor also reserves the right to amend the Plan to provide that termination of the Plan will occur under such conditions and events as may be prescribed by the Secretary of the Treasury in generally applicable guidance published in the Internal Revenue Bulletin.

Article 11 - The Trust

11.1. Establishment of Trust

The Plan Sponsor may but is not required to establish a trust to hold amounts which the Plan Sponsor may contribute from time to time to correspond to some or all amounts credited to Participants under Section 6.2. In the event that the Plan Sponsor wishes to establish a trust to provide a source of funds for the payment of Plan benefits, any such trust shall be constructed to constitute an unfunded arrangement that does not affect the status of the Plan as an unfunded plan for purposes of Title I of ERISA and the Code. If the Plan Sponsor elects to establish a trust in accordance with Section 10.01 of the Adoption Agreement, the provisions of Sections 11.2 and 11.3 shall become operative.

11.2. Trust

Any trust established by the Plan Sponsor shall be between the Plan Sponsor and a trustee pursuant to a separate written agreement under which assets are held, administered and managed, subject to the claims of the Plan Sponsor's creditors in the event of the Plan Sponsor's insolvency. The Plan Sponsor must notify the trustee in the event of a bankruptcy or insolvency.

11.3. Investment of Trust Funds

Any amounts contributed to the trust by the Plan Sponsor shall be invested by the trustee in accordance with the provisions of the trust and the instructions of the Administrator. Trust investments need not reflect the hypothetical investments selected by Participants under Section 7.1 for the purpose of adjusting Accounts and the earnings or investment results of the trust need not affect the hypothetical investment adjustments to Participant Accounts under the Plan.

Article 12 - Plan Administration

12.1. Powers and Responsibilities of the Administrator

The Administrator has the full power and the full responsibility to administer the Plan in all of its details; subject, however, to the applicable requirements of ERISA. The Administrator's powers and responsibilities include, but are not limited to, the following:

- (a) To make and enforce such rules and procedures as it deems necessary or proper for the efficient administration of the Plan;
- (b) To interpret the Plan, its interpretation thereof to be final, except as provided in Section 12.2, on all persons claiming benefits under the Plan;
- (c) To decide all questions concerning the Plan and the eligibility of any person to participate in the Plan;
- (d) To administer the claims and review procedures specified in Section 12.2;
- (e) To compute the amount of benefits which will be payable to any Participant, former Participant or Beneficiary in accordance with the provisions of the Plan;
- (f) To determine the person or persons to whom such benefits will be paid;
- (g) To authorize the payment of benefits;
- (h) To make corrections and recover the overpayment of any benefits;
- (i) To comply with the reporting and disclosure requirements of Part 1 of Subtitle B of Title I of ERISA;
- (j) To appoint such agents, counsel, accountants, and consultants as may be required to assist in administering the Plan;
- (k) By written instrument, to allocate and delegate its responsibilities, including the formation of an Administrative Committee to administer the Plan.

12.2. Claims and Review Procedures

- (a) Claims Procedure. If any person believes he or she is being denied any rights or benefits under the Plan, such person may file a claim in writing with the Administrator. If any such claim is wholly or partially denied, the Administrator will notify such person of its decision in writing. Such notification will contain (i) specific reasons for the denial, (ii) specific reference to pertinent Plan provisions, (iii) a description of any additional material or information necessary for such person to perfect such claim and an explanation of why such material or information is necessary, and (iv) a description of the Plan's review procedures and the time limits applicable to such procedures, including a statement of the person's right to bring a civil action following an adverse decision on review. If the claim involves a Disability, the denial must also include the standards that governed the decision, including the basis for disagreeing with any health care professionals, vocational professionals or the Social Security Administration as well as an explanation of the scientific or clinical judgment underlying the denial. Such notification will be given within 90 days (45 days in the case of a claim regarding Disability) after the claim is received by the Administrator. The Administrator may extend the period for providing the notification by 90 days (30 days in the case of a claim regarding Disability, which may be extended an additional 30 days) if special circumstances require an extension of time for processing the claim and if written notice of such extension and circumstance is given to such person within the initial 90 day period (45 day period in the case of a claim regarding Disability). If such notification is not given within such period, the claim will be considered denied as of the last day of such period and such person may request a review of his or her claim.
- (b) Review Procedure. Within 60 days (180 days in the case of a claim regarding Disability) after the date on which a person receives a written notification of denial of claim (or, if written notification is not provided, within 60 days (180 days in the case of a claim regarding Disability) of the date denial is considered to have occurred), such person (or his or her duly authorized representative) may (i) file a written request with the Administrator for a review of his or her denied claim and of pertinent documents and (ii) submit written issues and comments to the Administrator. The Administrator will notify such person of its decision in writing. Such notification will be written in a manner calculated to be understood by such person and will contain specific reasons for the decision as well as specific references to pertinent Plan provisions. The notification will explain that the person is entitled to receive, upon request and free of charge, reasonable access to and copies of all pertinent documents and has the right to bring a civil action following an adverse decision on review. The decision on review will be made within 60 days (45 days in the case of a claim regarding Disability). The Administrator may extend the period for making the decision on review by 60 days (45 days in the case of a claim regarding Disability) if special circumstances require an extension of time for processing the request such as an election by the Administrator to hold a hearing, and if written notice of such extension and circumstances is given to such person within the initial 60-day period (45 days in the case of a claim regarding Disability). If the decision on review is not made within such period, the claim will be considered denied.

If the claim is regarding Disability, and the determination of Disability has not been made by the Social Security Administration, the Railroad Retirement Board, or under the Plan Sponsor's long-term disability plan, the person may, upon written request and free of charge, also receive the identification of medical or vocational experts whose advice was obtained in connection with the denial of a claim regarding Disability, even if the advice was not relied upon.

Before issuing any decision with respect to a claim involving Disability, the Administrator will provide to the person, free of charge, the following information as soon as possible and sufficiently in advance of the date on which the response is required to be provided to the person to allow the person a reasonable opportunity to respond prior to the due date of the response:

- (i) Any new or additional evidence considered, relied upon, or generated by the Administrator or other person making the decision; and
 - (ii) A new or additional rationale if the decision will be based on that rationale.
- (c) Exhaustion of Claims Procedures and Right to Bring Legal Claim. No action at law or equity shall be brought more than one year after the Administrator's affirmation of a denial of a claim, or, if earlier, more than four years after the facts or events giving rise to the claimant's allegation(s) or claim(s) first occurred.

12.3. Plan Administrative Costs

All reasonable costs and expenses (including legal, accounting, and employee communication fees) incurred by the Administrator in administering the Plan shall be paid by the Plan to the extent not paid by the Employer.

Article 13 - Miscellaneous

13.1. Unsecured General Creditor of the Employer

Participants and their Beneficiaries, heirs, successors, and assigns shall have no legal or equitable rights, interests or claims in any property or assets of the Employer. For purposes of the payment of benefits under the Plan, any and all of the Employer's assets shall be, and shall remain, the general, unpledged, unrestricted assets of the Employer. Each Employer's obligation under the Plan shall be merely that of an unfunded and unsecured promise to pay money in the future.

13.2. Employer's Liability

Each Employer's liability for the payment of benefits under the Plan shall be defined only by the Plan and by the deferral agreements entered into between a Participant and the Employer. An Employer shall have no obligation or liability to a Participant under the Plan except as provided by the Plan and a deferral agreement or agreements. An Employer shall have no liability to Participants employed by other Employers.

13.3. Limitation of Rights

Neither the establishment of the Plan, nor any amendment thereof, nor the creation of any fund or account, nor the payment of any benefits, will be construed as giving to the Participant or any other person any legal or equitable right against the Employer, the Plan or the Administrator, except as provided herein; and in no event will the terms of employment or service of the Participant be modified or in any way affected hereby.

13.4. Anti-Assignment

Except as may be necessary to fulfill a domestic relations order within the meaning of Code Section 414(p), none of the benefits or rights of a Participant or any Beneficiary of a Participant shall be subject to the claim of any creditor. In particular, to the fullest extent permitted by law, all such benefits and rights shall be free from attachment, garnishment, or any other legal or equitable process available to any creditor of the Participant and his or her Beneficiary. Neither the Participant nor his or her Beneficiary shall have the right to alienate, anticipate, commute, pledge, encumber, or assign any of the payments which he or she may expect to receive, contingently or otherwise, under the Plan, except the right to designate a Beneficiary to receive death benefits provided hereunder. Notwithstanding the preceding, the benefit payable from a Participant's Account may be reduced, at the discretion of the Administrator, to satisfy any debt or liability to the Employer.

13.5. Facility of Payment

If the Administrator determines, on the basis of medical reports or other evidence satisfactory to the Administrator, that the recipient of any benefit payments under the Plan is incapable of handling his or her affairs by reason of minority, illness, infirmity or other incapacity, the Administrator may direct the Employer to disburse such payments to a person or institution designated by a court which has jurisdiction over such recipient or a person or institution otherwise having the legal authority under State law for the care and control of such recipient. The receipt by such person or institution of any such payments therefore, and any such payment to the extent thereof, shall discharge the liability of the Employer, the Plan and the Administrator for the payment of benefits hereunder to such recipient.

13.6. Notices

Any notice or other communication to the Employer or Administrator in connection with the Plan shall be deemed delivered in writing if addressed to the Plan Sponsor at the address specified in Section 1.03 of the Adoption Agreement and if either actually delivered at said address or, in the case of a letter, five business days shall have elapsed after the same shall have been deposited in the United States mails, first-class postage prepaid and registered or certified.

13.7. Tax Withholding

If the Employer concludes that tax is owing with respect to any deferral or payment hereunder, the Employer shall withhold such amounts from any payments due the Participant or from amounts deferred, as permitted by law, or otherwise make appropriate arrangements with the Participant or his or her Beneficiary for satisfaction of such obligation. Tax, for purposes of this Section 13.7 means any federal, state, local or any other governmental income tax, employment or payroll tax, excise tax, or any other tax or assessment owing with respect to amounts deferred, any earnings thereon, and any payments made to Participants under the Plan.

13.8. Indemnification

- (a) Each Indemnitee (as defined in Section 13.8(e)) shall be indemnified and held harmless by the Employer for all actions taken by him or her and for all failures to take action (regardless of the date of any such action or failure to take action), to the fullest extent permitted by the law of the jurisdiction in which the Employer is incorporated, against all expense, liability, and loss (including, without limitation, attorneys' fees, judgments, fines, taxes, penalties, and amounts paid or to be paid in settlement) reasonably incurred or suffered by the Indemnitee in connection with any Proceeding (as defined in subsection (e)). No indemnification pursuant to this Section shall be made, however, in any case where (1) the act or failure to act giving rise to the claim for indemnification is determined by a court to have constituted willful misconduct or recklessness or (2) there is a settlement to which the Employer does not consent.
- (b) The right to indemnification provided in this Section shall include the right to have the expenses incurred by the Indemnitee in defending any Proceeding paid by the Employer in advance of the final disposition of the Proceeding, to the fullest extent permitted by the law of the jurisdiction in which the Employer is incorporated; provided that, if such law requires, the payment of such expenses incurred by the Indemnitee in advance of the final disposition of a Proceeding shall be made only on delivery to the Employer of an undertaking, by or on behalf of the Indemnitee, to repay all amounts so advanced without interest if it shall ultimately be determined that the Indemnitee is not entitled to be indemnified under this Section or otherwise.
- (c) Indemnification pursuant to this Section shall continue as to an Indemnitee who has ceased to be such and shall inure to the benefit of his or her heirs, executors, and administrators. The Employer agrees that the undertakings made in this Section shall be binding on its successors or assigns and shall survive the termination, amendment, or restatement of the Plan.
- (d) The foregoing right to indemnification shall be in addition to such other rights as the Indemnitee may enjoy as a matter of law or by reason of insurance coverage of any kind and is in addition to and not in lieu of any rights to indemnification to which the Indemnitee may be entitled pursuant to the by-laws of the Employer.
- (e) For the purposes of this Section, the following definitions shall apply:
 - (i) "Indemnitee" shall mean each person serving as an Administrator (or any other person who is an employee, Director, or officer of the Employer) who was or is a party to, or is threatened to be made a party to, or is otherwise involved in, any Proceeding, by reason of the fact that he or she is or was performing administrative functions under the Plan.
 - (ii) "Proceeding" shall mean any threatened, pending, or completed action, suit, or proceeding (including, without limitation, an action, suit, or proceeding by or in the right of the Employer), whether civil, criminal, administrative, investigative, or through arbitration.

13.9. Successors

The provisions of the Plan shall bind and inure to the benefit of the Plan Sponsor, the Employer and their successors and assigns and the Participant and the Participant's designated Beneficiaries.

13.10. Disclaimer

It is the Plan Sponsor's intention that the Plan comply with the requirements of Code Section 409A. Neither the Plan Sponsor nor the Employer shall have any liability to any Participant should any provision of the Plan fail to satisfy the requirements of Code Section 409A.

13.11. Governing Law

The Plan will be construed, administered, and enforced according to the laws of the State specified by the Plan Sponsor in Section 12.01 of the Adoption Agreement.

**SANDISK CORPORATION
2025 EMPLOYEE STOCK PURCHASE PLAN**

The Sandisk Corporation 2025 Employee Stock Purchase Plan, as amended and restated from time to time (the “Plan”) shall be established and operated in accordance with the following terms and provisions.

1. Definitions.

As used in the Plan the following terms shall have the meanings set forth below:

- (a) “Board” means the Board of Directors of the Company.
- (b) “Code” means the Internal Revenue Code of 1986, as amended.
- (c) “Committee” means the committee appointed by the Board to administer the Plan as described in Section 4 below.
- (d) “Common Stock” means the common stock, \$0.01 par value, of the Company.
- (e) “Company” means Sandisk Corporation, a Delaware corporation.

(f) “Continuous Employment” means the absence of any interruption or termination of service as an Employee with the Company and/or its Participating Subsidiaries. Continuous Employment shall not be considered interrupted in the case of a leave of absence agreed to in writing by the Company, provided that such leave is for a period of not more than three months or reemployment upon the expiration of such leave is guaranteed by contract or statute. If a Participating Subsidiary ceases to be a Subsidiary, each person employed by that Subsidiary will be deemed to have had a break in Continuous Employment for purposes of the Plan at the time the Participating Subsidiary ceased to be a Subsidiary, unless such person continues as an Employee in respect of another Company entity.

(g) “Eligible Compensation” means, with respect to each Participant for each pay period, the full salary and wages paid to such Participant by the Company or a Participating Subsidiary, including commissions, bonuses (to the extent not excluded below), overtime pay and shift differentials. Except as otherwise determined by the Committee, “Eligible Compensation” does not include

- (i) any amounts contributed by the Company or a Participating Subsidiary to any pension plan or plan of deferred compensation,
- (ii) any automobile or relocation allowances (or reimbursement for any such expenses),
- (iii) any amounts paid that are non-regularly scheduled items of compensation (for example, starting bonus, finder’s fee, or other special bonuses),
- (iv) any amounts realized under or with respect to any qualified or non-qualified stock options or any other equity-based awards,

or

(v) any amounts paid by the Company or a Participating Subsidiary for other fringe benefits, such as health and welfare, hospitalization and group life insurance benefits, or perquisites, or paid in lieu of such benefits, such as cash-out of credits generated under a plan qualified under Code Section 125.

(h) “Eligible Employee” means an Employee who is

- (i) customarily employed for at least twenty (20) hours per week and more than five months in a calendar year, and
- (ii) eligible to participate in the Plan as described in Section 5 below.

If any person is (a) an Employee due to any classification or reclassification of the person as an employee or common-law employee of the Company or one of its Participating Subsidiaries by reason of action taken by any tax or other governmental authority, or (b) an Employee who has a written employment agreement providing that the Employee shall not participate in the Plan until at least two (2) years of Continuous Employment, then such Employee must be employed for at least two (2) years by the Company or one of its Participating Subsidiaries as well as meet the criteria set forth above in subsections (i) and (ii) in order to be an Eligible Employee. “Eligible Employee” shall not include an Employee who is a citizen or resident of a foreign jurisdiction to whom the grant of an option under the Plan would be prohibited under the laws of such foreign jurisdiction, or compliance with the laws of such foreign jurisdiction would cause the Plan to violate the requirements of Section 423 of the Code. Any exclusions under this Section 1(h) shall be applied in an identical manner to all Employees who are granted options under the Plan, to the extent required pursuant to Treasury Regulation Section 1.423-2(e).

(i) “Employee” means each person currently employed by the Company or one of its Participating Subsidiaries. It shall not include any person who is recorded on the books and records of the Company or one of its Participating Subsidiaries as an independent contractor or consultant or a worker provided by a temporary staffing agency.

(j) “Enrollment Date” means the first day of each Offering Period.

(k) “Exercise Date” means one or more dates during an Offering Period, as established by the Committee in accordance with Section 6 hereof, on which options to purchase Common Stock granted under the Plan shall be exercised as provided in Section 11 hereof.

(l) “Exercise Period” means one or more periods during an Offering Period, the duration of which shall be established by the Committee in accordance with Section 6 hereof, during which payroll deductions are accumulated for purposes of purchasing Common Stock under the Plan on each Exercise Date.

(m) “Exercise Price” means the price per share of shares offered in a given Offering Period determined as provided in Section 10 below.

(n) “Fair Market Value” means, with respect to a share of Common Stock as of any Enrollment Date or Exercise Date (or New Exercise Date, as the case may be), the closing price (in regular trading) of such Common Stock on the NASDAQ Stock Market (or, if the Common Stock is not then traded on the NASDAQ Stock Market, on the principal national securities exchange on which the Common Stock is then listed or admitted to trade (the “Exchange”)). In the event that such a closing price is not available for an Enrollment Date or an Exercise Date, or New Exercise Date, the Fair Market Value of a share of Common Stock on such date shall be the closing price (in regular trading) of a share of the Common Stock on the Exchange for the next preceding day on which sales of Common Stock were made. If the Common Stock is no longer listed or is no longer actively traded on the Exchange as of the applicable date, the fair market value of the Common Stock shall be the value as reasonably determined by the Committee for purposes of the option in the circumstances.

(o) “New Exercise Date” means the new exercise date set by the Board in the case of a sale of all or substantially all of the assets of the Company, or the merger of the Company with or into another corporation or other entity in certain circumstances as described in Section 16(b).

(p) “Offering Period” means a period of time with respect to which options are granted under the Plan, the time and duration of which shall be established by the Committee in accordance with Section 6.

(q) “Parent” means any corporation, domestic or foreign, which owns, directly or indirectly, not less than 50% of the total combined voting power of all classes of stock or other equity interests of the Company and that otherwise qualifies as a “parent corporation” within the meaning of Section 424(e) of the Code or any successor thereto.

(r) “Participant” means an Eligible Employee who has elected to participate in the Plan by filing an enrollment agreement with the Company as provided in Section 7 below.

(s) “Participating Subsidiary” means any Subsidiary other than a Subsidiary excluded from participation in the Plan by the Committee, in its sole discretion.

(t) “Plan” means this Sandisk Corporation 2025 Employee Stock Purchase Plan.

(u) “Subsidiary” means any corporation, domestic or foreign, of which the Company owns, directly or indirectly, not less than 50% of the total combined voting power of all classes of stock or other equity interests and that otherwise qualifies as a “subsidiary corporation” within the meaning of Section 424(f) of the Code or any successor thereto.

2. Purpose of the Plan.

The purpose of the Plan is to provide an incentive for present and future Employees of the Company and its Participating Subsidiaries to acquire a proprietary interest (or increase an existing proprietary interest) in the Company through the purchase of Common Stock. It is the intention of the Company that the Plan qualify as an “employee stock purchase plan” under Section 423 of the Code. Accordingly, the provisions of the Plan shall be administered, interpreted and construed in a manner consistent with the requirements of that section of the Code.

3. Shares Reserved for the Plan.

(a) Subject to adjustment as provided in Section 16 below, there shall be reserved for issuance and purchase by Participants under the Plan an aggregate number of shares of Common Stock equal to 4,345,897. Shares of Common Stock subject to the Plan may be newly issued shares or shares reacquired in private transactions or open market purchases. If and to the extent that any right to purchase reserved shares shall not be exercised by any Participant for any reason or if such right to purchase shall terminate as provided herein, shares that have not been so purchased hereunder shall again become available for the purposes of the Plan unless the Plan shall have been terminated, but all shares sold under the Plan, regardless of source, shall be counted against the limitation set forth above.

(b) From time to time and without stockholder approval, the Committee may fix a maximum limit on the number of shares that may be acquired by any individual during an Exercise Period under the Plan, which limit shall be effective no earlier than the first Offering Period that commences after the determination of such limit by the Committee; provided, however, that any adjustment to such limit pursuant to Section 16 shall apply to any Exercise Period in progress at the time such adjustment is made.

