UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended May 26, 2017

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File Number: 001-38102

SMART GLOBAL HOLDINGS, INC.

(Exact Name of Registrant as Specified in its Charter)

Cayman Islands **(State or other jurisdiction of incorporation or organization)**	**98-1013909** **(I.R.S. Employer Identification No.)**
c/o Maples Corporate Services Limited **P.O. Box 309** **Ugland House** **Grand Cayman, Cayman Islands** **(Address of principal executive offices)**	**KY1-1104** **(Zip Code)**

Registrant's telephone number, including area code: (510) 623-1231

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☐ No ☒

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒ (Do not check if a smaller reporting company)	Smaller reporting company	☐
Emerging growth company	☒		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of June 23, 2017, the registrant had 21,677,924 ordinary shares outstanding.

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Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q includes a number of forward-looking statements that involve many risks and uncertainties. Forward-looking statements are identified by the use of the words "would," "could," "will," "may," "expect," "believe," "should," "anticipate," "if," "future," "intend," "plan," "estimate," "potential," "target," "seek," or "continue" and similar words and phrases, including the negatives of these terms, or other variations of these terms, that denote future events. These statements reflect our current views with respect to future events and our potential financial performance and are subject to risks and uncertainties that could cause our actual results and financial position to differ materially and adversely from what is projected or implied in any forward-looking statements included in this Form 10-Q. These factors include, but are not limited to, the risks described under the caption "Risk Factors" in our prospectus dated May 23, 2017 as filed with the Securities and Exchange Commission pursuant to Rule 424(b) under the Securities Act of 1933, as amended, relating to our Registration Statement on Form S-1 (File No. 333-217539), and in Item 2 of Part I — "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in this Quarterly Report on Form 10-Q. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this Quarterly Report on Form 10-Q may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements. We make these forward-looking statements based upon information available on the date of this Form 10-Q, and we expressly disclaim any obligation to update or alter any forward-looking statements, whether as a result of new information or otherwise, except as required by law.

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

SMART Global Holdings, Inc.
and Subsidiaries
Condensed Consolidated Balance Sheets
(In thousands, except per share data)
(Unaudited)

	May 26, 2017	August 26, 2016
Assets		
Current assets:		
Cash and cash equivalents	$ 22,341	$ 58,634
Accounts receivable, net of allowances of $410 and $228 as of May 26, 2017 and August 26, 2016, respectively	174,453	141,036
Inventories	135,489	103,066
Prepaid expenses and other current assets	15,699	16,522
Total current assets	347,982	319,258
Property and equipment, net	52,006	57,600
Other noncurrent assets	21,936	19,937
Intangible assets, net	8,001	16,884
Goodwill	45,360	44,976
Total assets	$ 475,285	$ 458,655
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	$ 210,633	$ 197,976
Accrued liabilities	22,130	14,071
Current portion of long-term debt	13,024	17,116
Total current liabilities	245,787	229,163
Long-term debt	197,910	225,587
Deferred tax liabilities	1,769	2,677
Other long-term liabilities	2,437	2,465
Total liabilities	$ 447,903	$ 459,892
Commitments and contingencies (see Note 9)		
Shareholders' equity (deficit):		
Ordinary shares, $0.03 par value. Authorized 200,000 shares; issued and outstanding 14,013 and 13,869 as of May 26, 2017 and August 26, 2016, respectively	420	416
Additional paid-in capital	170,502	145,284
Accumulated other comprehensive loss	(146,540)	(147,523)
Retained earnings	3,000	586
Total shareholders' equity (deficit)	27,382	(1,237)
Total liabilities and shareholders' equity	$ 475,285	$ 458,655

See accompanying notes to unaudited condensed consolidated financial statements.

SMART Global Holdings, Inc. and Subsidiaries
Condensed Consolidated Statements of Operations
(In thousands, except per share data)
(Unaudited)

	Three Months Ended		Nine Months Ended	
	May 26, 2017	May 27, 2016	May 26, 2017	May 27, 2016
Net sales (1)	$ 206,974	$ 149,609	$ 538,272	$ 388,222
Cost of sales	159,599	118,997	424,030	311,166
Gross profit	47,375	30,612	114,242	77,056
Operating expenses:				
Research and development	8,797	9,667	28,442	27,763
Selling, general, and administrative	17,193	14,680	49,037	42,963
Management advisory fees	1,000	1,000	3,000	3,001
Restructuring charge	—	128	457	1,143
Total operating expenses	26,990	25,475	80,936	74,870
Income from operations	20,385	5,137	33,306	2,186
Interest expense, net	(8,294)	(6,326)	(23,072)	(19,265)
Other income (expense), net	(762)	2,102	(1,664)	730
Total other expense	(9,056)	(4,224)	(24,736)	(18,535)
Income (loss) before income taxes	11,329	913	8,570	(16,349)
Provision for income taxes	3,371	2,258	6,156	2,150
Net income (loss)	$ 7,958	$ (1,345)	$ 2,414	$ (18,499)
Net income (loss) per share, basic	$ 0.57	$ (0.10)	$ 0.17	$ (1.31)
Net income (loss) per share, diluted	$ 0.50	$ (0.10)	$ 0.16	$ (1.31)
Shares used in computing basic net income (loss) per share	13,986	13,832	13,909	14,147
Shares used in computing diluted net income (loss) per share	15,955	13,832	15,230	14,147

(1) Includes sales to affiliates of $21,554, $7,774, $48,242 and $30,581 in the three and nine months ended May 26, 2017 and May 27, 2016, respectively (see Note 2).

See accompanying notes to unaudited condensed consolidated financial statements.

SMART Global Holdings, Inc. and Subsidiaries
Condensed Consolidated Statements of Comprehensive Income (Loss)
(In thousands)
(Unaudited)

	Three Months Ended		Nine Months Ended	
	May 26, 2017	May 27, 2016	May 26, 2017	May 27, 2016
Net income (loss)	$ 7,958	$ (1,345)	$ 2,414	$ (18,499)
Other comprehensive income (loss):				
Foreign currency translation	(3,021)	20,392	983	(1,941)
Other comprehensive income (loss)	(3,021)	20,392	983	(1,941)
Comprehensive income (loss)	$ 4,937	$ 19,047	$ 3,397	$ (20,440)

See accompanying notes to unaudited condensed consolidated financial statements.

SMART Global Holdings, Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(In thousands)
(Unaudited)

	Three Months Ended		Nine Months Ended	
	May 26, 2017	May 27, 2016	May 26, 2017	May 27, 2016
Cash flows from operating activities:				
Net income (loss)	$ 7,958	$ (1,345)	$ 2,414	$ (18,499)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	7,846	7,709	25,399	23,390
Share-based compensation	1,389	947	3,533	2,970
Provision for doubtful accounts receivable and sales returns	205	3	31	(16)
Deferred income tax benefit	(84)	(1,298)	(1,195)	(1,687)
(Gain) loss on disposal of property and equipment	—	54	129	(57)
Extinguishment loss on long-term debt	—	—	1,386	—
Amortization of debt issuance costs	628	763	1,851	2,274
Amortization of debt original issuance discount	119	415	660	1,235
Amortization of debt discount	1,733	—	3,913	—
Changes in operating assets and liabilities:				
Accounts receivable	(36,891)	8,776	(33,516)	54,069
Inventories	(4,833)	(2,046)	(31,184)	25,710
Prepaid expenses and other assets	(735)	534	741	2,344
Accounts payable	27,525	(24,727)	11,799	(70,993)
Accrued expenses and other liabilities	3,846	4,503	7,097	(440)
Net cash provided by (used in) operating activities	8,706	(5,712)	(6,942)	20,300
Cash flows from investing activities:				
Capital expenditures and deposits on equipment	(3,784)	(4,253)	(11,179)	(9,995)
Restricted cash	—	—	—	181
Proceeds from sale of property and equipment	425	—	467	245
Net cash used in investing activities	(3,359)	(4,253)	(10,712)	(9,569)
Cash flows from financing activities:				
Proceeds from long-term debt borrowing	—	—	—	5,179
Long-term debt payment	(5,954)	(4,163)	(17,689)	(12,448)
Payment for extinguishment of long-term debt	—	—	(938)	—
Payment of costs related to initial public offering (IPO)	(200)	—	(200)	(6)
Proceeds from borrowings under revolving line of credit	123,000	53,500	338,250	172,700
Repayments of borrowings under revolving line of credit	(123,000)	(53,500)	(338,250)	(172,700)
Proceeds from issuance of ordinary shares from share option exercises	348	41	348	41
Repurchase of ordinary shares	—	—	—	(124)
Net cash used in financing activities	(5,806)	(4,122)	(18,479)	(7,358)
Effect of exchange rate changes on cash and cash equivalents	(541)	3,450	(160)	1,709
Net increase (decrease) in cash and cash equivalents	(1,000)	(10,637)	(36,293)	5,082
Cash and cash equivalents at beginning of period	23,341	83,813	58,634	68,094
Cash and cash equivalents at end of period	$ 22,341	$ 73,176	$ 22,341	$ 73,176
Supplemental disclosures of cash flow information:				
Cash paid during the year:				
Cash paid for interest	$ 5,624	$ 5,555	$ 17,215	$ 16,835
Cash paid for income taxes, net of refunds	3,522	1,700	5,293	3,009
Noncash activities information:				
Capital expenditures included in accounts payable at period end	275	1,367	275	1,367
IPO costs included in accounts payable and accrued liabilities at period end	1,990	—	1,990	—
Warrants issued in connection with debt	—	—	21,341	—

See accompanying notes to unaudited condensed consolidated financial statements.

Note 1. Basis of Presentation and Principles of Consolidation

(a) Overview

On August 26, 2011, SMART Global Holdings, Inc., formerly known as Saleen Holdings, Inc., a Cayman Islands exempted company (SMART Global Holdings, and together with its subsidiaries, the Company), consummated a transaction with SMART Worldwide Holdings, Inc., formerly known as SMART Modular Technologies (WWH), Inc. (SMART Worldwide), pursuant to an Agreement and Plan of Merger (the Merger Agreement) whereby, through a series of transactions, SMART Global Holdings acquired substantially all of the equity interests of SMART Worldwide with SMART Worldwide surviving as an indirect wholly owned subsidiary of SMART Global Holdings (the Acquisition). SMART Global Holdings is an entity that was formed by investment funds affiliated with Silver Lake Partners and Silver Lake Sumeru (collectively Silver Lake). As a result of the Acquisition, since there was a change of control resulting in Silver Lake as the controlling shareholder group, the Company applied the acquisition method of accounting and established a new basis of accounting.

The Company, through its subsidiaries, provides specialty memory solutions sold primarily to original equipment manufacturers (OEMs). The Company offers these solutions to customers worldwide and also offers custom supply chain services including procurement, logistics, inventory management, temporary warehousing, kitting and packaging services.

SMART Global Holdings is domiciled in the Cayman Islands and has U.S. headquarters in Newark, California. The Company has operations in the United States, Brazil, Malaysia, Taiwan, Hong Kong, Scotland, Singapore and South Korea.

(b) Basis of Presentation

The accompanying consolidated financial statements comprise SMART Global Holdings and its wholly owned subsidiaries. Intercompany transactions have been eliminated in the consolidated financial statements.

The Company uses a 52- to 53-week fiscal year ending on the last Friday in August. The three and nine month periods ended May 26, 2017 and May 27, 2016 were 13 and 39-week fiscal periods, respectively.

The accompanying unaudited consolidated financial statements and related notes have been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP) and in conformity with the rules and regulations of the Securities and Exchange Commission (SEC) applicable to interim financial information. As such, certain information and footnote disclosures normally included in complete annual financial statements prepared in accordance with U.S. GAAP have been omitted in accordance with the rules and regulations of the SEC. In the opinion of management, the accompanying unaudited consolidated financial statements contain all adjustments, consisting of normal recurring accruals, necessary to present fairly the financial position of the Company and its results of operations and cash flows for the interim periods presented. The financial data and other information disclosed in these notes to the consolidated financial statements related to the interim periods are unaudited.

On May 5, 2017, the Company's shareholders approved a 1-for-3 reverse share split. All references to ordinary shares, options to purchase ordinary shares, exercise prices, restricted stock units, share data, per share data, warrants and related information have been adjusted within these financial statements, on a retroactive basis, to reflect this 1-for-3 reverse share split as if it had occurred at the beginning of the earliest period presented.

All financial information for two of the Company's subsidiaries, SMART Modular Technologies Indústria de Componentes Eletrônicos Ltda. (SMART Brazil) and SMART Modular Technologies do Brasil Indústria e Comércio de Componentes Ltda. (SMART do Brazil), is included in the Company's consolidated financial statements on a one-month lag because their fiscal years begin August 1 and end July 31.

(c) Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods presented. Actual results could differ from the estimates made by management. Significant items subject to such estimates and assumptions include the useful lives of long-lived assets, the valuation of deferred tax assets and inventory, share-based compensation, the estimated net realizable value of Brazilian tax credits, income tax uncertainties and other contingencies.

(d) Revenue Recognition

Product revenue is recognized when there is persuasive evidence of an arrangement, product delivery has occurred, the sales price is fixed or determinable, and collectability is reasonably assured. Product revenue typically is recognized at

the time of shipment or when the customer takes title to the goods. All amounts billed to a customer related to shipping and handling are classified as revenue, while all costs incurred by the Company for shipping and handling are classified as cost of sales. Sales taxes collected from customers and remitted to governmental authorities are accounted for on a net basis and, therefore, are excluded from net sales in the consolidated statements of operations.

In addition, the Company has classes of transactions with customers that are accounted for on an agency basis (i.e., the Company recognizes as revenue the amount billed less the material procurement costs of products serviced as an agent with the cost of providing these services embedded with the cost of sales). The Company provides procurement, logistics, inventory management, temporary warehousing, kitting and packaging services for these customers. Revenue from these arrangements is recognized as service revenue and is determined by a fee for services based on material procurement costs. The Company recognizes service revenue upon the completion of the services, typically upon shipment of the product. There are no postshipment obligations subsequent to shipment of the product under the agency arrangements.

The following is a summary of the Company's gross billings to customers and net sales for services and products (in thousands):

	Three Months Ended		Nine Months Ended	
	May 26, 2017	May 27, 2016	May 26, 2017	May 27, 2016
Service revenue, net	$ 9,869	$ 11,485	$ 27,853	$ 33,573
Cost of purchased materials - service (1)	246,498	350,231	648,886	1,136,145
Gross billings for services	256,367	361,716	676,739	1,169,718
Product net sales	197,105	138,124	510,419	354,649
Gross billings to customers	$ 453,472	$ 499,840	$ 1,187,158	$ 1,524,367
Product net sales	$ 197,105	$ 138,124	$ 510,419	$ 354,649
Service revenue, net	9,869	11,485	27,853	33,573
Net sales	$ 206,974	$ 149,609	$ 538,272	$ 388,222

(1) Represents cost of sales associated with service revenue reported on a net basis.

(e) Cash and Cash Equivalents

All highly liquid investments with maturities of 90 days or less from original dates of purchase are carried at cost, which approximates fair value, and are considered to be cash. Cash and cash equivalents include cash on hand, cash deposited in checking and saving accounts, money market accounts, and securities with maturities of less than 90 days at the time of purchase.

(f) Allowance for Doubtful Accounts

The Company evaluates the collectibility of accounts receivable based on a combination of factors. In cases where the Company is aware of circumstances that may impair a specific customer's ability to meet its financial obligations, the Company records a specific allowance against amounts due and, thereby, reduces the net recognized receivable to the amount management reasonably believes will be collected. For all other customers, the Company recognizes allowances for doubtful accounts based on a combination of factors including the length of time the receivables are outstanding, industry and geographic concentrations, the current business environment and historical experience.

(g) Sales of Receivables

Designated subsidiaries of the Company may, from time to time, sell certain of their receivables to third parties. Sales of receivables are recognized at the point in which the receivables sold are transferred beyond the reach of the Company and its creditors, the purchaser has the right to pledge or exchange the receivables and the subsidiaries have surrendered control over the transferred receivables. See Note 3 for further details.

(h) Inventories

Inventories are valued at the lower of actual cost or market value. Inventory value is determined on a specific identification basis for material and an allocation of labor and manufacturing overhead. At each balance sheet date, the Company evaluates the ending inventories for excess quantities and obsolescence. This evaluation includes an analysis of sales levels by product family and considers historical demand and forecasted demand in relation to the inventory on hand, competitiveness of product offerings, market conditions and product life cycles. The Company adjusts carrying value to the lower of its cost or market value. Inventory write-downs are not reversed and create a new cost basis.

(i) Prepaid State Value-Added Taxes (ICMS)

Since 2004, the Sao Paulo State tax authorities have granted SMART Brazil a tax benefit to defer and eventually eliminate the payment of ICMS levied on certain imports from independent suppliers. This benefit, known as an ICMS Special Regime, is subject to renewal every two years. When the then current ICMS Special Tax Regime expired on March 31, 2010, SMART Brazil timely applied for a renewal of the benefit, however, the renewal was not granted until August 4, 2010.

On June 22, 2010, the Sao Paulo authorities published a regulation allowing companies that applied for a timely renewal of an ICMS Special Regime to continue utilizing the benefit until a final conclusion on the renewal request was rendered. As a result of this publication, SMART Brazil was temporarily allowed to utilize the benefit while it waited for its renewal. From April 1, 2010, when the ICMS benefit lapsed, through June 22, 2010 when the regulation referred to above was published, SMART Brazil was required to pay the ICMS taxes on imports, which payments result in ICMS credits that may be used to offset ICMS obligations generated from sales by SMART Brazil of its products; however, the vast majority of SMART Brazil's sales in Sao Paulo were either subject to a lower ICMS rate or were made to customers that were entitled to other ICMS benefits that enabled them to eliminate the ICMS levied on their purchases of products from SMART Brazil. As a result, from April 1, 2010 through June 22, 2010, SMART Brazil did not have sufficient ICMS collections against which to apply the credits and the credit balance increased significantly.

Effective February 1, 2011, in connection with its participation in a Brazilian government incentive program known as Support Program for the Technological Development of the Semiconductor and Display Industries Laws, or PADIS, SMART Brazil spun off the module manufacturing operations into SMART do Brazil, a separate subsidiary of the Company. In connection with this spin off, SMART do Brazil applied for a tax benefit from the State of Sao Paulo in order to obtain a deferral of state ICMS. This tax benefit is referred to as State PPB, or CAT 14. The CAT 14 approval was not obtained until July 21, 2011, and from February 1, 2011 until the CAT 14 approval was granted, SMART do Brazil did not have sufficient ICMS collections against which to apply the credits accrued upon payment of the ICMS on SMART do Brazil's imports and inputs locally acquired, and therefore, it generated additional excess ICMS credits.

As of May 26, 2017, the total ICMS tax credits reported on the Company's accompanying consolidated balance sheet are R$40.5 million (or $12.7 million), of which (i) R$37.4 million (or $11.7 million) are fully vested ICMS credits, classified as other noncurrent assets, and (ii) R$3.1 million (or $1.0 million) are ICMS credits subject to vesting in 48 equal monthly amounts, classified as other noncurrent assets (R$0.9 million or $0.3 million) and prepaid expenses and other current assets (R$2.2 million or $0.7 million). As of August 26, 2016, the total ICMS tax credits reported on the Company's accompanying consolidated balance sheet are R$39.5 million (or $12.2 million), of which (i) R$33.1 million (or $10.2 million) are fully vested ICMS credits, classified as other noncurrent assets, and (ii) R$6.4 million (or $2.0 million) are ICMS credits subject to vesting in 48 equal monthly amounts, classified as other noncurrent assets (R$2.9 million or $0.9 million) and prepaid expenses and other current assets (R$3.5 million or $1.1 million). It is expected that the excess ICMS credits will continue to be recovered in fiscal 2017 through fiscal 2022. The Company updates its forecast of the recoverability of the ICMS credits quarterly, considering the following key variables in Brazil: timing of government approvals of automated credit utilization, the total amount of sales, the product mix and the inter and intra state mix of sales. If these estimates or the mix of products or regions vary, it could take longer or shorter than expected to recover the accumulated ICMS credits, resulting in a reclassification of ICMS credits from current to noncurrent, or vice versa.

In April and June 2016, SMART Brazil and SMART do Brazil, respectively, filed cases with the Brazilian tax authorities to seek approval to sell these excess ICMS credits. If approval is obtained, it is anticipated to take approximately 24 to 36 months from April 2016 to complete the sale of excess ICMS credits. Such sales of ICMS excess credits usually incur a discount to the face amount of the credits sold.

The Company expects that it will recover these excess credits by means of a sale, as such the Company recorded a valuation adjustment of R$3.0 million (or $0.9 million) in fiscal 2016, which represents the estimated discount that the Company will need to offer in order to sell the ICMS credits to other companies if and when the approval from the tax authorities is obtained. This charge is classified as cost of sales in the Company's accompanying consolidated statement of operations.

(j) Property and Equipment

Property and equipment are recorded at cost. Depreciation and amortization are computed based on the shorter of the estimated useful lives or the related lease terms, using the straight-line method. Estimated useful lives are presented below:

	Period
Asset:	
Manufacturing equipment	2 to 5 years
Office furniture, software, computers and equipment	2 to 5 years
Leasehold improvements*	2 to 60 years

* Includes the land lease for the Penang facility with a term expiring in 2070.

(k) Goodwill

The Company performs a goodwill impairment test annually during the fourth quarter of its fiscal year and more frequently if events or circumstances indicate that impairment may have occurred. Such events or circumstances may, among others, include significant adverse changes in the general business climate. As of May 26, 2017 and August 26, 2016, the carrying value of goodwill on the Company's consolidated balance sheet was $45.4 million and $45.0 million, respectively.

When conducting the annual impairment test for goodwill, the Company compares the estimated fair value of a reporting unit containing goodwill to its book value. The estimated fair value is computed using two approaches: the income approach, which is the present value of expected cash flows, discounted at a risk-adjusted weighted average cost of capital; and the market approach, which is based on using market multiples of companies in similar lines of business. If the fair value of the reporting unit is determined to be more than its book value, no goodwill impairment is recognized. The excess of the fair value of the reporting unit over the fair value of assets less liabilities is the implied value of goodwill and is used to determine the amount of impairment.

All of the $45.4 million carrying value of goodwill on the Company's consolidated balance sheet as of May 26, 2017 is associated with the Company's single reporting unit. No impairment of goodwill was recognized through May 26, 2017.

The changes in the carrying amount of goodwill during the nine months ended May 26, 2017 and fiscal 2016 are as follows (in thousands):

	Total
Balance as of August 28, 2015	$ 43,594
Translation adjustments	1,382
Balance as of August 26, 2016	44,976
Translation adjustments	384
Balance as of May 26, 2017	$ 45,360

(l) Intangible Assets, Net

The following table summarizes the gross amounts and accumulated amortization of intangible assets from the Acquisition by type as of May 26, 2017 and August 26, 2016 (dollars in thousands):

		May 26, 2017			August 26, 2016		
	Weighted avg. life (yrs)	Gross Carrying amount	Accumulated amortization	Net	Gross Carrying amount	Accumulated amortization	Net
Customer relationships	5	$ 103,610	$ (97,813)	$ 5,797	$ 103,279	$ (92,326)	$ 10,953
Technology	4	74,535	(72,331)	2,204	74,063	(68,186)	5,877
Trademarks/tradename	5	10,137	(10,137)	—	10,092	(10,043)	49
Favorable leases	4	230	(230)	—	228	(223)	5
Total SGH		$ 188,512	$ (180,511)	$ 8,001	$ 187,662	$ (170,778)	$ 16,884

Amortization expense related to intangible assets totaled approximately $3.0 million, $3.3 million, $9.0 million and $9.9 million during the three and nine months ended May 26, 2017 and May 27, 2016, respectively. Acquired intangibles are amortized on a straight-line basis over the remaining estimated economic life of the underlying intangible assets.

	Three Months Ended		Nine Months Ended	
	May 26, 2017	May 27, 2016	May 26, 2017	May 27, 2016
Amortization of intangible assets classification (in thousands):				
Research and development	$ 1,224	$ 1,224	$ 3,672	$ 3,672
Selling, general and administrative	1,774	2,105	5,296	6,275
Total	$ 2,998	$ 3,329	$ 8,968	$ 9,947

As of May 26, 2017, estimated amortization expenses of these intangible assets for each of the fiscal years in the remaining economic live are as follows (in thousands):

Fiscal year ending August:	Amount
Remainder of fiscal 2017	$ 2,975
2018	4,757
2019	269
Total	$ 8,001

(m) Long-Lived Assets

Long-lived assets, excluding goodwill, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset group may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset group to the future undiscounted cash flows expected to be generated by the asset group. If such assets are considered to be impaired, the impairment is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed are reported at the lower of the carrying amount or fair value, less cost to sell. No impairment of long-lived assets was recognized during the nine months ended May 26, 2017 and May 27, 2016.

(n) Research and Development Expense

Research and development expenditures are expensed in the period incurred.

(o) Deferred Initial Public Offering (IPO) Costs Charge

The Company has a policy to defer all direct and incremental costs related to an IPO in order to offset the IPO proceeds. As of May 26, 2017, the Company had $2.2 million of deferred IPO costs, which is on the Company's consolidated balance sheets under prepaid expenses and other current assets.

(p) Restructuring Expense

In fiscal 2016, the Company had multiple reductions-in-force in order to streamline operations and achieve operating efficiencies. During the nine months ended May 26, 2017, the Company recorded restructuring costs of $0.5 million for severance, severance-related benefits and building-related charges, of which $0.1 million was remaining to be paid as of May 26, 2017. During the nine months ended May 27, 2016, the Company recorded restructuring costs of $1.1 million for severance and severance-related benefits most of which was settled prior to August 26, 2016.

(q) Income Taxes

The Company uses the asset and liability method of accounting for income taxes. Deferred tax assets and liabilities are recognized for the future consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis and net operating loss and credit carryforwards. When necessary, a valuation allowance is recorded to reduce tax assets to amounts expected to be realized. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income (or loss) in the period that includes the enactment date. The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. The Company records interest and penalties related to unrecognized tax benefits in tax expense.

(r) Foreign Currency Translation

For foreign subsidiaries using the local currency as their functional currency, assets and liabilities are translated at exchange rates in effect at the balance sheet date and income and expenses are translated at average exchange rates during the period. The effect of this translation is reported in other comprehensive income (loss). In fiscal 2016 and 2017, foreign currency translation was primarily impacted by the fluctuation in the Brazil Reis exchange rate, due primarily to the economic instability in Brazil. Exchange gains and losses arising from transactions denominated in a currency other than the functional currency of the respective foreign subsidiaries are included in results of operations.

For foreign subsidiaries using the U.S. dollar as their functional currency, the financial statements of these foreign subsidiaries are remeasured into U.S. dollars using the historical exchange rate for property and equipment and certain other nonmonetary assets and liabilities and related depreciation and amortization on these assets and liabilities. The Company uses the exchange rate at the balance sheet date for the remaining assets and liabilities, including deferred taxes. A weighted average exchange rate is used for each period for revenues and expenses.

All foreign subsidiaries and branch offices, except those in Brazil and South Korea, use the U.S. dollar as their functional currency. The gains or losses resulting from the remeasurement process are recorded in other income (expense) in the accompanying consolidated statements of operations.

During the three and nine months ended May 26, 2017 and May 27, 2016, the Company recorded ($1.0) million, $1.8 million, ($0.7) million and $0.3 million, respectively, of foreign exchange gains (losses) primarily related to its Brazilian operating subsidiaries.

(s) Share-Based Compensation

The Company accounts for share-based compensation under ASC 718, *Compensation—Stock Compensation*, which requires companies to recognize in their statement of operations all share-based payments, including grants of share options and other types of equity awards, based on the grant-date fair value of such share-based awards.

	Three Months Ended		Nine Months Ended	
	May 26, 2017	May 27, 2016	May 26, 2017	May 27, 2016
Stock-based compensation expense by category (in thousands):				
Cost of sales	$ 176	$ 112	$ 444	$ 348
Research and development	(22)	181	423	563
Selling, general and administrative	1,235	654	2,666	2,059
Total	$ 1,389	$ 947	$ 3,533	$ 2,970

(t) Loss Contingencies

The Company is subject to the possibility of various loss contingencies arising in the ordinary course of business. The Company considers the likelihood of a loss and the ability to reasonably estimate the amount of loss in determining the necessity for and amount of any loss contingencies. Estimated loss contingencies are accrued when it is probable that a liability has been incurred or an asset impaired and the amount of loss can be reasonably estimated. The Company regularly evaluates the most current information available to determine whether any such accruals should be recorded or adjusted.

(u) Comprehensive Income (Loss)

Comprehensive income (loss) consists of net income (loss) and other gains and losses affecting shareholders' equity that, under U.S. GAAP are excluded from net income (loss). The Company's other comprehensive income (loss) generally consists of foreign currency translation adjustments.

(v) Concentration of Credit and Supplier Risk

The Company's concentration of credit risk consists principally of cash and cash equivalents and accounts receivable. The Company's revenues and related accounts receivable reflect a concentration of activity with four customers (see Note 11). The Company does not require collateral or other security to support accounts receivable. The Company performs periodic credit evaluations of its customers to minimize collection risk on accounts receivable and maintains allowances for potentially uncollectible accounts.

The Company relies on five suppliers for the majority of its raw materials. At May 26, 2017 and August 26, 2016, the Company owed these five suppliers $166.4 million and $164.8 million, respectively, which was recorded as accounts payable and accrued liabilities. The inventory purchases from these suppliers during the three and nine months ended May 26, 2017 and May 27, 2016 were $0.3 billion, $0.3 billion, $0.9 billion and $0.9 billion, respectively.

(w) New Accounting Pronouncements

In January 2017, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU" No. 2017-04, *Intangibles —Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment*, which simplified the accounting for goodwill impairment by eliminating step 2 from the goodwill impairment test. ASU 2017-04 will be effective for the Company beginning on December 15, 2019 and early adoption is permitted. The Company will adopt this ASU in fiscal 2017 and it does not believe the adoption will have a material impact on its consolidated financial statements.

In November 2016, the FASB issued ASU No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*, which clarifies the presentation of changes in restricted cash and restricted cash equivalents in the statement of cash flows. ASU 2016-18 will be effective for the Company in the first quarter of fiscal 2019 and early adoption is permitted. The Company does not believe the adoption of ASU 2016-18 will have a material impact on its consolidated financial statements.

In August 2016, the FASB issued ASU 2016-15, *Cash Flow Statements, Classification of Certain Cash Receipts and Cash Payments*. The new guidance is intended to address the diversity in practice in how certain cash receipts and cash payments are presented and classified in the statement of cash flows under Topic 230, Statement of Cash Flows, and other Topics. The guidance addresses eight specific cash flow classification issues with the objective of reducing diversity in practice. The amendments are effective for public business entities for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. Early adoption is permitted including adoption in an interim period. If an entity early adopts the amendments in an interim period, any adjustments should be reflected as of the beginning of the fiscal year that includes the interim period. An entity that elects early adoption must adopt all of the amendments in the same period. The amendments should be applied using a retrospective transition period to each period presented. The Company does not believe the adoption of ASU 2016-15 will have a material impact on its consolidated financial statements.

In March 2016, the FASB issued ASU No. 2016-09, *Compensation—Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting*, which simplified certain aspects of the accounting for share-based payment transactions, including income taxes, classification of awards and classification in the statement of cash flows. ASU 2016-09 will be effective for the Company on September 1, 2017. For all other entities, the amendments are effective for annual periods beginning after December 15, 2017, and interim periods within annual periods beginning after December 15, 2018. Early adoption is permitted in any interim or annual period. The Company is currently evaluating the impact of adopting ASU 2016-09 on its consolidated financial statements and related disclosures.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which modified lease accounting for both lessees and lessors to increase transparency and comparability by recognizing lease assets and lease liabilities by lessees for those leases classified as operating leases under previous accounting standards and disclosing key information about leasing arrangements. ASU 2016-02 will be effective for the Company beginning on September 1, 2019 and early adoption is permitted. Although the Company is currently evaluating the impact of adopting ASU 2016-02 on its consolidated financial statements and related disclosures, as disclosed in Note 9(a), the Company has over $12 million in lease commitments at May 26, 2017 and believes that the adoption will have a material impact to the consolidated financial statements.

In January 2016, the FASB issued ASU No. 2016-01, *Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*, which updates certain aspects of recognition, measurement, presentation and disclosure of financial instruments. ASU 2016-01 will be effective for the Company beginning on September 1, 2018. The Company does not believe the adoption of ASU 2016-01 will have a material impact on its consolidated financial statements.

In November 2015, the FASB issued ASU No. 2015-17, *Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes*, which simplifies the presentation of deferred income taxes by requiring that deferred tax assets and liabilities be classified as noncurrent on the balance sheet. ASU 2015-17 will be effective for the Company beginning on September 1, 2017 with early application permitted as of the beginning of any interim or annual reporting period. The Company early adopted this ASU in fiscal 2017 and it did not have a material impact on its consolidated financial statements.

In May 2014, the FASB issued a new standard, ASU No. 2014-09, *Revenue from Contracts with Customers,* as amended, which will supersede nearly all existing revenue recognition guidance. Under ASU 2014-09, an entity is required to recognize revenue upon transfer of promised goods or services to customers in an amount that reflects the expected consideration received in exchange for those goods or services. ASU No. 2014-09 defines a five-step process in order to achieve this core principle, which may require the use of judgment and estimates, and also requires expanded qualitative and quantitative disclosures relating to the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers, including significant judgments and estimates used. The FASB has recently issued several amendments to the new standard, including clarification on identifying performance obligations. The amendments include ASU No. 2016-08, *Revenue from Contracts with Customers (Topic 606)—Principal versus Agent Considerations*, which was issued in March 2016, and clarifies the implementation guidance for principal versus agent considerations in ASU 2014-09. The new standard permits adoption either by using (i) a full retrospective approach for all periods presented in the period of adoption or (ii) a modified retrospective approach with the cumulative effect of initially applying the new standard

recognized at the date of initial application and providing certain additional disclosures. The new standard is effective for annual reporting periods beginning after December 15, 2017, with early adoption permitted for annual reporting periods beginning after December 15, 2016. The Company does not plan to early adopt, and accordingly, will adopt the new standard effective September 1, 2018. The Company currently plans to adopt using the modified retrospective approach; however, a final decision regarding the adoption method has not been finalized at this time. The Company's final determination will depend on a number of factors such as the significance of the impact of the new standard on the Company's financial results, system readiness, including that of software procured from third-party providers if needed, and the Company's ability to accumulate and analyze the information necessary to assess the impact on the financial statements, as necessary. The Company is in the initial stages of its evaluation of the impact of the new standard on its accounting policies, processes, and system requirements. The Company has assigned internal resources and, if necessary, will engage third party service providers to assist in the evaluation. Furthermore, the Company has made and will continue to make investments in its systems to enable timely and accurate reporting under the new standard. While the Company continues to assess all potential impacts under the new standard, there is the potential for significant impacts to the timing of recognition of revenue.

(x) Subsequent Events

On May 30, 2017, the Company completed its IPO in which it issued and sold 6,095,000 of its ordinary shares, which included the exercise in full of the underwriters' overallotment option to purchase an additional 795,000 shares, at an initial offering price of $11.00 per share. The Company received proceeds from the offering of approximately $61.1 million after deducting underwriting discounts and commissions and other offering expenses. In addition, certain warrants issued to lenders under the Senior Secured Credit Agreement defined below, were net exercised into 1,536,955 ordinary shares.

On June 2, 2017, the Company used the net proceeds of the IPO to make a mandatory repayment of $61.1 million aggregate principal amount of its outstanding term loans under its Senior Secured Credit Agreement.

The Company has evaluated the effects of subsequent events on its unaudited interim financial statements for the nine months ended May 26, 2017 through June 29, 2017, which is the date the consolidated financial statements were issued.

(2) Related Party Transactions

In the normal course of business, the Company had transactions with its affiliates as follows (in thousands):

	Three Months Ended		Nine Months Ended	
	May 26, 2017	May 27, 2016	May 26, 2017	May 27, 2016
Affiliates:				
Net sales	$ 21,554	$ 7,774	$ 48,242	$ 30,581
Expenses:				
Management advisory fees	$ 1,000	$ 1,000	$ 3,000	$ 3,001

As of May 26, 2017 and August 26, 2016, amounts due from these affiliates were $6.8 million and $0.4 million, respectively.

Management advisory fees represent fees paid to entities affiliated with Silver Lake pursuant to a management agreement that was terminated upon closing of the IPO on May 30, 2017. Amounts payable under this agreement were $4.7 million and $1.7 million as of May 26, 2017 and August 26, 2016, respectively.

(3) Accounts Receivable Purchasing Facility

In May 2012, SMART Modular Technologies, Inc. (SMART Modular) and SMART Modular Technologies (Europe) Limited (collectively, for this footnote only, Sellers), both wholly owned subsidiaries of the Company, entered into a Receivables Purchasing Agreement (as amended, the RPA) with Wells Fargo Bank, N.A. (Wells Fargo). Under the RPA, the Sellers can offer to sell to Wells Fargo certain Eligible Receivables (as defined in the RPA) due from certain designated customers, and Wells Fargo has the right to purchase Eligible Receivables offered for sale by Sellers. The maximum amount of Eligible Receivables that Wells Fargo can purchase is capped based upon the aggregate outstanding balances of purchased receivables which maximum is set at $50 million with sublimits assigned to each of Sellers' customers that are approved for the program. Wells Fargo has no obligation to purchase any Eligible Receivables under the RPA. All purchases of Eligible Receivables are at a discount equal to a 2-month LIBOR plus 2.75% annual discount margin, calculated on a daily basis for the number of days between the payment of the purchase price by Wells Fargo to the Sellers and the actual collection of the Eligible Receivables by Wells Fargo from the account debtor. Purchases are also subject to a 95% advance rate with the 5% being reimbursed to the Sellers upon collection by Wells Fargo from the account debtor. Under the terms of the RPA, Sellers retain limited recourse for product warranties and commercial disputes and Wells Fargo bears the full risk of insolvency and collectability. Sellers are appointed as the agent of Wells Fargo to perform collection

services. The RPA has standard representations and warranties, including for the validity and collectability of the Eligible Receivables, and various negative and affirmative covenants that are typical for arrangements of this nature. The obligations of the Sellers are jointly and severally guaranteed by SMART Worldwide and its subsidiary SMART Modular Technologies (Global), Inc. (Global). Financing under this receivables purchase program qualifies for off-balance sheet financing as the transfer of receivables to Wells Fargo represents a true-sale. The RPA will be terminated effective June 30, 2017.

During the three and nine months ended May 26, 2017 and May 27, 2016, the Sellers sold $41.2 million, $147.8 million, $153.6 million and $579.1 million of accounts receivables under the RPA respectively. The outstanding balance of receivables sold and not yet collected was approximately $22.1 million and $28.5 million as of May 26, 2017 and August 26, 2016, respectively. Total interest expense fees paid during the three and nine months ended May 26, 2017 and May 27, 2016 was $0.2 million, $0.5 million, $0.6 million and $1.6 million, respectively.

(4) Balance Sheet Details

Inventories

Inventories consisted of the following (in thousands):

	May 26, 2017	August 26, 2016
Raw materials	$ 52,537	$ 46,746
Work in process	19,545	10,932
Finished goods	63,407	45,388
Total inventories*	$ 135,489	$ 103,066

* As of May 26, 2017 and August 26, 2016, 32% and 45%, respectively, of total inventories represented inventory held under the Company's supply chain services.

Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consisted of the following (in thousands):

	May 26, 2017	August 26, 2016
Prepayment for VAT and other transaction taxes	$ 2,013	$ 1,478
Receivable from Purchasing Facility*	1,105	1,429
Unbilled service receivables	1,284	3,563
Prepaid income taxes	3,659	4,602
Deferred initial public offering expense	2,189	—
Deferred tax assets	—	812
Other prepaid expenses and other current assets	5,449	4,638
Total prepaid expenses and other current assets	$ 15,699	$ 16,522

* See Note 3.

Property and Equipment, Net

Property and equipment consisted of the following (in thousands):

	May 26, 2017	August 26, 2016
Office furniture, software, computers and equipment	$ 17,371	$ 15,932
Manufacturing equipment	93,232	89,432
Leasehold improvements*	22,353	20,490
	132,956	125,854
Less accumulated depreciation and amortization	80,950	68,254
Net property and equipment	$ 52,006	$ 57,600

* Includes Penang facility, which is situated on leased land.

Depreciation and amortization expense for property and equipment was approximately $4.8 million, $4.4 million, $16.4 million and $13.4 million during the three and nine months ended May 26, 2017 and May 27, 2016, respectively.

Other Noncurrent Assets

Other noncurrent assets consisted of the following (in thousands):

	May 26, 2017	August 26, 2016
Prepaid ICMS taxes in Brazil*	$ 11,683	$ 10,219
Prepayment for VAT and other transaction taxes	323	980
Restricted cash	6,878	6,792
Deferred tax assets	1,234	290
Other	1,818	1,656
Total other noncurrent assets	$ 21,936	$ 19,937

* See Note 1(i)

Accrued Liabilities

Accrued liabilities consisted of (in thousands):

	May 26, 2017	August 26, 2016
Accrued employee compensation	$ 13,508	$ 8,888
Accrued credits payable to customers	2,106	—
VAT and other transaction taxes payable	1,837	1,791
Income taxes payable	1,531	1,055
Accrued warranty reserve	302	266
Deferred tax liability	—	155
Other accrued liabilities	2,846	1,916
Total accrued liabilities	$ 22,130	$ 14,071

(5) Income Taxes

Provision for income taxes for the three and nine-month periods presented consisted of the following (in thousands):

	Three Months Ended		Nine Months Ended	
	May 26, 2017	May 27, 2016	May 26, 2017	May 27, 2016
Provision for Income Taxes	$ 3,371	$ 2,258	$ 6,156	$ 2,150

Income-tax expense includes a provision for federal, state and foreign taxes based on the annual estimated effective tax rate applicable to the Company and its subsidiaries, adjusted for certain discrete items which are fully recognized in the period they occur.

As of May 26, 2017, the Company has a full valuation allowance for its net deferred tax assets associated with its U.S. operations. The amount of the deferred tax asset considered realizable could be adjusted if significant positive evidence increases.

Determining the consolidated provision for income tax expense, income tax liabilities, and deferred tax assets and liabilities involves judgment. The Company calculates and provides for income taxes in each of the tax jurisdictions in which it operates, which involves estimating current tax exposures, as well as making judgments regarding the recoverability of deferred tax assets in each jurisdiction. The estimates used could differ from actual results, which may have a significant impact on operating results in future periods.

The amount of unrecognized tax benefits that would affect the Company's effective tax rate, if recognized, is $2.1 million for fiscal 2016.

