

Risk Factors Comparison 2024-08-20 to 2023-08-22 Form: 10-K

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Executing the Separation has required and will continue to require significant time and attention from our senior management and employees and may divert their attention from operating and growing our business in ways that could adversely affect our business, financial condition and results of operations. Our employees may also be distracted due to uncertainty about their future roles with the separated companies, and customers or suppliers could delay or defer decisions or may end their relationships with us. In addition, we have incurred and will continue to incur expenses in connection with our strategic review and the consideration of the Separation and expect that the process of reviewing the Separation and executing the Separation, if any, will be time-consuming and involve significant additional costs and expenses, which may not yield a benefit if the Separation is not completed. If pursued, we will also incur ongoing costs and dis-synergies in connection with, or as a result of, the Separation and related restructuring transactions, including costs of operating as independent, publicly traded companies that the two businesses will no longer be able to share. Any of the above factors could cause the Separation (or the failure to execute the Separation) to have a material adverse effect on our business, financial condition, results of operations and the trading price of our common stock and / or other securities. ~~The Participant understands~~ Separation may not achieve the anticipated benefits and could expose us to new risks, including with respect to our existing indebtedness and future capital structure. We may not realize any strategic, financial, operational or other benefits from the Separation. We cannot predict with certainty if or when anticipated benefits will occur or the extent to which they will be achieved. If the Separation is completed, our operational and financial profile (including our capital structure) will change and we will face new risks. If the Separation is completed, we will be a smaller and less-diversified company and may be more vulnerable to changing market conditions. While we believe ~~that this Appendix A contains~~ the Separation will position each company to better unlock its full standalone long-term potential, we cannot assure you that following the Separation we will be successful. Further, there can be no assurance that the combined value of the shares of the two resulting companies will be equal to or greater than what the value of our common stock would have been had the Separation not occurred. ~~In additional--~~ addition, following the completion of the Separation or any other disposition of our Flash business unit, we will not be able to rely on the earnings, assets or cash flow of the Flash business unit, and that business will not provide funds to finance our working capital or other cash requirements. As a result, our ability to service our debt may be adversely affected. We cannot predict the prices at which our common stock may trade after the Separation or the effect of the Separation on the trading prices of our common stock. The Separation will be subject to numerous conditions, including the availability of financing. We have not obtained any financing with respect to the Separation transaction, including any new financing for the remaining business and the terms of any such arrangements may be more burdensome or costly than the terms of our current indebtedness or we may not be able to obtain credit on attractive terms ~~and conditions-price~~. Furthermore, the Separation may leave us with higher leverage and may also cause us to violate provisions of contracts or breach covenants in our existing indebtedness if such contracts or indebtedness are not replaced, repaid or refinanced or waivers are not obtained prior to the Separation. For example, our credit facilities contain specific restrictions on any disposal of our Flash business unit. In addition, we cannot assure you ~~that, together~~ a holder of our outstanding senior notes will not argue that the Separation constitutes a change of control and try to require us to repurchase its notes as a result of the Separation. We rely substantially on strategic relationships ~~with various partners~~ ~~the Plan and the Award Document,~~ ~~govern~~ including Kioxia, which subjects us to risks and uncertainties that could harm our business. We have entered into and expect to continue to enter into strategic relationships with various partners for product development, manufacturing, sales growth and ~~the Participant~~ supply of technologies, components, equipment and materials for use in our product design and manufacturing, including our business ventures with Kioxia. We depend on Flash Ventures for the development and manufacture of flash-based memory. Our strategic relationships, including Flash Ventures, are subject to various risks that could harm the value of our investments, our revenue and costs, our future rate of spending, our technology plans and our future growth opportunities. For example, while Flash Ventures is operating, certain of our agreements with Kioxia preclude us from manufacturing flash-based memory ourselves except to the extent that we acquire any manufacturing capacity of a Flash Ventures entity as a result of that entity's dissolution, termination or acquisition by us. This could also impair our ability to consolidate with other industry ~~participation~~ participants in who manufacture flash-based memory. Substantially all of our flash-based memory is obtained from Flash Ventures, which limits our ability to respond to market demand and supply changes and makes our financial results particularly susceptible to variations from our forecasts and expectations. For example, we are contractually obligated to pay for 50% of the fixed costs of Flash Ventures regardless of whether we order any flash-based memory, and our orders placed with Flash Ventures on a ~~the three Plan-~~ month rolling basis are binding. As a result, a failure to accurately forecast supply and demand could cause us to over-invest or under-invest in inventory, technology transitions or the expansion of Flash Ventures' capacity. Over-investment by us or our competitors can result in excess supply and lead to significant decreases in our product prices, significant excess, obsolete inventory or inventory write-downs or underutilization charges, and the potential impairment of our investments in Flash Ventures. For example, for our Flash business, in 2024 and 2023, we incurred \$ 252 million and \$ 296 million of charges for unabsorbed manufacturing overhead costs as a result of the reduced utilization of our manufacturing capacity, respectively. Additionally, in 2024, we recorded \$ 108

million of charges to write-down our inventory as a result of decreases in market pricing. These charges were attributable to a significant imbalance of supply and demand and our actions taken in response thereto. On the other hand, if we under-invest in Flash Ventures, or otherwise grow or transition Flash Ventures' capacity too slowly, we may not have enough supply of flash-based memory, or the Participant-right type of flash-based memory, to meet demand on a timely and cost effective basis, and we may lose opportunities for revenue, gross margin and market share as a result. If our supply is limited, we might make strategic decisions with respect to the allocation of our supply among our products and customers, which could result in less favorable gross margins or damage customer relationships. Our control over the operations of our business ventures may be limited, and our interests could diverge from our strategic partners' interests regarding ongoing and future activities. For example, each Flash Ventures entity operates for a defined period of time agreed upon between the joint venture partners. Although we and Kioxia have agreed to extend that period of time for each Flash Ventures entity since the start of Flash Ventures, there is a risk that we and Kioxia will be unable to agree on a further extension of one or more of the Flash Ventures entities in the future. Additionally, under the Flash Ventures agreements, we cannot unilaterally direct most of Flash Ventures' activities, and we have limited ability to source or fabricate flash outside of Flash Ventures. Flash Ventures requires significant investments by both Kioxia and us for technology transitions and capacity expansions, and our business could be harmed if our technology roadmap and investment plans are not sufficiently aligned with Kioxia's. Lack of alignment with Kioxia with respect to Flash Ventures could negatively impact our ability to react quickly to changes in the market, or to stay at the forefront of technological advancement. Misalignment could arise due to changes in Kioxia's strategic priorities, management, ownership or access to capital, which have changed in recent years and could continue to change. Kioxia's stakeholders may include, or have included in the past, competitors, customers, a private equity firm, government entities or public stockholders. Kioxia's management changes, ownership and capital structure could lead to delays in decision-making, disputes or changes in strategic direction that could negatively impact the strategic partnership, and therefore us. There may exist conflicts of interest between Kioxia's stakeholders and Flash Ventures or us with respect to, among other things, protecting and growing Flash Ventures' business, IP and competitively sensitive confidential information. Together with Kioxia, we fund a portion of the investments required for Flash Ventures through lease financings. Continued availability of lease financings for Flash Ventures is not guaranteed and could be limited by several factors, including availability of tools qualified for leasing, investor capacity and risk allocation policies, our or Kioxia's financial performance and changes to our or Kioxia's business, ownership or corporate structure. To the extent that lease financings are not accessible on favorable terms or at all, more cash would be required to fund investments. Our strategic relationships are subject to additional risks that could harm our business, including, but not limited to, the following: failure by our strategic partners to comply with applicable laws or employ effective internal controls; difficulties and delays in product and technology development at, ramping production at, and transferring technology to, our strategic partners; declining financial performance of our strategic partners, including failure by our strategic partners to timely fund capital investments with us or otherwise meet their commitments, including the payment of amounts owed to us or third parties when due; losing the rights to, or ability to independently manufacture, certain technology or products being developed or manufactured by strategic partners, including as a result of any of them being acquired by another company, filing for bankruptcy or experiencing financial or other losses; a bankruptcy event involving a strategic partner, which could result in structural changes to or termination of the strategic partnership; and changes in tax or regulatory requirements, which may necessitate changes to the agreements governing our strategic partnerships. We participate in a highly competitive industry that is subject to declining average selling prices ("ASPs"), volatile demand, rapid technological change and industry consolidation, as well as lengthy product qualifications, all of which can negatively impact our business. Demand for our devices, software and solutions, which we refer to in this Item 1A as our "products", depends in large part on the demand for systems manufactured by our customers and on storage upgrades to existing systems. The demand for systems has been volatile in the past and often has had an exaggerated effect on the demand for our products in any given period. Demand for and prices of our products are influenced by, among other factors, the actual and projected growth of data to be stored, the balance between supply and demand in the storage market, including the effects of new fab capacity, macroeconomic factors, business conditions, the emergence or growth of new or existing technologies (including AI), technology transitions and other actions taken by us or our competitors. The storage market has recently experienced, and may continue to experience, periods of excess capacity leading to liquidation of excess inventories, inventory write-downs, significant reductions in ASPs and negative impacts on our revenue and gross margins and volatile product life cycles that harm our ability to recover the cost of product development. Further, our ASPs and gross margins tend to decline when there is a shift in the mix of product sales to lower priced products. We have faced declining gross margins in the past, and may face potential gross margin pressures in the future, resulting from our ASPs declining more rapidly than our cost of revenue. Rapid technological changes often reduce the volume and profitability of sales of existing products and increase the risk of inventory obsolescence and write-downs. Finally, the data storage industry has experienced consolidation over the past several years, which could enhance the resources and lower the cost structure of some competitors. These factors could result in a substantial decrease in our market share and harm our business. As we compete in new product areas, the overall complexity of our business may increase and may result in increases in R & D expenses and substantial investments in manufacturing capability, technology enhancements and go-to-market capability. We must also qualify our products with customers through potentially lengthy testing processes with uncertain results. Some of our competitors offer products that we do not offer, which may allow them to win sales from us, and some of our customers may be developing storage solutions internally, which may reduce their demand for our products. We expect that competition will continue