4. Administration of the Plan.

(a) The Plan shall be administered by a Committee appointed by, and which shall serve at the pleasure of, the Board. The Committee shall consist of two or more directors, each of whom is a “Non-Employee Director” within the meaning of Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended, as such rule may be amended from time to time. The Committee shall have authority to interpret the Plan, to prescribe, amend and rescind rules and regulations relating to the Plan, and to make all other determinations necessary or advisable for the administration of the Plan, all of which actions and determinations shall be final, conclusive and binding on all persons.

(b) The Committee may request advice or assistance or employ such other persons as it in its absolute discretion deems necessary or appropriate for the proper administration of the Plan, including, but not limited to employing a brokerage firm, bank or other financial institution to assist in the purchase of shares, delivery of reports or other administrative aspects of the Plan.

(c) Neither the Board nor any Committee, nor any member thereof or person acting at the direction thereof, shall be liable for any act, omission, interpretation, construction or determination made in good faith in connection with the Plan, and all such persons shall be entitled to indemnification and reimbursement by the Company in respect of any claim, loss, damage or expense (including, without limitation, attorneys’ fees) arising or resulting therefrom to the fullest extent permitted by law and/or under any directors and officers liability insurance coverage that may be in effect from time to time.

5. Eligibility to Participate in the Plan.

Subject to limitations imposed by Section 423(b) of the Code, any Eligible Employee who is not an “officer” as defined under Section 16 of the Securities Exchange Act of 1934, and who is employed by the Company or a Participating Subsidiary on an Enrollment Date shall be eligible to participate in the Plan for the Offering Period beginning on that Enrollment Date.

6. Offering Periods.

During the term of the Plan, the Company will grant options to purchase shares of Common Stock in each Offering Period to all Participants in that Offering Period. The Committee shall determine from time to time, subject to the requirements of Section 423 of the Code, when Offering Periods will be offered during the term of the Plan and shall establish the Enrollment Date(s), the number and duration of the Exercise Period(s), and the Exercise Date(s) for each such Offering Period, which determinations shall be effective no earlier than the first Offering Period that commences after they are made by the Committee and provided, however, that no Offering Period may exceed twenty-four (24) months in duration. To the extent consistent with Section 423 of the Code, the Committee may provide for a new Offering Period to commence prior to the termination of one or more preceding Offering Periods.

7. Election to Participate in the Plan.

(a) Each Eligible Employee may elect to participate in an Offering Period by completing an enrollment agreement on a form approved by and in a manner prescribed by the Committee (or its delegate) or, if the Committee does not require enrollment forms, by otherwise completing such enrollment procedures as the Committee may prescribe. Such agreement must be filed with the Company or such other procedures must be completed, as applicable, prior to the applicable Enrollment Date, unless the Committee establishes an earlier deadline for filing the enrollment form for all Eligible Employees with respect to a given Offering Period. An Eligible Employee may participate in an Offering Period only if, as of the Enrollment Date of such Offering Period, such Eligible Employee is not participating in any prior Offering Period which is continuing at the time of such proposed enrollment.

(b) Payroll deductions for a Participant shall commence on the first payroll date on or following the Enrollment Date and shall end on the last payroll date in the Offering Period to which such authorization is applicable, unless sooner terminated by the Participant as provided in Section 13.

(c) Unless a Participant elects otherwise prior to the Enrollment Date of the immediately succeeding Offering Period, an Eligible Employee who is participating in an Offering Period as of the last Exercise Date of such Offering Period (the "Prior Offering Period") shall be deemed (i) to have elected to participate in the immediately succeeding Offering Period and (ii) to have authorized the same payroll deduction for such immediately succeeding Offering Period as was in effect for such Participant immediately prior to the expiration or termination of the Prior Offering Period.

(d) In its discretion, the Committee may determine (with such determination to be effective no earlier than the first Offering Period that commences after such determination by the Committee) that the participation of all Participants on an Exercise Date in an Offering Period that includes more than one Exercise Period shall terminate and such Participants shall be enrolled in a new Offering Period commencing immediately following such Exercise Date if, during such Offering Period, the Fair Market Value determined as of such Exercise Date within such Offering Period is lower than the Fair Market Value determined as of the Enrollment Date of such Offering Period. In such event, each of such Participants shall be deemed for purposes of this Plan (i) to have elected to participate in such new Offering Period, and (ii) to have authorized the same payroll deduction for such new Offering Period as was in effect for such Participant immediately prior to the termination of the prior Offering Period.

8. Payroll Deductions.

(a) All Participant contributions to the Plan shall be made only by payroll deductions. At the time a Participant files the enrollment agreement with respect to an Offering Period, the Participant shall authorize payroll deductions to be made on each payroll date during the Offering Period in an amount up to 10% (or such other limit as the Committee may establish prior to the start of the applicable Offering Period) of the Eligible Compensation which the Participant receives on each payroll date during such Offering Period. The Committee also may prescribe other limits, rules or procedures for payroll deductions. Unless otherwise provided by the Committee, the amount of such payroll deductions shall be a whole percentage (i.e., 1%, 2%, 3%, etc.) of the Participant's Eligible Compensation.

(b) All payroll deductions made for a Participant shall be deposited in the Company's general corporate account and shall be credited to the Participant's account under the Plan. No interest shall accrue or be credited with respect to the payroll deductions of a Participant under the Plan. A Participant may not make any additional payments into such account. All payroll deductions received or held by the Company under the Plan may be used by the Company for any corporate purpose, and the Company shall not be obligated to segregate such payroll deductions.

(c) A Participant may discontinue participation in the Plan as provided in Section 13. Unless otherwise provided by the Committee in advance of an Offering Period, a Participant may at any time during the Offering Period (but no more than four times in any calendar year) reduce or increase (subject to the limitations of Section 8(a) above) the rate of his or her payroll deductions by completing and filing with the Company a change notice in the form provided by the Company. Any such reduction in the rate of a Participant's payroll deductions shall be effective as soon as administratively feasible following receipt by the Company of the Participant's change notice, but in no event later than the second payroll date of the Company (or Participating Subsidiary, as the case may be) applicable to the Participant following the date that the Participant files the change notice with the Company. Any such increase in the rate of a Participant's payroll deductions shall be effective as of the first date of the next Exercise Period within such Offering Period (or, if such election is made in the final Exercise Period of such Offering Period, the Enrollment Date of the next Offering Period).

9. Grant of Options.

(a) On the Enrollment Date of each Offering Period, subject to the limitations set forth in Sections 3, 9(b) and 18 hereof, each Participant shall be granted an option to purchase on each Exercise Date during such Offering Period up to a number of shares of the Common Stock determined by dividing such Participant's payroll deductions accumulated during the Exercise Period ending on such Exercise Date by the Exercise Price for such Exercise Period (determined as provided in Section 10 below), provided that the number of shares subject to the option shall not exceed five (5) times the number of shares determined by dividing (i) \$40,000, by (ii) the Fair Market Value of a share of the Common Stock on the Enrollment Date multiplied by the percentage (not less than 85%) used to calculate the Exercise Price for that Offering Period.

(b) Notwithstanding any provision of the Plan to the contrary, no Participant shall be granted an option under the Plan (i) if, immediately after the grant, such Participant (or any other person whose stock would be attributed to such Participant pursuant to Section 424(d) of the Code) would own stock and/or hold outstanding options to purchase stock possessing 5% or more of the total combined voting power or value of all classes of stock of the Company or of any Parent or any Subsidiary of the Company, or (ii) which permits such Participant's rights to purchase stock under all employee stock purchase plans of the Company, its Subsidiaries and any Parent to accrue at a rate which exceeds \$25,000 of fair market value of such stock (determined at the time such option is granted, before giving effect to any discounted purchase price under any such plan) for each calendar year in which such option is outstanding at any time. For purposes of the foregoing clause (ii), a right to purchase stock accrues when it first becomes exercisable during the calendar year.

10. Exercise Price.

The Committee shall establish from time to time the method for determining the Exercise Price for each Offering Period under the Plan in accordance with this Section 10, which determination shall be effective no earlier than the first Offering Period that commences after such determination is made by the Committee. In making its determination, the Committee may provide that the Exercise Price for an Offering Period shall be determined by applying a discount amount (not to exceed 15%) to either (1) the Fair Market Value of a share of Common Stock on the Enrollment Date of such Offering Period, or (2) the Fair Market Value of a share of Common Stock on the applicable Exercise Date, or (3) the lesser of the Fair Market Value of a share on the Enrollment Date of such Offering Period or the Fair Market Value of a share on the applicable Exercise Date. Notwithstanding anything to the contrary in the preceding provisions of this Section 10, in no event shall the Exercise Price per share be less than the par value of a share of Common Stock.

11. Exercise of Options.

Unless a Participant withdraws from the Plan as provided in Section 13, the Participant's option for the purchase of shares will be exercised automatically on each Exercise Date of the Offering Period, and the maximum number of full shares subject to option will be purchased for the Participant at the applicable Exercise Price with the accumulated payroll deductions in the Participant's account. Any amount remaining in the Participant's account after an Exercise Date that is not sufficient to purchase a whole share shall be held in the account until the next Exercise Date. In the event that an Exercise Period has been over-subscribed or that any other applicable Plan limit has been exceeded by a Participant in an Exercise Period, any amount remaining in such Participant's account shall be refunded to the Participant as soon as administratively practicable after the end of the Offering Period.

12. Delivery of Shares.

As soon as administratively practicable after the Exercise Date, the Company shall, in its discretion, either deliver to each Participant a certificate representing the shares of Common Stock purchased upon exercise of his or her option, provide for the crediting of such shares of Common Stock in book entry form in the name of the Participant, or provide for an alternative arrangement for the delivery of such shares of Common Stock to a broker or recordkeeping service for the benefit of the Participant. In the event the Company is required to obtain from any commission or agency authority to issue any such certificate or otherwise deliver such shares, the Company will seek to obtain such authority. If the Company is unable to obtain from any such commission or agency authority which counsel for the Company deems necessary for the lawful issuance of any such certificate or other delivery of such Common Shares, or if for any reason the Company cannot issue or deliver shares of Common Stock and satisfy Section 20(a), the Company shall be relieved from liability to any Participant except that the Company shall return to each Participant to whom such shares of Common Stock cannot be issued or delivered the amount of the balance credited to his or her account that would have otherwise been used for the purchase of such shares.

13. Withdrawal; Termination of Employment.

(a) A Participant may withdraw all but not less than all of the payroll deductions credited to the Participant's account under the Plan at any time by giving written notice to the Company. All of the Participant's payroll deductions credited to the Participant's account will be paid to him or her promptly after receipt of the Participant's notice of withdrawal, the Participant's participation in the Plan will be automatically terminated, and no further payroll deductions for the purchase of shares will be made. Payroll deductions will not resume on behalf of a Participant who has withdrawn from the Plan unless written notice is delivered to the Company within the open enrollment period preceding the commencement of an Exercise Period directing the Company to resume payroll deductions.

(b) Upon termination of the Participant's Continuous Employment during an Exercise Period for any reason, including retirement or death, the payroll deductions credited to the Participant's account for that Exercise Period will be returned to the Participant or, in the case of death, to the Participant's estate, and the Participant's options to purchase shares under the Plan will be automatically terminated as of the date of such termination of Continuous Employment.

(c) In the event a Participant fails to maintain Continuous Employment for at least twenty (20) hours per week during an Offering Period, the Participant will be deemed to have elected to withdraw from the Plan, the payroll deductions credited to the Participant's account will be returned to the Participant, and the Participant's options to purchase shares under the Plan will be terminated.

(d) A Participant's withdrawal from an Offering Period will not have any effect upon the Participant's eligibility to participate in a succeeding Offering Period or in any similar plan which may hereafter be adopted by the Company.

14. Transferability.

Neither payroll deductions credited to a Participant's account nor options to purchase Common Stock granted under the Plan may be transferred, assigned, pledged or otherwise disposed of by a Participant other than by will or the laws of descent and distribution. Options granted under the Plan are exercisable during a Participant's lifetime only by the Participant.

15. Reports.

Individual accounts will be maintained for each Participant in the Plan. Statements of account will be made available to Participants promptly following each Exercise Date, which statements will set forth the amounts of payroll deductions, the per share Exercise Price, the number of shares purchased and the remaining cash balance, if any.

16. Adjustments Upon Changes in Capitalization.

(a) Subject to Section 16(b), upon (or, as may be necessary to effect the adjustment, immediately prior to): any reclassification, recapitalization, stock split (including a stock split in the form of a stock dividend) or reverse stock split; any merger, combination, consolidation, or other reorganization; any spin-off, split-up, or similar extraordinary dividend distribution in respect of the Common Stock; or any exchange of Common Stock or other securities of the Company, or any similar, unusual or extraordinary corporate transaction in respect of the Common Stock; then the Committee shall equitably and proportionately adjust (1) the number and type of shares of Common Stock (or other securities) that thereafter may be made the subject of options (including the specific share limits, maximums and numbers of shares set forth elsewhere in this Plan), (2) the number, amount and type of shares of Common Stock (or other securities or property) subject to any outstanding options, and (3) the Exercise Price of any outstanding options, in each case to the extent necessary to preserve (but not increase) the level of incentives intended by this Plan and the then-outstanding options.

(b) In the event of the proposed dissolution or liquidation of the Company, each Offering Period then in progress will terminate immediately prior to the consummation of such proposed action, unless otherwise provided by the Committee. Upon any event in which the Company does not survive, or does not survive as a public company in respect of its Common Stock (including, without limitation, a merger, combination, consolidation, or other reorganization; any exchange of Common Stock or other securities of the Company; a sale of all or substantially all the business, stock or assets of the Company; or other event in which the Company does not survive or does not survive as a public company in respect of its Common Stock), then, unless the Committee provides that each option under the Plan shall be assumed or an equivalent option shall be substituted by such successor corporation or entity or a parent or subsidiary of such successor corporation or entity, each Exercise Period then in progress shall be shortened and a new Exercise Date shall be set by the Committee to occur upon or immediately prior to such transaction or event (the "New Exercise Date"), as of which date the Plan and any Exercise Period and related Offering Period then in progress will terminate. The New Exercise Date shall be on or before the date of consummation of the transaction and the Committee shall notify each participant in writing, at least ten (10) days prior to the New Exercise Date (to the extent administratively practicable), that the Exercise Date for his or her option has been changed to the New Exercise Date and that his or her option will be exercised automatically on the New Exercise Date, unless prior to such date he or she has withdrawn from the Offering Period as provided in Section 13. The Exercise Price on the New Exercise Date shall be determined as provided in Section 10 hereof, and for purposes of determining such Exercise Price, the New Exercise Date shall be treated as the "Exercise Date."

(c) In all cases, the Committee shall have full discretion to exercise any of the powers and authority provided under this Section 16, and the Committee's actions hereunder shall be conclusive and binding on all persons. No fractional shares of stock shall be issued under the Plan pursuant to any adjustment authorized under the provisions of this Section 16.

17. Amendment of the Plan.

The Board may at any time, or from time to time, amend or suspend the Plan, in whole or in part and without notice. Stockholder approval for any amendment shall not be required, except to the extent required by law or applicable stock exchange rules, or required under Section 423 of the Code in order to preserve the intended tax consequences of the Plan. No options may be granted during any suspension of the Plan or after a termination of the Plan pursuant to Section 18(b) below, but the Committee will retain jurisdiction as to options then outstanding in accordance with the terms of the Plan. No amendment, suspension or termination pursuant to this Section 17 or Section 18 shall, without written consent of the Participant, affect in any manner materially adverse to the Participant any right or benefits of such Participant or obligations of the Company under any option granted under the Plan prior to the effective date of such change; provided that the Board may amend, suspend or terminate the Plan as to any outstanding options granted under the Plan for an Offering Period, effective as of any Exercise Date within that Offering Period, without the consent of the Participants to whom such options were granted. In no event shall changes contemplated by Section 7(d) or Section 16 be deemed to constitute changes or amendments requiring Participant consent.

18. Termination of the Plan.

The Plan and all rights of Employees hereunder shall terminate:

(a) on the Exercise Date that Participants would become entitled to purchase a number of shares greater than the number of reserved shares remaining available for purchase under the Plan if the final sentence in this Section 18 were not applied; or

(b) at any time, at the discretion of the Board.

In the event that the Plan terminates under circumstances described in Section 18(a) above, reserved shares remaining as of the termination date shall be sold to Participants on a pro rata basis.

19. Notices.

All notices or other communications by a Participant to the Company under or in connection with the Plan shall be deemed to have been duly given when received in the form specified by the Company at the location, or by the person, designated by the Company for the receipt thereof.

20. Conditions Upon Issuance of Shares.

(a) The Plan, the grant and exercise of options to purchase shares of Common Stock under the Plan, and the Company's obligation to sell and deliver shares upon the exercise of options to purchase shares shall be subject to all applicable federal, state, local and foreign laws, rules and regulations, and to such approvals by any listing, regulatory or governmental agency as may, in the opinion of counsel for the Company, be necessary or advisable in connection therewith. The person acquiring any securities under this Plan will, if requested by the Company or one of its Subsidiaries, and as a condition precedent to the exercise of his or her option, provide such assurances and representations to the Company or one of its Subsidiaries as the Committee may deem necessary or desirable to assure compliance with all applicable legal and accounting requirements.

(b) The Company may make such provisions as it deems appropriate for withholding by the Company pursuant to federal, state or local income tax laws of such amounts as the Company determines it is required to withhold in connection with the purchase or sale by a Participant of any Common Stock acquired pursuant to the Plan. The Company shall have the right at its option to (1) require the Participant to pay or provide for payment of the amount of any taxes which the Company or any Subsidiary may be required or permitted to withhold with respect to such event or (2) deduct from any amount otherwise payable in cash to the Participant (or the Participant's personal representative or beneficiary, as the case may be) the amount of any taxes which the Company or any Subsidiary may be required or permitted to withhold with respect to such event. The Company may require a Participant to satisfy any relevant tax requirements before authorizing any issuance of Common Stock to such Participant.

21. Employees' Rights.

(a) Nothing in the Plan (or in any other document related to the Plan) will confer upon any Eligible Employee or Participant any right to continue in the employ or other service of the Company or any Subsidiary, constitute any contract or agreement of employment or other service or effect an employee's status as an employee at will, nor shall interfere in any way with the right of the Company or any Subsidiary to change such person's compensation or other benefits or to terminate his or her employment or other service, with or without cause. Nothing contained in this Section 21(a), however, is intended to adversely affect any express independent right of any such person under a separate employment or service contract.

(b) No Participant or other person will have any right, title or interest in any fund or in any specific asset (including shares of Common Stock) of the Company or any Subsidiary by reason of any option hereunder. Neither the provisions of the Plan (or of any other document related to the Plan), nor the creation or adoption of the Plan, nor any action taken pursuant to the provisions of the Plan will create, or be construed to create, a trust of any kind or a fiduciary relationship between the Company or any Subsidiary and any Participant, beneficiary or other person. To the extent that a Participant, beneficiary or other person acquires a right to receive payment pursuant to the Plan, such right will be no greater than the right of any unsecured general creditor of the Company.

(c) A Participant will not be entitled to any privilege of stock ownership as to any shares of Common Stock not actually delivered to and held of record by the Participant. Except as expressly required by Section 16(a) or otherwise expressly provided by the Committee, no adjustment will be made for dividends or other rights as a stockholder for which a record date is prior to such date of delivery.

22. Miscellaneous.

(a) The Plan, the options granted hereunder and any other documents related to the Plan shall be governed by, and construed in accordance with, the laws of the State of Delaware, notwithstanding any Delaware or other conflict of law provision to the contrary.

(b) If any provision of the Plan shall be held by a court of competent jurisdiction to be invalid and unenforceable, the remaining provisions of the Plan shall continue in effect.

(c) Captions and headings are given to the sections of the Plan solely as a convenience to facilitate reference. Such captions and headings shall not be deemed in any way material or relevant to the construction of interpretation of the Plan or any provision hereof.

(d) The adoption of the Plan shall not affect any other Company or Subsidiary compensation or incentive plans in effect. Nothing in the Plan will limit or be deemed to limit the authority of the Board or Committee (1) to establish any other forms of incentives or compensation for employees of the Company or any Subsidiary (with or without reference to the Common Stock), or (2) to grant or assume options (outside the scope of and in addition to those contemplated by the Plan) in connection with any proper corporate purpose, to the extent consistent with any other plan or authority. Benefits received by a Participant under an option granted pursuant to the Plan shall not be deemed a part of the Participant's compensation for purposes of the determination of benefits under any other employee welfare or benefit plans or arrangements, if any, provided by the Company or any Subsidiary, except where the Committee or the Board (or the Board of Directors of the Subsidiary that sponsors such plan or arrangement, as applicable) expressly otherwise provides or authorizes in writing.

