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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): AUGUST 25, 2005

WESTERN DIGITAL CORPORATION
(Exact Name of Registrant as Specified in its Charter)

DELAWARE 001-08703 33-0956711
(State or Other Jurisdiction of (Commission File Number) I.R.S. Employer
Incorporation or Organization) Identification No.)

20511 Lake Forest Drive
Lake Forest, California 92630
(Address of Principal Executive Offices) (Zip Code)

(949) 672-7000
(Registrant's Telephone Number, Including Area Code)

NOT APPLICABLE
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to
simultaneously satisfy the filing obligation of the registrant under any of the
following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR
240.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR
240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange
Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange
Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry into a Material Definitive Agreement.

On August 25, 2005, Western Digital Corporation ("Western Digital") entered into (i) an Employment Agreement with Arif Shakeel (the "Shakeel Employment Agreement"), pursuant to which Mr. Shakeel will become Chief Executive Officer of Western Digital, effective October 1, 2005, and (ii) an Employment Agreement with Matthew E. Massengill (the "Massengill Employment Agreement"), pursuant to which Mr. Massengill will relinquish the role of Chief Executive Officer of Western Digital, effective October 1, 2005, and will continue to serve as Chairman of the Board of Directors.

Pursuant to the Shakeel Employment Agreement, a copy of which is attached hereto as Exhibit 10.1 and incorporated herein by reference, Mr. Shakeel will continue to serve as President and Chief Operating Officer until September 30, 2005. Effective October 1, 2005, Mr. Shakeel will become Chief Executive Officer and President. The Shakeel Employment Agreement runs through January 1, 2008, subject to certain termination provisions.

The Shakeel Employment Agreement provides for Mr. Shakeel to receive base salary at the annual rate of \$700,000 until October 1, 2005, at which time the annual rate of Mr. Shakeel's base salary will increase to \$800,000. Mr. Shakeel's target annual bonus will be 100% of his base salary, and he will be entitled to participate in Western Digital's other benefit plans on terms consistent with those generally applicable to Western Digital's other senior executives.

Pursuant to the agreement, Mr. Shakeel has been granted an award of 1,250,000 restricted shares of Western Digital's common stock. Subject to Mr. Shakeel's continued employment by Western Digital, 500,000 of these restricted shares will vest on January 1, 2007, and the remaining 750,000 of these restricted shares will vest on January 1, 2008. Mr. Shakeel's outstanding stock options and restricted shares, to the extent that such options and such restricted shares were scheduled to vest after December 31, 2007, have been cancelled pursuant to the agreement. Also pursuant to the agreement, the entire performance share award granted to Mr. Shakeel on or about January 20, 2005, has been cancelled.

If Western Digital terminates Mr. Shakeel's employment other than for cause (as defined in the agreement) prior to January 1, 2008, Mr. Shakeel will be entitled to (i) a lump sum cash payment equal to his base salary and target bonus for the period between the date his employment terminates and January 1, 2008, and (ii) accelerated vesting of any and all options and other equity-based awards granted by Western Digital that are then outstanding and not otherwise fully vested, but only to the extent such awards were otherwise scheduled to vest before January 1, 2008.

Pursuant to the Massengill Employment Agreement, a copy of which is attached hereto as Exhibit 10.2 and incorporated herein by reference, Mr. Massengill will continue to serve as Chairman of the Board and Chief Executive Officer until September 30, 2005. Effective October 1, 2005, Mr. Massengill will relinquish the role of Chief Executive Officer and will continue employment as Chairman of the Board or in such other executive capacity as may be assigned by the Board. Mr. Massengill's duties as Chairman of the Board will include offering assistance to Mr. Shakeel in his new position as Chief Executive Officer and coordinating investor communications. The Massengill Employment Agreement runs through January 1, 2007, subject to certain termination provisions.

The Massengill Employment Agreement provides for Mr. Massengill to continue to receive base salary at his current annual rate of \$800,000. Mr. Massengill's target annual bonus will be 100% of his base salary, and he will be entitled to participate in Western Digital's other benefit plans on terms consistent with those generally applicable to Western Digital's other senior executives.