to be intense, and our competitors may be able to gain a product offering or cost structure advantage over us, which would harm our business. Further, our competitors may utilize pricing strategies, including offering products at prices at or below cost, that we may be unable to competitively match. We may also have difficulty effectively competing with manufacturers benefiting from governmental investments and may be subject to increased complexity and reduced efficiency in our supply chain as a result of governmental efforts to promote domestic semiconductor industries in various jurisdictions. If we do not properly manage technology transitions and product development and introduction, our competitiveness and operating results may be negatively affected. The markets for our products continuously undergo technology transitions that can impact our product roadmaps and that we must anticipate in order to adapt our existing products or develop new products effectively. If we fail to adapt to or implement new technologies, if we fail to quickly and cost-effectively develop new products that meet the specifications and requirements intended or desired by our customers or if technology transitions negatively impact our existing product roadmaps, our business may be harmed. In addition, the success of our technology transitions and product development depends on a number of other factors, including R & D expenses and results; difficulties faced in manufacturing ramp; market acceptance / qualification; effective management of inventory levels in line with anticipated product demand; the vertical integration of some of our products, which may result in more capital expenditures and greater fixed costs than if we were not vertically integrated; our ability to cost effectively respond to customer requests for new products or features (including requests for more efficient and efficiently-produced products with reduced environmental impacts) and software associated with our products; our ability to increase our software development capability; and the effectiveness of our go-to-market capability in selling new products. Moving to new technologies and products may require us to align to, and build, a new supply base. Our success in new product areas may depend on our ability to enter into favorable supply agreements. In addition, if our customers choose to delay transition to new technologies, if demand for the products that we develop is lower than expected or if the supporting technologies to implement these new technologies are not available, we may be unable to achieve the cost structure required to support our profit objectives or may be unable to grow or maintain our market position. Additionally, new technologies could impact demand for our products in unforeseen or unexpected ways and new products could substitute for our current products and make them obsolete, each of which would harm our business. We also develop products to meet certain industry and technical standards, which may change and cause us to incur substantial costs as we adapt to new standards or invest in different manufacturing processes to remain competitive. We experience sales seasonality and cyclicity, which could cause our operating results to fluctuate. In addition, accurately forecasting demand has become more difficult, which could harm our business. Sales of many of our products tend to be seasonal and subject to volatile and irregular supply-demand cycles. Changes in seasonal and cyclical supply and demand patterns have made it, and could continue to make it, more difficult for us to forecast demand. Changes in the product or channel mix of our business can also impact seasonal and cyclical patterns. For example, we often ship a high percentage of our total quarterly sales in the third month of the quarter, which makes it difficult for us to forecast our financial results before the end of each quarter. As a result of the above or other factors, our forecast of financial results for a given quarter may differ materially from our actual financial results. The variety and volume of products we manufacture are based in part on accurately forecasting market and customer demand for our products, which are influenced by a wide variety of factors. As a result of the number and complexity of these factors, accurately forecasting demand has been and continues to be increasingly difficult for us, our customers and our suppliers. Further, for many of our OEM customers utilizing just-in-time inventory, we do not generally require firm order commitments and instead receive a periodic forecast of requirements, which may prove to be inaccurate. In addition, because our products are designed to be largely interchangeable with competitors' products, our demand forecasts may be impacted significantly by the strategic actions of our competitors. As forecasting demand becomes more difficult, the risk that our forecasts are not in line with demand increases. This has caused, and may in the future cause, our forecasts to exceed actual market demand, resulting in periods of product oversupply, excess inventory, underutilization of manufacturing capacity and price decreases, which has impacted and could further impact our sales, ASPs and gross margin or require us to incur additional inventory write-downs or additional charges for unabsorbed manufacturing overhead, thereby negatively affecting our operating results and our financial condition. For example, in 2024 and 2023, we incurred \$ 407 million and \$ 497 million of charges for unabsorbed manufacturing overhead costs as a result of the reduced utilization of our manufacturing capacity, respectively. Additionally, in 2024, we incurred \$ 108 million of charges to write-down our inventory as a result of decreases in market pricing. These charges were attributable to a significant imbalance of supply and demand and our actions taken in response thereto. If market demand increases significantly beyond our forecasts or beyond our ability to add manufacturing capacity, then we may not be able to satisfy customer product needs, possibly resulting in a loss of market share if our competitors are able to meet customer demands. In addition, some of our components have long lead-times, requiring us to place orders several months in advance of anticipated demand. Such long lead-times increase the risk of excess inventory, potentially resulting in inventory write-downs, or loss of sales in the event our forecasts vary substantially from actual demand. Failure to successfully execute on strategic initiatives including acquisitions, divestitures or cost saving measures may negatively impact our future results. We have made and expect to continue to make acquisitions and divestitures, and engage in cost saving measures. In order to successfully execute on strategic initiatives, we must continue to identify and successfully complete attractive transactions, some of which may be large and complex, and manage post-closing issues such as integration of the acquired company or employees and integration of processes and systems. We may not be able to continue to identify or complete appealing acquisition or investment opportunities given the intense competition for these transactions. Even if we identify and complete suitable corporate transactions, we may not be able to successfully

address any integration challenges in a timely manner, or at all. There have been and may continue to be difficulties with implementing new systems and processes or with integrating systems and processes of companies with complex operations, which may result in inconsistencies in standards, controls, procedures and policies and may increase our vulnerability to cybersecurity attacks or the risk that our internal controls are found to be ineffective. Failing to successfully integrate or realign our business to take advantage of efficiencies or reduce redundancies of an acquisition or divestiture may result in not realizing all or any of the anticipated benefits of the transaction. In addition, failing to achieve the financial model projections for an acquisition or changes in technology development and related roadmaps following an acquisition may result in the incurrence of impairment charges (including goodwill impairments or other asset write-downs) and other expenses, both of which could negatively impact our results of operations or financial condition. Acquisitions and investments may also result in the issuance of equity securities that may be dilutive to our stockholders as well as earn-out or other contingent consideration payments and the issuance of additional indebtedness that would put additional pressure on liquidity. Furthermore, we may agree to provide continuing service obligations or enter into other agreements in order to obtain certain regulatory approvals of our corporate transactions, and failure to satisfy these additional obligations could result in our failing to obtain regulatory approvals or the imposition of additional obligations on us, any of which could negatively affect our business. In addition, new legislation or additional regulations may affect or impair our ability to invest with or in certain other countries or require us to obtain regulatory approvals to do so, including investments in joint ventures, minority investments and outbound technology transfers to certain countries. Cost saving measures, restructurings and divestitures may result in workforce reduction and consolidation of our manufacturing or other facilities. As a result of these actions, we may experience a loss of continuity, loss of accumulated knowledge, disruptions to our operations and inefficiency during transitional periods. These actions could also impact employee retention. In addition, we cannot be sure that these actions will be as successful in reducing our overall expenses as we expect, that additional costs will not offset any such reductions or consolidations or that we do not forego future business opportunities as a result of these actions. Acquisitions and alliance activities inherently involve other risks as well, including those associated with disruption to our business and the continued successful execution of our company strategy, goals and responsibilities; assimilation and integration of different business operations, corporate cultures, personnel, infrastructures and technologies or solutions acquired or licensed, while maintaining quality, and designing and implementing appropriate risk management measures; and the possibility of conflict with joint venture or alliance partners regarding strategic direction, prioritization of objectives and goals, governance matters or operations. Loss of revenue from a key customer, or consolidation among our customer base, could harm our operating results. Historically, nearly one half of our total revenue came from sales to our top 10 customers. These customers have a variety of suppliers to choose from and therefore can make substantial demands on us, including demands on product pricing, contractual terms and the environmental impact and attributes of our products, often resulting in the allocation of risk or increased costs to us as the supplier. Our ability to maintain strong relationships with our principal customers is essential to our future performance. We have experienced and may in the future experience events such as the loss of a key customer, prohibition or restriction of sales to a key customer by law, regulation or other government action, reductions in sales to or orders by a key customer, customer requirements to reduce our prices before we are able to reduce costs or the acquisition of a key customer by one of our competitors. These events have impacted, and may in the future impact, our operating results and financial condition. Further, government authorities may implement laws or regulations or take other actions that could result in significant changes to the business or operating models of our customers. Such changes could negatively impact our operating results. Additionally, if there is consolidation among our customer base, our customers may be able to command increased leverage in negotiating prices and other terms of sale, which could negatively impact our profitability. Consolidation among our customer base may also lead to reduced demand for our products, increased customer pressure on our prices, replacement of our products by the combined entity with those of our competitors and cancellations of orders, each of which could harm our operating results. Also, the storage ecosystem is constantly evolving, and our traditional customer base is changing. Fewer companies now hold greater market share for certain applications and services, such as cloud storage and computing platforms, mobile, social media, shopping and streaming media. As a result, the competitive landscape is changing, giving these companies increased leverage in negotiating prices and other terms of sale, which could negatively impact our profitability. In addition, the changes in our evolving customer base create new selling and distribution patterns to which we must adapt. To remain competitive, we must respond to these changes by ensuring we have proper scale in this evolving market, as well as offer products that meet the technological requirements of this customer base at competitive pricing points. To the extent we are not successful in adequately responding to these changes, our operating results and financial condition could be harmed. Sales in the distribution channel and to the retail market are important to our business, and if we fail to respond to demand changes within these markets, or maintain and grow our applicable market share, our business could suffer. Our distribution customers typically sell to small computer manufacturers, dealers, systems integrators and other resellers. We face significant competition in this channel as a result of limited product qualification programs and a significant focus on price and availability of product. As a result of the shift to mobile devices, more computing devices are being delivered to the market as complete systems, which could weaken the distribution market. If we fail to respond to changes in demand in the distribution market, our business could suffer. Additionally, if the distribution market weakens as a result of technology transitions or a significant change in consumer buying preference, or if we experience significant price declines due to demand changes in the distribution channel, our operating results would be negatively impacted. Negative changes in the creditworthiness or the ability to access credit, or the bankruptcy or shutdown of any of our significant retail or distribution partners