(e) The Committee may also adopt rules, procedures or sub-plans applicable to particular Subsidiaries or locations, which sub-plans may be designed to be outside the scope of Section 423 of the Code and need not comply with the otherwise applicable provisions of the Plan.

SANDISK CORPORATION
EXECUTIVE SEVERANCE PLAN

1. PURPOSE; TERM

Effective as of February 21, 2025 (the “Effective Date”), Sandisk Corporation, a Delaware corporation (the “Company”), adopted this Sandisk Corporation Executive Severance Plan (the “Plan”). The Company established the Plan to provide severance benefits to Participants (as defined below) whose employment with the Employer (as defined below) terminates under certain circumstances as described more fully in the Plan. The Plan shall remain in effect until modified or terminated pursuant to Section 8.

2. DEFINITIONS

“Administrator” means the Committee or any delegate of such committee acting pursuant to Section 7.

“Base Pay” means the Participant’s wages earned on a monthly basis, determined as of the employment termination date, excluding incentive payments and commissions.

“Board” means the Board of Directors of the Company.

“Cause” means the occurrence or existence of any of the following with respect to a Participant: (a) the Participant’s conviction by, or entry of a plea of guilty or nolo contendere in, a court of competent and final jurisdiction for any crime involving moral turpitude or any felony punishable by imprisonment in the jurisdiction involved; (b) whether prior or subsequent to the Effective Date, the Participant’s willful engaging in dishonest or fraudulent actions or omissions; (c) the Participant’s failure or refusal to perform his or her duties as reasonably required by the Employer; (d) negligence, insubordination, violation by the Participant of any duty (of loyalty or otherwise) owed to the Employer, or any other material misconduct on the part of the Participant; (e) conduct by the Participant which, upon reasonable investigation, is determined by the Company to violate the Employer’s anti-harassment, discrimination or retaliation policies; (f) conduct endangering, or likely to endanger, the health or safety of another employee; (g) falsifying or misrepresenting information on the records of the Employer; (h) the Participant’s physical destruction or theft of substantial property or assets of the Employer; or (i) breach of any policy of, or agreement with, the Employer applicable to the Participant or to which the Participant is otherwise bound.

“Code” means the United States Internal Revenue Code of 1986, as amended.

“Code Section 409A” means Section 409A of the Code.

“Committee” means the Compensation and Talent Committee of the Board.

“Disability” shall occur upon the Participant becoming eligible for disability benefits under the Employer’s long-term disability plan, or, if earlier, upon the Participant becoming eligible for Social Security disability benefits or any comparable state-provided disability benefits for Participants located in non-United States jurisdictions.

“Eligible Employee” means an individual who is an employee on the payroll of the Employer. An Eligible Employee shall not include any person providing services to the Employer through a temporary service or on a leased basis or who is engaged by the Employer as an independent contractor, consultant, or otherwise as a person who is not an employee for purposes of applicable withholding taxes, as evidenced by payroll records or a written agreement with the individual, regardless of any contrary governmental agency determination or judicial holding relating to such status or tax withholding.

“Employer” means the Company and its Subsidiaries. For purposes of determining the entity responsible for making payments to a Participant, “Employer” shall mean the legal entity on whose payroll records the Participant is listed.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

“Exchange Act” means the U.S. Securities Exchange Act of 1934, as amended, and the related rules and regulations.

“JAMS” means the Judicial Arbitration and Mediation Services, Inc., or its successor.

“Participant” means an Eligible Employee who has been designated by the Board or Administrator to participate in the Plan, in accordance with Section 3.

“Release” means a release of any and all claims in a form and manner acceptable to the Company.

“Separation from Service” with respect to a Participant, shall mean that the Participant dies, retires, or otherwise has a termination of employment with the Employer that constitutes a “separation from service” within the meaning of Treasury Regulation Section 1.409A-1(h)(1), without regard to the optional alternative definitions available under such regulation.

“Severance Benefits” means the severance payments and benefits specified for a Participant in Appendix A-1 or Appendix A-2, as applicable.

“Subsidiary” means any corporation or other entity a majority of whose outstanding voting stock or voting power is beneficially owned directly or indirectly by the Company.

“U.S. Eligible Employee” means any Eligible Employee who is paid from the United States payroll of the Employer.

3. PARTICIPATION

The Administrator may, from time to time, designate Eligible Employees as Participants; provided, that the Administrator shall limit the group of all persons eligible to participate in the Plan to a “select group of management or highly compensated employees” within the meaning of 29 C.F.R. 2520-104-23 or any similar successor provision.

The Administrator designates Participants into one of the following three categories: Tier 1 Participant per Appendix A-1, Tier 2 Participant per Appendix A-2 or Tier 3 Participant per Appendix A-2. The Administrator may, in its sole discretion, remove a Participant from the Plan or modify existing Participant tier designations, regardless of the general designations in Appendix A-1 or Appendix A-2.

4. ACCRUED RIGHTS; SEVERANCE BENEFITS

4.1 Accrued Rights. Upon a termination of the Participant's employment for any reason, the Participant (or the Participant's estate) shall be entitled to receive the sum of the Participant's Base Pay through the date of termination that is unpaid; the monetary equivalent of any accrued but unused vacation days; any reasonable business expenses incurred in the performance of his or her duties to the Employer in accordance with applicable expense reimbursement policies and procedures and that remain unpaid as of the date of termination; and any amount owed to the Participant in connection with employee benefit plans (including without limitation, any disability or life insurance benefit plans, programs or arrangements), payable in accordance with the terms and conditions of such employee benefit plans.

4.2 Severance Benefits. A Participant whose employment with the Employer is terminated without Cause (excluding by reason of death or Disability) shall be entitled to receive the Severance Benefits from his or her Employer subject to the conditions set forth in Section 5. In no event shall a Participant become entitled to a duplication of benefits under the Plan and any other severance plan or program of the Employer (including the Company's Change in Control Severance Plan). In the event a Participant is eligible to receive benefits under the Plan and any other severance plan or program of the Employer (including the Company's Change in Control Severance Plan), Participant shall only receive benefits pursuant to the arrangement that yields the greatest benefit to the Participant. Notwithstanding any provision of the Plan to the contrary, to the extent that any Participant is entitled to any period of paid notice under Federal or state law including, but not limited to, the Worker Adjustment Retraining Notification Act, 29 U.S.C. Sections 2101 et seq., the benefits and amounts payable under the Plan shall be reduced (but not below zero) by the Base Pay received by the Participant during the period of such paid notice.

4.3 Specified Employees. It is the Company's intent that the Severance Benefits be exempt from Section 409A as a "short-term deferral" or separation pay due to an involuntary separation from service within the meaning of Code Section 409A. If the Severance Benefits (or any portion thereof) constitute non-exempt "deferred compensation" (within the meaning of Section 409A), then a Participant who is a "specified employee" within the meaning of Code Section 409A shall not be entitled to any such benefits hereunder until the earlier of (i) the date which is six months after the Participant's Separation from Service for any reason other than death, or (ii) the date of the Participant's death. Any amounts otherwise payable to the Participant upon or in the six-month period following the Participant's Separation from Service that are not paid by reason of this Section 4.3 shall be paid (without interest) as soon as practicable (and in all events within 30 days) after (x) the required six-month period or, if earlier (y) the date of the Participant's death.

5. CONDITIONS TO SEVERANCE BENEFITS

5.1 Release. The Employer's obligation to pay the Severance Benefits to a Participant is subject to: (i) the Participant's execution of a Release; and (ii) such Release not being revoked by the Participant (pursuant to any revocation rights afforded by applicable law) or otherwise rendered unenforceable by the Participant. The Employer will have no obligation to pay any of the Severance Benefits to the Participant under the Plan until such Release becomes effective.

5.2 Departure and Entitlement Procedure. As a condition to receiving the Severance Benefits, the Participant must return and deliver to the Employer all Employer property within seven days of the Participant's termination date.

5.3 Other Employment; Limitation On Employee Rights. A Participant shall not be required to mitigate the amount of any payments provided by the Plan by seeking employment or otherwise. The Employer reserves the right to offset the benefits payable under the Plan by any advanced monies the Participant owes the Employer. The Plan shall not give any employee the right to be retained in the service of the Employer or to interfere with or restrict the right of the Employer to discharge any employee at any time, with or without Cause.

6. RESOLUTION OF DISPUTES

6.1 Claim. Any Participant or other person who believes he or she is entitled to any payment under the Plan (referred to in this section as “claimant”) may submit a claim in writing to the Administrator within 90 days of the earlier of (i) the date the claimant learned the amount of his or her benefits under the Plan or (ii) the date the claimant learned that he or she will not be entitled to any benefits under the Plan. If the claim is denied (in full or in part), the claimant will be provided a written notice explaining the specific reasons for the denial and referring to the provisions of the Plan on which the denial is based. The notice also will describe any additional information needed to support the claim and the Plan’s procedures for appealing the denial. The denial notice will be provided within 90 days after the claim is received. If special circumstances require an extension of time (up to 90 days), written notice of the extension will be given within the initial 90-day period. This notice of extension will indicate the special circumstances requiring the extension of time and the expected date of the Administrator’s decision.

6.2 Appeal Procedure. If the claim is denied, the claimant (or his or her authorized representative) may apply in writing to the Administrator for a review of the decision denying the claim. Review must be requested within 60 days following the date the claimant received the written notice of their claim denial or else the claimant loses the right to review. The claimant then has the right to review and obtain copies of all documents and other information relevant to the claim, upon request and at no charge, and to submit issues and comments in writing within ten business days after receiving documents and other information relevant to the claim. The Administrator will provide written notice of its decision on review within 60 days after it receives a review request. If additional time (up to 60 days) is needed to review the request, the claimant will be given written notice of the reason for the delay. This notice of extension will indicate the special circumstances requiring the extension of time and the expected date of the Administrator’s decision. If the claim is denied (in full or in part), the claimant will be provided a written notice explaining the specific reasons for the denial and referring to the provisions of the Plan on which the denial is based. The notice also will include a statement that the claimant will be provided, upon request and free of charge, reasonable access to, and copies of, all documents and other information relevant to the claim and a statement regarding the claimant’s right to bring an action under Section 502(a) of ERISA.

6.3 Arbitration. A claimant who followed the procedures in Sections 6.1 through 6.2, but has not obtained full relief on his or her claim for benefits, may, within 90 days following his or her receipt of the Administrator's written decision on review pursuant to Section 6.2, apply in writing to the Administrator for expedited and binding arbitration of his or her claim in a county no more than 45 miles from the Company's headquarters (unless another location has been agreed upon between Participant and Company in writing), before a sole arbitrator selected from JAMS, or if JAMS is no longer able to supply the arbitrator, such arbitrator shall be selected from the American Arbitration Association, and shall be conducted in accordance with the provisions of California Code of Civil Procedure §§ 1280 et seq. as the exclusive forum for the resolution of such dispute. Any award or relief granted by the arbitrator shall be final and binding on the parties hereto and may be enforced by any court of competent jurisdiction. Any rights to trial by jury in any action, proceeding or counterclaim brought by any of the Company, a Subsidiary or a Participant in connection with any matter whatsoever arising out of or in any way connected with the Plan are hereby waived. The Employer shall be responsible for payment of the forum costs of any arbitration hereunder, including the arbitrator's fee.

6.4 Legal Fees and Expenses. If any dispute arises between the parties with respect to the interpretation or performance of the Plan, the prevailing party in any arbitration or proceeding shall be entitled to recover from the other party its attorneys' fees or court costs and other expenses incurred in connection with any such proceeding. Amounts, if any, paid to the Participant under this Section 6.4 shall be in addition to all other amounts due to the Participant pursuant to the Plan.

7. ADMINISTRATION

The Plan shall be administered and operated by the Administrator. The Administrator is empowered to construe and interpret the provisions of the Plan and to decide all questions of eligibility for benefits under the Plan and shall make such determinations in its sole and absolute discretion. The Administrator may at any time delegate to any other named person or body, or reassume from any delegate, any of its responsibilities or administrative duties with respect to the Plan.

8. AMENDMENT

The Administrator (or the Board) reserves the right to amend, suspend and/or terminate the Plan at any time in its sole discretion. No amendment, suspension or termination shall diminish benefits payable to a Participant who is already entitled to payment under the Plan at the time of such amendment, suspension or termination.

9. TAXES

Each Participant shall be solely responsible for his or her own tax liability with respect to participation in the Plan. The Employer may withhold from any amounts payable under the Plan such federal, state and local income, employment, or other applicable taxes as may be required to be withheld.

10. GENERAL

10.1 Assignment by Participants. None of the amounts payable pursuant to the Plan shall be subject to any claim of any creditor and shall not be subject to attachment or garnishment or other legal process by any creditor. Participants may not alienate, anticipate, commute, pledge, encumber or assign any of the amounts payable pursuant to the Plan. The amounts payable pursuant to the Plan shall inure to the benefit of and be enforceable by each Participant's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees, and legatees.

10.2 Binding Effect. The Employer will require any successor to all or substantially all of the business and/or assets of the Company or applicable Subsidiary to expressly assume and agree to perform all of the obligations of the Company or applicable Subsidiary under the Plan (including the obligation to cause any subsequent successor to also assume the obligations of the Plan) unless such assumption occurs by operation of law. For the avoidance of doubt, in the event that a successor of a Subsidiary assumes the Subsidiary's obligations under the Plan, the Company will have no obligations under the Plan with respect to the Participants employed by such Subsidiary.

10.3 No Waiver. No waiver of any term, provision or condition of the Plan, whether by conduct or otherwise, in any one or more instances shall be deemed or be construed as a further or continuing waiver of any such term, provision or condition or as a waiver of any other term, provision or condition of the Plan.

10.4 Expenses; Unsecured General Creditor. The benefits and costs of the Plan shall be paid by the Employer out of its general assets. The status of a claim against the Employer with respect to the benefits provided by the Plan shall be the same as the status of a claim against the Employer by any general or unsecured creditor.

10.5 ERISA. The Plan is an unfunded compensation arrangement for a select group of management or highly compensated employees of the Company or a Subsidiary and any exemptions under ERISA applicable to such an arrangement shall be applicable to the Plan.

10.6 WARN Act. Benefits payable under the Plan are intended to satisfy, where applicable, any Employer obligations under the Federal Worker Adjustment and Retraining Notification Act and any similar obligations that the Employer may have under any successor or other severance pay statute.

10.7 Governing Law. The provisions of the Plan will be construed, administered and enforced in accordance with ERISA and, to the extent applicable, the laws of the State of California without regard to its choice of law provisions.

10.8 Severability. If any provision of the Plan is held to be illegal, invalid or unenforceable under any present or future law, and if the rights or obligations of any party hereto under the Plan will not be materially and adversely affected hereby, (i) such provision will be fully severable, (ii) the Plan will be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof, (iii) the remaining provisions of the Plan will remain in full force and effect and will not be affected by the illegal, invalid or unenforceable provision or by its severance from here and (iv) in lieu of such illegal, invalid or unenforceable provision, there will be added automatically as a part of the Plan a legal, valid and enforceable provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible.

10.9 Additional Information.

Plan Name: Sandisk Corporation Executive Severance Plan

Plan Sponsor: Sandisk Corporation

Identification Numbers: **EIN:** 99-1508671
PLAN: 001

Plan Year: January 1 to December 31

Plan Administrator: Sandisk Corporation
951 Sandisk Drive
Milpitas, California 95035
Attention: Compensation and Talent Committee
(408) 801-1000

Agent for Service of Legal Process: Sandisk Corporation
251 Little Falls Drive
Wilmington, Delaware 19807
Attention: Corporation Service Company

Type of Plan: Severance Plan/Employee Welfare Benefit Plan

Plan Costs: The cost of the Plan is paid by the Company.

10.10 Statement of ERISA Rights. As a Participant under the Plan, you have certain rights and protections under ERISA:

You may examine (without charge) all Plan documents, including any amendments and copies of all documents filed with the U.S. Department of Labor. These documents are available for your review in the Company's Human Resources Department.

You may obtain copies of all Plan documents and other Plan information upon written request to the Administrator. A reasonable charge may be made for such copies.

In addition to creating rights for Participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate the Plan (called "fiduciaries") have a duty to do so prudently and in the interests of you and the other Participants. No one, including the Company or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit under the Plan or exercising your rights under ERISA. If your claim for payments or benefits under the Plan is denied, in whole or in part, you must receive a written explanation of the reason for the denial. You have the right to have the denial of your claim reviewed. The claim review procedure is explained in Section 6 above.

Under ERISA, there are steps you can take to enforce the above rights. For example, if you request materials and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Administrator to provide the materials and to pay you up to \$110 a day until you receive the materials, unless the materials were not sent due to reasons beyond the control of the Administrator. If you have a claim which is denied or ignored, in whole or in part, you may file suit in a federal court. If it should happen that you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court.

In any case, the court will decide who will pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds that your claim is frivolous.

If you have any questions regarding the Plan, please contact the Administrator. If you have any questions about this statement or about your rights under ERISA, you may contact the nearest area office of the Employee Benefits Security Administration (formerly the Pension and Welfare Benefits Administration), U.S. Department of Labor, listed in your telephone directory, or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W. Washington, D.C. 20210. You also may obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

10.11 Section 280G.

Notwithstanding anything to the contrary in the Plan, if a Participant is a “disqualified individual” (as defined in Section 280G(c) of the Code), and the Severance Benefits provided for under the Plan, together with any other payments and benefits which the Participant has the right to receive from the Employer, would constitute a “parachute payment” (as defined in Section 280G(b)(2) of the Code), then the Severance Benefits provided for under the Plan shall be either (a) reduced (but not below zero) so that the present value of such total amounts and benefits received by the Participant from the Employer will be \$1.00 less than three times the Participant’s “base amount” (as defined in Section 280G(b)(3) of the Code) and so that no portion of such amounts and benefits received by the Participant shall be subject to the excise tax imposed by Section 4999 of the Code, or (b) paid in full, whichever produces the better net after-tax position to the Participant (taking into account any applicable excise tax under Section 4999 of the Code and any other applicable taxes). The determination as to whether any such reduction in the amount of the payments provided hereunder is necessary shall be made by the Employer in good faith. If a reduced payment is made or provided and through error or otherwise that payment, when aggregated with other payments and benefits from the Employer used in determining if a parachute payment exists, exceeds \$1.00 less than three times the Participant’s base amount, then the Participant shall immediately repay such excess to the Employer upon notification that an overpayment has been made. Nothing in the Plan shall require the Employer to be responsible for, or have any liability or obligation with respect to, the Participant’s excise tax liabilities under Section 4999 of the Code.

Appendix A-1

A Participant with a title of Executive Vice President (or its equivalent in the internal records of the Employer) or who is an officer of the Company within the meaning of Section 16 of the Exchange Act shall be a Tier 1 Participant. Such a Participant shall be eligible to receive the Severance Benefits described in this Appendix A-1.

1.1 Severance Benefits:

(a) Cash Severance Payment. A Participant shall receive a severance payment equal to the Participant's Base Pay multiplied by 24 months.

(b) Earned Yet Unpaid Incentive Payments. A Participant shall receive payment for any incentive that was earned through a prior incentive cycle but has not yet been paid.

(c) Prorated Incentive Payments. A Participant shall receive a pro-rata portion of an incentive for the incentive cycle in which the Participant's date of termination occurs. Such proration shall assume target performance and shall be based on the following formula: a fraction with a numerator equal to the total number of calendar days from the first day of the incentive cycle through and including the Participant's termination of employment and a denominator equal to the total number of calendar days from the first day of the incentive cycle through and including the last day of the incentive cycle.

(d) Equity Awards. Equity awards shall be treated as follows:

(i) For equity awards that are only subject to time-based vesting, a prorated portion of the award will vest and become exercisable or payable, as applicable, based on the following formula:

(A) (x) a fraction with a numerator equal to the total number of calendar days from the grant date of the award through and including the Participant's termination of employment and a denominator equal to the total number of calendar days from the grant date of the award through and including the last scheduled vesting date applicable to the award ***multiplied by*** (y) the total number of shares of common stock of the Company originally subject to the award (subject to adjustment as provided in the Plan, if applicable, but before taking into account any crediting (if applicable) of dividend equivalent rights); ***minus***

(B) the number of shares of common stock of the Company that have already vested or have already become exercisable, as applicable on or prior to the Participant's termination of employment (before taking the acceleration contemplated by this section into account and before taking into account any crediting (if applicable) of dividend equivalent rights).

Any credited dividend equivalent rights will also become proportionately vested.