(6) Long-Term Debt

Senior Secured Credit Agreement

On August 26, 2011, in connection with the Acquisition, certain of the Company's subsidiaries entered into a new senior secured credit agreement (together with all related loan documents, and as amended from time to time, prior to Amendment 4 and the ARCA, each as defined below, the Senior Secured Credit Agreement) with the lenders party thereto. The Company's subsidiaries named as borrowers in the Senior Secured Credit Agreement and certain other subsidiaries that entered into a guarantee with respect to the Senior Secured Credit Agreement, are collectively referred to as the Loan Parties and together with SMART Malaysia, the Credit Group. The Senior Secured Credit Agreement provides for a $310 million senior secured term loan B facility and a $50 million revolving facility. The maturity dates of the term loan B facility and the revolving facility were extended to August 26, 2019 under the ARCA as discussed below. SMART Global Holding is not a party to the Senior Secured Credit Agreement. Term loans aggregating $310.0 million were issued on August 26, 2011 at a discount of 3.5% or $10.9 million, resulting in net proceeds of $299.1 million to Global and SMART Modular, wholly owned subsidiaries of SMART Worldwide and the co-borrowers under the Senior Secured Credit Agreement.

The Senior Secured Credit Agreement is jointly and severally guaranteed on a senior basis by certain subsidiaries of Global (excluding, among other subsidiaries, SMART Malaysia). In addition, the Senior Secured Credit Agreement is secured by a pledge of the capital stock of, or equity interests in, most of the subsidiaries of SMART Worldwide (including, without limitation, SMART Malaysia) and by substantially all of the assets of SMART Worldwide and the subsidiaries of SMART Worldwide, excluding the assets of SMART Malaysia and certain other subsidiaries.

Covenants. The Senior Secured Credit Agreement contains various representations and warranties and affirmative and negative covenants that are usual and customary for loans of this nature including, among other things, limitations on the Loan Parties' ability to engage in certain transactions, incur debt, pay dividends, and make investments. If letters of credit in excess of $1.0 million in the aggregate, or any revolving loans are outstanding at the end of any fiscal quarter, then the Secured Net Leverage ratio cannot exceed 4.5:1.0 as of the end of the applicable fiscal quarter. SMART Worldwide and its subsidiaries did not have any borrowings under the revolver and did not have letters of credit in excess of $1.0 million on any measurement date during fiscal 2017. In order to draw on the revolving facility, the Secured Net Leverage Ratio cannot exceed 4.5:1.0 when taking the requested draw into account.

Interest and Interest Rates. Loans under the Senior Secured Credit Agreement bear interest at a rate equal to an applicable margin plus, at the borrowers' option, either (i) a LIBOR rate (with a floor of 1.25% on term loans and a floor of 1.00% on revolving loans), or (ii) a base rate (with a floor of 2.25% on term loans and a floor of 2.00% on revolving loans). The applicable margin for term loans with respect to LIBOR borrowings is 7.0% and with respect to base rate borrowings is 6.0%. The interest rate on the term loans was 8.25% as of August 26, 2016. The applicable margin for revolving loans adjusts every quarter. The adjustments are based on the Secured Net Leverage Ratio for the most recent fiscal quarter for which financial statements were delivered to the lenders. The applicable margin for revolving loans with respect to LIBOR borrowings ranges from 3.75% to 4.00% and the applicable margin for revolving loans with respect to base rate borrowings ranges from 2.75% to 3.00%. Interest on base rate loans under the Senior Secured Credit Agreement is payable on the last day of each February, May, August and November. Interest on LIBOR-based loans under the Senior Secured Credit Agreement is payable every one, two, three, six, nine or twelve months after the date of each borrowing, dependent on the particular interest rate selected with respect to such borrowing.

Principal Payments. The Senior Secured Credit Agreement required quarterly scheduled principal payments of term loans. These quarterly principal repayments were reduced from their original amounts as a result of the April 2012 Prepayment and January 2014 Prepayment discussed below. During the three and nine months ended May 26, 2017 and May 27, 2016, SMART Worldwide and Memory made scheduled principal payments of $3.9 million, $3.3 million, $11.6 million and $9.9 million, respectively.

Prepayments . The borrowers have the right at any time to make optional prepayments of the principal amounts outstanding under the Senior Secured Credit Agreement. On or about April 9, 2012, certain of the subsidiary borrowers made a discounted prepayment of $25 million resulting in a principal reduction of $36.7 million (the April 2012 Prepayment). The April 2012 Prepayment was made at a 32% discount to par value and resulted in an $8.9 million gain on early repayment of long-term debt in fiscal 2012. The Company incurred $0.2 million of agent and attorney fees in connection with the April 2012 Prepayment. On or about January 7, 2014, the subsidiary borrowers made another discounted prepayment in the amount of $6.6 million resulting in a principal reduction of $7.5 million (the January 2014 Prepayment). The January 2014 Prepayment was made at a 12% discount to par value and resulted in a $0.4 million gain on early repayment of long-term debt in the second quarter of fiscal 2014.

The Senior Secured Credit Agreement also requires certain mandatory prepayments of principal whereby the borrowers must prepay outstanding loans, subject to certain exceptions, which includes, among other things:

- 75% of excess cash flow after each fiscal year if the Secured Net Leverage Ratio is greater than 2.0:1.0; 50% of excess cash flow if the Secured Net Leverage Ratio is greater than 1.5:1.0 but less than or equal to 2.0:1.0; 25% of excess cash flow if the Secured Net Leverage Ratio is greater than 1.0:1.0 but less than or equal to 1.5:1.0; and 0% of excess cash flow if the Secured Net Leverage Ratio is less than or equal to 1.0:1.0, which amounts will be reduced by any permitted voluntary prepayments of principal made in the applicable fiscal year;

- 100% of the net cash proceeds of certain asset sales or other dispositions of property of SMART Worldwide or any restricted subsidiary, subject to the borrowers' rights to reinvest the proceeds; and
- 100% of the net cash proceeds of incurrence of certain debt by any restricted subsidiary, other than proceeds from certain debt to be incurred under the Senior Secured Credit Agreement.

During fiscal 2016, no mandatory prepayments were required.

The Company incurred approximately $18.4 million in debt issuance costs upon entering into the Senior Secured Credit Agreement. Debt issuance costs related to this loan and the debt discount of $10.9 million are being amortized to interest expense based on the effective interest rate method over the life of this loan. The April 2012 Prepayment resulted in a write-off of $2.9 million of original issue discount and debt issuance fees. The January 2014 Prepayment resulted in a write-off of $0.4 million of original issue discount and debt issuance fees.

As of December 4, 2015, the Credit Group entered into Amendment No. 3 to the Credit Agreement (Amendment 3) which enabled the Credit Group to draw on the revolving facility if the Secured Net Leverage Ratio did not exceed 5.5:1.0 in the first fiscal quarter of 2016; if the Secured Net Leverage Ratio did not exceed 6.75:1.0 in the second fiscal quarter of 2016; and if the Secured Net Leverage Ratio did not exceed 5.75:1.0 in the third fiscal quarter of 2016; in each instance when taking the requested draw into account. Additionally, until August 26, 2016, Amendment 3 further limited the Credit Group's ability to, among other things, incur additional indebtedness, permit liens, make investments, sell assets, make restricted payments or prepay junior debt.

On November 29, 2016, the Credit Group received all required approvals from the Lenders and entered into Amendment No. 4 to the Credit Agreement (Amendment 4) dated as of November 5, 2016 (the Amendment Date) which, among other things, adopted the Amended and Restated Credit Agreement among SMART Worldwide, Global, SMART Modular and the Loan Parties and lenders party thereto (the ARCA or debt extension). Pursuant to Amendment 4, the borrowers agreed to pay the Administrative Agent a fee in the amount of $1 million pursuant to a separate agreement and a fee, to be paid in the form of an additional term loan, in the amount of $5 million for the ratable account of the term lenders party to Amendment 4. Additionally, SMART Global Holdings was obligated to make an aggregate equity investment of at least $9.9 million in cash in Global, and SMART Global Holdings was obligated on the Amendment Date to issue warrants (the Lender Warrants) to purchase 20%, on a pro forma basis, of the then outstanding ordinary shares of SMART Global Holdings, to the term lenders party to Amendment 4 upon the signing of Amendment 4, which Warrants are exercisable at $0.03 per share, with warrants totaling 10% of SMART Global Holdings then outstanding shares exercisable immediately and warrants to purchase an additional 10% of SMART Global Holdings then outstanding shares, exercisable only if there are balances still outstanding on the term loans at the one year anniversary of the effective date of the Amendment Date. The relative fair value of the warrants and the fees payable to the lenders in connection with the ARCA were recorded as debt discount and will result in additional interest expense over the amended term of the loan using the effective interest method following debt modification accounting.

Under the terms of the ARCA, the maturity date of the term loans and the revolving loans was extended to August 26, 2019. If there are balances still outstanding on the term loans at the one year anniversary of the ARCA, the borrowers are obligated to pay an additional fee to the term lenders of $5 million in cash. In addition, the ARCA increases the quarterly scheduled principal payments of term loans to $3,875,000 per quarter to be paid on the last day of each fiscal quarter starting November 25, 2016. The balance of the principal amount then outstanding is due in full on the maturity date of August 26, 2019. Additionally the ARCA further limited the Credit Group's ability to, among other things, incur additional indebtedness, permit liens, make investments, sell assets, retain cash proceeds from the sale of assets, make restricted payments or prepay junior debt. The ARCA reduces the limit on the allowable sale or factoring of accounts receivables to $60 million as of the ARCA effective date and to $50 million on the first anniversary of the Amendment Date if there are still balances outstanding on the term loans on such date. The ARCA also requires the borrowers to repay principal after the end of each quarter in an amount equal to any cash and cash equivalents on the balance sheet for such quarter, in excess of $25 million; provided that, for the fiscal quarters ended November 25, 2016 and February 24, 2017 such prepayment shall not be in an amount that would cause the Secured Net Leverage Ratio to exceed the amount permissible to incur all amounts of revolving loans otherwise available under the revolving commitments provided under the ARCA. Under the terms of the ARCA the borrowers can no longer reinvest in the Credit Group, proceeds from the sale of assets which proceeds must be used to repay principal except that, in certain situations the borrowers may retain an aggregate of $40 million from such sale proceeds solely to the extent necessary to meet the requirement to have a total of unrestricted cash and cash equivalents plus available unused funds under the revolving commitments equal to $40 million during the 60 days following receipt of such proceeds. Early mandatory repayments of principle are applied in the reverse order of maturity.

Under the ARCA the interest rate charged on loans has been amended to be a rate equal to an applicable margin plus, at the borrowers' option, either (i) a LIBOR rate (with a floor of 1.25% on term loans and a floor of 1.00% on revolving loans), or (ii) a base rate (with a floor of 2.25% on term loans and a floor of 2.00% on revolving loans). The applicable margin for term loans with respect to LIBOR borrowings is 8.0% increasing to 8.75% on the first anniversary of the effective date of the ARCA if there are balances still outstanding on the term loans on such date, and with respect to base rate borrowings is 7.0% increasing to 7.75% on the first anniversary of the ARCA if there are balances still outstanding on term loans on such date. The applicable margin for revolving loans continues to adjust every quarter with such adjustments are now based on the Secured Leverage Ratio for the most recent fiscal quarter for which financial statements were

delivered to the lenders. The applicable margin for revolving loans with respect to LIBOR borrowings remains in the range of 3.75% to 4.00% and the applicable margin for revolving loans with respect to base rate borrowings remains in the range of 2.75% to 3.00%. Interest on base rate loans under the ARCA is payable on the last day of each February, May, August and November. Interest on LIBOR-based loans under the ARCA is payable every one, two, three, six, nine or twelve months after the date of each borrowing, dependent on the particular interest rate selected with respect to such borrowing.

As of May 26, 2017, the outstanding principal balance of term loans under the Senior Secured Credit Agreement was $212.1 million and there were no outstanding revolving loans. As of August 26, 2016, the outstanding principal balance of term loans under the Senior Secured Credit Agreement was $218.8 million and there were no outstanding revolving loans. The fair value of the term loans as of May 26, 2017 and August 26, 2016 was estimated to be approximately $212.7 million and $192.5 million, respectively. As of May 26, 2017 and August 26, 2016, since the Company used broker quotes from inactive markets and there were no unobservable inputs, this was treated as a Level 2 financial instrument.

BNDES Credit Agreements

In December 2013, SMART Brazil, entered into a credit facility with the Brazilian Development Bank, or BNDES, referred to as the BNDES 2013 Credit Agreement. Under the BNDES 2013 Credit Agreement, a total of R$50.6 million (or $15.8 million) was made available to SMART Brazil for investments in infrastructure, research and development conducted in Brazil and acquisitions of equipment not otherwise available in the Brazilian domestic market. SMART Brazil's obligations under the BNDES 2013 Credit Agreement are guaranteed by Banco Itaú BBA S.A., or Itaú Bank, which guarantee is in turn secured by a guarantee from SMART Brazil and SMART do Brazil and a commitment by SMART Brazil to maintain minimum cash balances with Itaú Bank equal to 11.85% of the maximum aggregate balance of principal, interest and fees outstanding under the BNDES 2013 Credit Agreement. As of both May 26, 2017 and August 26, 2016, the committed amount was R$6.0 million (or $1.9 million), which is shown on the Company's consolidated balance sheets as restricted cash in other noncurrent assets.

Approximately half of the available debt under the BNDES 2013 Credit Agreement accrues interest at a fixed rate while the other half accrues interest at a floating rate. The facility under the BNDES 2013 Credit Agreement is a term loan fully amortizing in 48 equal monthly installments beginning on August 15, 2015 with the final principal payment being due on July 15, 2019.

As of May 26, 2017, SMART Brazil's outstanding debt under the BNDES 2013 Credit Agreement was R$28.8 million (or $9.0 million), of which R$14.2 million (or $4.4 million) accrues interest at the fixed rate of 3.5% and R$14.6 million (or $4.6 million) of the debt accrues interest at the floating rate of 0.5% above the TJLP rate published by the Central Bank of Brazil, or BZTJLP (5.0%), combined corresponding to an overall effective interest rate of 5.5% per annum. As of August 26, 2016, SMART Brazil's outstanding debt under the BNDES 2013 Credit Agreement was R$38.2 million (or $11.8 million), of which R$18.9 million (or $5.8 million) accrues interest at the fixed rate of 3.5% and R$19.3 million (or $6.0 million) of the debt accrues interest at the floating rate of 0.5% above the TJLP rate published by the Central Bank of Brazil, or BZTJLP (5.0%), combined corresponding to an overall effective interest rate of 5.5% per annum.

In December 2014, SMART Brazil, entered into a second credit facility with BNDES, referred to as the BNDES 2014 Credit Agreement. The BNDES 2013 Credit Agreement and the BNDES 2014 Credit Agreement are collectively referred to as the BNDES Agreements. Under the BNDES 2014 Credit Agreement, a total of R$52.8 million (or $16.5 million) was made available to SMART Brazil for research and development conducted in Brazil related to integrated circuit (IC) packaging and for acquisitions of equipment not otherwise available in the Brazilian domestic market.

SMART Brazil's obligations under the BNDES 2014 Credit Agreement are also guaranteed by Itaú Bank, which guarantee is in turn secured by a guarantee from SMART Brazil and SMART do Brazil and a commitment by SMART Brazil to maintain minimum cash balances with Itaú Bank equal to 30.31% of the maximum aggregate balance of principal, interest and fees outstanding under the BNDES 2014 Credit Agreement, or approximately R$16.0 million (or $5.0 million) of required cash balances, which is shown on the Company's consolidated balance sheets as restricted cash in other noncurrent assets.

The available debt under the BNDES 2014 Credit Agreement accrues interest at a fixed rate of 4% per annum. The BNDES 2014 Credit Agreement is a term loan fully amortizing in 48 equal monthly installments beginning on August 15, 2016 with the final principal payment being due on July 15, 2020.

As of May 26, 2017 and August 26, 2016, SMART Brazil's outstanding debt under the BNDES 2014 Credit Agreement was R$42.9 million (or $13.4 million) and R$52.8 million (or $16.3 million), respectively.

While the BNDES Agreements do not include any financial covenants, they contain affirmative and negative covenants customary for loans of this nature, including, among other things, an obligation to comply with all laws and regulations; a right for BNDES to terminate the loan in the event of a change of effective control; and a prohibition against the disposition or encumbrance, without BNDES consent, of intellectual property developed with the funds from the loans. The BNDES 2013 Credit Agreement includes an obligation to draw down the entire loan within specified periods of time or pay unused commitment fees of 0.1%. The BNDES 2014 Credit Agreement required a loan fee of 0.3% of the total face amount of the loan facility.

The fair value of amounts outstanding under the BNDES Agreements as of May 26, 2017 and August 26, 2016 was estimated to be approximately $17.9 million and $19.4 million, respectively. Since the Company used broker quotes from inactive markets and there were no unobservable inputs, this was treated as a Level 2 financial instrument.

The Senior Secured Credit agreement and the BNDES Agreements are classified as follows in the accompanying consolidating balance sheets (in thousands):

	May 26, 2017	August 26, 2016
Term loan	$ 212,135	$ 218,760
BNDES 2013 principal balance	9,002	11,785
BNDES 2014 principal balance	13,411	16,306
Unamortized 3.5% debt discount	(1,036)	(1,716)
Unamortized debt issuance costs	(22,578)	(2,432)
Net amount	210,934	242,703
Current portion of long-term debt	(13,024)	(17,116)
Long-term debt	$ 197,910	$ 225,587

The future minimum principal payments under the ARCA and the BNDES Agreements as of May 26, 2017 are (in thousands):

	ARCA	BNDES	TOTAL
Fiscal year ending August:			
Remainder of fiscal 2017	$ 3,875	$ 2,032	$ 5,907
2018	15,500	8,127	23,627
2019	192,760	8,127	200,887
2020	—	4,127	4,127
Total	$ 212,135	$ 22,413	$ 234,548

(7) Financial Instruments

Fair Value of Financial Instruments

The fair value of the Company's cash, cash equivalents, accounts receivable and accounts payable approximates the carrying amount due to the relatively short maturity of these items. Cash and cash equivalents consist of funds held in general checking and savings accounts, money market accounts, and securities with maturities of less than 90 days at the time of purchase. The Company does not have investments in variable rate demand notes or auction rate securities.

The FASB guidance establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets to identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1. Valuations based on quoted prices in active markets for identical assets or liabilities that an entity has the ability to access. The Company's Level 1 assets include money market funds that are classified as cash equivalents and restricted cash which is classified under long-term assets.
- Level 2. Valuations based on quoted prices for similar assets or liabilities, quoted prices for identical assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable data for substantially the full term of the assets and liabilities. The Company's Level 2 liabilities include the term loans under the Senior Secured Credit Agreement and the BNDES Credit Agreements that are classified as long-term debt.
- Level 3. Valuations based on inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. The Company did not have any financial instruments measured under Level 3 as of May 26, 2017 and August 26, 2016.

Assets and liabilities measured at fair value on a recurring basis include the following (in millions):

	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Observable/ Unobservable Inputs Corroborated by Market Data (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Balances as of May 26, 2017:				
Assets				
Cash and cash equivalents	$ 22.3	$ —	$ —	$ 22.3
Restricted cash(1)	6.9	—	—	6.9
Total assets measured at fair value	$ 29.2	$ —	$ —	$ 29.2
Liabilities				—
Term loan	$ —	$ 212.7	$ —	$ 212.7
BNDES Credit Agreements	—	17.9	—	17.9
Total liabilities measured at fair value(2)	$ —	$ 230.6	$ —	$ 230.6
Balances as of August 26, 2016:				
Assets				
Cash and cash equivalents	$ 58.6	$ —	$ —	$ 58.6
Restricted cash(1)	6.8	—	—	6.8
Total assets measured at fair value	$ 65.4	$ —	$ —	$ 65.4
Liabilities				—
Term loan	$ —	$ 192.5	$ —	$ 192.5
BNDES Credit Agreements	—	19.4	—	19.4
Total liabilities measured at fair value(2)	$ —	$ 211.9	$ —	$ 211.9

(1) Included in other noncurrent assets on the Company's consolidated balance sheets - see Note 4.

(2) Included under long-term debt on the Company's consolidated balance sheets.

(8) Share-Based Compensation and Employee Benefit Plans

(a) Share-Based Compensation

Equity Awards

On August 26, 2011, the board of directors adopted the Saleen Holdings, Inc. 2011 Stock Incentive Plan which has been amended and restated and is now known as the SMART Global Holdings, Inc. Amended and Restated 2017 Share Incentive Plan (the SGH Plan). The SGH Plan provides for grants of equity awards to employees, directors and consultants of SMART Global Holdings and its subsidiaries. Options granted under the SGH Plan provide the option to purchase SMART Global Holdings' ordinary shares at the fair value of such shares on the grant date. The options generally vest over a four-year period beginning on the grant date with either a one-year or a two-year cliff and then monthly thereafter, and generally have a ten year term. Options granted after August 26, 2011 and before September 23, 2014 have an eight year term. As of May 26, 2017, there were 1,500,000 ordinary shares reserved for issuance under the SGH Plan, of which 1,500,000 ordinary shares were available for grant. As of August 26, 2016, there were 8,099,219 ordinary shares reserved for issuance under the SGH Plan, of which 1,708,433 ordinary shares were available for grant.

On May 5, 2017, the shareholders of the Company authorized the creation of an additional 530,000,000 ordinary shares and an increase in the share capital from $700,000 divided into 70,000,000 shares of a par value of $0.01 each, to $6,000,000 divided into 600,000,000 shares of a par value of $0.01 each, followed by the consolidation of all of the 600,000,000 shares with a par value of $0.01 each (issued and unissued) into 200,000,000 shares with a par value of $0.03 each (issued and unissued). The effect of these actions was that the Company's ordinary shares were reduced by a one-for-three reverse split, the par value was increased from $0.01 to $0.03 and the authorized ordinary shares increased to 200,000,000 shares on a post-split basis.

Tender Offer

On April 25, 2016, the Company offered the SGH Plan option holders the opportunity to exchange certain outstanding and unexercised grants with exercise prices higher than $11.55 per share, for new replacement grants with the following terms: (a) an exercise price of $11.55 per share, (b) a lower number of shares based on pre-determined formula, (c) a vesting schedule of 2 years with 50% vesting on first anniversary and the balance vesting quarterly over the second year, and (d) a new ten-year term.

On May 23, 2016, the Tender Offer was completed and resulted in 1,652,575 options being cancelled, in exchange for 811,277 replacement options. As a result of the Tender Offer, there was an option modification charge of $2.7 million which will be expensed over the next 2 years, which is the vesting period of the replacement grants.

Summary of Assumptions and Activity

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option pricing model that uses the assumptions noted in the following table. The fair value of the ordinary shares underlying the Company's equity awards has historically been determined by the Company's board of directors. Because there has been no public market for the Company's ordinary shares and in the absence of recent arm's-length cash sales transactions of the Company's ordinary shares with independent third parties, the Company's board of directors has determined the fair value of the Company's ordinary shares by considering at the time of grant a number of objective and subjective factors, including the following: the value of tangible and intangible assets of the Company, the present value of anticipated future cash flows of the Company, the market value of stock or equity interests in similar corporations and other entities engaged in businesses substantially similar to those engaged in by the Company, the Company's current financial condition and anticipated expenses, control discounts for the lack of marketability, the Company's need for additional capital, current and potential strategic relationships and competitive developments and periodic valuations from an independent third-party valuation firm.

The expected volatility is based on the historical volatilities of the common stock of comparable publicly traded companies. The expected term of options granted represents the weighted average period of time that options granted are expected to be outstanding giving consideration to vesting schedules and the historical exercise patterns. The risk-free interest rate for the expected term of the option is based on the average U.S. Treasury yield curve at the end of the quarter in which the option was granted.

The following assumptions were used to value the Company's stock options:

	Three Months Ended		Nine Months Ended	
	May 26, 2017	May 27, 2016	May 26, 2017	May 27, 2016
Stock options:				
Expected term (years)	6.25	6.25	6.25	6.25
Expected volatility	46.03%	54.38%	54.41%-55.75%	49.46% - 54.38%
Risk-free interest rate	2.03%	1.52%	1.96% - 2.03%	1.39% - 1.82%
Expected dividends	—	—	—	—

SGH Plan—Options

A summary of option activity for the SGH Plan is presented below (dollars and shares in thousands, except per share data):

SGH Plan:	Shares	Weighted average per share exercise price	average remaining contractual term (years)	Aggregate intrinsic value
Options outstanding at August 26, 2016	1,528	$ 10.80	7.36	$ 2,373
Options granted	439	14.88		
Options exercised	(143)	2.38		
Options cancelled	(80)	11.40		
Options outstanding at May 26, 2017	1,744	$ 12.46	7.55	$ 3,998
Options exercisable at May 26, 2017	822	$ 11.21	6.03	$ 3,124
Options vested and expected to vest at May 26, 2017	1,657	$ 12.36	7.65	$ 3,956

The Black-Scholes weighted average fair value of options granted under the SGH Plan during the three and nine months ended May 26, 2017 was $7.16 and $7.03 per share, respectively. The total intrinsic value of employee stock options exercised in both the three and nine months ended May 26, 2017 was $0.7 million. As of May 26, 2017, there was approximately $11.9 million of unrecognized compensation costs related to stock options under the SGH Plan, which will be recognized over a weighted average period of 2.43 years.

SGH Plan—Restricted Stock Units and Restricted Stock Awards

A summary of the changes in RSAs and RSUs outstanding is presented below (dollars and shares in thousands, except per share data):

SGH Plan:	Shares	Weighted average grant date fair value per share	Aggregate intrinsic value
Awards outstanding at August 26, 2016	4	$ 26.97	$ 40
Awards granted	490	7.75	
Awards vested and paid out	(1)	26.97	
Awards outstanding at May 26, 2017	493	$ 7.87	$ 6,527

The share-based compensation expense related to RSAs and RSUs during the three and nine months ended May 26, 2017 and May 27, 2016, was approximately $0.3 million, $8 thousand, $0.4 million and $32 thousand, respectively. The total fair value of shares vested during the three and nine months ended May 26, 2017 and May 27, 2016 was approximately $0, $0, $13 thousand and $16 thousand, respectively.

Equity Rights and Restrictions

The holders of ordinary shares of SMART Global Holdings are entitled to such dividends and other distributions as may be declared by the board of directors of SMART Global Holdings from time-to-time, out of the funds of SMART Global Holdings lawfully available therefor.

All SMART Global Holdings shares owned by employees (Employee Shares) and owned by Lenders (Lender Shares), and all shares underlying the SMART Global Holdings options (Option Shares), RSUs (RSU Shares) and Lender Warrants (Warrant Shares; Employee Shares, Lender Shares, Option Shares, RSU Shares and Warrant Shares are collectively referred to as Restricted Shares) are subject to either the Employee Investors Shareholders Agreement dated August 26, 2011 (the Employee Investors Shareholders Agreement) or the Amended and Restated Investors Shareholders Agreement dated as of November 5, 2016 (as amended by Amendment No. 2 and subsequent amendments, the Amended and Restated Investors Shareholders Agreement; the Employee Investors Shareholders Agreement and the Amended and Restated Investors Shareholders Agreement are collectively referred to as the Shareholders Agreements). Under the terms of the Shareholders Agreements, the Restricted Shares cannot be sold or otherwise transferred except under limited circumstances and are subject to lock-up restrictions in the event of an initial public offering. Additionally, all Restricted Shares are subject to an irrevocable proxy granted to Silver Lake to vote or act on behalf of the shareholders of the Restricted Shares in connection with any and all matters set forth in the Shareholders Agreements as to which any vote or actions may be requested or required.

Additionally, all shares owned by Silver Lake and their affiliates, all Lender Shares and all shares underlying Lender Warrants, and certain of the Employee Shares and shares underlying certain Option Shares and RSU shares, are subject to underwriters' lock-up agreements which prohibit any transactions until November 20, 2017.

(b) Savings and Retirement Program

The Company offers a 401(k) Plan to U.S. employees, which provides for tax-deferred salary deductions for eligible U.S. employees. Employees may contribute up to 60% of their annual eligible compensation to this plan, limited by an annual maximum amount determined by the U.S. Internal Revenue Service. The Company may also make discretionary matching contributions, which vest immediately, as periodically determined by management. The matching contributions made by the Company during the three and nine months ended May 26, 2017 and May 27, 2016 were approximately $0.3 million, $0.2 million, $0.8 million and $0.6 million, respectively.

(9) Commitments and Contingencies

(a) Commitments

Minimum rent payments under operating leases are recognized on a straight-line basis over the term of the lease including any periods of free rent. Rent expense for operating leases during the three and nine months ended May 26, 2017 and May 27, 2016 was $0.7 million, $0.6 million, $2.1 million, and $1.7 million, respectively.

Future minimum lease payments under all leases as of May 26, 2017 are as follows (in thousands):

	Amount
Fiscal year ending August:	
Remainder of fiscal 2017	$ 667
2018	2,634
2019	2,479
2020	2,401
2021	2,241
Thereafter	1,701
Total	$ 12,123

(b) Product Warranty and Indemnities

Product warranty reserves are established in the same period that revenue from the sale of the related products is recognized, or in the period that a specific issue arises as to the functionality of a Company's product. The amounts of the reserves are based on established terms and the Company's best estimate of the amounts necessary to settle future and existing claims on products sold as of the balance sheet date.

The following table reconciles the changes in the Company's accrued warranty (in thousands):

	Three Months Ended		Nine Months Ended	
	May 26, 2017	May 27, 2016	May 26, 2017	May 27, 2016
Beginning accrued warranty reserve	$ 303	$ 316	$ 266	$ 290
Warranty claims	(58)	(99)	(302)	(207)
Provision for product warranties	57	77	338	211
Ending accrued warranty reserve	$ 302	$ 294	$ 302	$ 294

Product warranty reserves are recorded in accrued liabilities in the accompanying consolidated balance sheets.

In addition to potential liability for warranties related to defective products, the Company currently has in effect a number of agreements in which it has agreed to defend, indemnify and hold harmless its customers and suppliers from damages and costs, which may arise from product defects as well as from any alleged infringement by its products of third-party patents, trademarks or other proprietary rights. The Company believes its internal development processes and other policies and practices limit its exposure related to such indemnities. Maximum potential future payments cannot be estimated because many of these agreements do not have a maximum stated liability. However, to date, the Company has not had to reimburse any of its customers or suppliers for any losses related to these indemnities. The Company has not recorded any liability in its financial statements for such indemnities.

(c) Legal Matters

From time to time, the Company is involved in legal matters that arise in the normal course of business. Litigation in general and intellectual property, employment and shareholder litigation in particular, can be expensive and disruptive to normal business operations. Moreover, the results of complex legal proceedings are difficult to predict. The Company believes that it has defenses to the cases pending, including those set forth below. Except as noted below, the Company is not currently able to estimate, with reasonable certainty, the possible loss, or range of loss, if any, from such legal matters, and accordingly, no provision for any potential loss, which may result from the resolution of these matters, has been recorded in the accompanying consolidated financial statements.

Netlist

On September 10, 2012, SMART Modular filed a complaint in the Eastern District of California against Netlist alleging infringement of certain claims of SMART Modular's U.S. Patent No. 8,250,295 (the '295 patent) and seeking, among other things, a preliminary injunction. Netlist filed certain counterclaims alleging, among other things, attempted monopolization, collusion, unfair competition, fraud on the U.S. Patent and Trademark Office (the USPTO) and sham litigation, and asserting that the '295 patent is invalid. The counterclaims do not specify the amount of damages. Netlist also

filed a request for reexamination of the '295 patent in the USPTO. On May 30, 2013, the court denied SMART Modular's motion for a preliminary injunction and granted a stay in the proceedings pending the outcome of the reexamination. On or about April 29, 2014, the USPTO issued a non-final Action Closing Prosecution (ACP) confirming the patentability of the original claims of SMART Modular's '295 patent and rejecting certain claims added during the reexamination process. On May 29, 2014, after the ACP, SMART Modular filed comments requesting that all of the original claims and certain of the added claims be confirmed as patentable. On June 30, 2014, Netlist filed comments challenging SMART Modular's comments to the ACP. On August 4, 2015, the USPTO rejected Netlist's challenges and affirmed its previous decision confirming the patentability of the original claims of SMART Modular's '295 patent. On September 4, 2015, Netlist filed an appeal of the USPTO examiner's decision to the Patent Trial and Appeals Board (the PTAB). On February 25, 2016, the USPTO ruled in favor of SMART and on September 21, 2016, the court granted SMART's motion to lift the stay in the Eastern District of California case. On November 14, 2016, the PTAB reversed the examiner's decision to confirm certain claims of SMART Modular's '295 patent and reversed the examiner's decision to determine that certain newly added claims are patentable. On February 22, 2017, Netlist filed a motion to reinstate the stay in the court proceedings pending the outcome of the USPTO proceedings. SMART Modular filed an opposition to this motion, which is pending. On May 8, 2017, the USPTO examiner rejected certain claims of the '295 patent. On June 8, 2017, SMART Modular filed in the USPTO, its response to the examiner's May 8, 2017 decision and is evaluating the next course of action with respect to the proceedings in the Eastern District of California.

On July 1, 2013, Netlist filed a lawsuit in the Central District of California against SMART Modular alleging claims very similar to Netlist's counterclaims set forth in the Eastern District case. Netlist later amended its complaint to add additional parties, including SMART Worldwide. Netlist has sought compensatory damages for the harm it claims to have suffered, as well as an award of treble damages and attorneys' fees. The claims against SMART Modular and SMART Worldwide were transferred to the Eastern District of California.

The Company believes that there are valid defenses to all of the claims and counterclaims made by Netlist and that the claims are without merit. SMART Modular and SMART Worldwide intends to vigorously fight the claims and counterclaims. The Company believes that the likelihood of any material charge resulting from these claims is remote.

(d) Contingencies

Import Duty Tax assessment in Brazil

On February 23, 2012, SMART Brazil was served with a notice of a tax assessment for approximately R$117 million (or $36.6 million) (the First Assessment). The assessment was from the federal tax authorities of Brazil and related to four taxes in connection with importation processes. The tax authorities claimed that SMART Brazil categorized its imports of unmounted integrated circuits in the format of wafers under an incorrect product classification code, which carries an import duty of 0%. The authorities alleged that a different classification code should have been used that would require an 8% import duty and the authorities were seeking to recover these duties, as well as other related taxes, for the five calendar years of 2007 through and including 2011. Subsequent to the initial assessment, SMART Brazil received a second notice of an additional administrative penalty of approximately R$6.0 million (or $1.9 million) directly related to the same issue and which has been imposed exclusively for the alleged usage of an inappropriate import tax code (the Second Assessment).

The Company believes that SMART Brazil used the correct product code on its imports and that none of the above assessments are due. In March 2012, SMART Brazil filed defenses to the First Assessment and the Second Assessment. On May 2, 2013, the first level administrative tax court issued a ruling in favor of the tax assessor and against SMART Brazil on the First Assessment. On May 31, 2013, SMART Brazil filed an appeal to the second level tax court known as CARF. The appeal was heard on November 26, 2013 and the Company received a unanimous favorable ruling rejecting the position of the tax authorities. This ruling was published by the tax authorities and made official in February 2014. Subsequently, the tax authorities filed a request for clarification and on September 17, 2014, the Company received a unanimous ruling rejecting the request from the tax authorities for clarification. On November 7, 2014, the tax authorities notified CARF that they would not be appealing the CARF decision, and the First Assessment has been extinguished. SMART Brazil has not received a decision from the first level administrative court with respect to the Second Assessment.

On December 12, 2013, SMART Brazil received another notice of assessment in the amount of R$3.6 million (or $1.1 million) with respect to the same import-related tax issues and penalties discussed above for 2012 and 2013 (the Third Assessment). The Third Assessment does not seek import duties and related taxes on Dynamic Random Access Memory ("DRAM") products and only seeks import duties and related taxes on Flash unmounted components with respect to the months of January 2012 to June 2012. This is because SMART Brazil's imports of DRAM unmounted components were subject to 0%, and, after June 2012, SMART Brazil's imports of Flash unmounted components became subject to 0%, import duties and related taxes, both as a result of PADIS. Even with this 0%, if SMART Brazil is found to have used the incorrect product classification code, SMART Brazil will be subject to an administrative penalty equal to 1% of the value of the imports. SMART Brazil has filed defenses to the Third Assessment. The Company believes that SMART Brazil used the correct product code on its imports and that the Third Assessment is incorrect. SMART Brazil intends to vigorously fight this matter. Although SMART Brazil did not receive the Third Assessment until December 12, 2013, the Third Assessment was issued before the CARF decision in favor of SMART Brazil on the First Assessment as discussed above was published.

The amounts claimed by the tax authorities on the Second Assessment and on the Third Assessment are subject to increases for interest and other charges, which resulted in a combined assessment balance of approximately R$14.2 million (or $4.4 million) and R$13.3 million (or $4.1 million) as of May 26, 2017 and August 26, 2016, respectively.

As a result of the CARF decision in favor of SMART Brazil on the First Assessment, the Company believes that the probability of any material charges as a result of the Second Assessment and the Third Assessment is remote and the Company does not expect the resolution of these disputed assessments to have a material impact on its consolidated financial position, results of operations or cash flows. While the Company believes that the Second Assessment and the Third Assessment are incorrect, there can be no assurance that SMART Brazil will prevail in the disputes.

(10) Segment and Geographic Information

The Company operates in one reportable segment: the design, manufacture and sale of specialty memory solutions and services to the electronics industry. The Company's chief operating decision-maker, the President and CEO, evaluates financial performance on a company-wide basis.

A summary of the Company's net sales by geographic area, based on the ship-to location of the customer, and property and equipment by geographic area is as follows (in thousands):

	Three Months Ended		Nine Months Ended	
	May 26, 2017	May 27, 2016	May 26, 2017	May 27, 2016
Geographic Net Sales:				
U.S.	$ 36,595	$ 24,232	$ 106,211	$ 75,188
Brazil	109,288	79,784	263,550	179,020
Asia	48,306	34,659	131,275	103,326
Europe	6,575	6,028	21,554	17,881
Other Americas	6,210	4,906	15,682	12,807
Total	$ 206,974	$ 149,609	$ 538,272	$ 388,222

	May 26, 2017	August 26, 2016
Property and Equipment, Net:		
U.S.	$ 3,285	$ 2,908
Brazil	40,913	44,339
Malaysia	5,317	6,722
Other	2,491	3,631
Total	$ 52,006	$ 57,600

(11) Major Customers

A majority of the Company's net sales are attributable to customers operating in the information technology industry. Net sales to significant end user customers, including sales to their manufacturing subcontractors, defined as net sales in excess of 10% of total net sales, are as follows (dollars in thousands):

	Three Months Ended				Nine Months Ended			
	May 26, 2017		May 27, 2016		May 26, 2017		May 27, 2016	
	Amount	Percentage of net sales	Amount	Percentage of net sales	Amount	Percentage of net sales	Amount	Percentage of net sales
	(unaudited)				(unaudited)			
Customer A	$ 41,992	20%	$ 18,788	13%	$ 101,453	19%	$ 55,050	14%
Customer B	34,353	17%	25,527	17%	84,328	16%	74,141	19%
Customer C	21,237	10%	—	0%	—	0%	—	0%
Customer D	—	0%	18,077	12%	—	0%	—	0%
Customer E	—	0%	36,394	24%	—	0%	49,831	13%
	$ 97,582	47%	$ 98,786	66%	$ 185,781	35%	$ 179,022	46%

As of May 26, 2017, four direct customers that represented less than 10% of net sales, Customers F, D, G and H, accounted for approximately 27%, 18%, 14% and 11% of accounts receivable, respectively. As of August 26, 2016, direct customer Customer F accounted for approximately 28% of accounts receivable.

(12) Net Income (Loss) Per Share

Basic net income (loss) per ordinary share is calculated by dividing net income (loss) by the weighted average of ordinary shares outstanding during the period. Diluted net income (loss) per ordinary share is calculated by dividing the net income (loss) by the weighted average of ordinary shares and dilutive potential ordinary shares outstanding during the period. Dilutive potential ordinary shares consist of dilutive shares issuable upon the exercise of outstanding stock options and vesting of RSUs computed using the treasury stock method. The dilutive weighted shares are excluded from the computation of diluted net loss per share when a net loss is recorded for the period as their effect would be anti-dilutive.

The following table sets forth for all periods presented the computation of basic and diluted net income (loss) per ordinary share, including the reconciliation of the numerator and denominator used in the calculation of basic and diluted net income (loss) per share (dollars and shares in thousands, except per share data):

	Three Months Ended		Nine Months Ended	
	May 26, 2017	May 27, 2016	May 26, 2017	May 27, 2016
Numerator:				
Net income (loss)	$ 7,958	$ (1,345)	$ 2,414	$ (18,499)
Denominator:				
Weighted average ordinary shares, basic	13,986	13,832	13,909	14,147
Weighted average ordinary shares equivalent from stock options, awards and warrants	1,969	—	1,321	—
Weighted average ordinary shares and ordinary share equivalents outstanding, diluted	15,955	13,832	15,230	14,147
Basic income (loss) per share	$ 0.57	$ (0.10)	$ 0.17	$ (1.31)
Diluted income (loss) per share	$ 0.50	$ (0.10)	$ 0.16	$ (1.31)
Anti-dilutive weighted shares excluded from the computation of diluted net income (loss) per share	1,359	2,260	1,226	2,300

(13) Other Income (Expense), Net

The following table provides the detail of other income (expense), net as follows (in thousands):

	Three Months Ended		Nine Months Ended	
	May 26, 2017	May 27, 2016	May 26, 2017	May 27, 2016
Foreign currency gains (losses)	$ (1,009)	$ 1,807	$ (747)	$ 255
Loss on extinguishment of debt	—	—	(1,386)	—
Other	247	295	469	475
Total other income (expense), net	$ (762)	$ 2,102	$ (1,664)	$ 730

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the condensed consolidated financial statements and the notes to those statements included elsewhere in this Quarterly Report on Form 10-Q, and with the consolidated financial statements and management's discussion and analysis of our financial condition and results of operations in our prospectus (the "Prospectus") dated May 23, 2017 as filed with the Securities and Exchange Commission (the "SEC") pursuant to Rule 424(b) under the Securities Act of 1933, as amended (the "Securities Act"), relating to our Registration Statement on Form S-1(File No. 333-217539). This discussion contains forward looking statements that involve risks and uncertainties. Our actual results could differ materially from those contained in these forward-looking statements due to a number of factors, including those discussed under the caption "Risk Factors" in the Prospectus and elsewhere in this report. See also "Cautionary Note Regarding Forward-Looking Statements" at the beginning of this report.

Overview

SMART Global Holdings, Inc. ("SMART") is a global leader in specialty memory solutions, serving the electronics industry for over 25 years. SMART delivers components, modules and solutions to a broad original equipment manufacturer ("OEM") customer base, in computing, networking, communications, storage, mobile and industrial markets. Customers rely on SMART as a strategic supplier offering extensive customer specific design capabilities and quality products with value added testing services, technical support, a global footprint and the ability to provide locally manufactured memory products in multiple geographies. SMART's global, diversified customer base of over 250 customers includes some of the most well-recognized names in the technology industry. Its strategic presence in the United States, Europe, Asia and Latin America enables SMART to provide customized, integrated supply chain services assisting OEM customers in the management and execution of their procurement processes and asset management on a worldwide basis. In Brazil, SMART has established itself as a market leader as the largest in-country manufacturer of mobile memory products for smartphones, and the largest in-country manufacturer of memory components and modules for desktops, notebooks and servers. We believe SMART's close collaboration with customers while providing custom designs, extended life cycle solutions and proprietary supply chain services, creates significant customer engagements and loyalty.