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

FINANCIAL RISKS Our level of debt may negatively impact our liquidity, restrict our operations and ability to respond to business opportunities, and increase our vulnerability to adverse economic and industry conditions. We utilize debt financing in our capital structure and may incur additional debt, including under our revolving credit facility subject to customary conditions in our loan agreements. Our level of debt could have significant consequences, including limiting our ability to obtain additional financing for working capital, capital expenditures, acquisitions or resident in a country other than the United States for general corporate purposes; requiring a substantial portion of our cash flows to be dedicated to debt service payments instead of other purposes; imposing financial and other restrictive covenants on our operations, including minimum liquidity requirements and limitations on our ability to (i) declare or pay dividends or repurchase shares of our common stock; (ii) purchase assets, make investments, complete acquisitions, consolidate or merge with or into, or sell all or substantially all of our assets to, another person; (iii) enter into sale / leaseback transactions or certain transactions with affiliates; (iv) incur additional indebtedness; and (v) incur liens, making us more vulnerable to economic downturns and limiting our ability to withstand competitive pressures or take advantage of new opportunities to grow our business. Our ability to meet our debt service obligations, comply with our debt covenants and leverage depends on our cash flows and financial performance, which are affected by financial, business, economic and other factors. The rate at which we will be able to or choose to deleverage is uncertain. Failure to meet our debt service obligations or comply with our debt covenants could result in an event of default under the applicable indebtedness. We may be unable to cure, or obtain a waiver of, an event of default or otherwise amend our debt agreements to prevent an event of default thereunder on terms acceptable to us or at all. In that event, the debt holders could accelerate the related debt, which may result in the cross-acceleration or cross-default of other debt, leases or other obligations. We also utilize convertible debt in our capital structure and as of June 28, 2024, \$ 1.6 billion principal amount of our convertible notes were convertible at the option of the holder. As such, these convertible notes were classified as current debt as of that date. In the event that holders of our convertible debt exercise conversion rights, we will be required to settle the principal amount of any converted notes in cash. If we do not have sufficient funds available to repay indebtedness when due, whether at maturity, by acceleration or upon conversion, we may be required to sell important strategic assets; refinance our existing debt; incur additional debt or issue common stock or other equity securities, which we may not be able to do on terms acceptable to us, in amounts sufficient to meet our needs or at all. Our inability to service our debt obligations or refinance our debt could harm our business. Further, if we are unable to repay, refinance or restructure our secured indebtedness, the holder of such debt could proceed against the collateral securing the indebtedness. Refinancing our indebtedness may also require us to expense previous debt issuance costs or to incur new debt issuance costs. As our bank debt contains a variable interest rate component based on our corporate credit ratings, a decline in our ratings has in the past resulted in, and could in the future result in, increased interest rates and debt service obligations. In addition, our ratings impact the cost and availability of future borrowings and, accordingly, our cost of capital. Our ratings reflect the opinions of the ratings agencies as to our financial strength, operating performance and ability to meet our debt obligations. There can be no assurance that we will achieve a particular rating or maintain a particular rating in the future. We also guarantee a significant amount of lease obligations of Flash Ventures owed to third parties. Flash Ventures sells to and leases back a portion of its equipment from a consortium of financial institutions. Most of the lease obligations are guaranteed 50 % by us and 50 % by Kioxia. Some of the lease obligations are guaranteed in full by us. The leases are subject to customary covenants and cancellation events that relate to Flash Ventures and each of the guarantors. If a cancellation event were to occur, Flash Ventures would be required to negotiate a resolution with the other parties to the lease transactions to avoid cancellation and acceleration of the lease obligations. Such resolution could include, among other things, supplementary security to be supplied by us, increased interest rates or waiver fees. If a resolution is not reached, we may be required to pay all of the outstanding lease obligations covered by our guarantees, which would significantly reduce our cash position and may force us to seek additional financing, which may not be available on terms acceptable to us, if at all. We may from time to time seek to further refinance our substantial indebtedness by issuing additional shares of common stock or other securities that are convertible into common stock or grant the holder the right to purchase common stock, each of which may dilute our existing stockholders, reduce the value of our common stock, or both. Tax matters may materially affect our financial position and results of operations. Changes in tax laws in the United States, the European Union and around the globe have impacted and will continue to impact our effective worldwide tax rate, which may materially affect our financial position and results of operations. Further, the majority of countries in the G20 and Organization for Economic Cooperation and Development (OECD) Inclusive Framework on Base Erosion and Profit Shifting (BEPS) have agreed to adopt a two-pillar approach to taxation, which includes the implementation of a global corporate minimum tax rate of 15 %, which, when effective, could materially increase our tax obligations in these countries. Due to the large scale of our U. S. and international business activities, many of these enacted and proposed changes to the taxation of our activities, including cash movements, could increase our worldwide effective tax rate and harm our