Mr. Massengill's outstanding stock options and restricted shares, to the extent that such options and such restricted shares were scheduled to vest after July 31, 2007, have been cancelled pursuant to the agreement. Provided that Mr. Massengill remains employed by Western Digital through January 1, 2007, any of his outstanding stock options and any of his restricted shares that are scheduled to vest after January 1, 2007 and on or before July 31, 2007 will accelerate and become vested on January 1, 2007. With respect to the accelerated options, Mr. Massengill will have until the later of (i) January 1, 2010, or (ii) the time the options would have otherwise expired or been terminated in accordance with the termination of employment rules otherwise applicable to the options (but in no event later than the expiration date of the options) to exercise those options. Also pursuant to the agreement, the entire performance share award granted to Mr. Massengill on or about January 20, 2005, has been cancelled.

If Western Digital terminates Mr. Massengill's employment other than for cause (as defined in the agreement) prior to January 1, 2007, Mr. Massengill will be entitled to (i) a lump sum cash payment equal to his base salary and target bonus for the period between the date his employment terminates and January 1, 2007, and (ii) accelerated vesting of any and all options and other equity-based awards granted by Western Digital that are then outstanding and not otherwise fully vested, but only to the extent such awards were otherwise scheduled to vest on or before July 31, 2007.

ITEM 5.02 DEPARTURE OF DIRECTORS OR PRINCIPAL OFFICERS; ELECTION OF DIRECTORS; APPOINTMENT OF PRINCIPAL OFFICERS.

Effective October 1, 2005, Arif Shakeel, age 50, currently Western Digital's President and Chief Operating Officer, will become Western Digital's Chief Executive Officer and President. In connection with Mr. Shakeel's appointment, Western Digital and Mr. Shakeel entered into the Shakeel Employment Agreement, dated as of August 25, 2005, as described under Item 1.01 of this Form 8-K. Such description is incorporated herein by reference.

Mr. Shakeel has been a director of Western Digital since September 2004. Mr. Shakeel joined Western Digital in 1985 as Product Manager, Integrated Drive Electronics. He served in various executive capacities, including Vice President, Materials -- Asia, until October 1997. Mr. Shakeel became Senior Vice President of Worldwide Operations in July 1999. In February 2000, he became Executive Vice President and General Manager of Hard Drive Solutions. He was promoted to Executive Vice President and Chief Operating Officer in April 2001, and served in that position until promoted to his current position of President and Chief Operating Officer in January 2002.

Effective October 1, 2005, Matthew E. Massengill, age 44, will relinquish the role of Chief Executive Officer of Western Digital and will continue employment as Chairman of the Board of Directors or in such other executive capacity as may be assigned by the Board. In connection with Mr. Massengill's continued employment as Chairman of the Board, Western Digital and Mr. Massengill entered into the Massengill Employment Agreement, dated as of August 25, 2005, as described under Item 1.01 of this Form 8-K. Such description is incorporated herein by reference.

Mr. Massengill has been a director of Western Digital since January 2000 and became Chairman of the Board of Directors in November 2001. Mr. Massengill has also served as Chief Executive Officer since January 2000. From October 1999 until that time he was Chief Operating Officer, and from August 1999 to October 1999, he was Co-Chief Operating Officer. Prior to that time he served for more than five years in various executive capacities within Western Digital.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

(c) Exhibits

- 10.1 Employment Agreement, dated as of August 25, 2005, between Western Digital Corporation and Arif Shakeel.
- 10.2 Employment Agreement, dated as of August 25, 2005, between Western Digital Corporation and Matthew E. Massengill.
- 99.1 Press Release, dated August 25, 2005, issued by Western Digital Corporation.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

WESTERN DIGITAL CORPORATION
(Registrant)

By: /s/ RAYMOND M. BUKATY

Date: August 25, 2005

Raymond M. Bukaty
Senior Vice President, Administration,
General Counsel and Secretary

EMPLOYMENT AGREEMENT

This Employment Agreement (the "Agreement") is entered into by and between Western Digital Corporation (the "Company") and Arif Shakeel ("Executive"), as of the 25th day of August, 2005 ("Effective Date").

1. EMPLOYMENT.

The Company hereby employs Executive and Executive hereby accepts such employment, upon the terms and conditions hereinafter set forth, from the Effective Date to and including January 1, 2008 ("Employment Period").

2. DUTIES.

A. President. From the Effective Date until September 30, 2005, Executive shall continue to serve as President and Chief Operating Officer of the Company, and shall report to the Company's Chief Executive Officer.

