

SUN MICROSYSTEMS, INC.

CORPORATE GOVERNANCE AND NOMINATING COMMITTEE POLICIES AND PROCEDURES FOR DIRECTOR CANDIDATES

1. Stockholder Recommendations and Nominations

Candidate Recommendations. It is the policy of the Corporate Governance and Nominating Committee of the Board of Directors of Sun Microsystems, Inc. (the “Committee”) to consider recommendations for candidates to the Board of Directors from stockholders.

A stockholder that desires to recommend a candidate for election to the Board of Directors shall direct the recommendation in written correspondence by letter to Sun Microsystems, Inc., attention Corporate Secretary, at the Company’s offices at 4150 Network Circle, SCA 12-202, Santa Clara, CA 95054. Such written letter must provide as to each candidate the information required pursuant Section 2.4(b)(ii)(A) of the Bylaws, as well as the information regarding the proponent of such candidate required pursuant to Section 2.4(b)(ii)(B) of the Bylaws.

Candidate Nominations. A stockholder that instead desires to nominate a person directly for election to the Board of Directors at an annual or special meeting of the stockholders must meet the deadlines and other requirements set forth in Section 2.4 of the Bylaws and the rules and regulations of the Securities and Exchange Commission. Section 2.4 of the Bylaws provides that nominations by a stockholder of the Company entitled to vote for the election of directors at an annual meeting of the stockholders of the Company shall be made by notice in writing received by the Corporate Secretary at 4150 Network Circle, SCA 12-202, Santa Clara, CA 95054 and within the time set forth in Section 2.4(b)(ii) of the Bylaws.. The notice must provide as to each proposed nominee the information required pursuant to Section 2.4(b)(iii)(A) of the Bylaws. In addition, the notice must provide as to each stockholder proponent the information required pursuant to Section 2.4(b)(ii)(B) of the Bylaws.

2. Identifying and Evaluating Nominees for Director

The Committee uses the following procedures to identify and evaluate any individual recommended or offered for nomination to the Board of Directors:

- The Committee regularly reviews the current composition and size of the Board.
- The Committee shall review the qualifications of any candidates who have been properly recommended by a stockholder, as well as those candidates who have been identified by management, individual members of the Board of Directors or, if the Committee determines, a search firm. Such review may, in the Committee’s discretion, include a review solely of information provided to the Committee or may also include discussions with persons familiar with the candidate, an interview with the candidate or other actions that the Committee deems proper, including the retention of third parties to review potential candidates.
- The Committee shall review candidates nominated by stockholders pursuant to Section 3.3 of the Bylaws, solely to determine such nomination’s compliance with the provisions of Section 3.3 of the Bylaws and compliance with Regulation 14A under the Securities Exchange Act of 1934.

- The Committee shall evaluate the performance of the Board as a whole and evaluate the performance and qualifications of individual members of the Board of Directors eligible for re-election at the annual meeting of stockholders.
- Except as may be required by rules promulgated by the SEC, Nasdaq or such other exchange or listing service considered the Company's primary listing, it is the current sense of the Committee that there are no specific, minimum qualifications that must be met by each candidate for the Board of Directors, nor are there specific qualities or skills that are necessary for one or more of the members of the Board of Directors to possess. In its evaluation of director candidates, including the members of the Board of Directors eligible for re-election, the Committee considers the following:
 - The current size and composition of the Board of Directors and the needs of the Board of Directors and the respective committees of the Board.
 - The candidate's independence, diversity, character, acumen, strategic vision and relevant experience, such as technology, accounting and finance, sales and marketing or international experience.
 - Such other factors as the Committee may consider appropriate.
- In evaluating and identifying candidates, the Committee has the authority to retain and terminate any third party search firm that is used to identify director candidates, and has the sole authority to approve the fees and retention terms of any search firm.
- After such review and consideration, the Committee selects, or recommends that the majority of the independent directors of the Board of Directors selects, the slate of director nominees, either at a meeting of the Committee at which a quorum is present or by unanimous written consent of the Committee.
- The Committee will endeavor to notify, or cause to be notified, all director candidates recommended by stockholders pursuant to this policy of its decision as to whether to nominate such individual for election to the Board of Directors.