business. The Participant further understands Tax Cuts and Jobs Act of 2017 eliminated the option to deduct research and development expenditures in the year incurred, requiring amortization in accordance with IRC Section 174. Depending on our operating results, this requirement could materially increase our effective tax rate and reduce our operating cash flows. Additionally, portions of our operations are subject to a reduced tax rate or are free of tax under various tax holidays that expire the Participant's participation in the Plan also will be subject whole or in part from time to any terms and time, or may be terminated if certain conditions for the Participant's country set forth in Appendix B. Capitalized terms used but not defined in this Appendix A shall have the same meanings assigned to them in the Plan and /or Award Document. 2. Withholding Taxes The following provision supplements Section 5 of the Standard Terms and Conditions: The Participant acknowledges that, regardless of any action taken by the Company or, if different, the Participant's employer ("Employer"), the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to the Participant's participation in the Plan and this Award and legally applicable to the Participant ("Tax-Related Items") is and remains the Participant's responsibility and may exceed the amount, if any, actually withheld by the Company or the Employer. The Participant further acknowledges that the Company and /or the Employer (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the RSUs; and (b) are not met. Although obligated to structure the terms of the grant or any many aspect of these RSUs holidays may be extended when certain conditions are met, we may not be able to meet such conditions. If the tax holidays are not extended, or if we fail to satisfy the conditions of the reduce-reduced or eliminate tax rate, the then Participant's our effective tax rate could increase in the future. Our effective tax rate may be negatively impacted if we are unable to realize deferred tax assets. We regularly review our deferred tax assets for recoverability and establish a valuation allowance if it is more likely than not that some portion or all of a deferred tax asset will not be realized. If we are unable to generate sufficient future taxable income or if there is a change to the time period within which the underlying temporary differences become taxable or deductible, we could be required to increase our valuation allowance against our deferred tax assets, which could result in a material increase in our effective tax rate. Our determination of our tax liability in the U for Tax-Related Items or achieve any particular tax result. If S. and the other Participant is or becomes subject to Tax-Related Items in more than one jurisdiction jurisdictions, the Participant acknowledges that the Company and /or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction. The Participant agrees, in connection with any relevant taxable or tax withholding event, as applicable, to make adequate arrangements satisfactory to the Company and /or the Employer to satisfy all Tax-Related Items. In this regard, the Participant authorizes the Company and /or the Employer to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the methods set forth in Section 8 (f) of the Plan and Section 5 of the Standard Terms and Conditions. In addition, the Participant authorizes withholding from proceeds of the sale of shares of Common Stock acquired upon settlement of the RSUs either through a voluntary sale or through a mandatory sale arranged by the Company (on the Participant's behalf pursuant to this authorization without further consent). If the Participant is subject to review Section 16 of the Exchange Act, then withholding for Tax-Related Items shall be satisfied in accordance with Section 8 (f) of the Plan, Section 5 of the Standard Terms and Conditions, and the withholding methodology approved by the Administrator for officers subject to Section 16 of the Exchange Act. Depending on the withholding method, the Company and /or the Employer may withhold or account for Tax-Related Items by considering applicable domestic minimum withholding amounts or other applicable withholding rates, including maximum applicable rates. In the event of over-withholding, the Participant may receive a refund of any over-withheld amount in cash and foreign will have no entitlement to the equivalent in Common Stock from the Company or the Employer; otherwise, the Participant may be able to seek a refund from the local tax authorities. In the event For example, as disclosed in Part I, Item 1, Note 13, Income Tax Expense, of the Notes to Consolidated Financial Statements included in this Annual Report on Form 10-K, we are under examination by -withholding, the Participant may be required to pay Internal Revenue Service for certain fiscal years. Although we believe our tax positions are properly supported, the final timing and resolution of any additional Tax-Related Items directly tax examinations are subject to significant uncertainty and could result in litigation or the payment of significant amounts to the applicable tax authority in order to resolve examination of or our to the Company tax positions, which could result in and- an /increase of or our the Employer current estimate of unrecognized tax benefits and may harm our business. Fluctuations in currency exchange rates as a result of our international operations may negatively affect our operating results. Because we manufacture and sell our products abroad, our revenue, cost of revenue, margins, operating costs and cash flows are impacted by fluctuations in foreign currency exchange rates. If the Tax-U. S. dollar exhibits sustained weakness against most foreign currencies, the U. S. dollar equivalents of unhedged manufacturing costs could increase because a significant portion of our production costs are foreign-Related Items currency denominated. Conversely, there would not be an offsetting impact to revenues since revenues are satisfied substantially U. S. dollar denominated. Additionally, we negotiate and procure some of our component requirements in U. S. dollars from non- U. S. based vendors. If the U. S. dollar weakens against other foreign currencies, some of our component suppliers may increase the price they charge for their components in order to maintain an equivalent profit margin. In addition, our purchases of flash- based memory from Flash Ventures and our investment in Flash Ventures are denominated in Japanese yen. If the Japanese yen appreciates against the U. S. dollar, our cost of purchasing flash- based memory wafers and the cost to us of future capital funding of Flash Ventures would increase. When such events occur, they have had, and may in the future have, a negative impact on our business. Prices for our products are substantially U. S. dollar denominated, even when sold to customers that are located outside the U. S. Therefore, as a substantial portion of our sales are from countries outside the U. S., fluctuations in currency exchanges rates, most notably the strengthening of the U. S. dollar against other foreign currencies, contribute to variations in sales of products in impacted jurisdictions and could negatively impact demand and revenue growth. In addition, currency

variations may adversely affect, and from time to time have adversely affected, margins on sales of our products in countries outside the U. S. We attempt to manage the impact of foreign currency exchange rate changes by withholding in shares of Common Stock, among other things, entering into short- term foreign exchange contracts. However, these contracts may not cover our full exposure, and can be canceled by the counterparty if currency controls are put in place. Thus, our decisions and hedging strategy with respect to currency risks may not be successful and may actually harm our operating results. Further, the ability to enter into foreign exchange contracts with financial institutions is based upon our available credit from such institutions and compliance with covenants and other restrictions. Operating losses, third party downgrades of our credit rating or instability in the worldwide financial markets could impact our ability to effectively manage our foreign currency exchange rate risk. Hedging also exposes us to the credit risk of our counterparty financial institutions. Increases in our customers' credit risk could result in credit losses and term extensions under existing contracts with customers with credit losses could result in an increase in our operating costs. Some of our OEM customers have adopted a subcontractor model that requires us to contract directly with companies, such as ODMs, that provide manufacturing and fulfillment services to our OEM customers. Because these subcontractors are generally not as well capitalized as our direct OEM customers, this subcontractor model exposes us to increased credit risks. Our agreements with our OEM customers may not permit us to increase our product prices to alleviate this increased credit risk. Additionally, as we attempt to expand our OEM and distribution channel sales into emerging economies, the customers with the most success in these regions may have relatively short operating histories, making it more difficult for tax purposes, us to accurately assess the associated credit risks. Our customers' credit risk may also be exacerbated by an economic downturn or the other Participant adverse global or regional economic conditions. Any credit losses we may suffer as a result of these increased risks, or as a result of credit losses from any significant customer, especially in situations where there are term extensions under existing contracts with such customers, would increase our operating costs, which may negatively impact our operating results.

LEGAL AND COMPLIANCE RISKS We are subject to laws, rules and regulations relating to the collection, use, sharing and security of data, including personal data, and our failure to comply with these laws, rules and regulations could subject us to proceedings by governmental entities or others and cause us to incur penalties, significant legal liability, or loss of customers, loss of revenue and reputational harm. We are subject to laws, rules and regulations relating to the collection, use, security and privacy of third- party data, including data that relates to or identifies an individual person. We are also subject to the terms of our privacy policies and obligations to third parties related to privacy, data protection and security. In many cases, these requirements apply not only to third- party transactions, but also to transfers of information between our information systems and our subsidiaries, and among us, our subsidiaries and other parties with which we have commercial relations. Our possession and use of third- party data, including personal data and employee data in conducting our business, subjects us to legal and regulatory obligations that require us to notify vendors, customers or employees or other parties with which we have commercial relations of a data security breach and to respond to regulatory inquiries and to enforcement proceedings. Managing these notifications, especially in large volumes, can lead to significant expenses, even with cybersecurity insurance coverage. Laws and regulations relating to the collection, use, security and privacy of third- party data change over time and new laws and regulations become effective from time to time. We are subject to notice and privacy statement requirements, as well as obligations to respond to requests to know and access personal information, correct personal information, delete personal information and say no to the sale of personal information. Global privacy and data protection legislation, enforcement and policy activity in this area are rapidly expanding and evolving, and may be inconsistent from jurisdiction to jurisdiction. We may also be subject to restrictions on cross- border data transfers and requirements for localized storage of data that could increase our compliance costs and risks and affect the ability of our global operations to coordinate activities and respond to customers and individuals. Compliance requirements or even our inadvertent failure to comply with applicable laws may cause us to incur substantial costs, subject us to proceedings by governmental entities or others, and cause us to incur penalties or other significant legal liability or lead us to change our business practices. We are and may in the future be subject to state, federal and international legal and regulatory requirements, such as environmental, labor, health and safety, trade and public- company reporting and disclosure regulations, customers' standards of corporate citizenship and industry and coalition standards, such as those established by the Responsible Business Alliance ("RBA"), and compliance with those regulations and requirements could cause an increase in our operating costs and failure to comply may harm our business. We are subject to, and may become subject to, additional, state, federal and international laws and regulations governing our environmental, labor, trade, health and safety practices and public- company reporting and disclosures requirements. These laws and regulations, particularly those applicable to our international operations, are or may be complex, extensive and subject to change. We will need to ensure that we and our suppliers, customers and partners timely comply with such laws and regulations, which may result in an increase in our operating costs. Legislation has been, and may in the future be, enacted in locations where we manufacture or sell our products, which could impair our ability to conduct business in certain jurisdictions or with certain customers and harm our operating results. In addition, climate change and financial reform legislation is deemed a significant topic of discussion and has generated and may continue to generate federal, international or other regulatory responses in the near future, which could substantially increase the complexity of our public- company reporting and disclosure requirements and our compliance and operating costs. If we or our suppliers, customers or partners fail to timely comply with applicable legislation, certain customers may refuse to purchase our products or we may face increased operating costs as a result of taxes, fines or penalties, or legal liability and reputational damage, which could harm our business. In connection with our compliance with environmental laws and regulations, as well as