B. President and Chief Executive Officer. From October 1, 2005 through January 1, 2008, Executive shall serve as President and Chief Executive Officer of Western Digital Corporation. In this capacity, Executive shall report to the Board of Directors, and shall have such duties and responsibilities consistent with his position as President and Chief Executive Officer as the Board of Directors of the Company shall determine from time to time.

C. Executive agrees to devote substantially all of his time, energy and ability to the business of the Company, subject to paragraph E of Section 3.

3. COMPENSATION.

A. Base Salary. From the Effective Date through September 30, 2005, the Company will pay to Executive a base salary at the rate of \$700,000 per year. From October 1, 2005 through January 1, 2008, the Company will pay to Executive a base salary at the rate of \$800,000 per year. Such salary shall be earned monthly and shall be payable in periodic installments in accordance with the Company's customary practices. Amounts payable shall be reduced by standard withholding and other authorized deductions.

B. Bonus. Executive's target annual bonus each fiscal year during the Employment Period (including with respect to the first half of fiscal 2006) for purposes of the Company's semi-annual bonus program for such fiscal period shall be 100% of his base salary from the Company in effect on the last day of such fiscal period.

C. Retirement and Welfare Benefit Plans; Fringe Benefits. Executive (and, in the case of welfare benefit plans, his eligible dependents, as the case may be), shall be eligible for participation in the retirement, welfare, and fringe benefit plans, practices, policies and programs provided by the Company on terms consistent with those generally applicable to the Company's other senior executives and approved by the Compensation Committee of the Board of Directors.

D. Expenses. Executive shall be entitled to receive prompt reimbursement for all reasonable employment expenses incurred by him in accordance with the policies, practices and procedures as in effect generally with respect to other executives of the Company.

E. Vacation and Other Leave. During the Employment Period, Executive shall receive eight (8) weeks paid vacation per year. Such vacation shall be scheduled and taken in accordance with the Company's standard vacation policies applicable to Company executives. Executive shall also be entitled to all other holiday and leave pay generally available to other executives of the Company.

F. Modification. The Company reserves the right to modify, suspend or discontinue any and all of the above plans, practices, policies and programs at any time without recourse by Executive so long as such action is taken generally with respect to other senior executives of the Company and does not single out Executive.

4. RESTRICTED STOCK; OTHER EQUITY AWARDS.

A. The Company shall grant Executive an award of 1,250,000 restricted shares of Common Stock of the Company (of this total, 500,000 shares shall vest on January 1, 2007 and 750,000 shares shall vest on January 1, 2008, subject to Executive's continued employment by the Company through such vesting date, or

except as otherwise expressly provided in Section 5.C(ii) or the restricted stock award agreement), such award evidenced by and subject to the terms and conditions of a restricted stock award agreement in substantially the form attached hereto.

B. The following awards are hereby terminated and Executive shall have no further rights with respect thereto or in respect thereof: (i) the stock options previously granted by the Company to Executive that are currently outstanding but only to the extent that such options are scheduled (without giving effect to any accelerated vesting provision) to vest after December 31, 2007; (ii) the restricted shares of Company Common Stock previously granted by the Company to Executive (for purposes of clarity, other than those granted pursuant to Section 4.A above) that are currently outstanding but only to the extent that such restricted shares are scheduled (without giving effect to any accelerated vesting provision) to vest after December 31, 2007 (which shares are hereby transferred from the Executive to the Company); and (iii) the entire Performance Share Award granted by the Company to Executive on or about January 20, 2005. Executive shall promptly deliver to the Company any share certificates evidencing the shares of restricted stock covered by clause (ii) of the preceding sentence and shall timely provide the Company with such additional documents of transfer that the Company may reasonably request to confirm the transfer of such shares to the Company.

C. Other than the bonus opportunity contemplated by Section 3.B and the restricted stock award contemplated by Section 4.A, Executive shall have no right to any other annual or long-term incentive compensation or option, restricted stock, equity or other awards with respect to his employment during the Employment Period.

5. TERMINATION.

A. Cause. The Company may terminate Executive's employment for Cause. For purposes of this Agreement, "Cause" shall mean that the Company, acting in good faith based upon the information then known to the Company, determines that Executive has engaged in or committed: (i) willful misconduct, (ii) fraud, (iii) failure or refusal to perform the duties of President and Chief Executive Officer, or (iv) a conviction of or a plea of nolo contendere to a felony.

B. Other than Cause. The Company may terminate Executive's employment at any time, with or without cause, upon 30 days' written notice.

