



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): **February 15, 2006**

**Western Digital Corporation**

(Exact Name of Registrant as Specified in its Charter)

**Delaware**  
(State or Other Jurisdiction of  
Incorporation or Organization)

**001-08703**  
(Commission File Number)

**33-0956711**  
(I.R.S. Employer Identification No.)

**20511 Lake Forest Drive**  
**Lake Forest, California**  
(Address of Principal Executive Offices)

**92630**  
(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.**

Form of Award Agreements under 2004 Performance Incentive Plan

On February 15, 2006, the Compensation Committee of the Board of Directors (the “Compensation Committee”) of Western Digital Corporation (the “Company”) approved a form of Notice of Grant of Stock Units and Stock Unit Award Agreement — Executives (the “Executive Stock Unit Award Agreement”) and a form of Notice of Grant of Stock Units and Stock Unit Award Agreement — Employees (the “Employee Stock Unit Award Agreement”) under the Company’s Amended and Restated 2004 Performance Incentive Plan (the “2004 Plan”). In general, each of the Executive Stock Unit Award Agreement and the Employee Stock Unit Award Agreement provide for the award of stock units to the recipients of such agreements. Each stock unit covered by the award agreement is a non-voting unit of measurement that is deemed for bookkeeping purposes to be equivalent to one outstanding share of the Company’s common stock (subject to adjustment as provided in the agreement) and will vest and be payable to the recipient, in shares of the Company’s common stock, in percentage installments of the aggregate number of stock units granted to the recipient as determined by the administrator(s) of the 2004 Plan. All unvested stock units covered by the award agreement will be forfeited to the Company if the recipient ceases to be employed by the Company or any of its subsidiaries, except that in the event of a recipient’s death, a pro rata portion of the unvested stock units will automatically become fully vested as of the date of death as further provided in the agreements. If eligible, each recipient will be permitted to defer the stock units covered by the award agreement pursuant to the Company’s Deferred Compensation Plan. In addition, the Executive Stock Unit Award Agreement further provides that all unvested stock units will automatically vest and become payable upon the occurrence of a Change in Control Event (as defined in the 2004 Plan), subject to certain limitations as specified in the Executive Stock Unit Award Agreement.

On February 15, 2006, the Compensation Committee also approved a form of Notice of Grant of Long-Term Cash Award and Long-Term Cash Award Agreement — Executives (the “Executive Cash Award Agreement”) and a Notice of Grant of Long-Term Cash Award and Long-Term Cash Award Agreement — Employees (the “Employee Cash Award Agreement”) under the 2004 Plan. In general, each of the Executive Cash Award Agreement and the Employee Cash Award Agreement provide for the award of a long-term cash award valued at a target amount determined by the administrator(s) of the 2004 Plan. The long-term cash award will be payable at the end of the performance period set forth in the agreements (at, above or below the target amount awarded) based on the achievement of one or more objective performance goals also set forth in the agreements (subject to adjustment as provided in the agreement). In the event the recipient ceases to be employed by the Company or any of its subsidiaries before the end of the applicable performance period, the long-term cash award will terminate, except that in the event of a recipient’s death, a pro rata portion of the long-term cash award will be payable to the recipient’s legal representative as further provided in the agreements. If eligible, each recipient will be permitted to defer payment of the long-term cash award covered by the award agreement pursuant to the Company’s Deferred Compensation Plan. In addition, the Executive Cash Award Agreement further provides that 100% of the target award amount (or such greater percentage as the Compensation Committee may deem appropriate in the circumstances) will become payable upon the occurrence of a Change of Control Event (as defined in the 2004 Plan) as further provided in the Executive Cash Award Agreement.

In addition to the awards described below, each of the foregoing agreements may be used for future grants of stock units or long-term cash awards to the Company’s employees, including the named executive officers. The foregoing descriptions of the Executive Stock Unit Award Agreement, the Employee Stock Unit Award Agreement, the Executive Cash Award Agreement and the Employee Cash Award Agreement are qualified in their entirety by reference to the copies of the forms of such agreements, which are filed herewith as Exhibit 10.1, Exhibit 10.2, Exhibit 10.3 and Exhibit 10.4, respectively, and are incorporated herein by this reference.

2004 Performance Incentive Plan Awards

On February 16, 2006, in connection with its long term incentive compensation program, the Compensation Committee approved the following awards under the Company’s 2004 Plan to Hossein M. Moghadam, Senior Vice President and Chief Technology Officer of the Company:

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- a stock option to purchase 14,017 shares of the Company's common stock, which stock option will vest 25% on the first anniversary of its grant date and in substantially equal installments every three months during the three-year period after the first anniversary of its grant date and will be subject to the Company's Notice of Grant of Stock Option and Stock Option Agreement — Executives in substantially the form previously filed with the Securities and Exchange Commission;
- 6,308 stock units, which stock units will vest 100% on the third anniversary of their grant date and will be subject to the Executive Stock Unit Award Agreement in substantially the form filed herewith as Exhibit 10.1; and
- a long-term cash target award equal to \$150,000, which award will be subject to the Executive Cash Award Agreement in substantially the form filed herewith as Exhibit 10.3 and payout of such award will be subject to the performance goals established by the Compensation Committee at its meeting on February 15, 2006 as described below.

In addition, on February 16, 2006, in consideration of the execution by each of the following named executive officers of a written agreement to cancel the performance shares previously awarded to such named executive officer, the Compensation Committee approved an award of stock units to each such named executive officer as follows:

<u>Named Executive Officer</u>	<u>Shares of Common Stock Underlying Stock Unit Awards</u>
Hossein M. Moghadam, Senior Vice President and Chief Technology Officer	20,000
Stephen D. Milligan, Senior Vice President and Chief Financial Officer	55,000
Raymond M. Bukaty, Senior Vice President, Administration, General Counsel and Secretary	58,000

Each stock unit award is subject to the Executive Stock Unit Award Agreement in substantially the form filed herewith as Exhibit 10.1, and will vest 100% on August 31, 2008.

At its meeting on February 15, 2006, the Compensation Committee also established the performance goals for long-term cash awards granted under the 2004 Plan. The Compensation Committee determined that payment of each long-term cash award will be conditioned upon the Company's accomplishment of predetermined performance goals as measured by a predetermined financial operating metric for the eighteen-month period beginning December 31, 2005 and ending June 29, 2007 (the "Measurement Period"). Depending upon the Company's achievement of these predetermined performance goals, each long-term cash award will be paid within a reasonable period of time following the end of the Measurement Period based on a percentage of the target award amount (ranging from 0% to 200%). Each such long-term cash award will be further subject to the terms and conditions of the Executive Cash Award Agreement or the Employee Cash Award Agreement, as applicable.

### Executive Severance Plan

On February 16, 2006, the Board of Directors of the Company (the "Board"), upon the recommendation of the Compensation Committee, adopted and approved the Western Digital Corporation Executive Severance Plan (the "Executive Severance Plan"). The following summary of the Executive Severance Plan is qualified in its entirety by reference to the text of the plan, a copy of which is filed herewith as Exhibit 10.5 and incorporated herein by this reference.

Participants in the Executive Severance Plan include certain of the Company's senior management who are not otherwise currently party to a written employment agreement with the Company or any of its subsidiaries (other than an agreement providing for at-will employment and for no specified term) and who the Board or the Compensation Committee has designated as eligible to participate in the plan as a Tier 1 Executive, Tier 2 Executive or Tier 3 Executive. The Compensation Committee

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has designated each of John F. Coyne, Hossein M. Moghadam, Stephen D. Milligan and Raymond M. Bukaty as Tier 1 Executives.

The Executive Severance Plan provides that a participant will receive the following severance benefits in the event of termination of employment without cause (as defined in the Executive Severance Plan):

- a lump sum severance payment equal to the participant's monthly base salary minus applicable taxes over a number of months ranging from 12 months to 24 months depending upon the participant's status as a Tier 1, Tier 2 or Tier 3 Executive;
- a lump sum pro-rata bonus payment minus applicable taxes under the Company's bonus program for the bonus cycle in which the participant's termination date occurs (determined based on the number of days in the applicable bonus cycle during which the participant was employed (not to exceed six (6) months) and assuming 100% of the performance target(s) subject to the bonus award are met regardless of actual funding by the Company);
- acceleration of the vesting of the participant's then outstanding stock options and restricted stock or stock unit awards that are subject to time-based vesting requirements to the extent such stock options and restricted stock or stock unit awards would have vested and become exercisable or payable, as applicable, if the participant had remained employed for an additional six (6) months;
- outplacement services provided by a vendor chosen by the Company and at the Company's expense for 12 months following the participant's termination of employment; and
- payment by the Company of applicable COBRA premium payments following expiration of the participant's company-provided medical, dental and/or vision coverage existing as of the participant's termination date for a number of months ranging from 12 months to 24 months depending upon the participant's status as a Tier 1, Tier 2 or Tier 3 Executive, unless and until the participant otherwise becomes eligible for equivalent coverage under another employer's plan.

Payment of the foregoing severance benefits is conditioned upon the participant's execution of a valid and effective release. In addition, no participant will be entitled to a duplication of benefits under the Executive Severance Plan and any other severance plan or program of the Company or any of its subsidiaries.

The Executive Severance Plan may be amended, suspended or terminated at any time in the sole discretion of the Board or the Compensation Committee. However, no amendment, suspension or termination shall have the effect of diminishing severance benefits to a participant whose employment has been terminated prior to the amendment, suspension or termination.

### Change of Control Severance Plan

The Company's Amended and Restated Change of Control Severance Plan (the "Change of Control Severance Plan") was due to expire on March 29, 2006. On February 16, 2006, the Board, upon the recommendation of the Compensation Committee, approved amendments to the Company's Change of Control Severance Plan to (i) extend the term of the Change of Control Severance Plan to March 29, 2011, (ii) conform the definition of "Change in Control" as used in the Change of Control Severance Plan to the change in control event definition as set forth in the 2004 Plan, and (iii) provide that the Change of Control Severance Plan shall be construed and interpreted in accordance with Section 409A of the Internal Revenue Code and any guidance or regulations promulgated thereunder. In all other respects, the existing provisions of the Change of Control Severance Plan remain in effect.

A copy of the Change of Control Severance Plan, as amended, is filed herewith as Exhibit 10.6 and incorporated herein by this reference.

**Item 9.01 Financial Statements and Exhibits.**

*(d) Exhibits*

- 10.1 Form of Notice of Grant of Stock Units and Stock Unit Award Agreement — Executives, under the Western Digital Corporation Amended and Restated 2004 Performance Incentive Plan
- 10.2 Form of Notice of Grant of Stock Units and Stock Unit Award Agreement, under the Western Digital Corporation Amended and Restated 2004 Performance Incentive Plan
- 10.3 Form of Notice of Grant of Long-Term Cash Award and Long-Term Cash Award Agreement — Executives, under the Western Digital Corporation Amended and Restated 2004 Performance Incentive Plan
- 10.4 Form of Notice of Grant of Long-Term Cash Award and Long-Term Cash Award Agreement — Employees, under the Western Digital Corporation Amended and Restated 2004 Performance Incentive Plan
- 10.5 Western Digital Corporation Executive Severance Plan
- 10.6 Amended and Restated Change of Control Severance Plan, as amended



**Index to Exhibits**

<b>Exhibit Number</b>	<b>Description</b>
10.1	Form of Notice of Grant of Stock Units and Stock Unit Award Agreement — Executives, under the Western Digital Corporation Amended and Restated 2004 Performance Incentive Plan
10.2	Form of Notice of Grant of Stock Units and Stock Unit Award Agreement, under the Western Digital Corporation Amended and Restated 2004 Performance Incentive Plan
10.3	Form of Notice of Grant of Long-Term Cash Award and Long-Term Cash Award Agreement — Executives, under the Western Digital Corporation Amended and Restated 2004 Performance Incentive Plan
10.4	Form of Notice of Grant of Long-Term Cash Award and Long-Term Cash Award Agreement — Employees, under the Western Digital Corporation Amended and Restated 2004 Performance Incentive Plan
10.5	Western Digital Corporation Executive Severance Plan
10.6	Amended and Restated Change of Control Severance Plan, as amended

WESTERN(R)  
DIGITAL

WESTERN DIGITAL CORPORATION  
ID: 95-2657125  
P.O. Box 19665  
Lake Forest, CA 92630-7741  
(949) 672-7000 x 27985/27986

NOTICE OF GRANT OF STOCK UNITS  
AND STOCK UNIT AWARD AGREEMENT - EXECUTIVES

((FN))((MN))((LN))	AWARD NUMBER:	((NBR))
((AD1))	PLAN:	((PLN))
((AD2))	ID:	((ID))
((CTY)), ((ST)) ((Z))		

Congratulations! Effective((optdt)), you have been granted stock units of Western Digital Corporation. These stock units were granted under the 2004 Performance Incentive Plan (the "Plan").(1)

VESTING(2):

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 ((sp4))  
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 ((vdp4))

Your stock unit award is subject to the terms and conditions of this Notice, the attached Standard Terms and Conditions for Stock Unit Awards - Executives (the "Standard Terms") and the Plan. By accepting the award, you are agreeing to the terms of the award as set forth in those documents. You should read the Plan, the Prospectus for the Plan, and the Standard Terms. The Standard Terms and the Plan are each incorporated into (made a part of) this Notice by this reference. You do not have to accept your award. If you do not agree to the terms of your award, you should promptly return this Notice to the Western Digital Corporation Stock Plans Administrator.

A copy of the Plan, the Prospectus for the Plan, and the Standard Terms have been provided to you. If you need another copy of these documents, or if you would like to confirm that you have the most recent version, please contact the Company's Stock Plans Administrator.

1 The number of stock units subject to the award is subject to adjustment under Section 7.1 of the Plan (for example, and without limitation, in connection with stock splits).

2 The stock units covered by the award are subject to forfeiture under

Section 7 of the attached Standard Terms and Conditions for Stock Unit Awards.

(WESTERN DIGITAL LOGO)

Western Digital Corporation 20511 Lake Forest Drive  
Lake Forest, California 92630 Telephone 949 672-7000

STANDARD TERMS AND CONDITIONS FOR  
STOCK UNIT AWARDS - EXECUTIVES  
2004 Performance Incentive Plan

1. STOCK UNITS SUBJECT TO 2004 PERFORMANCE INCENTIVE PLAN

The Stock Unit Award (the "Award") referred to in the attached Notice of Grant of Stock Units and Stock Unit Award Agreement (the "Notice") was awarded under Western Digital Corporation's (the "Corporation's") Amended and Restated 2004 Performance Incentive Plan (the "Plan"). Each stock unit covered by the Award ("Stock Unit") is a non-voting unit of measurement that is deemed for bookkeeping purposes to be equivalent to one outstanding share of Common Stock (subject to adjustment as provided in Section 7.1 of the Plan). The holder of the Stock Units is referred to herein as the "Participant." Stock Units shall be used solely as a device for the determination of the number of shares of Common Stock to eventually be delivered to the Participant if Stock Units held by such Participant vest pursuant to Section 4, Section 7 or Section 8 and shall not be treated as property or as a trust fund of any kind. Stock Units granted to the Participant shall be credited to an unfunded bookkeeping account maintained by the Corporation on behalf of the Participant (a "Stock Unit Account").