(ii) For equity awards that are subject to performance-based vesting, the award shall be payable in accordance with the original schedule set forth in the applicable award agreement, with no acceleration, and the award will vest as follows:

(A) With respect to any such award for which the applicable performance period has not ended as of the date of the Participant's termination of employment, the award will remain outstanding and vest, if at all, based on the actual achievement of the applicable performance goal(s) (with the number of shares vesting determined before taking the crediting of (if applicable) dividend equivalent rights into account) provided that the number of shares of common stock that becomes vested, if any, will be prorated based on the length of employment during the applicable performance period. Any credited dividend equivalent rights will also remain outstanding and eligible to vest based on the actual achievement of the applicable performance goal(s).

The prorated portion is a fraction with a numerator equal to the total number of calendar days from the first day of the applicable performance period through and including the Participant's termination of employment and a denominator equal to the total number of calendar days in the applicable performance period.

(B) With respect to any such award for which the applicable performance period has ended as of the date of the Participant's termination of employment, vesting shall be based on the actual achievement of the applicable performance goal(s).

The post-termination settlement and exercisability, as applicable, of such equity awards, as well any payments made in connection with such equity awards, shall be governed by the applicable stock incentive plan, as amended from time to time, and/or award agreement. In the event of a conflict regarding equity award treatment between an applicable award agreement and the Plan, the award agreement controls.

(e) Outplacement Services. A Participant who is a U.S. Eligible Employee as of the date of such Participant's termination of employment shall be eligible for outplacement services for up to 12 months following the Participant's termination of employment. Such services shall be provided by a vendor chosen by the Employer in its sole discretion.

(f) COBRA Premium Payment. With respect to a Participant who is a U.S. Eligible Employee as of the date of such Participant's termination of employment, the Employer shall pay to the Participant a cash payment in an amount equal to the applicable COBRA premium payments (as reasonably determined by the Administrator) that would be payable by the Participant to continue the Participant's company-provided medical, dental, and/or vision coverage existing as of the Participant's termination date for a period of 18 months following such Participant's termination of employment. For purposes of clarity, such cash payment shall be made regardless of whether the Participant actually elects coverage under COBRA, and shall be determined as of the Participant's termination of employment and not impacted by, or adjusted for, events occurring after such date (including, without limitation, changes in coverage or premiums).

1.2. Payment Timing. Subject to Section 4.3 of the Plan, the payments set forth in Section 1.1 (a), (b), (c) and (f) shall be paid to the Participant in a single lump sum cash payment, subject to applicable tax withholding, no later than the 30th day following the date on which the Release becomes effective; provided, that if the period during which the payment of such Severance Benefits can be initiated commences in one taxable year and ends in a second taxable year, such payment shall be made in the second taxable year to the extent required to avoid any tax, interest or penalties under Code Section 409A.

1.3 Participants who are Not U.S. Eligible Employee. The Administrator delegates to the Company's Chief Human Resources Officer (or equivalent role or any other person the Administrator deems appropriate) the duties of the Administrator set forth in Section 1.3(a) and Section 1.3(b). If a Participant who is not a U.S. Eligible Employee is eligible to receive payments or benefits upon a termination of employment under any applicable local law or Employer policy ("Local Severance"), then the payments and benefits described in this appendix shall be modified as follows:

(a) Benefit Comparison. The Administrator shall compare the payments and benefits payable to the Participant under the Local Severance (excluding the value of any equity awards that accelerate in connection with the Participant's termination of employment) (the "Local Severance Benefits") with the payments and benefits set forth in Section 1.1 of this appendix applicable to the Participant (the "Plan Severance Benefits"). The Administrator has sole discretion to determine the calculation of the Local Severance Benefits.

(b) Benefit Calculation. In the event the value of the Local Severance Benefits equals or exceeds the Plan Severance Benefits, as determined by the Administrator in its sole discretion, then the Participant shall not be eligible to receive any portion of the Plan Severance Benefits. In the event the value of the Local Severance Benefits is less than the value of the Plan Severance Benefits, as determined by the Administrator in its sole discretion, then the Participant shall receive the Plan Severance Benefits (excluding the benefits set forth in 1.1(e) (outplacement services) and 1.1(f) (COBRA premium payments) in this Appendix) in place of any Local Severance Benefits. In the event a Participant is eligible to receive a cash payment under this Section 1.3(b), then references in the Plan to "Severance Benefits" shall be deemed to refer to such cash payment.

(c) Payment Timing. In the event a Participant is eligible to receive a cash payment under the immediately preceding Section 1.3(b), then such payment shall be paid to the Participant in a single lump sum cash payment no later than the 30th day following the date on which the Release becomes effective, subject to applicable tax withholding, local timing rules and subject to Section 4.3; provided, that if the period during which such payment can be made begins in one taxable year and ends in a second taxable year, such payment shall be made in the second taxable year to the extent required to avoid any tax, interest or penalties under Code Section 409A.

(d) Retirement-Eligible Vesting. Notwithstanding any provision of this Section 1.3 to the contrary, non-U.S. Eligible Employees who: (a) are retirement-eligible; and (b) receive Local Severance Benefits shall also receive retirement vesting on their applicable equity awards pursuant to the applicable stock incentive plans and/or award agreements governing such equity awards.

Appendix A-2

A Participant with a title of Senior Vice President (or its equivalent in the internal records of the Employer) shall be a Tier 2 Participant, and a Participant with a title of Vice President (or its equivalent in the internal records of the Employer) shall be a Tier 3 Participant.

Such Participants are subject to all the terms, and are eligible to receive all the Severance Benefits, described in Appendix A-1 above, subject to the changes set forth below.

<u>Provision</u>	<u>Tier 2 Participants</u>	<u>Tier 3 Participants</u>
Section 1.1(a) Cash Severance Payment	A Participant shall receive a severance payment equal to the Participant's Base Pay multiplied by 18 months	A Participant shall receive a severance payment equal to the Participant's Base Pay multiplied by 12 months
Section 1.1(f) COBRA Premium Payment	With respect to a Participant who is a U.S. Eligible Employee as of the date of such Participant's termination of employment, the Employer shall pay to the Participant a cash payment in an amount equal to the applicable COBRA premium payments (as reasonably determined by the Administrator) that would be payable by the Participant to continue the Participant's company-provided medical, dental, and/or vision coverage existing as of the Participant's termination date for a period of 12 months following such Participant's termination of employment. For purposes of clarity, such cash payment shall be made regardless of whether the Participant actually elects coverage under COBRA, and shall be determined as of the Participant's termination of employment and not impacted by, or adjusted for, events occurring after such date (including, without limitation, changes in coverage or premiums).	

SANDISK CORPORATION
CHANGE IN CONTROL SEVERANCE PLAN

1. PURPOSE; TERM

Effective as of February 21, 2025 (the “Effective Date”), Sandisk Corporation, a Delaware corporation (the “Company”), adopted this Sandisk Corporation Change in Control Severance Plan (the “Plan”). The Company established the Plan to reinforce and encourage the continued attention and dedication of Participants (as defined below) to their assigned duties in the event the Company undergoes a Change in Control (as defined below). The Plan shall remain in effect until modified or terminated pursuant to Section 8.

2. DEFINITIONS

“Administrator” means the Committee or any delegate of such committee acting pursuant to Section 7.

“Base Pay” means the Participant’s wages earned on a monthly basis, determined as of the employment termination date, excluding incentive payments and commissions.

“Beneficially Own” or “Beneficial Owner” (as the context may require) means a “beneficial owner” as defined in Rule 13d-3 of the Exchange Act, except that a person shall also be deemed the beneficial owner of all securities which such person may have a right to acquire, whether or not such right is presently exercisable.

“Board” means the Board of Directors of the Company.

“Business Combination” means the consummation of any merger, consolidation, reorganization or other extraordinary transaction (or series of related transactions) involving the Company, a sale or other disposition of all or substantially all of the assets of the Company, or the acquisition of assets or stock of another entity by the Company or any of its subsidiaries.

“Cause” means the occurrence or existence of any of the following with respect to a Participant: (a) the Participant’s conviction by, or entry of a plea of guilty or nolo contendere in, a court of competent and final jurisdiction for any crime involving moral turpitude or any felony punishable by imprisonment in the jurisdiction involved; (b) whether prior or subsequent to the Effective Date, the Participant’s willful engaging in dishonest or fraudulent actions or omissions which results directly or indirectly in any demonstrable material financial or economic harm to the Employer or any of their respective affiliates; (c) the Participant’s failure or refusal to perform his or her duties as reasonably required by the Employer, provided that the Participant shall have first received written notice from the Employer stating with specificity the nature of such failure or refusal and affording the Participant at least five days to correct the act or omission complained of; (d) gross negligence, insubordination, material violation by the Participant of any duty of loyalty to the Employer or any of their respective affiliates, or any other material misconduct on the part of the Participant, provided that the Participant shall have first received written notice from the Employer stating with specificity the nature of such action or violation and affording the Participant at least five days to correct such action or violation; (e) conduct by the Participant which, upon reasonable investigation, is determined by the Company to violate the Employer’s anti-harassment, discrimination or retaliation policies; (f) conduct endangering, or materially likely to endanger, the health or safety of another employee; (g) falsifying or misrepresenting information on the records of the Employer or any of their respective affiliates; (h) the Participant’s physical destruction or theft of substantial property or assets of the Employer or any of their respective affiliates; or (i) material breach of any material policy of, or agreement with, the Employer or any of their respective affiliates applicable to the Participant or to which the Participant is otherwise bound, provided that the Participant shall have first received written notice from the Employer stating with specificity the nature of such breach and affording the Participant at least five days to correct such breach.

The Participant shall not be deemed to have been terminated for Cause unless and until all of the following conditions have been met: (x) the Employer delivers to the Participant a notice of termination specifying the alleged conduct of the Participant that constitutes “Cause”; (y) the Participant is provided a meaningful opportunity to rebut the allegations and be heard by the Board at a meeting called and held for that purpose; and (z) following any such meeting of the Board, the Board approves a legally binding resolution finding that the Participant was guilty of conduct constituting Cause with such resolution approved by the affirmative vote of not less than a majority of the entire membership of the Board (other than the Participant if he or she is a member of the Board at such time).

“Change in Control” means an occurrence of any of the following events, unless the Board shall provide otherwise:

(a) any Person, alone or together with its affiliates and associates, including any group of persons which is deemed a “person” under Section 13(d)(3) of the Exchange Act (other than the Employer or any employee benefit plan (or related trust) of the Employer, or any underwriter in connection with a firm commitment public offering of the Company’s capital stock), becomes the Beneficial Owner of: (i) thirty-three and one-third percent or more of the then Outstanding Company Common Stock; or (ii) securities representing thirty-three and one-third percent or more of the Outstanding Company Voting Securities (in each case above, other than an acquisition in the context of a merger, consolidation, reorganization, asset sale or other extraordinary transaction covered by, and which does not constitute a Change in Control under, clause (c) below);

(b) a change, during any period of two consecutive years, of a majority of the Board as constituted as of the beginning of such period, unless the election, or nomination for election by the Company's stockholders, of each director who was not a director at the beginning of such period was approved by vote of at least two-thirds of the Incumbent Directors then in office;

(c) a Business Combination, unless, following such Business Combination, (1) all or substantially all of the individuals and entities that were the Beneficial Owners of the Outstanding Company Common Stock and the Outstanding Company Voting Securities immediately prior to such Business Combination Beneficially Own, directly or indirectly, more than 50% of the then-outstanding shares of common stock and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the entity resulting from such Business Combination (including, without limitation, a Parent), (2) no Person (excluding any entity resulting from such Business Combination or a Parent or any employee benefit plan (or related trust) of the Company or such entity resulting from such Business Combination or Parent, and excluding any underwriter in connection with a firm commitment public offering of the Company's capital stock) Beneficially Owns, directly or indirectly, more than thirty-three and one-third percent of, respectively, the then-outstanding shares of common stock of the entity resulting from such Business Combination or the combined voting power of the then-outstanding voting securities of such entity, and (3) at least a majority of the members of the board of directors of the entity resulting from such Business Combination or a Parent were Incumbent Directors at the time of execution of the initial agreement or of the action of the Board providing for such Business Combination; or

(d) the stockholders of the Company approve a plan of complete liquidation or dissolution of the Company (other than in the context of a merger, consolidation, reorganization, asset sale or other extraordinary transaction covered by, and which does not constitute a Change in Control under, clause (c) above).

Notwithstanding the foregoing definition or any other provision of the Plan, the term Change in Control will not include a sale of assets, merger or other transaction effected exclusively for the purpose of changing the domicile of the Company. If required for compliance with Section 409A of the Code, in no event will a Change in Control be deemed to have occurred if such transaction is not also a "change in the ownership or effective control of" the Company or "a change in the ownership of a substantial portion of the assets of" the Company as determined under U.S. Treasury Regulation Section 1.409A-3(i)(5) (without regard to any alternative definition thereunder). The Board may, in its sole discretion and without a Participant's consent, amend the definition of "Change in Control" to conform to the definition of "Change in Control" under Section 409A of the Code and related regulations.

"Change in Control Period" means:

(a) any period during which the Company or any of its Subsidiaries has become a party to a definitive agreement to consummate a transaction that would result in a Change in Control and before the termination of such agreement without the transaction being consummated;

(b) any period commencing upon the effective date of the Change in Control and ending on the 12-month anniversary of the effective date of such Change in Control.

Notwithstanding the foregoing, in no event will the Change in Control Period be deemed to have commenced earlier than six months prior to the Change in Control.

“Code” means the United States Internal Revenue Code of 1986, as amended.

“Code Section 409A” means Section 409A of the Code.

“Committee” means the Compensation and Talent Committee of the Board.

“Covered Termination” means:

(a) A Participant’s termination of employment by the Employer without Cause (excluding by reason of death or Disability) during the Change in Control Period; or

(b) A Participant’s termination of employment due to his or her resignation for Good Reason during the Change in Control Period.

“Disability” shall occur upon the Participant becoming eligible for disability benefits under the Employer’s long-term disability plan, or, if earlier, upon the Participant becoming eligible for Social Security disability benefits or any comparable state-provided disability benefits for Participants located in non-United States jurisdictions.

“Eligible Employee” means an individual who is an employee on the payroll of the Employer. An Eligible Employee shall not include any person providing services to the Employer through a temporary service or on a leased basis or who is engaged by the Employer as an independent contractor, consultant, or otherwise as a person who is not an employee for purposes of applicable withholding taxes, as evidenced by payroll records or a written agreement with the individual, regardless of any contrary governmental agency determination or judicial holding relating to such status or tax withholding.

“Employer” means the Company and its Subsidiaries. For purposes of determining the entity responsible for making payments to a Participant, “Employer” shall mean the legal entity on whose payroll records the Participant is listed.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

“Exchange Act” means the U.S. Securities Exchange Act of 1934, as amended, and the related rules and regulations.

“Good Reason” means any of the following without the Participant’s express written consent: (a) a material diminution in the Participant’s authority, duties or responsibilities in effect immediately prior to the Change in Control; (b) a material diminution by the Employer in the Participant’s Base Pay in effect immediately prior to the Change in Control; (c) any material breach by the Employer of any provision of the Plan; (d) the relocation of the Participant’s principal place of employment by more than 50 miles from his or her place of employment immediately prior to a Change in Control; or (e) the Company’s failure to obtain a satisfactory agreement from any successor to assume and agree to perform the Employer’s obligations under the Plan, as contemplated in Section 10.2 hereof. However, any such condition shall not constitute “Good Reason” unless (i) the Participant provides written notice to the Employer of the condition claimed to constitute Good Reason within 90 days of the initial existence of such condition and during the Change in Control Period and (ii) the Employer fails to remedy such condition within 30 days of receiving such written notice thereof; and provided, further, that in all events the termination of the Participant’s employment with the Employer shall not be treated as a termination for “Good Reason” unless such termination occurs not more than 12 months following the initial existence of the condition claimed to constitute “Good Reason.”

“Incumbent Directors” means the directors holding office as of the Effective Date and any person becoming a director subsequent to such date whose election, or nomination for election by the Company’s stockholders, is approved by a vote of at least a majority of the Incumbent Directors then in office.

“JAMS” means the Judicial Arbitration and Mediation Services, Inc., or its successor.

“Outstanding Company Common Stock” means the outstanding shares of the Company’s common stock.

“Outstanding Company Voting Securities” means the combined voting power of the Company’s then outstanding voting securities.

“Parent” means an entity that, as a result of a Business Combination, owns the Company or all or substantially all of the Company’s assets directly or through one or more subsidiaries.

“Participant” means an Eligible Employee who has been designated by the Board or Administrator to participate in the Plan, in accordance with Section 3.

“Person” means a person as defined in Sections 13(d) and 14(d) of the Exchange Act.

“Release” means a release of any and all claims in a form and manner acceptable to the Company.

“Separation from Service” with respect to a Participant, shall mean that the Participant dies, retires, or otherwise has a termination of employment with the Employer that constitutes a “separation from service” within the meaning of Treasury Regulation Section 1.409A-1(h)(1), without regard to the optional alternative definitions available under such regulation.

“Severance Benefits” means the severance payments and benefits specified for a Participant in Appendix A-1 or Appendix A-2, as applicable.

“Subsidiary” means any corporation or other entity a majority of whose outstanding voting stock or voting power is beneficially owned directly or indirectly by the Company.

“U.S. Eligible Employee” means any Eligible Employee who is paid from the United States payroll of the Employer.

3. **PARTICIPATION**

The Administrator may, from time to time, designate Eligible Employees as Participants; provided, that the Administrator shall limit the group of all persons eligible to participate in the Plan to a “select group of management or highly compensated employees” within the meaning of 29 C.F.R. 2520-104-23 or any similar successor provision.

The Administrator designates Participants into one of the following three categories: Tier 1 Participant per Appendix A-1, Tier 2 Participant per Appendix A-2 or Tier 3 Participant per Appendix A-2. The Administrator may, in its sole discretion, remove a Participant from the Plan or modify existing Participant tier designations, regardless of the general designations in Appendix A-1 or Appendix A-2.

4. ACCRUED RIGHTS; COMPENSATION UPON A CHANGE IN CONTROL; SEVERANCE BENEFITS

4.1 Compensation Upon a Change in Control. Commencing on the date a Change in Control occurs and for 12 months thereafter (or for such shorter period of time as the Participant remains employed following such Change in Control), the Participant shall be entitled to receive:

(i) Base Pay at a rate no less than the Base Pay immediately prior to the date of the Change in Control;

(ii) benefits under employee benefit plans or arrangements (including, without limitation, any pension or welfare plan, life, health, hospitalization and other forms of insurance and all other "fringe" benefits or perquisites) made available to the Participant by the Employer (or any successor thereto), and the Participant's level of participation in, or entitlements under, any such employee benefit plan of any successor to the Employer (or an affiliate thereof) shall be calculated as if the Participant had been an employee of such successor to the Employer (or an affiliate thereof) from the date of employment by Participant's Employer; and

(iii) reimbursement for all reasonable business expenses incurred by the Participant in the performance of his or her duties on behalf of the Employer for so long as the Participant is employed by Employer (or an affiliate thereof), and in no event shall the reimbursement be made later than the end of the taxable year following the taxable year that the related expenses were incurred.

4.2 Accrued Rights. Upon a termination of the Participant's employment for any reason, the Participant (or the Participant's estate) shall be entitled to receive the sum of the Participant's Base Pay through the date of termination that is unpaid; the monetary equivalent of any accrued but unused vacation days; any reasonable business expenses incurred in the performance of his or her duties to the Employer in accordance with applicable expense reimbursement policies and procedures and that remain unpaid as of the date of termination; and any amount owed to the Participant in connection with employee benefit plans (including without limitation, any disability or life insurance benefit plans, programs or arrangements), payable in accordance with the terms and conditions of such employee benefit plans.

4.3 Severance Benefits. In the event a Participant's termination of employment constitutes a Covered Termination, such Participant shall be entitled to receive the Severance Benefits from his or her Employer subject to the conditions set forth in Section 5. In no event shall a Participant become entitled to a duplication of benefits under the Plan and any other severance plan or program of the Employer (including the Company's Executive Severance Plan). In the event a Participant is eligible to receive benefits under the Plan and any other severance plan or program of the Employer (including the Company's Executive Severance Plan), Participant shall only receive benefits pursuant to the arrangement that yields the greatest benefit to the Participant. Notwithstanding any provision of the Plan to the contrary, to the extent that any Participant is entitled to any period of paid notice under Federal or state law including, but not limited to, the Worker Adjustment Retraining Notification Act, 29 U.S.C. Sections 2101 et seq., the benefits and amounts payable under the Plan shall be reduced (but not below zero) by the Base Pay received by the Participant during the period of such paid notice.