C. Obligations of the Company Upon Termination.

(i) Cause. If Executive's employment is terminated by the Company for Cause, this Agreement shall terminate without further obligations to Executive other than for the timely payment of the sum of (i) Executive's annual base salary through the date of termination to the extent not theretofore paid and (ii) any compensation previously deferred by Executive (together with any accrued interest or earnings thereon) and any accrued vacation pay, in each case to the extent not theretofore paid (the sum of the amounts described in clauses (i) and (ii) shall be hereinafter referred to as the "Accrued Obligations"). If it is subsequently determined that the Company did not have Cause for termination under this Section 5.C(i), then the Company's decision to terminate shall be deemed to have been made under Section 5.C(ii), and the amounts payable thereunder shall be the only amounts Executive may receive for his termination.

(ii) Other than Cause. If the Company terminates Executive's employment for other than Cause, this Agreement shall terminate without further obligations to Executive other than:

(a) a lump sum cash payment equal to the base salary and target bonus (at 100% of target) for the remainder of the Employment Period; and

(b) accelerated vesting of any and all options and other equity-based awards granted by the Company that are then outstanding and not otherwise fully vested, but only to the extent such awards would have otherwise become vested had Executive remained employed by the Company through January 1, 2008. Executive's rights as to any options and other equity-based awards granted by the Company that are outstanding at the time Executive's employment with the Company terminates, to the extent such awards are then vesting (after giving effect to any accelerated vesting contemplated by this clause), shall be governed by the terms and conditions of the applicable award agreement and incentive plan under which the option or other award, as applicable, was granted.

D. Exclusive Remedy. Executive agrees that the payments contemplated by this Agreement shall constitute the exclusive and sole remedy for any termination of his employment, and Executive covenants not to assert or pursue any other remedies, at law or in equity, with respect to any termination of employment.

6. CONFIDENTIALITY AND INVENTION.

Executive has previously executed an Employee Invention and Confidentiality Agreement ("Invention Agreement"), dated June 4, 1999, which is incorporated herein as if fully set forth. In the event of an inconsistency between a provision of this Agreement and a provision of the Invention Agreement, the provision of this Agreement controls.

7. LITIGATION ASSISTANCE.

Executive agrees to cooperate with the Company in any actual or threatened litigation that arises against or brought by the Company at any time during or after the Employment Period, including but not limited to participating in interviews with the Company's counsel to assist the Company in any such litigation.

8. ARBITRATION.

Any controversy arising out of or relating to Executive's employment, this Agreement, its enforcement or interpretation, or because of an alleged breach, default, or misrepresentation in connection with any of its provisions, shall be submitted to arbitration in Orange County, California, before a sole arbitrator selected from Judicial Arbitration and Mediation Services, Inc., Orange County, California, 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 California Civil Procedure Code ss.ss. 1280 et seq. as the exclusive remedy of such dispute; provided, however, that provisional injunctive relief may, but need not, be sought in a court of law 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. Final resolution of any dispute through arbitration may include any remedy or relief which the Arbitrator deems just and equitable. Any award or relief granted by the Arbitrator hereunder shall be final and binding on the parties hereto and may be enforced by any court of competent jurisdiction. The parties agree that they are hereby waiving any rights to trial by jury in any action, proceeding or counterclaim brought by either of the parties against the other in connection with any matter whatsoever arising out of or in any way connected with this Agreement or Executive's employment.

9. SUCCESSORS.

A. This Agreement is personal to Executive and shall not, without the prior written consent of the Company, be assignable by Executive.

B. This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns and any such successor or assignee shall be deemed substituted for the Company under the terms of this Agreement for all purposes. As used herein, "successor" and "assignee" shall include any person, firm, corporation or other business entity which at any time, whether by purchase, merger or otherwise, directly or indirectly acquires the stock of the Company or to which the Company assigns this Agreement by operation of law or otherwise.

10. WAIVER.

No waiver of any breach of any term or provision of this Agreement shall be construed to be, nor shall be, a waiver of any other breach of this Agreement. No waiver shall be binding unless in writing and signed by the party waiving the breach.

11. MODIFICATION.

This Agreement shall not be modified by any oral agreement, either express or implied, and all modifications hereof shall be in writing and signed by the parties hereto.

12. SAVINGS CLAUSE.

If any provision of this Agreement or the application thereof is held invalid, the invalidity shall not affect other provisions or applications of the Agreement which can be given effect without the invalid provisions or applications and to this end the provisions of this Agreement are declared to be severable.