The Stock Units are subject to the terms and provisions of the Notice, these Standard Terms and Conditions for Stock Unit Awards - Executives (these "Standard Terms"), and the Plan. To the extent any information in the Notice, the prospectus for the Plan, or other information provided by the Corporation conflicts with the Plan and/or these Standard Terms, the Plan or these Standard Terms, as applicable, shall control. To the extent any terms and provisions in these Standard Terms conflict with the terms and provisions of the Plan, the Plan shall control. Capitalized terms not defined herein have the meanings set forth in the Plan.

2. AWARD AGREEMENT

The Notice and these Standard Terms, together, constitute the Award Agreement with respect to the Award pursuant to Section 5.3 of the Plan.

3. DEFERRAL OF STOCK UNITS

Notwithstanding anything to the contrary contained herein, the Participant may elect, on a form and in a manner provided by the Corporation, to defer the Stock Units subject to the Award under the Corporation's Deferred Compensation Plan (the "Deferred Compensation Plan"). If the Participant makes such a deferral election, the Stock Units will be paid (to the extent vested) in accordance with the payment provisions of the Deferred Compensation Plan (including without limitation the provisions requiring a six-month payment delay in the event that the Participant is a "specified employee" for purposes of Section 409A of the Code), which are incorporated herein by this reference, and any applicable deferral election made by the Participant under and in accordance with the rules of the Deferred Compensation Plan. Whether or not the Participant elects to defer the Stock Units, any shares of Common Stock issued or delivered with respect to the Stock Units shall be charged against the applicable share limits of the Plan.

4. VESTING

Except as otherwise provided in this Award Agreement, the Award shall vest and become nonforfeitable in percentage installments of the aggregate number of Stock Units as set forth in the Notice.

An Award may vest and become payable in connection with the occurrence of certain events involving the Corporation as provided for in Section 7 of the Plan. Without limiting the foregoing but subject to Sections 7.5, 7.6 and 7.7 of the Plan, to the extent that the Award is outstanding and otherwise unvested immediately prior to the occurrence of a Change in Control Event, the Award shall vest and become payable as to the outstanding and otherwise unvested Stock Units upon the occurrence of the Change in Control Event. Notwithstanding the foregoing or anything in this Award Agreement or the Plan, if the event giving rise to any accelerated vesting pursuant to Section 7 of the Plan is not also a "change in control event" of the Corporation for purposes of Section 409A of the Code, then payment with respect to the Award shall not be made until such Stock Units would have become vested and payable without regard to this Section 4 or Section 7 of the Plan.

The vesting schedule requires continued employment or service through each applicable vesting date as a condition to the vesting of the applicable installment of the Award and the rights and benefits under this Award Agreement. Employment or service for only a portion of the vesting period, even if a substantial portion, will not entitle the Participant to any proportionate vesting or avoid or mitigate a termination of rights and benefits upon or following a termination of employment or services as provided in Section 7 below or under the Plan.

#### 5. DIVIDEND EQUIVALENT RIGHTS DISTRIBUTIONS

As of any date that the Corporation pays an ordinary cash dividend on its Common Stock, the Corporation shall credit the Participant's Stock Unit Account with an additional number of Stock Units equal to (i) the per share cash dividend paid by the Corporation on its Common Stock on such date, multiplied by (ii) the number of Stock Units remaining subject to the Award as of the related dividend payment record date, divided by (iii) the Fair Market Value of a share of Common Stock on the date of payment of such dividend. If the Participant has not made a deferral election with respect to the Stock Units, then the Stock Units credited pursuant to the foregoing provisions of this Section 5 shall be subject to the same vesting, payment and other terms, conditions and restrictions as the original Stock Units to which they relate. If the Participant has made a deferral election with respect to the Stock Units, then the Stock Units credited pursuant to the foregoing provisions of this Section 5 shall be credited under, and paid in an equivalent number of shares of Common Stock in accordance with the payment provisions of, the Deferred Compensation Plan and any applicable deferral election made by the Participant under and in accordance with the rules of the Deferred Compensation Plan.

#### 6. TIMING AND MANNER OF PAYMENT OF STOCK UNITS

Except as provided in Section 3 or 4 above, on or within fifteen (15) business days following the vesting of any Stock Units granted (or credited pursuant to Section 5) to the Participant (whether pursuant to Section 4 or Section 7 hereof or Section 7 of the Plan), the Corporation shall deliver to the Participant a number of shares of Common Stock (either by delivering one or more certificates for such shares or by entering such shares in book entry form, as determined by the Corporation in its sole discretion) equal to the number of Stock Units that vest on the applicable vesting date (including any Stock Units credited as dividend equivalents pursuant to Section 5 with respect to the Stock Units that vest), subject to adjustment as provided in Section 7 of the Plan. The Corporation's obligation to deliver shares of Common Stock with respect to vested Stock Units is subject to the condition precedent that the Participant (or other person entitled under the Plan to receive any shares with respect to the vested Stock Units) delivers to the Corporation any representations or other documents or assurances required pursuant to Section 8.1 of the Plan. The Participant shall have no further rights with respect to any Stock Units that are paid pursuant to this Section 6 or that are terminated pursuant to Section 7 hereof or Section 7 of the Plan, and such Stock Units shall be removed from the Participant's Stock Unit Account upon the date of such payment or termination. The Corporation may, in its sole discretion, settle any Stock Units credited 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).

#### 7. TERMINATION OF EMPLOYMENT

Subject to earlier vesting as provided in Section 4 and Section 8 hereof, if the Participant ceases to be employed by or to provide services to the Corporation or its Subsidiaries (regardless of the reason for such termination, whether with or without cause, voluntarily or involuntarily, or due to disability), the Participant's Stock Units shall be forfeited to the Corporation to the extent such Stock Units have not become vested upon the date the



Participant's employment or services terminate; provided, however, that in the event of the Participant's death at a time when the Participant is employed by or providing services to the Corporation or any of its Subsidiaries, a portion of the otherwise unvested Stock Units shall automatically become fully vested as of such date of death as set forth in the next sentence, and shall be paid to the Participant's legal representative as provided in Section 6 above. In the event the date of the Participant's death is at a time when the Participant is employed by or providing services to the Corporation or any of its Subsidiaries, the number of Stock Units that shall become vested on the date of the Participant's death equals: (a) the number of Stock Units that would have vested on the next scheduled vesting date applicable to the Award (as set forth in the Notice) (the "Next Scheduled Vesting Date") had the Participant continued to be employed through such date, multiplied by (b) a fraction (not greater than one), the numerator of which is the number of calendar days following the last scheduled vesting date applicable to the Award as set forth in the Notice (or, if there was no such prior vesting date applicable to the Award, the date of grant of the Stock Units (the "Measurement Date") through and including the date of the Participant's death, and the denominator of which is the total number of calendar days in the period beginning with the day after the Measurement Date and ending with the Next Scheduled Vesting Date.

#### 8. ADJUSTMENTS

The Administrator may accelerate payment and vesting of the Stock Units in such circumstances as it, in its sole discretion, may determine. In addition, upon the occurrence of certain events relating to the Corporation's stock contemplated by Section 7.1 of the Plan, the Administrator will make adjustments if appropriate in the number of Stock Units then outstanding and the number and kind of securities that may be issued in respect of the Award. No such adjustment shall be made with respect to any ordinary cash dividend for which dividend equivalents are paid pursuant to Section 5.

#### 9. WITHHOLDING TAXES

Upon or in connection with the vesting of the Stock Units, the payment of dividend equivalents and/or the distribution of shares of Common Stock in respect of the Stock Units, the Corporation (or the Subsidiary last employing the Participant) shall have the right at its option to (a) require the Participant to pay or provide for payment in cash of the amount of any taxes that the Corporation or the Subsidiary may be required to withhold with respect to such vesting, payment and/or distribution, or (b) deduct from any amount payable to the Participant the amount of any taxes which the Corporation or the Subsidiary may be required to withhold with respect to such vesting, payment and/or distribution. In any case where a tax is required to be withheld in connection with the delivery of shares of Common Stock under this Award Agreement, the Administrator may, in its sole discretion, direct the Corporation or the Subsidiary to reduce the number of shares to be delivered by (or otherwise reacquire) the appropriate number of whole shares, valued at their then fair market value (with the "fair market value" of such shares determined in accordance with the applicable provisions of the Plan), to satisfy such withholding obligation at the minimum applicable withholding rates.

#### 10. NONTRANSFERABILITY

Neither the Award, nor any interest therein or amount or shares payable in respect thereof may be sold, assigned, transferred, pledged or otherwise disposed of, alienated, encumbered, either voluntarily or involuntarily. The transfer restrictions in the preceding sentence shall not apply to (a) transfers to the Corporation, or (b) transfers by will or the laws of descent and distribution.

#### 11. NO RIGHT TO EMPLOYMENT

Nothing contained in this Award Agreement or the Plan constitutes an employment or service commitment by the Corporation or any of its Subsidiaries, affects the Participant's status, if he or she is an employee, as an employee at will who is subject to termination without cause, confers upon the Participant any right to remain employed by or in service to the Corporation or any Subsidiary, interferes in any way with the right of the Corporation or any Subsidiary at any time to terminate such employment or service, or affects the right of the Corporation or any Subsidiary to increase or decrease the Participant's other compensation.

## 12. RIGHTS AS A STOCKHOLDER

Subject to the provisions of the Plan, the Notice and these Standard Terms, the Participant shall have no rights as a stockholder of the Corporation, no dividend rights (except as expressly provided in Section 5 with respect to dividend equivalent rights) and no voting rights with respect to Stock Units awarded to the Participant and any shares of Common Stock underlying or issuable in respect of such Stock Units until such shares of Common Stock are actually issued to and held of record by the Participant. No adjustments will be made for dividends or other rights of a holder for which the record date is prior to the date of issuance of the stock certificate.

## 13. NOTICES

Any notice to be given under the terms of this Award Agreement shall be in writing and addressed to the Corporation at its principal office to the attention of the Secretary, and to the Participant at the address last reflected on the Corporation's payroll records, or at such other address as either party may hereafter designate in writing to the other. Any such notice shall be delivered in person or shall be enclosed in a properly sealed envelope addressed as aforesaid, registered or certified, and deposited (postage and registry or certification fee prepaid) in a post office or branch post office regularly maintained by the United States Government. Any such notice shall be given only when received, but if the Participant is no longer employed by the Corporation or a Subsidiary, shall be deemed to have been duly given five business days after the date mailed in accordance with the foregoing provisions of this Section 13.

## 14. ARBITRATION

Any controversy arising out of or relating to this Award Agreement (including these Standard Terms) and/or the Plan, their enforcement or interpretation, or because of an alleged breach, default, or misrepresentation in connection with any of their provisions, or any other controversy arising out of or related to the Award, including, but not limited to, any state or federal statutory claims, shall be submitted to arbitration in Orange County, California, before a sole arbitrator selected from Judicial Arbitration and Mediation Services, Inc., Orange, 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 Code of Civil Procedure Sections 1280 et seq. as the exclusive forum for the resolution of such dispute; provided, however, that provisional injunctive relief may, but need not, be sought by either party to this Award Agreement 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, including any and all remedies provided by applicable state or federal statutes. At the conclusion of the arbitration, the arbitrator shall issue a written decision that sets forth the essential findings and conclusions upon which the arbitrator's award or decision is based. 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 acknowledge and 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 any of the matters referenced in the first sentence above. The parties agree that Corporation shall be responsible for payment of the forum costs of any arbitration hereunder, including the arbitrator's fee. The parties further agree that in any proceeding with respect to such matters, 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. By accepting the Award, the Participant consents to all of the terms and conditions of this Award Agreement (including, without limitation, this Section 14).

## 15. GOVERNING LAW

This Award Agreement, including these Standard Terms, shall be interpreted and construed in accordance with the laws of the State of Delaware (without regard to conflict of law principles thereunder) and applicable federal law.

#### 16. SEVERABILITY

If the arbitrator selected in accordance with Section 14 or a court of competent jurisdiction determines that any portion of this Award Agreement (including these Standard Terms) or the Plan is in violation of any statute or public policy, then only the portions of this Award Agreement or the Plan, as applicable, which are found to violate such statute or public policy shall be stricken, and all portions of this Award Agreement and the Plan which are not found to violate any statute or public policy shall continue in full force and effect. Furthermore, it is the parties' intent that any order striking any portion of this Award Agreement 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.

#### 17. ENTIRE AGREEMENT

This Award Agreement (including these Standard Terms) and the Plan together constitute the entire agreement and supersede all prior understandings and agreements, written or oral, of the parties hereto with respect to the subject matter hereof. The Plan and this Award Agreement may be amended pursuant to Section 8.6 of the Plan. Such amendment must be in writing and signed by the Corporation. The Corporation may, however, unilaterally waive any provision hereof in writing to the extent such waiver does not adversely affect the interests of the Participant hereunder, but no such waiver shall operate as or be construed to be a subsequent waiver of the same provision or a waiver of any other provision hereof.

#### 18. SECTION HEADINGS

The section headings of this Award Agreement are for convenience of reference only and shall not be deemed to alter or affect any provision hereof.

(WESTERN DIGITAL LOGO)

WESTERN DIGITAL CORPORATION  
ID: 95-2657125  
P.O. Box 19665  
Lake Forest, CA 92630-7741  
(949) 672-7000 x 27985/27986

NOTICE OF GRANT OF STOCK UNITS  
AND STOCK UNIT AWARD AGREEMENT

((FN))((MN))((LN))  
((AD1))  
((AD2))  
((CTY)), ((ST)) ((Z))

AWARD NUMBER: ((NBR))  
PLAN: ((PLN))  
ID: ((ID))

Congratulations! Effective((optdt)), you have been granted stock units of Western Digital Corporation. These stock units were granted under the 2004 Performance Incentive Plan (the "Plan").(1)

VESTING(2):

Units  
Vest  
Type  
Full  
Vest ---  
-- ----  
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((sp1))  
((vtpr1))  
((vdp1))  
((sp2))  
((vtp2))  
((vdp2))  
((sp3))  
((vtp3))  
((vdp3))  
((sp4))  
((vtp4))  
((vdp4))

Your stock unit award is subject to the terms and conditions of this Notice, the attached Standard Terms and Conditions for Stock Unit Awards (the "Standard Terms") and the Plan. By accepting the award, you are agreeing to the terms of the award as set forth in those documents. You should read the Plan, the Prospectus for the Plan, and the Standard Terms. The Standard Terms and the Plan are each incorporated into (made a part of) this Notice by this reference. You do not have to accept your award. If you do not agree to the terms of your award, you should promptly return this Notice to the Western Digital Corporation Stock Plans Administrator.

A copy of the Plan, the Prospectus for the Plan, and the Standard Terms have been provided to you. If you need another copy of these documents, or if you would like to confirm that you have the most recent version, please contact the Company's Stock Plans Administrator.

- 1 The number of stock units subject to the award is subject to adjustment under Section 7.1 of the Plan (for example, and without limitation, in connection with stock splits).
- 2 The stock units covered by the award are subject to forfeiture under Section 7 of the attached Standard Terms and Conditions for Stock Unit Awards.