4.4 Specified Employees. It is the Company's intent that the Severance Benefits be exempt from Section 409A as a "short-term deferral" or separation pay due to an involuntary separation from service within the meaning of Code Section 409A. If the Severance Benefits (or any portion thereof) constitute non-exempt "deferred compensation" (within the meaning of Section 409A), then a Participant who is a "specified employee" within the meaning of Code Section 409A shall not be entitled to any such benefits hereunder until the earlier of (i) the date which is six months after the Participant's Separation from Service for any reason other than death, or (ii) the date of the Participant's death. Any amounts otherwise payable to the Participant upon or in the six-month period following the Participant's Separation from Service that are not paid by reason of this Section 4.4 shall be paid (without interest) as soon as practicable (and in all events within 30 days) after (x) the required six-month period or, if earlier (y) the date of the Participant's death.

5. CONDITIONS TO SEVERANCE BENEFITS

5.1 Release. The Employer's obligation to pay the Severance Benefits to a Participant is subject to: (i) the Participant's execution of a Release; and (ii) such Release not being revoked by the Participant (pursuant to any revocation rights afforded by applicable law) or otherwise rendered unenforceable by the Participant. The Employer will have no obligation to pay any of the Severance Benefits to the Participant under the Plan until such Release becomes effective.

5.2 Departure and Entitlement Procedure. As a condition to receiving the Severance Benefits, the Participant must return and deliver to the Employer all Employer property within seven days of the Participant's termination date.

5.3 Other Employment; Limitation On Employee Rights. A Participant shall not be required to mitigate the amount of any payments provided by the Plan by seeking employment or otherwise. The Employer reserves the right to offset the benefits payable under the Plan by any advanced monies the Participant owes the Employer. The Plan shall not give any employee the right to be retained in the service of the Employer or to interfere with or restrict the right of the Employer to discharge any employee at any time, with or without Cause.

6. RESOLUTION OF DISPUTES

6.1 Claim. Any Participant or other person who believes he or she is entitled to any payment under the Plan (referred to in this section as "claimant") may submit a claim in writing to the Administrator within 90 days of the earlier of (i) the date the claimant learned the amount of his or her benefits under the Plan or (ii) the date the claimant learned that he or she will not be entitled to any benefits under the Plan. If the claim is denied (in full or in part), the claimant will be provided a written notice explaining the specific reasons for the denial and referring to the provisions of the Plan on which the denial is based. The notice also will describe any additional information needed to support the claim and the Plan's procedures for appealing the denial. The denial notice will be provided within 90 days after the claim is received. If special circumstances require an extension of time (up to 90 days), written notice of the extension will be given within the initial 90-day period. This notice of extension will indicate the special circumstances requiring the extension of time and the expected date of the Administrator's decision.

6.2 Appeal Procedure. If the claim is denied, the claimant (or his or her authorized representative) may apply in writing to the Administrator for a review of the decision denying the claim. Review must be requested within 60 days following the date the claimant received the written notice of their claim denial or else the claimant loses the right to review. The claimant then has the right to review and obtain copies of all documents and other information relevant to the claim, upon request and at no charge, and to submit issues and comments in writing within ten business days after receiving documents and other information relevant to the claim. The Administrator will provide written notice of its decision on review within 60 days after it receives a review request. If additional time (up to 60 days) is needed to review the request, the claimant will be given written notice of the reason for the delay. This notice of extension will indicate the special circumstances requiring the extension of time and the expected date of the Administrator's decision. If the claim is denied (in full or in part), the claimant will be provided a written notice explaining the specific reasons for the denial and referring to the provisions of the Plan on which the denial is based. The notice also will include a statement that the claimant will be provided, upon request and free of charge, reasonable access to, and copies of, all documents and other information relevant to the claim and a statement regarding the claimant's right to bring an action under Section 502(a) of ERISA.

6.3 Arbitration. A claimant who followed the procedures in Sections 6.1 through 6.2, but has not obtained full relief on his or her claim for benefits, may, within 90 days following his or her receipt of the Administrator's written decision on review pursuant to Section 6.2, apply in writing to the Administrator for expedited and binding arbitration of his or her claim in a county no more than 45 miles from the Company's headquarters (unless another location has been agreed upon between Participant and Company in writing), before a sole arbitrator selected from JAMS, or if JAMS is no longer able to supply the arbitrator, such arbitrator shall be selected from the American Arbitration Association, and shall be conducted in accordance with the provisions of California Code of Civil Procedure §§ 1280 et seq. as the exclusive forum for the resolution of such dispute. Any award or relief granted by the arbitrator shall be final and binding on the parties hereto and may be enforced by any court of competent jurisdiction. Any rights to trial by jury in any action, proceeding or counterclaim brought by any of the Company, a Subsidiary or a Participant in connection with any matter whatsoever arising out of or in any way connected with the Plan are hereby waived. The Employer shall be responsible for payment of the forum costs of any arbitration hereunder, including the arbitrator's fee.

6.4 Legal Fees and Expenses. If any dispute arises between the parties with respect to the interpretation or performance of the Plan, the prevailing party in any arbitration or proceeding shall be entitled to recover from the other party its attorneys' fees or court costs and other expenses incurred in connection with any such proceeding. Amounts, if any, paid to the Participant under this Section 6.4 shall be in addition to all other amounts due to the Participant pursuant to the Plan.

7. ADMINISTRATION

The Plan shall be administered and operated by the Administrator. The Administrator is empowered to construe and interpret the provisions of the Plan and to decide all questions of eligibility for benefits under the Plan and shall make such determinations in its sole and absolute discretion. The Administrator may at any time delegate to any other named person or body, or reassume from any delegate, any of its responsibilities or administrative duties with respect to the Plan.

8. AMENDMENT

The Administrator (or the Board) reserves the right to amend, suspend and/or terminate the Plan at any time in its sole discretion; provided, that, notwithstanding the foregoing, the Plan shall not be amended, suspended or terminated during a Change in Control Period or with respect to a Participant who is already entitled to payment under the Plan.

9. TAXES

Each Participant shall be solely responsible for his or her own tax liability with respect to participation in the Plan. The Employer may withhold from any amounts payable under the Plan such federal, state and local income, employment, or other applicable taxes as may be required to be withheld.

10. GENERAL

10.1 Assignment by Participants. None of the amounts payable pursuant to the Plan shall be subject to any claim of any creditor and shall not be subject to attachment or garnishment or other legal process by any creditor. Participants may not alienate, anticipate, commute, pledge, encumber or assign any of the amounts payable pursuant to the Plan. The amounts payable pursuant to the Plan shall inure to the benefit of and be enforceable by each Participant's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees, and legatees.

10.2 Binding Effect. The Employer will require any successor to all or substantially all of the business and/or assets of the Company or applicable Subsidiary to expressly assume and agree to perform all of the obligations of the Company or applicable Subsidiary under the Plan (including the obligation to cause any subsequent successor to also assume the obligations of the Plan) unless such assumption occurs by operation of law. For the avoidance of doubt, in the event that a successor of a Subsidiary assumes the Subsidiary's obligations under the Plan, the Company will have no obligations under the Plan with respect to the Participants employed by such Subsidiary.

10.3 No Waiver. No waiver of any term, provision or condition of the Plan, whether by conduct or otherwise, in any one or more instances shall be deemed or be construed as a further or continuing waiver of any such term, provision or condition or as a waiver of any other term, provision or condition of the Plan.

10.4 Expenses; Unsecured General Creditor. The benefits and costs of the Plan shall be paid by the Employer out of its general assets. The status of a claim against the Employer with respect to the benefits provided by the Plan shall be the same as the status of a claim against the Employer by any general or unsecured creditor.

10.5 ERISA. The Plan is an unfunded compensation arrangement for a select group of management or highly compensated employees of the Company or a Subsidiary and any exemptions under ERISA applicable to such an arrangement shall be applicable to the Plan.

10.6 WARN Act. Benefits payable under the Plan are intended to satisfy, where applicable, any Employer obligations under the Federal Worker Adjustment and Retraining Notification Act and any similar obligations that the Employer may have under any successor or other severance pay statute.

10.7 Governing Law. The provisions of the Plan will be construed, administered and enforced in accordance with ERISA and, to the extent applicable, the laws of the State of California without regard to its choice of law provisions.

10.8 Severability. If any provision of the Plan is held to be illegal, invalid or unenforceable under any present or future law, and if the rights or obligations of any party hereto under the Plan will not be materially and adversely affected hereby, (i) such provision will be fully severable, (ii) the Plan will be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof, (iii) the remaining provisions of the Plan will remain in full force and effect and will not be affected by the illegal, invalid or unenforceable provision or by its severance from here and (iv) in lieu of such illegal, invalid or unenforceable provision, there will be added automatically as a part of the Plan a legal, valid and enforceable provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible.

10.9 Additional Information.

Plan Name: Sandisk Corporation Change in Control Severance Plan

Plan Sponsor: Sandisk Corporation

Identification Numbers: **EIN:** 99-1508671

PLAN: 002

Plan Year: January 1 to December 31

Plan Administrator: Sandisk Corporation
951 Sandisk Drive
Milpitas, California 95035
Attention: Compensation and Talent Committee
(408) 801-1000

Agent for Service of Legal Process: Sandisk Corporation
251 Little Falls Drive
Wilmington, Delaware 19807
Attention: Corporation Service Company

Type of Plan: Severance Plan/Employee Welfare Benefit Plan

Plan Costs: The cost of the Plan is paid by the Company.

10.10 Statement of ERISA Rights. As a Participant under the Plan, you have certain rights and protections under ERISA:

You may examine (without charge) all Plan documents, including any amendments and copies of all documents filed with the U.S. Department of Labor. These documents are available for your review in the Company's Human Resources Department.

You may obtain copies of all Plan documents and other Plan information upon written request to the Administrator. A reasonable charge may be made for such copies.

In addition to creating rights for Participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate the Plan (called “fiduciaries”) have a duty to do so prudently and in the interests of you and the other Participants. No one, including the Company or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit under the Plan or exercising your rights under ERISA. If your claim for payments or benefits under the Plan is denied, in whole or in part, you must receive a written explanation of the reason for the denial. You have the right to have the denial of your claim reviewed. The claim review procedure is explained in Section 6 above.

Under ERISA, there are steps you can take to enforce the above rights. For example, if you request materials and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Administrator to provide the materials and to pay you up to \$110 a day until you receive the materials, unless the materials were not sent due to reasons beyond the control of the Administrator. If you have a claim which is denied or ignored, in whole or in part, you may file suit in a federal court. If it should happen that you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court.

In any case, the court will decide who will pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds that your claim is frivolous.

If you have any questions regarding the Plan, please contact the Administrator. If you have any questions about this statement or about your rights under ERISA, you may contact the nearest area office of the Employee Benefits Security Administration (formerly the Pension and Welfare Benefits Administration), U.S. Department of Labor, listed in your telephone directory, or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W. Washington, D.C. 20210. You also may obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

10.11 Section 280G.

Notwithstanding anything to the contrary in the Plan, if a Participant is a “disqualified individual” (as defined in Section 280G(c) of the Code), and the Severance Benefits provided for under the Plan, together with any other payments and benefits which the Participant has the right to receive from the Employer, would constitute a “parachute payment” (as defined in Section 280G(b)(2) of the Code), then the Severance Benefits provided for under the Plan shall be either (a) reduced (but not below zero) so that the present value of such total amounts and benefits received by the Participant from the Employer will be \$1.00 less than three times the Participant’s “base amount” (as defined in Section 280G(b)(3) of the Code) and so that no portion of such amounts and benefits received by the Participant shall be subject to the excise tax imposed by Section 4999 of the Code, or (b) paid in full, whichever produces the better net after-tax position to the Participant (taking into account any applicable excise tax under Section 4999 of the Code and any other applicable taxes). The determination as to whether any such reduction in the amount of the payments provided hereunder is necessary shall be made by the Employer in good faith. If a reduced payment is made or provided and through error or otherwise that payment, when aggregated with other payments and benefits from the Employer used in determining if a parachute payment exists, exceeds \$1.00 less than three times the Participant’s base amount, then the Participant shall immediately repay such excess to the Employer upon notification that an overpayment has been made. Nothing in the Plan shall require the Employer to be responsible for, or have any liability or obligation with respect to, the Participant’s excise tax liabilities under Section 4999 of the Code.

Appendix A-1

A Participant with a title of Executive Vice President (or its equivalent in the internal records of the Employer) or who is an officer of the Company within the meaning of Section 16 of the Exchange Act shall be a Tier 1 Participant. Such a Participant shall be eligible to receive the Severance Benefits described in this Appendix A-1.

1.1 Severance Benefits:

(a) Cash Severance Payment. A Participant shall receive a cash severance payment equal to two times the sum of (i) the Participant's Base Pay multiplied by 12 months; *plus* (ii) the Participant's target incentive opportunity under the incentive program in which the Participant participates for the incentive cycle in which the Participant's date of termination occurs; *plus* (iii) the Participant's annual car allowance; provided, that the Base Pay, target incentive opportunity and annual car allowance rates used for purposes of determining such cash severance shall each be based on the rate in effect immediately prior to the Change in Control or date of termination (whichever is higher).

(b) Earned Yet Unpaid Incentive Payments. A Participant shall receive payment for any incentive that was earned through a prior incentive cycle but has not yet been paid.

(c) Equity Awards. Equity awards shall be treated as follows:

(i) The Participant's equity awards that are only subject to time-based vesting, including any credited dividend equivalent rights, will fully vest and become exercisable or payable, as applicable.

(ii) The Participant's equity awards that are subject to performance-based vesting will fully vest and become payable as follows:

(A) With respect to any such award for which the applicable performance period has not ended as of the date of the Participant's termination of employment or the Change in Control (whichever occurs later), the number of shares of common stock of the Company that vest shall be equal to the greater of: (x) the target number of shares of common stock of the Company subject to the award; or (y) the number of shares of common stock of the Company subject to that award that would vest based on the treatment set forth in the definitive agreement providing for the Change in Control. Any credited dividend equivalent rights will also become proportionally vested.

(B) With respect to any such award for which the applicable performance period has ended as of the date of the Participant's termination of employment or the Change in Control (whichever occurs later), vesting shall be based on the actual achievement of the applicable performance goal(s).

(C) With respect to any such award granted on or following the Effective Date, the award shall be payable upon termination. With respect to any such award granted prior to the Effective Date, the award shall be payable in accordance with the original schedule set forth in the applicable award agreement, with no acceleration of the payment date.

The post-termination settlement and exercisability, as applicable, of such equity awards, as well any payments made in connection with such equity awards, shall be governed by the applicable stock incentive plan, as amended from time to time, and/or award agreement. In the event of a conflict regarding equity award treatment between an applicable award agreement and the Plan, the award agreement controls.

(d) COBRA Premium Payment. With respect to a Participant who is a U.S. Eligible Employee as of the date of such Participant's termination of employment, the Employer shall pay to the Participant a cash payment in an amount equal to the applicable COBRA premium payments (as reasonably determined by the Administrator) that would be payable by the Participant to continue the Participant's company-provided medical, dental, and/or vision coverage existing as of the Participant's termination date for a period of 24 months following such Participant's termination of employment. For purposes of clarity, such cash payment shall be made regardless of whether the Participant actually elects coverage under COBRA, and shall be determined as of the Participant's termination of employment and not impacted by, or adjusted for, events occurring after such date (including, without limitation, changes in coverage or premiums).

1.2. Payment Timing. Subject to Section 4.4 of the Plan, the payments set forth in Section 1.1 (a), (b) and (d) shall be paid to the Participant in a single lump sum cash payment, subject to applicable tax withholding, no later than the 30th day following the date on which the Release becomes effective; provided, that if the period during which the payment of such Severance Benefits can be initiated commences in one taxable year and ends in a second taxable year, such payment shall be made in the second taxable year to the extent required to avoid any tax, interest or penalties under Code Section 409A.

1.3 Participants who are Not U.S. Eligible Employee. The Administrator delegates to the Company's Chief Human Resources Officer (or equivalent role or any other person the Administrator deems appropriate) the duties of the Administrator set forth in Section 1.3(a) and Section 1.3(b). If a Participant who is not a U.S. Eligible Employee is eligible to receive payments or benefits upon a termination of employment under any applicable local law or Employer policy ("Local Severance"), then the payments and benefits described in this appendix shall be modified as follows:

(a) Benefit Comparison. The Administrator shall compare the payments and benefits payable to the Participant under the Local Severance (excluding the value of any equity awards that accelerate in connection with the Participant's termination of employment) (the "Local Severance Benefits") with the payments and benefits set forth in Section 1.1 of this appendix applicable to the Participant (the "Plan Severance Benefits"). The Administrator has sole discretion to determine the calculation of the Local Severance Benefits.

(b) Benefit Calculation. In the event the value of the Local Severance Benefits equals or exceeds the Plan Severance Benefits, as determined by the Administrator in its sole discretion, then the Participant shall not be eligible to receive any portion of the Plan Severance Benefits. In the event the value of the Local Severance Benefits is less than the value of the Plan Severance Benefits, as determined by the Administrator in its sole discretion, then the Participant shall receive the Plan Severance Benefits (excluding the benefits set forth in 1.1(d) (COBRA premium payments) in this Appendix) in place of any Local Severance Benefits. In the event a Participant is eligible to receive a cash payment under this Section 1.3(b), then references in the Plan to "Severance Benefits" shall be deemed to refer to such cash payment.

(c) Payment Timing. In the event a Participant is eligible to receive a cash payment under the immediately preceding Section 1.3(b), then such payment shall be paid to the Participant in a single lump sum cash payment no later than the 30th day following the date on which the Release becomes effective, subject to applicable tax withholding, local timing rules and subject to Section 4.4; provided, that if the period during which such payment can be made begins in one taxable year and ends in a second taxable year, such payment shall be made in the second taxable year to the extent required to avoid any tax, interest or penalties under Code Section 409A.

(d) Retirement-Eligible Vesting. Notwithstanding any provision of this Section 1.3 to the contrary, non-U.S. Eligible Employees who: (a) are retirement-eligible; and (b) receive Local Severance Benefits shall also receive retirement vesting on their applicable equity awards pursuant to the applicable stock incentive plans and/or award agreements governing such equity awards.

Appendix A-2

A Participant with a title of Senior Vice President (or its equivalent in the internal records of the Employer) shall be a Tier 2 Participant, and a Participant with a title of Vice President (or its equivalent in the internal records of the Employer) shall be a Tier 3 Participant.

Such Participants are subject to all the terms, and are eligible to receive all the Severance Benefits, described in Appendix A-1 above, subject to the changes set forth below.

<u>Provision</u>	<u>Tier 2 Participants</u>	<u>Tier 3 Participants</u>
Section 1.1(a) Cash Severance Payment	A Participant shall receive a cash severance payment equal to 1.5 times the sum of (i) the Participant's Base Pay multiplied by 12 months; <i>plus</i> (ii) the Participant's target incentive opportunity under the incentive program in which the Participant participates for the incentive cycle in which the Participant's date of termination occurs; <i>plus</i> (iii) the Participant's annual car allowance; provided, that the Base Pay, target incentive opportunity and annual car allowance rates used for purposes of determining such cash severance shall each be based on the rate in effect immediately prior to the Change in Control or date of termination (whichever is higher)	A Participant shall receive a cash severance payment equal to 1 times the sum of (i) the Participant's Base Pay multiplied by 12 months; <i>plus</i> (ii) the Participant's target incentive opportunity under the incentive program in which the Participant participates for the incentive cycle in which the Participant's date of termination occurs; <i>plus</i> (iii) the Participant's annual car allowance; provided, that the Base Pay, target incentive opportunity and annual car allowance rates used for purposes of determining such cash severance shall each be based on the rate in effect immediately prior to the Change in Control or date of termination (whichever is higher)

Section 1.1(d) COBRA Premium Payment	With respect to a Participant who is a U.S. Eligible Employee as of the date of such Participant's termination of employment, the Employer shall pay to the Participant a cash payment in an amount equal to the applicable COBRA premium payments (as reasonably determined by the Administrator) that would be payable by the Participant to continue the Participant's company-provided medical, dental, and/or vision coverage existing as of the Participant's termination date for a period of 18 months following such Participant's termination of employment. For purposes of clarity, such cash payment shall be made regardless of whether the Participant actually elects coverage under COBRA, and shall be determined as of the Participant's termination of employment and not impacted by, or adjusted for, events occurring after such date (including, without limitation, changes in coverage or premiums).	With respect to a Participant who is a U.S. Eligible Employee as of the date of such Participant's termination of employment, the Employer shall pay to the Participant a cash payment in an amount equal to the applicable COBRA premium payments (as reasonably determined by the Administrator) that would be payable by the Participant to continue the Participant's company-provided medical, dental, and/or vision coverage existing as of the Participant's termination date for a period of 12 months following such Participant's termination of employment. For purposes of clarity, such cash payment shall be made regardless of whether the Participant actually elects coverage under COBRA, and shall be determined as of the Participant's termination of employment and not impacted by, or adjusted for, events occurring after such date (including, without limitation, changes in coverage or premiums).
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**SANDISK CORPORATION
EXECUTIVE SHORT-TERM INCENTIVE PLAN**

1. Purpose.

The purpose of this Sandisk Corporation Executive Short-Term Incentive Plan (this **“Plan”**) is to promote the success of Sandisk Corporation, a Delaware corporation (the **“Company”**), by (i) compensating and rewarding participating executives with incentive awards for the achievement of performance goals, (ii) motivating such executives by giving them opportunities to receive incentive awards directly related to performance, and (iii) retaining executives by offering them an opportunity to share in the Company’s success.