Results of Operations

The following is a summary of our results of operations for the three and nine months ended May 26, 2017 and May 27, 2016 (in thousands):

	Three Months Ended				Nine Months Ended			
	May 26, 2017	% of sales*	May 27, 2016	% of sales*	May 26, 2017	% of sales*	May 27, 2016	% of sales*
	(in thousands, other than per share data)							
Consolidated Statement of Operations Data:								
Net sales	$ 206,974	100%	$ 149,609	100%	$ 538,272	100%	$ 388,222	100%
Cost of sales (1)	159,599	77%	118,997	80%	424,030	79%	311,166	80%
Gross profit	47,375	23%	30,612	20%	114,242	21%	77,056	20%
Operating expenses:								
Research and development (1) (2)	8,797	4%	9,667	6%	28,442	5%	27,763	7%
Selling, general and administrative (1) (2)	17,193	8%	14,680	10%	49,037	9%	42,963	11%
Management advisory fees	1,000	0%	1,000	1%	3,000	1%	3,001	1%
Restructuring	—	0%	128	0%	457	0%	1,143	0%
Total operating expenses	26,990	13%	25,475	17%	80,936	15%	74,870	19%
Income from operations	20,385	10%	5,137	3%	33,306	6%	2,186	1%
Other income (expense):								
Interest expense, net	(8,294)	(4%)	(6,326)	(4%)	(23,072)	(4%)	(19,265)	(5%)
Other income (expense), net	(762)	0%	2,102	1%	(1,664)	0%	730	0%
Total other expense	(9,056)	(4%)	(4,224)	(3%)	(24,736)	(5%)	(18,535)	(5%)
Income (loss) before income taxes	11,329	5%	913	1%	8,570	2%	(16,349)	(4%)
Provision for income taxes	3,371	2%	2,258	2%	6,156	1%	2,150	1%
Net income (loss)	$ 7,958	4%	$ (1,345)	(1%)	$ 2,414	0%	$ (18,499)	(5%)
Net income (loss) per share, basic	$ 0.57		$ (0.10)		$ 0.17		$ (1.31)	
Net income (loss) per share, diluted	$ 0.50		$ (0.10)		$ 0.16		$ (1.31)	
Shares used in computing basic net income (loss) per share	13,986		13,832		13,909		14,147	
Shares used in computing diluted net income (loss) per share	15,955		13,832		15,230		14,147	

* Summations may not compute precisely due to rounding.

(1) Includes share-based compensation expense as follows:

Cost of sales	$ 176	$ 112	$ 444	$ 348
Research and development	(22)	181	423	563
Selling, general and administrative	1,235	654	2,666	2,059

(2) Includes amortization of intangible assets expense as follows:

Research and development	$ 1,224	$ 1,224	$ 3,672	$ 3,672
Selling, general and administrative	1,774	2,105	5,296	6,275

Three and Nine Months Ended May 26, 2017 as Compared to the Three and Nine Months Ended May 27, 2016

Net Sales

Net sales increased by $57.4 million, or 38.3%, during the three months ended May 26, 2017 compared to the same period in the prior year, and by $150.1 million, or 38.7%, during the nine months ended May 26, 2017 compared to the same period in the prior year. The increase was primarily due to a 21% and 65% higher sales volume of mobile memory products in Brazil, for the three and nine-month periods, respectively, which was driven in part by new product introductions of higher density embedded multi-chip packages (“eMCP”) products and the increase in local content requirements from 40% to 50% for mobile memory products for smartphones. Strategic investments to increase production capacity in prior periods helped enable us to meet the increased demand in the Brazil mobile memory market. Our specialty DRAM sales also increased and were positively impacted by overall strength in the worldwide DRAM market, leading to 54% and 55% higher volume and 47% and 27% increases in the average selling prices for the three and nine-month periods, respectively, as well as strength in the server, networking and communications markets.

Cost of Sales

Cost of sales increased by $40.6 million, or 34.1%, during the three months ended May 26, 2017 compared to the same period in the prior year, primarily due to an increase of 38% in the cost of materials for the higher level of sales, as well as higher depreciation in Brazil due to the technology transition from third generation double-data-rate ("DDR3") Fine-pitch Ball Grid Array ("FBGA") packaging to fourth generation double-data-rate ("DDR4") flip chip, and higher production costs related to the increased revenue. Included in the cost of sales increase was an unfavorable foreign exchange impact of $1.6 million due to locally sourced cost of sales in Brazil.

Cost of sales increased by $112.9 million, or 36.3%, during the nine months ended May 26, 2017 compared to the same period in the prior year, primarily due to an increase of 39% in the cost of materials for the higher level of sales, as well as higher depreciation in Brazil and higher production costs. Included in the cost of sales increase was an unfavorable foreign exchange impact of $4.7 million due to locally sourced cost of sales in Brazil.

Gross Profit

Gross margin increased to 22.9% during the three months ended May 26, 2017, compared to 20.5% for the same period in fiscal 2016, primarily due to higher Brazil mobile memory and specialty DRAM revenue while cost of sales associated with higher density memory modules increased at a lower rate. Gross margin increased to 21.2% during the nine months ended May 26, 2017, compared to 19.8% for the same period in fiscal 2016, primarily due to higher Brazil mobile memory and specialty DRAM revenue while cost of sales associated with higher density memory modules increased at a lower rate.

Research and Development Expenses

Research and development ("R&D") expense decreased by $0.9 million, or 9.0%, during the three months ended May 26, 2017 compared to the same period in the prior year. The decrease was primarily due to lower depreciation and outside services relating to R&D expenses as part of the requirements of the PADIS and PPB/IT Program for Brazil. The reduction in R&D expense was partially offset by an unfavorable foreign exchange impact of $0.4 million.

R&D expense increased by $0.7 million, or 2.4%, during the nine months ended May 26, 2017 compared to the same period in the prior year. The increase was primarily due to higher personnel-related expenses in Brazil. Included in the R&D expense increase was an unfavorable foreign exchange impact of $1.3 million.

Selling, General and Administrative Expenses

Selling, general and administrative ("SG&A") expense increased by $2.5 million, or 17.1%, during the three months ended May 26, 2017 compared to the same period in the prior year. The increase was primarily due to higher personnel-related expenses such as bonus and stock compensation, partially offset by a $0.3 million decrease in intangible amortization expense as some intangible assets became fully amortized. Included in the SG&A expense increase was an unfavorable foreign exchange impact of $0.5 million.

SG&A expense increased by $6.1 million, or 14.1%, during the nine months ended May 26, 2017 compared to the same period in the prior year. The increase was primarily due to personnel-related, facilities and professional services expenses, aggregating $5.4 million, as well as $1.7 million debt extension costs, partially offset by a $1.0 million decrease in intangible amortization expense as some intangible assets became fully amortized. Included in the SG&A expense increase was an unfavorable foreign exchange impact of $1.5 million.

Other Income (Expense)

Interest expense, net increased $2.0 million, or 31.1%, during the three months ended May 26, 2017 compared to the same period in the prior year primarily due to additional debt discount amortization and interest expense related to our debt extension. Other income (expense), net decreased by $2.9 million primarily due to $2.8 million currency gains (mainly in Brazil).

Interest expense, net increased $3.8 million, or 19.8%, during the nine months ended May 26, 2017 compared to the same period in the prior year primarily due to additional debt discount amortization and interest expense related to our debt extension. Other income (expense), net decreased by $2.4 million primarily due to $1.0 million currency loss (mainly in Brazil) and a $1.4 million loss on a February 2017 debt extinguishment.

Provision for Income Taxes

Income-tax expense includes a provision for federal, state and foreign taxes based on the annual estimated effective tax rate applicable to the Company and its subsidiaries, adjusted for certain discrete items which are fully recognized in the period they occur.

Provision for income taxes for the three and the nine months ended May 26, 2017 increased by $1.1 million and $4.0 million, respectively, during fiscal 2017 as compared to the prior comparable period primarily due to higher income in non-U.S. jurisdictions subject to tax.

As of May 26, 2017, the Company has a full valuation allowance for our net deferred tax assets associated with our U.S. operations. The amount of the deferred tax asset considered realizable could be adjusted if significant positive evidence increases.

Determining the consolidated provision for income tax expense, income tax liabilities and deferred tax assets and liabilities involves judgment. The Company calculates and provides for income taxes in each of the tax jurisdictions in which it operates, which involves estimating current tax exposures as well as making judgments regarding the recoverability of deferred tax assets in each jurisdiction. The estimates used could differ from actual results, which may have a significant impact on operating results in future periods.

The amount of unrecognized tax benefits that would affect the Company's effective tax rate, if recognized, is $2.1 million for fiscal 2016.

Liquidity and Capital Resources

	Nine Months Ended	
	May 26, 2017	May 27, 2016
	(in thousands)	
Cash provided by (used in) operating activities	$ (6,942)	$ 20,300
Cash used in investing activities	(10,712)	(9,569)
Cash used in financing activities	(18,479)	(7,358)
Effect of exchange rate changes on cash and cash equivalents	(160)	1,709
Net increase (decrease) in cash and cash equivalents	$ (36,293)	$ 5,082

At May 26, 2017, we had cash and cash equivalents of $22.3 million, of which approximately $16.7 million was held outside of the United States.

On May 30, 2017, we completed our initial public offering and raised proceeds, net of underwriting commissions and discounts and other offering costs, of approximately $61.1 million. On June 2, 2017, we used the net proceeds to make a mandatory prepayment of $61.1 million aggregate principal amount of our outstanding term loans under the Senior Secured Credit Agreement.

We expect that our existing cash and cash equivalents and cash generated by operating activities will be sufficient to fund our operations for at least the next twelve months. Our principal uses of cash and capital resources are debt service requirements as described below, capital expenditures, R&D expenditures and working capital requirements. We expect that future capital expenditures will focus on expanding capacity of our Brazilian operations, expanding our R&D activities, manufacturing equipment upgrades and/or acquisitions and IT infrastructure and software upgrades. Cash and cash equivalents consist of funds held in demand deposit accounts and money market funds. We do not enter into investments for trading or speculative purposes.

During the nine months ended May 26, 2017, cash used in operating activities was $6.9 million. The primary factors affecting our cash flows during this period were a $45.0 million change in our net operating assets and liabilities, partially offset by $35.7 million of non-cash related expenses and $2.4 million net income. The $45.0 million change in net operating assets and liabilities consisted of increases of $33.5 million in accounts receivable and $31.2 million in inventory, offset by a decrease of $0.7 million in prepaid expenses and other assets and increases of $11.8 million in accounts payable and $7.1 million in accrued expenses and other liabilities. The increase in accounts receivable was due to lower purchases under our Receivables Purchasing Agreement, while the increase in inventory was due to both higher sales forecast and higher cost of materials resulting from increased DRAM prices.

During the nine months ended May 27, 2016, cash provided by operating activities was $20.3 million. The primary factors affecting our cash flows during this period were $28.1 million of non-cash related expenses and a $10.7 million change in our net operating assets and liabilities, offset by an $18.5 million net loss. The $10.7 million change in net operating assets and liabilities consisted of decreases of $54.1 million in accounts receivable, $25.7 million in inventory and $2.3 million in prepaid expenses and other assets, offset by decreases of $71.0 million in accounts payable and $0.4 million in accrued expenses and other liabilities. The decreases in accounts receivable, inventory and accounts payable were primarily due to lower gross sales.

Net cash used in investing activities during the nine months ended May 26, 2017 was $10.7 million consisting primarily of purchases of property and equipment, offset by $0.5 million proceeds from the sale of property and equipment. Net cash used in investing activities during the nine months ended May 27, 2016 was $9.6 million consisting primarily of $10.0 million used for purchases of property and equipment.

Net cash used in financing activities during the nine months ended May 26, 2017 was $18.5 million, consisting of long-term debt payments for both the Senior Secured Credit Agreement and the BNDES Credit Agreements, as well as payment for extinguishment of long-term debt. Net cash used in financing activities during the nine months ended May 27, 2016 was $7.4 million, consisting primarily of $12.4 million of long-term debt payments, offset by $5.2 million received under our BNDES Credit Agreements in Brazil.

There have been no material changes to contractual obligations previously disclosed in the Prospectus.

Management Agreement

Under the Management Agreement, we record quarterly fees of $1.0 million plus out-of-pocket expenses. The Management Agreement was terminated upon the completion of our initial public offering on May 30, 2017. As of May 26, 2017, approximately $4.7 million remained due and payable in respect of past periods under the Management Agreement.

Off-Balance Sheet Arrangements

We do not have any relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities, which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes. In addition, we do not have any undisclosed borrowings or debt, and we have not entered into any synthetic leases. We are, therefore, not materially exposed to any financing, liquidity, market or credit risk that could arise if we had engaged in such relationships.

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial conditions, net sales or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

Recent Accounting Pronouncements

See Note 1 of our Notes to Unaudited Condensed Consolidated Financial Statements for information regarding the effect of recent accounting pronouncements on our financial statements.

Critical Accounting Policies

The preparation of financial statements and related disclosures in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. On an ongoing basis, we evaluate our estimates, including those listed below. We base our estimates on historical facts and various other assumptions that we believe to be reasonable at the time the estimates are made. Actual results could differ from those estimates.

Our critical accounting policies are as follows:

- Revenue recognition;
- Inventory valuation;
- Income taxes;
- Impairment of long-lived assets and long-lived assets to be disposed; and
- Share-based compensation.

Our critical accounting policies are important to the portrayal of our financial condition and results of operations, and require us to make judgments and estimates about matters that are inherently uncertain. There have been no material changes to our critical accounting policies and estimates disclosed in "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Estimates" and Note 2, Summary of Significant Accounting Policies, in each case in the Prospectus.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Our exposure to market rate risk includes risk of foreign currency exchange rate fluctuations, changes in interest rates and translation risk.

Foreign Exchange Risks

We are subject to inherent risks attributed to operating in a global economy. Our international sales and our operations in foreign countries subject us to risks associated with fluctuating currency values and exchange rates. Because a portion of our sales are denominated in United States dollars, increases in the value of the United States dollar could increase the price of our products so that they become relatively more expensive to customers in a particular country, possibly leading to a reduction in sales and profitability in that country. A significant portion of the sales of our products are denominated in reais. In addition, we have certain costs that are denominated in foreign currencies, and decreases in the value of the U.S. dollar could result in increases in such costs that could have a material adverse effect on our results of operations. We do not currently purchase financial instruments to hedge foreign exchange risk, but may do so in the future.

As a result of our international operations, we generate a portion of our net sales and incur a portion of our expenses in currencies other than the U.S. dollar, particularly the reais. Approximately 49% and 46% of our net sales during the nine months ended May 26, 2017 and May 27, 2016, respectively, originated in reais. We present our combined financial statements in U.S. dollars, and we must translate the assets, liabilities, net sales and expenses of a substantial portion of our foreign operations into U.S. dollars at applicable exchange rates. Consequently, increases or decreases in the value of the U.S. dollar may affect the value of these items with respect to our non-U.S. dollar businesses in our combined financial statements, even if their value has not changed in their local currency. Our customer pricing and material cost of sales are based on U.S. dollars, as is the global market for memory products. Accordingly, the impact of currency fluctuations to our consolidated statement of operations is primarily to our other costs of sales (i.e., non-material components) and our operating expenses as those items are typically denominated in local currency. Our consolidated statement of operations is also impacted by foreign currency gains and losses recorded in Other Income (Expense) arising from transactions denominated in a currency other than the functional currency of the respective subsidiary. These translations could significantly affect the comparability of our results between financial periods or result in significant changes to the carrying value of our assets, liabilities and equity. As a result, changes in foreign currency exchange rates impact our reported results.

During the nine months ended May 26, 2017 and May 27, 2016, we recorded ($0.7) million and $0.3 million, respectively, of foreign exchange gains (losses).

Interest Rate Risk

We are subject to interest rate risk in connection with our long-term and short-term debt, including the $212.1 million aggregate balance under the term loan under the Senior Secured Credit Agreement, R$28.8 million (or $9.0 million) balance under the BNDES 2013 Credit Agreement and R$42.9 million (or $13.4 million) balance under the BNDES 2014 Credit Agreement, in each case as of May 26, 2017. Although we did not have any revolving balances outstanding as of May 26, 2017, the revolving facility under the Senior Secured Credit Agreement provides for borrowings of up to $50 million that would also bear interest at variable rates. Assuming that we will satisfy the financial covenants required to borrow and that the Senior Secured Credit Agreement is fully drawn and other variables are held constant, each 1.0% increase in interest rates on our variable rate borrowings would result in an increase in annual interest expense and a decrease in our cash flow and income before taxes of $2.7 million per year.

Item 4. Controls and Procedures

Limitation on Effectiveness of Controls

Any control system, no matter how well designed and operated, can provide only reasonable assurance as to the tested objectives. The design of any control system is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions, regardless of how remote. The inherent limitations in any control system include the realities that judgments related to decision-making can be faulty, and that reduced effectiveness in controls can occur because of simple errors or mistakes. Due to the inherent limitations in a cost-effective control system, misstatements due to error may occur and may not be detected.

Evaluation of Disclosure Controls and Procedures

Management is required to evaluate our disclosure controls and procedures, as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act"). Disclosure controls and procedures are controls and other procedures designed to provide reasonable assurance that information required to be disclosed in our reports filed under the Exchange Act, such as this Quarterly Report on Form 10-Q, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include controls and procedures designed to provide reasonable assurance that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer as appropriate to allow timely decisions regarding required disclosure. Based on our management's evaluation (with the participation of our principal executive officer and principal financial officer), our principal executive officer and principal financial officer have concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) were effective at a reasonable assurance level as of the end of the period covered by this report.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended May 26, 2017 , which were identified in connection with management's evaluation required by paragraph (d) of Rules 13a-15 and 15d-15 under the Exchange Act, that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Information with respect to this item may be found in Note 10, Commitments and Contingencies, in our Notes to Unaudited Condensed Consolidated Financial Statements included in Part I, Item 1, of this Quarterly Report on Form 10-Q, which information is incorporated herein by reference.

Item 1A. Risk Factors

As of the date of this filing, the risk factors have not changed substantively from those disclosed in the Prospectus, relating to our Registration Statement on Form S-1 (File No. 333-217539).

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Unregistered Sales of Equity Securities

In the three months ended May 26, 2017, we granted to our employees options to purchase an aggregate of 415,364 unregistered ordinary shares under our SGH Plan at an exercise price of $15.21.

In the three months ended May 26, 2107, we issued and sold to our employees an aggregate of 143,055 unregistered ordinary shares upon the exercise of options under our SGH Plan at a weighted average exercise price of $2.68 per share for aggregate gross cash proceeds of $0.4 million. These issuances were undertaken in reliance upon the exemption from registration requirements of Rule 701 of the Securities Act of 1933, as amended ("Securities Act").

Use of Proceeds

On May 23, 2017, the Registration Statement on Form S-1 for our initial public offering was declared effective by the SEC. On May 30, 2017, we closed the initial public offering and sold 6,095,000 of our ordinary shares (including 795,000 shares sold pursuant to the underwriters' over-allotment option and 1,500,000 shares purchased by affiliates of Silver Lake, Silver Lake Partners III Cayman (AIV III), L.P. and Silver Lake Fund Cayman, L.P., as well as each of their co-investment vehicles, which are collectively our principal shareholders and are each affiliates of certain of our directors), at a public offering price of $11.00 per share for an aggregate offering price of approximately $61.1 million, after deducting underwriting discounts and commissions and estimated offering expenses. Upon completion of the sales of our ordinary shares, our initial public offering terminated. There has been no material change to the planned use of proceeds from the offering as described in the Prospectus.

The underwriters of the offering were Barclays Capital Inc., Deutsche Bank Securities, Inc., Jefferies LLC, Stifel, Nicolaus & Company, Incorporated, Needham & Company, LLC and Roth Capital Partners, LLC.

Senior Secured Credit Agreement

We are subject to certain restrictions with respect to the use of our working capital and our ability to pay dividends under our Senior Secured Credit Agreement, as described in Note 6, Long-Term Debt—Senior Secured Credit Agreement, in our Notes to Unaudited Condensed Consolidated Financial Statements included in Part I, Item 1, of this Quarterly Report on Form 10-Q, which information in incorporated herein by reference.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

See the Exhibit Index immediately following the signature page to this Quarterly Report on Form 10-Q, which is incorporated by reference here.

SMART MODULAR TECHNOLOGIES (WWH), INC.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SMART MODULAR TECHNOLOGIES (WWH), INC.

By: /s/ IAIN MACKENZIE
Name: Iain MacKenzie
Title: President and Chief Executive Officer
(Principal Executive Officer)

By: /s/ JACK PACHECO
Name: Jack Pacheco
Title: Senior Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

Date: June 29, 2017

EXHIBIT INDEX

Exhibit No.	Exhibit Title
3.1*	Amended and Restated Memorandum and Articles of Association of SMART Global Holdings, Inc.
4.1*	Amended and Restated Sponsors Shareholder Agreement.
4.2*	Amendment No. 2 to Investors Shareholders Agreement, by and among SMART Global Holdings, Inc., Silver Lake Partners III Cayman (AIV III), L.P., Silver Lake Technology Investors III Cayman, L.P., Silver Lake Sumeru Fund Cayman, L.P. and Silver Lake Technology Investors Sumeru Cayman, L.P., the Management Investors and the Warrant Investors.
10.1*+	SMART Global Holdings, Inc. Amended and Restated 2017 Share Incentive Plan.
31.1*	Certification of Principal Executive Officer pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302(a) of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302(a) of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of Principal Executive Officer pursuant 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification of Principal Financial Officer pursuant 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document

+ Indicates a management contract or compensatory plan or arrangement.

* Filed herewith.

** Furnished herewith.

Exhibit 3.1

THE COMPANIES LAW (2016 REVISION)
OF THE CAYMAN ISLANDS
COMPANY LIMITED BY SHARES

AMENDED AND RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION

OF

SMART GLOBAL HOLDINGS, INC.

Adopted by Special Resolution passed on 18 May 2017

THE COMPANIES LAW (2016 REVISION)
OF THE CAYMAN ISLANDS
COMPANY LIMITED BY SHARES

AMENDED AND RESTATED MEMORANDUM OF ASSOCIATION

OF

SMART GLOBAL HOLDINGS, INC.

Adopted by Special Resolution passed on 18 May 2017

1 The name of the Company is **SMART GLOBAL HOLDINGS, INC.**

2 The Registered Office of the Company shall be at the offices of Maples Corporate Services Limited, P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands, or at such other place as the Directors may from time to time decide.

3 The objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by the Companies Law (2016 Revision) or as the same may be revised from time to time, or any other law of the Cayman Islands.

4 The liability of each Member is limited to the amount from time to time unpaid on such Member's shares.

5 The authorised share capital of the Company is US$6,900,000 divided into 200,000,000 Ordinary Shares of a nominal or par value of US$0.03 each and 30,000,000 Preferred Shares of a nominal or par value of US$0.03 each with the power for the Company.

6 The Company has the power to register by way of continuation as a body corporate limited by shares under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.

7 Capitalized terms that are not defined in this Amended and Restated Memorandum of Association bear the same meaning as those given in the Amended and Restated Articles of Association of the Company.

THE COMPANIES LAW (2016 REVISION)
OF THE CAYMAN ISLANDS
COMPANY LIMITED BY SHARES

AMENDED AND RESTATED
ARTICLES OF ASSOCIATION

OF

SMART GLOBAL HOLDINGS, INC.

Adopted by Special Resolution passed on 18 May 2017

1 INTERPRETATION

1.1 In these Articles, unless otherwise defined, the defined terms shall have the meanings assigned to them as follows:

"Articles"	means the Amended and Restated Articles of Association of the Company, as from time to time altered or added to in accordance with the Statute and these Articles.
"Business Day"	means a day, excluding Saturdays or Sundays, on which banks in New York, U.S.A. are open for general banking business throughout their normal business hours.
"Commission"	means Securities and Exchange Commission of the United States of America or any other federal agency for the time being administering the Securities Act.
"Company"	means SMART Global Holdings, Inc., a Cayman Islands company limited by shares.
"Company's Website"	means the website of the Company, the address or domain name of which has been notified to Members.
"Designated Stock Exchange"	means the Nasdaq Global Market or any other stock exchange or automated quotation system on which the Company's securities are then traded.
"Directors" and **"Board of Directors"** and **"Board"**	means the directors of the Company for the time being, or as the case may be, the Directors assembled as a Board or as a committee thereof.
"electronic"	means the meaning given to it in the Electronic Transactions Law (2003 Revision) of the Cayman Islands and any amendment thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefore.
"electronic communication"	means electronic transmission to any number, address or internet website or other electronic delivery methods as otherwise decided and approved by not less than a majority vote of the Board.

"electronic record"	means the meaning given to it in the Electronic Transactions Law (2003 Revision) of the Cayman Islands and any amendment thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefore.
"Exchange Act"	means the United States Securities Exchange Act of 1934, as amended.
"in writing"	includes writing, printing, lithograph, photograph, type-writing and every other mode of representing words or figures in a legible and non-transitory form and, only where used in connection with a notice served by the Company on Members or other persons entitled to receive notices hereunder, shall also include a record maintained in an electronic medium which is accessible in visible form so as to be useable for subsequent reference.
"**Market Price**"	means for any given day, the price quoted in respect of the Ordinary Shares on the Designated Stock Exchange of the close of trading on the previous trading day.
"Member"	means a person whose name is entered in the Register of Members as the holder of a share or shares.
"Memorandum of Association"	means the Memorandum of Association of the Company, as amended and restated from time to time.
"month"	means the calendar month.
"Ordinary Resolution"	means a resolution passed by (i) a simple majority of votes cast by such Members as, being entitled to do so, vote in person or, in the case of any Member being an organization, by its duly authorised representative or, where proxies are allowed, by proxy at a general meeting of the Company, (ii) so long as the Sponsor Investors collectively own at least 40% of the Company's outstanding Ordinary Shares, then, without a meeting, without prior notice and without a vote, a written consent signed by Members having shares not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all of the Company's outstanding shares were present and voted, or (iii) at any time when the Sponsor Investors collectively own less than 40% of the Company's outstanding Ordinary Shares, then unanimous written consent.
"Ordinary Shares"	means an Ordinary Share in the capital of the Company of US$0.03 nominal or par value designated as Ordinary Shares, and having the rights provided for in these Articles.
"Preferred Shares"	means shares in the capital of the Company of US$0.03 nominal or par value designated as Preferred Shares, and having the rights provided for in these Articles.
"Register of Members"	means the register maintained by the Company in accordance with section 40 of the Statute or any modification or re-enactment thereof for the time being in force.

"Seal"	means the common seal of the Company including any facsimile thereof.
"Securities Act"	means the Securities Act of 1933 of the United States of America, as amended, or any successor federal statute and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time.
"share"	means any share in the capital of the Company, including the Ordinary Shares and shares of other classes.
"signed"	means includes a signature or representation of a signature affixed by mechanical means or an electronic symbol or process attached to or logically associated with an electronic communication and executed or adopted by a person with the intent to sign the electronic communication.
"Special Resolution"	means a resolution shall be a special resolution when it has been passed by (i) not less than 75% of votes cast by such Members as, being entitled to do so, vote in person or, in the case of such Members as are corporations, by their duly authorised representative or, whether proxies are allowed, by proxy at a general meeting of which not less than fourteen (14) days' (nor more than sixty (60) days') notice, specifying the intention to propose the resolution as a special resolution, has been duly given, or (ii) a unanimous written consent.
"Sponsor Director"	means a Director appointed as such in accordance with provisions of the Sponsor Shareholders Agreement.
"Sponsor Investors"	has the meaning given in the Sponsor Shareholders Agreement.
"Sponsor Shareholders Agreement"	means the Amended and Restated Sponsor Shareholders Agreement to be dated on or about the date of adoption of these Articles, by and among the Company, the Sponsor Investors party thereto and the other signatories thereto, as it may be amended from time to time.
"Statute"	means the Companies Law (2016 Revision) of the Cayman Islands and any statutory amendment or re-enactment thereof. Where any provision of the Statute is referred to, the reference is to that provision as amended by any law for the time being in force.
"year"	means the calendar year.

1.2 In these Articles, save where the context requires otherwise:

(a) words importing the singular number shall include the plural number and vice versa;

(b) words importing the masculine gender only shall include the feminine gender;

(c) words importing persons only shall include companies or associations or bodies of persons, whether corporate or not;

(d) "may" shall be construed as permissive and "shall" shall be construed as imperative;

(e) a reference to a dollar or dollars (or $) is a reference to dollars of the United States of America;

(f) references to a statutory enactment shall include reference to any amendment or re-enactment thereof for the time being in force;

(g) any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms;

(h) Section 8 and 19(3) of the Electronic Transactions Law (2003 Revision) shall not apply;

(i) "written" and "in writing" include all modes of representing or reproducing words in visible form, including in the form of an electronic record and any requirements as to delivery under the Articles include delivery in the form of an electronic record;

(j) any requirements as to execution or signature under the Articles including the execution of the Articles themselves can be satisfied in the form of an electronic signature as defined in the Electronic Transactions Law (2003 Revision);

(k) the term "clear days" in relation to the period of a notice means that period excluding the day when the notice is received or deemed to be received and the day for which it is given or on which it is to take effect; and

(l) the term "holder" in relation to a share means a person whose name is entered in the Register of Members as the holder of such share.

1.3 Subject to the last two preceding Articles, any words defined in the Statute shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

2 PRELIMINARY

2.1 The business of the Company may be commenced as soon after incorporation as the Directors see fit, notwithstanding that only part of the shares may have been allotted or issued.

2.2 The registered office of the Company shall be at such address in the Cayman Islands as the Directors shall from time to time determine. The Company may in addition establish and maintain such other offices and places of business and agencies in such places as the Directors may from time to time determine.

3 SHARE CAPITAL

3.1 The authorised share capital of the Company at the date of adoption of these Articles is US$6,900,000 divided into 200,000,000 Ordinary Shares of a nominal or par value of US$0.03 each and 30,000,000 Preferred Shares of a nominal or par value of US$0.03 each, with power for the Company insofar as is permitted by law, to increase or reduce the said capital subject to the provisions of the Statute and these Articles and to issue any part of its capital, whether original or increased with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions and so that unless the conditions of issue shall otherwise expressly declare, every issue of shares whether declared to be preferred or otherwise shall be subject to the powers hereinbefore contained.

4 ISSUE OF SHARES

4.1 Subject to the provisions, if any, in the Articles, the Memorandum of Association and applicable law, including the Statute, the Directors may, in their absolute discretion and without approval of the holders of Ordinary Shares, cause the Company to issue such amounts of Ordinary Shares and/or Preferred Shares or similar securities in one or more series, to establish from time to time the number of shares to be included in such series, to grant rights over existing shares as they deem necessary and appropriate and to determine designations, powers, preferences, privileges and other rights, including dividend rights, conversion rights, terms of liquidation preferences, any or all of which may be greater than the powers and rights associated with the Ordinary Shares, at such times and on such other terms as they think proper. The Company shall not issue shares in bearer form and shall only issue shares as fully paid. The authority of the Directors with respect to each series shall include, but not be limited to, determination of the following:

(a) The number of shares constituting that series and the distinctive designation of that series;

(b) The dividend rate on the shares of that series, whether dividends shall be cumulative and, if so, from which date or dates, and the relative rights of priority, if any, of payment of dividends on shares of that series;

(c) whether that series shall have voting rights, in addition to the voting rights provided by law and, if so, the terms of such voting rights;

(d) whether that series shall have conversion privileges and, if so, the terms and conditions of such conversion, including provision for adjustment of the conversion rate in such events as the Directors shall determine; and

(e) the rights of the shares of that series in the event of voluntary or involuntary liquidation, dissolution or winding up of the Company, and the rights of priority, if any, of payment of shares of that series relative to other series of shares.

5 REGISTER OF MEMBERS AND SHARE CERTIFICATES

5.1 The Company shall maintain a Register of its Members. Every person whose name is entered as a Member in the Register of Members and whose shares are to be held in certificated form shall, upon request and without payment, be entitled to a certificate within two months after allotment or lodgement of transfer (or within such other period as the conditions of issue shall provide) in the form determined by the Directors. All certificates shall specify the share or shares held by that person and the amount paid up thereon, provided that in respect of a share or shares held jointly by several persons the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all. All certificates for shares shall be delivered personally or sent through the post addressed to the member entitled thereto at the Member's registered address as appearing in the register. Absent instructions to the contrary from the Company, such member's shares will be held in uncertificated, book entry form.

5.2 Every share certificate of the Company shall bear any legends required under applicable laws, including the Securities Act.

5.3 Any two or more certificates representing shares of any one class held by any Member may at the Member's request be cancelled and a single new certificate for such shares issued in lieu on payment (if the Directors shall so require) of US$1.00 or such smaller sum as the Directors shall determine.

5.4 If a share certificate shall be damaged or defaced or alleged to have been lost, stolen or destroyed, a new certificate representing the same shares may be issued to the relevant Member upon request subject to delivery up of the old certificate or (if alleged to have been lost, stolen or destroyed) compliance with such conditions as to evidence and indemnity and the payment of out-of-pocket expenses of the Company in connection with the request as the Directors may think fit.

5.5 In the event that shares are held jointly by several persons, any request may be made by any one of the joint holders and if so made shall be binding on all of the joint holders.

6 TRANSFER OF SHARES

6.1 Subject to these Articles and the rules or regulations of the Designated Stock Exchange or any relevant securities laws (including, but not limited to U.S. securities law provisions related to insider trading), any Member may transfer all or any of his shares by an instrument of transfer in the usual or common form or in a form prescribed by the Designated Stock Exchange or in any other form approved by the Board and may be under hand or, if the transferor or transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the Board may approve from time to time.

6.2 The instrument of transfer shall be executed by or on behalf of the transferor. Without prejudice to the last preceding Article, the Board may also resolve, either generally or in any particular case, upon request by the transferor or transferee to accept mechanically executed transfers. The transferor shall be deemed to remain the holder of the share until the name of the transferee in entered into the Register in respect thereof.

6.3 The Directors may, in their absolute discretion, decline to register any transfer of Shares, subject to any applicable requirements imposed from time to time by the Commission and the Designated Stock Exchange.

6.4 The Board in so far as permitted by any applicable law and rules of the Designated Stock Exchange may, in its absolute discretion, at any time and from time to time transfer any share upon the Register to any branch register or any share on any branch register to the Register or any other branch register. In the event of any such transfer, the shareholder requesting such transfer shall bear the cost of effecting such transfer unless the Board otherwise determines.

6.5 Unless the Board otherwise agrees (which agreement may be on such terms and subject to such conditions as the Board in its absolute discretion may from time to time determine, and which agreement the Board shall, without giving any reason therefore, be entitled in its absolute discretion to give or withhold), no shares upon the Register shall be transferred to any branch register nor shall shares on any branch register be transferred to the Register or any other branch register and all transfers and other documents of title shall be lodged for registration, and registered, in the case of any shares on a branch register, at the relevant Registration Office, and, in the case of any shares on the Register, at the Office or such other place at which the Register is kept in accordance with the Statute.

6.6 Without limiting the generality of the last preceding Article, the Board may decline to recognise any instrument of transfer unless:

(a) a fee of such maximum sum as the Board may from time to time require is paid to the Company in respect thereof;

(b) the instrument of transfer is in respect of only one class of share;

(c) the instrument of transfer is lodged at the Office or such other place as the Register is kept in accordance with the Statute accompanied by the relevant share certificate(s) or such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do); and

(d) the instrument of transfer is duly and properly signed.

6.7 If the Board refuses to register a transfer of any share, it shall, within two months after the date on which the transfer was lodged with the Company, send to each of the transferor and the transferee notice of the refusal.

6.8 The registration of transfers may be suspended at such time and for such periods as the Directors may from time to time determine, provided always that such registration shall not be suspended for more than forty five (45) days in any year.

7 REDEMPTION AND PURCHASE OF OWN SHARES

7.1 No shares are entitled to any sinking fund or preemptive or redemption rights.

8 VARIATION OF RIGHTS ATTACHING TO SHARES

8.1 Subject to the Statute and the Articles, all or any of the special rights attached to shares of any class (unless otherwise provided for by the terms of issue of the shares of that class) may be varied, modified or abrogated with the sanction of a resolution passed by a majority of not less than two-thirds of the votes cast passed at a separate meeting of the holders of the shares of that class at which a quorum is present.

8.2 The provisions of these Articles relating to general meetings shall apply to every such general meeting of the holders of one class of shares except that the necessary quorum shall be at least one person holding or representing by proxy at least one-third of the par value of the issued shares of the class. Every holder of Shares of the class shall be entitled on a poll to one vote for every such Share held by such holder and any holder of Shares of that class present in person or by proxy may demand a poll.

8.3 The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking in priority to or pari passu therewith.

9 COMMISSION ON SALE OF SHARES

9.1 The Company may in so far as the Statute from time to time permits pay a commission to any person in consideration of his subscribing or agreeing to subscribe whether absolutely or conditionally for any shares of the Company. Such commissions may be satisfied by the payment of cash or the lodgement of fully or partly paid-up shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful.

10 NON-RECOGNITION OF TRUSTS

10.1 No person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future, or partial interest in any share, or any interest in any fractional part of a share, or (except only as is otherwise provided by these Articles or the Statute) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

11 REGISTRATION OF EMPOWERING INSTRUMENTS

11.1 The Company shall be entitled to charge a fee not exceeding one dollar (US$1.00) on the registration of every probate, letters of administration, certificate of death or marriage, power of attorney, or other instrument.

12 TRANSMISSION OF SHARES

12.1 If a Member dies the survivor or survivors (where he was a joint holder) or his legal personal representatives (where he was a sole holder), shall be the only persons recognised by the Company as having any title to his shares. The estate of a deceased Member is not thereby released from any liability in respect of any share, for which he was a joint or sole holder.

12.2 Any person becoming entitled to a share in consequence of the death or bankruptcy or liquidation or dissolution of a Member (or in any other way than by transfer) may, upon such evidence being produced as may be required by the Directors, elect, by a notice in writing sent by him to the Company, either to become the holder of such share or to have some person nominated by him registered as the holder of such share. If he elects to have another person registered as the holder of such share he shall sign an instrument of transfer of that share to that person. The Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by the relevant Member before his death or bankruptcy or liquidation or dissolution, as the case may be.

12.3 A person becoming entitled to a share by reason of the death or bankruptcy or liquidation or dissolution of a Member (or in any other case than by transfer) shall be entitled to the same dividends, other distributions and other advantages to which he would be entitled if he were the holder of such share. However, he shall not, before becoming a Member in respect of a share, be entitled in respect of it to exercise any right conferred by membership in relation to general meetings of the Company and the Directors may at any time give notice requiring any such person to elect either to be registered himself or to have some person nominated by him be registered as the holder of the share (but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by the relevant Member before his death or bankruptcy or liquidation or dissolution or any other case than by transfer, as the case may be). If the notice is not complied with within ninety (90) calendar days of being received or deemed to be received (as determined pursuant to the Articles), the Directors may thereafter withhold payment of all dividends, other distributions, bonuses or other monies payable in respect of the share until the requirements of the notice have been complied with.

13 ALTERATION OF CAPITAL

13.1 Subject to these Articles, the Company may from time to time by Ordinary Resolution increase the share capital by such sum, to be divided into shares of such classes and amount, as the resolution shall prescribe.

13.2 Subject to these Articles, the Company may by Ordinary Resolution:

(a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares, provided that any fractions of a share that result from such a consolidation or division of its share capital shall be automatically repurchased by the Company (i) at the Market Price on the date of such consolidation or division, in the case of any shares listed on a Designated Stock Exchange and (ii) at a price to be agreed between the Company and the applicable Member in the case of any shares not listed on a Designated Stock Exchange;

(b) sub-divide its existing shares, or any of them into shares of a smaller amount provided that in the subdivision the proportion between the amount paid and the amount, if any unpaid on each reduced share shall be the same as it was in case of the share from which the reduced share is derived;

(c) divide shares into multiple classes; or

(d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

13.3 Subject to these Articles, the Company may by Special Resolution:

(a) change its name;

(b) alter or add to these Articles;

(c) alter or add to the Memorandum of Association with respect to any objects, powers or other matters specified therein; or

(d) reduce its share capital and any capital redemption reserve in any manner authorised by law.

13.4 All new shares created hereunder shall be subject to the same provisions with reference to the payment of calls, liens, transfer, transmission, forfeiture and otherwise as the shares in the original share capital.

14 CLOSING REGISTER OF MEMBERS OR FIXING RECORD DATE

14.1 For the purpose of determining those Members that are entitled to receive notice of, attend or vote at any meeting of Members or any adjournment thereof, or those Members that are entitled to receive payment of any dividend, or in order to make a determination as to who is a Member for any other purpose, the Directors may provide that the Register of Members shall be closed for transfers for a stated period but not to exceed in any case sixty (60) calendar days. If the Register of Members shall be so closed for the purpose of determining those Members that are entitled to receive notice of, attend or vote at a meeting of Members such register shall be so closed for at least fourteen (14) calendar days (but not more than sixty (60) calendar days) immediately preceding such meeting and the record date for such determination shall be the date of the closure of the Register of Members, which such date shall not precede the date upon which the resolution fixing the record date is adopted by the Directors. The Directors shall prepare, or cause to be

prepared, at least fourteen (14) days before every general meeting, a complete list of the Members entitled to vote at such meeting, arranged in alphabetical order, and showing the address of each Member and the number of shares registered in the name of each Member. Such list shall be open to the examination of any Member, for any purpose germane to the meeting, during ordinary business hours, for a period of at least fourteen (14) days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any Member who is present.

14.2 In lieu of or apart from closing the Register of Members, the Directors may fix in advance a date as the record date for any such determination of those Members that are entitled to receive notice of, attend or vote at a meeting of the Members and for the purpose of determining those Members that are entitled to receive payment of any dividend the Directors may, at or within ninety (90) calendar days prior to the date of declaration of such dividend, fix a subsequent date as the record date of such determination.

14.3 If the Register of Members is not so closed and no record date is fixed for the determination of those Members entitled to receive notice of, attend or vote at a meeting of Members or those Members that are entitled to receive payment of a dividend, the record date for such determination of Members shall be at the close of business on the business day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the business day next preceding the day on which the meeting is held. When a determination of those Members that are entitled to receive notice of, attend or vote at a meeting of Members has been made as provided in this Article, such determination shall apply to any adjournment thereof.

15 GENERAL MEETINGS

15.1 All general meetings of the Company other than annual general meetings shall be called extraordinary general meetings.

15.2 The Company shall, in each year hold a general meeting as its annual general meeting at such time and place as may be determined by the Directors, and may also be convened by the Board on its own initiative.