(WESTERN DIGITAL LOGO)

Western Digital Corporation 20511 Lake Forest Drive  
Lake Forest, California 92630 Telephone 949 672-7000

STANDARD TERMS AND CONDITIONS FOR  
STOCK UNIT AWARDS  
2004 Performance Incentive Plan

1. STOCK UNITS SUBJECT TO 2004 PERFORMANCE INCENTIVE PLAN

The Stock Unit Award (the "Award") referred to in the attached Notice of Grant of Stock Units and Stock Unit Award Agreement (the "Notice") was awarded under Western Digital Corporation's (the "Corporation's") Amended and Restated 2004 Performance Incentive Plan (the "Plan"). Each stock unit covered by the Award ("Stock Unit") is a non-voting unit of measurement that is deemed for bookkeeping purposes to be equivalent to one outstanding share of Common Stock (subject to adjustment as provided in Section 7.1 of the Plan). The holder of the Stock Units is referred to herein as the "Participant." Stock Units shall be used solely as a device for the determination of the number of shares of Common Stock to eventually be delivered to the Participant if Stock Units held by such Participant vest pursuant to Section 4, Section 7 or Section 8 and shall not be treated as property or as a trust fund of any kind. Stock Units granted to the Participant shall be credited to an unfunded bookkeeping account maintained by the Corporation on behalf of the Participant (a "Stock Unit Account").

The Stock Units are subject to the terms and provisions of the Notice, these Standard Terms and Conditions for Stock Unit Awards (these "Standard Terms"), and the Plan. To the extent any information in the Notice, the prospectus for the Plan, or other information provided by the Corporation conflicts with the Plan and/or these Standard Terms, the Plan or these Standard Terms, as applicable, shall control. To the extent any terms and provisions in these Standard Terms conflict with the terms and provisions of the Plan, the Plan shall control. Capitalized terms not defined herein have the meanings set forth in the Plan.

2. AWARD AGREEMENT

The Notice and these Standard Terms, together, constitute the Award Agreement with respect to the Award pursuant to Section 5.3 of the Plan.

3. DEFERRAL OF STOCK UNITS

Notwithstanding anything to the contrary contained herein, the Administrator may determine that the Participant is eligible to defer the Stock Units subject to the Award (such determination to be made by delivery to the Participant of a deferral election form). In the event that the Administrator makes such a determination, the Participant may elect, on a form and in a manner provided by the Corporation, to defer the Stock Units subject to the Award under the Corporation's Deferred Compensation Plan (the "Deferred Compensation Plan"), in which case the Stock Units will be paid (to the extent vested) in accordance with the payment provisions of the Deferred Compensation Plan (including without limitation the provisions requiring a six-month payment delay in the event that the Participant is a "specified employee" for purposes of Section 409A of the Code), which are incorporated herein by this reference, and any applicable deferral election made by the Participant under and in accordance with the rules of the Deferred Compensation Plan. If the Participant is not permitted to defer the Stock Units, the Stock Units will be paid in accordance with this Award Agreement without regard to this Section 3.

#### 4. VESTING

Except as otherwise provided in this Award Agreement, the Award shall vest and become nonforfeitable in percentage installments of the aggregate number of Stock Units as set forth in the Notice.

An Award may vest and become payable in connection with the occurrence of certain events involving the Corporation as provided for in Section 7 of the Plan; provided, however, that, notwithstanding anything to the contrary in this Award Agreement or the Plan, if the event giving rise to any accelerated vesting pursuant to Section 7 of the Plan is not also a "change in control event" of the Corporation for purposes of Section 409A of the Code, then payment with respect to the Award shall not be made until such Stock Units would have become vested and payable without regard to Section 7 of the Plan.

The vesting schedule requires continued employment or service through each applicable vesting date as a condition to the vesting of the applicable installment of the Award and the rights and benefits under this Award Agreement. Employment or service for only a portion of the vesting period, even if a substantial portion, will not entitle the Participant to any proportionate vesting or avoid or mitigate a termination of rights and benefits upon or following a termination of employment or services as provided in Section 7 below or under the Plan.

#### 5. DIVIDEND EQUIVALENT RIGHTS DISTRIBUTIONS

As of any date that the Corporation pays an ordinary cash dividend on its Common Stock, the Corporation shall credit the Participant's Stock Unit Account with an additional number of Stock Units equal to (i) the per share cash dividend paid by the Corporation on its Common Stock on such date, multiplied by (ii) the number of Stock Units remaining subject to the Award as of the related dividend payment record date, divided by (iii) the Fair Market Value of a share of Common Stock on the date of payment of such dividend. The Stock Units credited pursuant to the foregoing provisions of this Section 5 shall be subject to the same vesting, payment and other terms, conditions and restrictions as the original Stock Units to which they relate. Notwithstanding the preceding sentence, if the Participant is permitted to make, and has made, a deferral election with respect to the Stock Units, then the Stock Units credited pursuant to the foregoing provisions of this Section 5 shall be credited under, and paid in an equivalent number of shares of Common Stock in accordance with the payment provisions of, the Deferred Compensation Plan and any applicable deferral election made by the Participant under and in accordance with the rules of the Deferred Compensation Plan.

#### 6. TIMING AND MANNER OF PAYMENT OF STOCK UNITS

Except as provided in Section 3 or 4 above, on or within fifteen (15) business days following the vesting of any Stock Units granted (or credited pursuant to Section 5) to the Participant (whether pursuant to Section 4 or Section 7 hereof or Section 7 of the Plan), the Corporation shall deliver to the Participant a number of shares of Common Stock (either by delivering one or more certificates for such shares or by entering such shares in book entry form, as determined by the Corporation in its sole discretion) equal to the number of Stock Units that vest on the applicable vesting date (including any Stock Units credited as dividend equivalents pursuant to Section 5 with respect to the Stock Units that vest), subject to adjustment as provided in Section 7 of the Plan. The Corporation's obligation to deliver shares of Common Stock with respect to vested Stock Units is subject to the condition precedent that the Participant (or other person entitled under the Plan to receive any shares with respect to the vested Stock Units) delivers to the Corporation any representations or other documents or assurances required pursuant to Section 8.1 of the Plan. The Participant shall have no further rights with respect to any Stock Units that are paid pursuant to this Section 6 or that are terminated pursuant to Section 7 hereof or Section 7 of the Plan, and such Stock Units shall be removed from the Participant's Stock Unit Account upon the date of such payment or termination. The Corporation may, in its sole discretion, settle any Stock Units credited 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).

## 7. TERMINATION OF EMPLOYMENT

Subject to earlier vesting as provided in Section 4 and Section 8 hereof, if the Participant ceases to be employed by or to provide services to the Corporation or its Subsidiaries (regardless of the reason for such termination, whether with or without cause, voluntarily or involuntarily, or due to disability), the Participant's Stock Units shall be forfeited to the Corporation to the extent such Stock Units have not become vested upon the date the Participant's employment or services terminate; provided, however, that in the event of the Participant's death at a time when the Participant is employed by or providing services to the Corporation or any of its Subsidiaries, a portion of the otherwise unvested Stock Units shall automatically become fully vested as of such date of death as set forth in the next sentence, and shall be paid to the Participant's legal representative as provided in Section 6 above. In the event the date of the Participant's death is at a time when the Participant is employed by or providing services to the Corporation or any of its Subsidiaries, the number of Stock Units that shall become vested on the date of the Participant's death equals: (a) the number of Stock Units that would have vested on the next scheduled vesting date applicable to the Award (as set forth in the Notice) (the "Next Scheduled Vesting Date") had the Participant continued to be employed through such date, multiplied by (b) a fraction (not greater than one), the numerator of which is the number of calendar days following the last scheduled vesting date applicable to the Award as set forth in the Notice (or, if there was no such prior vesting date applicable to the Award, the date of grant of the Stock Units (the "Measurement Date") through and including the date of the Participant's death, and the denominator of which is the total number of calendar days in the period beginning with the day after the Measurement Date and ending with the Next Scheduled Vesting Date.

## 8. ADJUSTMENTS

The Administrator may accelerate payment and vesting of the Stock Units in such circumstances as it, in its sole discretion, may determine. In addition, upon the occurrence of certain events relating to the Corporation's stock contemplated by Section 7.1 of the Plan, the Administrator will make adjustments if appropriate in the number of Stock Units then outstanding and the number and kind of securities that may be issued in respect of the Award. No such adjustment shall be made with respect to any ordinary cash dividend for which dividend equivalents are paid pursuant to Section 5.

## 9. WITHHOLDING TAXES

Upon or in connection with the vesting of the Stock Units, the payment of dividend equivalents and/or the distribution of shares of Common Stock in respect of the Stock Units, the Corporation (or the Subsidiary last employing the Participant) shall have the right at its option to (a) require the Participant to pay or provide for payment in cash of the amount of any taxes that the Corporation or the Subsidiary may be required to withhold with respect to such vesting, payment and/or distribution, or (b) deduct from any amount payable to the Participant the amount of any taxes which the Corporation or the Subsidiary may be required to withhold with respect to such vesting, payment and/or distribution. In any case where a tax is required to be withheld in connection with the delivery of shares of Common Stock under this Award Agreement, the Administrator may, in its sole discretion, direct the Corporation or the Subsidiary to reduce the number of shares to be delivered by (or otherwise reacquire) the appropriate number of whole shares, valued at their then fair market value (with the "fair market value" of such shares determined in accordance with the applicable provisions of the Plan), to satisfy such withholding obligation at the minimum applicable withholding rates.

## 10. NONTRANSFERABILITY

Neither the Award, nor any interest therein or amount or shares payable in respect thereof may be sold, assigned, transferred, pledged or otherwise disposed of, alienated, encumbered, either voluntarily or involuntarily. The transfer restrictions in the preceding sentence shall not apply to (a) transfers to the Corporation, or (b) transfers by will or the laws of descent and distribution.

## 11. NO RIGHT TO EMPLOYMENT

Nothing contained in this Award Agreement or the Plan constitutes an employment or service commitment by the Corporation or any of its Subsidiaries, affects the Participant's status, if he or she is an employee, as an employee at

will who is subject to termination without cause, confers upon the Participant any right to remain employed by or in service to the Corporation or any Subsidiary, interferes in any way with the right of the Corporation or any Subsidiary at any time to terminate such employment or service, or affects the right of the Corporation or any Subsidiary to increase or decrease the Participant's other compensation.

#### 12. RIGHTS AS A STOCKHOLDER

Subject to the provisions of the Plan, the Notice and these Standard Terms, the Participant shall have no rights as a stockholder of the Corporation, no dividend rights (except as expressly provided in Section 5 with respect to dividend equivalent rights) and no voting rights with respect to Stock Units awarded to the Participant and any shares of Common Stock underlying or issuable in respect of such Stock Units until such shares of Common Stock are actually issued to and held of record by the Participant. No adjustments will be made for dividends or other rights of a holder for which the record date is prior to the date of issuance of the stock certificate.

#### 13. NOTICES

Any notice to be given under the terms of this Award Agreement shall be in writing and addressed to the Corporation at its principal office to the attention of the Secretary, and to the Participant at the address last reflected on the Corporation's payroll records, or at such other address as either party may hereafter designate in writing to the other. Any such notice shall be delivered in person or shall be enclosed in a properly sealed envelope addressed as aforesaid, registered or certified, and deposited (postage and registry or certification fee prepaid) in a post office or branch post office regularly maintained by the United States Government. Any such notice shall be given only when received, but if the Participant is no longer employed by the Corporation or a Subsidiary, shall be deemed to have been duly given five business days after the date mailed in accordance with the foregoing provisions of this Section 13.

#### 14. ARBITRATION

Any controversy arising out of or relating to this Award Agreement (including these Standard Terms) and/or the Plan, their enforcement or interpretation, or because of an alleged breach, default, or misrepresentation in connection with any of their provisions, or any other controversy arising out of or related to the Award, including, but not limited to, any state or federal statutory claims, shall be submitted to arbitration in Orange County, California, before a sole arbitrator selected from Judicial Arbitration and Mediation Services, Inc., Orange, 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 Code of Civil Procedure Sections 1280 et seq. as the exclusive forum for the resolution of such dispute; provided, however, that provisional injunctive relief may, but need not, be sought by either party to this Award Agreement 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, including any and all remedies provided by applicable state or federal statutes. At the conclusion of the arbitration, the arbitrator shall issue a written decision that sets forth the essential findings and conclusions upon which the arbitrator's award or decision is based. 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 acknowledge and 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 any of the matters referenced in the first sentence above. The parties agree that Corporation shall be responsible for payment of the forum costs of any arbitration hereunder, including the arbitrator's fee. The parties further agree that in any proceeding with respect to such matters, 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. By accepting the Award, the Participant consents to all of the terms and conditions of this Award Agreement (including, without limitation, this Section 14).

15. GOVERNING LAW

This Award Agreement, including these Standard Terms, shall be interpreted and construed in accordance with the laws of the State of Delaware (without regard to conflict of law principles thereunder) and applicable federal law.

16. SEVERABILITY

If the arbitrator selected in accordance with Section 14 or a court of competent jurisdiction determines that any portion of this Award Agreement (including these Standard Terms) or the Plan is in violation of any statute or public policy, then only the portions of this Award Agreement or the Plan, as applicable, which are found to violate such statute or public policy shall be stricken, and all portions of this Award Agreement and the Plan which are not found to violate any statute or public policy shall continue in full force and effect. Furthermore, it is the parties' intent that any order striking any portion of this Award Agreement 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.

17. ENTIRE AGREEMENT

This Award Agreement (including these Standard Terms) and the Plan together constitute the entire agreement and supersede all prior understandings and agreements, written or oral, of the parties hereto with respect to the subject matter hereof. The Plan and this Award Agreement may be amended pursuant to Section 8.6 of the Plan. Such amendment must be in writing and signed by the Corporation. The Corporation may, however, unilaterally waive any provision hereof in writing to the extent such waiver does not adversely affect the interests of the Participant hereunder, but no such waiver shall operate as or be construed to be a subsequent waiver of the same provision or a waiver of any other provision hereof.

18. SECTION HEADINGS

The section headings of this Award Agreement are for convenience of reference only and shall not be deemed to alter or affect any provision hereof.

WESTERN(R)  
DIGITAL

WESTERN DIGITAL CORPORATION  
ID: 95-2657125  
P.O. Box 19665  
Lake Forest, CA 92630-7741  
(949) 672-7000 x 27985/27986

NOTICE OF GRANT OF LONG-TERM CASH AWARD  
AND LONG-TERM CASH AWARD AGREEMENT - EXECUTIVES

((FN))((MN))((LN))                      AWARD NUMBER: ((NBR))  
((AD1))                                      PLAN:                      2004 Performance Incentive Plan  
((AD2))                                      ID:                              ((ID))  
((CTY)), ((ST)) ((Z))

Congratulations! Effective \_\_\_\_\_, 20\_\_, you have been granted a Long-Term Cash Award (a "CASH AWARD") of Western Digital Corporation. This Cash Award was granted under the 2004 Performance Incentive Plan (the "PLAN").

TARGET CASH AWARD: \$\_\_\_\_\_.

MEASUREMENT PERIOD COVERED BY GRANT: \_\_\_\_\_ to \_\_\_\_\_  
("Measurement Period").

Your Cash Award is subject to the terms and conditions of this Notice, the attached Standard Terms and Conditions for Long-Term Cash Award - Executives (the "STANDARD TERMS") and the Plan. By accepting the award, you are agreeing to the terms and provisions set forth in those documents. You should read the Plan and the Standard Terms. The Standard Terms and the Plan are each incorporated into (made a part of) this Notice by this reference. You do not have to accept your award. If you do not agree to the terms of your award, you should promptly return this Notice to the Western Digital Corporation Stock Plans Administrator.