2. Definitions.

“Administrator” means (i) the Committee with respect to Participants who are Executive Officers and (ii) for all other Participants who are not Executive Officers, either the Committee or a member of the Company’s executive leadership team, as determined in accordance with Section 3.1.

“Award” means an award to a Participant of an opportunity to receive an Incentive Award under this Plan, subject to the terms and conditions of this Plan.

“Board” means the Company’s Board of Directors.

“Code” means the Internal Revenue Code of 1986, as amended from time to time.

“Committee” means the Compensation and Talent Committee of the Board.

“Company” is defined in Section 1 of this Plan.

“Eligible Wages” as to a Participant for a particular Performance Period means the amount of base salary or base wages paid to the Participant by the Company and its Subsidiaries during that Performance Period, exclusive of any commissions, incentive awards, bonuses, other actual or imputed income from any benefits, stock or incentive awards, or perquisites provided by the Company or any Subsidiary, or other forms of compensation or benefits, but with base salary and base wages determined prior to any reductions for salary deferred pursuant to any deferred compensation plan or for contributions to a plan qualifying under Section 401(k) of the Code or contributions to a cafeteria plan under Section 125 of the Code.

“Executive Officer” means the Company’s executive officers, as defined in Rule 16-a-1(f) of the Securities Exchange Act of 1934, as amended.

“Incentive Award” means the cash payment payable to a Participant under this Plan.

“Participant” means any Executive Officer or other Company executive at the level of Senior Vice President or above who is not a participant in another Company cash-based incentive plan of the Company or any Subsidiary.

“Performance Period” means the performance period covered by an Award granted under this Plan. The Administrator may provide for performance periods that correspond to the Company’s fiscal year, one or more quarters in any Company fiscal year, or any other period the Administrator may determine to be appropriate.

“Plan” is defined in Section 1 of this Plan.

“Subsidiary” means any corporation or other entity a majority of whose outstanding voting stock or voting power is beneficially owned directly or indirectly by the Company.

“Target Incentive Award” with respect to an Award means the amount obtained by multiplying (i) the Participant’s Eligible Wages, by (ii) such Participant’s Target Incentive Award Percentage as in effect at the end of the Performance Period applicable to such Award.

“Target Incentive Award Percentage” with respect to an Award, means the Participant’s Target Incentive Award opportunity as to the Performance Period covered by that Award, expressed as a percentage of the Participant’s Eligible Wages for that Performance Period, as determined from time to time by the Administrator or such other target incentive award opportunity percentage as may be determined from time to time by the Administrator.

3. Administration of the Plan.

- 3.1 ***The Administrator.*** This Plan will be administered by the Committee. The Committee may delegate any of its authority under this Plan to a subcommittee consisting of members of the Committee. Notwithstanding the foregoing, and subject to such limitations as the Committee deems appropriate, the Committee may delegate the responsibility for administering the Plan with respect to Participants who are not Executive Officers to the Chief Executive Officer or another member of the executive team. All references in this Plan to the “Administrator” shall be, as applicable, to the Committee, the Chief Executive Officer or any other committee to whom the authority to administer this Plan has been delegated in accordance with this section.

- 3.2 ***Powers of the Administrator.*** Subject to the express provisions of this Plan, the Administrator will have responsibility for the administration of this Plan in accordance with its terms, including without limitation the authority to (i) determine eligibility to participate in this Plan and, from those individuals determined to be eligible, the particular individuals who will receive an Award under this Plan; (ii) establish the terms and conditions applicable to each Award, including without limitation the applicable Performance Period, Target Incentive Award Percentage, applicable measures of performance, and other terms and conditions; (iii) construe and interpret this Plan and any agreements or other document relating to Awards under this Plan; (iv) adopt rules and regulations relating to the administration of this Plan; and (v) exercise all other duties and powers conferred on it by this Plan. Any determination by the Administrator will be final, binding, and conclusive on all applicable Participants to whom the Administrator's authority extends. Neither the Administrator, nor any person acting at the direction thereof, nor any member of the Board will be liable for any act, omission, interpretation, construction or determination made in good faith in connection with this Plan (or any Award made under this Plan).

4. Incentive Award Provisions.

- 4.1 ***Determination of Incentive Awards.*** The Administrator will establish the formula to be used to determine any Incentive Award payable with respect to an Award for the applicable Performance Period, which formula may be based, or take into account, any or all of the following as may be determined by the Administrator in its sole discretion: (i) performance measures based on Company performance on a consolidated basis; (ii) the performance of a subsidiary, division, business unit, or product line; (iii) individual performance; (iv) measurement of performance based on absolute performance or relative performance (such as, without limitation, relative to another company, group of companies, or an index); (v) objective and/or subjective measures; and (vi) criteria to assess performance, including but not limited to, net operating income or profit, pre- or after-tax income, revenue, funds from operations, total shareholder equity or return, gross margin, cash flow, earnings per share, total addressable market, or any other criterion or criteria the Administrator may select. In no event (unless otherwise provided by the Administrator) will the Incentive Award for any Award exceed an amount equal to three (3) times the Target Incentive Award for such Award.

- 4.2 ***Newly Hired or Promoted Executives.*** Unless otherwise provided by the Administrator, a newly hired or promoted individual who becomes a Participant during a Performance Period will be eligible to receive an Incentive Award for that Performance Period so long as such individual commences employment at or is promoted to a level that has been determined by the Administrator as eligible for participation in this Plan. Such individual's Incentive Award shall be based on the Eligible Wages the individual actually receives during such Performance Period. Unless otherwise provided by the Administrator, a newly hired individual or a newly promoted individual must be employed by the Company or one of its Subsidiaries in an eligible position for at least one month of a Performance Period to be eligible to receive an Incentive Award during such Performance Period.
- 4.3 ***Termination of Employment; Death; Changes in Position.*** Unless otherwise expressly provided by the Administrator or under a separate Company plan applicable to the Participant or a written contract between the Participant and the Company, a Participant's Award will immediately terminate in the event that such Participant's employment with the Company and its Subsidiaries terminates for any reason prior to the end of the Performance Period covered by such Award, and the Participant will not be entitled to an Incentive Award payment (and in no event will the Participant be considered to have earned or satisfied the conditions for any Incentive Award payment) in respect of such Award. If a Participant's employment with the Company and its Subsidiaries terminates on or after the end of a Performance Period covered by the Participant's Award, but before such Award is paid, the Participant will receive such Incentive Award payment as soon as reasonably practicable following the termination of employment but in no event later than the period set forth in Section 4.6 of this Plan.

Notwithstanding the foregoing, in the event of a Participant's death during a Performance Period, the Participant's beneficiaries will receive a pro rata portion of the Participant's Target Incentive Award, prorated through the Participant's date of death. Any prorated Incentive Award payment will be based on the actual performance of the Incentive Award metrics for the applicable Performance Period, disregarding any Incentive Award metrics tied to individual performance (for the avoidance of doubt, any such individual performance metrics or modifiers will be deemed to have achieved target achievement). To the extent reasonably practicable, the Incentive Award will be paid to the beneficiaries concurrently with other Participants for the applicable Performance Period.

The Administrator may in its sole discretion make such adjustments (including, without limitation, to the Participant's Target Incentive Award Percentage or to the methodology or measures used to determine the Participant's Incentive Award), or it may terminate the Participant's participation in this Plan, as it may determine to be appropriate in the event of a change in a Participant's position, duties, employment status (for example, full-time or part-time), leave of absence, or similar change in circumstances.

- 4.4 ***Adjustments; Early Termination.*** The Administrator has the sole discretion to adjust the performance measures, performance goals, relative weights of the measures, and other provisions of then-outstanding Awards under this Plan to reflect one or more of the following: (i) items related to a change in accounting principle, (ii) items relating to financing activities, (iii) expenses for restructuring or productivity initiatives, (iv) other non-operating items, (v) items related to acquisitions, (vi) items attributable to the business operations of any entity acquired by the Company during the Performance Period, (vii) items related to the disposal of a business or segment of a business, (viii) items related to discontinued operations that do not qualify as a segment of a business under applicable accounting standards, (ix) items attributable to any stock dividend, stock split, combination or exchange of stock occurring during the Performance Period, (x) any other items of significant income or expense, (xi) items relating to unusual or extraordinary corporate transactions, events or developments, (xii) items related to amortization of acquired intangible assets, (xiii) items that are outside the scope of core, on-going business activities, (xiv) items related to acquired in-process research and development, (xv) items relating to changes in tax laws, (xvi) items relating to licensing or partnership arrangements, (xvii) items relating to asset impairment charges, (xviii) items relating to gains or losses for litigation, arbitration, and contractual settlements, (xix) items related to fluctuations in currency exchange rates, or (xx) items relating to any other unusual or nonrecurring events or changes in applicable law or business conditions. Notwithstanding any other provision herein, the Administrator will have discretion to settle or terminate, as the Administrator may determine in its sole discretion and (in the case of a settlement) in such amount (if any) as the Administrator may determine to be appropriate in its sole discretion, any Award granted hereunder in connection with any merger, reorganization or other corporation transaction.
- 4.5 ***Administrator Discretion to Determine Incentive Awards.*** The Administrator has the sole discretion to determine the performance goals and criteria for each Award and whether all or any portion of the amount so calculated will be paid, subject in all cases to the terms, conditions and limits of this Plan. To this same extent, the Administrator may at any time establish additional conditions and terms of an Award or for the payment of Incentive Awards (including but not limited to the achievement of other financial, strategic, or individual goals, which may be objective or subjective) as the Administrator may deem desirable and may take into account such other factors as the Administrator deems appropriate.

- 4.6 ***Form and Time of Payment.*** Any Incentive Award earned and payable in accordance with this Plan will be paid in cash (subject to tax withholding pursuant to Section 5.4) as soon as reasonably practicable following the determination of such Incentive Award amount pursuant to Section 4.1 of this Plan, but in no event later than (a) March 15 of the calendar year following the calendar year in which the applicable Performance Period ends, or (b) if later, the last day of the period ending on the 15th day of the third month following the end of the Company's fiscal year in which the applicable Performance Period ends, in each case, in accordance with Treasury Regulation Section 1.409A-1(b)(4)(i).

5. General Provisions.

5.1 *Rights of Participants.*

- (a) **No Right to Awards or Continued Employment.** Neither the establishment of this Plan, nor the provision for or payment of any amounts hereunder, nor any action of the Company or any of its officers, employees, or directors in respect of this Plan will be held or construed to confer upon any person any legal right to receive, an Award, an Incentive Award, or any other benefit under the Plan. Nothing contained in this Plan (or in any other documents evidencing any Award under this Plan) will confer upon any employee or Participant any right to continued employment with the Company or any Subsidiary, constitute any contract or agreement of employment, or affect an employee's status as an employee at will, nor will it interfere in any way with the right of the Company or any Subsidiary to change any person's compensation or other benefits, or to terminate his or her employment, with or without cause. Nothing in this Section 5.1(a), however, is intended to adversely affect any express independent right of such person under a separate written employment contract with the Company or any Subsidiary.
- (b) **Plan Not Funded.** Awards payable under this Plan will be payable from the general assets of the Company, and no special or separate reserve, fund, or deposit will be made to assure payment of such Awards. No Participant or other person will have any right, title, or interest in any fund or in any specific asset of the Company or any Subsidiary by reason of any Award hereunder. Neither the provisions of this Plan (or of any related documents), nor the creation or adoption of this Plan, nor any action taken pursuant to the provisions of this Plan will create, or be construed to create, a trust of any kind or a fiduciary relationship between the Company or one of its Subsidiaries and any Participant or other person. To the extent that a Participant or other person acquires a right to receive payment pursuant to any Award hereunder, such right will be no greater than the right of any unsecured general creditor of the Company.

- 5.2 ***Non-Transferability of Benefits and Interests.*** Except as expressly provided by the Administrator, all Awards are non-transferable, and no benefit payable under this Plan will be subject in any manner to sale, transfer, anticipation, alienation, assignment, pledge, encumbrance, or charge.
- 5.3 ***Governing Law; Severability.*** This Plan, the Awards, all documents evidencing Awards, and all other related documents will be governed by, and construed in accordance with, the laws of the State of Delaware, notwithstanding any Delaware or other conflict of law provision to the contrary. If any provision or provisions of this Plan will be held to be invalid, illegal, or unenforceable, such provision will be enforced to the fullest extent permitted by applicable law and the validity, legality, and enforceability of the remaining provisions will not in any way be affected or impaired.
- 5.4 ***Tax Withholding.*** In connection with the payment of any Incentive Award, the Company will have the right to deduct from the amount of the Incentive Award, or any other compensation or amounts payable to the Participant, the amount of any federal, state, local, or other income, employment, or other taxes that the Company or any Subsidiary may be required to withhold with respect to such Incentive Award payment.
- 5.5 ***No Vested Rights; Amendments, Suspension, or Termination of Plan.*** No Participant will have, at any time, a vested right to any benefit under this Plan (other than as to Incentive Award amounts theretofore actually paid, subject to Section 5.10). The Company or the Administrator may at any time terminate, amend, modify, or suspend this Plan, in whole or in part and/or with respect to any or all Awards or Participants (other than as to Incentive Award amounts actually paid prior to the date of such action by the Company or the Administrator).
- 5.6 ***Captions; Construction.*** Captions and headings are given to the sections and subsections of this Plan solely as a convenience to facilitate reference. Such headings will not be deemed in any way material or relevant to the construction or interpretation of this Plan or any provision thereof.
- 5.7 ***Non-Exclusivity of Plan.*** Nothing in this Plan will limit or be deemed to limit the authority of the Company to grant awards or authorize any other compensation under any other plan or authority.
- 5.8 ***Dispute Resolution:*** All disputes concerning Plan implementation must be submitted in writing to the next level of management within thirty (30) days of the occurrence of the event triggering a dispute. The Administrator will have the sole responsibility to review and resolve all disputes and will make the final and binding decision with respect thereto.

Furthermore, with respect to each Participant who is employed by the Company or any Subsidiary in the United States: to the fullest extent allowed by law, any dispute regarding the Plan, any claim for wages or compensation or any aspect of this Plan (“**Arbitrable Claims**”) will be settled by final and binding arbitration before a single arbitrator in the county in which the Participant worked in accordance with the JAMS Employment Arbitration Rules and Procedures (“**Rules**”), or equivalent rules in effect at the time the arbitration demand is filed, as the exclusive remedy for such dispute, and judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. As in any arbitration, the burden of proof will be allocated as provided by applicable law. Both the Participant and the Company will be entitled to file dispositive motions before the arbitrator to the same extent as would be allowed had the dispute been heard in a court of law having jurisdiction over the parties’ claims or counterclaims. The arbitrator will have the same authority as a court to award equitable relief, damages, costs, and fees as provided by law or the applicable rules for the particular claims asserted.

The arbitration proceedings do not provide for jury trials, but for a hearing before one independent, neutral arbitrator. Therefore, in agreeing to arbitrate claims, both the Participant and the Company and its affiliates are waiving a trial or hearing before a jury. The Participant agrees that any Arbitrable Claims will be resolved on an individual basis and agrees to waive his or her right, to the extent allowed by applicable law, to consolidate any Arbitrable Claims with the claims of any other person in a class or collective action. For the avoidance of doubt, the arbitrator may not consolidate more than one person’s or entity’s claims and may not preside over any form of representative or class proceeding.

Participants who are employed by the Company or any Subsidiary outside of the United States (other than Participants who are U.S. citizens and/or taxpayers in the United States) agree that any action arising from, or under, the Plan will be brought only in an administrative agency, court, or other applicable adjudicatory body of competent jurisdiction in the country whose laws govern the terms and conditions of such Participant’s employment (including participation in the Plan) with any such action subject to the laws of such country. To the extent permissible under the applicable laws, the parties expressly waive their right to a jury trial.

- 5.9 **Code Section 409A.** The Company's intent is that any payments and benefits paid under this Plan be exempt from, or comply with, Section 409A of the Code so as to not result in any tax, penalty or interest thereunder. To the maximum extent permitted, this Plan will be interpreted and administered consistent with such intent. Each payment under this Plan will be construed as a separate identified payment for purposes of Section 409A of the Code, and any payments described in this Plan that are due within the "short term deferral period" as defined in Section 409A of the Code will not be treated as deferred compensation unless applicable law requires otherwise.
- 5.10 **Clawback Provisions.** All Awards and any Incentive Award paid under this Plan will be subject to the provisions of any clawback or similar policy implemented by the Company from time to time, including, without limitation, any clawback or similar policy adopted to comply with the requirements of applicable law, such as the Dodd-Frank Wall Street Reform and Consumer Protection Act and any rules or regulations promulgated thereunder, to the extent set forth in such clawback.
- 5.11 **Effective Date.** This Plan is effective as of February 21, 2025.



POLICE REGARDING INSIDER TRADING AND UNAUTHORIZED DISCLOSURES

Exhibit 19.1

1. Purpose

Sandisk Corporation (the “Company”) and all directors, officers and employees of the Company and its subsidiaries are subject to federal and state “insider trading” laws with respect to transactions involving Company securities. These laws prohibit: (i) purchasing or selling (also referred to herein as “trading in”) securities of a company while in possession of Inside Information (as defined below); and (ii) disclosing Inside Information to others who may trade while in the possession of that information. As further described below, anyone violating these rules is subject to personal liability and could face criminal penalties. Under certain circumstances, companies and their controlling persons could also be subject to liability if they fail to take reasonable steps to prevent insider trading by company personnel.

The Company has adopted this policy to promote compliance with federal and state insider trading laws, rules and regulations and any applicable listing standards of the Nasdaq Stock Market LLC and to protect the Company and its directors, officers and employees (including officers and employees of subsidiaries of the Company) from the serious liabilities and penalties that can result from trading in Company securities in violation of these laws. **You, however, are responsible for ensuring that you do not violate federal or state insider trading laws, rules and regulations or this policy.**

2. Scope

This policy applies to all directors, officers and employees of the Company and its subsidiaries. The Company may from time to time also determine that other persons, such as contractors or consultants, should be subject to this policy because they have access to Inside Information concerning the Company or its subsidiaries. This policy applies to all purchases and sales in the Company’s securities by such persons or anyone acting on behalf of such persons. This policy also prohibits such persons or anyone acting on behalf of such persons from engaging in certain types of transactions in the Company’s securities that create a heightened legal risk or the appearance of improper conduct, including short sales and holding Company securities in a margin account.

2.1 Exclusions

Not Applicable.



POLICE REGARDING INSIDER TRADING AND UNAUTHORIZED DISCLOSURES

Corporate Policy

3.1 Inside Information

You, as an employee, officer or director of the Company or its subsidiaries, may come into possession of "Inside Information" in the course of your association with the Company. "Inside Information" is information about the Company or its securities that is both "material" and "non-public." For purposes of determining whether information is Inside Information, the following provisions apply:

Material Information. Information about a company or its securities (either positive or negative) is considered "material" if there is a substantial likelihood that a reasonable investor would consider it important in deciding whether to buy or sell a company's securities. Any information, if publicly disclosed, that would likely have an impact on the price of the Company's securities, whether positive or negative, should be considered Inside Information. Examples of information that may constitute "material" information depending upon the circumstances include:

- Historical or future financial performance, including projections of future earnings or losses or other earnings guidance;
- A significant merger, acquisition, tender offer or exchange offer;
- A significant purchase or sale of assets or disposition of a subsidiary or division;
- Changes in dividend policies or practices or declaration of a stock split;
- The establishment of a repurchase program for Company securities;
- Offerings of additional securities, significant borrowings or other financing transactions out of the ordinary course;
- Change in the Company's Chief Executive Officer;
- Change in control of the Company;
- Notification that the Company may no longer rely on the auditor's report;
- A significant cybersecurity incident, data breach or similar incident;
- Significant pending joint ventures or strategic partnerships;
- Impending bankruptcy or the existence of severe liquidity problems;
- Significant actions by regulatory bodies; or
- Major litigation.



POLICE REGARDING INSIDER TRADING AND UNAUTHORIZED DISCLOSURES

The foregoing list is for illustration only and is not exhaustive. The types of information listed above may not be material in every case, and other types of information not listed may be considered material at particular times, depending upon the circumstances. It is not possible to define all categories of material information, and the public, media, regulators and courts may use hindsight in judging what is material. As a result, it is important to err on the side of caution when considering potentially material information.