15.3 Extraordinary general meetings may be called by the Board or by the chairman of the Board, or by the Board at the request of either of the Sponsor Investors so long as the Sponsor Investors collectively own at least 40% of the outstanding Ordinary Shares. Such extraordinary general meetings shall be held at such time and place as may be determined by the Board.

15.4 In the absence of a designation of the location of a general meeting, such meeting shall be held at the principal executive office of the Company.

15.5 A person may participate at a general meeting by conference telephone or other communications equipment by means of which all the persons participating in the meeting can communicate with each other. Participation by a person in a general meeting in this manner is treated as presence in person at that meeting.

16 NOTICE OF GENERAL MEETINGS

16.1 At least fourteen (14) calendar days' notice (but not more than sixty (60) calendar days' notice) shall be given for any general meeting. Every notice shall be exclusive of the day on which it is given or deemed to be given and of the day for which it is given and shall specify the place, the day and the hour of the meeting, the matters that are intended to be presented, and, in the case of annual general meetings, the name of any nominee who the Directors intend to present for election, and shall be given in the manner hereinafter mentioned or in such other manner if any as may be prescribed by the Company, provided that a general meeting of the Company shall, whether or not the notice specified in this regulation has been given and whether or not the provisions of Articles regarding general meetings have been complied with, be deemed to have been duly convened if it is so agreed:

(a) in the case of an annual general meeting by all the Members (or their proxies) entitled to attend and vote thereat; and

(b) in the case of an extraordinary general meeting by the Members (or their proxies) having a right to attend and vote at the meeting, together holding not less than a majority in par value of the shares giving that right.

16.2 The notice convening an annual general meeting shall specify the meeting as such, and the notice convening a meeting to pass a Special Resolution shall specify the intention to propose the resolution as a Special Resolution. Notice of every general meeting shall be given to all Members other than such as, under the provisions hereof or the terms of issue of the shares they hold, are not entitled to receive such notice from the Company.

16.3 Written notice of any general meeting shall be given either personally or by first-class mail or by telegraphic or other written communication. Notices not personally delivered shall be sent charges prepaid and shall be addressed to the Member at the address of that Member appearing on the books of the Company or given by the Member to the Company for the purpose of notice. Notice shall be deemed to have been given at the time when delivered personally or deposited in the mail or sent by telegram or other means of written communication. An affidavit of the mailing or other means of giving any notice of any general meeting, executed by the Secretary, Assistant Secretary or any transfer agent of the Company giving the notice, shall be prima facie evidence of the giving of such notice.

16.4 In cases where instruments of proxy are sent out with notices, the accidental omission to send such instrument of proxy to, or the non-receipt of any such instrument of proxy by, any person entitled to receive notice shall not invalidate any resolution passed or any proceeding at any such meeting.

16.5 No business may be transacted at any general meeting, other than business that is either (A) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board (or any duly authorised committee thereof), (B) otherwise properly brought before an annual general meeting by or at the direction of the Board (or any duly authorised committee thereof) or (C) otherwise properly brought before an annual general meeting by any Member of the Company who (1) is a Member of record on both (x) the date of the giving of the notice by such Member provided for in this Article and (y) the record date for the determination of Members entitled to vote at such annual general meeting and (2) complies with the notice procedures set forth in this Article.

(a) In addition to any other applicable requirements, for business to be brought properly before an annual general meeting by a Member, such Member must have given timely notice thereof in proper written form to the Secretary of the Company.

(b) [Reserved.]

(c) All notices of meetings of the Members shall be sent or otherwise given in accordance with Article 16.5 hereof not less than fourteen (14) nor more than sixty (60) days before the date of the meeting. The notice shall specify the place, date and hour of the meeting and (i) in the case of an extraordinary general meeting, the purpose or purposes for which the meeting is called (no business other than that specified in the notice may be transacted) or (ii) in the case of the annual general meeting, those matters which the Board, at the time of giving the notice, intends to present for action by the members (but any proper matter may be presented at the meeting for such action). The notice of any meeting at which Directors are to be elected shall include the name of any nominee or nominees who, at the time of the notice, the Board intends to present for election.

(d) For matters other than for the nomination for election of a Director to be made by a Member of the Company, to be timely, such Member's notice shall be delivered to the Secretary at the principal executive offices of the Company at least forty-five (45) days prior to the date on which the Company first mailed proxy materials for the prior year's annual general meeting; provided, however, that if the Company's annual general meeting occurs on a date more than thirty (30) days earlier or later than the Company's prior year's annual general meeting, then the Board shall determine a date a reasonable period prior to the Company's annual general meeting by which date the Members notice must be delivered and publicize such date in a filing pursuant to the Exchange Act, or via press release. Such publication shall occur at least fourteen (14) days prior to the date set by the Board.

(e) To be in proper written form, a Member's notice to the Secretary must set forth as to such matter such Member proposes to bring before the annual general meeting (1) a brief description of the business desired to be brought before the annual general meeting and the reasons for conducting such business at the annual general meeting, (2) the name and address, as they appear on the Company's books, of the Member proposing such business and any Member Associated Person (as defined below), (3) the class or series and number of shares of the Company that are held of record or are beneficially owned by such Member or any Member Associated Person and any derivative positions held or beneficially held by the Member or any Member Associated Person, (4) whether and the extent to which any hedging or other transaction or series of transactions has been entered into by or on behalf of such Member or any Member Associated Person with respect to any securities of the Company, and a description of any other agreement, arrangement or understanding (including any short position or any borrowing or lending of shares), the effect or intent of which is to mitigate loss to, or to manage the risk or benefit from share price changes for, or to increase or decrease

the voting power of, such Member or any Member Associated Person with respect to any securities of the corporation, (5) any material interest of the Member or a Member Associated Person in such business, and (6) a statement whether either such Member or any Member Associated Person will deliver a proxy statement and form of proxy to holders of at least the percentage of the Company's voting shares required under applicable law and the rules of the Designated Stock Exchange to carry the proposal. For purposes of this Article 16.5(e), a "**Member Associated Person**" of any Member shall mean (i) any person controlling, directly or indirectly, or acting in concert with, such Member, (ii) any beneficial owner of shares of the Company owned of record or beneficially by such Member and on whose behalf the proposal or nomination, as the case may be, is being made, or (iii) any person controlling, controlled by or under common control with such person referred to in the preceding clauses (i) and (ii).

(f) No business shall be conducted at the annual general meeting except business brought before the annual general meeting in accordance with the procedures set forth in this Article, provided, however, that once business has been properly brought before the annual general meeting in accordance with such procedures, nothing in this Article shall be deemed to preclude discussion by any Member of any such business. If the Chairperson of an annual general meeting determines that business was not properly brought before the annual general meeting in accordance with the foregoing procedures, the Chairperson shall declare to the meeting that the business was not properly brought before the meeting and such business shall not be transacted.

(g) In addition to any other applicable requirements, for a nomination for election of a Director to be made by a Member of the Company, such Member must (A) be a Member of record on both (x) the date of the giving of the notice by such Member provided for in this Article and (y) the record date for the determination of Members entitled to vote at such annual general meeting and (B) have given timely notice thereof in proper written form to the Secretary of the Company. If a Member is entitled to vote only for a specific class or category of directors at a meeting of the Members, such Member's right to nominate one or more persons for election as a director at the meeting shall be limited to such class or category of directors.

(h) To be timely for purposes of Article 16.5(g), subject to any lesser period as may be provided in the Sponsors Shareholders Agreement, a Member's notice shall be delivered to or mailed and received at the principal executive offices of the Company not less than one hundred twenty (120) days prior to the meeting; provided, however, that in the event less than one hundred thirty (130) days' notice or prior public disclosure of the date of the meeting is given or made to Members, notice by the Member to be timely must be so received not later than the close of business on the tenth (10th) day following the earlier of the day on which such notice of the date of the meeting was mailed or such public disclosure was made.

(i) To be in proper written form for purposes of Article 16.5(g), a Member's notice to the Secretary must be set forth (A) as to each person whom the Member proposes to nominate for election as a director (1) the name, age, business address and residence address of the person, (2) the principal occupation or employment of the person, (3) the class or series and number of shares of the Company, if any, which are owned beneficially or of record by the person and (4) any other information relating to the person that would be required to be disclosed pursuant to any applicable law and rules of the Designated Stock Exchange; and (B) as to the Member giving notice (1) the name and record address of such Member, (2) the class or series and number of shares of the Company which are owned beneficially or of record by such Member, (3) a description of all arrangements or understandings between

such Member and each proposed nominee and any other person or persons (including their names) pursuant to which the nomination(s) are to be made by such Member, (4) a representation that such Member intends to appear in person or by proxy at the annual meeting to nominate the person(s) named in its notice and (5) any other information relating to such Member that would be required to be disclosed pursuant to any applicable law and rules of the Designated Stock Exchange. Such notice must be accompanied by a written consent of each proposed nominee to being named as a nominee and to serve as a director if elected.

16.6 No person shall be eligible for election as a director of the Company unless nominated in accordance with the procedures set forth in the Articles under this heading of "**NOTICE OF GENERAL MEETINGS**". If the Chairperson of an annual general meeting determines that a nomination was not made in accordance with the foregoing procedures, the Chairperson shall declare to the meeting that the nomination was defective and such defective nomination shall be disregarded. This Article shall not apply to any nomination of a director in an election in which only the holders of one or more series of Preferred Shares of the Company are entitled to vote (unless otherwise provided in the terms of such series of Preferred Shares).

16.7 The accidental omission to give notice of a meeting to or the non-receipt of a notice of a meeting by any Member shall not invalidate the proceedings at any meeting.

17 PROCEEDINGS AT GENERAL MEETINGS

17.1 No business shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business. Members holding in aggregate not less than a majority of all voting share capital of the Company in issue present in person or by proxy and entitled to vote shall be a quorum for all purposes. A person may participate at a general meeting by conference telephone or other communications equipment by means of which all the persons participating in the meeting can communicate with each other. Participation by a person in a general meeting in this manner is treated as presence in person at that meeting. If, however, such quorum is not present or represented at any general meeting, then either (i) the Chairperson of the meeting or (ii) the Members entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting.

17.2 When a meeting is adjourned to another time and place, unless these Articles of Association otherwise require, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting the Company may transact any business that might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each Member of record entitled to vote at the meeting.

17.3 A determination of the Members of record entitled to notice of or to vote at a general meeting shall apply to any adjournment of such meeting unless the Board of Directors fixes a new record date for the adjourned meeting, but the Board shall fix a new record date if the meeting is adjourned for more than thirty (30) days from the date set for the original meeting.

17.4 The Chairperson of the Board of Directors shall preside as Chairperson at every general meeting of the Company. If at any meeting the Chairperson of the Board of Directors is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as Chairperson, the Directors present shall elect one of their number to Chairperson of the meeting or if all the Directors present decline to take the chair, the Members present shall choose one of their own number to be the Chairperson of the meeting.

17.5 At any general meeting a resolution put to the vote of the meeting shall be decided on a poll.

17.6 A poll shall be taken in such manner as the Chairperson directs, and the result of the poll shall be deemed to be the resolution of the meeting.

17.7 In the case of an equality of votes, the Chairperson of the meeting shall not be entitled to a second or casting vote.

18 VOTES OF MEMBERS

18.1 Subject to any rights and restrictions for the time being attached to any class or classes of shares, every Member present in person and every person representing a Member by proxy at a general meeting of the Company shall have one vote for each share registered in such Member's name in the Register of Members. No cumulative voting shall be allowed.

18.2 In the case of joint holders the vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members.

18.3 A Member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote on a poll by his committee, or other person in the nature of a committee appointed by that court, and any such committee or other person, may on a poll, vote by proxy.

18.4 No Member shall be entitled to vote at any general meeting unless all sums presently payable by him in respect of shares in the Company have been paid.

18.5 On a poll, votes may be given either personally or by proxy.

18.6 The instrument appointing a proxy shall be in writing (whether by manual signature, typewriting, telegraphic transmission, telefacsimile or otherwise) under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorized authorised in that behalf provided however, that a Member may also authorise the casting of a vote by proxy pursuant to telephonic or electronically transmitted instructions (including, without limitation, instructions transmitted over the internet) obtained pursuant to procedures approved by the Board which are reasonably designed to verify that such instructions have been authorised by such Member. A proxy need not be a Member of the Company. Notwithstanding the foregoing, no proxy shall be voted or acted upon after three (3) years from its date unless the proxy provides for a longer period.

18.7 An instrument appointing a proxy may be in any usual or common form or such other form as the Directors may approve.

18.8 The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

19 CORPORATIONS ACTING BY REPRESENTATIVES AT MEETING

19.1 Any corporation which is a Member or a Director may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of Members or of the Board of Directors or of a committee of Directors, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Member or Director.

20 CLEARING HOUSES

20.1 If a clearing house or depository (or its nominee) is a member of the Company it may, by resolution of its directors or other governing body or by power of attorney, authorise such person or persons as it thinks fit to act as its representative or representatives at any general meeting of the Company or at any general meeting of any class of members of the Company provided that, if more than one person is so authorised, the authorization shall specify the number and class of shares in respect of which each such person is so authorised. A person so authorised pursuant to this provision shall be entitled to exercise the same powers on behalf of the clearing house (or its nominee) which he represents as that clearing house (or its nominee) could exercise if it were an individual member of the Company holding the number and class of shares specified in such authorization.

21 DIRECTORS

21.1 There shall be a Board of Directors consisting of up to eight (8) Directors, as shall be fixed from time to time by the Directors. The Directors shall be elected or appointed in the first place by the subscribers to the Memorandum of Association or by a majority of them and thereafter by the Board, subject to Article 21.2.

21.2 The Directors shall be divided into three (3) classes designated as Class I, Class II and Class III, respectively. Directors shall be assigned to each class in accordance with a resolution or resolutions adopted by the Board of Directors. At the 2018 annual general meeting of Members, the term of office of the Class I Directors shall expire and Class I Directors shall be elected for a full term of three (3) years. At the 2019 annual general meeting of Members, the term of office of the Class II Directors shall expire and Class II Directors shall be elected for a full term of three (3) years. At the 2020 annual general meeting of Members, the term of office of the Class III Directors shall expire and Class III Directors shall be elected for a full term of three (3) years. At each succeeding annual general meeting of Members, Directors shall be elected for a full term of three (3) years to succeed the Directors of the class whose terms expire at such annual general meeting. Notwithstanding the foregoing provisions of this Article, each Director shall hold office until the expiration of his term, until his successor shall have been duly elected and qualified or until his earlier death, resignation or removal. No decrease in the number of Directors constituting the Board shall shorten the term of any incumbent Director.

21.3 The Board of Directors shall have a Chairperson of the Board of Directors (the "**Chairperson**") elected and appointed by a majority of the Directors then in office. The Directors may also elect a Vice-Chairperson of the Board of Directors (the "**Vice-Chairperson**"). The Chairperson shall preside as Chairperson at every meeting of the Board of Directors. To the extent the Chairperson is not present at a meeting of the Board of Directors, the Vice-Chairperson, or in his absence, the attending Directors, may choose one Director to be the Chairperson of the meeting. The Chairperson's voting right as to the matters to be decided by the Board of Directors shall be the same as other Directors. In the case of an equality of votes, the Chairperson shall not have an additional tie-breaking vote.

21.4 The Directors by the affirmative vote of a simple majority of the remaining Directors present and voting at a Board meeting, even if less than a quorum, by a sole remaining Director or by the affirmative vote of a majority of the Company's outstanding shares, so long as the Sponsor Investors collectively own at least 40% of the Company's outstanding Ordinary Shares, shall have the power from time to time and at any time to appoint any person as a Director to fill a vacancy on the Board or as an addition to the existing Board, subject to these Articles, applicable law and the

listing rules of the Designated Stock Exchange; provided, however, at any time when the Sponsor Investors collectively own less than 40% of the Company's outstanding Ordinary Shares, only Directors by the affirmative vote of a simple majority of the remaining Directors present and voting at a Board meeting, even if less than a quorum, or by a sole remaining Director shall have the power from time to time and at any time to appoint any Person as Director to fill any addition to the existing Board or any vacancy occurring in the Board. Any Director so appointed shall hold office until the next succeeding annual general meeting of Members or until his earlier death, resignation or removal. The Board may increase the number of Directors by the affirmative vote of simple majority of the Directors or, at any time when the Sponsor Investors collectively own at least 40% of the Company's outstanding Ordinary Shares, by the affirmative vote of a majority of the Company's outstanding shares.

21.5 Subject to Article 21.4, a Director may be removed from office with or without cause at any time before the expiration of his term notwithstanding anything in these Articles or in any agreement between the Company and such Director (but without prejudice to any claim for damages under such agreement) by the affirmative vote of a majority of the Company's outstanding shares, so long as the Sponsor Investors collectively own at least 40% of the Company's outstanding Ordinary Shares; however at any time the Sponsor Investors collectively own less than 40% of the Company's outstanding Ordinary Shares, Directors may only be removed for cause, and only by the affirmative vote of holders of at least 75% of the Company's outstanding shares.

21.6 A vacancy on the Board created by the removal of a Director under the provisions of these Articles may be filled by the election or appointment by Ordinary Resolution at the meeting at which such Director is removed or by the affirmative vote of a simple majority of the remaining Directors present and voting at a Board meeting, subject to these Articles, applicable law and the listing rules of the Designated Stock Exchange. Any Director so appointed shall hold office until the next succeeding annual general meeting of Members or until his earlier death, resignation or removal.

21.7 The Board may, from time to time, and except as required by applicable law or the listing rules of the Designated Stock Exchange, adopt, institute, amend, modify or revoke the corporate governance policies or initiatives, which shall be intended to set forth the policies of the Company and the Board on various corporate governance related matters, as the Board shall determine by resolution from time to time.

21.8 A Director shall not be required to hold any shares in the Company by way of qualification. A Director who is not a member of the Company shall nevertheless be entitled to receive notice of and to attend and speak at general meetings of the Company and all classes of shares of the Company.

21.9 The provisions of this Article 21 shall not limit any of the rights or obligations of any party under the Sponsor Shareholders Agreement.

22 DIRECTORS' FEES AND EXPENSES

22.1 The Directors may receive such remuneration as the Board may from time to time determine. The Directors may be entitled to be repaid all traveling, hotel and incidental expenses reasonably incurred or expected to be incurred by him in attending meetings of the Board or committees of the Board or general meetings or separate meetings of any class of shares or of debentures of the Company or otherwise in connection with the discharge of his duties as a Director.

22.2 Any Director who, by request, goes or resides abroad for any purpose of the Company or who performs services which in the opinion of the Board go beyond the ordinary duties of a Director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine and such extra remuneration shall be in addition to or in substitution for any ordinary remuneration provided for by or pursuant to any other Article.

23 POWERS AND DUTIES OF DIRECTORS

23.1 Subject to the provisions of the Statute, these Articles and to any resolutions made in a general meeting, the business of the Company shall be managed by the Directors, who may pay all expenses incurred in setting up and registering the Company and may exercise all powers of the Company. No resolution made by the Company in a general meeting shall invalidate any prior act of the Directors that would have been valid if that resolution had not been made.

23.2 Subject to these Articles, the Directors may from time to time appoint any person, whether or not a director of the Company, to hold the office of the Chief Executive Officer as the Directors may think necessary for the administration of the Company, for such term and at such remuneration (whether by way of salary or commission or participation in profits or partly in one way and partly in another), and with such powers and duties as the Directors may think fit. The Chief Executive Officer may from time to time appoint any person to hold such office in the Company as he or she may think necessary for the administration of the Company, including without prejudice to the foregoing generality, the office of one or more Vice Presidents, Chief Financial Officer, Manager or Controller, and for such term and at such remuneration (whether by way of salary or commission or participation in profits or partly in one way and partly in another), and with such powers and duties as the Chief Executive Officer may think fit.

23.3 The Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit; provided that any committee so formed shall include amongst its members at least two Directors unless otherwise required by applicable law, rules and regulations and the rules of the Designated Stock Exchange; provided further that no committee shall have the power of authority to (a) recommend to the Members an amendment of these Articles of Association (except that a committee may, to the extent authorized in the resolution or resolutions providing for the issuance of shares of stock adopted by the Board of Directors as provided under the laws of the Cayman Islands, fix the designations and any of the preferences or rights of such shares relating to dividends, redemption, dissolution, any distribution of assets of the Company or the conversion into, or the exchange of such shares for, shares of any other class or classes or any other series of the same or any other class or classes of stock of the Company); (b) adopt an agreement of merger or consolidation; (c) recommend to the Members the sale, lease or exchange of all or substantially all of the Company's property and assets; (d) recommend to the Members a dissolution of the Company or a revocation of a dissolution; (e) recommend to the Members an amendment of the Memorandum of Association of the Company; or (f) declare a dividend or authorize the issuance of Shares unless the resolution establishing such committee or the Memorandum or Articles of Association of the Company so provide. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Directors. The Directors may also delegate to any Director holding any executive office such of their powers as they consider desirable to be exercised by him or her. Any such delegation may be made subject to any conditions the Board may impose, and either collaterally with or to the exclusion of their own powers, and may be revoked or altered.

23.4 The Directors may from time to time and at any time by power of attorney appoint any company, firm or person or body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit, and may also authorise any such attorney to delegate all or any of the powers, authorities and discretion vested in him.

23.5 The Directors may from time to time provide for the management of the affairs of the Company in such manner as they shall think fit and the provisions contained in the following paragraphs shall be without prejudice to the general powers conferred by this paragraph.

23.6 The Directors from time to time and at any time may establish any committees, local boards or agencies for managing any of the affairs of the Company and may appoint any persons to be members of such committees or local boards and may appoint any managers or agents of the Company and may fix the remuneration of any of the aforesaid.

23.7 The Directors from time to time and at any time may delegate to any such committee, local board, manager or agent any of the powers, authorities and discretions for the time being vested in the Directors and may authorise the members for the time being of any such local board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be made on such terms and subject to such conditions as the Directors may think fit and the Directors may at any time remove any person so appointed and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.

23.8 Any such delegates as aforesaid may be authorised by the Directors to subdelegate all or any of the powers, authorities, and discretions for the time being vested to them.

23.9 The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital or any part thereof, to issue debentures, debenture stock and other securities whenever money is borrowed or as security for any debt, liability or obligation of the Company or of any third party.

24 DISQUALIFICATION OF DIRECTORS

24.1 Subject to these Articles, the office of Director shall be vacated, if the Director:

(a) becomes bankrupt or makes any arrangement or composition with his creditors;

(b) is found to be or becomes of unsound mind;

(c) resigns his office by notice in writing to the Company;

(d) is prohibited by applicable law or the Designated Stock Exchange from being a director;

(e) without special leave of absence from the Board, is absent from meetings of the Board for six consecutive months and the Board resolves that his office be vacated; or

(f) if he or she shall be removed from office pursuant to these Articles.

25 PROCEEDINGS OF DIRECTORS

25.1 Subject to these Articles, the Directors may meet together for the dispatch of business, adjourn, and otherwise regulate their meetings and proceedings as they think fit. Such meetings may be held at any place within or outside the Cayman Islands that has been designated by the Board of Directors. In the absence of such a designation, meetings of the Board of Directors shall be held at the principal executive office of the Company. Questions arising at any meeting of the Directors shall be decided by a majority of votes. In the case of an equality of votes, the Chairperson of the Board shall not have an additional tie-breaking vote.

25.2 The Chairperson of the Board, the chief executive officer, the president, any vice president, the Secretary or any two Directors may, at any time summon a meeting of the Board by notice to each Director by telephone, facsimile, electronic email, telegraph or telex, during normal business hours, or by sending notice in writing to each Director by first class mail, charges prepaid, at least forty-eight hours before the date of the meeting, which notice shall set forth the general nature of the business to be considered unless notice is waived by all the Directors either at, before or after the meeting is held and provided further, if notice is given in person, by telephone, facsimile, electronic email, telegraph or telex, the same shall be deemed to have been given on the day it is delivered to the Directors or transmitting organization as the case may be. The accidental omission to give notice of a meeting of the Board to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings of that meeting. Notice of a meeting need not be given to any Director (i) who signs a waiver of notice or a consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or (ii) who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such Directors. All such waivers, consents, and approvals shall be filed with the corporate records or made part of the minutes of the meeting. A waiver of notice need not specify the purpose of any regular or special meeting of the Board of Directors.

25.3 A Director or Directors may participate in any meeting of the Board of Directors, or of any committee appointed by the Board of Directors of which such Director or Directors are members, by means of telephone or similar communication equipment by way of which all persons participating in such meeting can hear each other and such participation shall be deemed to constitute presence in person at the meeting.

25.4 The quorum necessary for the transaction of the business of the Directors shall be a majority of the authorized number of Directors; however, for so long as a Sponsor Director is on the Board, a quorum shall also require at least one Sponsor Director. If any such required Sponsor Director fails to appear at a meeting of the Board, and such meeting is adjourned with proper notice and postponed with no change to the agenda, and such Sponsor Director again fails to appear at such postponed meeting, a majority of the authorized number of Directors without such Sponsor Director will constitute a quorum. For the avoidance of doubt, if at any time there is only a sole Director, the quorum shall be one (1) Director. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board of Directors, subject to the provisions of these Articles of Association and other applicable law.

25.5 A meeting of the Directors may be held by means of telephone or teleconferencing or any other telecommunications facility provided that all participants are thereby able to communicate immediately by voice with all other participants.

25.6 Subject to these Articles, a Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the nature of his interest at a meeting of the Directors. A general notice given to the Directors by any Director to the effect that he is a member of any specified company or firm and is to be regarded as interested in any contract which may thereafter be made with that company or firm shall be deemed a sufficient declaration of interest in regard to any contract so made. A Director may vote in respect of any contract or proposed contract or arrangement notwithstanding that he may be interested therein and if he does so his vote shall be counted and he may be counted in the quorum at any meeting of the Directors at which any such contract or proposed contract or arrangement shall come before the meeting for consideration.

25.7 A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise, nor shall any such contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realized by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established. A Director, notwithstanding his interest, may be counted in the quorum present at any meeting whereat he or any other Director is appointed to hold any such office or place of profit under the Company or whereat the terms of any such appointment are arranged and he may vote on any such appointment or arrangement. Any Director who enters into a contract or arrangement or has a relationship that is reasonably likely to be implicated under this Article or that would reasonably be likely to affect a Director's status as an "Independent Director" under applicable law or the rules of the Designated Stock Exchange shall disclose the nature of his or her interest in any such contract or arrangement in which he is interested or any such relationship.

25.8 Any Director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to reasonable expense reimbursement consistent with the Company's policies in connection with such Directors service in his or her official capacity; provided that nothing herein contained shall authorise a Director or his firm to act as auditor to the Company.

25.9 The Directors shall cause minutes to be made in books or loose-leaf folders provided for the purpose of recording:

(a) all appointments of officers made by the Directors;

(b) the names of the Directors present at each meeting of the Directors and of any committee of the Directors; and

(c) all resolutions and proceedings at all meetings of the Company, and of the Directors and of committees of Directors.

25.10 When the Chairperson of a meeting of the Directors signs the minutes of such meeting the same shall be deemed to have been duly held notwithstanding that all the Directors have not actually come together or that there may have been a technical defect in the proceedings.

25.11 A resolution signed by all the Directors shall be as valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted. When signed a resolution may consist of several documents each signed by one or more of the Directors.

25.12 The continuing Directors may act notwithstanding any vacancy in their body but if and so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of Directors, the continuing Directors may act for the purpose of increasing the number, or of summoning a general meeting of the Company, but for no other purpose.

25.13 A committee appointed by the Directors may elect a Chairperson of its meetings. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the same, the members present may choose one of their number to be Chairperson of the meeting.

25.14 A committee appointed by the Directors may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the committee members present and in case of an equality of votes the Chairperson shall not have a second or casting vote.

25.15 Meetings and actions of committees of the Board of Directors shall be governed by, and held and taken in accordance with, the provisions of Article 25.1 (place of meetings), Article 25.2 (notice), Article 25.3 (telephonic meetings), and Article 25.4 (quorum), with such changes in the context of these Articles of Association as are necessary to substitute the committee and its members for the Board of Directors and its members; provided, however, that the time of regular meetings of committees may be determined either by resolution of the Board of Directors or by resolution of the committee, that special meetings of committees may also be called by resolution of the Board of Directors, and that notice of special meetings of committees shall also be given to all alternate members, who shall have the right to attend all meetings of the committee. The Board of Directors may adopt rules for the government of any committee not inconsistent with the provisions of these Articles of Association.

25.16 All acts done by any meeting of the Directors or of a committee of Directors, or by any person acting as a Director, shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.

26 PRESUMPTION OF ASSENT

26.1 A Director of the Company who is present at a meeting of the Board of Directors at which action on any Company matter is taken shall be presumed to have assented to the action taken unless his dissent or abstention shall be entered in the Minutes of the meeting or unless he shall file his written dissent or abstention from such action with the person acting as the Chairperson or Secretary of the meeting before the adjournment thereof or shall forward such dissent or abstention by registered post to such person immediately after the adjournment of the meeting. Such right to dissent or abstain shall not apply to a Director who voted in favour of such action.

27 DIVIDENDS, DISTRIBUTIONS AND RESERVE

27.1 Subject to any rights and restrictions for the time being attached to any class or classes of shares and these Articles, the Directors may from time to time declare dividends (including interim dividends) and other distributions on shares in issue and authorise payment of the same out of the funds of the Company lawfully available therefor. All dividends unclaimed for one (1) year after having been declared may be invested or otherwise made use of by the Board for the benefit of the

Company until claimed. Any dividend unclaimed after a period of six (6) years from the date of declaration shall be forfeited and shall revert to the Company. The payment by the Board of any unclaimed dividend or other sums payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof.

27.2 The Directors may, before recommending or declaring any dividend, set aside out of the funds legally available for distribution such sums as they think proper as a reserve or reserves which shall, at the discretion of the Directors be applicable for meeting contingencies, or for equalizing dividends or for any other purpose to which those funds be properly applied and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Directors may from time to time think fit. The Board shall establish an account to be called the "Share Premium Account" and shall carry to the credit of such account from time to time a sum equal to the amount or value of the premium paid on the issue of any share in the Company. Unless otherwise provided by the provisions of these Articles, the Board may apply the share premium account in any manner permitted by the Statute and the rules of the Designated Stock Exchange. The Company shall at all times comply with the provisions of these Articles, the Statute and the rules of the Designated Stock Exchange in relation to the share premium account.

27.3 Any dividend may be paid by cheque or warrant sent through the post to the registered address of the Member or person entitled thereto, or in the case of joint holders, to any one of such joint holders at his registered address or to such person and such address as the Member or person entitled, or such joint holders as the case may be, may direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to the order of such other person as the Member or person entitled, or such joint holders as the case may be, may direct.

27.4 The Directors when paying dividends to the Members in accordance with the foregoing provisions may make such payment either in cash or in specie.

27.5 No dividend shall be paid otherwise than out of profits or, subject to the restrictions of the Statute, the share premium account.

27.6 Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as fully paid on the shares, but if and so long as nothing is paid up on any of the shares in the Company dividends may be declared and paid according to the amounts of the shares. No amount paid on a share in advance of calls shall, while carrying interest, be treated for the purposes of this Article as paid on the share.

27.7 If several persons are registered as joint holders of any share, any of them may give effectual receipts for any dividend or other moneys payable on or in respect of the share.

27.8 No dividend shall bear interest against the Company.

28 BOOK OF ACCOUNTS

28.1 The books of account relating to the Company's affairs shall be kept in such manner as may be determined from time to time by the Directors.

28.2 The books of account shall be kept at such place or places as the Directors think fit, and shall always be open to the inspection of the Directors.

28.3 Except as provided in Article 14.1, the Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Members not being Directors, and no Member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by Statute or authorised by the Directors or by the Company by Ordinary Resolution.

28.4 The accounts relating to the Company's affairs shall be audited in such manner and with such financial year end as may be determined from time to time by the Company by Ordinary Resolution or failing any such determination by the Directors or failing any determination as aforesaid shall not be audited.

29 ANNUAL RETURNS AND FILINGS

29.1 The Board shall make the requisite annual returns and any other requisite filings in accordance with the Statute.

30 AUDIT

30.1 The Directors may appoint an auditor of the Company who shall hold office until removed from office by a resolution of the Directors and may fix his or their remuneration.

30.2 Every Auditor of the Company shall have a right of access at all times to the books and accounts and vouchers of the Company and shall be entitled to require from the Directors and officers of the Company such information and explanation as may be necessary for the performance of the duties of the auditors.

30.3 Auditors shall, if so required by the Directors, make a report on the accounts of the Company during their tenure of office at the next annual general meeting following their appointment in the case of a company which is registered with the Registrar of Companies as an ordinary company, and at the next extraordinary general meeting following their appointment in the case of a company which is registered with the Registrar of Companies as an exempted company, and at any other time during their term of office, upon request of the Directors or any general meeting of the Members.

31 THE SEAL

31.1 The Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board of Directors, provided always that such authority may be given prior to or after the affixing of the Seal and if given after may be in general form confirming a number of affixings of the Seal. The Seal shall be affixed in the presence of any one or more persons as the Directors may appoint for the purpose and every person as aforesaid shall sign every instrument to which the Seal of the Company is so affixed in their presence.

31.2 The Company may maintain a facsimile of its Seal in such countries or places as the Directors may appoint and such facsimile Seal shall not be affixed to any instrument except by the authority of a resolution of the Board of Directors provided always that such authority may be given prior to or after the affixing of such facsimile Seal and if given after may be in general form confirming a number of affixings of such facsimile Seal. The facsimile Seal shall be affixed in the presence of such person or persons as the Directors shall for this purpose appoint and such person or persons

as aforesaid shall sign every instrument to which the facsimile Seal of the Company is so affixed in their presence of and the instrument signed by a Director or the Secretary (or an Assistant Secretary) of the Company or in the presence of any one or more persons as the Directors may appoint for the purpose.

31.3 Notwithstanding the foregoing, a Director shall have the authority to affix the Seal, or the facsimile Seal, to any instrument for the purposes of attesting authenticity of the matter contained therein but which does not create any obligation binding on the Company.

32 OFFICERS

32.1 The Company shall have a President and Chief Executive Officer, Chief Operating Officer and Chief Financial Officer, and may have one or more Vice Presidents, a Manager or a Controller, appointed by the Directors; provided, however, that there may exist a vacancy in any such office from time to time because of death, resignation, removal, disqualification or any other cause which shall be filled by the Board of Directors as soon as reasonably practicable. The Directors may also from time to time appoint such other officers as they consider necessary, all for such terms, at such remuneration and to perform such duties, and subject to such provisions as to disqualification and removal as the Directors from time to time subscribe.

33 REGISTER OF DIRECTORS AND OFFICERS

33.1 The Company shall cause to be kept in one or more books at its office a Register of Directors and Officers in which there shall be entered the full names and addresses of the Directors and Officers and such other particulars as required by the Statute. The Company shall send to the Registrar of Companies in the Cayman Islands a copy of such register, and shall from time to time notify the said Registrar of any change that takes place in relation to such Directors and Officers as required by the Statute.

34 CAPITALISATION OF PROFITS

34.1 Subject to the Statute and these Articles, the Board may capitalize any sum standing to the credit of any of the Company's reserve accounts (including a share premium account or a capital redemption reserve fund) or any sum standing to the credit of profit and loss account or otherwise available for distribution and to appropriate such sum to Members in the proportions in which such sum would have been divisible amongst them had the same been a distribution of profits by way of dividend and to apply such sum on their behalf in paying up in full unissued shares for allotment and distribution credited as fully paid up to and amongst them in the proportion aforesaid. In such event the Directors shall do all acts and things required to give effect to such capitalization, with full power to the Directors to make such provisions as they think fit for the case of shares becoming distributable in fractions (including provisions whereby the benefit of fractional entitlements accrue to the Company rather than to the Members concerned). The Directors may authorise any person to enter on behalf of all of the Members interested into an agreement with the Company providing for such capitalization and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

35 NOTICES

35.1 Except as otherwise provided in these Articles, any notice or document may be served by the Company or by the person entitled to give notice to any Member either personally, by facsimile or by sending it through the post in a prepaid letter or via a recognised courier service, fees prepaid, addressed to the Member at his address as appearing in the Register of Members or, to the extent permitted by all applicable laws and regulations, by electronic means by transmitting it to any electronic number or address or website supplied by the member to the Company or by placing it on the Company's Website provided that, with respect to notification via electronic means or posting to Company's Website, the Company has obtained the Member's prior express positive confirmation in writing to receive or otherwise have made available to him notices in such fashion. In the case of joint holders of a share, all notices shall be given to that one of the joint holders whose name stands first in the Register of Members in respect of the joint holding, and notice so given shall be sufficient notice to all the joint holders.

35.2 Notices posted to addresses outside the Cayman Islands shall be forwarded by prepaid airmail.

35.3 Any Member present, either personally or by proxy, at any meeting of the Company shall for all purposes be deemed to have received due notice of such meeting and, where requisite, of the purposes for which such meeting was convened.

35.4 Any notice or other document, if served by (a) post, shall be deemed to have been served when the letter containing the same is posted and if served by courier, shall be deemed to have been served when the letter containing the same is delivered to the courier (in proving such service it shall be sufficient to prove that the letter containing the notice or document was properly addressed and duly posted or delivered to the courier), or (b) facsimile, shall be deemed to have been served upon confirmation of successful transmission, or (c) recognised delivery service, shall be deemed to have been served when the letter containing the same is delivered to the courier service and in proving such service it shall be sufficient to provide that the letter containing the notice or documents was properly addressed and duly posted or delivered to the courier or (d) electronic means as provided herein shall be deemed to have been served and delivered on the day on which it is successfully transmitted or at such later time as may be prescribed by any applicable laws or regulations.

35.5 Any notice or document delivered or sent to any Member in accordance with the terms of these Articles shall notwithstanding that such Member be then dead or bankrupt, and whether or not the Company has notice of his death or bankruptcy, be deemed to have been duly served in respect of any share registered in the name of such Member as sole or joint holder, unless his name shall at the time of the service of the notice or document, have been removed from the Register of Members as the holder of the share, and such service shall for all purposes be deemed a sufficient service of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share.

35.6 Notice of every general meeting shall be given to:

(a) all Members who have supplied to the Company an address for the giving of notices to them, except that in case of joint holders, the notice shall be sufficient if given to the joint holder first named in the Register of Members;

(b) every person entitled to a share in consequence of the death or bankruptcy of a Member, who but for his death or bankruptcy would be entitled to receive notice of the meeting;

(c) the Auditors; and

(d) each Director.

35.7 No other person shall be entitled to receive notices of general meetings.

36 INFORMATION

36.1 No Member shall be entitled to require discovery of any information in respect of any detail of the Company's trading or any information which is or may be in the nature of a trade secret or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Board would not be in the interests of the members of the Company to communicate to the public.

36.2 The Board shall be entitled to release or disclose any information in its possession, custody or control regarding the Company or its affairs to any of its members including, without limitation, information contained in the Register of Members and transfer books of the Company.

37 INDEMNITY

37.1 The Company shall indemnify every Director and officer of the Company or any predecessor to the Company (which for the avoidance of doubt, shall not include auditors of the Company), together with every former Director and former officer of the Company or any predecessor to the Company, and may indemnify any person (other than current and former Directors and officers) (any such Director, officer or other person, an "**Indemnified Person**"), out of the assets of the Company against any liability, including personal liability for breaches of fiduciary duty, action, proceeding, claim, demand, costs, damages or expenses, including legal expenses, whatsoever which they or any of them may incur as a result of any act or failure to act in carrying out their functions other than such liability (if any) that they may incur by reason of their own actual fraud or wilful default. No Indemnified Person shall be liable to the Company for any loss or damage incurred by the Company as a result (whether direct or indirect) of the carrying out of their functions unless that liability arises through the actual fraud or wilful default of such Indemnified Person. No person shall be found to have committed actual fraud or wilful default under this Article unless or until a court of competent jurisdiction shall have made a finding to that effect. Each Member agrees to waive any claim or right of action he or she might have, whether individually or by or in the right of the Company, against any Director on account of any action taken by such Director, or the failure of such Director to take any action in the performance of his or her duties with or for the Company; provided that such waiver shall not extend to any matter in respect of any fraud or wilful default which may attach to such Director.

37.2 The Company shall advance to each Indemnified Person reasonable attorneys' fees and other costs and expenses incurred in connection with the defense of any action, suit, proceeding or investigation involving such Indemnified Person for which indemnity will or could be sought. In connection with any advance of any expenses hereunder, the Indemnified Person shall execute an undertaking to repay the advanced amount to the Company if it shall be determined by final judgment or other final adjudication that such Indemnified Person was not entitled to indemnification pursuant to this Article. If it shall be determined by a final judgment or other final adjudication that such Indemnified Person was not entitled to indemnification with respect to such judgment, costs or expenses, then such party shall not be indemnified with respect to such judgment, costs or expenses and any advancement shall be returned to the Company (without interest) by the Indemnified Person.

37.3 The Directors, on behalf of the Company, may purchase and maintain insurance for the benefit of any Director or other officer of the Company against any liability which, by virtue of any rule of law, would otherwise attach to such person in respect of any negligence, default, breach of duty or breach of trust of which such person may be guilty in relation to the Company.

37.4 Neither any amendment nor repeal of the Articles set forth under this heading of "**INDEMNITY**" (the "**Indemnification Articles**"), nor the adoption of any provision of the Company's Articles or Memorandum of Association inconsistent with the Indemnification Articles, shall eliminate or reduce the effect of the Indemnification Articles, in respect of any matter occurring, or any action or proceeding accruing or arising or that, but for these Indemnification Articles, would accrue or arise, prior to such amendment, repeal or adoption of an inconsistent provision.

38 FINANCIAL YEAR

38.1 Unless the Directors otherwise prescribe, the financial year of the Company shall end on the last Friday of August in each year and shall begin on the following day in each year.

39 WINDING UP

39.1 If the Company shall be wound up the liquidator shall apply the assets of the Company in satisfaction of creditors' claims in such manner and order as such liquidator thinks fit. Subject to the rights attaching to any shares, in a winding up:

(a) if the assets available for distribution amongst the Members shall be insufficient to repay the whole of the Company's issued share capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Members in proportion to the par value of the shares held by them; or

(b) if the assets available for distribution amongst the Members shall be more than sufficient to repay the whole of the Company's issued share capital at the commencement of the winding up, the surplus shall be distributed amongst the Members in proportion to the par value of the shares held by them at the commencement of the winding up subject to a deduction from those shares in respect of which there are monies due, of all monies payable to the Company for unpaid calls or otherwise.

39.2 If the Company shall be wound up the liquidator may, subject to the rights attaching to any shares and with the sanction of a Special Resolution of the Company and any other sanction required by the Statute, divide amongst the Members in kind the whole or any part of the assets of the Company (whether such assets shall consist of property of the same kind or not) and may for that purpose value any assets and determine how the division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the Members as the liquidator, with the like sanction, shall think fit, but so that no Member shall be compelled to accept any asset upon which there is a liability.

40 AMENDMENT OF MEMORANDUM AND ARTICLES OF ASSOCIATION AND NAME OF COMPANY

40.1 Subject to the Statute and these Articles, the Company may at any time and from time to time by Special Resolution alter, amend, change or repeal these Articles or the Memorandum of Association of the Company, in whole or in part, or change the name of the Company.