13. COMPLETE AGREEMENT.

This Agreement (and all other agreements, exhibits, and schedules referred to in this Agreement, including without limitation the Invention Agreement) constitutes and contains the entire agreement and final understanding concerning Executive's employment with the Company and the other subject matters addressed herein between the parties. It is intended by the parties as a complete and exclusive statement of the terms of their agreement. It supersedes and replaces all prior negotiations and all agreements proposed or otherwise, whether written or oral, concerning the subject matter hereof. Any representation, promise or agreement not specifically included in this Agreement shall not be binding upon or enforceable against either party. This is a fully integrated agreement.

14. GOVERNING LAW.

This Agreement shall be deemed to have been executed and delivered within the County of Orange, State of California and the rights and obligations of the parties hereunder shall be construed and enforced in accordance with, and governed by, by the laws of the State of California without regard to principles of conflict of laws.

15. CONSTRUCTION.

Each party has cooperated in the drafting and preparation of this Agreement. Hence, in any construction to be made of this Agreement, the same shall not be construed against any party on the basis that the party was the drafter. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect.

16. COMMUNICATIONS.

All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered or if mailed by registered or certified mail, postage prepaid, addressed to Executive at Western Digital Corporation, 20511 Lake Forest Drive, Lake Forest, California 92630, or addressed to the Company at: Western Digital Corporation, Attn. Corporate Secretary, 20511 Lake Forest Drive, Lake Forest, California 92630. Either party may change the address at which notice shall be given by written notice given in the above manner.

17. EXECUTION.

This Agreement is being executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Photographic copies of such signed counterparts may be used in lieu of the originals for any purpose.

[This section has been intentionally left blank.]

In witness whereof, the parties hereto have executed this Agreement as of the date first above written.

THE COMPANY:

By: /s/ RAYMOND M. BUKATY

Name: Raymond M. Bukaty

Title: Senior Vice President,
Administration,
General Counsel and Secretary

EXECUTIVE:

/s/ ARIF SHAKEEL

Arif Shakeel

EMPLOYMENT AGREEMENT

This Employment Agreement (the "Agreement") is entered into by and between Western Digital Corporation (the "Company") and Matthew E. Massengill ("Executive") as of the 25th day of August, 2005 ("Effective Date").

RECITALS

WHEREAS, Executive is currently employed by the Company as its Chief Executive Officer;

WHEREAS, Executive desires to transition from the position of Chairman and Chief Executive Officer to the position of Chairman of the Board of Directors ("Chairman of the Board") of the Company.

NOW, THEREFORE, in consideration of the foregoing, and the mutual promises and covenants contained below, the parties agree as follows:

AGREEMENT

1. EMPLOYMENT.

The Company hereby employs Executive and Executive hereby accepts such employment, upon the terms and conditions hereinafter set forth, from the Effective Date to and including January 1, 2007. ("Employment Period").

2. DUTIES.

A. Chief Executive Officer. From the Effective Date through September 30, 2005, Executive shall continue to serve as Chairman and Chief Executive Officer of the Company, and shall report to the Company's Board of Directors.

B. Chairman of the Board. From October 1, 2005 through January 1, 2007, Executive shall serve as Chairman of the Board or in such other executive position or capacity as the Board of Directors may assign Executive. Executive shall report to the Board of Directors, and shall have such duties and responsibilities as the Board of Directors shall determine from time to time, including, but not limited to, offering assistance to the Company's new Chief Executive Officer as may be requested and coordinating investor communications.

C. Executive agrees to devote substantially all of his time, energy and ability to the business of the Company.

3. COMPENSATION.

A. Base Salary. From the Effective Date through January 1, 2007, the Company will continue to pay to Executive a base salary at the rate of \$800,000 per year. Such salary shall be earned monthly and shall be payable in periodic installments in accordance with the Company's customary practices. Amounts payable shall be reduced by standard withholding and other authorized deductions.

B. Bonus. Executive's target annual bonus each fiscal year during the Employment Period (including with respect to fiscal 2006) for purposes of the Company's semi-annual bonus program for such fiscal period shall be 100% of his base salary from the Company for such fiscal period.

C. Retirement and Welfare Benefit Plans; Fringe Benefits. Executive (and, in the case of welfare benefit plans, his eligible dependents, as the case may be), shall be eligible for participation in the retirement, welfare, and fringe benefit plans, practices, policies and programs provided by the Company on terms consistent with those generally applicable to the Company's other senior executives and approved by the Compensation Committee of the Board of Directors.

