

NETLIST, INC.

COMPENSATION COMMITTEE CHARTER

Charter

This charter governs the operations of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of Netlist, Inc. (the “Company”). The Committee shall review the adequacy of this charter at least annually and recommend any proposed changes to the Board for its approval, although the Board shall have sole authority to amend this charter. The Company shall make this charter available on its website at www.netlist.com.

Membership of Committee

The Committee shall be composed of at least two directors appointed by the Board. Each such director shall satisfy the applicable independence requirements of The Nasdaq Global Market (“Nasdaq”) or such other exchange on which the Company’s securities are traded and the rules and regulations of the Securities and Exchange Commission (the “Commission”) at all times during which the Company’s securities are publicly traded. Committee members also shall qualify as “non-employee directors” for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as in effect from time to time (the “Exchange Act”), and “outside directors” for purposes of Section 162(m) of the Internal Revenue Code, as in effect from time to time (the “Code”).

The Committee shall be appointed by the Board, upon recommendation of the Nominating and Corporate Governance Committee of the Board, if one exists. The chairman of the Committee shall be appointed by the Board. Committee members shall serve until their successors are duly appointed and qualified or until their earlier removal by the Board at any time.

The Committee may form and delegate any of its responsibility to subcommittees as it deems necessary or appropriate in its sole discretion.

Meetings and Consultants

The Committee shall meet as often as it shall determine, but not less frequently than annually. The Committee shall have the authority to select, retain and terminate such compensation consultants, outside counsel and other advisors (“Consultants”) as it deems necessary or appropriate in its sole discretion. The Committee may invite such Consultants to attend meetings of the Committee or to meet with any members of the Committee. The Committee shall have the sole authority to approve the fees and retention terms relating to such Consultants, which fees shall be borne by the Company.

Purposes of the Committee

The Committee shall discharge the overall responsibility of the Board relating to executive compensation.

Authority and Responsibilities

The Committee shall have the following authority and responsibilities:

- To assist the Board in developing and evaluating potential candidates for executive positions, including the chief executive officer, and to oversee the development of executive succession plans.
- To review and approve on an annual basis the corporate goals and objectives with respect to compensation for the chief executive officer. The Committee shall evaluate at least once a year the chief executive officer's performance in light of these established goals and objectives and based upon these evaluations shall set the chief executive officer's annual compensation, including salary, bonus, incentive and equity compensation.
- To review and approve on an annual basis the evaluation process and compensation structure for the Company's officers. The Committee shall evaluate the performance of the Company's executive officers and shall approve the annual compensation, including salary, bonus, incentive and equity compensation, for such executive officers. The Committee also shall provide oversight of management's decisions concerning the performance and compensation of other Company officers.
- To review the Company's incentive compensation and other stock-based plans and recommend changes in such plans to the Board as needed. The Committee shall have and shall exercise all the authority of the Board with respect to the administration of such plans.
- To review executive officer compensation for compliance with Section 16 of the Exchange Act and Section 162(m) of the Code, and other applicable laws, rules and regulations.
- To review and approve non-routine employment agreements, severance arrangements and change in control agreements and provisions when, and if, appropriate, as well as any special supplemental benefits.
- To review and discuss with management on an annual basis the Compensation Discussion and Analysis required to be included in the Company's annual proxy statement and, based on that review and discussion, recommend to the Board that such Compensation Discussion and Analysis be included in that proxy statement.
- To report regularly to the Board on the Committee's activities.

- To perform any other activities consistent with this charter, the Company's certificate of incorporation and by-laws and applicable law, as the Committee or the Board deems appropriate.