41 REGISTRATION BY WAY OF CONTINUATION

41.1 Subject to these Articles, the Company may by Special Resolution resolve to be registered by way of continuation in a jurisdiction outside the Cayman Islands or such other jurisdiction in which it is for the time being incorporated, registered or existing. In furtherance of a resolution adopted pursuant to this Article, the Directors may cause an application to be made to the Registrar of Companies to deregister the Company in the Cayman Islands or such other jurisdiction in which it is for the time being incorporated, registered or existing and may cause all such further steps as they consider appropriate to be taken to effect the transfer by way of continuation of the Company.

SMART GLOBAL HOLDINGS, INC.

AMENDED AND RESTATED SPONSOR SHAREHOLDERS AGREEMENT

Dated as of May 30, 2017

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SMART GLOBAL HOLDINGS, INC.

AMENDED AND RESTATED SPONSOR SHAREHOLDERS AGREEMENT

This AMENDED AND RESTATED SPONSOR SHAREHOLDERS AGREEMENT (as may be amended, supplemented, restated or modified from time to time, this "Agreement") is made as of May 30, 2017, by and among SMART Global Holdings, Inc. (f/k/a Saleen Holdings, Inc.), a Cayman Islands exempted company (together with its successors and assigns, the "Company"), Silver Lake Partners III Cayman (AIV III), L.P., a Cayman Islands exempted limited partnership (the "SLP Investor"), Silver Lake Technology Investors III Cayman, L.P., a Cayman Islands exempted limited partnership (the "SLP Co-Investor"), Silver Lake Sumeru Fund Cayman, L.P., a Cayman Islands exempted limited partnership (the "SLS Investor"), Silver Lake Technology Investors Sumeru Cayman, L.P., a Cayman Islands exempted limited partnership (the "SLS Co-Investor"), Mr. Ajay B. Shah, an individual ("Mr. Shah"), Krishnan-Shah Family Partners, L.P., Fund No. 1, a California limited partnership ("Shah Fund 1"), Krishnan-Shah Family Partners, L.P., Fund No. 3, a California limited partnership ("Shah Fund 3"), Krishnan-Shah Family Partners, L.P., Fund No. 4, a California limited partnership ("Shah Fund 4"), The Ajay B. Shah and Lata K. Shah 1996 Trust u/a/d 5/28/1996, a California revocable trust ("Shah Trust", and together with Mr. Shah, Shah Fund 1, Shah Fund 3 and Shah Fund 4, collectively the "Shah Investors").

WHEREAS, the Company, the SLP Investor, the SLP Co-Investor, the SLS Investor, the SLS Co-Investor and the Shah Investors entered into that certain Sponsor Shareholders Agreement, dated as of August 26, 2011 (the "Prior Agreement") in order to provide for the management of the Company and to set forth the respective rights and obligations of the parties thereto with respect to the ownership of Securities (as defined below); and

WHEREAS, the Company and the Sponsor Investors (as defined below) desire to amend and restate the Prior Agreement in connection with the Initial Public Offering (as defined below) of the Company.

NOW, THEREFORE, in consideration of the agreements and obligations set forth herein and for other good and valuable consideration, the receipt of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. As used in this Agreement, the following terms shall have the meanings set forth below:

"Affiliate" means, with respect to any Person, any other Person that Controls, is Controlled by, or is under common Control with such Person. The term "Control" means the power to direct or cause the direction of the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise. "Controlled" and "Controlling" have meanings correlative to the foregoing. Notwithstanding the foregoing, for purposes of this Agreement, (i) the Company, its Subsidiaries and its other Controlled Affiliates shall not be considered Affiliates of any of the Silver Lake Partners Investors, Silver Lake Sumeru Investors, the Shah Co-Investors or any of such party's Affiliates (other than the Company, its Subsidiaries and its other Controlled Affiliates), (ii) none of the Silver Lake Partners Investors, Silver Lake Sumeru Investors or Shah Co-Investors shall be considered Affiliates of each other, and (iii) except with respect to Section 4.2(a) and Section 7.13, none of the Sponsor Investors shall be considered Affiliates of (A) any portfolio company in which any of the Sponsor Investors or any of their investment fund Affiliates have made a debt or equity investment (and vice versa) or (B) any limited partners, non-managing members or other similar direct or indirect investors in any of the Sponsor Investors or their affiliated investment funds.

"Aggregate Sponsor Ownership" means the total number of Shares owned in the aggregate and without duplication by the Sponsors as of the date of such calculation.

"Amended Credit Agreement" means the Amended and Restated Credit Agreement, dated as November 5, 2016, among SMART Worldwide Holdings, Inc., SMART Modular Technologies (Global), Inc., SMART Modular Technologies, Inc., the lenders party thereto and Barclays Bank PLC, as administrative agent, as it may be amended, supplemented, restated or modified from time to time.

"Articles" means the Amended and Restated Memorandum and Articles of Association of the Company as in effect upon consummation of the Initial Public Offering.

"beneficial ownership" and "beneficially own" and similar terms have the meaning set forth in Rule 13d-3 under the Exchange Act; provided, however that (i) no party hereto shall be deemed to beneficially own any Securities of the Company held by any other party hereto solely by virtue of the provisions of this Agreement (other than this definition) and (ii) with respect to any Securities held by a party hereto that are exercisable for, convertible into or exchangeable for Shares upon delivery of consideration to the Company or any of its Subsidiaries, such Shares shall not be deemed to be beneficially owned by such party unless, until and to the extent such Securities have been exercised, converted or exchanged and such consideration has been delivered by such party to the Company or such Subsidiary.

"Board" means the Board of Directors of the Company.

"Business Day" means a day, other than a Saturday, Sunday or other day on which banks located in New York, New York are authorized or required by law to close.

"Change in Control" means any transaction or series of related transactions (whether by merger, consolidation, recapitalization, liquidation or sale or transfer of Securities or assets (including equity securities of the Subsidiaries) or otherwise) as a result of which any Person or group, within the meaning of Section 13(d)(3) of the Exchange Act (other than the Sponsor Investors and their respective Affiliates, any group of which the foregoing are members and any other members of such a group), obtains ownership, directly or indirectly, of (i) Securities that represent more than 50% of the total voting power of the outstanding capital stock of the Company or applicable successor entity or (ii) all or substantially all of the assets of the Company and its Subsidiaries on a consolidated basis.

"Code" means the U.S. Internal Revenue Code of 1986, as amended from time to time, and the rules and regulations promulgated pursuant thereto.

"Demand Registration" has the meaning ascribed to such term in the Registration Rights Agreement.

"Director" means any member of the Board.

"Employee Investors Shareholders Agreement" means the Employee Investors Shareholders Agreement, dated as of August 26, 2011, by and among the Company, the Sponsor Investors party thereto and the other signatories thereto, as it may be amended from time to time.

"Equity Contribution Agreement" means the Equity Contribution Agreement, dated as of August 25, 2011, between the Company and the Shah Investors, as it may be amended from time to time.

"ERISA" means the U.S. Employee Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulations promulgated pursuant thereto.

"Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time, and the rules and regulations promulgated pursuant thereto.

"Independent Director" means a Director who, as of the date of such Director's election or appointment and as of any other date on which the determination is being made, qualifies as an "Independent Director" for applicable rules of the Listing Exchange, as determined by the Board and (if such Director is to serve on the Audit Committee) under Rule 10A-3 under the Exchange Act, as well as any other requirement of the U.S. securities laws that is then applicable to the Company, as determined by the Board.

"Initial Public Offering" means the consummation of the underwritten initial public offering of the Shares that is registered under the Securities Act.

"Investors" means, collectively, (i) the Silver Lake Partners Investors, (ii) the Silver Lake Sumeru Investors, (iii) the Shah Co-Investors and (iv) any other Person that holds Securities and has become a party to this Agreement pursuant to Article V.

"Investors Shareholders Agreement" means the Amended and Restated Investors Shareholders Agreement, dated as of November 5, 2016, and as amended by Amendment No. 2 to Investors Shareholder Agreement, dated as of May 30, 2017, by and among the Company, the Sponsor Investors party thereto, the Warrant Investors and the other signatories thereto, as it may be amended from time to time.

"IPO Date" means the date on which the Initial Public Offering is consummated.

"IPO Registration Statement" means the initial registration statement filed under the Securities Act with respect to the Initial Public Offering.

"Joinder Agreement" means a joinder agreement substantially in the form of Exhibit A attached hereto.

"Listing Exchange" means the NASDAQ Global Market or other nationally recognized stock exchange or listing system, in each case on which the Shares are at any time listed or quoted.

"Marketed Underwritten Shelf Take-Down" has the meaning ascribed to such term in the Registration Rights Agreement.

"Necessary Action" means, with respect to a specified result, all actions necessary to cause such result, including (i) voting or providing a written consent or proxy with respect to the Securities, whether at any annual, special or extraordinary meeting, by written consent or otherwise, (ii) causing the adoption of shareholders resolutions and amendments to the Organizational Documents of the Company, (iii) causing members of the Board (to the extent such members were elected, nominated or designated by the Person obligated to undertake the Necessary Action) to act (subject to any applicable fiduciary duties) in a certain manner or causing them to be removed in the event they do not act in such a manner, (iv) executing agreements and instruments and (v) making, or causing to be made, with governmental, administrative or regulatory authorities, all filings, registrations or similar actions that are required to achieve such result.

"Organizational Documents" of any Person means the articles and/or memorandum of association, certificate of incorporation, certificate of organization, bylaws, partnership agreement, operating agreement, certificate of formation, certificate of limited partnership or other organizational or governing documents of such Person.

"Permitted Transferee" means: (i) with respect to each Sponsor Investor, such Sponsor Investor's Affiliates, and (ii) with respect to each Shah Co-Investor, (A) if such Shah Co-Investor is not an individual, such Shah Co-Investor's Affiliates, and (B) if such Shah Co-Investor is an individual, (1) any other Shah Investor, (2) any Person who takes from such Shah Co-Investor upon death by bequest, devise or descent, (3) the spouse and lineal descendants (including children by adoption and step children) of such Shah Co-Investor, (4) a trust or custodianship formed in connection with the bona fide estate planning activities of such Shah Co-Investor (x) the current, non-contingent beneficiaries of which may include only such Shah Co-Investor, and the spouse and lineal descendants (including children by adoption and step children) of such Shah Co-Investor, and (y) with respect to which such Shah Co-Investor is the sole trustee or custodian (or is a co-trustee or co-custodian along with such Shah Co-Investor's spouse), or (5) any limited liability company or partnership (x) with respect to which at least eighty percent (80%) all of the outstanding equity interests are beneficially owned solely by such Shah Co-Investor, and/or the spouse and lineal descendants (including children by adoption and step children) of such Shah Co-Investor, (y) with respect to which such Shah Co-Investor, and/or any of the spouse and lineal descendants (including children by adoption and step children) of such Shah Co-Investor, are the sole managers or managing members (if a limited liability company) or directly or indirectly control the sole general partners (if a limited partnership) and otherwise have the sole power to direct or cause the direction of the management and policies, directly or indirectly, of such limited liability company or partnership, whether through the ownership of voting securities, by contract or otherwise and (z) which is not formed with the purpose or intent of circumventing the requirements of Section 3.2, Section 3.3 or Section 3.5.

"Person" means an individual, any general partnership, limited partnership, limited liability company, corporation, trust, business trust, joint stock company, joint venture, unincorporated association, cooperative or association or any other legal entity or organization of whatever nature, and shall include any successor (by merger or otherwise) of such entity, or a government or any agency or political subdivision thereof.

"Piggyback Registration" means an offering by the Company pursuant to, and in accordance with, Section 2.3 of the Registration Rights Agreement.

"Registration Rights Agreement" means the Amended and Restated Registration Rights Agreement, dated as of November 5, 2016, by and among the Company, the Sponsor Investors party thereto, the Shah Investors, the Warrant Investors party thereto and the other signatories thereto, as it may be amended from time to time.

"Related Party Transaction" means any agreement, contract or transaction between the Company or any of its controlled Affiliates, on the one hand, and any of the Sponsor Investors or their respective Affiliates, on the other hand; provided, that for purposes of this definition, the following will not be considered a "Related Party Transaction": (a) any single transaction or series of related transactions entered into in the ordinary course of business of the Company or its Subsidiaries with a portfolio company of any of the Sponsor Investors or their respective Affiliates on arm's-length terms, (b) indemnification, advancement of expenses and/or exculpation of liability made pursuant to the Organizational Documents of the Company or any of its Subsidiaries, this Agreement or the Director Indemnification Agreements, (c) transactions where the interests of the Sponsor Investors or their Affiliates arise solely from their status as a holder of any class or series of securities of the Company and all other holders of such class or series receive the same benefit on a pro rata basis (such as dividends or distributions) and (d) any amendments, modifications or waivers to this Agreement, the Investors Shareholders Agreement or the Employee Shareholders Agreement in accordance with their respective terms; provided, that no such amendment, modification or waiver shall provide for the payment of any monitoring, transaction, management or other fees or payments by the Company (or its Subsidiaries) to any of the Sponsor Investors (or their Affiliates) (for the avoidance of doubt, it being understood that this proviso will not apply to payments to the Sponsor Investors or their Affiliates as consideration in respect of their Securities or any reimbursement of expenses of the Sponsor Investors or their Affiliates).

"Rule 144" means Rule 144 (or any successor provision) under the Securities Act, as such provision is amended from time to time.

"SEC" means the U. S. Securities and Exchange Commission or any successor agency.

"Securities" means any equity securities of the Company, including any Shares.

"Securities Act" means the Securities Act of 1933, as amended from time to time, and the rules and regulations promulgated pursuant thereto.

"Shah Co-Investors" means, collectively, the Shah Investors and any of their respective Affiliates, designated transferees or successors that hold Securities and have become parties to this Agreement pursuant to Article V.

"Shares" means the ordinary shares, par value $0.03 per share, of the Company.

"Shelf Take-Down" has the meaning ascribed to such term in the Registration Rights Agreement.

"Silver Lake Partners Investors" means, collectively, the SLP Investor, the SLP Co-Investor and any of their respective Affiliates, designated transferees or successors that hold Securities and have become parties to this Agreement pursuant to Article V.

"Silver Lake Sumeru Investors" means, collectively, the SLS Investor, the SLS Co-Investor and any of their respective Affiliates, designated transferees or successors that hold Securities and have become parties to this Agreement pursuant to Article V.

"Sponsor Deadlock" means, in the case of any specific action or decision that is submitted for the mutual consent or approval of the SLP Investor and SLS Investor in accordance with Section 2.2, (i) such action or decision is not approved by both the SLP Investor and SLS Investor (the Sponsor Investor who fails to provide any such approval, being referred to as the "Disapproving Sponsor Investor") and (ii) on or after the first (1st) anniversary of the original submission of such action, such action continues to not be approved by the Disapproving Sponsor Investor and has not be withdrawn in writing by the submitting Sponsor Investor.

"Sponsor Investors" means, collectively, the Silver Lake Partners Investors and Silver Lake Sumeru Investors.

"Subscription Agreement" means each of the Subscription Agreements, dated as of August 26, 2011, between the Company and the SLP Investor, the SLP Co-Investor, the SLS Investor and the SLS Co-Investor, as applicable, as may be amended from time to time.

"Subsidiary" means, with respect to any Person, any entity of which (i) a majority of the total voting power of shares of stock or equivalent ownership interests entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers, trustees or other members of the applicable governing body thereof is at the time owned or Controlled, directly or indirectly, by that Person or one (1) or more of the other Subsidiaries of that Person or a combination thereof, or (ii) if no such governing body exists at such entity, a majority of the total voting power of shares of stock or equivalent ownership interests of the entity is at the time owned or Controlled, directly or indirectly, by that Person or one (1) or more Subsidiaries of that Person or a combination thereof. For purposes hereof, a Person or Persons shall be deemed to have a majority ownership interest in a limited liability company, partnership, association or other business entity if such Person or Persons shall be allocated a majority of limited liability company, partnership, association or other business entity gains or losses or shall be or Control the managing member or general partner of such limited liability company, partnership, association or other business entity.

"Transferable Shares" means (i) Shares and (ii) Shares issuable upon exercise, conversion or exchange of any convertible debt security or preferred security that is currently exercisable for, convertible into or exchangeable for, as of the relevant date of determination, Shares.

"Warrant Investors" has the meaning ascribed to such term in the Investors Shareholders Agreement.

Section 1.2. Definitions Cross References. The following terms are defined in the corresponding Sections of this Agreement:

Term	Section
Agreement	Preamble
Audit Committee	Section 2.1(d)
Chosen Courts	Section 7.4(a)
Company	Preamble
Compensation Committee	Section 2.1(d)
Control	Section 1.1
Controlled Entities	Section 6.1(a)
Director Indemnification Agreements	Section 2.1(g)(iii)
Disapproving Sponsor Investor	Section 1.1
Eligible Tag Sponsor	Section 3.4(a)
Eligible Trade Sponsor	Section 3.3(c)(iii)
First Post-IPO Transfer Restriction Period	Section 3.3(a)(i)
Fund DIK	Section 3.3(a)(ii)
Indemnification Sources	Section 6.1(b)
Indemnified Liabilities	Section 6.1(a)
Indemnitee-Related Party	Section 6.1(b)(i)
Indemnitees	Section 6.1(a)
Jointly Indemnifiable Claims	Section 6.1(b)(ii)
Market Trade	Section 3.3(a)(iii)
Market Trade Notice	Section 3.3(c)(iii)
Market Trade Participation Notice	Section 3.3(c)(iii)
Market Trade Percentage	Section 3.3(c)(iii)
Market Trade Price Range	Section 3.3(c)(iii)
Market Trade Shares	Section 3.3(c)(iii)
Mr. Shah	Preamble
Nominating Committee	Section 2.1(d)
Prior Agreement	Recitals
Private Sale	Section 3.3(a)(iv)
Proposed Transferee	Section 3.4(a)
Second Post-IPO Transfer Restriction Period	Section 3.3(a)(v)
Selling Sponsor Investor	Section 3.4(a)
Shah Fund 1	Preamble
Shah Fund 3	Preamble
Shah Fund 4	Preamble
Shah Investors	Preamble
Shah Pro-Rata Share	Section 3.5
Shah Trust	Preamble
SLP Co-Investor	Preamble
SLP Investor	Preamble
SLS Co-Investor	Preamble
SLS Investor	Preamble
Sponsor Director	Section 2.1(b)
Tag-Along Participation Notice	Section 3.4(b)
Tag-Along Sale	Section 3.4(a)
Tag-Along Sale Percentage	Section 3.4(a)
Tag-Along Shares	Section 3.4(a)
Tag-Along Sellers	Section 3.4(b)
Tagging Sponsors	Section 3.4(b)
Trade Participating Sponsors	Section 3.3(c)(iii)
Trading Sponsor	Section 3.3(b)(iii)
Transfer	Section 3.1(a)
Transfer Notice	Section 3.4(a)
Triggering Event	Section 3.5
VCOC Investor	Section 2.7(a)

Section 1.3. General Interpretive Principles. The name assigned to this Agreement and the section captions used herein are for convenience of reference only and shall not be construed to affect the meaning, construction or effect hereof. Unless otherwise specified, the terms "hereof," "herein" and similar terms refer to this Agreement as a whole, and references herein to Articles or Sections refer to Articles or Sections of this Agreement. For purposes of this Agreement, the words, "include," "includes" and "including," when used herein, shall be deemed in each case to be followed by the words "without limitation." The terms "dollars" and "$" shall mean United States dollars. The parties hereto have participated jointly in the negotiation and drafting of this Agreement. If an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the parties and no presumption or burden of proof will arise favoring or disfavoring any party because of the authorship of any provision of this Agreement.

ARTICLE II

GOVERNANCE

Section 2.1. Board of Directors.

(a) Size. From and after the IPO Date, the Board shall consist of eight (8) Directors; provided, that the Board shall further increase the number of Independent Directors to the extent necessary to comply with applicable law and the Listing Exchange rules (including as contemplated by Section 2.1(d)(i)), or as otherwise agreed by the Board, subject to the rights of the Sponsor Investors under Section 2.5(i).

(b) Composition; Company Recommendation. Subject to Section 2.1(a), the Sponsor Investors shall have the right to nominate individuals for election to the Board (each, a "Sponsor Director") as follows:

(i) So long as the Aggregate Sponsor Ownership is at least 50% of the Shares outstanding immediately following the consummation of the Initial Public Offering, the Sponsor Investors will be entitled to nominate five (5) Directors (inclusive of any Sponsor Investor nominees already on the Board);

(ii) So long as the Aggregate Sponsor Ownership is less than 50% but at least 35% of the Shares outstanding immediately following the consummation of the Initial Public Offering, the Sponsor Investors will be entitled to nominate four (4) Directors (inclusive of any Sponsor Investor nominees already on the Board);

(iii) So long as the Aggregate Sponsor Ownership is less than 35% but at least 20% of the Shares outstanding immediately following the consummation of the Initial Public Offering, the Sponsor Investors will be entitled to nominate three (3) Directors (inclusive of any Sponsor Investor nominees already on the Board);

(iv) So long as the Aggregate Sponsor Ownership is less than 20% but at least 10% of the Shares outstanding immediately following the consummation of the Initial Public Offering, the Sponsor Investors will be entitled to nominate two (2) Directors (inclusive of any Sponsor Investor nominees already on the Board); and

(v) So long as the Aggregate Sponsor Ownership is less than 10% but at least 5% of the Shares outstanding immediately following the consummation of the Initial Public Offering, the Sponsor Investors will be entitled to nominate one (1) Director (inclusive of any Sponsor Investor nominee already on the Board).

In connection with each election of Directors, the Company (A) shall nominate each nominee of the Sponsor Investors pursuant to Section 2.1(b) for election as a Director as part of the slate that is included in the proxy statement (or consent solicitation or similar document) of the Company relating to the election of Directors, (B) shall recommend the election of each such nominee to the shareholders of the Company and (C) without limiting the foregoing, shall provide at least as high a level of support for the election of each such nominee as it provides to any other individual standing for election as a Director as part of the Company's slate of Directors. For the avoidance of doubt, it is understood that the failure of the shareholders of the Company to elect any Sponsor Director nominee shall not affect the right of the Sponsor Investors to designate any Sponsor Director nominee for election pursuant to this Section 2.1(b) in connection with any future election of Directors.

(c) Nominations. The initial Sponsor Director nominees are: Mr. Shah (whose initial term will expire in 2019), James Davidson (whose initial term will expire in 2020), Kenneth Hao (whose initial term will expire in 2020), Paul Mercadante (whose initial term will expire in 2020) and Jason White (whose initial term will expire in 2019). With respect to any Director to be nominated by the Sponsor Investors other than the initial Sponsor Directors listed above or the then-serving Sponsor Directors, the Sponsor Investors shall nominate their Director(s) by delivering to the Company their written statement at least 60 days prior to the one-year anniversary of the preceding annual meeting nominating their Director(s) and setting forth such Director(s)' business address, telephone number, facsimile number and e-mail address; provided, that if the Sponsor Investors fail to deliver such written notice, the Sponsor Investors shall be deemed to have nominated the Director(s) previously nominated (or designated pursuant to this Section 2.1(c)).

(d) Committees. The Company shall establish and maintain an audit committee of the Board (the "Audit Committee"), a compensation committee of the Board (the "Compensation Committee"), a nominating and governance committee of the Board (the "Nominating Committee"), and such other Board committees as the Board deems appropriate from time to time or as may be required by applicable law or the Listing Exchange rules. The committees shall have such duties and responsibilities as are customary for such committees, subject to the provisions of this Agreement.

(i) Audit Committee. The Audit Committee shall initially consist of: Mukesh Patel, Jason White and Sandeep Nayyar, with Mr. Nayyar serving as Chairman. As and when required by law or by the rules of the Listing Exchange, the Board and/or the Company shall add additional Independent Directors. If required by the rules of the Listing Exchange, no later than the first anniversary of the effectiveness of the IPO Registration Statement, the Audit Committee shall consist of at least three (3) Independent Directors (at least one (1) of whom shall satisfy the "audit committee financial expert" requirements as such term is defined by Item 407(d)(5) of Regulation S-K). Subject to Section 2.1(d)(iv), for so long as the Company maintains the Audit Committee, it shall consist of at least one (1) Sponsor Director (but only if the Sponsor Investors are then entitled to nominate at least one (1) Sponsor Director) who shall at all times meet the requirements of law and of the rules of the Listing Exchange.

(ii) Compensation and Nominating Committees. The Compensation Committee shall initially consist of: Mukesh Patel and Ajay Shah, with Mr. Shah serving as Chairman. The Nominating Committee shall initially consist of: Paul Mercadante, Sandeep Nayyar and Jason White, with Mr. White serving as its Chairman. Subject to Section 2.1(d)(iv), for so long as the Company maintains the Compensation Committee and Nominating Committee, such committees shall each consist of at least one (1) Sponsor Director (but only if the Sponsor Investors are then entitled to nominate at least one (1) Sponsor Director) who shall at all times meet the requirements of law and of the rules of the Listing Exchange.

(iii) Other Committees. Subject to Section 2.1(d)(iv), any committee of the Board not specified in Section 2.1(d)(i) or Section 2.1(d)(ii) shall consist of at least one (1) Sponsor Director (but only if the Sponsor Investors are then entitled to nominate at least one (1) Sponsor Director) and such additional members as may be determined by the Board.

(iv) Modifications to Committees. Notwithstanding the foregoing, the Board (upon the recommendation of the Nominating Committee) shall, only to the extent necessary to comply with applicable law or the Listing Exchange rules, modify the composition of any such committee to the extent required to comply with such applicable law or the Listing Exchange rules; provided, that if the Board shall establish a committee to consider a proposed transaction between any Sponsor Investor (or any

of its Affiliates), on the one hand, and the Company or any of its Subsidiaries, on the other hand, then the Directors nominated by such Sponsor Investor whose (or whose Affiliate's) transaction is being considered by such committee shall be excluded from participation in such committee. If any vacant Director position on any committee of the Board results from the Sponsor Investors no longer being entitled to nominate at least one (1) Director, then such vacant position shall be filled by the Board upon the recommendation of the Nominating Committee, in accordance with Section 2.1(f).

(e) Removal. Directors shall serve until their resignation or removal or until their successors are nominated. For the avoidance of doubt, if the number of Directors that the Sponsor Investors are entitled to nominate pursuant to Section 2.1(b) is reduced by one (1) or more Directors, then no such Director need resign from the Board prior to the end of his or her term.

(f) Vacancies. If any Director previously nominated by the Sponsor Investors dies or is unwilling or unable to serve as such or is otherwise removed or resigns from office, then the Sponsor Investors shall promptly nominate a successor to such Director, in accordance with this Section 2.1; but if the Sponsor Investors are no longer entitled to fill such vacant Director position(s), such vacant Director position(s) shall be filled by the Board, upon the recommendation of the Nominating Committee. If, subject to the rights of the Sponsor Investors under Section 2.5(i), the Board votes to increase the size of the Board (including as contemplated by Section 2.1(d)(i)), the vacant Director position(s) created as a result of such newly created directorship(s) shall be filled by the Board, upon the recommendation of the Nominating Committee. Any other vacant Director position(s) shall be filled by the Board, or the Board shall nominate a replacement Director, in each case, upon the recommendation of the Nominating Committee, in accordance with the Articles.

(g) Other Board Governance Provisions. From and after the date hereof:

(i) Expense Reimbursement. The Company and its Subsidiaries, as the case may be, shall reimburse the Directors for all reasonable out-of-pocket expenses incurred in connection with their attendance at meetings of the Board or the board of Directors (or similar governing body) of any such Subsidiaries, and any committees thereof, including, without limitation, travel, lodging and meal expenses.

(ii) Insurance. The Company shall maintain customary director and officer indemnity insurance on commercially reasonable terms as determined by the Board, which, if the Sponsor Investors are entitled to nominate at least one (1) Director pursuant to Section 2.1(b), shall be reasonably acceptable to the Sponsor Investors.

(iii) Indemnification. In addition to any other indemnification rights that the Directors have pursuant to the Organizational Documents of the Company, each Sponsor Director, shall have the right to enter into, and the Company agrees (to the extent it has not already done so) to enter into, an indemnification agreement substantially in the form of Exhibit B attached hereto (the "Director Indemnification Agreements").

(iv) Subsidiaries. At the request of the Sponsor Investors and subject to applicable law, the Company shall cause the members of the board of directors or other similar governing body, and committees thereof, of any Subsidiary to comply with this Section 2.1 as if such Subsidiary were the Company.

(v) Extraordinary Meetings. If any Sponsor Director wishes to call a special or extraordinary meeting of the Board, the Company shall take all Necessary Action to cause the calling of such meeting.

Section 2.2. Sponsor Investor Actions. From and after the date hereof, any and all matters requiring the consent, approval, agreement, action, judgment, request, notification or determination of the (i) Sponsor Investors pursuant to this Agreement (including a transfer of Transferable Shares by any Sponsor Investor pursuant to Section 3.3(b)(ii)), (ii) "Silver Lake Investors" as defined in and pursuant to the Investors Shareholders Agreement and/or the Employee Investors Shareholders Agreement, (iii) "Sponsor Holders" as defined in and pursuant to the Registration Rights Agreement and (iv) Sponsor Investors or their respective affiliates or designees pursuant to any other agreement requiring a similar consent, approval, agreement, action, judgment, request, notification or determination to the foregoing shall, in each case, require the written consent or approval of both the SLP Investor and SLS Investor in accordance with this Section 2.2; provided, however, that in the case of a Sponsor Deadlock with respect to the consent, approval, agreement, action, judgment, request, notification or determination of any of the foregoing matters, (A) such consent, approval, agreement, action, judgment, request, notification or determination may thereafter be unilaterally given by the SLP Investor and (B) such consent, approval, agreement, action, judgment, request, notification or determination of the SLP Investor pursuant to this Section 2.2 shall be binding on all of the other Investors and the Company. All of the Investors and the Company shall take or cause to be taken all Necessary Action in order to consummate and make effective, in the most expeditious manner practicable, any matter approved by the Sponsor Investors pursuant to this Section 2.2 (whether following a Sponsor Deadlock or otherwise), including (i) executing, acknowledging and delivering consents, assignments, waivers and other documents or instruments and (ii) otherwise cooperating with the Silver Lake Investors and the Company. Notwithstanding anything herein to the contrary, to the extent that any of the foregoing matters (x) is a proposed amendment of this Agreement pursuant to Section 7.7 or a proposed amendment of any of the Investors Shareholders Agreement, the Employee Investors Shareholders Agreement or the Registration Rights Agreement in accordance with the respective terms thereof, in each case that, by its terms, would be materially and disproportionally adverse to one or more of the Sponsor Investors as compared to any of the other Sponsor Investors or (y) is a proposed termination of this Agreement pursuant to Section 7.11 or a proposed termination of any of the Investors Shareholders Agreement, the Employee Investors Shareholders Agreement or the Registration Rights Agreement in accordance with the terms respective thereof, such matter will require the mutual approval of all of the Sponsor Investors in all cases (regardless of any Sponsor Deadlock).

Section 2.3. Voting Agreement. Each Sponsor Investor agrees, at any time it is then entitled to vote for the election of Directors to the Board, to take all Necessary Action, including casting all votes to which such Investor is entitled in respect of its Securities, whether at any annual, special or extraordinary meeting, by written consent or otherwise, so as to facilitate that the composition of the Board complies with (and includes all of the requisite nominees in accordance with) this Article II and to otherwise effect the intent of this Article II. Each Investor then entitled to vote for the election of any successor as a Director agrees to take all Necessary Action, including casting all votes to which such Investor is entitled in respect of its Securities whether at any annual, special or extraordinary meeting, by written consent or otherwise, so as to facilitate that any such successor determined in accordance with Section 2.1(f) is elected to the Board as promptly as practicable. Each Sponsor Investor agrees that if, at any time, it is then entitled to vote for the removal of Directors, it will not vote any of its Securities in favor of the removal of any director who shall have been nominated in accordance with Section 2.1, unless (i) the Person(s) entitled to nominate such Director shall have consented to such removal in writing, (ii) removal is compelled pursuant to Section 2.1(e) or (iii) the Person(s) entitled to nominate any Director pursuant to Section 2.1 shall request in writing the removal, with or without cause, of such Director (in which case, each such Investor shall vote its Securities in favor of such removal).

Each Sponsor Investor agrees not to grant, or enter into a binding agreement with respect to, any proxy to any Person in respect of its Securities that would prohibit such Investor from casting votes in respect of such Securities in accordance with this Section 2.3.

Section 2.4. Controlled Company. The Sponsor Investors acknowledge and agree that, (i) by virtue of this Article II, they are acting as a "group" within the meaning of the Listing Exchange rules as of the date hereof, and (ii) by virtue of the combined voting power of Shares held by the Investors representing more than 50% of the total voting power of the Shares outstanding as of the IPO Date, the Company qualifies as of the IPO Date as a "controlled company" within the meaning of the Listing Exchange rules. So long as the Company qualifies as a "controlled company" for purposes of the Listing Exchange rules, the Company will elect to be a "controlled company" for purposes of the Listing Exchange rules, and will disclose in its annual meeting proxy statement that it is a "controlled company" and the basis for that determination.

Section 2.5. Certain Matters Requiring Consent of the Sponsor Investors. Subject to the Articles and applicable law, so long as the Aggregate Sponsor Ownership continues to be at least 25% of the aggregate number of Shares outstanding immediately following the consummation of the Initial Public Offering, the following actions by the Company or any of its Subsidiaries shall require the prior written consent of the Sponsor Investors):

(a) Change in Control. Entering into or effecting a Change in Control.

(b) Certain Acquisitions and Dispositions. Directly or indirectly, entering into or effecting any transaction or series of related transactions involving, or entering into any agreement providing for, (i) the purchase, lease, license, exchange or other acquisition by the Company or its Subsidiaries of any assets and/or equity securities for consideration having a fair market value (as reasonably determined by the Board) in excess of $5.0 million and/or (ii) the sale, lease, license, exchange or other disposal by the Company or its Subsidiaries of any assets and/or equity securities having a fair market value or for consideration having a fair market value (in each case as reasonably determined by the Board) in excess of $5.0 million, in each case, other than transactions in the ordinary course of business or transactions solely between or among the Company and one (1) or more of its wholly-owned Subsidiaries.

(c) Certain Joint Ventures and Business Alliances. Directly or indirectly, entering into any joint venture or similar business alliance involving, or entering into any agreement providing for, the investment, contribution or disposition by the Company or its Subsidiaries of assets (including stock of Subsidiaries) having a fair market value (as reasonably determined by the Board) in excess of $5.0 million, other than transactions solely between or among the Company and one (1) or more of its wholly-owned Subsidiaries.

(d) Capital Expenditures. Incurring any capital expenditures in any fiscal year in excess of 10% over the amount of capital expenditures provided for in the annual budget for such fiscal year approved by the Board.

(e) Indebtedness. Incurring (or extending, supplementing or otherwise modifying any of the material terms of) any indebtedness for borrowed money (including any refinancing of existing indebtedness), assuming, guaranteeing, endorsing or otherwise as an accommodation becoming responsible for the obligations of any other Person (other than the Company or any of its Subsidiaries), or entering into (or extending, supplementing or otherwise modifying any of the material terms of) any agreement under which the Company or any Subsidiary may incur indebtedness for borrowed money in the future, in any transaction or series of related transactions, other than a drawdown of amounts not to exceed at any time outstanding the amount of revolving commitments under the Amended Credit Agreement as in effect on the date hereof. For the avoidance of doubt, the consent of the Sponsor Investors will not be required for entry by the Company or any Subsidiary into operating leases or purchase money arrangements in the ordinary course of business.

(f) Dissolution; Liquidation; Reorganization; Bankruptcy. Initiating a voluntary liquidation, dissolution, receivership, bankruptcy or other insolvency proceeding involving the Company or any Subsidiary that is a "significant subsidiary" as defined in Rule 1-02 of Regulation S-X under the Exchange Act.

(g) Nature of Business. Making any material change in the nature of the business conducted by the Company or any of its Subsidiaries.

(h) CEO and CFO. Terminating the employment of the Chief Executive Officer or Chief Financial Officer of the Company or hiring a new Chief Executive Officer or Chief Financial Officer of the Company, as the case may be.

(i) Board Changes. Increasing or decreasing the size of the Board or otherwise changing its composition (other than as expressly permitted under this Article II).

(j) Related Party Transactions. Subject to Section 6.6 of the Investors Shareholders Agreement, any Related Party Transactions. Notwithstanding anything to the contrary in this Section 2.5(j), this Section 2.5(j) shall not restrict transactions pursuant to which an Investor or an Affiliate of an Investor avails itself of rights expressly provided to such Investor or its Affiliates (as applicable) in this Agreement or any transaction or agreement contemplated thereby, as any of the same may be amended, supplemented or restated from time to time in accordance with their terms (including indemnification rights provided by the Company or its Subsidiaries).

(k) Amending the Investors Shareholders Agreement or Executive Agreements. Amending or waiving any provision of the (i) Investors Shareholders Agreement or (ii) equity and/or employment agreements, contracts, awards and/or other arrangements, including the Employee Investors Shareholders Agreement, between the Company, any of its Subsidiaries on the one hand, and executive officers of the Company and/or its Subsidiaries, on the other hand, in the case of each of clause (i) and (ii), as in effect on the date hereof; provided, that the foregoing clauses (i) and (ii) shall not apply in respect of any amendment or waiver insofar as it relates to the voting or disposition of Shares or securities that are or could become convertible into, or exercisable or exchangeable for, Shares.

(l) Operating Plan. Adopting or amending the annual operating plan of the Company.

(m) Delegation. Delegation of any of the actions set forth in Section 2.5(a) through (l) above to any committee of the Board.

Section 2.6. Additional Management Provisions.

(a) The Company and each Investor acknowledges and agrees that the Sponsor Directors may share confidential, non-public information about the Company and its Subsidiaries (including any materials received in their capacities as members of the Board or any other board of directors (or similar governing body) of any of the Company's Subsidiaries, except, in the case of any pending action, suit or proceeding, to the extent the sharing of such materials would be reasonably likely to result in the waiver or loss of attorney-client privilege) with the Sponsor Investors and their respective Affiliates, limited partners, members and direct and indirect investors, in each case, on a confidential basis.

(b) Except (i) to the extent resulting from the rights granted under this Agreement, the Investors Shareholders Agreement, the Employee Investors Shareholders Agreement and the Registration Rights Agreement, (ii) as required by applicable law and (iii) pursuant to authority granted to an individual as an officer or director of the Company or its Subsidiaries, no Investor (in its capacity as an Investor) shall have the authority to manage the business and affairs of the Company or contract for or incur on behalf of the Company any debts, liabilities or obligations, and no such action of an Investor will be binding on the Company.

Section 2.7. VCOC Investors.

(a) With respect to each Sponsor Investor and, at the request of any Sponsor Investor, each Affiliate thereof that directly or indirectly has an interest in the Company, in each case that is intended to qualify as a "venture capital operating company" as defined in the Plan Asset Regulations (each, a "VCOC Investor"), for so long as the VCOC Investor, directly or through one (1) or more conduit subsidiaries, continues to hold any Transferable Shares, in each case, without limitation or prejudice of any the rights provided to any of the Sponsor Investors hereunder, the Company shall, with respect to each such VCOC Investor:

(i) provide such VCOC Investor or its designated representative with the following:

(A) the right to visit and inspect any of the offices and properties of the Company and its Subsidiaries and inspect and copy the books and records of the Company and its Subsidiaries, at such times as the VCOC Investor shall reasonably request;

(B) as soon as available and in any event within sixty (60) days after the end of each of the first three (3) quarters of each fiscal year of the Company, consolidated balance sheets of the Company and its Subsidiaries as of the end of such period, and consolidated statements of income and cash flows of the Company and its Subsidiaries for the period then ended, in each case prepared in conformity with generally accepted accounting principles in the United States applied on a consistent basis, except as otherwise noted therein, and subject to the absence of footnotes and to year-end adjustments;

(C) as soon as available and in any event within one-hundred twenty (120) days after the end of each fiscal year of the Company, a consolidated balance sheet of the Company and its Subsidiaries as of the end of such year, and consolidated statements of income and cash flows of the Company and its Subsidiaries for the year then ended prepared in conformity with generally accepted accounting principles in the United States applied on a consistent basis, except as otherwise noted therein, together with an auditor's report thereon of a firm of established national reputation;

(D) to the extent the Company or any of its Subsidiaries is required by law or pursuant to the terms of any outstanding indebtedness of the Company or such Subsidiary to prepare such reports, any annual reports, quarterly reports and other periodic reports pursuant to Section 13 or 15(d) of the Exchange Act, actually prepared by the Company or such Subsidiary as soon as available; and

(E) copies of all materials provided to the Board at substantially the same time as provided to the members of the Board and, if requested, copies of the materials provided to the board of directors (or equivalent governing body) of any Subsidiary of the Company; provided, that the Company or such Subsidiary shall be entitled to exclude portions of such materials to the extent providing such portions would be reasonably likely to result in the waiver of attorney-client privilege.

(ii) make appropriate officers of the Company and its Subsidiaries and members of the Board available periodically and at such times as reasonably requested by such VCOC Investor for consultation with such VCOC Investor or its designated representative with respect to matters relating to the business and affairs of the Company and its Subsidiaries, including significant changes in management personnel and compensation of employees, introduction of new products or new lines of business, important acquisitions or dispositions of plants and equipment, significant research and development programs, the purchasing or selling of important trademarks, licenses or concessions or the proposed commencement or compromise of significant litigation;

(iii) to the extent consistent with applicable law (and with respect to events which require public disclosure, only following the Company's public disclosure thereof through applicable securities law filings or otherwise), inform the VCOC Investor or its designated representative in advance with respect to any significant corporate actions, including extraordinary dividends, mergers, amalgamations, acquisitions or dispositions of assets, issuances of significant amounts of debt or equity and material amendments to the Organizational Documents of the Company or any of its Subsidiaries, and to provide the VCOC Investor or its designated representative with the right to consult with the Company and its Subsidiaries with respect to such actions, should the VCOC Investor elect to do so; and

(iv) provide such VCOC Investor or its designated representative with such other rights of consultation which such VCOC Investor's counsel may determine to be reasonably necessary under applicable legal authorities promulgated after the date hereof to qualify its investment in the Company as a "venture capital investment" for purposes of the Plan Assets Regulation.

(b) The Company agrees to consider, in good faith, the recommendations of each VCOC Investor or its designated representative in connection with the matters on which it is consulted as described above, recognizing that the ultimate discretion with respect to all such matters shall be retained by the Company.

ARTICLE III

TRANSFER RESTRICTIONS

Section 3.1. General Restrictions on Transfers.