D. Expenses. Executive shall be entitled to receive prompt reimbursement for all reasonable employment expenses incurred by him in accordance with the policies, practices and procedures as in effect generally with respect to other executives of the Company.

E. Modification. The Company reserves the right to modify, suspend or discontinue any and all of the above plans, practices, policies and programs at any time without recourse by Executive so long as such action is taken generally with respect to other senior executives of the Company and does not single out Executive; provided, however, that the Company may not eliminate or materially

diminish Executive's opportunity to earn a bonus pursuant to Section 3.B. or receive expense reimbursement pursuant to Section 3.E.

4. RESTRICTED STOCK; OTHER EQUITY AWARDS.

A. The following awards are hereby terminated and Executive shall have no further rights with respect thereto or in respect thereof: (i) the stock options previously granted by the Company to Executive that are currently outstanding but only to the extent that such options are scheduled (without giving effect to any accelerated vesting provision) to vest after July 31, 2007; (ii) the restricted shares of Company Common Stock previously granted by the Company to Executive that are currently outstanding but only to the extent that such restricted shares are scheduled (without giving effect to any accelerated vesting provision) to vest after July 31, 2007 (which shares are hereby transferred from the Executive to the Company); and (iii) the entire Performance Share Award granted by the Company to Executive on or about January 20, 2005. Executive shall promptly deliver to the Company any share certificates evidencing the shares of restricted stock covered by clause (ii) of the preceding sentence and shall timely provide the Company with such additional documents of transfer that the Company may reasonably request to confirm the transfer of such shares to the Company.

B. The stock options previously granted by the Company to Executive that are currently outstanding, to the extent that such options are otherwise scheduled to vest (without giving effect to any accelerated vesting provision) after January 1, 2007 and on or before July 31, 2007, are hereby amended such that such portion of the options is scheduled to vest on January 1, 2007 (subject to Executive's continued employment by the Company through that date other than as expressly provided in Section 5.C(ii)). In the event that Executive remains continuously employed by the Company through January 1, 2007, Executive will have until the later of the following two dates to exercise his stock options granted by the Company to the extent that such stock options are outstanding and otherwise unvested on January 1, 2007: (i) January 1, 2010, and (ii) the time such options would have otherwise expired or been terminated in accordance with the termination of employment rules otherwise applicable to such options; provided that in all cases the options remain subject to earlier termination upon the maximum term of such options and earlier termination in connection with a change in control or similar event affecting the Company as provided for in the applicable stock option agreement or plan under which such options were granted.

C. The restricted shares of Company Common Stock previously granted by the Company to Executive that are currently outstanding, to the extent that such restricted shares are otherwise scheduled to vest (without giving effect to any accelerated vesting provision) after January 1, 2007 and on or before July 31, 2007, are hereby amended such that such restricted shares are scheduled to vest on January 1, 2007 (subject to Executive's continued employment by the Company through that date other than as expressly provided in Section 5.C(ii)).

D. Other than the bonus opportunity contemplated by Section 3.B, Executive shall have no right to any other annual or long-term incentive compensation or awards with respect to his employment during the Employment Period.

5. TERMINATION.

A. Cause. The Company may terminate Executive's employment for Cause. For purposes of this Agreement, "Cause" shall mean that the Company, acting in good faith based upon the information then known to the Company, determines that Executive has engaged in or committed: (i) willful misconduct, (ii) fraud, (iii) failure or refusal to perform the duties assigned by the Board of Directors, or (iv) a conviction of or a plea of nolo contendere to a felony.

B. Other than Cause. The Company may terminate Executive's employment at any time, with or without cause, upon 30 days' written notice.

C. Obligations of the Company Upon Termination.

(i) Cause. If Executive's employment is terminated by the Company for Cause, this Agreement shall terminate without further obligations to Executive other than for the timely payment of the sum of (i) Executive's annual base salary through the date of termination to the extent not theretofore paid and (ii) any compensation previously deferred by Executive (together with any accrued interest or earnings thereon) and any accrued vacation pay, in each case to the extent not theretofore paid (the sum of the amounts described in clauses (i) and (ii) shall be hereinafter referred to as the "Accrued Obligations"). If it is subsequently determined that the Company did not have Cause for termination under this Section 5-C(i), then the Company's decision to terminate shall be deemed to have been made under Section 5-C(ii), and the amounts payable thereunder shall be the only amounts Executive may receive for his termination.