A copy of the Plan and the Standard Terms have been provided to you. If you need another copy of these documents, or if you would like to confirm that you have the most recent version, please contact the Law Department.

WESTERN(R)  
DIGITAL

Western Digital Corporation 20511 Lake Forest Drive  
Lake Forest, California 92630 Telephone 949 672-7000

STANDARD TERMS AND CONDITIONS FOR  
LONG-TERM CASH AWARD - EXECUTIVES

1. LONG-TERM CASH AWARD SUBJECT TO 2004 PERFORMANCE INCENTIVE PLAN

The Long-Term Cash Award (the "CASH AWARD") referred to in the attached Notice of Grant of Long-Term Cash Award and Long-Term Cash Award Agreement - Executives (the "NOTICE") is awarded under the Western Digital Corporation (the "CORPORATION") Amended and Restated 2004 Performance Incentive Plan (the "PLAN"). The Cash Award is subject to the terms and provisions of the Notice, these Standard Terms and Conditions for Long-Term Cash Award - Executives (these "STANDARD TERMS"), and the Plan. To the extent any information in the Notice or other information provided by the Corporation conflicts with the Plan and/or these Standard Terms, then the Plan or these Standard Terms, as applicable, shall control. To the extent any terms and provisions in these Standard Terms conflict with the terms and provisions of the Plan, the Plan shall control. The Notice and these Standard Terms, together, constitute the "AGREEMENT" with respect to the Cash Award pursuant to Section 5.3 of the Plan. The holder of the Cash Award is referred to herein as the "PARTICIPANT." Capitalized terms not defined herein have the meanings set forth in the Plan.

2. PERFORMANCE GOALS

The Compensation Committee of the Board of Directors of the Corporation (the "COMMITTEE") shall set one or more objective performance goals for Participant for the Measurement Period, in accordance with Section 5.2 of the Plan ("PERFORMANCE GOALS"). Upon determination by the Committee of the Performance Goals, the Performance Goals for the Measurement Period shall be attached as Exhibit A hereto.

3. DETERMINATION AND PAYMENT OF CASH AWARD PAYMENT AMOUNT

Within a reasonable period of time following the end of the Measurement Period, the Committee shall determine, in accordance with the Performance Goals and related criteria and methodology established by the Committee described on Exhibit A hereto, the extent to which the Performance Goals have been achieved and authorize the cash payment of an award, if any, to Participant (the "CASH AWARD PAYMENT AMOUNT"). The Cash Award Payment Amount shall equal the dollar amount of the Cash Award set forth on the Notice of Grant of Cash Performance Award ("TARGET CASH AWARD") multiplied by a percentage that shall be determined by the Committee in accordance with the Performance Goals and related criteria and methodology described on Exhibit A hereto (the "CASH AWARD PERFORMANCE PERCENTAGE"), subject to adjustment as described in this Agreement. Subject to Sections 5 and 6 below, payment of the Cash Award Payment Amount shall be made to Participant or, in the event of Participant's death, to Participant's legal representative, as soon as practicable after the certification of awards by the Committee (but no later than seventy-five days following completion of the Measurement Period), net of amounts withheld in satisfaction of the requirements of Section 8(b) below. THE CASH AWARD PERFORMANCE PERCENTAGE AND THE CASH AWARD PAYMENT AMOUNT ARE SUBJECT TO ADJUSTMENT (WHICH MAY REDUCTION) AS PROVIDED IN THIS AGREEMENT.

4. TERMINATION AT PAYMENT OF CASH AWARD

Unless terminated earlier under Section 5 below, a Participant's rights under this Agreement with respect to the Cash Award awarded under this Agreement shall terminate at the time any Cash Award Payment Amount is paid to Participant or at such time that the Cash Award is no longer eligible to become paid, as determined by the Administrator or the Committee.

5. TERMINATION OF EMPLOYMENT; CHANGE IN CONTROL EVENTS

(a) Termination of Employment. Subject to Section 7.2 or 7.3 of the Plan and subject to adjustment as provided in Section 6 hereof, if the Participant ceases to be employed by or to provide services to the Corporation and its Subsidiaries (regardless of the reason for such termination, whether with or without cause, voluntarily or involuntarily, or due to disability), the Participant's Cash Award and any right to receive a Cash Award Payment Amount shall terminate to the extent a Cash Award Payment Amount has not yet been determined by the Committee as described in Section 3, as of the date the Participant's employment or services terminate; provided, however, that in the event of the Participant's death at a time when the Participant is employed by or providing services to the Corporation or any of its Subsidiaries, a pro-rata portion of the Cash Award Payment Amount shall be paid (equal to the Cash Award Payment Amount that the Participant would have been entitled to had he or she continued to be employed through the applicable payment date, multiplied by a fraction the numerator of which is the number of days in the Measurement Period that the Participant was employed by the Corporation or one of its Subsidiaries prior to the Participant's death and the denominator of which is the total number of days in the Measurement Period) to the Participant's legal representative at the same time as Cash Award Payment Amounts are paid generally with respect to the Measurement Period. The Administrator shall be the sole judge, for purposes of the Cash Award, as to whether the Participant continues to render services to the Corporation or its Subsidiaries and the date, if any, upon which such services shall be deemed to have terminated.

(b) Change in Control Events. Notwithstanding Section 5(a), upon the occurrence of a Change in Control Event (as defined in Section 7.3 of the Plan), subject to Section 6 below and Participant then being an Eligible Person, the Cash Award Payment Amount, based on a Cash Award Performance Percentage of 100% (or such greater percentage as the Committee, in its sole discretion, may deem appropriate in the circumstances), multiplied by the Target Cash Award shall become payable hereunder to Participant. Such Cash Award Payment Amount (after giving effect to the foregoing sentence) shall be paid, net of amounts withheld in satisfaction of the requirements of Section 8(b) below, to Participant or, in the event of Participant's death, to Participant's legal representative, as soon as practicable following the Change in Control Event. Notwithstanding the foregoing provisions, if the Change in Control Event giving rise to payment of the Cash Award Payment Amount is not also a "change in control event" as such term is defined under Section 409A of the Code ("Section 409A") and regulations or other guidance promulgated thereunder, then payment with respect to the Cash Award shall not be made until the end of the Measurement Period as originally scheduled.

6. ADJUSTMENTS; PERFORMANCE-BASED COMPENSATION

(a) Adjustments. In determining the Cash Award Performance Percentage and the Cash Award Payment Amount with respect to the Measurement Period, the Committee may adjust the Performance Goals previously determined by the Committee to the extent permitted pursuant to Section 5.2.2 of the Plan.

(b) Reduction of Cash Award Payment Amount. Notwithstanding Section 3 or any other term of this Agreement, the Committee may in its sole and absolute discretion reduce the Cash Award Payment Amount, if the Committee determines that such reduction is necessary or advisable due to current business conditions or for any other reason, including the Committee's judgment that the Performance Goals have become an inappropriate measure of achievement, a change in the employment status, position or duties of the Participant, unsatisfactory performance of the Participant, or the Participant's service for less than the Measurement Period.

(c) Performance-Based Compensation. Cash Awards are intended to be Performance-Based Awards based on Business Criteria, as described in Section 5.2 of the Plan. Compensation attributable to the Agreement is intended to constitute qualified performance-based compensation under Section 162(m) of the Code and the regulations thereunder. This Agreement shall be construed and administered by the Committee in a manner consistent with this intent.

7. ACKNOWLEDGMENT OF NATURE OF PLAN AND CASH AWARDS

In accepting the Cash Award, Participant acknowledges that:

(a) the Plan is established voluntarily by the Corporation, it is discretionary in nature and may be modified, amended, suspended or terminated by the Corporation at any time, as provided in the Plan;



(b) the Award of this Cash Award is voluntary and occasional and does not create any contractual or other right to receive future awards of Cash Awards, or benefits in lieu of Cash Awards even if Cash Awards have been awarded repeatedly in the past;

(c) all decisions with respect to future awards, if any, will be at the sole discretion of the Corporation; and

(d) Participant's participation in the Plan is voluntary.

#### 8. TAXES

(a) Responsibility for Tax-Related Items. Regardless of any action the Corporation or Participant's actual employer takes with respect to any or all income tax (including federal, state and local taxes), social insurance, payroll tax or other tax-related withholding ("TAX RELATED ITEMS"), Participant acknowledges that the ultimate liability for all Tax Related Items legally due by Participant is and remains Participant's responsibility and that the Corporation and/or the Participant's actual employer (i) make no representations or undertakings regarding the treatment of any Tax Related Items in connection with any aspect of the Cash Award, including the grant of the Cash Award, the determination of the Cash Award Payment Amount or the payment of the Cash Award Payment Amount; and (ii) do not commit to structure the terms of the grant or any aspect of the Cash Award to reduce or eliminate the Participant's liability for Tax Related Items.

(b) Withholding Taxes. The Corporation (or any of its Subsidiaries last employing the Participant) shall be entitled to withhold from any Cash Award Payment Amount an amount necessary to satisfy any withholding obligations of the Corporation or any Subsidiary with respect to such payment.

#### 9. NONTRANSFERABILITY

Prior to the time that a Cash Award Payment Amount is paid to Participant, no Cash Award or right to receive a Cash Award Payment Amount, any interest therein, nor any amount payable in respect thereof, may be sold, assigned, transferred, pledged or otherwise disposed of, alienated or encumbered, either voluntarily or involuntarily. The transfer restrictions in the preceding sentence shall not apply to (a) transfers to the Corporation, or (b) subject to Section 5(a), transfers by will or the laws of descent and distribution.

#### 10. NO RIGHT TO EMPLOYMENT

Nothing contained in this Agreement or the Plan constitutes an employment or service commitment by the Corporation or any of its Subsidiaries, affects the Participant's status, if he or she is an employee, as an employee at will who is subject to termination without cause, confers upon the Participant any right to remain employed by or in service to the Corporation or any Subsidiary, interferes in any way with the right of the Corporation or any Subsidiary at any time to terminate such employment or service, or affects the right of the Corporation or any Subsidiary to increase or decrease the Participant's other compensation.

#### 11. ARBITRATION

Any controversy arising out of or relating to this Agreement (including these Standard Terms) and/or the Plan, their enforcement or interpretation, or because of an alleged breach, default, or misrepresentation in connection with any of their provisions, or any other controversy arising out of or related to the Cash Award, including, but not limited to, any state or federal statutory claims, shall be submitted to arbitration in Orange County, California, before a sole arbitrator selected from Judicial Arbitration and Mediation Services, Inc., Orange, 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 Code of Civil Procedure Sections 1280 et seq. as the exclusive forum for the resolution of such dispute; provided, however, that provisional injunctive relief may, but need not, be sought by either party to this Agreement 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, including any and all remedies provided by applicable state or federal statutes. At the conclusion of the arbitration, the arbitrator shall issue a



written decision that sets forth the essential findings and conclusions upon which the arbitrator's award or decision is based. 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 acknowledge and 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 any of the matters referenced in the first sentence above. The parties agree that Corporation shall be responsible for payment of the forum costs of any arbitration hereunder, including the arbitrator's fee. The parties further agree that in any proceeding with respect to such matters, 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. By accepting the Cash Award, the Participant consents to all of the terms and conditions of this Agreement (including, without limitation, this Section 11).

#### 12. GOVERNING LAW

This Agreement, including these Standard Terms, shall be interpreted and construed in accordance with the laws of the State of Delaware (without regard to conflict of law principles thereunder) and applicable federal law.

#### 13. DEFERRALS; CONSTRUCTION

(a) To the extent permitted under the Corporation's Amended and Restated Deferred Compensation Plan, as amended from time to time, Participant may elect to defer receipt of any or all Cash Award Payment Amounts due hereunder. Such election shall be made, and any such deferral shall be effected and administered, in accordance with the Deferred Compensation Plan.

(b) This Agreement shall be construed and interpreted to comply with Section 409A. The Corporation reserves the right to amend this Agreement to the extent it reasonably determines is necessary in order to preserve the intended tax consequences of the Cash Award in light of Section 409A and any regulations or other guidance promulgated thereunder.

#### 14. SEVERABILITY

If the arbitrator selected in accordance with Section 11 or a court of competent jurisdiction determines that any portion of this Agreement (including these Standard Terms) or the Plan is in violation of any statute or public policy, then only the portions of this Agreement or the Plan, as applicable, which are found to violate such statute or public policy shall be stricken, and all portions of this Agreement and the Plan which are not found to violate any statute or public policy shall continue in full force and effect. Furthermore, it is the parties' intent that any order striking any portion of this Agreement 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.

#### 15. ENTIRE AGREEMENT

This Agreement (including these Standard Terms) and the Plan together constitute the entire agreement and supersede all prior understandings and agreements, written or oral, of the parties hereto with respect to the subject matter hereof. The Plan and this Agreement may be amended pursuant to Section 8.6 of the Plan. Such amendment must be in writing and signed by the Corporation. The Corporation may, however, unilaterally waive any provision hereof in writing to the extent such waiver does not adversely affect the interests of the Participant hereunder, but no such waiver shall operate as or be construed to be a subsequent waiver of the same provision or a waiver of any other provision hereof.

#### 16. SECTION HEADINGS

The section headings of this Agreement are for convenience of reference only and shall not be deemed to alter or affect any provision hereof.

## EXHIBIT A

LONG-TERM CASH AWARD - EXECUTIVES  
PERFORMANCE GOALS

[Performance Goals shall be expressed in terms of one or more of the following corporate measures (or such other measures that may be defined as "Business Criteria" pursuant to the Plan): earnings per share, cash flow (which means cash and cash equivalents derived from either net cash flow from operations or net cash flow from operations, financing and investing activities), total stockholder return, gross revenue, revenue growth, operating income (before or after taxes), net earnings (before or after interest, taxes, depreciation and/or amortization), return on equity or on assets or on net investment, cost containment or reduction, or any combination thereof. Each such Performance Goal may be expressed on an absolute and/or relative basis, may employ comparisons with past performance of the Corporation (including one or more divisions) and/or the current or past performance of other companies, and in the case of earnings-based measures, may employ comparisons to capital, stockholders' equity and shares outstanding.]

WESTERN(R)  
DIGITAL

WESTERN DIGITAL CORPORATION  
ID: 95-2657125  
P.O. Box 19665  
Lake Forest, CA 92630-7741  
(949) 672-7000 x 27985/27986

NOTICE OF GRANT OF LONG-TERM CASH AWARD  
AND LONG-TERM CASH AWARD AGREEMENT - EMPLOYEES

((FN))((MN))((LN))                      AWARD NUMBER: ((NBR))  
((AD1))                                      PLAN:                      2004 Performance Incentive Plan  
((AD2))                                      ID:                              ((ID))  
((CTY)), ((ST)) ((Z))

Congratulations! Effective \_\_\_\_\_, 20\_\_, you have been granted a Long-Term Cash Award (a "CASH AWARD") of Western Digital Corporation. This Cash Award was granted under the 2004 Performance Incentive Plan (the "PLAN").

TARGET CASH AWARD: \$\_\_\_\_\_.