Non-Public Information. Information that has not been disclosed to the public is generally considered to be “non-public” unless and until it has been effectively communicated to the public and sufficient time has elapsed to permit the market to absorb and evaluate the information. Information generally would be considered effectively communicated to the public if it has been widely disseminated, such as through the Dow Jones “broad tape,” newswire services, a broadcast on widely-available radio or television programs, publication in a widely-available newspaper, magazine or news website or in a public disclosure document filed with the Securities and Exchange Commission (the “SEC”) that is available on the SEC’s website. As a general rule, information will cease to be “non-public” one (1) full trading day after public release of the information. Depending on the particular circumstances, the Company may determine that a period longer than one (1) trading day is needed after the release of specific material, non-public information.

3.2 Risks and Penalties

It is illegal to trade in the Company’s securities while in possession of Inside Information. Under federal securities laws, if you purchase or sell securities of the Company while in the possession of Inside Information:

- You may be liable to other traders in the amount of profit you make or loss you avoid.
- The SEC can bring an action against you to recover civil penalties of up to three times the amount of profit you make or loss you avoid.
- If your transaction was willful, the Department of Justice may bring an action against you for criminal penalties of up to twenty years’ imprisonment and \$5 million in fines (per violation).
- A federal court may enjoin you (temporarily or permanently) from serving as an officer or director of any public company.

Furthermore, if you disclose Inside Information to another person (called a “tippee”) who then purchases or sells securities of the Company, you may be liable for the same civil penalties as if you had engaged in the transaction directly.



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The size of the transaction or the amount of profit received by the employee or the tippee does not have to be large to result in prosecution. The SEC and other governmental and regulatory authorities find people violating these rules by engaging in routine market surveillance. Brokers and dealers who handle stock and option transactions for the Company or individuals are required by law to inform the SEC of any possible violations by people who may have Inside Information. The SEC aggressively investigates even small insider trading violations.

Insider trading also imposes significant risks on the Company. First, if you trade on Inside Information, the Company (as your employer) could become subject to severe civil and criminal penalties based on your actions. Second, disclosure of even small amounts of Inside Information could require the Company under federal securities laws to make complete disclosure regarding the matter in question (that is, if part of the story reaches the public domain, the Company may have a duty to disclose the full story). Third, disclosure of Inside Information could damage the Company's competitive position and jeopardize important strategic plans and opportunities.

3.3 Transactions Covered by this Policy

This policy applies to all purchases and sales in the Company's securities, including the Company's common stock or any other type of securities the Company may issue. "Purchase" and "sale" are defined broadly for purposes of the insider trading laws. "Purchase" includes the actual purchase of a security and any contract to purchase or otherwise acquire a security for value, and "sale" includes the actual sale of a security and any contract to sell or otherwise dispose of a security for value.

Examples of transactions subject to this policy include:

- open market or other purchases of common stock; and
- open market or other sales of common stock (including the sale of stock acquired: (i) pursuant to exercises of stock options, including by way of broker-assisted cashless exercise; (ii) upon the vesting of equity-based awards; or (iii) under the Employee Stock Purchase Plan ("ESPP")).

Notwithstanding anything to the contrary herein, the following transactions in the Company's securities are not subject to this policy: (a) the acquisition of common stock pursuant to the vesting of an equity-based award under the Company's stock incentive plans (but not the sale of stock acquired upon vesting); (b) the acquisition of common stock pursuant to the exercise of stock options under the Company's stock incentive plans where the exercise price and applicable tax withholding amounts are paid in cash (but not the sale of the stock acquired upon exercise); (c) if permitted by the Company, the exercise of a tax withholding right pursuant to which the Company withholds shares of common stock subject to an equity award to satisfy tax withholding requirements; (d) the acquisition of the Company's common stock in the ESPP; and (e) trades in the Company's securities made pursuant to a trading plan adopted in accordance with the requirements of Rule 10b5-1 promulgated under the Securities Exchange Act of 1934,



POLICE REGARDING INSIDER TRADING AND UNAUTHORIZED DISCLOSURES

as amended (the "Exchange Act"), and the Company's Policy and Guidelines Regarding 10b5-1 Trading Plans.

3.4 Company Policies

In an effort to safeguard the Company's Inside Information and to avoid violation of federal securities laws, the Company requires that each director, officer and employee of the Company or any of its subsidiaries (and any other person designated by the Company as subject to this policy) observe the following policies.

- Do not buy or sell securities of the Company while you are in possession of Inside Information.
- Do not permit any Related Party (as defined below) or anyone acting on your behalf to buy or sell securities of the Company while you are in possession of Inside Information. The application of this policy to any Related Party is based on interpretations of beneficial ownership of securities under the federal securities laws. For purposes of this policy, a "Related Party" means your spouse, your minor children, other relatives (by marriage or otherwise) living in your home (collectively "Family"), trusts or other entities in which you or any member of your Family have a beneficial interest and trusts or other entities over which you or any member of your Family exercises control or investment influence.
- Do not recommend to anyone else that he or she buy or sell securities of the Company when you are in possession of Inside Information. You should also use caution when recommending trading in the Company's securities to anyone else, even if you believe that you do not know any Inside Information, because your recommendation will be reviewed with 20/20 hindsight. Remember that "tipping" Inside Information is always prohibited, and can result in the same civil or criminal penalties that apply if you engaged in insider trading directly.
- Do not disclose Inside Information to any person within the Company whose job does not require him or her to have that information, or outside the Company to any person who is not an employee of the Company (including friends, family, business associates, investors and expert consulting firms) unless such disclosure is made in accordance with the Company's policies regarding the protection or authorized external disclosure of Company information.
- If a member of the media contacts you, do not respond and forward the request to Public Relations. If a securities analyst or investor contacts you, please refer them to the Company's Investor Relations team. Contact the Legal Department for advice if you receive any requests for information from law enforcement, government agencies or public officials.



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- Do not discuss Inside Information where it may be overheard, such as in restaurants, elevators, restrooms, airplanes and other public places. Remember that cellular phone conversations are often overheard.
- Use best efforts to keep all memoranda, correspondence and other documents that reflect Inside Information in a secure place.

These restrictions apply to **all employees**, directors and officers of the Company regardless of title or function. Additional restrictions on trading in the Company's securities apply to officers, directors and other designated employees of the Company pursuant to the Company's Policy and Procedures Regarding Pre-Trade Clearance and Section 16 Compliance.

In addition to Inside Information about the Company, you may become aware of material non-public information about other companies such as suppliers, customers, or competitors, whose securities are publicly traded, in the course of your employment with the Company. In such a situation, you must handle the information of the other company according to the same rules that apply to the Company's Inside Information. You can be liable for trading while in possession of material non-public information in any publicly traded company's securities or for disclosing such information to others who may trade while in possession of it.

3.5 Additional Restrictions

The Company has determined that certain types of transactions in the Company's securities create a heightened legal risk or the appearance of improper or inappropriate conduct even if they occur at a time when you are not in possession of Inside Information. Therefore, it is the Company's policy that directors, officers and employees of the Company or any of its subsidiaries (and all other persons designated by the Company as subject to this policy) may not engage in any of the following transactions:

- Short Sales. Short sales of the Company's securities (generally, the sale of a security that the seller does not own) may evidence an expectation on the part of the seller that the securities will decline in value, and therefore signal to the market that the seller lacks confidence in the Company's prospects. Additionally, short sales may reduce a seller's incentive to seek to improve the Company's performance. For these reasons, engaging in short sales of the Company's securities, *which are illegal for officers and directors pursuant to Section 16(c) of the Exchange Act*, is prohibited.
- Publicly Traded Options. Given the relatively short term of publicly-traded options, any purchase or sale of such options related to the Company's securities may create the appearance that a director, officer or employee is trading based on Inside Information and focus a director's, officer's or other employee's attention on short-term performance at the expense of the Company's long-term objectives. Accordingly, transactions in put options, call options or other derivative securities, on an exchange or in any other organized market, are prohibited.

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- Hedging Transactions. Hedging or monetization transactions, such as prepaid variable forwards, equity swaps, collars and exchange funds, that hedge or offset, or are designed to hedge or offset, any decrease in the market value of the Company's securities may permit ownership of the Company's securities without the full risks and rewards of ownership. When that occurs, a director, officer or employee entering into such transactions may no longer have the same objectives as the Company's other stockholders. Therefore, directors, officers and employees are prohibited from engaging in these types of hedging or monetization transactions.
- Margin Accounts and Pledged Securities. Securities held in a margin account as collateral for a margin loan may be sold by the broker without the customer's consent if the customer fails to meet a margin call. Similarly, securities pledged (or hypothecated) as collateral for a loan may be sold in foreclosure if the borrower defaults on the loan. Because a margin sale or foreclosure sale may occur at a time when the pledgor is aware of Inside Information or otherwise is not permitted to trade in the Company's securities, directors, officers and employees are prohibited from margining the Company's securities in a margin account or otherwise pledging the Company's securities as collateral for a loan.

* * *

It is the Company's policy to cooperate fully with the SEC and other governmental and regulatory authorities in investigating possible violations by employees and others of applicable laws and regulations. If appropriate, the Company will assist authorities in the prosecution of persons who engage in illegal conduct.

Please contact the Company's Chief Legal Officer (or his or her designee) if you have any questions about these policies or their application to any specific set of facts.



POLICY AND PROCEDURES REGARDING PRE-TRADE CLEARANCE AND SECTION 16 COMPLIANCE

Effective as of February 21, 2025

1. Purpose

The purpose of this Policy and Procedures Regarding Pre-Trade Clearance and Section 16 Compliance (this “Policy”) is to assist Insiders (as defined below) in complying their obligations under the Sandisk Corporation (the “Company”) insider trading policies and federal and state insider trading laws, rules and regulations and any applicable listing standards of the Nasdaq Stock Market LLC. This Policy sets forth:

- the pre-trade clearance policy for directors and officers of the Company who are subject to the reporting and liability provisions of Section 16 of the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder (“Section 16” and such directors and officers, “Section 16 Insiders”), and officers and designated employees, consultants and contractors who, in the normal course of their duties or with respect to a particular matter, have or may have regular or special access to material non-public information about the Company or its subsidiaries (“Other Insiders” and, together with Section 16 Insiders, “Insiders”); and
- the Company’s Section 16 compliance policy that is intended to assist Section 16 Insiders in complying with their responsibilities under Section 16.

2. Pre-Trade Clearance Requirements

You **must obtain written pre-trade clearance** from the Company’s Chief Legal Officer (or his or her designee) **before you, or any Related Party** (as defined in the Company’s Policy Regarding Insider Trading and Unauthorized Disclosures, referred to herein as the “Insider Trading Policy”), **engage in any Applicable Transaction** (as defined below). For purposes of this Policy, written pre-trade clearance includes pre-trade clearance by e-mail or electronic transmission by the Chief Legal Officer (or his or her designee). Written pre-trade clearance for any Applicable Transaction is required at all times, and you should establish procedures with each of your Related Parties to ensure compliance with this Policy. If you have any questions regarding the status of a person, trust or entity as a Related Party, please contact the Company’s Chief Legal Officer before conducting any transactions.

2.1 Applicable Transactions

You must obtain pre-trade clearance for any “Applicable Transaction.” An Applicable Transaction includes any transaction concerning the Company’s securities, including:

- open market or other purchases of common stock;
- open market or other sales of common stock (including the sale of stock acquired: (i) pursuant to exercises of stock options, including by way of broker-assisted cashless exercise; (ii) upon the vesting of equity-based awards; or (ii) under the Company’s Employee Stock Purchase Plan (“ESPP”));



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- adoption or modification of a trading plan under Rule 10b5-1 promulgated under the Securities Exchange Act of 1934, as amended (a “10b5-1 Trading Plan”); and
- gifts, contributions to trusts or any other direct or indirect transfer of Company securities.

Notwithstanding the foregoing, an Applicable Transaction does not include, and you will not be required to obtain pre-trade clearance for:

- the acquisition of common stock pursuant to the vesting of an equity-based award under the Company’s stock incentive plans (but not the sale of the stock acquired upon vesting);
- if permitted by the Company, the exercise of a tax withholding right pursuant to which the Company withholds or reacquires shares subject to an equity award to satisfy tax withholding requirements;
- the acquisition of Company stock in the ESPP; and
- trades in the Company’s securities made pursuant to a 10b5-1 Trading Plan that has been pre-cleared pursuant to the Company’s Policy and Guidelines Regarding 10b5-1 Trading Plans.

2.2 Pre-Trade Clearance Considerations

In determining whether to permit the consummation of an Applicable Transaction, the Company’s Chief Legal Officer considers factors that include, among others, whether the transaction is permitted by the Insider Trading Policy, whether the Insider is in possession of material non-public information, the existence of a Blackout Period (as defined below), whether sufficient information regarding the proposed transaction has been provided, and, for Section 16 Insiders, whether there has been any non-exempt “opposite-way” transaction within the past six months for purposes of Section 16(b) of the Securities Exchange Act of 1934, as amended (“Section 16(b)"). **The Chief Legal Officer is under no obligation to permit a transaction submitted for pre-trade clearance, even if it would not violate the federal securities laws or specific provision of this Policy, and may determine not to permit the transaction.** You will not be able to consummate any Applicable Transaction during an applicable Blackout Period (other than the acquisition of common stock pursuant to a cash exercise of Company-issued stock options (but not the sale of the stock acquired upon exercise)).

Blackout Periods



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The Company has established certain periods in which Insiders generally will not be allowed to take certain actions with respect to the Company's securities, referred to as "Blackout Periods." The Company's general Blackout Periods begin at 1:00 p.m. U.S. Pacific Time on the 7th day of the third month of each fiscal quarter and end one (1) full trading day after public release of earnings results for that quarter. Prior to the commencement and expiration of each such Blackout Period, the Chief Legal Officer (or his or her designee) will send a notice to each Insider, notifying such Insider of the commencement or expiration, as applicable, of the relevant Blackout Period. The Chief Legal Officer may also designate additional Blackout Periods during periods of significant corporate activity. In each case, the Chief Legal Officer (or his or her designee) shall notify impacted individuals of the commencement or expiration of the additional Blackout Period.

2.3 Requesting Clearance

To request clearance for a transaction, you should submit an "Insider Trading Clearance Request" at least 24 hours (not including holidays and weekends) before the proposed transaction. The form is available on Connect, the Company's intranet. Complete the form online and submit as instructed. You may also send a copy of the form by email to Global Stock Administration or to the Chief Legal Officer. In the event the Chief Legal Officer desires to engage in an Applicable Transaction, he or she must submit a pre-trade clearance request to the Chief Executive Officer, Chief Financial Officer or President for approval (and, in such cases, all references to the Chief Legal Officer in this Policy shall refer to the Chief Executive Officer, Chief Financial Officer or President).



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2.4 Receipt of Pre-trade Clearance

After completing and submitting the Insider Trading Clearance Request, you will receive an e-mail from the Company as to whether your proposed transaction has been cleared. **Pre-trade clearances are valid for five (5) trading days following the day on which the trade is approved** or as otherwise indicated. Once your proposed transaction has been cleared, please contact E*Trade (or its successor) to consummate the transaction.

Notwithstanding any pre-trade clearance of your proposed transaction pursuant to this Policy, you remain responsible for determining if you are in possession of material non-public information and any action by the Company, the Chief Legal Officer or any other employee pursuant to this Policy does not constitute legal advice or insulate you from potential liability under insider trading laws. Additionally, even if a trade has been pre-cleared by the Chief Legal Officer (or his or her designee), such trade may not be executed if (i) you become aware of material non-public information concerning the Company, any of its subsidiaries or its securities, (ii) the Chief Legal Officer (or his or her designee) subsequently revokes the pre-trade clearance, or (iii) a Blackout Period subsequently commences. If your proposed transaction is not completed within the period described above (or if the Chief Legal Officer revokes the pre-trade clearance or notifies you of a Blackout Period), the transaction must be resubmitted for pre-trade clearance to the Chief Legal Officer before it may be executed. The fact that a particular intended trade has been denied pre-clearance should be treated as confidential information and should not be disclosed to any person unless authorized by the Chief Legal Officer (or his or her designee).

Please contact the Company's Chief Legal Officer (or his or her designee) if you have any questions regarding these policies and procedures or their application to any specific transaction.

1. Section 16 Compliance

This section of the Policy only applies to Section 16 Insiders. Section 16 Insiders are determined, designated and notified in accordance with the Company's Summary of Insider Designation Procedures. If you are a Section 16 Insider, you are subject to Section 16, including the reporting obligations of Section 16(a) of the Securities Exchange Act of 1934, as amended, and the "short-swing" profit recapture provisions of Section 16(b).

Section 16(a) requires the Company's officers and directors and individuals who beneficially own greater than 10% of any class of the Company's equity securities to report their holdings of, and transactions in, the Company's equity securities beneficially owned by them to the Securities and Exchange Commission (the "SEC"). Any failure to do so in a timely manner must be disclosed in the Company's annual proxy statement and/or annual report on Form 10-K and could result in civil or criminal penalties.

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Under Section 16(b), any stockholder of the Company may sue on behalf of the Company to recover all short-swing profits received by persons subject to Section 16 resulting from any combination of non-exempt “purchase and sale” or “sale and purchase” transactions in the Company’s equity securities (and/or securities convertible into or having the right to acquire such equity securities) within any six-month period.

3.1 Filing Deadlines and Accelerated Two-Day Filing Requirement

Section 16 reports filed with the SEC include:

- Form 3 Reports (Initial Reports). Initial Form 3 reports are due within 10 calendar days of when a person first becomes a Section 16 Insider or a holder of more than 10% of the Company’s securities. Upon becoming a Section Insider, a Form 3 is filed to report such person’s initial holdings of Company equity securities, even if such person does not hold any securities.
- Form 4 Reports (Statement of Change of Beneficial Ownership Reports). Most transactions that involve Company equity securities, including gifts, are reported on a Form 4 and are due **before the end of the second business day (7:00 p.m., Pacific Time) following the day on which the subject transaction was executed**.
- Form 5 Reports (Annual Year-End Reports). A Form 5 report, if necessary, is required to be filed annually no later than 45 calendar days after the end of the Company’s fiscal year. A Form 5 is used to report: (i) any transactions that were required to have been reported earlier under Section 16 but were not (e.g., late reports); and (ii) certain limited types of transactions eligible for deferred reporting (e.g., inheritances).

3.2 Company Assistance with the Preparation and Filing of Section 16 Reports

The Section 16(a) reporting rules are complex. It is the legal obligation of the Section 16 Insider to comply with Section 16(a) reporting requirements; however, the Company has a Section 16 compliance program to assist you in meeting your filing responsibilities under SEC regulations. The Company has designated Global Stock Administration as “Filing Coordinator” to assist in the preparation, review and filing of all SEC Form 3, 4 and 5 reports on your behalf.

The specifics of the program are described below; however, note that the initial step in the program is to complete an Insider Trading Clearance Request and submit it (as provided above) for pre-trade clearance of any proposed transaction in the Company’s securities.

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PRE-TRADE CLEARANCE AND SECTION 16 COMPLIANCE**

- Initial Preparation of Your Section 16 Reports. The Filing Coordinator assists in obtaining SEC filing codes and the preparation of a Form 3 when an individual first becomes a Section 16 Insider. The Filing Coordinator is apprised of any subsequent transactions reportable on Form 4 or Form 5 via the Insider Trading Clearance Request and based on information provided by you and/or your broker. The preparation of your Section 16 reports is based on such information, and thus it is imperative that all transaction information that is provided be accurate and timely. In this regard, **it is important to maintain a constant open line of communication with the Filing Coordinator so that your filings will similarly be accurate and timely.**
- Signing Your Section 16 Reports. You are responsible for timely signing and returning your Section 16 reports. You may manually sign and, if you have signed an Electronic Signature Attestation in advance, you can also e-sign your Section 16 reports. Alternatively, each Section 16 Insider may provide the Company with a current and valid Power of Attorney, permitting certain authorized parties at the Company to sign your Section 16 reports on your behalf. The SEC will not excuse a late filing simply because an individual is unavailable to sign at the time the report is due.
- Filing Your Section Reports. The Filing Coordinator can coordinate the filing of your Section 16 reports with the SEC.
- End of Service as a Section 16 Insider. You are still required to file a Form 4 for non-exempt reportable transactions **after** you cease to be a Section 16 Insider if the transactions occur within six months of an “opposite way” non-exempt transaction effected while a Section 16 Insider. Additionally, a Form 5 may be required with respect to certain exempt transactions that occurred before you ceased to be a Section 16 Insider. It is important to contact and work with the Filing Coordinator even after your service as a Section 16 Insider ends.
- Form 144. You should not sell or otherwise dispose of the Company's securities until you complete and file a SEC Form 144, which you can obtain from your broker or the Filing Coordinator. Form 144 is basically a notice of intent to dispose of the securities and must be filed with the SEC on or before the date of your trade.