(a) No Investor may, directly or indirectly, sell, exchange, assign, pledge, hypothecate, gift or otherwise transfer, dispose of or encumber, in each case, whether in its own right or by its representative and whether voluntary or involuntary or by operation of law (any of the foregoing shall be deemed included in the term "transfer" as used in this Agreement) any Securities or any legal, economic or beneficial interest in any Securities unless (i) such transfer of Securities is made in compliance with the provisions of this Article III and any other agreement applicable to the transfer of such Securities and (ii) in the case of a Permitted Transferee, such Permitted Transferee agrees to become a party to this Agreement pursuant to Article V hereof and executes a Joinder Agreement and such further documents as may be necessary, in the reasonable judgment of the Sponsor Investors, to make him, her or it a party hereto. For the avoidance of doubt, it is understood that a transfer of limited partnership interests, limited liability company interests or similar interests in any of the Sponsor Investors, any other private equity fund or any parent entity with respect to any such Sponsor Investor or private equity fund shall not constitute a transfer for purposes of this Agreement.

(b) Any purported transfer of Securities or any interest in any Securities by any Investor that is not in compliance with this Agreement shall be null and void, and the Company shall refuse to recognize any such transfer for any purpose and shall not reflect in its register of members or otherwise any change in record ownership of Securities pursuant to any such transfer.

(c) Each Investor acknowledges that the Shares held by such Investor have not been registered under the Securities Act and may not be transferred except pursuant to an effective registration statement under the Securities Act or pursuant to an exemption from registration under the Securities Act. Each Investor agrees that it will not transfer any Shares at any time if such action would (i) constitute a violation of any securities laws of any applicable jurisdiction or a breach of the conditions to any exemption from registration of Shares under any such laws or a breach of any undertaking or agreement of such Investor entered into pursuant to such laws or in connection with obtaining an exemption thereunder, (ii) cause the Company to become subject to the registration requirements of the U.S. Investment Company Act of 1940, as amended from time to time, or (iii) be a non-exempt "prohibited transaction" under ERISA or Section 4975 of the Code or cause all or any portion of the assets of the Company to constitute "plan assets" for purposes of fiduciary responsibility or prohibited transaction provisions of Title I of ERISA or Section 4975 of the Code. Each Investor agrees it shall not be entitled to any certificate for any or all of the Shares, unless the Board shall otherwise determine.

(d) Except as otherwise provided in Section 3.4(b) or in any other applicable agreement between an Investor (or any of its Affiliates) and the Company, any Investor that proposes to transfer Transferable Shares in accordance with the terms and conditions hereof shall be responsible for any fees and expenses incurred by the Company in connection with such transfer.

Section 3.2. Permitted Transfers. Each Investor may transfer Transferable Shares held by him, her or it to a Permitted Transferee without complying with the provisions of this Article III other than Section 3.1; provided that (i) such Permitted Transferee shall have agreed with all parties hereto, in a written instrument reasonably satisfactory to the Sponsor Investors, that he, she or it will immediately convey record and beneficial ownership of all such Transferable Shares and all rights and obligations hereunder to such Investor or another Permitted Transferee of such Investor if he, she or it ceases to be a Permitted Transferee of such Investor and (ii) as a condition to such transfer, such Permitted Transferee shall become a party to this Agreement as provided in Section 3.1(a).

Section 3.3. Post-Initial Public Offering Transfers.

(a) Certain Definitions. As used in this Section 3.3:

(i) "First Post-IPO Transfer Restriction Period" means the period beginning at the end of the expiration of the lock up restrictions agreed to by the Sponsor Investors and the underwriters in respect of the Transferable Shares held by the Sponsor Investors in connection with the Initial Public Offering and ending on the three (3) year anniversary of the Initial Public Offering.

(ii) "Fund DIK" means a transfer by any Sponsor Investor of any Transferrable Shares as a dividend or distribution in kind to any limited partner, non-managing member or other similar direct or indirect investor in such Sponsor Investor.

(iii) "Market Trade" means a transfer by any Sponsor Investor of any Transferable Shares (including a block transfer) effected via registered public offering or under Rule 144 through a securities exchange or national quotation system or through a broker, dealer or other market maker, in a manner in which the identity of the purchaser, other than the broker, dealer or market maker through which such sale is being effected, has not been designated by the seller and is effected in a manner through which the identity of the purchaser cannot or would not customarily be available to such seller, including in each case, in a registered transaction pursuant to the Registration Rights Agreement.

(iv) "Private Sale" means a transfer by any Sponsor Investor of any Transferrable Shares to a specific, known Person (other than a Permitted Transferee) in a privately negotiated transaction or series of transactions with such Person, including in a registered transaction pursuant to the Registration Rights Agreement.

(v) "Second Post-IPO Transfer Restriction Period" means the period from and after the end of the First Post-IPO Transfer Restriction Period.

(b) Transfers During the First Post-IPO Transfer Restriction Period. Without limiting Section 3.1 and subject to Section 3.5 in the case of the Shah Investors, during the First Post-IPO Transfer Restriction Period, each of the Investors shall not transfer any Securities to any Person, except:

(i) each Investor shall be entitled to transfer Transferable Shares to Permitted Transferees pursuant to Section 3.2;

(ii) a Private Sale by any Sponsor Investor with the prior consent of the other Sponsor Investors pursuant to Section 2.2 (which consent may be subject to participation in the transfer); provided that in the event any such proposed Private Sale follows a Sponsor Deadlock pursuant to Section 2.2, such proposed Private Sale (other than in a Demand Registration, Piggyback Registration or Marketed Underwritten Shelf Take-Down, it being understood that participation rights in connection with transfers of Transferable Securities in a Private Sale pursuant to a Demand Registration, Piggyback Registration or Marketed Underwritten Shelf-Take Down shall be governed by the terms of the Registration Rights Agreement) shall be subject to the Selling Sponsor Investor's compliance with terms and conditions of Section 3.4;

(iii) a Market Trade by any Sponsor Investor (the "Trading Sponsor") with the prior consent of the other Sponsor Investors pursuant to Section 2.2; provided that in the event any such proposed Market Trade (other than in a Demand Registration, Piggyback Registration or Marketed Underwritten Shelf Take-Down, it being understood that participation rights in connection with transfers of Transferable Securities in a Market Trade pursuant to a Demand Registration, Piggyback Registration or Marketed Underwritten Shelf-Take Down shall be governed by the terms of the Registration Rights Agreement) follows a Sponsor Deadlock pursuant to Section 2.2, such proposing Trading Sponsor shall comply with the terms and conditions of Section 3.3(c)(iii) as if such proposed Market Trade occurred during the Second Post-IPO Transfer Restriction Period;

(iv) transfers of Transferable Shares by Tagging Sponsors pursuant to Section 3.4;

(v) a Fund DIK by any Sponsor Investor with the prior consent of the other Sponsor Investors pursuant to Section 2.2; provided that following (A) receipt of such prior consent of the other Sponsor Investors or (B) a Sponsor Deadlock, in each case pursuant to Section 2.2, the Company will reasonably cooperate with and assist such Sponsor Investor, limited partner, non-managing member or other similar direct or indirect investor in such Sponsor Investor and the Company's transfer agent to facilitate such Fund DIK in the manner reasonably requested by such Sponsor Investor (including the delivery of instruction letters by the Company or its counsel to the Company's transfer agent and the delivery of Transferable Shares); and

(vi) in the case of the Shah Co-Investors, transfers of Transferable Shares pursuant to Section 3.5.

(c) Transfers During the Second Post-IPO Transfer Restriction Period. Without limiting Section 3.1, during Second Post-IPO Transfer Restriction Period, each of the Investors shall not transfer any Securities to any Person, except:

(i) each Investor shall be entitled to transfer Transferable Shares to Permitted Transferees pursuant to Section 3.2;

(ii) a Private Sale by any Sponsor Investor; provided that any such proposed Private Sale (other than in a Demand Registration, Piggyback Registration or Marketed Underwritten Shelf Take-Down, it being understood that participation rights in connection with transfers of Transferable Shares in a Private Sale pursuant to a Demand Registration, Piggyback Registration or Marketed Underwritten Shelf-Take Down shall be governed by the terms of the Registration Rights Agreement) shall be subject to the Selling Sponsor Investor's compliance with terms and conditions of Section 3.4;

(iii) a Market Trade by any Trading Sponsor; provided, that for any Market Trade (other than in a Demand Registration, Piggyback Registration or Marketed Underwritten Shelf Take-Down, it being understood that participation rights in connection with transfers of Transferable Shares in a Market Trade pursuant to a Demand Registration, Piggyback Registration or Marketed Underwritten Shelf-Take Down shall be governed by the terms of the Registration Rights Agreement): (i) the Trading Sponsor shall give written notice (a "Market Trade Notice") of its intention to place an order to execute such proposed Market Trade to the other Sponsor Investors (such other Sponsor Investors, the "Eligible Trade Sponsors") least eight (8) hours prior to the consummation of such order, setting forth (A) the number of Transferable Shares proposed to be sold in such Market Trade, (B) the maximum and minimum anticipated price per Transferable Shares proposed to be sold in such Market Trade (the "Market Trade Price Range"), (C) the fraction, expressed as a percentage, determined by dividing the number of Transferable Shares proposed to sold by the Trading Sponsor in such Market Trade by the total number of Transferable Shares held by the Trading Sponsor (the "Market Trade Percentage") and (D) an invitation to each Eligible Trade Sponsor to irrevocably agree (except as hereinafter provided) to include in the Market Trade a number of Transferable Shares held by such Eligible Trade Sponsor equal to the product of the total number of Transferable Shares held by such Eligible Trade Sponsor multiplied by the Market Trade Percentage (such amount with respect to each Eligible Trade Sponsor, such Eligible Trade Sponsor's "Market Trade Shares"); (ii) each Eligible Trade Sponsor may irrevocably elect (except as hereinafter provided) to include such Eligible Trade Sponsor's Market Trade Shares in such Market Trade (Eligible Trade Sponsors who make such an election being "Trade Participating Sponsors"), at the same price per Transferable Share within the Market Trade Price Range and pursuant to the same terms and conditions as agreed to by the Trading Sponsor and otherwise in accordance with this Section 3.3(c)(iii), by sending an irrevocable written notice (a "Market Trade Participation Notice") to the Trading Sponsor within four (4) hours of the receipt of the Market Trade Notice, indicating such Trade Participating Sponsor's irrevocable election to include its Market Trade Shares in the Market Trade within the Market Trade Price Range; (iii) following such four (4) hour period, each Trade Participating Sponsor that has delivered a Market Trade Participation Notice shall be entitled to sell such Trade Participating Sponsor's Market Trade Shares on the same terms and conditions as and concurrently with the Trading Sponsor in such Market Trade within the Market Trade Price Range; provided, however, that if, prior to consummation, the terms of such proposed Market Trade shall change with the result that the price per Transferable Shares shall be less than the minimum price set forth in the Market Trade Price Range, it shall be necessary for a separate Market Trade Notice to be furnished, and the terms and provisions of this Section 3.3(c)(iii) separately complied with, in order to consummate such Market Trade pursuant to this Section 3.3(c)(iii); and provided, further, that in order to be entitled to exercise its right to include Market Trade Shares in a Market Trade pursuant to this Section 3.3(c)(iii), (A) each Trade Participating Sponsor must agree to make the same representations, warranties covenants, indemnities and agreements in the Market Trade, if applicable, as made by the Trading Sponsor in connection with the Market Trade, and (B) each Trade Participating Sponsor shall take or cause to be taken all such reasonable actions as the Trading Sponsor deems to be necessary or desirable in order to consummate expeditiously such Market Trade (it being understood that all determinations as to whether to complete any Market Trade and as to the timing, manner, price and other terms and conditions of any such Market Trade shall be at the sole discretion of the Trading Sponsor, and the Trading Sponsor and its Affiliates shall have no liability to any Eligible Trade Sponsor arising from, relating to or in connection with the pursuit, consummation, postponement, abandonment or terms and conditions of any proposed Market Trade except to the extent such Trading Sponsor failed to comply with the provisions of this Section 3.3(c)(iii));

(iv) transfers of Transferable Shares by Tagging Sponsors pursuant to Section 3.4;

(v) a Fund DIK by any Sponsor Investor; provided that such Sponsor Investor shall give written notice of such Fund DIK to the other Sponsor Investors at least three (3) Business Days prior to the consummation of such Fund DIK, setting forth the number of Transferrable Shares proposed to be transferred in such Fund DIK; and provided, further, that if any Sponsor Investors seeks to effectuate a Fund DIK in accordance with the foregoing, the Company will reasonably cooperate with and assist such Sponsor Investor, limited partner, non-managing member or other similar direct or indirect investor in such Sponsor Investor and the Company's transfer agent to facilitate such Fund DIK in the manner reasonably requested by such Sponsor Investor (including the delivery of instruction letters by the Company or its counsel to the Company's transfer agent and the delivery of Transferable Shares); and

(vi) in the case of the Shah Co-Investors, transfers of Transferable Shares pursuant to Section 3.5.

Section 3.4. Tag-Along Rights.

(a) Subject to Section 3.4(e), if any Sponsor Investor proposes to transfer any Transferrable Shares to any Person (other than a Permitted Transferee) (i) during the First Post-IPO Transfer Restriction Period in a Private Sale pursuant to Section 3.3(b)(ii) or (ii) during the Second Post-IPO Transfer Restriction period in a Private Sale pursuant to Section 3.3(c)(ii) (each a "Tag-Along Sale"), such Sponsor Investor (the "Selling Sponsor Investor") shall give, or direct the Company to give and the Company shall so give, written notice (a "Transfer Notice") of such proposed transfer to the other Sponsor Investors (such other Sponsor Investors, the "Eligible Tag Sponsors") with respect to such Tag-Along Sale at least three (3) Business Days prior to the consummation of such proposed transfer setting forth (1) the number of Transferable Shares proposed to be transferred, (2) the consideration to be received for such Transferable Shares by such Selling Sponsor Investor, (3) the identity of the purchaser (the "Proposed Transferee"), (4) any other material terms and conditions of the proposed transfer, (5) the fraction, expressed as a percentage, determined by dividing the number of Transferable Shares to be purchased from the Selling Sponsor Investor by the total number of Transferable Shares held by the Selling Sponsor Investor (the "Tag-Along Sale Percentage") and (6) an invitation to each Eligible Tag Sponsor to irrevocably agree to include in the Tag-Along Sale a number of Transferable Shares held by such Eligible Tag Sponsor equal to the product of the total number of Transferable Shares held by such Eligible Tag Sponsor multiplied by the Tag-Along Sale Percentage (such amount with respect to each Eligible Tag Sponsor, such Eligible Tag Sponsor's "Tag-Along Shares"). In the event that more than one (1) Silver Lake Partners Investor proposes to execute a Tag-Along Sale, then all such transferring Silver Lake Partners Investors shall be treated as the Selling Sponsor Investor, and the Transferable Shares held and to be transferred by such Silver Lake Partners Investors shall be aggregated as set forth in Section 7.15, including for purposes of calculating the applicable Tag-Along Sale Percentage. In the event that more than one (1) Silver Lake Sumeru Investor proposes to execute a Tag-Along Sale, then all such transferring Silver Lake Sumeru Investors shall be treated as the Selling Sponsor Investor, and the Transferable Shares held and to be transferred by such Silver Lake Sumeru Investors shall be aggregated as set forth in Section 7.15, including for purposes of calculating the applicable Tag-Along Sale Percentage (in all cases subject to Section 3.5).

(b) Upon delivery of a Transfer Notice, each Eligible Tag Sponsor may irrevocably elect to include such Eligible Tag Sponsor's Tag-Along Shares in such Tag-Along Sale (Eligible Tag Sponsors who make such an election being "Tagging Sponsors," and, together with the Selling Sponsor Investor and all other Persons (other than any Affiliates of the Selling Sponsor Investor) who otherwise are transferring, or have exercised a contractual or other right to transfer, Transferable Shares in connection with such Tag-Along Sale, the "Tag-Along Sellers"), at the same price per Transferable Share and pursuant to the same terms and conditions as agreed to by the Selling Sponsor Investor and otherwise in accordance with this Section 3.4, by sending an irrevocable written notice (a "Tag-Along Participation Notice") to the Selling Sponsor Investor within two (2) Business Days of the date of the Transfer Notice indicating such Tagging Sponsor's irrevocable election to include its Tag-Along Shares in the Tag-Along Sale. Following such two (2) Business Day period, each Tagging Sponsor that has delivered a Tag-Along Participation Notice shall be entitled to sell to such Proposed Transferee on the same terms and conditions as and, concurrently with, the Selling Sponsor Investor and the other Tag-Along Sellers, such Tagging Sponsor's Tag-Along Shares. Each Eligible Tag Sponsor who does not deliver a Tag-Along Participation Notice within such two (2) Business Day period shall have waived and be deemed to have waived all of such Eligible Tag Sponsor's rights with respect to such Tag-Along Sale. For the avoidance of doubt, it is understood that in order to be entitled to exercise its right to include Tag-Along Shares in a Tag-Along Sale pursuant to this Section 3.4, each Tagging Sponsor must agree to make the same representations, warranties, covenants, indemnities and agreements to the Proposed Transferee as made by the Selling Sponsor Investor in connection with the Tag-Along Sale. All costs and expenses incurred by the Company and the Tag-Along Sellers in connection with such Tag-Along Sale shall be borne on a pro rata basis in accordance with the number of Transferable Shares being sold by each of the Tag-Along Sellers. Notwithstanding anything herein to the contrary, if the Selling Sponsor Investor has not completed the proposed Tag-Along Sale within ninety (90) days following delivery of the Transfer Notice in accordance with this Section 3.4, the Selling Sponsor Investor may not then effect such proposed Tag-Along Sale without again complying with the provisions of this Section 3.4; provided, that such ninety (90) day period shall be extended for up to one-hundred and eighty (180) days to the extent necessary to comply with any regulatory requirements applicable to such proposed Tag-Along Sale.

(c) Notwithstanding anything in Section 3.4(b) to the contrary, each Tagging Sponsor shall take or cause to be taken all such reasonable actions as the Selling Sponsor Investor deems to be necessary or desirable in order to consummate expeditiously such Tag-Along Sale pursuant to this Section 3.4, including (i) executing, acknowledging and delivering consents, assignments, waivers and other documents or instruments, (ii) filing applications, reports, returns, filings and other documents or instruments with governmental authorities and (iii) otherwise cooperating with the Selling Sponsor Investor and the Proposed Transferee.

(d) Notwithstanding the delivery of any Transfer Notice, all determinations as to whether to complete any Tag-Along Sale and as to the timing, manner, price and other terms and conditions of any such Tag-Along Sale shall be at the sole discretion of the Selling Sponsor Investor, and the Selling Sponsor Investor and its Affiliates shall have no liability to any Eligible Tag Sponsor arising from, relating to or in connection with the pursuit, consummation, postponement, abandonment or terms and conditions of any proposed Tag-Along Sale except to the extent such Selling Sponsor Investor failed to comply with the provisions of this Section 3.4.

(e) This Section 3.4 shall not apply to (i) any transfer in a Demand Registration, Piggyback Registration or Marketed Underwritten Shelf Take-Down, it being understood that participation rights in connection with transfers of Transferable Shares in a Demand Registration, Piggyback Registration or Marketed Underwritten Shelf-Take Down shall be governed by the terms of the Registration Rights Agreement, (ii) any transfer of Transferable Shares in a Market Trade, it being understood that participation rights in connection with transfers of Transferable Shares in a Market Trade shall be governed by the terms of Section 3.3(b)(iii) hereof or (iii) any transfers to a Permitted Transferee.

(f) This Section 3.4 shall terminate at the end of the Second Post-IPO Transfer Restriction Period.

Section 3.5. Shah Co-Investor Transfers. It is the intention of the parties hereto that, other than with respect to transfers of Transfer Shares pursuant to Section 3.3(b)(i), (x) the Shah Co-Investors shall be required to participate in transfers to third parties alongside the Silver Lake Sumeru Investors on a pro-rata basis and be treated as one holder with the Silver Lake Sumeru Investors for such purposes in a manner that would not increase the number of shares to be transferred and (y) the Shah Co-Investors shall not otherwise be permitted to transfer Transferable Shares. Accordingly, to the extent that any of the Silver Lake Sumeru Investors transfer any Transferable Shares during the Post-IPO Transfer Restriction Period pursuant to Section 3.3(b)(ii) Section 3.3(b)(iii), Section 3.3(b)(iv), Section 3.3(c)(ii), Section 3.3(c)(iii) or Section 3.3(c)(iv), (a) the Transferable Shares held by the Shah Co-Investors shall be aggregated together with the Transferable Shares held by such transferring Silver Lake Sumeru Investors for the purpose of determining the number of shares deemed to be owned by the Silver Lake Sumeru Investors, the availability of any rights under and the application of any limitations of such transfer by the Silver Lake Sumeru Investors (including the total number of shares that may be collectively transferred by the Silver Lake Sumeru Investors), (b) each Shah Co-Investor shall be required to transfer, on the same terms and conditions as the Silver Lake Sumeru Investors in any such transaction, a number of Transferable Shares held by such Shah Co-Investor equal to the product of the total number of Transferable Shares held by such Shah Co-Investor multiplied by the fraction, expressed as a percentage, determined by dividing the number of Transferable Shares proposed to be transferred by the Silver Lake Sumeru Investors in such transaction by the total number of Transferable Shares held by the Silver Lake Sumeru Investors (the "Shah Pro-Rata Share"), (c) following such allocation, the number of Transferable Shares proposed to be transferred by the Silver Lake Sumeru Investors shall be correspondingly reduced by the Shah Pro-Rata Share and (d) each Shah Co-Investor shall take any and all actions as required by, or otherwise taken by, the Silver Lake Sumeru Investors in any such transfer pursuant to the foregoing provisions. Notwithstanding the foregoing, to the extent that any of the Silver Lake Sumeru Investors are transferring any Transferable Shares pursuant to such Silver Lake Sumeru Investor's rights pursuant to the Registration Rights Agreement, it is the intention of the parties hereto that the Shah Co-Investors shall be required to participate in such transfer alongside the Silver Lake Sumeru Investors on a pro-rata basis in accordance with the foregoing provisions, and shall exercise such rights as a "Holder" thereunder in any transfer in a Demand Registration, Piggyback Registration or Marketed Underwritten Shelf Take-Down in a manner consistent with the foregoing. For the avoidance of doubt, the parties hereto agree that the Shah Co-Investors may allocate the Transferable Shares held by the Shah Co-Investors to be included in any such transfer in accordance with the foregoing amongst the various Shah Co-Investors in their sole discretion so long as the Shah Pro-Rata Share is satisfied. Notwithstanding anything herein to the contrary, if at any time from Ajay B. Shah ceases to be a Managing Member of SLTA Sumeru (GP), L.L.C. (the "Triggering Event"), the (i) the provisions of this Article III shall cease to apply to the Shah Co-Investors and (ii) by virtue of this Agreement, each of the Shah Co-Investors shall automatically (x) bound by and comply with the provisions of Article III of the Investors Shareholders Agreement as a "Management Investor" in all respects as if such Shah Co-Investor executed the Investors Shareholders Agreement directly as a "Management Investor and (y) constitute a "Key Management Investor" for purposes of Section 3.4 of the Investors Shareholders Agreement, and be bound and comply with the provisions of Section 3.4 of the Investors Shareholders Agreement as if such Shah Co-Investor was listed on Exhibit C to the Investors Shareholders Agreement as a "Key Management Investor"; provided, that for purposes of Section 3.4 of the Investors Shareholders Agreement, it is the parties intention that (I) the Applicable Transfer Cap (as defined therein), and the respective First, Second and Third Period Caps therein (each as defined therein) shall only account for the periods from and after the Triggering Event, and (II) to the extent that the Triggering Event occurs during the Second Period or Third Period (each as defined therein), the proviso in the definition of the Second Period Cap or Third Period Cap (as applicable) shall be modified so that the 20% allotted to such period shall be pro-rata reduced to effect for the number of days that have already expired during such period through the Triggering Event.

ARTICLE IV

ADDITIONAL AGREEMENTS OF THE PARTIES

Section 4.1. Further Assurances. From time to time, at the reasonable request of any Sponsor Investor and without further consideration, each party hereto shall execute and deliver such additional documents and take all such further action as may be necessary or appropriate to consummate and make effective, in the most expeditious manner practicable, the transactions contemplated by this Agreement.

Section 4.2. Other Businesses; Waiver of Certain Duties.

(a) The parties expressly acknowledge and agree that to the fullest extent permitted by applicable law: (i) each of the Sponsor Investors and Shah Co-Investors (including, as applicable, (A) its respective Affiliates, (B) any portfolio company in which it or any of its investment fund Affiliates have made a debt or equity investment (and vice versa) or (C) any of its limited partners, non-managing members or other similar direct or indirect investors) and Sponsor Directors has the right to, and shall have no duty (fiduciary, contractual or otherwise) not to, directly or indirectly engage in and possess interests in other business ventures of every type and description, including those engaged in the same or similar business activities or lines of business as the Company or any of its Subsidiaries or deemed to be competing with the Company or any of its Subsidiaries, on its own account, or in partnership with, or as an employee, officer, director or shareholder of any other Person, with no obligation to offer to the Company or any of its Subsidiaries, any other Sponsor Investor, Shah Co-Investor or any other shareholder of the Company or any of its Subsidiaries the right to participate therein; (ii) each of the Sponsor Investors and Shah Co-Investors (including, as applicable, (A) its respective Affiliates, (B) any portfolio company in which it or any of its investment fund Affiliates have made a debt or equity investment (and vice versa) or (C) any of its limited partners, non-managing members or other similar direct or indirect investors) and the Sponsor Directors may invest in, or provide services to, any Person that directly or indirectly competes with the Company or any of its Subsidiaries; and (iii) in the event that any of the Sponsor Investors or Shah Co-Investors (including, as applicable, (A) its respective Affiliates, (B) any portfolio company in which it or any of its investment fund Affiliates have made a debt or equity investment (and vice versa) or (C) any of its limited partners, non-managing members or other similar direct or indirect investors) or any Sponsor Director acquires knowledge of a potential transaction or matter that may be a corporate or other business opportunity for the Company or any of its Subsidiaries, such Person shall have no duty (fiduciary, contractual or otherwise) to communicate or present such corporate opportunity to the Company or any of its Subsidiaries, any other Sponsor Investor, Shah Co-Investor or any other shareholder of the Company or any of its Subsidiaries, as the case may be, and, notwithstanding any provision of this Agreement to the contrary, shall not be liable to the Company or any of its Subsidiaries, any other Sponsor Investor, Shah Co-Investor or any other shareholder of the Company or any of its Subsidiaries (or their respective Affiliates) for breach of any duty (fiduciary, contractual or otherwise) by reason of the fact that such Person, directly or indirectly, pursues or acquires such opportunity for itself, directs such

opportunity to another Person or does not present such opportunity to the Company or any of its Subsidiaries, any other Sponsor Investor, Shah Co-Investor or any other shareholder of the Company or any of its Subsidiaries (or their respective Affiliates). For the avoidance of doubt, the parties acknowledge that this paragraph is intended to disclaim and renounce, to the fullest extent permitted by applicable law, any right of the Company or any of its Subsidiaries with respect to the matters set forth in herein, and this paragraph shall be construed to effect such disclaimer and renunciation to the full extent permitted by law.

(b) Each Investor (for itself and on behalf of the Company) hereby, to the fullest extent permitted by applicable law:

(i) confirms that none of the Sponsor Investors nor Shah Co-Investors nor any of their respective Affiliates have any duty to the Company or any of its Subsidiaries or to any other Sponsor Investor, Shah Co-Investor or any other shareholder of the Company other than the specific covenants and agreements set forth in this Agreement;

(ii) acknowledges and agrees that (A) in the event of any conflict of interest between the Company or any of its Subsidiaries, on the one hand, and a Sponsor Investor or Shah Co-Investor or any of their respective Affiliates, on the other hand, the applicable Sponsor Investor or Shah Co-Investor (or any Sponsor Director acting in his or her capacity as a director) may act in its best interest and (B) none of the Sponsor Investors nor Shah Co-Investors nor any of their respective Affiliates nor any Sponsor Director acting in his or her capacity as a director shall be obligated (1) to reveal to the Company or any of its Subsidiaries confidential information belonging to or relating to the business of such Person or any of its Affiliates or (2) to recommend or take any action in its capacity as a shareholder or director, as the case may be, that prefers the interest of the Company or its Subsidiaries over the interest of such Person; and

(iii) waives any claim or cause of action against the Sponsor Investors, the Shah Co-Investors, any Sponsor Director and any officer, employee, agent or Affiliate of any such Person that may from time to time arise in respect of a breach by any such person of any duty or obligation disclaimed under Section 4.2(b)(i) or Section 4.2(b)(ii).

(c) Each of the parties hereto agrees that the waivers, limitations, acknowledgments and agreements set forth in this Section 4.2 shall not apply to any alleged claim or cause of action against any of the Sponsor Investors or Shah Co-Investors based upon the breach or nonperformance by such Sponsor Investor or Shah Co-Investor of this Agreement or any other agreement to which such Person is a party.

(d) The provisions of this Section 4.2, to the extent that they restrict the duties and liabilities of the Sponsor Investors, the Shah Co-Investors or any Sponsor Director otherwise existing at law or in equity, are agreed by the parties hereto to replace such other duties and liabilities of the Sponsor Investors, the Shah Co-Investors or any Sponsor Director to the fullest extent permitted by applicable law.

Section 4.3. Confidentiality. Any information relating to any exercise of rights under this Agreement shall be confidential and no party to this Agreement shall disclose such information to any Person not a party to this Agreement, except (a) in the case of each of the Sponsor Investors, to such Sponsor Investor's partners, members, employees, trustees, Affiliates and investment vehicles managed or advised by such Sponsor Investor or the partners, members, advisors, employees, agents, accountants, trustee or attorneys of such Affiliates or managed or advised investment vehicles, in each case so long as such Persons agree to keep such information confidential, (b) to such party's advisors, agents, accountants and attorneys, in each case so long as such Persons agree to keep such information confidential, (c) to a Permitted Transferee or other transferee pursuant to a transfer by any Investor in accordance with Article III, (d) as may be required by applicable law (including under the Securities Act or the Exchange Act), this Agreement, exchange listing requirements, in connection with any litigation among the parties hereto or to negotiate and effect a transfer permitted under this Agreement and (e) following public disclosure of such information not in violation of this Agreement.

Section 4.4. Cooperation.

(a) In the event of any merger, amalgamation, statutory share exchange or other business combination or reorganization of the Company, on the one hand, with any of its Subsidiaries, on the other hand, in which the Company is not the surviving entity, the Investors shall, to the extent necessary, as determined by the Sponsor Investors (in accordance with Section 2.2), execute a sponsor shareholders agreement with terms that are substantially equivalent (to the extent practicable) to, *mutatis mutandis*, the terms of this Agreement.

(b) In connection with any proposed transaction contemplated by Section 4.4(a), each Investor shall take such actions as may be reasonably required and otherwise cooperate in good faith with the Company and the other Investors, including taking all actions reasonably requested by the Company or the Sponsor Investors (in accordance with Section 2.2) and executing and delivering all agreements, instruments and documents as may be reasonably required in order to consummate any such proposed transaction contemplated by Section 4.4(a).

(c) Each Investor agrees, to the extent practicable and as requested by the Sponsor Investors (in accordance with Section 2.2), to use reasonable efforts to take or avoid taking (as applicable) actions that would potentially cause liability to the Company or any Investor under Section 13 or Section 16 of the Exchange Act or the rules and regulations promulgated thereunder. To the extent that the Company or any Investor determines that it is obligated to make filings under Section 13 or Section 16 of the Exchange Act or the rules and regulations promulgated thereunder, each Investor agrees to use reasonable efforts to cooperate with the Person that determines that it has such a filing obligation, including by promptly providing information reasonably required by such Person for any such filing.

ARTICLE V

ADDITIONAL PARTIES

Section 5.1. Additional Parties. Additional parties may be added to and be bound by and receive the benefits and be subject to the obligations provided by this Agreement upon the signing and delivery of a Joinder Agreement by such additional party and this Agreement may be further amended in accordance with Section 7.7(a) to reflect the rights and obligations of such additional party.

ARTICLE VI

INDEMNIFICATION

Section 6.1. Indemnification of Investors.

(a) To the fullest extent permitted by applicable law, the Company will, and will cause each of its Subsidiaries and any other exempted companies, corporations, limited liability companies, partnerships, joint ventures, trusts, employee benefit plans or other enterprises controlled by the Company (collectively, the "Controlled Entities") to, indemnify, exonerate and hold the Investors and each of their respective partners, shareholders, members, Affiliates, directors, officers, fiduciaries, managers, Controlling Persons, employees and agents and each of the partners, shareholders, members, Affiliates, directors, officers, fiduciaries, managers, Controlling Persons, employees and agents of each of the foregoing (collectively, the "Indemnitees") free and harmless from and against any and all actions, causes of action, suits, claims, liabilities, losses, damages and costs and out-of-pocket expenses in connection therewith (including reasonable attorneys' fees and expenses) incurred by the Indemnitees or any of them before or after the date of this Agreement (collectively, the "Indemnified Liabilities"), arising out of any action, cause of action, suit, arbitration or claim arising directly or indirectly out of, or in any way relating to, (i) such Investor's or its Affiliates' ownership of Securities or such Investor's or its Affiliates' control or ability to influence the Company or any of its Subsidiaries (other than any such Indemnified Liabilities (x) to the extent such Indemnified Liabilities arise out of any willful breach of this Agreement by such Indemnitee or its Affiliates or other related Persons or (y) without limiting any other rights to indemnification, to the extent such control or the ability to control the Company or any of its Subsidiaries derives from such Investor's or its Affiliates' capacity as an officer or director of the Company or any of its Subsidiaries) or (ii) the business, operations, properties, assets or other rights or liabilities of the Company or any of its Subsidiaries; provided, however that if and to the extent that the foregoing undertaking may be unavailable or unenforceable for any reason, the Company will, and will cause its Controlled Entities to, make the maximum contribution to the payment and satisfaction of each of the Indemnified Liabilities which is permissible under applicable law. For the purposes of this Section 6.1, none of the circumstances described in the limitations contained in the proviso in the immediately preceding sentence shall be deemed to apply absent a final non-appealable judgment of a court of competent jurisdiction to such effect, in which case to the extent any such limitation is so determined to apply to any Indemnitee as to any previously advanced indemnity payments made by the Company or any of its Controlled Entities, then such payments shall be promptly repaid by such Indemnitee to the Company and its Controlled Entities, as applicable. The rights of any Indemnitee to indemnification hereunder will be in addition to any other rights any such Person may have under any other agreement or instrument to which such Indemnitee is or becomes a party or is or otherwise becomes a beneficiary or under law or regulation or under the Organizational Documents of the Company or any of its Subsidiaries.

(b) The Company acknowledges and agrees that the Company shall, and to the extent applicable shall cause the Controlled Entities to, be fully and primarily responsible (i.e., as the indemnitor of first resort) for the payment to the Indemnitee in respect of Indemnified Liabilities in connection with any Jointly Indemnifiable Claim, pursuant to and in accordance with (as applicable) the terms of (i) applicable law, (ii) the Articles, (iii) the Director Indemnification Agreements, (iv) this Agreement, (v) any other agreement between the Company or any Controlled Entity and the Indemnitee pursuant to which the Indemnitee is indemnified, (vi) the laws of the jurisdiction of incorporation or organization of any Controlled Entity and/or (vii) the Organizational Documents of any Controlled Entity ((i) through (vii) collectively, the "Indemnification Sources"), irrespective of any right of recovery the Indemnitee may have from any Indemnitee-Related Parties. Under no circumstance shall the Company or any Controlled Entity be entitled to any right of subrogation or contribution by the Indemnitee-Related Parties and no right of advancement or recovery the Indemnitee may have from the Indemnitee-Related Parties shall reduce or otherwise alter the rights of the Indemnitee or the obligations of the Company or any Controlled Entity under the Indemnification Sources. In the event that any of the Indemnitee-Related Parties shall make any payment to the Indemnitee in respect of indemnification with respect to any Jointly Indemnifiable Claim, (x) the Company shall, and to the extent applicable shall cause the Controlled Entities to, reimburse the Indemnitee-Related Party making such payment to the extent of such payment promptly upon written demand from such Indemnitee-Related Party, (y) to the extent not previously and fully reimbursed by the Company and/or any Controlled Entity pursuant to clause (x), the Indemnitee-Related Party making such payment shall be subrogated to the extent of the outstanding balance of such payment to all of the rights of recovery of the Indemnitee against the Company and/or any Controlled Entity, as applicable, and (z) Indemnitee shall execute all papers reasonably required and shall do all things that may be reasonably necessary to secure such rights, including the execution of such documents as may be necessary to enable the Indemnitee-Related Parties effectively to bring suit to enforce such rights. For purposes of this Section 6.1(b):

(i) The term "Indemnitee-Related Party" means any Person (other than the Company, any Controlled Entity or the insurer under and pursuant to an insurance policy of the Company or any Controlled Entity) from whom an Indemnitee may be entitled to indemnification or advancement of expenses with respect to which, in whole or in part, the Company or any Controlled Entity may also have an indemnification or advancement obligation.

(ii) The term "Jointly Indemnifiable Claims" shall be broadly construed and shall include, without limitation, any Indemnified Liabilities for which the Indemnitee shall be entitled to indemnification from both (1) the Company and/or any Controlled Entity pursuant to the Indemnification Sources, on the one hand, and (2) any Indemnitee-Related Party pursuant to any other agreement between any Indemnitee-Related Party and the Indemnitee pursuant to which the Indemnitee is indemnified, the laws of the jurisdiction of incorporation or organization of any Indemnitee-Related Party and/or the Organizational Documents of any Indemnitee-Related Party, on the other hand.

(c) The Company and Investors agree that each of the Indemnitees and Indemnitee-Related Parties shall be third-party beneficiaries with respect to this Section 6.1, entitled to enforce this Section 6.1 as though each such Indemnitees and Indemnitee-Related Party were a party to this Agreement. The Company shall cause each of the Controlled Entities to perform the terms and obligations of this Section 6.1 as though each such Controlled Entity was a party to this Agreement.

ARTICLE VII

MISCELLANEOUS

Section 7.1. Entire Agreement. This Agreement (together with the Exhibits hereto, the Investors Shareholders Agreement, the Employee Investors Shareholders Agreement, the Registration Rights Agreement, the Subscription Agreements and the Equity Contribution Agreement) constitutes the entire understanding and agreement between the parties and supersedes and replaces any prior understanding, agreement or statement of intent, in each case, written or oral, of any and every nature with respect thereto. In the event of any inconsistency between this Agreement and any document executed or delivered to effect the purposes of this Agreement, including the Organizational Documents of any company, this Agreement shall govern as among the parties hereto. Each of the parties hereto shall exercise all voting and other rights and powers available to it so as to give effect to the provisions of this Agreement and, if necessary, to procure (so far as it is able to do so) any required amendment to the Company's Organizational Documents, in order to cure any such inconsistency.

Section 7.2. Specific Performance. The parties hereto agree that the obligations imposed on them in this Agreement are special, unique and of an extraordinary character, and that, in the event of breach by any party, damages would not be an adequate remedy and each of the other parties shall be entitled to specific performance and injunctive and other equitable relief in addition to any other remedy to which it may be entitled, at law or in equity. The parties hereto further agree to waive any requirement for the securing or posting of any bond in connection with the obtaining of any such injunctive or other equitable relief.

Section 7.3. Governing Law. This Agreement and all claims or causes of action (whether in tort, contract or otherwise) that may be based upon, arise out of or relate to this Agreement or the negotiation, execution or performance of this Agreement (including any claim or cause of action based upon, arising out of or related to any representation or warranty made in or in connection with this Agreement) shall be governed by and construed in accordance with the laws of the State of Delaware, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws, except that Cayman Islands law shall apply in respect of any fiduciary duty or any mandatory provision of Cayman Islands corporate law.

Section 7.4. Submissions to Jurisdictions; WAIVERS OF JURY TRIALS.

(a) Each of the parties hereto hereby irrevocably acknowledges and consents that any legal action or proceeding brought with respect to this Agreement or any of the obligations arising under or relating to this Agreement may only be brought in the courts of the State of Delaware or in the United States District Court for the District of Delaware (collectively, the "Chosen Courts"), and each of the parties hereto hereby irrevocably submits to and accepts with regard to any such action or proceeding, for itself and in respect of its property, generally and unconditionally, the exclusive jurisdiction of the Chosen Courts. Each party hereby further irrevocably waives any claim that any Chosen Court lacks jurisdiction over such party, and agrees not to plead or claim, in any legal action or proceeding with respect to this Agreement or the transactions contemplated hereby brought in the Chosen Courts, that any such court lacks jurisdiction over such party.

(b) Each party irrevocably consents to the service of process in any legal action or proceeding brought with respect to this Agreement or any of the obligations arising under or relating to this Agreement by the mailing of copies thereof by registered or certified mail, postage prepaid, to such party, at its address for notices as provided in Section 7.12 of this Agreement, such service to become effective ten (10) days after such mailing. Each party hereby irrevocably waives any objection to such service of process and further irrevocably waives and agrees not to plead or claim in any action or proceeding commenced hereunder or under any other documents contemplated hereby, that service of process was in any way invalid or ineffective. Subject to Section 7.4(c), the foregoing shall not limit the rights of any party to serve process in any other manner permitted by applicable law. The foregoing consents to jurisdiction shall not constitute general consents to service of process in the State of Delaware for any purpose except as provided above and shall not be deemed to confer rights on any Person other than the respective parties to this Agreement.

(c) Each of the parties hereto hereby waives any right it may have under the laws of any jurisdiction to commence by publication any legal action or proceeding with respect to this Agreement or any of the obligations under or relating to this Agreement. To the fullest extent permitted by applicable law, each of the parties hereto hereby irrevocably waives the objection which it may now or hereafter have to the laying of the venue of any suit, action or proceeding with respect to this Agreement or any of the obligations arising under or relating to this Agreement in any of the Chosen Courts, and hereby further irrevocably waives and agrees not to plead or claim that any such Chosen Court is not a convenient forum for any such suit, action or proceeding.

(d) The parties hereto agree that any judgment obtained by any party hereto or its successors or assigns in any action, suit or proceeding referred to above may, in the discretion of such party (or its successors or assigns), be enforced in any jurisdiction, to the extent permitted by applicable law.

(e) EACH OF THE PARTIES HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY SUIT, ACTION OR PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH OF THE PARTIES (I) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF ANY SUIT, ACTION OR PROCEEDING, SEEK TO ENFORCE THE FOREGOING WAIVER AND (II) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 7.4(E).

Section 7.5. Obligations. All obligations hereunder shall be satisfied in full without set-off, defense or counterclaim.

Section 7.6. Consents, Approvals and Actions.

(a) If any consent, approval or action of the Sponsor Investors is required at any time pursuant to this Agreement (including with respect to any amendments pursuant to Section 7.7), such consent, approval or action shall be given pursuant to Section 2.2.

(b) If any consent, approval or action of the Silver Lake Partners Investors is required at any time pursuant to this Agreement (including with respect to any amendments pursuant to Section 7.7), such consent, approval or action shall be deemed given if any of the Silver Lake Partners Investors at such time provide such consent, approval or action in writing at such time.