MEASUREMENT PERIOD COVERED BY GRANT: \_\_\_\_\_ to \_\_\_\_\_ ("Measurement Period").

Your Cash Award is subject to the terms and conditions of this Notice, the attached Standard Terms and Conditions for Long-Term Cash Award - Employees (the "STANDARD TERMS") and the Plan. By accepting the award, you are agreeing to the terms and provisions set forth in those documents. You should read the Plan and the Standard Terms. The Standard Terms and the Plan are each incorporated into (made a part of) this Notice by this reference. You do not have to accept your award. If you do not agree to the terms of your award, you should promptly return this Notice to the Western Digital Corporation Stock Plans Administrator.

A copy of the Plan and the Standard Terms have been provided to you. If you need another copy of these documents, or if you would like to confirm that you have the most recent version, please contact the Law Department.

WESTERN(R)  
DIGITAL

Western Digital Corporation 20511 Lake Forest Drive  
Lake Forest, California 92630 Telephone 949 672-7000

STANDARD TERMS AND CONDITIONS FOR  
LONG-TERM CASH AWARD - EMPLOYEES

1. LONG-TERM CASH AWARD SUBJECT TO 2004 PERFORMANCE INCENTIVE PLAN

The Long-Term Cash Award (the "CASH AWARD") referred to in the attached Notice of Grant of Long-Term Cash Award and Long-Term Cash Award Agreement - Employees (the "NOTICE") is awarded under the Western Digital Corporation (the "CORPORATION") Amended and Restated 2004 Performance Incentive Plan (the "PLAN"). The Cash Award is subject to the terms and provisions of the Notice, these Standard Terms and Conditions for Long-Term Cash Award - Employees (these "STANDARD TERMS"), and the Plan. To the extent any information in the Notice or other information provided by the Corporation conflicts with the Plan and/or these Standard Terms, then the Plan or these Standard Terms, as applicable, shall control. To the extent any terms and provisions in these Standard Terms conflict with the terms and provisions of the Plan, the Plan shall control. The Notice and these Standard Terms, together, constitute the "AGREEMENT" with respect to the Cash Award pursuant to Section 5.3 of the Plan. The holder of the Cash Award is referred to herein as the "PARTICIPANT." Capitalized terms not defined herein have the meanings set forth in the Plan.

2. PERFORMANCE GOALS

The Compensation Committee of the Board of Directors of the Corporation (the "COMMITTEE") shall set one or more objective performance goals for Participant for the Measurement Period, in accordance with Section 5.2 of the Plan ("PERFORMANCE GOALS"). Upon determination by the Committee of the Performance Goals, the Performance Goals for the Measurement Period shall be attached as Exhibit A hereto.

3. DETERMINATION AND PAYMENT OF CASH AWARD PAYMENT AMOUNT

Within a reasonable period of time following the end of the Measurement Period, the Committee shall determine, in accordance with the Performance Goals and related criteria and methodology established by the Committee described on Exhibit A hereto, the extent to which the Performance Goals have been achieved and authorize the cash payment of an award, if any, to Participant (the "CASH AWARD PAYMENT AMOUNT"). The Cash Award Payment Amount shall equal the dollar amount of the Cash Award set forth on the Notice of Grant of Cash Performance Award ("TARGET CASH AWARD") multiplied by a percentage that shall be determined by the Committee in accordance with the Performance Goals and related criteria and methodology described on Exhibit A hereto (the "CASH AWARD PERFORMANCE PERCENTAGE"), subject to adjustment as described in this Agreement. Subject to Sections 5 and 6 below, payment of the Cash Award Payment Amount shall be made to Participant or, in the event of Participant's death, to Participant's legal representative, as soon as practicable after the certification of awards by the Committee (but no later than seventy-five days following completion of the Measurement Period), net of amounts withheld in satisfaction of the requirements of Section 8(b) below. THE CASH AWARD PERFORMANCE PERCENTAGE AND THE CASH AWARD PAYMENT AMOUNT ARE SUBJECT TO ADJUSTMENT (WHICH MAY REDUCTION) AS PROVIDED IN THIS AGREEMENT.

4. TERMINATION AT PAYMENT OF CASH AWARD

Unless terminated earlier under Section 5 below, a Participant's rights under this Agreement with respect to the Cash Award awarded under this Agreement shall terminate at the time any Cash Award Payment Amount is paid to Participant or at such time that the Cash Award is no longer eligible to become paid, as determined by the Administrator or the Committee.

5. TERMINATION OF EMPLOYMENT; CHANGE IN CONTROL EVENTS

Subject to Section 7.2 or 7.3 of the Plan and subject to adjustment as provided in Section 6 hereof, if the Participant ceases to be employed by or to provide services to the Corporation and its Subsidiaries (regardless of the reason for such termination, whether with or without cause, voluntarily or involuntarily, or due to disability), the Participant's Cash Award and any right to receive a Cash Award Payment Amount shall terminate to the extent a Cash Award Payment Amount has not yet been determined by the Committee as described in Section 3, as of the date the Participant's employment or services terminate; provided, however, that in the event of the Participant's death at a time when the Participant is employed by or providing services to the Corporation or any of its Subsidiaries, a pro-rata portion of the Cash Award Payment Amount shall be paid (equal to the Cash Award Payment Amount that the Participant would have been entitled to had he or she continued to be employed through the applicable payment date, multiplied by a fraction the numerator of which is the number of days in the Measurement Period that the Participant was employed by the Corporation or one of its Subsidiaries prior to the Participant's death and the denominator of which is the total number of days in the Measurement Period) to the Participant's legal representative at the same time as Cash Award Payment Amounts are paid generally with respect to the Measurement Period. The Administrator shall be the sole judge, for purposes of the Cash Award, as to whether the Participant continues to render services to the Corporation or its Subsidiaries and the date, if any, upon which such services shall be deemed to have terminated.

6. ADJUSTMENTS; PERFORMANCE-BASED COMPENSATION

(a) Adjustments. In determining the Cash Award Performance Percentage and the Cash Award Payment Amount with respect to the Measurement Period, the Committee may adjust the Performance Goals previously determined by the Committee to the extent permitted pursuant to Section 5.2.2 of the Plan.

(b) Reduction of Cash Award Payment Amount. Notwithstanding Section 3 or any other term of this Agreement, the Committee may in its sole and absolute discretion reduce the Cash Award Payment Amount, if the Committee determines that such reduction is necessary or advisable due to current business conditions or for any other reason, including the Committee's judgment that the Performance Goals have become an inappropriate measure of achievement, a change in the employment status, position or duties of the Participant, unsatisfactory performance of the Participant, or the Participant's service for less than the Measurement Period.

(c) Performance-Based Compensation. Cash Awards are intended to be Performance-Based Awards based on Business Criteria, as described in Section 5.2 of the Plan. Compensation attributable to the Agreement is intended to constitute qualified performance-based compensation under Section 162(m) of the Code and the regulations thereunder. This Agreement shall be construed and administered by the Committee in a manner consistent with this intent.

7. ACKNOWLEDGMENT OF NATURE OF PLAN AND CASH AWARDS

In accepting the Cash Award, Participant acknowledges that:

(a) the Plan is established voluntarily by the Corporation, it is discretionary in nature and may be modified, amended, suspended or terminated by the Corporation at any time, as provided in the Plan;

(b) the Award of this Cash Award is voluntary and occasional and does not create any contractual or other right to receive future awards of Cash Awards, or benefits in lieu of Cash Awards even if Cash Awards have been awarded repeatedly in the past;

(c) all decisions with respect to future awards, if any, will be at the sole discretion of the Corporation; and

(d) Participant's participation in the Plan is voluntary.

8. TAXES

(a) Responsibility for Tax-Related Items. Regardless of any action the Corporation or Participant's actual employer takes with respect to any or all income tax (including federal, state and local taxes), social insurance, payroll tax or other tax-related withholding ("TAX RELATED ITEMS"), Participant acknowledges that the ultimate liability for all Tax Related Items legally due by Participant is and remains Participant's responsibility and that the Corporation and/or the Participant's actual employer (i) make no representations or undertakings regarding the treatment of any Tax Related Items in connection with any aspect of the Cash Award, including the grant of the Cash Award, the determination of the Cash Award Payment Amount or the payment of the Cash Award Payment Amount; and (ii) do not commit to structure the terms of the grant or any aspect of the Cash Award to reduce or eliminate the Participant's liability for Tax Related Items.

(b) Withholding Taxes. The Corporation (or any of its Subsidiaries last employing the Participant) shall be entitled to withhold from any Cash Award Payment Amount an amount necessary to satisfy any withholding obligations of the Corporation or any Subsidiary with respect to such payment.

9. NONTRANSFERABILITY

Prior to the time that a Cash Award Payment Amount is paid to Participant, no Cash Award or right to receive a Cash Award Payment Amount, any interest therein, nor any amount payable in respect thereof, may be sold, assigned, transferred, pledged or otherwise disposed of, alienated or encumbered, either voluntarily or involuntarily. The transfer restrictions in the preceding sentence shall not apply to (a) transfers to the Corporation, or (b) subject to Section 5, transfers by will or the laws of descent and distribution.

10. NO RIGHT TO EMPLOYMENT

Nothing contained in this Agreement or the Plan constitutes an employment or service commitment by the Corporation or any of its Subsidiaries, affects the Participant's status, if he or she is an employee, as an employee at will who is subject to termination without cause, confers upon the Participant any right to remain employed by or in service to the Corporation or any Subsidiary, interferes in any way with the right of the Corporation or any Subsidiary at any time to terminate such employment or service, or affects the right of the Corporation or any Subsidiary to increase or decrease the Participant's other compensation.

11. ARBITRATION

Any controversy arising out of or relating to this Agreement (including these Standard Terms) and/or the Plan, their enforcement or interpretation, or because of an alleged breach, default, or misrepresentation in connection with any of their provisions, or any other controversy arising out of or related to the Cash Award, including, but not limited to, any state or federal statutory claims, shall be submitted to arbitration in Orange County, California, before a sole arbitrator selected from Judicial Arbitration and Mediation Services, Inc., Orange, 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 Code of Civil Procedure Sections 1280 et seq. as the exclusive forum for the resolution of such dispute; provided, however, that provisional injunctive relief may, but need not, be sought by either party to this Agreement 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, including any and all remedies provided by applicable state or federal statutes. At the conclusion of the arbitration, the arbitrator shall issue a written decision that sets forth the essential findings and conclusions upon which the arbitrator's award or decision is based. 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 acknowledge and 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 any of the matters referenced in the first sentence above. The parties agree that Corporation shall be responsible for payment of the forum costs of any arbitration hereunder, including the arbitrator's fee. The parties further agree that in any proceeding with respect to such matters, 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. By



accepting the Cash Award, the Participant consents to all of the terms and conditions of this Agreement (including, without limitation, this Section 11).

12. GOVERNING LAW

This Agreement, including these Standard Terms, shall be interpreted and construed in accordance with the laws of the State of Delaware (without regard to conflict of law principles thereunder) and applicable federal law.

13. DEFERRALS; CONSTRUCTION

(a) To the extent permitted under the Corporation's Amended and Restated Deferred Compensation Plan, as amended from time to time, Participant may elect to defer receipt of any or all Cash Award Payment Amounts due hereunder. Such election shall be made, and any such deferral shall be effected and administered, in accordance with the Deferred Compensation Plan.

(b) This Agreement shall be construed and interpreted to comply with Section 409A. The Corporation reserves the right to amend this Agreement to the extent it reasonably determines is necessary in order to preserve the intended tax consequences of the Cash Award in light of Section 409A and any regulations or other guidance promulgated thereunder.

14. SEVERABILITY

If the arbitrator selected in accordance with Section 11 or a court of competent jurisdiction determines that any portion of this Agreement (including these Standard Terms) or the Plan is in violation of any statute or public policy, then only the portions of this Agreement or the Plan, as applicable, which are found to violate such statute or public policy shall be stricken, and all portions of this Agreement and the Plan which are not found to violate any statute or public policy shall continue in full force and effect. Furthermore, it is the parties' intent that any order striking any portion of this Agreement 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.

15. ENTIRE AGREEMENT

This Agreement (including these Standard Terms) and the Plan together constitute the entire agreement and supersede all prior understandings and agreements, written or oral, of the parties hereto with respect to the subject matter hereof. The Plan and this Agreement may be amended pursuant to Section 8.6 of the Plan. Such amendment must be in writing and signed by the Corporation. The Corporation may, however, unilaterally waive any provision hereof in writing to the extent such waiver does not adversely affect the interests of the Participant hereunder, but no such waiver shall operate as or be construed to be a subsequent waiver of the same provision or a waiver of any other provision hereof.

16. SECTION HEADINGS

The section headings of this Agreement are for convenience of reference only and shall not be deemed to alter or affect any provision hereof.

## EXHIBIT A

LONG-TERM CASH AWARD - EMPLOYEES  
PERFORMANCE GOALS

[Performance Goals shall be expressed in terms of one or more of the following corporate measures (or such other measures that may be defined as "Business Criteria" pursuant to the Plan): earnings per share, cash flow (which means cash and cash equivalents derived from either net cash flow from operations or net cash flow from operations, financing and investing activities), total stockholder return, gross revenue, revenue growth, operating income (before or after taxes), net earnings (before or after interest, taxes, depreciation and/or amortization), return on equity or on assets or on net investment, cost containment or reduction, or any combination thereof. Each such Performance Goal may be expressed on an absolute and/or relative basis, may employ comparisons with past performance of the Corporation (including one or more divisions) and/or the current or past performance of other companies, and in the case of earnings-based measures, may employ comparisons to capital, stockholders' equity and shares outstanding.]

WESTERN DIGITAL CORPORATION  
EXECUTIVE SEVERANCE PLAN

## 1. PURPOSE

The purpose of the Plan is to provide severance benefits to certain Executives whose employment with the Company or a Subsidiary terminates under certain circumstances as described more fully herein.

## 2. EFFECTIVE DATE

All of the policies and practices of the Company and its Subsidiaries regarding severance benefits or similar payments upon employment termination with respect to Executives in the United States, other than written employment, separation or equity award agreements with the Company or a Subsidiary that provide severance benefits or the Company's Amended and Restated Change of Control Severance Plan, are hereby superseded by the Plan, which shall be known as the Western Digital Corporation Executive Severance Plan, effective as of the Effective Date.

## 3. DEFINITIONS

3.1 "Administrator" means the Committee or any delegate of such committee acting within the authority delegated to it pursuant to Section 9.1.

3.2 "Base Pay" means the employee's wages earned on a monthly basis, determined as of the employment termination date, excluding bonuses and commissions.

3.3 "Cause" means the occurrence or existence of any of the following with respect to an Executive:

(a) the Executive's conviction by, or entry of a plea of guilty or nolo contendere in, a court of competent 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 Executive's willful engaging in dishonest or fraudulent actions or omissions;

(c) failure or refusal to perform his or her duties as reasonably required by the Company and/or a Subsidiary that employs the Executive;

(d) negligence, insubordination, violation by the Executive of any duty (of loyalty or otherwise) owed to the Company and/or a Subsidiary, or any other misconduct on the part of the Executive;

(e) repeated non-prescription use of any controlled substance, or the repeated use of alcohol or any other non-controlled substance which in the Administrator's (or its delegate's or delegates') reasonable determination interferes with the Executive's service as an officer or employee of the Company and/or a Subsidiary;

(f) sexual harassment by the Executive that has been reasonably substantiated and investigated;

(g) involvement in activities representing conflicts of interest with the Company and/or a Subsidiary;

(h) improper disclosure of confidential information;

(i) conduct endangering, or likely to endanger, the health or safety of another employee;

(j) falsifying or misrepresenting information on the records of the Company and/or a Subsidiary;

(k) the Executive's physical destruction or theft of substantial property or assets of the Company and/or a Subsidiary;

(l) breach of any policy of, or agreement with, the Company and/or a Subsidiary applicable to the Executive or to which the Executive is otherwise bound.