our compliance with industry and coalition environmental initiatives, such as those established by the RBA, the standards of business conduct required by some of our customers, and our commitment to sound corporate citizenship in all aspects of our business, we could incur substantial compliance and operating costs and be subject to disruptions to our operations and logistics. In addition, if we or our suppliers, customers or partners were found to be in violation of these laws or noncompliant with these initiatives or standards of conduct, we could be subject to governmental fines, liability to our customers and damage to our reputation and corporate brand, which could cause our financial condition and operating results to suffer. Our aspirations, disclosures and actions related to environmental, social and governance (“ ESG ”) matters expose us to risks that could adversely affect our reputation and performance. There is an increased focus from investors, customers, associates, business partners and other stakeholders concerning ESG matters, and we announce initiatives and goals related to ESG matters from time to time, including renewable energy and net zero emissions commitments. These statements reflect our current plans and aspirations and are not guarantees that we will be able to achieve them. Our ability to achieve any ESG objective is subject to numerous risks, many of which are outside of our control, including the availability and cost of alternative energy sources; the evolving regulatory and reporting requirements affecting ESG practices and disclosures; the locations and usage of our products and the implications on their greenhouse gas emissions; and the successful execution of our strategy. Our failure to accomplish or accurately track and report on these goals on a timely basis, or at all, and the potential added costs involved, could adversely affect our reputation; financial performance and growth; our ability to attract or retain talent; and our attractiveness as a business partner or supplier, and could expose us to increased litigation risk, as well as increased scrutiny from the investment community and enforcement authorities. We and certain of our officers are and may continue to be involved in litigation, investigations and governmental proceedings, which may be costly, may divert the efforts of our key personnel and could result in adverse court rulings, fines or penalties, which could materially harm our business. We are and may continue to be involved in litigation, including antitrust and commercial matters, putative securities class action suits and other actions. We are the plaintiff in some of these actions and the defendant in others. Some of the actions seek injunctive relief, including injunctions against the sale of our products, and substantial monetary damages, which if granted or awarded, could materially harm our business. We have in the past been issued and may in the future be the full number of shares subject of inquiries to the vested RSUs, notwithstanding requests for information, investigations and actions by government and regulatory agencies regarding our businesses. Any such matters could result in material adverse consequences to our results of operations, financial condition or ability to conduct our business, including fines, penalties or restrictions on our business activities. Litigation is subject to inherent risks and uncertainties that a number may cause actual results to differ materially from our expectations. In the event of an adverse outcome in any litigation, investigation or governmental proceeding, we could be required to pay substantial damages, fines or penalties and cease certain practices or activities, including the manufacture, use and sale of products. With or without merit, such matters may be complex, may extend for a protracted period of time, may be very expensive and the expense may be unpredictable. Litigation initiated by us could also result in counter-claims against us, which could increase the costs associated with the litigation and result in our payment of damages or the other Shares judgments against us. In addition, litigation, investigations or governmental proceedings and any related publicity may divert the efforts and attention of some of our key personnel, affect demand for our products and harm the market prices of our securities. We may be obligated to indemnify our current or former directors or employees, or former directors or employees of companies that we have acquired, in connection with litigation, investigations or governmental proceedings. These liabilities could be substantial and may include, among other things: the costs of defending lawsuits against these individuals; the cost of defending shareholder derivative suits; the cost of governmental, law enforcement or regulatory investigations or proceedings; civil or criminal fines and penalties; legal and other expenses; and expenses associated with the remedial measures, if any, which may be imposed. The nature of our industry and its reliance on IP and other proprietary information subjects us and our suppliers, customers and partners to the risk of significant litigation. The data storage industry has been characterized by significant litigation. This includes litigation relating to patent and other IP rights, product liability claims and other types of litigation. We are held back solely frequently involved in disputes regarding patent and other IP rights, and we and our customers have in the past received, and we and our customers may in the future receive, communications from third parties asserting that certain of our products, processes for or technologies infringe upon their patent rights, copyrights, trademark rights or other IP rights. Even if we believe that such claims are without merit, they may be time consuming and costly purpose of paying the Tax- Related Items. The Participant further agrees to defend against and pay to the Company or the Employer, any amount of Tax- Related Items that the Company or the Employer may divert management be required to withhold or account for as a result of the Participant’s participation in attention and resources away from our business. We may also receive claims of potential infringement if we attempt to license IP to others. IP risks increase when we enter into new markets where we have little or no IP protection as a deterrent against litigation. The complexity of the Plan technology involved and the uncertainty of IP litigation increase the IP risks we face. Litigation can be expensive, lengthy and disruptive to normal business operations. Moreover, the results of litigation are inherently uncertain and have resulted in, and may in the future result in, adverse rulings or decisions. We may be subject to injunctions, enter into settlements or be subject to judgments that may harm our business. If we incorporate third- party technology into our products or if claims or actions are asserted against us for alleged infringement of the IP of others, we may be required to obtain a license or cross- license, modify our existing technology or design a new non- infringing technology. Such licenses or design modifications can be extremely costly. We evaluate notices of alleged patent infringement and notices of patents from patent holders that we receive from time to time. We may decide to settle a claim or action against us, which settlement could be costly. We may

also be liable for past infringement. If there is an adverse ruling against us in an infringement lawsuit, an injunction could be issued barring production or sale of any infringing product. It could also result in a damage award equal to a reasonable royalty or lost profits or, if there is a finding of willful infringement, treble damages. Any of these results would increase our costs and harm our operating results. In addition, our suppliers, customers and partners are subject to similar risks of litigation, and a material, adverse ruling against a supplier, customer or partner could negatively impact our business. Moreover, from time to time, we agree to indemnify certain of our suppliers and customers for alleged IP infringement. The scope of such indemnity varies but may include indemnification for direct and consequential damages and expenses, including attorneys' fees. We may be engaged in litigation as a result of these indemnification obligations. Third party claims for patent infringement are excluded from coverage under our insurance policies. A future obligation to indemnify our customers or suppliers may harm our business. Our reliance on IP and other proprietary information subjects us to the risk that these key components of our business could be copied by competitors. Our success depends, in significant part, on the proprietary nature of our technology, including non-patentable IP such as our process technology. If we fail to protect our technology, IP or contract rights, our customers and others may seek to use our technology and IP without the payment of license fees and royalties, which could weaken our competitive position, reduce our operating results and increase the likelihood of costly litigation. We primarily rely on patent, copyright, trademark and trade secret laws, as well as non-disclosure agreements and other methods, to protect our proprietary technologies and processes. There can be no assurance that our existing patents will continue to be held valid, if challenged, or that they will have sufficient scope or strength to protect us. It is also possible that competitors or other unauthorized third parties may obtain, copy, use or disclose, illegally or otherwise, our proprietary technologies and processes, despite our efforts to protect our proprietary technologies and processes. If a competitor is able to reproduce or otherwise capitalize on our technology despite the safeguards we have in place, it may be difficult, expensive or impossible for us to obtain necessary legal protection. There are entities whom we believe may infringe our IP. Enforcement of our rights often requires litigation. If we bring a patent infringement action and are not successful, our competitors may be able to use similar technology to compete with us. Moreover, the defendant in such an action may successfully countersue us for infringement of their patents or assert a counterclaim that our patents are invalid or unenforceable. Also, the laws of some foreign countries may not protect our IP to the same extent as do U. S. laws. In addition to patent protection of IP rights, we consider elements of our product designs and processes to be proprietary and confidential. We rely upon employee, consultant and vendor non-disclosure agreements and contractual provisions and a system of internal safeguards to protect our proprietary information. However, we cannot be satisfied certain that these contracts and safeguards have not been and will not be breached, that we will be able to timely detect unauthorized use or transfer of our technology and IP, that we will have adequate remedies for any breach or that our trade secrets will not otherwise become known or be independently discovered by competitors. Any of our registered or unregistered IP rights may be challenged or exploited by others in the means previously described industry, which could harm our operating results. Maintaining and strengthening our brands are important to maintaining and expanding our business, as well as to our ability to enter into new markets for our technologies, products and services. The success of our brands depends in part on the positive image that consumers have of our brands. We believe the popularity of our brands makes them a target of counterfeiting or imitation, with third parties attempting to pass off counterfeit products as our products. Any occurrence of counterfeiting, imitation or confusion with our brands could negatively affect our reputation and impair the value of our brands, which in turn could negatively impact sales and pricing of our branded products, our share and our gross margin, as well as increase our administrative costs related to brand protection and counterfeit detection and prosecution. Additionally, our ability to prevent unauthorized uses of our brands and technologies would be negatively impacted if our trademark registrations were successfully challenged or overturned in the jurisdictions where we do business. We also have trademark applications pending in a number of jurisdictions that may not ultimately be granted, or if granted, may be challenged or invalidated, in which case we would be unable to prevent unauthorized use of our brands and logos in such jurisdictions. We have not filed trademark registrations in all jurisdictions where our brands or logos may be used. The exclusive forum provisions in our Bylaws could limit our stockholders' ability to bring a claim in a judicial forum that it finds favorable for disputes with the Company may refuse to issue or deliver its directors, officers or the other shares of Common Stock or employees. Our Bylaws provide that, unless the proceeds from Company consents in writing to the sale selection of shares an alternative forum, the Court of Chancery of the State of Delaware (or the federal district court in the State of Delaware if the Court Participant fails to comply with the Participant's obligations in connection with the Tax-Related Items. 3. Nature of Chancery Grant By accepting the RSUs and any shares of Common Stock, the Participant agrees that: (a) the Plan is established voluntarily by the Company, it is discretionary in nature, and may be amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan; (b) the grant of the RSUs is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of RSUs, or benefits in lieu of RSUs, even if RSUs have subject matter jurisdiction been granted in the past; (c) is all decisions with respect to future RSUs or other grants, if any, will be at the sole discretion of the Company; (d) the Participant is voluntarily participating in the Plan; (e) the RSUs and exclusive forum any shares of Common Stock acquired under the Plan, and the income and value of the same, are not intended to replace any pension rights or compensation; (f) the RSUs and any shares of Common Stock acquired under the Plan, and the income and value of the same, are not part of the Participant's normal or expected compensation for any purposes including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, holiday pay, long-service awards, leave-related pay, pension or retirement benefits or payments or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company or the Employer or any Subsidiary; (g)

the future value of the shares of Common Stock underlying the RSUs is unknown, indeterminable, and cannot be predicted with certainty; (h) unless otherwise agreed with the Company, the RSUs and the shares of Common Stock acquired under the Plan, and the income and value of same, are not granted as consideration for, or in connection with, the service the Participant may provide as a director of any Subsidiary; (i) no claim or entitlement to compensation or damages shall arise from forfeiture of the RSUs resulting from the termination of the Participant's employment (for any **derivative action brought** reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Participant is employed or providing services, or the terms of the Participant's employment or service agreement, if any); (j) unless otherwise provided in the Plan or by the Company in its discretion, the RSUs and the benefits evidenced by the Award Document do not create any entitlement to have the RSUs or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the shares; and (k) neither the Company, the Employer nor any Subsidiary shall be liable for any foreign exchange rate fluctuation between the Participant's local currency and the U. S. dollar that may affect the value of the RSUs or of any amounts due to the Participant pursuant to the vesting of the RSUs or the subsequent sale of any shares of Common Stock acquired upon vesting.

