

## **SILICON GRAPHICS, INC.**

### **Compensation and Human Resources Committee Charter**

This Compensation and Human Resources Committee Charter was adopted by the Board of Directors (the "Board") of Silicon Graphics, Inc. (the "Company") on October 18, 2006.

#### **I. PURPOSES**

The Compensation and Human Resources Committee (the "Committee") shall assist the Board in overseeing the Company's director and management compensation policies and practices, including (i) determining and approving the compensation of the Company's Chief Executive Officer (the "CEO"); (ii) reviewing and approving compensation levels for the Company's other executive officers; (iii) reviewing and approving management incentive compensation policies and programs; (iv) reviewing and approving equity compensation programs for directors and employees, and exercising discretion in the administration of such programs; (v) reviewing and discussing with the Company's management the Company's executive compensation disclosure (including the Company's disclosures under "Compensation Discussion and Analysis") included in reports and registration statements filed with the Securities and Exchange Commission; and (vi) producing an annual report on executive compensation for inclusion in the proxy statement.

In discharging its role, the Committee is empowered to inquire into any matter that it considers appropriate to carry out its responsibilities, with access to all books, records, facilities and personnel of the Company. The Committee has the power to retain outside counsel, compensation consultants or other advisors to assist it in carrying out its activities. The Company shall provide adequate resources to support the Committee's activities, including compensation of the Committee's counsel, consultants and other advisors. The Committee shall have the sole authority to retain, compensate, direct, oversee and terminate counsel, compensation consultants, and other advisors hired to assist the Committee, who shall be accountable ultimately to the Committee.

#### **II. COMMITTEE MEMBERSHIP**

The Committee shall consist of three or more members of the Board, each of whom the Board has selected and determined to be "independent" in accordance with the Marketplace Rules of The Nasdaq Stock Market ("Nasdaq"). In addition, no director may serve unless he or she (i) is a "Non-employee Director" for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and (ii) satisfies the requirements of an "outside director" for purposes of Section 162(m) of the Internal Revenue Code.

The Chairman of the Committee shall be appointed from among the Committee members by, and serve at the pleasure of, the Board, shall preside at meetings of the Committee and shall have authority to convene meetings, set agendas for meetings, and determine the Committee's information needs, except as otherwise provided by action of the Committee. In the absence of the Chairman at a duly convened meeting, the Committee shall select a temporary substitute from among its members to serve as chair of the meeting.

### **III. COMMITTEE MEETINGS**

The Committee shall meet as often as it determines is appropriate to carry out its responsibilities under this charter.

The Committee shall meet at least annually with the CEO and any other corporate officers the Board and Committee deem appropriate to discuss and review the performance criteria and compensation levels of key executives.

### **IV. KEY RESPONSIBILITIES**

The following responsibilities are set forth as a guide for fulfilling the Committee's purposes, with the understanding that the Committee's activities may diverge as appropriate given the circumstances. The Committee is authorized to carry out these activities and other actions reasonably related to the Committee's purposes or assigned by the Board from time to time.

The Committee may form, and delegate any of its responsibilities to, a subcommittee so long as such subcommittee is solely comprised of one or more members of the Committee.

To fulfill its purposes, the Committee shall:

1. Establish and review the Company's overall management compensation philosophy and policy;
2. Establish and review the Company's director compensation philosophy and policy;
3. Review and approve corporate goals and objectives relevant to the CEO's compensation, including annual performance objectives;
4. Evaluate at least annually the performance of the CEO against corporate goals and objectives, including the annual performance objectives for the CEO and, based on this evaluation, determine and approve the compensation level (including any discretionary incentive awards) for the CEO, reviewing as appropriate any agreement or understanding relating to the CEO's employment, incentive compensation, or other benefits based on this evaluation;
5. Review at least annually, and recommend to the Board, the compensation of such executive officers or other members of management as the Board and Committee determine appropriate;
6. Review on a periodic basis the Company's management compensation programs, including any management incentive compensation plans, to determine whether they are appropriate, properly coordinated and achieve their intended purpose(s), including furthering the Company's strategic plans and objectives, and recommend to the Board any appropriate modifications or new plans or programs;

7. Review and recommend to the Board incentive and equity-based compensation plans of the Company and any modifications of such plans (whether or not final approval rests with the Company's shareholders) and review all grants of awards, including the award of shares, share options or other equity-based instruments, pursuant to such plans;
8. Administer and monitor compliance by executives with the rules and guidelines of the Company's equity-based plans;
9. Review and recommend to the Board any changes in employee retirement or deferred compensation plans or programs, and other employee benefit plans and programs;
10. Review and discuss with the Company's management the Company's executive compensation disclosure (including the Company's disclosures under "Compensation Discussion and Analysis") included in reports and registration statements filed with the Securities and Exchange Commission;
11. Prepare a report to be included in the Company's Annual Report on Form 10-K or annual proxy statement, in accordance with applicable rules and regulations of Nasdaq, the Securities and Exchange Commission and other applicable regulatory bodies;
12. Conduct an annual self-evaluation of the performance of the Committee, including its effectiveness and compliance with this Charter;
13. Review and reassess the adequacy of this Charter annually, and recommend to the Board amendments as the Committee deems appropriate; and
14. Report regularly to the Board on Committee findings and recommendations and any other matters the Committee deems appropriate or the Board requests, and maintain minutes or other records of Committee meetings and activities.