Review of any determination that a termination is for Cause shall be by the Administrator, in its sole and exclusive judgment and discretion, in accordance with the provisions of Section 8 herein.

3.4 "Code" means the United States Internal Revenue Code of 1986, as amended.

3.5 "Committee" means the Compensation Committee of the Board of Directors of the Company.

3.6 "Company" means Western Digital Corporation, a Delaware corporation.

3.7 "Effective Date" means February 16, 2006.

3.8 "Eligible Employee" means any person classified by the Company or a Subsidiary, in its sole discretion, as a non-temporary, full-time or part-time, salaried or hourly employee (specifically excluding any individual who is not classified by the Company or a Subsidiary as a common law employee, such as an independent contractor or an individual working through a third-party provider, such as Kelly Services, without regard to the characterization or recharacterization of such individual's status by any court or governmental agency), who is paid from the United States payroll of the Company or a Subsidiary; provided, however, that in no event shall any employee who as of the Effective Date is a party to a written employment agreement with the Company or a Subsidiary (other than an agreement providing for at-will employment by the Company or a Subsidiary and for no specified term) be an Eligible Employee.

3.9 "ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

3.10 "Executive" means an Eligible Employee who has been designated by the Board or the Committee as a Tier I Executive, Tier II Executive or Tier III Executive for purposes of participation in the Plan.

3.11 "Participant" means an Executive who is entitled, based on the provisions hereof, to severance benefits under Section 6.

3.12 "Plan" means this Western Digital Corporation Executive Severance Plan, as set forth in this instrument as it may be amended from time to time.

3.13 "Service Date" means the first date of employment or adjusted date of employment if rehired with the Company or a Subsidiary.

3.14 "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.

#### 4. TERM

The Plan shall commence on the Effective Date and shall continue in effect through December 31, 2008; provided, however, that on December 31, 2006 and each anniversary of such date thereafter, the term of the Plan shall extend automatically for one additional year, unless the Committee (or the Board) causes the Company to deliver written notice prior to the end of such term (or extended term, as applicable) to each Executive then covered by the Plan that the term of the Plan will not be extended (or further extended, as the case may be), and if such notice is timely given the Plan shall terminate at the end of the term then in progress.

#### 5. PARTICIPATION

Upon approval of the Plan, the Committee shall designate the Executives initially covered by the Plan. The Committee may, from time to time, designate additional Eligible Employees as Executives for purposes of participation in the Plan; provided that the Committee 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 Committee may, in its sole discretion, remove an Executive from participation in the Plan and from time to time approve modifications to the Tier to which one or more Executives have been designated.

#### 6. SEVERANCE BENEFITS

6.1 Severance Benefits to Executives. An Executive whose employment with the Company or a Subsidiary is terminated by the Company or such Subsidiary, as applicable, without Cause and who meets the departure conditions described in Section 7 shall become a Participant under the Plan and entitled to the benefits set forth in this Section 6. The severance benefits provided under Sections 6.2, 6.3, 6.5 and 6.6 of the Plan shall be the obligations of, and shall be provided to the Executive by, the entity (the Company or a Subsidiary, as applicable) that employs the Executive immediately prior to the Executive's termination of employment. For

avoidance of doubt, in no event shall an Executive become entitled to or receive any payment hereunder if the Executive's employment with the Company or a Subsidiary is terminated voluntarily by the Executive (for any reason), by the Company or a Subsidiary, as applicable, for Cause, or on account of the Executive's death or disability (as defined in Section 105(d)(4) of the Code). Notwithstanding anything else contained herein to the contrary, an Executive shall not be deemed to have terminated employment if his or her employment by the Company or a Subsidiary terminates but he or she continues as an employee of the Company or another Subsidiary.

6.2 Salary Continuation Payments. A Participant shall receive a severance payment equal to the Participant's monthly rate of Base Pay multiplied by the number of months set forth below:

- (a) Tier I Executive: 24 months
- (b) Tier II Executive: 18 months
- (c) Tier III Executive: 12 months

The severance payment shall be paid in one lump-sum cash payment within thirty (30) days of the Participant's compliance with all provisions of Section 7.

6.3 Bonus. A Participant shall receive a payment equal to a pro-rata portion of the Participant's bonus opportunity under the Company's (or a Subsidiary's) bonus program in which the Participant participates for the bonus cycle in which the Participant's date of termination occurs (with such pro-rata portion based on the number of days in the applicable bonus cycle during which the Participant was employed (not to exceed six (6) months) and assuming 100% of the performance target(s) subject to the bonus award are met regardless of actual funding by the Company or a Subsidiary). The payment shall be paid in one lump-sum cash payment within thirty (30) days of the Participant's compliance with all provisions of Section 7.

6.4 Equity Awards. Notwithstanding anything in the applicable stock incentive plan and/or award agreement to the contrary, upon a Participant's termination of employment, the Participant's then outstanding stock options and restricted stock or stock unit awards that are subject to time-based vesting will vest and become exercisable or payable, as applicable, as if the Participant had remained employed with the Company or a Subsidiary for an additional six (6) months. For avoidance of doubt, the foregoing is not intended to apply to any equity awards held by the Participant that are subject to performance-based vesting or to supersede any more favorable provision in any stock incentive plan and/or award agreement regarding accelerated vesting in the event of the Participant's termination of employment. Notwithstanding anything to the contrary herein, the post-termination exercisability of the Participant's then outstanding stock options shall continue to be governed by the stock incentive plan and stock option agreement applicable to such options.

6.5 Outplacement Services. A Participant shall be eligible for outplacement services, provided by a vendor chosen by the Company or applicable Subsidiary and at the Company's or applicable Subsidiary's expense, after the Participant's termination of employment for up to the number of months set forth below:

- (a) Tier I Executive: 12 months
- (b) Tier II Executives: 12 months
- (c) Tier III Executive: 12 months

6.6 Continued Health Care Coverage. If the Participant elects COBRA continuation coverage within the applicable election period, the Company or applicable Subsidiary shall make the applicable COBRA premium payments following the expiration of the Participant's company-provided medical, dental, and/or vision coverage existing as of the Participant's termination date for the number of months set forth below:

- (a) Tier I Executive: 24 months
- (b) Tier II Executives: 18 months
- (c) Tier III Executive: 12 months

Notwithstanding anything in the Plan to the contrary, there shall be no obligation to make such COBRA premium payments on behalf of any Participant if the Participant otherwise becomes eligible for equivalent coverage under another employer's plan.

## 7. CONDITIONS TO SEVERANCE BENEFITS

7.1 Release. Notwithstanding anything to the contrary contained herein, the Company's or applicable Subsidiary's obligation to pay benefits to a Participant under Section 6 is subject to the condition precedent that the Participant execute a valid and effective release of any and all claims in a form and manner acceptable to the Company, and such release is received by the Company no earlier than, and no later than fourteen (14) days (or such other period as required by law) after, the Participant's termination date and is not revoked by the Participant (pursuant to any revocation rights afforded by applicable law) or otherwise rendered unenforceable by the Participant. Notwithstanding anything else contained herein to the contrary, the Company or applicable Subsidiary will have no obligation to pay any benefit to the Participant under the Plan unless and until that Participant's release (in such form) has been fully executed by the Participant (and the Participant's spouse, to the extent required by the Company), has been received by the Company, and has become effective and irrevocable by the Participant.

7.2 Departure and Entitlement Procedure. As a condition to becoming a Participant and receiving the severance benefits described in Section 6, the Executive must return and deliver to the Administrator or his or her designee all Company and Subsidiary property within seven (7) days of the Executive's termination date. In addition, except as otherwise provided by

the Company, if an Executive resigns prior to his/her scheduled termination date, then he/she shall not be entitled to any severance payments or any other severance benefits provided herein.

7.3 Offsets. Except as expressly provided below, a Participant shall not be required to mitigate the amount of any payments provided for by the Plan by seeking employment or otherwise, nor shall the amount of any cash payments or benefits provided under the Plan be reduced by any compensation or benefits earned by the Participant after his or her termination of employment with the Company or applicable Subsidiary. All severance payments under the Plan shall be subject to legal deductions, and the Company and/or applicable Subsidiary reserves the right to offset the benefits payable under the Plan by any advanced monies the Participant owes the Company or a Subsidiary. The benefits and amounts payable under the Plan shall be reduced (but not below zero) by any severance pay or benefits to which a Participant is or becomes entitled under any other severance pay plan, policy, agreement or arrangement. In addition, 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 Company or a Subsidiary. Without limiting the generality of the foregoing, in no event shall a Participant receive benefits under the Plan in connection with his her termination of employment if such Participant is entitled to benefits under the Company's Amended and Restated Change of Control Severance Plan in connection with such termination of employment. 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.

7.4 Limitation On Employee Rights. The Plan shall not give any employee the right to be retained in the service of the Company or to interfere with or restrict the right of the Company or applicable Subsidiary to discharge any employee at any time, with or without Cause.

## 8. RESOLUTION OF DISPUTES

8.1 Claim. If a Participant or any other individual (herein referred to as a "Claimant") believes that benefits under the Plan are being wrongfully denied, that the Plan is not being operated properly, that fiduciaries of the Plan have breached their duties, or that the Claimant's legal rights are being violated with respect to the Plan, the Claimant must file a formal claim with the Administrator. Any such claim for benefits must be filed in writing within 90 days of the date upon which the Participant first knew or should have known the facts upon which the claim is based.

8.2 Claim Decision. If any claim for benefits under the Plan is denied, in whole or in part, the Claimant shall be so notified by the Administrator within thirty (30) calendar days of the date such person's claim is delivered to the Administrator. At the same time, the Administrator shall notify the Claimant of his or her right to a review by the Administrator and shall set forth, in a manner calculated to be understood by the Claimant, specific reasons for such decision, specific references to pertinent Plan provisions on which the decision is based, a description of any additional material or information necessary for the Claimant to perfect his or her request for

review, an explanation of why such material or information is necessary, and an explanation of the Plan's review procedure.

8.3 Request for Review. Any Claimant or duly authorized representative may appeal from such decision by submitting to the Administrator within sixty (60) calendar days after the date of such notice of its decision a written statement:

(a) requesting a review of the claim for benefits by the Administrator;

(b) setting forth all of the grounds upon which the request for review is based and any facts in support thereof; and

(c) setting forth any issues or comments which the Claimant deems relevant to the claim.

The Administrator shall act upon such appeal within sixty (60) calendar days after the latter of receipt of the Claimant's request for review by it or receipt of all additional materials reasonably requested by it from such Claimant.

8.4 Review of Decision. The Administrator shall make a full and fair review of an appeal and all written materials submitted by the Claimant in connection therewith and may require the Claimant to submit, within ten (10) calendar days of written notice by the Administrator, such additional facts, documents or other evidence as the Administrator, in its sole discretion, deems necessary or advisable in making such a review. On the basis of its review, the Administrator shall make an independent determination of the Claimant's eligibility for an allowance and the amount of such allowance, if any, under this Plan. The decision of the Administrator on any appeal shall be final and conclusive upon all persons if supported by substantial evidence in the record.

8.5 Denial on Review. If on review of a decision, the Administrator denies a claim in whole or in part, it shall give written notice of its decision to the Claimant setting forth, in a manner calculated to be understood by the Claimant, the specific reasons for such denial and specific references to the pertinent Plan provisions on which its decision was based. If a Claimant believes that the Administrator's determination on appeal is incorrect, the Claimant or duly authorized representative may invoke the arbitration procedures described in Section 8.6 or file suit related to such determination; provided that any legal action must be taken by the Claimant within ninety (90) days after the date upon which the Administrator's written decision on review was sent to the Claimant.

8.6 Arbitration. A Claimant who has followed the procedures in Sections 8.1 through 8.5, but who has not obtained full relief on his or her claim for benefits, may, within ninety (90) days following his or her receipt of the Administrator's written decision on review pursuant to Section 8.5, apply in writing to the Administrator for expedited and binding arbitration of his or her claim 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 Code of Civil Procedure Sections 1280 et seq. as the exclusive forum for the resolution of such dispute. Pursuant to California Code of Civil Procedure Section 1281.8, provisional injunctive relief may, but need not, be sought by the Company, a Subsidiary or an Executive 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, including any and all remedies provided by applicable state or federal statutes. At the conclusion of the arbitration, the Arbitrator shall issue a written decision that sets forth the essential findings and conclusions upon which the Arbitrator's award or decision is based. 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. Any rights to trial by jury in any action, proceeding or counterclaim brought by any of the Company, a Subsidiary or an Executive in connection with any matter whatsoever arising out of or in any way connected with the Plan are hereby waived. The Company or applicable Subsidiary shall be responsible for payment of the forum costs of any arbitration hereunder, including the Arbitrator's fee. In any proceeding to enforce the terms of the Plan, the prevailing party shall be entitled to its or his reasonable attorneys' fees and costs (other than forum costs associated with the arbitration) incurred by it or him in connection with resolution of the dispute in addition to any other relief granted.

8.7 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, arbitration or court costs and other expenses incurred in connection with any such proceeding. Amounts, if any, paid to the Executive under this Section 8.7 shall be in addition to all other amounts due to the Executive pursuant to the Plan.

## 9. ADMINISTRATION

9.1 Administrator. Except as provided herein, 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 therefrom, any of its responsibilities or administrative duties with respect to the Plan.

9.2 Experts; Rules. The Administrator may contract with one or more persons to render advice with regard to any responsibility it has under the Plan. Subject to the limitations of the Plan, the Administrator shall from time to time establish such rules for the administration of the Plan as it may deem desirable.

9.3 Indemnity. The Company shall, to the extent permitted by law, by the purchase of insurance or otherwise, indemnify and hold harmless the Administrator and each other fiduciary with respect to the Plan for liabilities or expenses they and each of them incur in carrying out

their respective duties under the Plan, other than for any liabilities or expenses arising out of such fiduciary's gross negligence or willful misconduct.

#### 10. AMENDMENT

The Committee (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 to which a Participant is currently entitled under the Plan. Any modification or other amendment of the Plan shall be in writing, signed by either the Company's Chief Executive Officer or Vice President, Human Resources.

#### 11. GENERAL

11.1 Assignment by Participants. None of the benefits, payments, proceeds or claims of any Executive or Participant shall be subject to any claim of any creditor and, in particular, the same shall not be subject to attachment or garnishment or other legal process by any creditor, nor shall any such Executive have any right to alienate, anticipate, commute, pledge, encumber or assign any of the benefits or payments or proceeds that he or she may expect to receive, contingently or otherwise, under the Plan. Notwithstanding the foregoing, benefits that are in pay status may be subject to a court order of garnishment or wage assignment, or similar order, or a tax levy. 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. If a Participant dies while any amount would still be payable to him or her hereunder had he or she continued to live, all such amounts, unless otherwise provided herein, shall be paid to the Participant's beneficiary in accordance with the terms of the Plan.