4. Data Privacy By accepting the RSUs via the Company's acceptance procedure, the Participant is declaring that he or she agrees with the data processing practices described herein and consents to the collection, processing and use of Personal Data (as defined below) by the Company and the transfer of Personal Data to the recipients mentioned herein, including recipients located in countries which do not adduce an adequate level of protection from a European (or other non-U. S.) data protection law perspective, for the purposes described herein.

(a) Declaration of Consent. The Participant understands that he or she needs to review the following information about the processing of the Participant's personal data by or on behalf of the Company, the Employer and / or any Subsidiary as described in this Award Document and any other RSU grant materials (the "Personal Data") and declare his or her consent. As regards the processing of the Participant's Personal Data in connection with the Plan and this Award Document, the Participant understands that the Company is the controller of the Participant's Personal Data.

(b) Data Processing and Legal Basis. The Company collects, uses and otherwise processes Personal Data about the Participant for the purposes of allocating shares of Common Stock and implementing, administering and managing the Plan. The Participant understands that this Personal Data may include, without limitation, the Participant's name, home address and telephone number, email address, date of birth, social insurance number, passport number or other identification number (e. g., resident registration number), salary, nationality, job title, any shares of stock or directorships held in the Company or its Subsidiaries, details of all RSUs or any other entitlement to shares of stock or equivalent benefits awarded, canceled, exercised, vested, unvested or outstanding in the Participant's favor. The legal basis for the processing of the Participant's Personal Data will be the Participant's consent.

(c) Stock Plan Administration Service Providers. The Participant understands that the Company transfers the Participant's Personal Data, or parts thereof, to E*TRADE Financial Corporation Services, Inc. (and its affiliated companies), an independent service provider based in the United States or IBI Capital for Israeli employees, each of which assists the Company with the implementation, administration and management of the Plan. In the future, the Company may select a different service provider and share the Participant's Personal Data with such different service provider that serves the Company in a similar manner. The Participant understands and acknowledges that the Company's service provider will open an account for the Participant to receive and trade shares of Common Stock acquired under the Plan and that the Participant will be asked to agree on separate terms and data processing practices with the service provider, which is a condition of the Participant's ability to participate in the Plan.

(d) International Data Transfers. The Participant understands that the Company and, as of the date hereof, any third parties assisting in the implementation, administration and management of the Plan, such as the Company's service providers, are based in the United States. If the Participant is located outside the United States, the Participant understands and acknowledges that the Participant's country has enacted data privacy laws that are different from the laws of the United States. Transfers of personal data from the EEA or the United Kingdom to the United States can be made on the basis of Standard Contractual Clauses approved by the European Commission, United Kingdom or other appropriate safeguards permissible under the applicable law. If the Participant is located in the EU, EEA or the United Kingdom, the Company may receive, process and transfer the Participant's Personal Data onward to third-party service providers solely on the basis of appropriate data transfer agreements or other appropriate safeguards permissible under applicable law. If applicable, the Participant understands that the Participant can ask for a copy of the appropriate data processing agreements underlying the transfer of the Participant's Personal Data by contacting the Participant's local human resources representative. The Company's legal basis for the transfer of the Participant's Personal Data is the Participant's consent.

(e) Data Retention. The Company will hold and use the Data only as long as is necessary to implement, administer and manage participation in the Plan or as required to comply with tax, exchange control, labor and securities laws, other applicable law, exercise or defense of legal rights, and archiving, back-up and deletion processes. This period may extend beyond the Participant's period of employment with the Employer.

(f) Voluntariness and Consequences of Denial / Withdrawal of Consent. Participation in the Plan is voluntary and the Participant is providing the consents herein on a purely voluntary basis. If the Participant does not consent, or later seeks to revoke their consent, the Participant's salary from or employment or other service with the Employer will not be affected; the only consequence of refusing or withdrawing consent is that the Company would not be able to grant RSUs or other equity awards to the Participant or administer or maintain such awards.

(g) Data Subject Rights. The Participant understands that data subject rights regarding the processing of personal data vary depending on the applicable law and that, depending on where the Participant is based and subject to the conditions set out in the applicable law, the Participant may have, without limitation, the rights to (i) inquire whether and what kind of Personal Data the Company holds about the Participant and how it is processed, and to access or request copies of such Personal Data, (ii) request **any action asserting a claim of breach of a fiduciary duty owed by any current or former director, officer or the other employee** correction or supplementation of Personal Data about the Participant that **Company or its stockholders** inaccurate, incomplete or out-of-date in light of the purposes underlying the

processing, (iii) obtain the erasure of Personal Data no longer necessary for the purposes underlying the processing, processed based on withdrawn consent, processed for legitimate interests that, in the context of the Participant's objection, does not prove to be compelling, or processed in non-compliance with applicable legal requirements, (iv) request the Company to restrict the processing of the Participant's Personal Data in certain situations where the Participant feels its processing is inappropriate, (v) object, in certain circumstances, to the processing of Personal Data for legitimate interests, and to (vi) request portability of the Participant's Personal Data that the Participant has actively or passively provided to the Company (which does not include data derived or inferred from the collected data), where the processing of such Personal Data is based on consent or the Participant's employment or service contract and is carried out by automated means. In case of concerns, the Participant understands that the Participant may also have the right to lodge a complaint with the competent local data protection authority. Further, to receive clarification of, or to exercise any of, the Participant's rights the Participant understands that the Participant should contact the Participant's local human resources representative. (h) Alternate Basis and Additional Consents. Finally, the Participant understands that the Company may rely on a different basis for the processing or transfer of Personal Data in the future and / or request that the Participant provide another data privacy consent. If applicable, the Participant agrees that upon request of the Company or the Employer, the Participant will provide an executed acknowledgement or data privacy consent form (or any other agreements or consents) that the Company and / or the Employer may deem necessary to obtain from the Participant for the purpose of administering the Participant's participation in the Plan in compliance with the data privacy laws in the Participant's country, either now or in the future. The Participant understands and agrees that he or she will not be able to participate in the Plan if he or she fails to provide any such consent or agreement requested by the Company and / or the Employer.

5. Electronic Delivery and Acceptance The Participant agrees that the Company may, in its sole discretion, decide to deliver by email or other electronic means any documents relating to the Plan or the RSUs. Further, the Participant agrees to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or by a third party designated by the Company.

6. Insider Trading / Market Abuse Laws The Participant agrees to comply with the Company's policy on insider trading (to the extent that it is applicable to the Participant). Depending on the Participant's country or the designated broker's country or country where the Common Stock is listed, the Participant may be subject to insider trading restrictions and / or market abuse laws, which may affect the Participant's ability to accept, acquire, sell, attempt to sell or otherwise dispose of Common Stock, rights to Common Stock (e. g., the RSUs) or rights linked to the value of Common Stock (e. g., phantom awards, futures) during such times as the Participant is considered to have "inside information" regarding the Company (as defined by the laws or regulations in the Participant's country). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders the Participant placed before possessing inside information. Furthermore, the Participant could be prohibited from (i) disclosing the inside information to any third party (other than on a "need to know" basis) and (ii) "tipping" third parties or causing them otherwise to buy or sell securities. Third parties include fellow employees. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. The Participant is responsible for ensuring compliance with any applicable restrictions and should consult his or her personal legal advisor on this matter.

7. Exchange Control, Tax and / or Foreign Asset / Account Reporting The Participant acknowledges that there may be exchange control, tax, foreign asset and / or account reporting requirements which may affect the Participant's ability to acquire or hold shares of Common Stock acquired under the Plan or cash received from participating in the Plan (including from any dividend equivalents paid with respect to the RSUs or dividends paid on shares of Common Stock acquired under the Plan) in a brokerage / bank account or legal entity outside the Participant's country. The Participant may be required to report such accounts, assets, the balances therein, the value thereof and / or the transactions related thereto to the tax or other authorities in the Participant's country. The Participant also may be required to repatriate sale proceeds or other funds received as a result of the Participant's participation in the Plan to the Participant's country through a designated bank or broker within a certain time after receipt. In addition, the Participant agrees to take any and all actions, and consent to any and all actions taken by the Company or the Employer as may be required to allow the Company or the Employer to comply with local laws, rules and regulations in the Participant's country of residence (and country of employment, if different). The Participant acknowledges that it is the Participant's responsibility to be compliant with such regulations, and the Participant should consult his or her personal legal advisor for any details.

