



Disclosure Pursuant to U.S. Treasury Regulations Section 1.1273-2(f)(9) For SanDisk Notes Due 2017 and 2020 Modified in May 2016

On May 12, 2016, SanDisk Corporation (the “Company”) executed a supplemental indenture for each of its 1.5% Convertible Senior Notes due 2017 (the “2017 Notes”) and 0.5% Convertible Senior Notes due 2020 (the “2020 Notes” and, together with the 2017 Notes, the “Notes”) in connection with the merger of a subsidiary of Western Digital Corporation (“Western Digital”) with and into the Company (the “Merger”). Each supplemental indenture (and together, the “Supplemental Indentures”) provided for Western Digital to become a co-obligor on the Notes and a change in the right to convert the Notes resulting from the Merger. The Company intends to take the position that the execution of the Supplemental Indentures resulted in a deemed exchange of the Notes for United States federal income tax purposes (the “Deemed Exchange”).

Pursuant to U.S. Treasury Regulations section 1.1273-2(f)(9), the Company and Western Digital designate the Company to make the following determinations with respect to the Notes, and this disclosure is intended to satisfy the Company’s requirements thereunder to disclose these determinations:

(i) the 2017 Notes (CUSIP Number 80004CAD3) are “traded on an established market” within the meaning of U.S. Treasury Regulations section 1.1273-2. The issue price of the 2017 Notes within the meaning of U.S. Treasury Regulations section 1.1273-2(b) is \$157.00.

(ii) the 2020 Notes (CUSIP Number 800004CAF8) are “traded on an established market” within the meaning of U.S. Treasury Regulations section 1.1273-2. The issue price of the 2020 Notes within the meaning of U.S. Treasury Regulations section 1.1273-2(b) is \$104.40

Pursuant to Treasury Regulations section 1.1273-2(f)(9), these determinations are binding on a holder of the Notes unless such holder explicitly discloses, that its determination is different from the Company’s determination on the holder’s timely filed federal income tax return for the taxable year that includes the date of the Deemed Exchange, in accordance with the requirements of the regulations.

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