11.2 Binding Effect. The Company or applicable Subsidiary will require any successor (whether by purchase of assets, merger, consolidation or otherwise) 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 avoidance of doubt, in the event that a successor of a Subsidiary (whether by purchase of assets, merger, consolidation or otherwise) assumes the Subsidiary's obligations under the Plan, the Company will have no obligations under the Plan with respect to the Executives employed by such Subsidiary.

11.3 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.

11.4 Expenses; Unsecured General Creditor. The benefits and costs of the Plan shall be paid by the Company and/or a Subsidiary out of its general assets. The status of a claim against the Company or a Subsidiary with respect to the benefits provided hereunder shall be same as the status of a claim against the Company or applicable Subsidiary by any general or unsecured creditor.

11.5 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.

11.6 Section 409A. The Plan shall be construed and interpreted so as to avoid the imputation of any tax liability (penalty or otherwise) pursuant to Section 409A of the Code. The Company may suspend the payment of any benefit pursuant to the Plan to any "specified employee" (within the meaning of Section 409A of the Code) to a date no earlier than the date that is six months after the employee's separation of service to the extent, if any, the Administrator determines that such suspension is reasonably necessary to satisfy Code Section 409A(a)(2)(B)(i) (in which case the benefits that would have otherwise been paid during such six month period shall be paid, without interest, as soon as practical following the end of such six month period).

11.7 WARN Act. Benefits payable under the Plan are intended to satisfy, where applicable, any Company obligations under the Federal Worker Adjustment and Retraining Notification Act and any similar obligations that the Company or its Subsidiaries may have under any successor or other severance pay statute.

11.8 Construction. The masculine pronoun shall include the feminine pronoun and the feminine pronoun shall include the masculine pronoun and the singular pronoun shall include the plural pronoun and the plural pronoun shall include the singular pronoun, unless the context clearly indicates otherwise.

11.9 Governing Law. The Plan shall be construed according to the laws of the State of California, except to the extent such laws are preempted by federal law.

11.10 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 herefrom 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.

11.11 Notices. Any notice required or permitted by the Plan shall be in writing, delivered by hand, or sent by registered or certified mail, return receipt requested, or by recognized courier service (regularly providing proof of delivery), addressed as follows:

(a) if to the Company or, where applicable, the Administrator:

Western Digital Corporation  
20511 Lake Forest Drive  
Lake Forest, California 92630  
Attention: Vice President, Human Resources

With a copy to:

Western Digital Corporation  
20511 Lake Forest Drive  
Lake Forest, California 92630  
Attention: General Counsel

(b) if to the Executive or Participant, at the address set forth on the records of the Company or applicable Subsidiary, as the case may be, or to such other address or addresses most recently communicated to the Company or applicable Subsidiary by the Executive or Participant.

Each such notice shall be effective (i) if given by mail, three days after being deposited in the mails or (ii) if given personally or by other means when actually delivered at such address.

IN WITNESS WHEREOF, this instrument, evidencing the terms of the Western Digital Corporation Executive Severance Plan, is executed as of February 16, 2006.

WESTERN DIGITAL CORPORATION

By: /s/ Jackie DeMaria

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Jackie DeMaria  
Vice President, Human Resources

WESTERN DIGITAL CORPORATION  
AMENDED AND RESTATED  
CHANGE OF CONTROL SEVERANCE PLAN

1. Purpose of Plan. The Executives have made and are expected to make major contributions to the profitability, growth and financial strength of the Company and its affiliates. In addition, the Company considers the continued availability of the Executives' services, managerial skills and business experience to be in the best interest of the Company and its stockholders and desires to assure the continued services of the Executives on behalf of the Company and/or its affiliates without the distraction of the Executives occasioned by the possibility of an abrupt change in control of the Company.

2. Definitions. Whenever the following terms are used in this Plan, they shall have the meaning specified below unless the context clearly indicates to the contrary:

2.01 "Board" shall mean the Board of Directors of the Company.

2.02 "Cause" shall mean the occurrence or existence of any of the following with respect to the Executive, as determined by a majority of the disinterested directors of the Board or the Committee:

(a) the Executives' 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 date hereof, the Executives' willful engaging in dishonest or fraudulent actions or omissions which results directly or indirectly in any demonstrable material financial or economic harm to the Company or any of its subsidiaries or affiliates;

(c) the Executives' failure or refusal to perform his or her duties as reasonably required by the Employer, provided that Executive shall have first received written notice from the Employer stating with specificity the nature of such failure or refusal and affording the Executive at least five (5) days to correct the act or omission complained of;

(d) gross negligence, insubordination, material violation by the Executive of any duty of loyalty to the Company or any subsidiary or affiliate of the Company, or any other material misconduct on the part of the Executive, provided that the Executive shall have first received written notice from the Company stating with specificity the nature of such action or violation and affording the Executive at least five (5) days to correct such action or violation;

(e) the repeated non-prescription use of any controlled substance, or the repeated use of alcohol or any other non-controlled substance which in the Board's reasonable

determination renders the Executive unfit to serve in his or her capacity as an officer or employee of the Company or any of its subsidiaries or affiliates;

(f) sexual harassment by the Executive that has been reasonably substantiated and investigated;

(g) involvement in activities representing conflicts of interest with the Company or any of its subsidiaries or affiliates;

(h) improper disclosure of confidential information;

(i) conduct endangering, or likely to endanger, the health or safety of another employee;

(j) falsifying or misrepresenting information on the records of the Company or any of its subsidiaries or affiliates; or

(k) the Executive's physical destruction or theft of substantial property or assets of the Company or any of its subsidiaries or affiliates.

2.03 "Change in Control" shall mean an occurrence of any of the following events, unless the Board shall provide otherwise:

(a) any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act, a "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 Company or any subsidiary thereof or any employee benefit plan (or related trust) of the Company or any subsidiary thereof, or any underwriter in connection with a firm commitment public offering of the Company's capital stock), becomes the "beneficial owner" (as such term is 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, referred to herein as "Beneficially Own" or "Beneficial Owner" as the context may require) of thirty-three and one third percent or more of (i) the then outstanding shares of the Company's common stock ("Outstanding Company Common Stock") or (ii) securities representing thirty-three and one-third percent or more of the combined voting power of the Company's then outstanding voting securities ("Outstanding Company Voting Securities") (in each case, 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 (for purposes hereof, "Incumbent Directors" shall consist of 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);

(c) 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 (each, a "Business Combination"), in each case 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, an entity that, as a result of such transaction, owns the Company or all or substantially all of the Company's assets directly or through one or more subsidiaries (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 or trustees 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).

2.04 "Code" shall mean the Internal Revenue Code of 1986, as amended.

2.05 "Committee" shall mean the Compensation Committee of the Board.

2.06 "Company" shall mean Western Digital Corporation, a Delaware corporation, and, as permitted by Section 12.03(b), its successors and assigns.

2.07 "Date of Termination" following a Change in Control shall mean the dates, as the case may be, for the following events: (a) if the Executive's employment is terminated by death, the date of death, (b) if the Executive's employment is terminated due to a Permanent Disability, thirty (30) days after the Notice of Termination is given (provided that the Executive shall not have returned to the performance of his or her duties on a full-time basis during such period), (c) if the Executive's employment is terminated pursuant to a termination for Cause, the date specified in the Notice of Termination, and (d) if the Executive's employment is terminated for any other reason, fifteen (15) days after delivery of the Notice of Termination unless otherwise agreed by the Executive and the Company.

2.08 "Disability" shall mean that the Executive is unable, by reason of injury, illness or other physical or mental impairment, to perform each and every task of the position for which the Executive is employed, which inability is certified by a licensed physician reasonably selected by the Employer.

2.09 "Effective Date" shall mean March 29, 2001.

2.10 "Employer" shall mean the Company or its subsidiary employing Executive, provided however, that nothing contained herein shall prohibit the Company or another of its subsidiaries fulfilling any obligation of the employing entity to the Executive and for such purposes will be deemed the act of the Employer.

2.11 "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

2.12 "Executive" shall mean any Tier 1 Executive or Tier 2 Executive.

2.13 "Good Reason" shall mean any of the following without the Executive's express written consent:

(a) (i) the assignment to the Executive of any duties materially and adversely inconsistent with the Executive's positions, duties, responsibilities and status with the Employer immediately prior to a Change in Control or with significantly less authority than immediately prior to the Change in Control;

(ii) a significant adverse alteration in the nature of the Executive's reporting responsibilities, titles, or offices with the Employer from those in effect immediately prior to a Change in Control, or

(iii) any removal of the Executive from, or any failure to reelect the Executive to, any such positions, except in connection with a termination of the employment of the Executive for Cause, Permanent Disability, or as a result of the Executive's death or by the Executive other than for Good Reason;

(b) a reduction by the Employer in the Executive's base salary in effect immediately prior to a Change in Control;

(c) failure by the Employer to continue in effect any compensation plan, bonus or incentive plan, stock purchase plan, stock option plan, life insurance plan, health plan, disability plan or other benefit plan or arrangement in which the Executive is participating at the time of a Change in Control unless the Employer substitutes a plan or arrangement which, when viewed in the totality of the benefits provided, does not adversely impact the Executive in a material respect, or the taking of any action by the Employer which would adversely affect, in a material respect, Executive's participation in or materially reduce Executive's benefits under any of such plans;

(d) any material breach by the Company or the Employer of any provision of this Plan;

(e) following a Change in Control, the Executive is excluded (without substitution of a substantially equivalent plan) from participation in any incentive, compensation, stock option, health, dental, insurance, pension or other benefit plan generally made available to persons at Executive's level of responsibility in the Company or the Employer;

(f) the requirement by the Employer that the Executive's principal place of employment be relocated more than fifty (50) miles from his or her place of employment prior to a Change in Control, or that the Executive must travel on the Employer's business to an extent materially greater than the Executive's customary business travel obligations prior to a Change in Control; or

(g) the Company's failure to obtain a satisfactory agreement from any successor to assume and agree to perform the Company's obligations under this Plan, as contemplated in Section 12.03(b) hereof.

2.14 "Notice of Termination" shall mean a written notice which shall indicate the specific termination provision in this Plan relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated.

2.15 "Permanent Disability" shall mean if, as a result of the Executive's Disability, the Executive shall have been absent from his or her duties with the Employer on a full-time basis for six (6) months of any consecutive eight (8) month period.

2.16 "Termination of Employment" shall mean the time when the employee-employer relationship between the Executive and the Employer is terminated for any reason, voluntarily or involuntarily, with or without Cause, including, without limitation, a termination by reason of resignation, discharge (with or without Cause), Permanent Disability, death or retirement, but excluding terminations where there is a simultaneous re-employment of the Executive by the Company or a subsidiary of the Company.

2.17 "Tier 1 Executive" shall mean an officer of the Company who is elected or appointed by the Board of Directors and is subject to Section 16 of the Exchange Act.

2.18 "Tier 2 Executive" shall mean an employee who is appointed as an officer of the Company by the President of the Company pursuant to the Company's Bylaws and such other employee of the Company or any of its subsidiaries who is designated as a Tier 2 Executive by the Board or the Committee.

3. Term. This Plan shall be effective until March 29, 2011.

4. Compensation Upon A Change In Control.

4.01 Salary. Commencing on the date a Change in Control shall occur, the Employer shall pay a salary to the Executive at an annual rate at least equal to the annual salary payable to the Executive immediately prior to such date. The salary, as it may be changed from time to time by mutual agreement between the Executive and the Employer, shall be paid in

equal installments on each regular payroll payment date after the date of this Plan and shall be subject to regular withholding for federal, state and local taxes in accordance with law.

#### 4.02 Other Benefits.

(a) Commencing on the date a Change in Control shall occur, the Executive shall be entitled to participate in and to receive benefits under those 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 executives of the Company or the Employer, or any successor thereto. The Executive's level of participation in, or entitlements under, any such employee benefit plan or arrangement of any successor to the Company shall be calculated as if the Executive had been an employee of such successor to the Company from the date of the Executive's employment by the Employer.

(b) Commencing on the date a Change in Control shall occur, the Executive shall be entitled to reimbursement, in accordance with the usual practices of the Employer, for all reasonable travel and other business expenses incurred by the Executive in the performance of his or her duties on behalf of the Employer.

#### 5. Termination of Employment of Executive.

5.01 Payment of Severance Benefits Upon Change of Control. In the event of a Change in Control of the Company, Executive shall be entitled to the severance benefits set forth in Section 6, but only if during the term of this Plan:

(a) the Executive's employment by the Employer is terminated by the Employer without Cause within one (1) year after the date of the Change in Control;

(b) the Executive terminates his or her employment with the Employer for Good Reason within one (1) year after the date of the Change in Control and complies with the procedures set forth in Section 5.02;

(c) the Executive's employment by the Employer is terminated by the Employer prior to the Change in Control and such termination arose in connection with or in anticipation of the Change in Control (for purposes of this Plan, meaning that at the time of such termination the Company had entered into an agreement, the consummation of which would result in a Change in Control, or any person had publicly announced its intent to take or consider actions that would constitute a Change in Control, and in each case such Change in Control is consummated, or the Board adopts a resolution to the effect that a potential Change in Control for purposes of this Plan has occurred); or

(d) the Executive terminates his or her employment with the Employer for Good Reason prior to the Change in Control, the event constituting Good Reason arose in connection with or in anticipation of the Change in Control and the Executive complies with the procedures set forth in Section 5.02.

#### 5.02 Good Reason.

(a) Notwithstanding anything contained in any employment agreement between the Executive and the Employer to the contrary, during the term of this Plan the Executive may terminate his or her employment with the Employer for Good Reason as set forth in Section 5.01(b) or (d) and be entitled to the benefits set forth in Section 6, provided that the Executive gives written notice to the Company and the Employer of his or her election to terminate his or her employment for such reason within 180 days after the time he or she becomes aware of the existence of facts or circumstances constituting Good Reason or, if later, within ten (10) days of the time the claim is resolved pursuant to Section 5.02(b).

(b) If the Executive believes that he or she is entitled to terminate his or her employment with the Employer for Good Reason, he or she may apply in writing to the Company for confirmation of such entitlement prior to the Executive's actual separation from employment, by following the claims procedure set forth in Section 9. The submission of such a request by the Executive shall not constitute "Cause" for the Company to terminate the Executive's employment and the Executive shall continue to receive all compensation and benefits he or she was receiving at the time of such submission throughout the resolution of the matter pursuant to the procedures set forth in Section 9. If the Executive's request for a termination of employment for Good Reason is denied under both the request and appeal procedures set forth in Sections 9.02 and 9.03, then the parties shall use their best efforts to resolve the claim within ninety (90) days after the claim is submitted to binding arbitration pursuant to Section 9.04.

5.03 Permanent Disability. In the event of a Permanent Disability of the Executive, the Executive shall be entitled to no further benefits under this Plan, provided that the Employer shall have provided the Executive a Notice of Termination and the Executive shall not have returned to the full-time performance of the Executive's duties within thirty (30) days of such Notice of Termination.