8. Language The Participant acknowledges that he or she is sufficiently proficient in English, or has consulted with an advisor who is sufficiently proficient in English so as to allow the Participant to understand the terms and conditions of this Award Document. Furthermore, if the Award Document or any other document related to the Plan has been translated into a language other than English and the meaning of the translated version is different than the English version, the English version will control.

10. 2. 4 WESTERN DIGITAL CORPORATION 2021 LONG-TERM INCENTIVE PLAN AMENDED AND RESTATED NON-EMPLOYEE DIRECTOR RESTRICTED STOCK UNIT GRANT PROGRAM

1. Establishment. The Company maintains the Western Digital Corporation Non-Employee Director Restricted Stock Unit Program (the "Program"), which is hereby amended and restated in its entirety effective as of May 23, 2023 (the "Effective Date"). This amendment and restatement of the Program is effective as to grants on and after the Effective Date; awards granted under the Program prior to the Effective Date are governed by the applicable terms of the Program as in effect on the date of grant of the award. Any shares of Common Stock issued with respect to Restricted Stock Unit Awards granted under the Program shall be charged against the applicable share limits of the Western Digital Corporation 2021 Long-Term Incentive Plan, as may be amended and / or restated from time to time (the "Plan"). For the avoidance of doubt, the grant of a Cash Award, and its subsequent settlement, shall in no event reduce the number of shares of Common Stock available for issuance under the Plan. Except as otherwise expressly provided herein, the provisions of the Plan shall govern all awards made pursuant to the Program. Capitalized terms are defined in the Plan if not defined herein.

2. Purpose. The purpose of the Program is to promote the success of the Company and the interests of its stockholders by providing a means to attract and retain

qualified persons who are not officers or employees of the Company or one of its Subsidiaries to serve as members of the Board (“Non-Employee Directors”) through an opportunity to receive Cash Awards or to acquire an ownership interest in the Company and more closely aligning the interests of Non-Employee Directors and stockholders.

3. Participation. A Restricted Stock Unit Award under the Program shall be made only to Non-Employee Directors, shall be evidenced by a Notice of Award of Restricted Stock Units substantially in the form attached as Exhibit 1 hereto and shall be further subject to such other terms and conditions set forth therein. As used in the Program, the term “Restricted Stock Unit” shall mean a non-voting unit of measurement which is deemed for bookkeeping purposes to be equivalent to one outstanding share of Common Stock (subject to adjustment as provided in Section 9 of the Plan) solely for purposes of the Program. Restricted 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 a Non-Employee Director if Restricted Stock Units held by such Non-Employee Director vest pursuant to Section 7 or Section 9. Restricted Stock Units shall not be treated as property or as a trust fund of any kind. Restricted Stock Units granted to a Non-Employee Director pursuant to the Program shall be credited to an unfunded bookkeeping account maintained by the Company on behalf of the Non-Employee Director (a “Program Account”). Notwithstanding anything to the contrary herein, any Non-Employee Director who serves as a member of the Board pursuant to a contractual right of an investor of the Company (an “Investor Designated Director”) shall receive his or her award in the form of a Cash Award in lieu of a Restricted Stock Unit Award, as evidenced by a Notice of Cash Award substantially in the form attached as Exhibit 2 hereto. As used in the Program, the term “Cash Award” shall mean an award of cash that is granted under the Plan. A Cash Award under the Program shall be made only to Investor Designated Directors and shall be further subject to such other terms and conditions set forth therein.

4. Annual Restricted Stock Unit Awards. 4.1 Annual Awards. On the date of and immediately following the Company’s regular annual meeting of stockholders in each year during the term of the Plan commencing with 2021, each Non-Employee Director who is not an Investor Designated Director then in office shall be granted automatically (without any action by the Board or the Administrator) a Restricted Stock Unit Award with respect to a number (rounded down to the nearest whole number) of Restricted Stock Units equal to (i) \$ 240,000 (\$ 290,000 in the case of a Non-Employee Director then serving **asserting** as Chair of the Board and \$ 280,000 in the case of a **claim arising pursuant** Non-Employee Director then serving as Lead Independent Director), divided by (ii) the Fair Market Value of a share of Common Stock on the applicable annual meeting date (subject to adjustment as provided in Section 9 of the Plan). An individual who was previously a member of the Board, who then ceased to be a member of the Board for any reason, and who then again becomes a Non-Employee Director shall thereupon again become eligible to be granted Restricted Stock Units under this Section 4. 1. 4.2 Initial Award for New Directors. Upon first being appointed or elected to the Board, a Non-Employee Director who is not an Investor Designated Director and who has not previously served on the Board shall be granted automatically (without any action by the Board or the Administrator) a Restricted Stock Unit Award with respect to a number of Restricted Stock Units equal to (i) the number of Restricted Stock Units in the annual Restricted Stock Unit Award immediately preceding the date such Non-Employee Director is first appointed or elected to the Board, divided by (ii) 365, multiplied by (iii) the number of days from the date such Non-Employee Director is first appointed or elected to the Board to the scheduled date of the Company’s next annual meeting of stockholders. 4.3 Transfer Restrictions. Restricted Stock Units granted pursuant to this Section 4 shall be non-transferable and shall not be subject in any manner to sale, transfer, anticipation, alienation, assignment, pledge, encumbrance or charge and any shares of Common Stock issuable pursuant to the Restricted Stock Units shall be delivered only to (or for the account of) the Non-Employee Director to whom such Restricted Stock Units were granted.

5. Annual Cash Awards. 5.1 Annual Awards. On the date of and immediately following the Company’s regular annual meeting of stockholders in each year during the term of the Plan commencing with 2023, each Investor Designated Director then in office shall be granted automatically (without any action by the Board or the Administrator) a Cash Award with a value equal to \$ 240,000 (\$ 290,000 in the case of an Investor Designated Director then serving as Chair of the Board and \$ 280,000 in the case of an Investor Designated Director then serving as Lead Independent Director). An individual who was previously a member of the Board, who then ceased to be a member of the Board for any reason, and who then again becomes an Investor Designated Director shall thereupon again become eligible to be granted a Cash Award under this Section 5. 1. 5.2 Initial Award for New Directors. Upon first being appointed or elected to the Board, an Investor Designated Director who has not previously served on the Board shall be granted automatically (without any action by the Board or the Administrator) a Cash Award in an amount equal to (i) \$ 240,000 (\$ 290,000 in the case of an Investor Designated Director then serving as Chair of the Board and \$ 280,000 in the case of an Investor Designated Director then serving as Lead Independent Director) divided by (ii) 365, multiplied by (iii) the number of days from the date such Investor Designated Director is first appointed or elected to the Board to the scheduled date of the Company’s next annual meeting of stockholders. 2. 5.3 Transfer Restrictions. Cash Awards granted pursuant to this Section 5 shall be non-transferable and shall not be subject in any manner to sale, transfer, anticipation, alienation, assignment, pledge, encumbrance or charge and any cash payable pursuant to the Cash Award shall be delivered only to the Investor Designated Director to whom such Cash Award was granted, or his or her designee, if applicable.

6. Dividend and Voting Rights. 6.1 Limitation of Rights Associated with Restricted Stock Units. A Non-Employee Director shall have no rights as a stockholder of the Company, no dividend rights (except as expressly provided in Section 6. 2 with respect to dividend equivalent rights) and no voting rights, with respect to Restricted Stock Units granted pursuant to the Program and any shares of Common Stock underlying or issuable in respect of such Restricted Stock Units until such shares of Common Stock are actually issued to and held of record by the Non-Employee Director. 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. 6.2 Dividend Equivalent Rights. As of any date that the Company pays a dividend (other than in shares of Common Stock) upon issued and outstanding Common Stock, or makes a distribution (other than in shares of Common Stock) with respect thereto, a Non-Employee Director’s Program Account shall be credited with an additional number (rounded down to the nearest whole number) of Restricted Stock Units equal to (i) the “fair value” of any

dividend (or other distribution) with respect to one share of Common Stock, multiplied by (ii) the number of unpaid Restricted Stock Units credited to the Non-Employee Director's Program Account immediately prior to such dividend or distribution, divided by (iii) the Fair Market Value of a share of Common Stock on the date of payment of such dividend or distribution. In the case of a cash dividend or distribution, the "fair value" thereof shall be the amount of such cash, and, in the case of any other dividend or distribution (other than in shares of Common Stock), the "fair value" thereof shall be such amount as shall be determined in good faith by the Administrator. Restricted Stock Units credited pursuant to the foregoing provisions - **provision** of this Section 6.2 shall be subject to the same vesting, payment and other terms, conditions and restrictions as the original Restricted Stock Units to which they - **the Delaware General Corporation Law** relate. No adjustment shall be made pursuant to Section 9 of the Plan as to Restricted Stock Units granted pursuant to the Program in connection with any dividend (other than in shares of Common Stock) or distribution (other than in shares of Common Stock) for - **or** which dividend equivalents are credited pursuant to the foregoing provisions of this Section 6.2. Restricted Stock Units granted pursuant to the Program shall otherwise be subject to adjustment pursuant to Section 9 of the Plan (for example, and without limitation, in connection with a split or reverse split of the outstanding Common Stock).