(ii) Other than Cause. If the Company terminates Executive's employment for other than Cause, this Agreement shall terminate without further obligations to Executive other than:

(a) a lump sum cash payment equal to the base salary and target bonus (at 100% of target) for the remainder of the Employment Period; and

(b) accelerated vesting of any and all options and other equity-based awards granted by the Company that are then outstanding and not otherwise fully vested, but only to the extent such awards would have otherwise become vested had Executive remained employed by the Company through July 31, 2007. Any portion of such awards that do not so vest shall automatically terminate upon termination of Executive's employment with the Company and Executive shall have no rights with respect thereto or in respect thereof. Executive's rights as to any options and other equity-based awards granted by the Company that are outstanding at the time Executive's employment with the Company terminates, to the extent such awards are then vesting (after giving effect to any accelerated vesting contemplated by this clause), shall be governed by the terms and conditions of the applicable award agreement and incentive plan under which the option or other award, as applicable, was granted.

D. Exclusive Remedy. Executive agrees that the payments contemplated by this Agreement shall constitute the exclusive and sole remedy for any termination of his employment, and Executive covenants not to assert or pursue any other remedies, at law or in equity, with respect to any termination of employment.

6. CONFIDENTIALITY AND INVENTION.

Executive has previously executed an Employee Invention and Confidentiality Agreement ("Invention Agreement"), which is incorporated herein as if fully set forth. In the event of an inconsistency between a provision of this Agreement and a provision of the Invention Agreement, the provision of this Agreement controls.

7. LITIGATION ASSISTANCE.

Executive agrees to cooperate with the Company in any actual or threatened litigation that arises against or brought by the Company at any time during or after the Employment Period, including but not limited to participating in interviews with the Company's counsel to assist the Company in any such litigation.

8. ARBITRATION.

Any controversy arising out of or relating to Executive's employment, this Agreement, its enforcement or interpretation, or because of an alleged breach, default, or misrepresentation in connection with any of its provisions, shall be submitted to arbitration in Orange County, California, before a sole arbitrator selected from Judicial Arbitration and Mediation Services, Inc., Orange County, California, 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 California Civil Procedure Code ss.ss. 1280 et seq. as the exclusive remedy of such dispute; provided, however, that provisional injunctive relief may, but need not, be sought in a court of law 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. Final resolution of any dispute through arbitration may include any remedy or relief which the Arbitrator deems just and equitable. Any award or relief granted by the Arbitrator hereunder shall be final and binding on the parties hereto and may be enforced by any court of competent jurisdiction. The parties agree that they are hereby waiving any rights to trial by jury in any action, proceeding or counterclaim brought by either of the parties against the other in connection with any matter whatsoever arising out of or in any way connected with this Agreement or Executive's employment.

9. SUCCESSORS.

A. This Agreement is personal to Executive and shall not, without the prior written consent of the Company, be assignable by Executive.

B. This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns and any such successor or assignee shall be deemed substituted for the Company under the terms of this Agreement for all purposes. As used herein, "successor" and "assignee" shall include any person, firm, corporation or other business entity which at any time, whether by purchase, merger or otherwise, directly or indirectly acquires the stock of the Company or to which the Company assigns this Agreement by operation of law or otherwise.

10. WAIVER.

No waiver of any breach of any term or provision of this Agreement shall be construed to be, nor shall be, a waiver of any other breach of this Agreement. No waiver shall be binding unless in writing and signed by the party waiving the breach.

11. MODIFICATION.

This Agreement shall not be modified by any oral agreement, either express or implied, and all modifications hereof shall be in writing and signed by the parties hereto.

12. SAVINGS CLAUSE.

If any provision of this Agreement or the application thereof is held invalid, the invalidity shall not affect other provisions or applications of the Agreement which can be given effect without the invalid provisions or applications and to this end the provisions of this Agreement are declared to be severable.

13. COMPLETE AGREEMENT.

This Agreement (and all other agreements, exhibits, and schedules referred to in this Agreement, including without limitation the Invention Agreement) constitutes and contains the entire agreement and final understanding concerning Executive's employment with the Company and the other subject matters addressed herein between the parties. It is intended by the parties as a complete and exclusive statement of the terms of their agreement. It supersedes and replaces all prior negotiations and all agreements proposed or otherwise, whether written or oral, concerning the subject matter hereof. Any representation, promise or agreement not specifically included in this Agreement shall not be binding upon or enforceable against either party. This is a fully integrated agreement.