Failure to comply with the Section 16 reporting regulations can result in large fines and penalties to you. The Company is required to disclose delinquent filings and failures to file by its officers and directors in its annual proxy statement and/or annual report on Form 10-K. Such disclosures by the Company could lead to inquiries and enforcement actions by the SEC against those who have not made timely filings.



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3.3 Ultimate Responsibility

Section 16(a) reporting obligations and liability under Section 16(b) for “short-swing” trading profits remain, at all times, your sole responsibility and obligation. The Company’s assistance in the preparation and filing of Section 16 reports does not relieve you of your responsibility with respect to Section 16 reporting obligations and liability. Further, the Company does not assume any legal responsibility in this regard. The Company will make a good faith effort to ensure the accuracy and timeliness of each Section 16 report for which it assists in preparing and filing. However, the Company cannot assure you that such reports will always be accurate and timely due to, among other things, the short reporting deadlines of Section 16(a) and the Company’s need to rely on the accuracy of information provided by others in the preparation of such reports. Section 16 Insiders should recognize that it will remain their obligation to see that filings are accurate and timely, and that they do not engage in transactions that could result in liability under Section 16(b) for “short-swing” trading profits.



POLICY AND GUIDELINES REGARDING 10b5-1 TRADING PLANS

Effective as of February 21, 2025

1. Purpose

Rule 10b5-1 under the Securities Exchange Act of 1934, as amended (“Rule 10b5-1”), provides an affirmative defense against allegations of insider trading if the trades occur under a pre-existing trading plan that complies with Rule 10b5-1 (a “10b5-1 Trading Plan”), including a requirement that the 10b5-1 Trading Plan is entered into in good faith at a time when the insider is not aware of material non-public information. An insider that has adopted a 10b5-1 Trading Plan can engage in transactions over an extended period of time, even during blackout periods, as long as the insider is not aware of material nonpublic information at the time the insider entered into the 10b5-1 Trading Plan and has acted in good faith with respect to the plan.

Sandisk Corporation (the “Company”) has adopted this Policy and Guidelines Regarding 10b5-1 Trading Plans (this “Policy”) to:

- set forth the Company’s policy regarding the adoption of a 10b5-1 Trading Plan with respect to the Company’s securities, the required terms of 10b5-1 Trading Plans and who is eligible to adopt a 10b5-1 Trading Plan; and
- assist the Company’s employees, officers and directors who are eligible to adopt a 10b5-1 Trading Plan to meet the requirements of the affirmative defense created by Rule 10b5-1.

2. Eligibility and Scope

10b5-1 Trading Plans may be adopted by: (i) officers and directors (“Section 16 Insiders”) who are subject to the reporting and liability provisions of Section 16 of the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder (“Section 16”); (ii) other employees, consultants or contractors who are designated to be Insiders under the Company’s Summary of Insider Designation Procedures (“Other Insiders” and, together with Section 16 Insiders, “Insiders”); and (iii) such other persons approved in writing by the Chief Legal Officer (or his or her designee).

All 10b5-1 Trading Plans adopted by Insiders are required to comply with this Policy and Rule 10b5-1.

POLICY AND GUIDELINES REGARDING 10b5-1 TRADING PLANS

In certain circumstances, award agreements under the Company's stock incentive plans may contain mandatory trading plans that are intended to comply with the requirements of Rule 10b5-1. Such trading plans are not subject to this Policy if they constitute a Sell-to-Cover Plan (as defined below). For the avoidance of doubt, this Policy does not apply to any plan implemented by the Company pursuant to Rule 10b5-1 in connection with the Company's repurchase of shares of its common stock. The Company may implement a 10b5-1 Trading Plan at any time and in any manner it deems advisable, subject to any applicable federal and state laws, rules and regulations.

3. Rule 10b5-1 Requirements for a 10b5-1 Trading Plan

A 10b5-1 Trading Plan must meet the following requirements under Rule 10b5-1:

- The 10b5-1 Trading Plan must be adopted when the Insider is not aware of material non-public information about the Company or its securities, and must contain a representation confirming that the Insider is not aware of material non-public information about the Company or its securities.
- The 10b5-1 Trading Plan must be "entered into in good faith" and not as part of a plan or scheme to evade the prohibitions of Rule 10b5-1, the Insider must act in good faith with respect to the 10b5-1 Trading Plan and the 10b5-1 Trading Plan must contain a representation confirming that such plan is being "entered into in good faith" and not as part of a plan or scheme to evade the prohibitions of Rule 10b5-1.
- The 10b5-1 Trading Plan must be in the form of a binding written plan or contract;
- The 10b5-1 Trading Plan must specify the amount of securities to be traded, the prices and the dates of transactions or a written algorithm or formula for determining the amounts, prices and dates of transactions.
- After a 10b5-1 Trading Plan is adopted, any purchases or sales of securities covered by the 10b5-1 Trading Plan must occur pursuant to the 10b5-1 Trading Plan and the Insider adopting the 10b5-1 Trading Plan may not exercise any subsequent influence over how, when or whether to make purchases or sales of those securities or otherwise alter or deviate from the 10b5-1 Trading Plan or enter into or alter a corresponding or hedging transaction or position with respect to the securities to be purchased or sold under the 10b5-1 Trading Plan.

POLICY AND GUIDELINES REGARDING 10b5-1 TRADING PLANS

- The 10b5-1 Trading Plan must provide that the first trade shall not occur until the later of: (i) 90 days after the adoption or modification (e.g., change to the amount, price or timing of the purchase or sale of the securities underlying the 10b5-1 Trading Plan) of such plan; or (ii) two business days following the disclosure in periodic reports on Forms 10-Q or 10-K of the Company's financial results for the fiscal quarter in which the 10b5-1 Trading Plan was adopted or modified, in either case, subject to a maximum of 120 days after the adoption or modification of the 10b5-1 Trading Plan (such period in which trades may not occur, the "Cooling-Off Period").
- No more than one 10b5-1 Trading Plan shall be in effect at any time with respect to Company securities beneficially owned by the Insider, except that, during the term of a 10b5-1 Trading Plan, the Insider may:
 - adopt a second 10b5-1 Trading Plan in compliance with this Policy with any transactions to take effect upon the completion or expiration of the Insider's current 10b5-1 Trading Plan; provided, however, that if the current 10b5-1 Trading Plan is terminated before its originally scheduled completion or expiration date, then the Cooling-Off Period for the later-commencing plan shall run from the date of such termination (and not from the date the later commencing plan was adopted); and
 - enter into another contract, instruction or plan providing only for the sale of such securities as are necessary to satisfy tax withholding obligations arising exclusively from the vesting of a compensatory award, such as restricted stock or restricted stock units, and provided that the Insider does not exercise control over the timing of such sales (a "Sell-to-Cover Plan").
- Other than Sell-to-Cover Plans, during any 12-month period, no Insider may adopt more than one "single-trade" 10b5-1 Trading Plan, which is a plan that is designed to effect the open market purchase or sale of the total amount of the securities subject to the 10b5-1 Trading Plan as a single transaction.

4. Additional Requirements for a 10b5-1 Trading Plan

In addition to the Rule 10b5-1 requirements for 10b5-1 Trading Plans specified above, all 10b5-1 Trading Plans must satisfy the following additional terms and conditions:

- A 10b5-1 Trading Plan may not be adopted during a Blackout Period (as defined in the Company's Summary of Insider Designation Procedures).
- A 10b5-1 Trading Plan must provide for a minimum term of 6 months but it may be terminated at any time.

POLICY AND GUIDELINES REGARDING 10b5-1 TRADING PLANS

- Because a 10b5-1 Trading Plan must be entered into and acted on in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b5-1, a 10b5-1 Trading Plan should be adopted with the intention that it will not be modified, because changes to a 10b5-1 Trading Plan may raise issues as to an individual's good faith. For this reason, although modifications to a 10b5-1 Trading Plan are not prohibited, any modification of a 10b5-1 Trading Plan is subject to pre-clearance by the Chief Legal Officer (or his or her designee) and the following additional requirements:
 - the 10b5-1 Trading Plan may not be modified during a Blackout Period or when the Insider is aware of material non-public information concerning the Company or its securities;
 - the 10b5-1 Trading Plan may not be modified more than once during its term; and
 - a 10b5-1 Trading Plan that is modified must satisfy all of the requirements of Rule 10b5-1 and this Policy that apply to the adoption of a new 10b5-1 Trading Plan.

5. Disclosure Requirements for a 10b5-1 Trading Plan

To the extent required by applicable SEC rules or regulations, the Company will disclose quarterly on Forms 10-Q and 10-K: (i) whether any Section 16 Insider has adopted, modified or terminated a 10b5-1 Trading Plan during the last completed quarter; and (ii) a description of the material terms of the 10b5-1 Trading Plan. In addition, Section 16 Insiders are required to indicate in Form 4 and Form 5 filings whether a Section 16 Insider transaction of Company stock was made pursuant to a 10b5-1 Trading Plan, as well as the date of the adoption of the 10b5-1 Trading Plan.

6. Procedures for Adoption

6.1 Brokerage Account

Before entering into a 10b5-1 Trading Plan, the Insider must first choose a broker that is qualified to administer a 10b5-1 Trading Plan and must use only one broker to execute covered trades in the Company's stock while the 10b5-1 Trading Plan is in place. The Company recommends that E*TRADE be used for this purpose.



POLICY AND GUIDELINES REGARDING 10b5-1 TRADING PLANS

If the Insider does not have a brokerage account with E*TRADE, the Insider should first complete a brokerage account application with E*TRADE to open a brokerage account. The Insider must then coordinate with E*TRADE to prepare a 10b5-1 Trading Plan. If the Insider chooses a broker other than E*TRADE, the Insider must receive clearance from the Chief Legal Officer (or his or her designee), regarding such broker's Rule 10b5-1 trading plan template prior to entering in a 10b5-1 Trading Plan.

6.2 Pre-Clearance of 10b5-1 Trading Plan

Before the Insider may adopt a 10b5-1 Trading Plan, the plan must be pre-cleared by the Chief Legal Officer (or his or her designee), except that 10b5-1 Trading Plan clearance requests submitted by the Chief Legal Officer must be approved by the Chief Executive Officer, Chief Financial Officer or President (and, in such cases, all references to the Chief Legal Officer below shall refer to the Chief Executive Officer, Chief Financial Officer or President). The Chief Legal Officer is under no obligation to clear any proposed 10b5-1 Trading Plan, even if it would not violate the federal securities laws or specific provision of this Policy, and may make such determination in its sole and absolute discretion.

Any action by the Company, the Chief Legal Officer or any other person to pre-clear a proposed 10b5-1 Trading Plan pursuant to this Policy does not constitute legal advice to the Insider establishing the 10b5-1 Trading Plan, a representation or warranty that the 10b5-1 Trading Plan is valid under Rule 10b5-1 or otherwise insulate such Insider from potential liability under insider trading laws. The fact that a 10b5-1 Trading Plan has been denied pre-clearance should be treated as confidential information and should not be disclosed to any person unless authorized by the Chief Legal Officer (or his or her designee).

Transactions effected pursuant to a pre-cleared 10b5-1 Trading Plan will not require further pre-clearance at the time of any transaction made pursuant to the 10b5-1 Trading Plan. However, transactions effected pursuant to any 10b5-1 Trading Plan adopted by a Section 16 Insider are still subject to certain short reporting deadlines under Section 16 and thus must be reported immediately to the Company in accordance with the Company's Policy and Procedures Regarding Pre-Trade Clearance and Section 16 Compliance, so that a Section 16 report may be prepared and timely filed. Section 16 Insiders should also coordinate with their brokers to file a Form 144 for sales to be effected under the 10b5-1 Trading Plan as required by applicable law.

**SANDISK CORPORATION
SUBSIDIARIES OF THE COMPANY**

Name of Entity	State or Other Jurisdiction of Incorporation or Organization
Amplidata N.V.	Belgium
EasyStore Memory Limited	Ireland
Fusion-io Poland SP.Z.O.O.	Poland
Prestadora SD, S. de R.L. de C.V.	Mexico
SanDisk (Cayman) Limited	Cayman Islands
SanDisk (Ireland) Limited	Ireland
SanDisk (Thailand) Ltd.	Thailand
Sandisk Argentina S.A.	Argentina
SanDisk Australia Pty. Ltd.	Australia
Sandisk Brasil Ltda.	Brazil
Sandisk Canada Corporation	Ontario, Canada
SanDisk Capital Global Ltd.	Cayman Islands
SanDisk Capital LLC	Delaware
SanDisk Cayman Holdings Limited	Cayman Islands
SanDisk China Limited	Ireland
SanDisk China LLC	Delaware
Sandisk Corporation	Delaware
SanDisk Denmark ApS	Denmark
Sandisk Federal, LLC	Delaware
SanDisk Flash B.V.	Netherlands
SanDisk France	France
SanDisk Germany GmbH	Germany
Sandisk GK	Japan
SanDisk Holding Limited	Cayman Islands
SanDisk Holdings B.V.	Netherlands
SanDisk Hong Kong Limited	Hong Kong
SanDisk India Device Design Centre Private Limited	India
SanDisk Information Technology (Shanghai) Co. Ltd.	China
SanDisk International Limited	Ireland
SanDisk International Middle East FZE	United Arab Emirates
Sandisk Israel Ltd.	Israel
SanDisk Korea Limited	Korea
Sandisk Latin America, LLC	Delaware
SanDisk LLC	Delaware
SanDisk Manufacturing Americas, LLC	Delaware
SanDisk Pazarlama Ve Ticaret Limited Sirketi	Turkey
SanDisk Spain, S.L.U.	Spain
SanDisk Storage (Italy) S.R.L.	Italy
SanDisk Storage (Philippines) Corp.	Philippines
SanDisk Storage Malaysia Sdn. Bhd.	Malaysia
SanDisk Storage Pte. Ltd.	Singapore

Name of Entity	State or Other Jurisdiction of Incorporation or Organization
SanDisk Switzerland Sarl	Switzerland
SanDisk Technologies LLC	Texas
Sandisk Technologies, Inc.	Delaware
SanDisk Trading (Shanghai) Co. Ltd.	China
SanDisk Trading Holdings Limited	Ireland
SanDisk UK Holdings Limited	United Kingdom
SanDisk UK Limited	United Kingdom
Sandisk Vietnam Limited Liability Company	Vietnam
SMART Storage Systems GmbH	Austria
WD Technologies Nigeria Limited	Nigeria



KPMG LLP
Suite 700
20 Pacifica
Irvine, CA 92618-3391

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the registration statement (No. 333-285123) on Form S-8 of our report dated August 20, 2025, with respect to the consolidated financial statements of Sandisk Corporation.

KPMG LLP

Irvine, California
August 20, 2025

KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, David V. Goeckeler, certify that:

1. I have reviewed this Annual Report on Form 10-K of Sandisk Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15(d)-15(e)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - c. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ David V. Goeckeler

David V. Goeckeler

Chief Executive Officer

(Principal Executive Officer)

Dated: August 20, 2025

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Luis F. Visoso, certify that:

1. I have reviewed this Annual Report on Form 10-K of Sandisk Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15(d)-15(e)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - c. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Luis F. Visoso

Luis F. Visoso

Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

Dated: August 20, 2025

The following certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. § 1350 and in accordance with SEC Release No. 33-8238. This certification shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section, nor shall it be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that Sandisk Corporation specifically incorporates it by reference.

Certification of Chief Executive Officer

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Sandisk Corporation, a Delaware corporation (the “Company”), hereby certifies, to his knowledge, that:

(i) the accompanying Annual Report on Form 10-K of the Company for the period ended June 27, 2025 (the “Report”) fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ David V. Goeckeler

David V. Goeckeler

Chief Executive Officer

(Principal Executive Officer)

Dated: August 20, 2025

The following certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. § 1350 and in accordance with SEC Release No. 33-8238. This certification shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section, nor shall it be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that Sandisk Corporation specifically incorporates it by reference.

Certification of Chief Financial Officer

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Sandisk Corporation, a Delaware corporation (the “Company”), hereby certifies, to his knowledge, that:

- (i) the accompanying Annual Report on Form 10-K of the Company for the period ended June 27, 2025 (the “Report”) fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Luis F. Visoso

Luis F. Visoso

*Executive Vice President and Chief Financial Officer
(Principal Financial Officer)*

Dated: August 20, 2025

SANDISK CORPORATION
COMPENSATION RECOVERY (CLAWBACK) POLICY

Recovery of Incentive-Based Compensation

It is the policy of Sandisk Corporation (the “Company”) that, in the event the Company is required to prepare an accounting restatement of the Company’s financial statements due to the Company’s material non-compliance with any financial reporting requirement under the federal securities laws (including any such correction that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period), the Company will recover on a reasonably prompt basis the amount of any Incentive-Based Compensation Received by a Covered Executive during the Recovery Period that exceeds the amount that otherwise would have been Received had it been determined based on the restated financial statements.

Policy Administration and Definitions

This Policy is administered by the Compensation and Talent Committee (the “Committee”) of the Company’s Board of Directors and is intended to comply with, and, as applicable, to be administered and interpreted consistent with, and subject to the exceptions set forth in, Listing Standard 5608 adopted by The Nasdaq Stock Market to implement Rule 10D-1 under the Securities Exchange Act of 1934, as amended (collectively, “Rule 10D-1”).

For purposes of this Policy:

“Incentive-Based Compensation” means any compensation granted, earned, or vested based in whole or in part on the Company’s attainment of a financial reporting measure that was Received by a person: (i) on or after October 2, 2023 and after the person began service as a Covered Executive; and (ii) who served as a Covered Executive at any time during the performance period for the Incentive-Based Compensation. A financial reporting measure is: (i) any measure that is determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements and any measure derived wholly or in part from such a measure; and (ii) any measure based in whole or in part on the Company’s stock price or total shareholder return.

Incentive-Based Compensation is deemed to be “Received” in the fiscal period during which the relevant financial reporting measure is attained, regardless of when the compensation is actually paid or awarded.

“Covered Executive” means any “executive officer” of the Company as defined under Rule 10D-1.

“Recovery Period” means the three completed fiscal years immediately preceding the date that the Company is required to prepare the accounting restatement described in this Policy, all as determined pursuant to Rule 10D-1, and, if the Company changes its fiscal year, any transition period of less than nine months that is within or immediately following such three fiscal years.

If the Committee determines the amount of Incentive-Based Compensation Received by a Covered Executive during a Recovery Period exceeds the amount that would have been Received if determined or calculated based on the Company's restated financial results, such excess amount of Incentive-Based Compensation shall be subject to recoupment by the Company pursuant to this Policy. For Incentive-Based Compensation based on stock price or total shareholder return, where the amount of erroneously awarded compensation is not subject to mathematical recalculation directly from the information in an accounting restatement, the Committee will determine the amount based on a reasonable estimate of the effect of the accounting restatement on the relevant stock price or total shareholder return. In all cases, the calculation of the excess amount of Incentive-Based Compensation to be recovered will be determined without regard to any taxes paid with respect to such compensation. The Company will maintain and, to the extent required by Rule 10D-1, will provide to The Nasdaq Stock Market, documentation of all determinations and actions taken in complying with this Policy. Any determinations made by the Committee under this Policy shall be final and binding on all affected individuals.

The Company may effect any recovery pursuant to this Policy by requiring payment of such amount(s) to the Company, by set-off, by reducing future compensation, or by such other means or combination of means as the Committee determines to be appropriate. The Company need not recover the excess amount of Incentive-Based Compensation if and to the extent that the Committee determines that such recovery is impracticable, subject to and in accordance with any applicable exceptions under The Nasdaq Stock Market listing rules, and not required under Rule 10D-1, including if the Committee determines that the direct expense paid to a third party to assist in enforcing this Policy would exceed the amount to be recovered after making a reasonable attempt to recover such amounts. The Company is authorized to take appropriate steps to implement this Policy with respect to Incentive-Based Compensation arrangements with Covered Executives.

Any right of recoupment or recovery pursuant to this Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may be available to the Company pursuant to the terms of any other policy, any employment agreement or plan or award terms, and any other legal remedies available to the Company; provided that the Company shall not recoup amounts pursuant to such other policy, terms or remedies to the extent it is recovered pursuant to this Policy. The Company shall not indemnify any Covered Executive against the loss of any Incentive-Based Compensation (or provide any advancement of expenses in such instance), including any payment or reimbursement for the cost of third-party insurance purchased by any Covered Executives to fund potential recovery obligations under this Policy.