7. Vesting. Subject to Section 9 hereof and Section 9 of the Plan, a Restricted Stock Unit Award or Cash Award granted to a Non-Employee Director pursuant to the Program (whether pursuant to Section 4, Section 5 or Section 6.2) (an "Award") shall vest and become payable as to 100% of the total number of Restricted Stock Units or cash, as applicable, subject thereto on the first to occur of (i) the first anniversary of the date of grant of the Award or (ii) immediately prior to the Company's first regular meeting of stockholders following the date of grant of the Award.

8. Continuation of Services. The vesting schedule requires continued service through each applicable vesting date as a condition to the vesting of the applicable installment of an Award and the rights and benefits under the Program. Service for only a portion of the vesting period, even if a substantial portion, will not entitle a Non-Employee Director to any proportionate vesting or avoid or mitigate a termination of rights and benefits upon or following a termination of services as provided in Section 9 below. Nothing contained in the Program constitutes a continued service commitment by the Company, confers upon a Non-Employee Director any right to remain in service to the Company, interferes with the right of the Company at any time to terminate such service, or affects the right of the Company to increase or decrease a Non-Employee Director's other compensation.

9. Termination of Directorship. Subject to earlier termination pursuant to Section 9 of the Plan, if a Non-Employee Director incurs a Separation from Service (as defined below) for any reason, the following rules shall apply with respect to any Award granted to the Non-Employee Director pursuant to Section 4 or 5 above: • other than as expressly provided below in this Section 9, all Awards granted to the Non-Employee Director pursuant to the Program that have not vested as of the Non-Employee Director's Separation from Service, shall immediately terminate without payment therefor; • if the Non-Employee Director's Separation from Service occurs due to his or her death or Disability (as defined below), all Awards granted to the Non-Employee Director pursuant to the Program shall immediately vest and become payable as provided in Section 10 below; and • if the Non-Employee Director ceases to be a member of the Board due to his or her Removal (as defined below), all then-unvested Awards granted to the Non-Employee Director pursuant to the Program shall immediately terminate without payment therefor. For purposes of this Section 9, the term "Disability" shall mean a period of disability during which a Non-Employee Director qualified for permanent disability benefits under the Company's long-term disability plan, or, if the Non-Employee Director does not participate in such a plan, a period of disability during which the Non-Employee Director would have qualified for permanent disability benefits under such a plan had the Non-Employee Director been a participant in such a plan, as determined in the sole discretion of the Administrator. If the Company does not sponsor such a plan, or discontinues to sponsor such a plan, Disability shall be determined by the Administrator in its sole discretion. For purposes of this Section 9, the term "Removal" shall mean the removal of a Non-Employee Director from the Board, with or without cause, in accordance with the Company's Certificate of Incorporation, **or Bylaws**, **or (iv) any action asserting a claim governed by the internal affairs doctrine (the "Delaware Exclusive General Corporation Law. For Forum Provision** purposes of this Section 9, the term "Separation from Service," with respect to a Non-Employee Director, shall mean the date the Non-Employee Director ceases to be a member of the Board (regardless of the reason); **Our Bylaws further provided- provide**, however, that if the **federal district courts** Non-Employee Director is immediately thereafter employed by the Company or one of its Subsidiaries, such director's Separation from Service shall be the **United States** date such director incurs a "separation from service" as such term is defined for purposes of **America will** Section 409A of the Code.

10. Timing and Manner of Payment of Awards. Except as provided in Section 11 below, on or within thirty (30) business days following the first to occur of (i) the **fullest** first anniversary of the date of grant of the Award, or (ii) the Non-Employee Director's Separation from Service, the Company shall deliver to the Non-Employee Director 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 Company in its sole discretion) equal to the number of Restricted Stock Units (if any), or an amount in cash, as applicable, that vested with respect to the corresponding Award in accordance with the provisions hereof, subject to adjustment as provided in Section 9 of the Plan; provided, however, that, to the extent permitted by **law, be the exclusive forum for resolving any complaint asserting a cause of action under the Securities Act of 1933, as amended (the "Federal Forum Provision").** **The Delaware Exclusive Forum Provision is intended to apply to claims arising under Delaware state law and would not apply to claims brought pursuant to the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction. In addition, the Federal Forum Provision is intended to apply to claims arising under the Securities Act and would not apply to claims brought pursuant to the Exchange Act. The exclusive forum provisions in the Company's Bylaws will not relieve us** Amended and Restated Deferred Compensation Plan, as it may be amended from time to time (the "Deferred Compensation Plan"), a Non-Employee Director may elect to defer receipt of our duties to comply with the **federal securities laws and the rules and regulations thereunder and, accordingly, actions by our stockholders to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder must be brought in federal**

courts. Our stockholders will not be deemed to have waived or our compliance all shares of Common Stock payable, or cash payable, as applicable, with respect to **these laws, rules and regulations** Award that vests pursuant to the Program. Such elections shall be made, and any such deferral shall be effected and administered, in accordance with the Deferred Compensation Plan. The **exclusive forum provisions in the** Company's obligation to deliver shares of Common Stock or cash, as applicable, with respect to a vested Award is subject to the condition precedent that the Non-Employee Director (or other person entitled under the Plan to receive shares of Common Stock or cash, as applicable, with respect to the vested Award) deliver to the Company any representations or other documents or assurances the Company may require with respect to compliance with applicable laws **Bylaws may limit a stockholder**. A Non-Employee Director shall have no further rights with respect to any Restricted Stock Units that are paid or that are terminated pursuant to Section 9 hereof or Section 9 of the Plan, and such Restricted Stock Units shall be removed from the Non-Employee Director's Program Account upon **ability to bring a claim in a judicial forum of its choosing for disputes with the company or its directors, officers or the other date employees, which may discourage lawsuits against the Company and its directors, officers and other employees. In addition, stockholders who do bring a claim in the Court of Chancery of the State of Delaware pursuant to the Delaware Exclusive Forum Provision could face additional litigation costs in pursuing any such claim** payment or termination. 11. Change in Control Events. An Award may vest and become payable in connection with the occurrence of certain events involving the Company as provided for in Section 9 of the Plan; provided, **particularly** however, that, notwithstanding anything to the contrary in the Program or the Plan, **if the they do** event giving rise to such accelerated vesting is **not reside in or near Delaware. The court in the designated forum under our exclusive forum provisions may also reach different judgments** a "change in the ownership or effective control" of the Company or a "change in the ownership of a substantial portion of the assets" of the Company for **or results than would** purposes of Section 409A of the **other Code courts**, including courts where a stockholder **or an acceleration of payment of the Award would otherwise choose to bring the action, and such judgments or result results may be more favorable to the Company than to our stockholders. Further, the enforceability of similar exclusive forum provisions in other companies' organizational documents has been challenged in legal proceedings, and it is possible that a court could find any tax liability pursuant to Section 409A of the Code our exclusive forum provisions to be inapplicable to, or unenforceable in respect of, one or more of them the** payment specified types of actions or proceedings. If a court were to find all or any part of our **exclusive forum provisions to be inapplicable or unenforceable in an action, we might incur additional costs associated with resolving** respect to such vested Award shall not be made until such Award would have become vested and payable without regard to this Section **action in** 11 or Section 9 of the Plan. 12. Plan Provisions; Maximum Number of Shares; Amendment; Administration; Construction. Awards granted under the Program shall otherwise be subject to the terms of the Plan (including, without limitation, the provisions of Section 9 of the Plan). If Restricted Stock Unit Awards otherwise required pursuant to the Program would otherwise exceed any applicable share limit under Section 3 (a) of the Plan, such grants shall be made pro-rata to Non-Employee Directors entitled to such grants. The Board may from time to time amend the Program without stockholder approval; provided that no such amendment shall materially and adversely affect the rights of a Non-Employee Director as to an Award granted under the Program before the adoption of such amendment. The Board may amend, modify, suspend or terminate outstanding Awards; provided, however, that outstanding Awards shall not be amended, modified, suspended or terminated so as to impair any rights of the recipient of the Award without the consent of such recipient. If any such amendment or modification to an outstanding Award has the result of accelerating the vesting of such Award, then any election that had been made to defer receipt of payment with respect to all or any portion of the Award pursuant to the Deferred Compensation Plan shall be disregarded. The Program does not limit the Board's authority to make other **jurisdictions**, discretionary grants of Awards to Non-Employee Directors pursuant to the Plan. **26** The Administrator's power and authority to construe and interpret the Plan and Awards thereunder pursuant to Section 2 of the Plan shall extend to the Program and Awards granted hereunder. As provided in Section 2 (f) of the Plan, all determinations, interpretations and constructions made by the Administrator in good faith will not be subject to review by any person and will be final, binding and conclusive on all persons. It is intended that the terms of the Program and all Awards granted under the Program will not result in the imposition of any tax liability pursuant to Section 409A of the Code. The Program and all Awards granted hereunder shall be construed and interpreted consistent with that intent. ### 5 Exhibit 21 SUBSIDIARIES OF THE COMPANY