(c) If any consent, approval or action of the Silver Lake Sumeru Investors is required at any time pursuant to this Agreement (including with respect to any amendments pursuant to Section 7.7), such consent, approval or action shall be deemed given if any of the Silver Lake Sumeru Investors at such time provide such consent, approval or action in writing at such time.

(d) If any consent, approval or action of the Shah Co-Investors is required at any time pursuant to this Agreement (including with respect to any amendments pursuant to Section 7.7), such consent, approval or action shall be deemed given if the holders of a majority of the outstanding Transferable Shares held by the Shah Co-Investors, taken together, at such time provide such consent, approval or action in writing at such time.

Section 7.7. Amendment and Waiver.

(a) Except for amendments contemplated by Section 4.4, any amendment to this Agreement shall be in writing and shall require the written consent of (i) the Company and (ii) the Sponsor Investors. Notwithstanding the foregoing, but subject to the limitations with respect to any materially and disproportionally adverse amendments as set forth in Section 2.2, the SLP Investor may unilaterally amend this Agreement as necessary in the good faith judgment of the SLP Investor in connection with any matter which is approved following a Sponsor Deadlock, including to effectuate the rights of any transferee or new investor as a party to this Agreement following any Sponsor Deadlock in accordance with Section 2.2

(b) Notwithstanding the foregoing, any addition of a transferee of Transferable Shares or a recipient of any newly issued Transferable Shares, in each case, as a party hereto pursuant to Article V shall not constitute an amendment hereto and the applicable Joinder Agreement need be signed only by the Company and such transferee or recipient.

(c) Any failure by any party at any time to enforce any of the provisions of this Agreement shall not be construed a waiver of such provision or any other provisions hereof.

Section 7.8. Assignment. No Investor may assign its rights and corresponding obligations under this Agreement except with the prior consent of the Sponsor Investors pursuant to Section 2.2. Any purported assignment of rights or obligations under this Agreement in derogation of this Section 7.8 shall be null and void.

Section 7.9. Binding Effect. Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the parties' successors and permitted assigns.

Section 7.10. Third Party Beneficiaries. Except for Section 4.2, Section 6.1 and Section 7.13 (which will be for the benefit of the Persons set forth therein, and any such Person will have the rights provided for therein), this Agreement does not create any rights, claims or benefits inuring to any Person that is not a party hereto, and it does not create or establish any third party beneficiary hereto.

Section 7.11. Effectiveness and Termination.

(a) This Agreement shall become effective upon the consummation of the Initial Public Offering.

(b) This Agreement shall terminate (i) by written consent of the Sponsor Investors, (ii) upon the dissolution or liquidation of the Company or (iii) automatically, without any further action by any party, at such time when the Investors cease to beneficially own any Securities.

(c) Notwithstanding anything to the contrary contained herein, Section 4.3 Article VI and Article VII shall survive any termination of this Agreement as set forth therein.

Section 7.12. Notices. Any and all notices, designations, offers, acceptances or other communications provided for herein shall be deemed to be sufficient if contained in a written instrument delivered in person or sent by facsimile, e-mail, nationally-recognized overnight courier or first class registered or certified mail, return receipt requested, postage prepaid, which shall be addressed, (a) in the case of the Company, to its principal office, Attention: Bruce Goldberg, Vice President, Chief Legal and Compliance Officer, SMART Global Holdings, Inc., 39870 Eureka Drive, Newark, CA 94560, fax: (510) 624-8231, email bruce.goldberg@smartm.com, with copy to Alan Denenberg, 1600 El Camino Real, Menlo Park, CA 94025, fax: (650) 752-3604, email alan.denenberg@davispolk.com; or (b) in the case of any other party hereto, to the following respective addresses, e-mail addresses or telecopy numbers:

If to any Silver Lake Partners Investor, to:

c/o Silver Lake Partners
2775 Sand Hill Road, Suite 100
Menlo Park, CA 94025
Fax No.: (650) 233-8125
Email: Ken.Hao@silverlake.com
Attention: Kenneth Hao

with copies (which shall not constitute notice) to:

c/o Silver Lake Partners
2775 Sand Hill Road, Suite 100
Menlo Park, CA 94025
Fax No.: (650) 233-8125
Email: Karen.King@silverlake.com
Attention: Karen King

c/o Silver Lake Partners
9 West 57th Street, 32nd Floor
New York, New York 10019
Fax No.: (212) 981 3535
Email: andy.schader@silverlake.com
Attention: Andrew Schader

and

Simpson Thacher & Bartlett LLP
2475 Hanover Street
Palo Alto, CA 94304
Fax No.: (650) 251-5002

Email: cskinner@stblaw.com
dwebb@stblaw.com

Attention: Chad Skinner
Daniel N. Webb

If to any Silver Lake Sumeru Investor, to:

c/o Silver Lake Sumeru
2775 Sand Hill Road, Suite 100
Menlo Park, CA 94025
Fax No.: (650) 233-8125
Email: Ajay.Shah@silverlake.com
Attention: Ajay B. Shah

with copies (which shall not constitute notice) to:

c/o Silver Lake Sumeru
2775 Sand Hill Road, Suite 100
Menlo Park, CA 94025
Fax No.: (650) 233-8125
Email: Karen.King@silverlake.com
Attention: Karen King

c/o Silver Lake Sumeru
9 West 57th Street, 32nd Floor
New York, New York 10019
Fax No.: (212) 981 3535
Email: andy.schader@silverlake.com
Attention: Andrew Schader

and

Simpson Thacher & Bartlett LLP
2475 Hanover Street
Palo Alto, CA 94304
Fax No.: (650) 251-5002

Email: cskinner@stblaw.com
dwebb@stblaw.com

Attention: Chad Skinner
Daniel N. Webb

If to any Shah Co-Investor, to:

27241 Altamont Road
Los Altos Hills, CA 94022
Fax No.: 650-947-8147
Email: ajay.shah@SilverLake.com
Attention: Ajay B. Shah

Any and all notices, designations, offers, acceptances or other communications shall be conclusively deemed to have been given, delivered or received (i) in the case of personal delivery, on the day of actual delivery thereof, (ii) in the case of facsimile or e-mail, on the day of transmittal thereof if given during the normal business hours of the recipient, and on the Business Day during which such normal business hours next occur if not given during such hours on any day, (iii) in the case of dispatch by nationally-recognized overnight courier, on the next Business Day following the disposition with such nationally-recognized overnight courier and (iv) in the case of mailing, on the third (3rd) Business Day after the posting thereof. By notice complying with the foregoing provisions of this Section 7.12, each party shall have the right to change its mailing address or telecopy number for the notices and communications to such party.

Section 7.13. No Third Party Liability. This Agreement may only be enforced against the named parties hereto. All claims or causes of action (whether in contract or tort) that may be based upon, arise out of or relate to this Agreement, or the negotiation, execution or performance of this Agreement (including any representation or warranty made in or in connection with this Agreement or as an inducement to enter into this Agreement), may be made only against the entities that are expressly identified as parties hereto; and no past, present or future director, officer, employee, incorporator, member, partner, shareholder, Affiliate, portfolio company in which any such party or any of its investment fund Affiliates have made a debt or equity investment (and vice versa), agent, attorney or representative of any party hereto (including any Person negotiating or executing this Agreement on behalf of a party hereto), unless party to this Agreement, shall have any liability or obligation with respect to this Agreement or with respect any claim or cause of action (whether in contract or tort) that may arise out of or relate to this Agreement, or the negotiation, execution or performance of this Agreement (including a representation or warranty made in or in connection with this Agreement or as an inducement to enter into this Agreement).

Section 7.14. No Partnership. Nothing in this Agreement and no actions taken by the parties under this Agreement shall constitute a partnership, association or other co-operative entity between any of the parties or constitute any party the agent of any other party for any purpose.

Section 7.15. Aggregation. All Transferable Shares held or acquired by (a) any Silver Lake Partners Investor and its Affiliates, (b) any Silver Lake Sumeru Investor and its affiliates or (c) any Shah Co-Investor and its Affiliates shall be aggregated together for the purpose of determining the availability of any rights under and application of any limitations under this Agreement, and such shareholder and its Affiliates may apportion such rights as among themselves in any manner they deem appropriate. Notwithstanding the foregoing, the Transferable Shares held or acquired by any Shah Co-Investor and its Affiliates shall be aggregated together with the Transferable Shares held or acquired by the Silver Lake Sumeru Investors as provided in Section 3.5.

Section 7.16. Severability. If any portion of this Agreement shall be declared void or unenforceable by any court or administrative body of competent jurisdiction, such portion shall be deemed severable from the remainder of this Agreement, which shall continue in all respects valid and enforceable.

Section 7.17. Counterparts. This Agreement may be executed in any number of counterparts (which delivery may be by electronic transmission), each of which shall be deemed an original, but all of which together shall constitute a single instrument.

[*The remainder of this page intentionally left blank.*]

IN WITNESS WHEREOF, each of the undersigned has executed this Amended and Restated Sponsor Shareholders Agreement or caused this Amended and Restated Sponsor Shareholders Agreement to be signed by its officer thereunto duly authorized as a deed as of the date first written above.

COMPANY:

SMART GLOBAL HOLDINGS, INC.

By: /s/ Ian Mackenzie
Name: Ian Mackenzie
Title: President & CEO

In the presence of:

/s/ Bruce Goldberg
Signature of Witness
Name of Witness: Bruce Goldberg

[*Signature Pages Follow*]

SLP INVESTOR:

SILVER LAKE PARTNERS III CAYMAN (AIV III), L.P.

By: Silver Lake Technology Associates III Cayman, L.P., its General Partner

By: Silver Lake (Offshore) AIV GP III, Ltd., its General Partner

In the presence of:

By: /s/ James A. Davidson
Name: James A. Davidson
Title: Director

/s/ Tracy H. Plumer
Signature of Witness
Name of Witness: Tracy H. Plumer

SLP CO-INVESTOR:

SILVER LAKE TECHNOLOGY INVESTORS III CAYMAN, L.P.

By: Silver Lake Technology Associates III Cayman, L.P., its General Partner

By: Silver Lake (Offshore) AIV GP III, Ltd., its General Partner

In the presence of:

By: /s/ James A. Davidson
Name: James A. Davidson
Title: Director

/s/ Tracy H. Plumer
Signature of Witness
Name of Witness: Tracy H. Plumer

[*Signature Pages Follow*]

SLS INVESTOR:

SILVER LAKE SUMERU FUND CAYMAN, L.P.

By: Silver Lake Technology Associates Sumeru Cayman, L.P., its General Partner

By: SLTA Sumeru (GP) Cayman, L.P., its General Partner

By: Silver Lake Sumeru (Offshore) AIV GP, Ltd., its General Partner

In the presence of:

By: /s/ James A. Davidson
Name: James A. Davidson
Title: Director

/s/ Tracy H. Plumer
Signature of Witness
Name of Witness: Tracy H. Plumer

SLS CO-INVESTOR:

SILVER LAKE TECHNOLOGY INVESTORS SUMERU CAYMAN, L.P.

By: Silver Lake Technology Associates Sumeru Cayman, L.P., its General Partner

By: SLTA Sumeru (GP) Cayman, L.P., its General Partner

By: Silver Lake Sumeru (Offshore) AIV GP, Ltd., its General Partner

In the presence of:

By: /s/ James A. Davidson
Name: James A. Davidson
Title: Director

/s/ Tracy H. Plumer
Signature of Witness
Name of Witness: Tracy H. Plumer

[*Signature Pages Follow*]

SHAH INVESTORS:

/s/ Ajay B. Shah
Name: Ajay B. Shah

In the presence of:

/s/ Cynthia Reyes-Orosco
Signature of Witness
Name of Witness: Cynthia Reyes-Orosco

KRISHNAN-SHAH FAMILY PARTNERS, L.P., FUND NO. 1

By: /s/ Ajay B. Shah
AJAY B. SHAH, Co-Trustee of The Ajay B. Shah and Lata K. Shah 1996 Trust, General Partner

In the presence of:

/s/ Cynthia Reyes-Orosco
Signature of Witness
Name of Witness: Cynthia Reyes-Orosco

KRISHNAN-SHAH FAMILY PARTNERS, L.P., FUND NO. 3

By: /s/ Ajay B. Shah
AJAY B. SHAH, Co-Trustee of The Ajay B. Shah and Lata K. Shah 1996 Trust, General Partner

In the presence of:

/s/ Cynthia Reyes-Orosco
Signature of Witness
Name of Witness: Cynthia Reyes-Orosco

KRISHNAN-SHAH FAMILY PARTNERS, L.P., FUND NO. 4

By: /s/ Ajay B. Shah
AJAY B. SHAH, Co-Trustee of The Ajay B. Shah and Lata K. Shah 1996 Trust, General Partner

In the presence of:

/s/ Cynthia Reyes-Orosco
Signature of Witness
Name of Witness: Cynthia Reyes-Orosco

THE AJAY B. SHAH AND LATA K. SHAH 1996 TRUST U/A/D 5/28/1996

By: /s/ Ajay B. Shah
AJAY B. SHAH, Co-Trustee of The Ajay B. Shah and Lata K. Shah 1996 Trust u/a/d 5/28/1996

In the presence of:

/s/ Cynthia Reyes-Orosco
Signature of Witness
Name of Witness: Cynthia Reyes-Orosco

EXHIBIT A

FORM OF JOINDER AGREEMENT

The undersigned is executing and delivering this Joinder Agreement pursuant to that certain Amended and Restated Sponsor Shareholders Agreement of SMART Global Holdings, Inc. (f/k/a Saleen Holdings, Inc.), a Cayman Islands exempted company, dated as of [●], 2017 (as amended, supplemented or otherwise modified in accordance with the terms thereof, the "Sponsor Shareholders Agreement"). Capitalized terms used but not defined in this Joinder Agreement shall have the respective meanings ascribed to them in the Sponsor Shareholders Agreement.

By executing and delivering this Joinder Agreement to the Sponsor Shareholders Agreement, the undersigned hereby agrees to become a party to, to be bound by, and to comply with the provisions of the Sponsor Shareholders Agreement as a [Silver Lake Partners Investor][Silver Lake Sumeru Investor][Shah Co-Investor].

Accordingly, the undersigned has executed and delivered this Joinder Agreement as of the _ day of _, _.

_____
Signature

_____
Print Name

Address: _____

_____

Telephone: _____
Facsimile: _____

AGREED AND ACCEPTED
as of the _ day of _, _.

SMART GLOBAL HOLDINGS, INC.

By: _____
Name:
Title:

EXHIBIT B

FORM OF DIRECTOR INDEMNIFICATION AGREEMENTS

(incorporated by reference to Exhibit 10.1 to Amendment No. 1 to the Issuer's Registration Statement on Form S-1 filed on May 11, 2017)

Exhibit 4.2

SMART GLOBAL HOLDINGS, INC.

AMENDMENT NO. 2 TO

INVESTORS SHAREHOLDERS AGREEMENT

Dated as of May 30, 2017

SMART GLOBAL HOLDINGS, INC.

AMENDMENT NO. 2 TO INVESTORS SHAREHOLDERS AGREEMENT

This AMENDMENT NO. 2 TO INVESTORS SHAREHOLDERS AGREEMENT (this "Amendment"), dated as of [•], 2017, amends the Amended and Restated Investors Shareholders Agreement, dated as of November 5, 2016 ("the "A&R Investors Shareholders Agreement" and, together with this Amendment, this "Agreement"), by and among SMART Global Holdings, Inc. (f/k/a Saleen Holdings, Inc.), a Cayman Islands exempted company (together with its successors and assigns, the "Company"), Silver Lake Partners III Cayman (AIV III), L.P., a Cayman Islands exempted limited partnership (the "SLP Investor"), Silver Lake Technology Investors III Cayman, L.P., a Cayman Islands exempted limited partnership (the "SLP Co-Investor"), Silver Lake Sumeru Fund Cayman, L.P., a Cayman Islands exempted limited partnership (the "SLS Investor"), Silver Lake Technology Investors Sumeru Cayman, L.P., a Cayman Islands exempted limited partnership (the "SLS Co-Investor"), the Management Investors (as defined in the A&R Investors Shareholders Agreement) and the Warrant Investors (as defined in the A&R Investors Shareholders Agreement).

WHEREAS, the Company, the SLP Investor, the SLP Co-Investor, the SLS Investor, the SLS Co-Investor and the initial Management Investors named therein entered into that certain Management Investors Shareholders Agreement, dated as of August 26, 2011 (the "Initial Agreement"), in order to set forth certain rights and other terms in connection with ownership of ordinary shares of the Company;

WHEREAS, the Company, the SLP Investor, the SLP Co-Investor, the SLS Investor and the SLS Co-Investor entered into the A&R Investors Shareholders Agreement to amend and restate the Initial Agreement in connection with the Amended Credit Agreement (as defined in the A&R Investors Shareholders Agreement) in order to set forth certain rights and obligations of the Warrant Investors with respect to the ownership of equity securities of the Company by the Warrant Investors, and the Management Investors and the Warrant Investors became parties thereto; and

WHEREAS, the Company, the SLP Investor, the SLP Co-Investor, the SLS Investor and the SLS Co-Investor desire to amend certain sections A&R Investors Shareholders Agreement in connection with the initial public offering of the Company.

NOW, THEREFORE, in consideration of the agreements and obligations set forth in this Agreement and for other good and valuable consideration, the receipt of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. Capitalized terms that are defined in the preamble or the recitals hereto shall have such meanings throughout this Amendment. Capitalized terms used but not defined in this Amendment shall have the meanings assigned thereto in the A&R Investors Shareholders Agreement. The meanings assigned to all defined terms used in this Amendment shall be equally applicable to both the singular and plural forms of such defined terms.

ARTICLE II

AMENDMENTS

Section 2.1. Amendments to Section 3.3 of the A&R Investors Shareholders Agreement. Section 3.3 of the A&R Investors Shareholders Agreement is hereby amended and restated in its entirety as follows:

Section 3.3 Pre-Initial Public Offering Transfers. Without limiting Section 3.1 or Section 3.5, during the period beginning on the date hereof and ending concurrently with the earlier of (i) one hundred eighty (180) days following an Initial Public Offering and (ii) the expiration of such period, if any, following an Initial Public Offering during which the Silver Lake Investors shall have agreed with the underwriters of such Initial Public Offering to be subject to lock up restrictions in respect of the Transferable Shares held by the Silver Lake Investors (it being understood that if the Silver Lake Investors do not agree to become subject to any such lock up restrictions, the end of the Pre-IPO Transfer Restriction Period shall occur upon the completion of such Initial Public Offering) (such period, the "Pre-IPO Transfer Restriction Period"), none of the Management Investors or Warrant Investors shall transfer any Securities to any Person, except transfers of Transferable Shares (x) pursuant to and in compliance with Section 3.6, Section 3.7 or Article V, as applicable (y) to Permitted Transferees pursuant to Section 3.2or (z) upon receipt of the prior written consent of the Company.

Section 2.2. Amendments to Section 3.4(c) of the A&R Investors Shareholders Agreement. Section 3.4(c) of the A&R Investors Shareholders Agreement is hereby amended and restated in its entirety as follows:

(c) Transfers During the Post-IPO Transfer Restriction Periods. Without limiting Section 3.1 or Section 3.5 and subject in all cases to Section 3.4(b), during the Post-IPO Transfer Restriction Periods, each of the Key Management Investors and their Permitted Transferees shall not transfer any Securities to any Person, except transfers of Transferable Shares (A) to Permitted Transferees pursuant to Section 3.2, (B) upon receipt of the prior written consent of the Silver Lake Investors and (C) as of the date of any proposed transfer, in accordance with such Key Management Investor's Applicable Transfer Cap as of such transfer, as calculated by the Company in accordance with Section 3.4(c)(i)Section 2.2(c)(i) below. For the avoidance of doubt, the transfer restrictions set forth in this Section 3.4(c) shall apply to the exercise of such Key Management Investor's rights in any registered offerings during the Post-IPO Transfer Restriction Periods under the Registration Rights Agreement.

(i) To the extent any Key Management Investor or his Permitted Transferee desires to transfer any Transferable Shares to any Person (other than (x) a Permitted Transferee pursuant to Section 3.2 or (y) transfers upon receipt of the prior written consent of the Silver Lake Investors) or implement a Non-Discretionary Sale Program (or increase the number of Transferrable Shares permitted to be sold thereunder), such Key Management Investor or his Permitted Transferee, as applicable, shall provide written notice (a "Post-IPO Transfer Notice") of such action to the Company and the Silver Lake Investors at least three (3) Business Days prior thereto, setting forth, as applicable, (i) the number of Transferable Shares proposed to be transferred or covered by such Non-Discretionary Sale Program and (ii) the identity of the proposed transferee, if known, and the manner of disposition contemplated for such proposed transfer or the identity of the broker-dealer that will be establishing such Non-Discretionary Sale Program. Within three (3) Business Days following receipt of such Post-IPO Transfer Notice, the Company shall provide written notice to such Key Management Investor or his Permitted Transferee, as applicable, and the Silver Lake Investors setting forth the Applicable Transfer Cap for such Key Management Investor or his Permitted Transferee as of the date of delivery of such Post-IPO Transfer Notice, provided that such Key Management Investor or his Permitted Transferee, as applicable, shall provide the Company with all information reasonably requested by the Company in order to calculate such Applicable Transfer Cap.

(ii) Notwithstanding the foregoing, if a Key Management Investor or his Permitted Transferee wishes to transfer a number of Transferrable Shares during the Second Period or Third Period and the Applicable Transfer Cap for such Key Management Investor or his Permitted Transferee is in excess of such Key Management Investor's or his Permitted Transferee's Applicable Transfer Cap if the provisos in the definition of each of Second Period Cap and Third Period Cap (as applicable) were disregarded, then any such excess Transferrable Shares must be transferred pursuant to a Non-Discretionary Sale Program established in accordance with Section 3.4(c)(iii).

(iii) Each Key Management Investor or his Permitted Transferee may establish a Non-Discretionary Sale Program for the sale of Transferable Shares owned by such Key Management Investor and his Permitted Transferees (A) within thirty (30) days after the beginning of the Second Period to cover sales during the Second Period (any such instituted program, a "Second Period Non-Discretionary Sale Program"), and (B) within thirty (30) days after the beginning of the Third Period to cover sales of Transferable Shares within the Third Period (any such instituted program, a "Third Period Non-Discretionary Sale Program"); provided, that if the trading window is closed during either such thirty (30) day period, following the opening of the trading window, the applicable thirty (30) day period shall be extended by the number of days the trading window was closed during such period; and provided, further, that any such Second Period Non-Discretionary Sale Program or Third Period Non-Discretionary Sale Program must provide that the minimum price for sales of Transferable Shares pursuant to such program must exceed one-hundred and five percent (105%) of the closing price per Share on the Trading Day immediately prior to the effective date of institution of any such Second Period Non-Discretionary Sale Program or Third Period Non-Discretionary Sale Program, as applicable; provided, however, that notwithstanding the foregoing, a Key Management Investor or his Permitted Transferees may establish a Non-Discretionary Sale Program for the sale of Transferrable Shares at any time during an open trading window (which, for this purpose, shall include the period prior to the Initial Public Offering) for any or all of his Transferrable Shares as long as such Non-Discretionary Sale Program does not permit the sale of any such shares other than as permitted by this Agreement; and in such case the minimum price for sales of Transferrable Shares pursuant to such program must exceed one-hundred and five percent (105%) of the closing price per Share on the Trading Day immediately prior to the effective date of such plan. Each Non-Discretionary Sale Program shall not permit the transfer of a number of Transferrable Shares in excess of the Applicable Transfer Cap for such Key Management Investor and his Permitted Transferees from time to time, but such cap shall never be less than the number of Transferable Shares permitted under the Applicable Transfer Cap at the time of creation of the Non-Discretionary Sales Program. Notwithstanding the foregoing, a Key Management Investor or his Permitted Transferee may amend any Non-Discretionary Sales Program to provide for sales of excess Transferable Shares as required by Section 3.4(c)(ii), but in all cases subject to the Applicable Transfer Cap for such Key Management Investor and his Permitted Transferee. For the avoidance of doubt, in no event shall a Key Management Investor or his Permitted Transferee be permitted to sell (whether or not pursuant to a Non-Discretionary Sales Program and whether or not in one or more transactions) an amount in excess of the Applicable Transfer Cap of such Key Management Investor.

Section 2.3. Amendments to Section 3.5 of the A&R Investors Shareholders Agreement. Section 3.5 of the A&R Investors Shareholders Agreement is hereby amended and restated in its entirety as follows:

Section 3.5 Black-Out Periods. Notwithstanding anything herein or in the Registration Rights Agreement to the contrary and without regard to whether the restrictions set forth in Section 3.4 apply, each (a) Management Investor, (b) Warrant Investor, in the case of an Initial Public Offering and (c) Warrant Investor that owns, together with its Affiliates, more than 5% of the outstanding Transferable Shares (a "5% Warrant Investor"), in the case of any underwritten offering other than an Initial Public Offering, hereby agrees that during the period beginning seven (7) days before and ending (i) one hundred eighty (180) days in the event of an Initial Public Offering or (ii) ninety (90) days in the event of any other underwritten offering, as applicable, after the date of the underwriting agreement entered into in connection with such underwritten offering, such Management Investor, Warrant Investor or 5% Warrant Investor or its respective Permitted Transferees, as applicable, shall not, to the extent requested by the Company and/or any underwriter, (1) offer for sale, sell, pledge, or otherwise dispose of (or enter into any transaction or device that is designed to, or could be expected to, result in the disposition by any person at any time in the future of) any Securities (including Securities that may be deemed to be beneficially owned by the undersigned in accordance with the rules and regulations of the SEC and Securities that may be issued upon exercise of any Options or warrants) or securities convertible into or exercisable or exchangeable for Securities, (2) enter into any swap or other derivatives transaction that transfers to another, in whole or in part, any of the economic benefits or risks of ownership of Securities, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of Securities, in cash or otherwise, (3) make any demand for or exercise any right or cause to be filed a registration statement, including any amendments thereto, with respect to the registration of any Securities or securities convertible into or exercisable or exchangeable for Securities or (4) publicly disclose the intention to do any of the foregoing; provided that if any Silver Lake Investor agrees to such restrictions for any shorter period than prescribed above, then each Management Investor, Warrant Investor, Warrant Investor and 5% Warrant Investor, as applicable, shall only be obligated as provided in this Section 3.50 for such shorter period. If requested by the managing underwriter or underwriters of any such underwritten offering, each Management Investor, Warrant Investor, Warrant Investor and 5% Warrant Investor, as applicable, shall execute a customary agreement on the same terms and conditions as the Silver Lake Investor reflecting its agreement set forth in this Section 3.5.

ARTICLE III

MISCELLANEOUS

Section 3.1. The A&R Investors Shareholders Agreement. Except as provided herein, all terms and conditions of the A&R Investors Shareholders Agreement remain in full force and effect.

Section 3.2. Governing Law. This Agreement and all claims or causes of action (whether in tort, contract or otherwise) that may be based upon, arise out of or relate to this Agreement or the negotiation, execution or performance of this Agreement (including any claim or cause of action based upon, arising out of or related to any representation or warranty made in or in connection with this Agreement) shall be governed by and construed in accordance with the laws of the State of Delaware, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws, except that Cayman Islands law shall apply in respect of any fiduciary duty or any mandatory provision of Cayman Islands corporate law.

Section 3.3. Severability. If any portion of this Agreement shall be declared void or unenforceable by any court or administrative body of competent jurisdiction, such portion shall be deemed severable from the remainder of this Agreement, which shall continue in all respects valid and enforceable.

Section 3.4. Counterparts. This Agreement may be executed in any number of counterparts (which delivery may be by electronic transmission), each of which shall be deemed an original, but all of which together shall constitute a single instrument.

[*The remainder of this page intentionally left blank.*]

IN WITNESS WHEREOF, each of the undersigned has executed this Amendment No. 2 to Investors Shareholders Agreement or caused this Amendment No. 2 to Investors Shareholders Agreement to be signed by its officer thereunto duly authorized as a deed as of the date first written above.

COMPANY:

SMART GLOBAL HOLDINGS, INC.

By: /s/ Iain MacKenzie
Name: Iain MacKenzie
Title: President & CEO

In the presence of:

/s/ Bruce Goldberg
Signature of Witness
Name of Witness: Bruce Goldberg

[*Signature Pages Follow*]

SLP INVESTOR:

SILVER LAKE PARTNERS III CAYMAN
(AIV III), L.P.

By: Silver Lake Technology Associates III
Cayman, L.P., its General Partner

By: Silver Lake (Offshore) AIV GP III, Ltd.,
its General Partner

In the presence of:

By: /s/ James A. Davidson
Name: James A. Davidson
Title: Director

/s/ Tracy H. Plumer
Signature of Witness
Name of Witness: Tracy H. Plumer

SLP CO-INVESTOR:

SILVER LAKE TECHNOLOGY INVESTORS
III CAYMAN, L.P.

By: Silver Lake Technology Associates III
Cayman, L.P., its General Partner

By: Silver Lake (Offshore) AIV GP III, Ltd.,
its General Partner

In the presence of:

By: /s/ James A. Davidson
Name: James A. Davidson
Title: Director

/s/ Tracy H. Plumer
Signature of Witness
Name of Witness: Tracy H. Plumer

[*Signature Pages Follow*]

SLS INVESTOR:

SILVER LAKE SUMERU FUND CAYMAN, L.P.

By: Silver Lake Technology Associates Sumeru Cayman, L.P., its General Partner

By: SLTA Sumeru (GP) Cayman, L.P., its General Partner

By: Silver Lake Sumeru (Offshore) AIV GP, Ltd., its General Partner

In the presence of:

By: /s/ James A. Davidson
Name: James A. Davidson
Title: Director

/s/ Tracy H. Plumer
Signature of Witness
Name of Witness: Tracy H. Plumer

SLS CO-INVESTOR:

SILVER LAKE TECHNOLOGY INVESTORS SUMERU CAYMAN, L.P.

By: Silver Lake Technology Associates Sumeru Cayman, L.P., its General Partner

By: SLTA Sumeru (GP) Cayman, L.P., its General Partner

By: Silver Lake Sumeru (Offshore) AIV GP, Ltd., its General Partner

In the presence of:

By: /s/ James A. Davidson
Name: James A. Davidson
Title: Director

/s/ Tracy H. Plumer
Signature of Witness
Name of Witness: Tracy H. Plumer

Exhibit 10.1

SMART Global Holdings, Inc.
Amended and Restated
2017 Share Incentive Plan

Section 1. *Purpose*. The purpose of the SMART Global Holdings, Inc. Amended and Restated 2017 Share Incentive Plan (the "**Plan**") is to promote the interests of SMART Global Holdings, Inc., an exempted company organized under the laws of the Cayman Islands (together with its successors and assigns, the "**Company**") and its shareholders by (i) attracting and retaining exceptional executive personnel, employees, directors, and consultants of the Company and its Affiliates (as defined below); (ii) motivating employees, consultants and directors by means of performance related incentives to achieve longer range performance goals; and (iii) enabling employees, consultants and directors to participate in the long term growth and financial success of the Company. The Plan amends and restates in its entirety the Company's Amended and Restated 2011 Share Incentive Plan effective as of the business day prior to the IPO Date (as defined below) (the "**Effective Date**").

Section 2. *Definitions*. As used in the Plan, the following terms shall have the meanings set forth below:

(a) "**Affiliate**" means with respect to any Person, (i) any other Person directly or indirectly controlling, controlled by or under common control with such Person and any entity that is, directly or indirectly, controlled by the Company and (ii) any other entity in which such Person has a significant equity interest or which has a significant equity interest in such Person, in either case as determined by the Committee. For purposes of this definition, the terms "control" (including with correlative meanings, the terms "controlling", "controlled by" and "under common control with") when used with respect to any Person, means the possession, directly or indirectly of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise. Notwithstanding the foregoing, for purposes of any Incentive Share Option, "Affiliate" shall mean any parent corporation or subsidiary corporation of the Company as those terms are defined in Sections 424(e) and (f), respectively, of the Code.

(b) "**Award**" means any Option, SAR, Restricted Share Award, Restricted Share Unit, Performance Award, Other Cash-Based Award, or Other Share-Based Award,.

(c) "**Award Agreement**" means any written agreement, contract, or other instrument or document evidencing any Award, which may, but need not, be executed or acknowledged by a Participant.

(d) "**Board**" means the Board of Directors of the Company.

(e) "**Cause**" means, unless otherwise defined in any Employment Agreement or Award Agreement:

(i) a Participant's willful and continued failure substantially to perform his or her duties (other than as a result of total or partial incapacity due to physical or mental illness);

(ii) a Participant's gross negligence or willful malfeasance in the performance of his or her duties;

(iii) a Participant's commission of an act constituting fraud, embezzlement, or any other act constituting a felony or other similar offense under the laws of the United States, the Cayman Islands or any other jurisdiction in which the Company conducts business;

(iv) a Participant being repeatedly under the influence of alcohol or illegal drugs while performing his or her duties; or

(v) any other act or omission which is materially injurious to the financial condition or business reputation of the Company or any of its Affiliates as determined in the reasonable discretion of the Company, including a Participant's breach of the provisions of any non-solicitation, non-competition, trade secret or confidentiality covenant in favor of the Company or its Affiliates binding upon such Participant.

The existence or non-existence of Cause with respect to any Participant will be determined in good faith by the Board.

(f) "**Change in Control**" means the occurrence, in a single transaction or in a series of related transactions, of any one or more of the following events:

(i) the sale or disposition, in one or a series of related transactions, of all or substantially all of the assets of the Company and its Subsidiaries, taken as a whole, to any "person" or "group" (as such terms are used for purposes of Sections 13(d)(3) and 14(d)(2) of the Exchange Act) other than to the Silver Lake Investors or any of their respective Affiliates; or

(ii) any person or group, other than any of the Silver Lake Investors or any of their respective Affiliates, is or becomes the Beneficial Owner, directly or indirectly, of more than fifty percent (50%) of the total voting power of the outstanding voting shares of the Company, including by way of merger, amalgamation or consolidation or otherwise.

(g) "**Code**" means the U.S. Internal Revenue Code of 1986, as amended from time to time.

(h) "**Committee**" means a committee of one or more members of the Board and/or officers designated by the Board to administer the Plan. The full Board may act as the Committee under the Plan.

(i) "**Consultant**" means any natural person, including an advisor, who is a consultant or advisor to the Company or an Affiliate.

(j) "**Director**" means a member of the Board.

(k) "**Disability**" shall mean "permanent and total disability" as defined in Section 22(e)(3) of the Code.

(l) "**Employee**" means an employee of the Company or any of its Affiliates.

(m) "**Employment Agreement**" means an employment or severance and change of control agreement or other similar agreement entered into between a Participant and the Company or any of its Affiliates.

(n) "**Exchange Act**" means the Securities Exchange Act of 1934, as amended.

(o) "**Exercise Price**" means the purchase price of the Option as set forth in the Award Agreement.

(p) "**Fair Market Value**" means, as of any date, unless otherwise determined by the Committee, the value of a Share determined as follows: (i) if there should be a public market for the Shares on such date, the closing market price of the Shares as reported on such date (or such date is not a trading date, on the immediately preceding date on which sales of the Shares have been so reported), or (ii) if there should not be a public market for the Shares on such date, then Fair Market Value shall be the price determined in good faith by the Committee.

(q) "**Incentive Share Option**" means a right to purchase Shares from the Company that is granted under Section 6 of the Plan and that is intended to meet the requirements of Section 422 of the Code or any successor provision thereto.

(r) "**IPO Date**" means the effective date of the first registration statement that is filed by the Company and declared effective pursuant to Section 12(g) of the Exchange Act, with respect to any class of the Company's securities.

(s) "**Non-Qualified Share Option**" means a right to purchase Shares from the Company that is granted under Section 6 of the Plan and that is not intended to be an Incentive Share Option.

(t) "**Option**" means an Incentive Share Option or a Non-Qualified Share Option.

(u) "**Other Cash-Based Award**" means an Award granted pursuant to Section 10, including cash awarded as a bonus or upon the attainment of specified performance criteria or otherwise as permitted under the Plan.

(v) "**Other Share-Based Award**" means an Award granted pursuant to Section 11 that may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on, or related to, Shares or factors that may influence the value of Shares, including convertible or exchangeable debt securities, other rights convertible or exchangeable into Shares, purchase rights for Shares, dividend rights or dividend equivalent rights or Awards with value and payment contingent upon performance of the Company or business units thereof or any other factors designated by the Committee.

(w) "**Participant**" means a Person granted an Award under the Plan (and to the extent applicable, any heirs or legal representatives thereof).

(x) "**Performance Award**" shall mean an Award subject, in part, to the terms, conditions and restrictions described in Section 9, pursuant to which the recipient may become entitled to receive cash, Shares or other property, or any combination thereof, as determined by the Committee.

(y) "**Performance Period**" means the period established by the Committee with respect to any Performance Award during which the performance goals specified by the Committee with respect to such Award are to be measured.

(z) "**Person**" means any individual, corporation, limited liability company, partnership, association, joint-stock company, trust, unincorporated organization, government or political subdivision thereof or other entity.

(aa) "**Restricted Share Award**" shall mean an Award of Shares that are issued subject to any applicable terms, conditions and restrictions described in Section 8.

(bb) "**Restricted Share Units**" or "**RSUs**" shall mean an Award of the right to receive either (as the Committee determines) Shares or cash equal to the Fair Market Value of a Share on the settlement or payment date, subject to to any applicable terms, conditions and restrictions described in Section 8.

(cc) "**Rule 16b-3**" means Rule 16b-3 promulgated under the Exchange Act or any successor to Rule 16b-3, as in effect from time to time.

(dd) "**SEC**" means the Securities and Exchange Commission or any successor thereto.

(ee) "**Section 162(m)**" shall mean §162(m) of the Code, any rules or regulations promulgated thereunder, as they may exist or may be amended from time to time, or any successor to such section.

(ff) "**Securities Act**" means the Securities Act of 1933, as amended.

(gg) "**Shares**" means the ordinary shares in the authorized capital of the Company or such other securities as may be designated by the Committee from time to time.

(hh) "**Silver Lake Investors**" means, collectively, (i) Silver Lake Partners III Cayman (AIV III), L.P., a Cayman Islands exempted limited partnership, Silver Lake Technology Investors III Cayman, L.P., a Cayman Islands exempted partnership and any of their respective Affiliates, designated transferees or successors that hold Shares, and (ii) Silver Lake Sumeru Fund Cayman, L.P., a Cayman Islands exempted limited partnership, Silver Lake Technology Investors Sumeru Cayman, L.P., a Cayman Islands exempted partnership and any of their respective Affiliates, designated transferees or successors that hold Shares.

(ii) "**Share Appreciation Right**" or "**SAR**" shall mean an Award of a right to receive (without payment to the Company) cash, Shares or other property, or other forms of payment, or any combination thereof, as determined by the Committee, based on the increase in the value of the number of Shares specified in the Share Appreciation Right. Share Appreciation Rights are subject to any applicable terms, conditions and restrictions described in Section 7.

(jj) "**Substitute Awards**" means Awards granted in assumption of, or in substitution for, outstanding awards previously granted by a company acquired by the Company or with which the Company combines.

Section 3. Administration.

(a) *Authority of Committee*. The Plan shall be administered by the Committee. Subject to the terms of the Plan, applicable law and contractual restrictions affecting the Company, and in addition to other express powers and authorizations conferred on the Committee by the Plan, the Committee shall have full power and authority to:

(i) designate Participants;

(ii) determine the type or types of Awards to be granted to a Participant and the exercise price or purchase price, if applicable;

(iii) determine the number of Shares to be covered by, or with respect to which payments, rights, or other matters are to be calculated in connection with, Awards;

(iv) determine the terms and conditions (including the vesting schedule, if any) of any Award and Award Agreement;

(v) determine whether, to what extent, and under what circumstances Awards may be settled or exercised in cash, Shares, other securities, other Awards or other property, or canceled, forfeited, or suspended and the method or methods by which Awards may be settled, exercised, canceled, forfeited or suspended;

(vi) determine whether to cancel an Option or SAR in exchange for the grant of a new Award or for cash, including to the extent such action would have the effect of reducing the exercise price of such Option or SAR;

(vii) determine whether, to what extent, and under what circumstances cash, Shares, other securities, other Awards, other property, and other amounts payable with respect to an Award shall be deferred either automatically or at the election of the holder thereof or of the Committee;

(viii) interpret and administer the Plan and any instrument or agreement relating to, or Award made under, the Plan;

(ix) establish, amend, suspend, or waive such rules and regulations and appoint such agents as it shall deem appropriate for the proper administration of the Plan; and

(x) make any other determination and take any other action that the Committee deems necessary or desirable for the administration of the Plan.

(b) *Committee Composition*. If the Board in its discretion deems it advisable, the Board may provide that the Committee may consist solely of (i) Directors who are independent, within the meaning of and to the extent required by applicable rulings and interpretations of the applicable stock market or exchange on which the Shares are or traded, (ii) two or more "Outside Directors" as defined in the regulations under Section 162(m) of the Code and/or (iii) two or more "Non-Employee Directors" as defined in Rule 16b-3. To the extent permitted by applicable law, the Board or the Committee may delegate to one or more officers of the Company some or all of its authority under the Plan, including the authority to grant Options and SARs or other Awards in the form of Shares (except that such delegation shall not be applicable to any Award for a Person then covered by Section 16 of the Exchange Act), and the Committee may delegate to one or more committees of the Board (which may consist of solely one Director) some or all of its authority under the Plan, including the authority to grant all types of Awards, in accordance with applicable law.

(c) *Committee Discretion Binding*. Unless otherwise expressly provided in the Plan, all designations, determinations, interpretations, and other decisions under or with respect to the Plan or any Award shall be within the sole discretion of the Committee, may be made at any time and shall be final, conclusive and binding upon all Persons, including the Company, any of its Affiliates, any Participant, any holder or beneficiary of any Award, any shareholder and any Employee. The Committee may correct any defect or supply any omission or reconcile any inconsistency in the Plan in the manner and to the extent the Committee deems necessary or desirable.

Section 4. *Shares Available For Awards*.

(a) *Shares Available*. Subject to adjustment as provided in this Section, the number of Shares with respect to which Awards may be granted under the Plan on and following the Effective Date shall be 1,500,000, plus an annual increase on the first day of each fiscal year during the term of the Plan beginning with the fiscal year starting September 1, 2017 and continuing for ten fiscal years (ending with the fiscal year starting September 1, 2026), in each case in an amount equal to the lesser of (i) 1,500,000 shares, (ii) 2.5% of the number of shares of the ordinary shares outstanding on such date, or (iii) an amount determined by the Board. In addition, if, on or after the Effective Date, any Shares covered by an Award granted under the Plan (including any Awards granted prior to the Effective Date and outstanding as of the Effective Date, as well as any Substitute Award) or to which such an Award relates are forfeited, or if such an Award is settled for cash or otherwise terminates or is canceled without the delivery of Shares, then the Shares covered by such Award, or to which such Award relates, shall again become Shares with respect to which Awards may be granted. In addition, Shares tendered in satisfaction or partial satisfaction of the exercise price of any Award or any tax withholding obligations will again become Shares with respect to which Awards may be granted. All of the Shares reserved under the Plan may be designated as Incentive Share Options. Shares issued under the Plan may consist, in whole or in part, of authorized and unissued shares.