5.04 Cause. The Employer may terminate the employment of the Executive for Cause. The Executive shall not be deemed to have been terminated for Cause unless and until there shall have been delivered to the Executive a Notice of Termination and a certified copy of a resolution of the Board adopted by the affirmative vote of not less than a majority of the entire membership of the Board (other than the Executive if he or she is a member of the Board at such time) at a meeting called and held for that purpose and at which the Executive was given an opportunity to be heard, finding that the Executive was guilty of conduct constituting Cause based on reasonable evidence, specifying the particulars thereof in detail. For purposes of this Section 5.04, no act or failure to act on the Executive's part shall be considered "willful" unless done or omitted to be done by him or her not in good faith and without reasonable belief that his or her action or omission was in the best interest of the Company and the Employer.

5.05 Notice of Termination. Any termination of the Executive's employment by the Employer or by the Executive (other than termination based on the Executive's death) following a Change in Control shall be communicated by the terminating party in a Notice of Termination to the other party hereto.

6. Compensation and Benefits Upon Termination of Employment.

6.01 Severance Benefits. If the Executive shall be terminated from employment with the Employer or shall terminate his or her employment with the Employer as described in Section 5.01, then the Executive shall be entitled to receive the following:

(a) In lieu of any further payments to the Executive except as expressly contemplated hereunder, the Employer shall pay as severance pay to the Executive an amount equal to two times (in the case of a Tier 1 Executive) or one times (in the case of a Tier 2 Executive) the Executive's annual base compensation plus target bonus as in effect immediately prior to the Change in Control or as in effect on the date of the Notice of Termination, whichever is higher. Such cash payment shall be payable in a single sum, within ten (10) business days following the Executive's Date of Termination.

(b) Any non-vested stock options granted to the Executive by the Company shall become 100% vested and may be exercised by the Executive for the longer of (i) ninety (90) days after the Date of Termination or (ii) the period specified in the plan or agreement governing such options.

(c) For a period of twenty-four months (in the case of a Tier 1 Executive) or twelve months (in the case of a Tier 2 Executive) following the Executive's Date of Termination (the "payment period"), the Executive shall be entitled to the continuation of the same or equivalent life, health, hospitalization, dental and disability insurance coverage and other employee insurance or welfare benefits (including equivalent coverage for his or her spouse and dependent children) and car allowances as he or she was receiving immediately prior to the Change in Control. In the event that Executive is ineligible under the terms of such insurance to continue to be so covered, the Employer shall provide Executive with a lump sum payment equal to the cost of obtaining such coverage for the payment period. If the Executive, prior to a Change in Control, was receiving any cash-in-lieu payments designed to enable the Executive to obtain insurance coverage of his or her choosing, the Employer shall, in addition to any other benefits to be provided under this Section 6.01(d), provide Executive with a lump-sum payment equal to the amount of such in-lieu payments that the Executive would have been entitled to receive over the payment period. The benefits to be provided under this Section 6.01(d) shall be reduced to the extent of the receipt of substantially equivalent coverage by the Executive from any successor employer.

(d) All awards under the Company's Executive Retention Plan adopted in July, 1998 or any similar plan shall accelerate and be payable fifteen (15) days after the Date of Termination.

(e) If any payments received by a Tier 1 Executive pursuant to this Plan will be subject to the excise tax imposed by Section 4999 of the Code, or any successor or similar provision of the Code or any comparable provision of state law (the "Excise Tax"), the Employer shall pay to the Tier 1 Executive additional compensation such that the net amount received by the Tier 1 Executive after deduction of any Excise Tax (and taking into account any federal, state and local income taxes payable by the Tier 1 Executive as a result of the receipt of such gross-up compensation), shall be equal to the total payments he or she would have received had no such

Excise Tax (or any interest or penalties thereon arising primarily from the acts or omissions of the Employer) been paid or incurred. The Employer shall pay such additional compensation at the time when the Employer withholds such Excise Tax from any payments to the Tier 1 Executive. The calculation of the tax gross-up payment shall be approved by the Company's independent certified public accounting firm and the Tier 1 Executive's designated financial advisor.

(f) In the event that the amount of payments or other benefits payable to a Tier 2 Executive under this Plan, together with any payments or benefits payable under any other plan, program, arrangement or agreement maintained by the Employer or one of its affiliates, would constitute an 'excess parachute payment' (within the meaning of Section 280G of the Code), the payments under this Plan shall be reduced (by the minimum possible amounts) until no amount payable to the Tier 2 Executive under this Plan constitutes an 'excess parachute payment' (within the meaning of Section 280G of the Code); provided, however, that no such reduction shall be made if the net after-tax payment (after taking into account Federal, state, local or other income and excise taxes) to which the Tier 2 Executive would otherwise be entitled without such reduction would be greater than the net after-tax payment (after taking into account Federal, state, local or other income and excise taxes) to the Tier 2 Executive resulting from the receipt of such payments with such reduction. If, as a result of subsequent events or conditions (including a subsequent payment or absence of a subsequent payment under this Plan or other plans, programs, arrangements or agreements maintained by the Employer or one of its affiliates), it is determined that payments hereunder have been reduced by more than the minimum amount required under this Section 6.01(f), then an additional payment shall be promptly made to the Tier 2 Executive in an amount equal to the excess reduction. All determinations required to be made under this Section 6.01(f), including whether a payment would result in an 'excess parachute payment' and the assumptions to be utilized in arriving at such determination, shall be made and approved by the Company's independent certified public accounting firm and the Tier 2 Executive's designated financial advisor.

6.02 Accrued Benefits. Upon termination of the employment of Executive for any reason, any accumulated but unused vacation shall be paid through the Date of Termination. Upon termination of the employment of Executive as set forth in Section 5.01, any accrued but unpaid bonus shall be paid through the Date of Termination. Unless otherwise specifically provided in this Plan, any payments or benefits payable to the Executive hereunder, including without limitation any bonus, in respect of any calendar year during which the Executive is employed by the Employer for less than the entire such year shall be prorated in accordance with the number of days in such calendar year during which he or she is so employed.

7. No Mitigation. The Executive shall not be required to mitigate the amount of any payments provided for by this Plan by seeking employment or otherwise, nor shall the amount of any cash payments or benefits provided under this Plan be reduced by any compensation or benefits earned by the Executive after his or her Date of Termination (except as provided in the last sentence of Section 6.01(d) above). Notwithstanding the foregoing, if the Executive is entitled, by operation of any applicable law, to unemployment compensation benefits or benefits under the Worker Adjustment and Retraining Act of 1988 (known as the "WARN" Act) in connection with the termination of his or her employment in addition to amounts required to be paid to him or her under this Plan, then to the extent permitted by applicable statutory law

governing severance payments or notice of termination of employment, the Company shall be entitled to offset the amounts payable hereunder by the amounts of any such statutorily mandated payments.

#### 8. Limitation on Rights.

8.01 No Employment Contract. This Plan shall not be deemed to create a contract of employment between the Employer and the Executive and shall create no right in the Executive to continue in the Employer's employment for any specific period of time, or to create any other rights in the Executive or obligations on the part of the Company or its subsidiaries, except as set forth herein. Except as set forth herein, this Plan shall not restrict the right of the Employer to terminate the employment of Executive, or restrict the right of the Executive to terminate his or her employment.

8.02 No Other Exclusions. This Plan shall not be construed to exclude the Executive from participation in any other compensation or benefit programs in which he or she is specifically eligible to participate either prior to or following the Effective Date of this Plan, or any such programs that generally are available to other executive personnel of the Company, nor shall it affect the kind and amount of other compensation to which the Executive is entitled.

#### 9. Administrator and Claims Procedure.

9.01 Administrator. Except as set forth herein, the administrator (the "Administrator") for purposes of this Plan shall be the Company. The Company shall have the right to designate one or more of the Company's or the Employer's employees as the Administrator at any time. The Company shall give the Executive written notice of any change in the Administrator, or in the address or telephone number of the same.

9.02 Claims Procedure. The Executive, or other person claiming through the Executive, must file a written claim for benefits with the Administrator as a prerequisite to the payment of benefits under this Plan. The Administrator shall make all determinations as to the right of any person to receive benefits under Sections 9.02 and 9.03. The decision by the Administrator of a claim for benefits by the Executive, his or her heirs or personal representative (the "claimant") shall be stated in writing by the Administrator and delivered or mailed to the claimant within thirty (30) days after receipt of the claim, unless special circumstances require an extension of time for processing the claim. If such an extension is required, written notice of the extension shall be furnished to the claimant prior to the termination of the initial thirty-day period. In no event shall such extension exceed a period of thirty (30) days from the end of the initial period. Any notice of denial shall set forth the specific reasons for the denial, specific reference to pertinent provisions of this Plan upon which the denial is based, a description of any additional material or information necessary for the claimant to perfect his or her claim, with an explanation of why such material or information is necessary, and a description of claim review procedures, written to the best of the Administrator's ability in a manner that may be understood without legal or actuarial counsel.

9.03 Appeals. A claimant whose claim for benefits has been wholly or partially denied by the Administrator may request, within sixty (60) days following the date of such denial, in a writing addressed to the Administrator, a review of such denial. The claimant shall be entitled to submit written comments, documents, records and other information he or she shall consider relevant to a determination of his or her claim, and he or she may include a request for a hearing in person before the Administrator. Prior to submitting his or her request, the claimant shall be entitled to review such documents, records, and other information as the Administrator shall reasonably agree are pertinent to his or her claim. The claimant may, at all stages of the review, be represented by counsel, legal or otherwise, of his or her choice, provided that the fees and expenses of such counsel shall be borne by the claimant, unless the claimant is successful, in which case, such costs shall be borne by the Company. The review of the claim shall take into account all information submitted by claimant relating to the claim, without regard to whether such information was submitted in the initial benefit determination. All requests for review shall be promptly resolved. The Administrator's decision with respect to any such review shall be set forth in writing and shall be mailed to the claimant not later than sixty (60) days following receipt by the Administrator of the claimant's request unless special circumstances, such as the need to hold a hearing, require an extension of time for processing, in which case the Administrator's decision shall be so mailed not later than one hundred and twenty (120) days after receipt of the claimant's request. The time and place of any hearing shall be as mutually agreed by the parties. If the claimant is dissatisfied with the Administrator's decision on review, the claimant may then either, at his or her option, invoke the arbitration procedures described in Section 9.04 or pursue a remedy in a judicial forum. No legal action may be commenced prior to the completion of the claims and appeals procedures described in the foregoing provisions of Section 9.02 and 9.03. Notwithstanding the foregoing, no legal action may be commenced after ninety (90) days after the date upon which the Administrator's written decision on appeal was sent to claimant.

9.04 Arbitration. A claimant who has followed the procedures in Sections 9.02 and 9.03, but who has not obtained full relief on his or her claim for benefits, may, within sixty (60) days following his or her receipt of the Administrator's written decision on review pursuant to Section 9.03, apply in writing to the Administrator for expedited and binding arbitration of his or her claim before an arbitrator in Orange County, California in accordance with the commercial arbitration rules of the American Arbitration Association, as then in effect, or pursuant to such other form of alternative dispute resolution as the parties may agree (collectively, the "arbitration"). Subject to Section 10, the Company or the Employer shall pay filing fees and other costs required to initiate the arbitration. The arbitrator's sole authority shall be to interpret and apply the provisions of this Plan; and except as set forth herein he or she shall not change, add to, or subtract from, any of its provisions. The arbitrator shall have the power to compel attendance of witnesses at the hearing. Any court having jurisdiction may enter a judgment based upon such arbitration. The arbitrator shall be appointed by mutual agreement of the Company and the claimant; provided that if the Company and the claimant cannot agree, the arbitrator shall be appointed pursuant to the applicable commercial arbitration rules. The arbitrator shall be a professional person with a reputation in the community for expertise in employee benefit matters and who is unrelated to the claimant, the Company or its subsidiaries or any employees of the Company or its subsidiaries. All decisions of the arbitrator shall be final and binding on the claimant and the Company.

10. Legal Fees and Expenses. If any dispute arises between the parties with respect to the interpretation or performance of this Plan, the prevailing party in any arbitration or proceeding shall be entitled to recover from the other party its attorneys fees, arbitration or court costs and other expenses incurred in connection with any such proceeding. Amounts, if any, paid to the Executive under this Section 10 shall be in addition to all other amounts due to the Executive pursuant to this Plan.

11. ERISA. This Plan is an unfunded compensation arrangement for a member of a select group of the Company's management or that of its subsidiaries and any exemptions under the Employee Retirement Income Security Act of 1974, as amended, as applicable to such an arrangement shall be applicable to this Plan.

12. Miscellaneous.

12.01 Administration. This Plan may be administered by the Board or the Committee. When this Plan refers to any action by the Board, the Committee may take such action with the same effect as if it had been taken by the Board.

12.02 Amendments. This Plan may be changed, amended or modified by resolution of the Board or the Committee.

12.03 Assignment and Binding Effect.

(a) Neither this Plan nor the rights or obligations hereunder shall be assignable by the Executive or the Company except that this Plan shall be assignable to, binding upon and inure to the benefit of any successor of the Company, and any successor shall be deemed substituted for the Company upon the terms and subject to the conditions hereof'.

(b) The Company will require any successor (whether by purchase of assets, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to expressly assume and agree to perform all of the obligations of the Company under this Plan (including the obligation to cause any subsequent successor to also assume the obligations of this Plan) unless such assumption occurs by operation of law. Nothing in this Section 12.03 is intended, however, to require that a person or group referred to in Section 2.03(a) as being the beneficial owner of shares of stock of the Company must assume the obligations under this Plan as a result of such stock ownership.

12.04 No Waiver. No waiver of any term, provision or condition of this 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 this Plan.

12.05 Rules of Construction.

(a) This Plan has been executed in, and shall be governed by and construed in accordance with the laws of, the State of California. Captions contained in this Plan are for convenience of reference only and shall not be considered or referred to in resolving questions of interpretation with respect to this Plan.

(b) If any provision of this 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 this Plan will not be materially and adversely affected thereby, (i) such provision will be fully severable, (ii) this 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 this Plan will remain in full force and effect and will not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom and (iv) in lieu of such illegal, invalid or unenforceable provision, there will be added automatically as a part of this Plan a legal, valid and enforceable provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible.

12.06 Notices. Any notice required or permitted by this Plan shall be in writing, delivered by hand, or sent by registered or certified mail, return receipt requested, or by recognized courier service (regularly providing proof of delivery), addressed to the Board and the Company and where applicable, the Administrator, at the Company's then principal office, or to the Executive at the address set forth in the records of the Employer, as the case may be, or to such other address or addresses the Company or the Executive may from time to time specify in writing. Notices shall be deemed given when received.

12.07 Section 409A. This Plan shall be construed and interpreted so as to avoid the imputation of any tax liability (penalty or otherwise) pursuant to Section 409A of the Code. The Company may suspend the payment of any benefit pursuant to this Plan to any "specified employee" (within the meaning of Section 409A of the Code) to a date no earlier than the date that is six months after the employee's separation of service to the extent, if any, the Committee determines that such suspension is reasonably necessary to satisfy Code Section 409A(a)(2)(B)(i) (in which case the benefits that would have otherwise been paid during such six month period shall be paid, without interest, as soon as practical following the end of such six month period).

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Western Digital Corporation Amended and Restated Change of Control Severance Plan

As amended (Sections 2.03, 3 and 12.07) February 16, 2006