

The position of President and CEO will become effective January 1, 2011.

Stock Grant. In recognition of your promotion to President and CEO, the Compensation Committee has approved an option grant of 270,000 shares of SanDisk common stock exercisable at fair market closing price as of January 3, 2011. You shall acquire a vested interest with respect to (i) 25% of the Optioned Shares one (1) year after the Grant Date (January 3, 2012) and (ii) the balance of the Optioned Shares in equal quarterly installments over a three (3) year period thereafter. You have also been approved for a grant of 60,000 restricted stock units. Restricted stock units vest in equal annual amounts over 4 years, beginning on the first annual anniversary of the January 3, 2011, grant date. These grants include your 2011 Merit/Annual stock grant, and there will be no separate or additional grant for the latter

- Two times your annual base salary
- Pro-rated bonus
- Acceleration of two years of vesting of outstanding equity grants and one year to exercise vested equity

24 months medical coverage

- Two times base salary and target bonus
- Full acceleration of outstanding equity grants and one year to exercise vested equity
- 24 months of medical coverage

/s/ Irwin Federman	7/23/10
Irwin Federman, Vice Chairman	Date

/s/ Eli Harari	7/23/10
Eli Harari, Chairman and CEO	Date

Accepted: /s/ Sanjay Mehrotra	7/23/10
Sanjay Mehrotra	Date