14. GOVERNING LAW.

This Agreement shall be deemed to have been executed and delivered within the County of Orange, State of California and the rights and obligations of the parties hereunder shall be construed and enforced in accordance with, and governed by, by the laws of the State of California without regard to principles of conflict of laws.

15. CONSTRUCTION.

Each party has cooperated in the drafting and preparation of this Agreement. Hence, in any construction to be made of this Agreement, the same shall not be construed against any party on the basis that the party was the drafter. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect.

16. COMMUNICATIONS.

All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered or if mailed by registered or certified mail, postage prepaid, addressed to Executive at: Western Digital Corporation, 20511 Lake Forest Drive, Lake Forest, California 92630, or addressed to the Company at: Western Digital Corporation, Attn. Corporate Secretary, 20511 Lake Forest Drive, Lake Forest, California 92630. Either party may change the address at which notice shall be given by written notice given in the above manner.

17. EXECUTION.

This Agreement is being executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Photographic copies of such signed counterparts may be used in lieu of the originals for any purpose.

[This section has been intentionally left blank.]

In witness whereof, the parties hereto have executed this Agreement as of the date first above written.

THE COMPANY:

By: /s/ RAYMOND M. BUKATY

Name: Raymond M. Bukaty

Title: Senior Vice President,
Administration, General Counsel and
Secretary

EXECUTIVE:

/s/ MATTHEW E. MASSENGILL

Matthew E. Massengill

Company contacts:

Bob Blair
 Investor Relations
 949.672.7834
 robert.blair@wdc.com

Steve Shattuck
 Public Relations
 949.672.7817
 steve.shattuck@wdc.com

FOR IMMEDIATE RELEASE:

ARIF SHAKEEL TO BECOME WESTERN DIGITAL CEO EFFECTIVE OCTOBER 1;
 MATT MASSENGILL TO REMAIN AS EXECUTIVE CHAIRMAN OF THE BOARD

LAKE FOREST, Calif., August 25, 2005--Western Digital Corp. (NYSE: WDC) today announced that Arif Shakeel will become chief executive officer of the company on October 1, 2005. Mr. Shakeel, 50, currently president and chief operating officer, will retain the title of president when he becomes CEO. Chairman Matt Massengill will relinquish the CEO title but remain actively engaged as executive chairman of the board and in relationships with shareholders and other strategic constituents.

The Board implemented its succession plan and selected Mr. Shakeel as the next CEO after Mr. Massengill had indicated his desire to have the Board consider his moving into the executive chairman role, having served as CEO since 2000.

After both beginning their WD careers in the mid 1980s, Mr. Massengill and Mr. Shakeel have spent the last six years building the company into one of the world's leading manufacturers of hard drives for the computing and consumer electronics markets. Under their stewardship, WD has relentlessly focused on quality and reliability in its products, efficiency in its manufacturing operations and asset management, and excellence in its customer and supply chain relationships.

Arif Shakeel to Become Western Digital CEO Effective October 1;
 Matt Massengill to Remain as Executive Chairman of the Board
 Page 2

Under the leadership of Mr. Massengill and Mr. Shakeel, WD has almost doubled its revenue from \$2.0 billion in fiscal 2000 to \$3.6 billion in fiscal 2005, substantially increased its profitability, dramatically improved the company's balance sheet, and posted the hard drive industry's leading returns on invested capital.

Mr. Shakeel was elected to the board of directors in September 2004, and as named president in January 2002, and chief operating officer in April 2001. He joined the company in 1985 as a product marketing manager, then held positions as vice president of marketing, vice president of business development, vice president of Far East sales, and vice president of materials, Asia.

Mr. Shakeel holds a Bachelor of Science degree in mechanical engineering from Memphis State University and an MBA from Pepperdine University.

About WD

WD, one of the storage industry's pioneers and long-time leaders, provides products and services for people and organizations that collect, manage and use digital information. The company produces reliable, high-performance hard drives that keep users' data close-at-hand and secure from loss.

WD was founded in 1970. The company's storage products are marketed to leading systems manufacturers and selected resellers under the Western Digital and WD brand names. Visit the Investor section of the company's Web site (www.westerndigital.com) to access a variety of financial and investor information.

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