(b) *Section 162(m) Limitations*. Subject to the provisions below relating to adjustments upon changes in the shares of the ordinary shares, no Participant shall be granted during any calendar year (i) Options and SARs covering more than 2,000,000 Shares, (ii) Performance Awards denominated in Shares covering more than 1,000,000 Shares, and (iii) with respect to any Performance Award or Cash-Based Award denominated by dollar value, $10,000,000 during any calendar year.

(c) *Non-Employee Director Limits*. Subject to the provisions below relating to adjustments upon changes in the shares of the ordinary shares, during any calendar year, no non-employee Director may be granted (i) Award(s) (denominated in Shares) with a grant date fair value exceeding $750,000 or (ii) Award(s) denominated in cash in excess of $750,000.

(d) *Adjustments*. In the event of any change in the outstanding Shares by reason of any Share dividend, Share split, reverse Share split, reorganization, recapitalization, merger, amalgamation, consolidation, spin-off, combination, transaction or exchange of Shares, or other corporate exchange, or any cash dividend or distribution to shareholders other than ordinary cash dividends or any transaction similar to the foregoing, the Committee shall make such proportionate substitution or adjustment, if any, as it deems to be equitable, as to (i) the number or kind of Shares or other securities issued or reserved for issuance pursuant to the Plan, including any individual or other limits set forth in this Section, or pursuant to outstanding Awards, (ii) the Exercise Price of any Option and/or (iii) any other affected terms of outstanding Awards; *provided*, that, for the avoidance of doubt, in the case of the occurrence of any of the foregoing events that is an "equity restructuring" (within the meaning of the Financial Accounting Standards Board Accounting Standard Codification (ASC) Section 718, *Compensation — Stock Compensation* (FASB ASC 718)), the Committee shall make an equitable adjustment to outstanding Awards to reflect such event; and *provided*, further, that in the case of any Share dividend, Share split or reverse split, recapitalization, combination, reclassification or other distribution of the Company's equity securities with respect to the Shares without receipt of consideration by the Company, the Committee shall make a proportionate adjustment.

(e) *Substitute Awards*. Any Shares underlying Substitute Awards shall not be counted against the Shares authorized for issuance under the Plan and shall, subject to existing corporate authorities, increase the number of Shares available for issuance hereunder, unless determined otherwise by the Committee.

Section 5. *Eligibility*.

(a) *General*. Any Employee, Consultant or Director shall be eligible to be selected by the Committee to receive an Award under the Plan.

(b) *Incentive Share Options*. Only Employees who are U.S. taxpayers shall be eligible for the grant of Incentive Share Options.

(c) *Non-Employee Directors*. Awards may be granted to Non-Employee Directors in accordance with the policies established from time to time by the Board or the Committee specifying the number of shares (if any) to be subject to each such Award and the time(s) at which such awards shall be granted. Awards granted to Non-Employee Directors shall be on terms and conditions determined by the Board or the Committee, subject to the provisions of the Plan.

Section 6. *Options*.

(a) *Grants*. The Committee is authorized to grant Options to Participants with the terms and conditions set forth in this Section and with such additional terms and conditions, in either case not inconsistent with the provisions of the Plan, as the Committee shall determine.

(b) *Type of Option*. The Committee shall have the authority to grant Incentive Share Options to U.S. taxpayers or to grant Non-Qualified Share Options to any Participant, or both. In the case of Incentive Share Options, the terms and conditions of such grants shall be subject to and comply with the provisions of Section 422 of the Code, as from time to time amended, or any successor provision thereto, and any regulations implementing such statute.

(c) *Exercise Price*. The Committee in its sole discretion shall establish the Exercise Price at the time each Option is granted. Notwithstanding the foregoing, the Exercise Price of any Option granted shall not be less than 100% of the Fair Market Value at the time the Option is granted.

(d) *Exercise*. Each Option shall be exercisable at such times and subject to such terms and conditions as the Committee may, in its sole discretion, specify in the applicable Award Agreement or thereafter. The Committee may impose such conditions with respect to the exercise of Options, including without limitation, any relating to the application of U.S. federal or state securities laws, or those of any other jurisdiction, as it may deem necessary or advisable.

(e) *Payment*. No Shares shall be delivered pursuant to any exercise of an Option until payment in full of the exercise price is received by the Company, together with any documentation required by the Company and any applicable taxes. Such payment may be made:

(i) in cash;

(ii) if approved by the Committee, in Shares (the value of such Shares shall be their Fair Market Value on the date of exercise) owned by the Participant for the period required to avoid a charge to the Company's earnings;

(iii) if approved by the Committee, by a combination of the foregoing;

(iv) if approved by the Committee, in accordance with a broker-assisted cashless exercise program; or

(v) if approved by the Committee, through net settlement in Shares; or

(vi) in such other manner as permitted by the Committee at the time of grant or thereafter.

Section 7. *Share Appreciation Rights*.

(a) The Committee may grant Share Appreciation Rights pursuant to this Section, with such additional terms and conditions as the Committee shall determine.

(b) The Committee shall determine the number of Shares to be subject to each Award of Share Appreciation Rights. Share Appreciation Rights shall have an exercise or base price no less than the Fair Market Value of the Shares covered by the right on the date of grant.

(c) Any Share Appreciation Right may be exercised during its term only at such time or times and in such installments as the Committee may establish and shall not be exercisable after the expiration of ten years from the date it is granted.

(d) An Award of Share Appreciation Rights shall entitle the holder to exercise such Award and to receive from the Company in exchange thereof, without payment to the Company, that number of Shares or cash having an aggregate value equal to the excess of the Fair Market Value of one Share, at the time of such exercise, over the exercise price, times the number of Shares subject to the Award, or portion thereof, that is so exercised or surrendered, as the case may be.

(e) No grant of SARs may be accompanied by a tandem award of dividend equivalents or provide for dividends, dividend equivalents or other distributions to be paid on such SARs (except as provided under Section 4(d)).

Section 8. *Restricted Share Awards and Restricted Share Units*.

(a) The Committee is authorized to grant Restricted Share Awards and Restricted Share Units (or RSUs) pursuant to this Section, with such additional terms and conditions as the Committee shall determine.

(b) The Committee shall determine the number of Shares to be issued to a Participant pursuant to Restricted Share Award or Restricted Share Units, and the extent, if any, to which they shall be issued in exchange for cash, other consideration, or both. The Award Agreement shall specify the vesting schedule and, with respect to RSUs, the delivery schedule (which may include deferred delivery later than the vesting date).

(c) The Committee may, in its discretion, specify in the applicable Award Agreement that any or all dividends, dividend equivalents or other distributions, as applicable, paid on Restricted Share Awards or RSUs prior to vesting or settlement, as applicable, be paid either in cash or in additional Shares and either on a current or deferred basis (and may be subject to the same vesting restrictions as the underlying Award) and that such dividends, dividend equivalents or other distributions may be reinvested in additional Shares, which may be subject to the same restrictions as the underlying Awards. Notwithstanding the foregoing, dividends and dividend equivalents with respect to Restricted Share Awards and Restricted Share Units that are granted as Performance Awards shall vest only if and to the extent that the underlying Performance Award vests, as determined by the Committee.

(d) If, and to the extent that, the Committee intends that an Award granted under this Section shall qualify under Section 162(m), such Award shall be structured in accordance with the requirements of Section 9 below, including the performance criteria set forth therein and the Award limitations set forth in Section 5, and any such Award shall be considered a Performance Award for purposes of the Plan.

Section 9. *Performance-Based Awards*.

(a) *Grant*. Subject to the limitations set forth in Section 4, the Committee may grant a Performance Award which shall consist of a right that is (i) denominated and/or payable in cash, Shares or any other form of Award issuable under this Plan (or any combination thereof) (other than Options or Share Appreciation Rights), (ii) valued, as determined by the Committee, in accordance with the achievement of such performance goals applicable to such Performance Periods as the Committee shall establish and (iii) payable at such time and in such form as the Committee shall determine. The Committee may award Performance Awards that are intended to be performance-based compensation under Section 162(m).

(b) *Terms and Conditions*. For Performance Awards intended to be performance-based compensation under Section 162(m), the Performance Awards shall be conditioned upon the achievement of pre-established goals relating to one or more of the following performance measures, as determined in writing by the Committee and subject to such modifications as specified by the Committee: cash flow; cash flow from operations; earnings (including, but not limited to, earnings before interest, taxes, depreciation and amortization or some variation thereof); earnings per share, diluted or basic; earnings per share from continuing operations; net asset turnover; inventory turnover; capital expenditures; debt; debt reduction; working capital; return on investment; return on sales; net or gross sales; market share; economic value added; cost of capital; change in assets; expense reduction levels; productivity; delivery performance; safety record and/or performance; environmental record and/or performance; share price; return on equity; total or relative increases to shareholder return; return on invested capital; return on assets or net assets; revenue; income or net income; operating income or net operating income; operating profit or net operating profit; gross margin, operating margin or profit margin; and completion of acquisitions, business expansion, product diversification, new or expanded market penetration, and other non-financial operating and management performance objectives. To the extent consistent with Section 162(m), the Committee may determine that certain adjustments shall apply, in whole or in part, in such manner as determined by the Committee, to exclude or include the effect of specified events that occur during a Performance Period. Performance measures may be determined either individually, alternatively or in any combination, applied to either the Company as a whole or to a business unit or subsidiary entity thereof, either individually, alternatively or in any combination, and measured over a period of time including any portion of a year, annually or cumulatively over a period of years, on an absolute basis or relative to a pre-established target, to previous fiscal years' results or to a designated comparison group, in each case as specified by the Committee.

(c) *Preestablished Performance Goals*. For Performance Awards intended to be performance-based compensation under Section 162(m), performance goals relating to the performance measures set forth above shall be preestablished in writing by the Committee, and achievement thereof certified in writing prior to payment of the Award, as required by Section 162(m) and regulations promulgated thereunder. All such performance goals shall be established in writing no later than ninety (90) days after the beginning of the applicable Performance Period (or, if longer or shorter, within the maximum period allowed under Section 162(m) and regulations promulgated thereunder). In addition to establishing minimum performance goals below which no compensation shall be payable pursuant to a Performance Award, the Committee, in its sole discretion, may create a performance schedule under which an amount less than or more than the target award may be paid so long as the performance goals have been achieved.

(d) *Additional Restrictions/Negative Discretion*. Performance Awards that are intended to qualify as Section 162(m) Compensation shall be settled only after the end of the relevant Performance Period. The Committee, in its sole discretion, may also establish such additional restrictions or conditions that must be satisfied as a condition precedent to the payment of all or a portion of any Performance Awards. Such additional restrictions or conditions need not be performance-based and may include, among other things, the receipt by a Participant of a specified annual performance rating, the continued employment by the Participant and/or the achievement of specified performance goals by the Company, business unit or Participant. Furthermore, and notwithstanding any provision of this Plan to the contrary, the Committee, in its sole discretion, may retain the discretion to reduce the amount of any Performance Award to a Participant if it concludes that such reduction is necessary or appropriate; *provided*, *however*, the Committee shall not use its discretionary authority to increase any Performance Award that is intended to be performance-based compensation under Section 162(m).

(e) *Payment or Settlement of Performance Awards*. Performance Awards may be paid or settled, as applicable, in a lump sum or in installments following the close of the Performance Period or, in accordance with procedures established by the Committee and compliant with Section 162(m), on a deferred or accelerated basis.

Section 10. *Other Cash-Based Awards*.

(a) *Terms and Conditions*. The Committee may grant Other Cash-Based Awards in the form of cash bonus or cash incentive awards, which may but need not be valued in whole or in part by reference to, or otherwise based on or related to, Shares. Subject to the terms of this Plan and any applicable Award agreement, the Committee shall determine the terms and conditions of any such Other Cash-Based Award.

Section 11. *Other Share-Based Awards*.

(a) *Terms and Conditions*. The Committee may grant Other Share-Based Awards, which shall consist of any right that is (i) not an Award described in Sections 6 through 9 above and (ii) an Award of Shares or an Award denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to, Shares (including, without limitation, securities convertible into Shares), as deemed by the Committee to be consistent with the purposes of this Plan. Subject to the terms of this Plan and any applicable Award Agreement, the Committee shall determine the terms and conditions of any such Other Share-Based Award.

Section 12. *Effect Of Termination Of Employment Or Service*.

(a) *Termination of Employment or Service*. Except as the Committee may otherwise provide at the time the Award is granted or thereafter, or as required to comply with applicable law, if a Participant's employment or service with the Company and its Affiliates is terminated by Participant or by the Company for any reason (other than death or Disability or by the Company for Cause), then vesting shall immediately cease and, to the extent vested as of the date of termination, an Award may be retained and, if applicable, exercised until the earlier of (i) the date three months (or such longer or shorter period, if any, specified in the applicable Award Agreement or Employment Agreement) after such termination of employment or service or (ii) the date such Award would have expired had it not been for the termination of employment or service, after which time, in either case, the Award shall expire.

(b) *Death or Disability*. Except as the Committee may otherwise provide at the time the Award is granted or thereafter, or as required to comply with applicable law, if a Participant's employment or service with the Company and its Affiliates is terminated by reason of death or Disability, then vesting shall immediately cease and, to the extent vested as of the date of termination, the Award may be retained and, if applicable, exercised by the Participant or his successor (if employment or service is terminated by death) until the earlier of (i) the date one year after such termination of employment or service or (ii) the date such Award would have expired had it not been for the termination of such employment or service, after which time, in either case, the Award shall expire.

(c) *Cause*. Except as the Committee may otherwise provide at the time the Award is granted or thereafter, or as required to comply with applicable law, if a Participant's employment or service with the Company and its Affiliates is terminated by the Company or an Affiliate for Cause, all Awards held by such Participant shall be forfeited and shall expire immediately on the date of termination.

Section 13. *Amendment and Termination*.

(a) *Amendment or Termination of the Plan*. The Board may amend, alter, suspend, discontinue, or terminate the Plan or any portion thereof at any time; provided that (i) no such amendment, alteration, suspension, discontinuation or termination shall be made without shareholder approval if such approval is necessary to comply with any tax or regulatory requirement with which the Board deems it necessary or desirable to qualify or comply and (ii) any amendment, alteration, suspension, discontinuance, or termination that would adversely affect the rights of a Participant with respect to any outstanding Award shall not to that extent be effective with respect to such Award without the consent of the affected Participant, holder or beneficiary, except as otherwise provided in Section 14 below or elsewhere in the Plan. Notwithstanding anything to the contrary herein, the Committee may amend the Plan in such manner as may be necessary so as to have the Plan conform with local rules and regulations in any jurisdiction outside the United States.

(b) *Amendment or Termination of Awards*. Subject to the terms of the Plan and applicable law, the Committee may waive any conditions or rights under, amend any terms of, or alter, suspend, discontinue, cancel or terminate, any Award theretofore granted, prospectively or retroactively; *provided* that any such waiver, amendment, alteration, suspension, discontinuance, cancellation or termination that would adversely affect the rights of a Participant shall not to that extent be effective without the consent of the affected Participant, holder or beneficiary, except as otherwise provided in Section 14 below or elsewhere in the Plan or the applicable Award Agreement.

Section 14. *Corporate Transactions*.

(a) *Change in Control*. Any provision of this Plan or any Award Agreement to the contrary notwithstanding, in the event of a Change in Control, the Committee, in its sole discretion, (i) may cause any outstanding Award to be (A) continued by the Company, (B) assumed, or substituted with a substantially equivalent award, by the successor company (or its parent or any of its subsidiaries), (C) accelerated with respect to vesting and/or exercisability, as applicable, or (D) canceled in consideration of a cash payment or alternative Award, if applicable, made to the holder of such canceled Award equal in value to the excess, if any, of the value of the consideration to be paid in the Change in Control transaction, directly or indirectly, to holders of the same number of Shares subject to such Award (the "Deal Consideration") (or if no consideration is paid in any such transaction, the Fair Market Value of such canceled Award) over the aggregate exercise price; *provided, however*, that the Committee may determine that only holders of vested Awards shall receive any such cash payment or alternative Award; and *further provided*, that any Award with an aggregate exercise price that equals or exceeds the Deal Consideration (or if no consideration is paid in any such transaction, the Fair Market Value of such canceled Award) shall be canceled without payment or consideration thereof; or (ii) may take any other action or actions with respect to the outstanding Awards that it deems appropriate, which need not be uniform with respect to all Participants and/or Awards. Any Award (or any portion thereof) not continued or assumed by the Company or the successor company (or its parent or any of its subsidiaries), as applicable, pursuant to the foregoing shall terminate on such Change in Control and the holder thereof shall be entitled to no consideration for such Award.

(b) *Dissolution or Liquidation*. In the event of a dissolution or liquidation of the Company, then all outstanding Awards shall terminate immediately prior to such event.

Section 15. *General Provisions*.

(a) *Clawback Policy*. Notwithstanding the foregoing, any Award granted under the Plan which is or becomes subject to recovery under any Company policy, or pursuant to any law, regulation or stock exchange listing requirement, shall be subject to such deductions, recoupment, and clawback as may be required to be made pursuant thereto.

(b) *Dividend Equivalents*. In the sole and complete discretion of the Committee, an Award may provide the Participant with dividends or dividend equivalents, payable in cash, Shares, other securities or other property on a current or deferred basis.

(c) *Nontransferability of Awards*. Except to the extent otherwise provided in an Award Agreement or as determined by the Committee (except with respect to Incentive Share Options), no Award shall be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by a Participant, except by will or the laws of descent and distribution.

(d) *No Rights to Awards*. No Employee, Participant or other Person shall have any claim to be granted any Award, and there is no obligation for uniformity of treatment of Employees, Participants, or holders or beneficiaries of Awards. The terms and conditions of Awards need not be the same with respect to each recipient.

(e) *Lock-up Period*. Unless otherwise determined by the Committee, Shares shall not be issued under this Plan unless the Participant agrees that he or she will not sell, transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale, any Shares (or other securities of the Company) held by the Participant prior to the date 180 days following the effective date of a registration statement with respect to any underwritten public offering by the Company of its securities as requested by the managing underwriters for such offering.

(f) *Shares*. No certificates will be issued in respect of the Shares unless the Board determines otherwise. Shares may be issued of record in the name of the Participant and registered on the Register of Members of the Company or otherwise as permitted by applicable law.

(g) *Withholding*. As a condition to the issuance of any Shares in satisfaction of an Award, a Participant may be required to pay to the Company or any of its Affiliates, and the Company or any Affiliate shall have the right and is hereby authorized (i) to withhold from any Award, from any payment due or transfer made under any Award or under the Plan or from any compensation or other amount owing to a Participant, the amount (in cash, Shares, other securities, other Awards or other property, in each case if permissible under local law) of any applicable taxes, social contributions or other amounts required by applicable law in respect of the grant, exercise, lapse or vesting of an Award or any payment or transfer under an Award or under the Plan, including net share withholding up to the statutory maximum amount, and (ii) to take such other action as may be necessary in the opinion of the Company to satisfy all obligations for the payment of such amounts.

(h) *Award Agreements*. Each Award hereunder may be evidenced by an Award Agreement which shall specify the terms and conditions of the Award and any rules applicable thereto.

(i) *No Limit on Other Compensation Arrangements*. Nothing contained in the Plan shall prevent the Company or any Affiliate from adopting or continuing in effect other compensation arrangements.

(j) *No Right to Employment*. The grant of an Award shall not be construed as giving a Participant the right to be retained in the employ or service of the Company or any Affiliate and shall not lessen or affect the right of the Company or its Affiliates to terminate the employment or service of a Participant.

(k) *Rights as a Shareholder*. Subject to the provisions of the applicable Award, no Participant or holder or beneficiary of any Award shall have any rights as a shareholder with respect to any Shares to be issued under the Plan until he or she has become the holder of such Shares.

(l) *Governing Law*. The validity, construction and effect of the Plan and any rules and regulations relating to the Plan and any Award Agreement shall be determined in accordance with the laws of the Cayman Islands, without, to the fullest extent permissible thereby, application of the conflict of law principles thereof.

(m) *Severability*. If any provision of the Plan or any Award is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction or as to any Person or Award, or would disqualify the Plan or any Award under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to the applicable laws, or if it cannot be construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or the Award, such provision shall be stricken as to such jurisdiction, Person or Award and the remainder of the Plan and any such Award shall remain in full force and effect.

(n) *Other Laws*. The Committee may refuse to issue or transfer any Shares or other consideration under an Award if, acting in its sole discretion, it determines that the issuance or transfer of such Shares or such other consideration might violate any applicable law or regulation or entitle the Company to recover the same under Section 16(b) of the Exchange Act, and any payment tendered to the Company by a Participant in connection therewith shall be promptly refunded to the relevant Participant, holder or beneficiary. Without limiting the generality of the foregoing, no Award granted hereunder is, nor shall be construed as, an offer to sell securities of the Company, and no such offer shall be outstanding, unless and until the Committee in its sole discretion has determined that any such offer, if made, would be in compliance with all applicable requirements of the laws of the Cayman Islands, the U.S. federal securities laws and any other laws to which such offer, if made, would be subject.

(o) *No Trust or Fund Created*. Neither the Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any Affiliate and a Participant or any other Person. To the extent that any Person acquires a right to receive payments from the Company or any Affiliate pursuant to an Award, such right shall be no greater than the right of any unsecured general creditor of the Company or any Affiliate.

(p) *No Fractional Shares*. No fractional Shares shall be issued or delivered pursuant to the Plan or any Award, and the Committee shall determine whether cash or other securities or other property shall be paid or transferred in lieu of any fractional Shares or whether such fractional Shares or any rights thereto shall be canceled, terminated, or otherwise eliminated.

(q) *Headings*. Headings are given to the Sections and subsections of the Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of the Plan or any provision thereof.

(r) *Proprietary Information and Inventions Agreement*. Except as otherwise determined by the Committee, a Participant shall, as a condition precedent to the exercise or settlement of an Award, have executed and be in compliance with the Company's (or its Affiliate's) standard form of confidentiality and non-disclosure agreement.

(s) *Modification of Award Terms for non-U.S. Participants*. The Committee shall have the discretion and authority to grant Awards with such modified terms as the Committee deems necessary or appropriate in order to comply with the laws of the country in which the Participant resides or is employed, and the Committee may establish a subplan under this Plan for such purposes.

(t) *Data Protection*. By participating in the Plan, the Participant consents to the holding and processing of personal information provided by the Participant to the Company or any Affiliate, trustee or third party service provider, for all purposes relating to the operation of the Plan. These include, but are not limited to:

(1) administering and maintaining Participant records;

(2) providing information to the Company, any Affiliate, trustees of any employee benefit trust, registrars, brokers or third party administrators of the Plan;

(3) providing information to future purchasers or merger partners of the Company or any Affiliate, or the business in which the Participant works; and

(4) transferring information about the Participant to any country or territory that may not provide the same protection for the information as the Participant's home country.

(u) *Company Governing Instruments*. All Shares issued and/or vested pursuant to an Award or Substitute Award, or transferred thereafter, shall be held subject to the Memorandum and Articles of Association of the Company.

Section 16. *Term of The Plan*.

The Plan shall remain in effect until May 18, 2027, unless terminated earlier by the Board under the terms of the Plan. Unless otherwise expressly provided in the Plan or in an applicable Award Agreement, any Award granted hereunder may, and the authority of the Board or the Committee to amend, alter, adjust, suspend, discontinue, or terminate any such Award or to waive any conditions or rights under any such Award shall, continue after the authority for grant of new Awards hereunder has been exhausted.

Section 17. *Section 409A and 457*.

It is intended that the Company grant Awards under the Plan that are exempt from, or comply with, Sections 409A and 457 of the Code. Notwithstanding other provisions of this Plan or any Award Agreements hereunder, no Award shall be granted, deferred, accelerated, extended, paid out or modified under this Plan in a manner that would result in the imposition of an additional tax under Section 409A of the Code upon a Participant. In the event that it is reasonably determined by the Committee that, as a result of Section 409A of the Code, payments in respect of any Award under the Plan may not be made at the time contemplated by the terms of the Plan or the relevant Award Agreement, as the case may be, without causing the Participant holding such Award to be subject to taxation under Section 409A of the Code, the Company will make such payment on the first day that would not result in the Participant incurring any tax liability under Section 409A of the Code. The Company shall use commercially reasonable efforts to implement the provisions of this Section in good faith; *provided* that neither the Company, the Committee nor any of the Company's employees, directors or representatives shall have any liability to any Participant with respect to this Section.

Restricted Share Unit Award Agreement
under the
SMART Global Holdings, Inc.
Amended and Restated 2017 Share Incentive Plan

Date of Grant:

Name of Participant:

Number of Units/Shares: [XX]

SMART Global Holdings, Inc., an exempted company organized under the laws of the Cayman Islands (the "**Company**"), hereby grants the number of restricted share units (each representing the right to receive an ordinary share of the company (the "**Shares**")) set forth above (the "**RSUs**"), as of the date of grant set forth above (the "**Grant Date**"), to the above-named participant ("**Participant**") pursuant to the Company's Amended and Restated 2017 Share Incentive Plan (the "**Plan**") and subject to the terms and conditions thereof and hereof, in consideration for your services to the Company.

Capitalized terms not otherwise defined herein shall have the same meanings as in the Plan. The terms and conditions of this Restricted Share Unit Award Agreement (this "**Agreement**"), to the extent not controlled by the terms and conditions contained in the Plan, are as follows:

1. *Vesting*. The RSU shall vest and the Shares shall become issuable as follows: [_]

2. *Forfeiture of Unvested RSUs*. Immediately upon termination of Participant's service for any reason (including death or disability), any unvested RSUs shall be forfeited without consideration.

3. *Conversion into Ordinary Shares*.

(a) Subject to subsection (b) hereof, Shares issuable pursuant to the terms of this Agreement will be issued on, or as soon as practicable following, the applicable vesting date of the RSUs. As a condition to such issuance, Participant shall have satisfied his or her tax withholding obligations as specified in this Agreement and shall have completed, signed and returned any documents and taken any additional action that the Company deems appropriate to enable it to accomplish the delivery of the Shares. In no event will the Company be obligated to issue a fractional share. Notwithstanding the foregoing, (i) the Company shall not be obligated to deliver any Shares during any period when the Company determines that the conversion of a RSU or the delivery of shares hereunder would violate any federal, state or other applicable laws and/or may issue shares subject to any restrictive legends that, as determined by the Company's counsel, is necessary to comply with securities or other regulatory requirements, and (ii) the date on which shares are issued may include a delay in order to provide the Company such time as it determines appropriate to address tax withholding and other administrative matters.

Without limiting the generality of the foregoing, the Committee may require an opinion of counsel acceptable to it to the effect that any subsequent transfer of Shares issued upon the vesting of the RSUs does not violate the Securities Act, and may issue stop-transfer orders covering such Shares.

4. *Tax Treatment*. Any withholding tax liabilities (whether as a result of federal, state or other law and whether for the payment and satisfaction of any income tax, social security tax, payroll tax, or payment on account of other tax related to withholding obligations that arise by reason of the RSUs) incurred in connection with the RSUs becoming vested and Shares issued, or otherwise incurred in connection with the RSUs, shall be satisfied in one of the following manners as permitted by the Plan, at the election of Participant unless otherwise determined by the Company: (i) by the Company withholding a number of Shares that would otherwise be issued under the RSUs that the Company determines have a fair market value approximately equal to the amount of taxes that the Company concludes it is required to withhold (up to the statutory maximum) under applicable law or regulation (or such greater amount as may be permitted by the Company to the extent it determines such action would not result in adverse accounting consequences to the Company); or (ii) by payment by Participant to the Company in cash or by check in an amount equal to the amount of taxes that the Company concludes it is required to withhold under applicable law or regulation (which amount shall be due on the first business day following the day the tax event arises unless otherwise determined by the Company). If the Shares are publicly traded at the time of the tax withholding event, the Company may permit or require the automatic sale by Participant of a number of Shares that are issued under the RSUs, which the Company determines is sufficient to generate an amount that meets the tax withholding obligations under applicable law or regulation, plus additional shares to account for rounding and market fluctuations, and payment of such tax withholding to the Company, and such Shares may be sold as part of a block trade with other Plan participants, Without limiting the foregoing, Participant hereby authorizes the Company to withhold such tax withholding amount from any amounts owing to Participant to the Company and to take any action necessary in accordance with this paragraph.

5. Notwithstanding the foregoing, Participant acknowledges and agrees that he is responsible for all taxes that arise in connection with the RSUs becoming vested and Shares being issued or otherwise incurred in connection with the RSUs, regardless of any action the Company takes pursuant to this Section. The RSUs are intended to be exempt from Section 409A of the Code under the short-term deferral exemption thereof, and therefore the Shares shall in no event be issued more than two and ½ months following the end of the taxable year of Participant or the Company (whichever is later) in which the corresponding RSUs become vested.

6. *Lock-up Period*. Participant agrees that the Company (or a representative of the underwriter(s)) may, in connection with any underwritten registration of the offering of any securities of the Company under the Securities Act, require that Participant not sell, dispose of, transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale, any Shares or other securities of the Company held by Participant, for a period of time specified by the underwriter(s) (not to exceed one hundred eighty (180) days) following the effective date of the registration statement of the Company filed under the Securities Act; *provided* that transactions pursuant to Section 4 hereof shall be exempt from any such lock-up request. Participant further agrees to execute and deliver such other agreements as may be reasonably requested by the Company and/or the underwriter(s) that are consistent with the foregoing or that are necessary to give further effect thereto. In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to Participant's Shares until the end of such period. The underwriters of the Company's shares are intended third party beneficiaries of this Section and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto.

7. *Restrictions on Transfer of Shares*. Participant understands and agrees that the RSUs may not be sold, given, transferred, assigned, pledged or otherwise hypothecated by the holder. In addition, Participant understands and agrees that any Shares are subject to the applicable restrictions on transfer set forth in the Plan.

8. *Certificates*. Certificates issued in respect of the Shares shall, unless the Committee otherwise determines, be registered in the name of Participant and may be in electronic form. Such share certificate shall carry such appropriate legends, and such written instructions shall be given to the Company transfer agent, as may be deemed necessary or advisable by counsel to the Company in order to comply with the requirements of the Securities Act of 1933, any state securities laws or any other applicable laws.

9. *Shareholder Rights*. Participant will have no voting or other rights as the Company's other shareholders with respect to the Shares until issuance of the Shares.

10. *No Employment/Service Rights*. Neither this Agreement nor the grant of the RSUs hereby confers on Participant any right to continue in the employ or service of the Company or any Affiliate or interferes in any way with the right of the Company or any Affiliate to determine the terms of Participant's employment or service.

11. [Data Privacy][1].

(a) The Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Participant's personal data as described in this document by and among, as applicable, the Company and its Affiliates (including any of their respective payroll administrators), wherever they may be located, (collectively, the "Data Recipients") for the exclusive purpose of implementing, administering and managing the Participant's participation in the Plan. The Participant understands that the Data Recipients will collect, hold, and process certain personal information about the Participant (including, without limitation, name, home address, telephone number, date of birth, nationality and job detail and details of the Award granted hereunder and any other Award granted to the Participant).

(b) The Data Recipients will treat the Participant's personal data as private and confidential and will not disclose such data for purposes other than the management and administration of the Participant's participation in the Plan and will take reasonable measures to keep such personal data private, confidential, accurate and current.

(c) Where the transfer is to a destination outside the jurisdiction in which the Participant resides, the Company and its Affiliates (including any of their respective payroll administrators) shall take reasonable steps to ensure that such personal data continues to be adequately protected and securely held. Nonetheless, by accepting the Award granted hereunder, the Participant acknowledges that personal information about the Participant may be transferred to a jurisdiction that does not offer the same level of protection as the jurisdiction in which the Participant resides. The Participant understands that he or she may request a list with the names and addresses of any potential recipients of the Data by contacting his or her local human resources representative. The Participant authorizes the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing the Participant's participation in the Plan, including any requisite transfer of such Data as may be required to a broker or other third party with whom he or she may elect to deposit any Shares of stock acquired upon exercise of this Award. The Participant understands that Data will be held only as long as is necessary to implement, administer and manage the Participant's participation in the Plan.

(d) The Participant may, at any time, view their personal data, require any necessary corrections to it or withdraw the consent referenced in this Section 5.6 by contacting the Secretary of the Company. The Participant understands, however, that refusing or withdrawing his or her consent may affect his or her ability to participate in the Plan. For more information on the processing of personal data, including the consequences of the Participant's refusal to consent or withdrawal of consent, the Participant understands that he or she may contact his or her local human resources representative. [If you are a Malaysian Participant, a translation in Malay of this Section is attached hereto as Annex A.].

12. *Terms of Plan, Interpretations*. This Agreement and the terms and conditions herein set forth are subject in all respects to the terms and conditions of the Plan, which shall be controlling. All interpretations or determinations of the Committee and/or the Board shall be binding and conclusive upon Participant and his legal representatives on any question arising hereunder. Participant acknowledges that he has received and reviewed a copy of the Plan.

13. *Notices*. All notices hereunder to the party shall be delivered or mailed to the following addresses:

If to the Company:

SMART Global Holdings, Inc.
c/o SMART Modular Technologies, Inc.
Attn: Stock Plan Administrator
39870 Eureka Drive
Newark, California 94560

If to Participant:

At the address specified on the signature page or the last address for Participant in the Company's records.

Such addresses for the service of notices may be changed at any time provided notice of such change is furnished in advance to the other party.

14. *Entire Agreement*. This Agreement contains the entire understanding of the parties hereto in respect of the subject matter contained herein. This Agreement together with the Plan supersedes all prior agreements and understandings between the parties hereto with respect to the subject matter hereof.

15. *Governing Law*. This Agreement shall be governed by and construed in accordance with the laws of the Cayman Islands, without application of the conflict of laws principles thereof.

16. *Counterparts*. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

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[1] To be included for applicable Participants. In certain countries, provisions from option agreement or otherwise advised by local counsel may also be included.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be duly executed as of the date first above written.

SMART GLOBAL HOLDINGS, INC.

By: _____
Name: _____
Title: Chief Financial Officer

PARTICIPANT:
By: _____
Name: _____
Address: _____

FORM OF OPTION AGREEMENT

THIS OPTION AGREEMENT (the "Agreement"), made by and between SMART Global Holdings, Inc. (f/k/a Saleen Holdings, Inc.), a Cayman Islands exempted company (the "Company"), and _ (the "Optionee"), is effective as of _ (the "Grant Date"). Any capitalized terms used but not otherwise defined herein shall have the meaning set forth in the SMART Global Holdings, Inc. Amended and Restated 2017 Share Incentive Plan (the "Plan").

WHEREAS, as an incentive for the Optionee's efforts during the Optionee's employment with the Company and its Affiliates, the Company wishes to afford the Optionee the opportunity to purchase a number of Shares, pursuant to the terms and conditions set forth in this Agreement and the Plan; and

WHEREAS, the Company wishes to carry out the Plan, the terms of which are hereby incorporated by reference and made a part of this Agreement, pursuant to which the Committee has instructed the undersigned officers to issue the Option described below.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto do hereby agree as follows:

ARTICLE I
DEFINITIONS

Capitalized terms not otherwise defined herein shall have the same meaning set forth in the Plan.

ARTICLE II
GRANT OF OPTIONS

Section 2.1. Grant of Options

For good and valuable consideration, on and as of the Grant Date, the Company irrevocably granted to the Optionee an Option to purchase any part or all of an aggregate number of _ Shares, subject to the adjustment as set forth in Section 2.4 hereof (the "Option").

Section 2.2. Exercise Price

Subject to Section 2.4 hereof, the per Share exercise price of the Shares covered by the Option shall be $[_] per Share.

Section 2.3. No Guarantee of Employment

Nothing in this Agreement or in the Plan shall confer upon the Optionee any right to continue in the employ or service of the Company or its Subsidiaries or Affiliates, or shall interfere with or restrict in any way the rights of the Company and its Subsidiaries and Affiliates, which are hereby expressly reserved, to terminate the Employment of the Optionee at any time for any reason whatsoever, with or without Cause, subject to the applicable provisions, if any, of the Optionee's Employment Agreement (if any such agreement is in effect at the time of such termination). For purposes of this Agreement, "Employment" shall mean (i) the Optionee's employment if the Optionee is an employee of the Company or any of its Affiliates, (ii) the Optionee's services as a Consultant, if the Optionee is a Consultant, and (iii) the Optionee's services as a non-employee member of the Board or the board of directors (or equivalent governing body) of any Affiliate of the Company.

Section 2.4. Adjustments to Option

The Option shall be subject to adjustment in accordance with the Plan.

ARTICLE III
PERIOD OF EXERCISABILITY

Section 3.1. Vesting and Commencement of Exercisability

(a) Subject to the Optionee's continued Employment, the Option shall vest and become exercisable as follows: [_]

(b) No portion of the Option shall vest and become exercisable as to any additional Shares following the termination of the Optionee's Employment for any reason, and the portion of the Option that is unvested and unexercisable as of the date of such termination shall immediately expire without consideration or payment therefor.

Section 3.2. Expiration of Option

If not previously exercised, the Option shall expire without consideration or payment therefor on the first to occur of the following events:
(a) the tenth anniversary of the Grant Date;
(b) the ninetieth day immediately following the date of the Optionee's termination of Employment, if the Optionee's Employment is terminated by the Company or its Affiliates, as applicable, without Cause or by the Optionee for any reason;
(c) the first anniversary of the date that the Optionee's Employment is terminated due to the Optionee's death or Disability; or
(d) immediately upon the date of the Optionee's termination of Employment, if the Optionee's Employment is terminated by the Company or its Affiliates, as applicable, for Cause.

ARTICLE IV
EXERCISE OF OPTION

Section 4.1. Person Eligible to Exercise

Except as otherwise permitted by the Committee in writing, the Optionee is the only Person that may exercise the exercisable portion of the Option, unless and until the Optionee dies or suffers a Disability. After the Disability or death of the Optionee, the exercisable portion of the Option may, prior to the time when the Option expires under Section 3.2 hereof, be exercised by the Optionee's personal representative, guardian or by any person empowered to do so under the Optionee's will or under the then applicable laws of descent and distribution.

Section 4.2. Partial Exercise

Any exercisable portion of an Option or the entire Option, if then wholly exercisable, may be exercised in whole or in part at any time prior to the time when the Option or portion thereof expires under Section 3.2; provided, however, that any whole or partial exercise shall be for whole Shares only.

Section 4.3. Manner of Exercise

An Option, or any exercisable portion thereof, may be exercised solely by delivering to the Secretary of the Company at the Company's principal office, all of the following prior to the time when the Option or such portion expires under Section 3.2:

(a) notice in writing signed by the Optionee or the other Person then entitled to exercise the Option or portion thereof, stating that the Option or portion thereof is thereby exercised, such notice complying with all applicable rules established by the Committee;

(b) full payment of the applicable aggregate exercise price (in cash, by check, by wire transfer or by a combination of the foregoing or as otherwise permitted by the Plan and the Committee) for the Shares with respect to which such Option or portion thereof is exercised;

(c) a *bona fide* written representation and agreement, in a form satisfactory to the Committee, signed by the Optionee or other Person then entitled to exercise such Option or portion thereof, stating that the Shares are being acquired for the Optionee's own account, for investment and without any present intention of distributing or reselling said Shares or any of them except as may be permitted under the Securities Act, and that the Optionee or other Person then entitled to exercise such Option or portion thereof will indemnify the Company against and hold it free and harmless from any loss, damage, expense or liability resulting to the Company if any sale or distribution of the Shares by such Person is contrary to the representation and agreement referred to above; provided, however, that the Committee may, in its reasonable discretion, take whatever additional actions it deems reasonably necessary to ensure the observance and performance of such representation and agreement and to effect compliance with the Securities Act and any other federal or state securities laws or regulations;

(d) in the event the Option or portion thereof shall be exercised pursuant to Section 4.1 by any Person or Persons other than the Optionee, appropriate proof of the right of such Person or Persons to exercise the Option; and

(e) full payment to the Company or any of its Affiliates, as applicable, of all amounts which, under federal, state, local and/or non-U.S. law, such entity is required to withhold upon exercise of the Option in cash (including by check or wire transfer) or as otherwise permitted by the Plan and the Committee.

Without limiting the generality of the foregoing, the Committee may require an opinion of counsel acceptable to it to the effect that any subsequent transfer of Shares acquired on exercise of the Option does not violate the Securities Act, and may issue stop-transfer orders covering such Shares. The written representation and agreement referred to in Section 4.3(c) above shall, however, not be required if the Shares to be issued pursuant to such exercise have been registered under the Securities Act, and such registration is then effective in respect of such Shares.

Section 4.4. Conditions to Issuance of Shares

The Company shall not be required to record the ownership by the Optionee of Shares purchased upon the exercise of an Option or portion thereof prior to fulfillment of all of the following conditions:

(a) the obtaining of approval or other clearance from any federal, state, local or non-U.S. governmental agency which the Committee shall, in its reasonable and good faith discretion, determine to be necessary or advisable;

(b) the lapse of such reasonable period of time following the exercise of the Option as the Committee may from time to time establish for reasons of administrative convenience or as may otherwise be required by applicable law.

Section 4.5. Rights as Shareholder

The Optionee shall not be, and shall not have any of the rights or privileges of, a shareholder of the Company in respect of any Shares purchasable in connection with the Option or any portion thereof unless and until a book entry representing such Shares has been made on the books and records of the Company.

ARTICLE V
MISCELLANEOUS

Section 5.1. Administration

The Committee shall have the power to interpret the Plan and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules. All actions taken and all interpretations and determinations made by the Committee shall be taken in good faith and shall be final and binding upon the Optionee, the Company and all other interested persons. No member of the Committee shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or the Option. In its absolute discretion, the Board may at any time, and from time to time, exercise any and all rights and duties of the Committee under the Plan and this Agreement.

Section 5.2. Option Not Transferable

Except as otherwise permitted by the Committee in writing, neither the Option nor any interest or right therein or part thereof shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy), and any attempted disposition thereof shall be null and void and of no effect; provided, however, that, to the extent permitted by applicable law, this Section 5.2 shall not prevent transfers by will or by the applicable laws of descent and distribution.

Section 5.3. Notices

Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company in care of its Secretary, and any notice to be given to the Optionee shall be addressed to the Optionee at the most recent address of the Optionee set forth in the personnel records of the Company or any of its Affiliates, as applicable. By a notice given pursuant to this Section 5.3, either party may hereafter designate a different address for notices to be given to that party. Any notice which is required to be given to the Optionee, shall, if the Optionee is then deceased, be given to the Optionee's personal representative if such representative has previously informed the Company of the representative's status and address by written notice under this Section 5.3. Any notice shall have been deemed duly given when enclosed in a properly sealed envelope or wrapper addressed as aforesaid, deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service.

Section 5.4. Titles; Interpretation

Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement. Defined terms used in this Agreement shall apply equally to both the singular and plural forms thereof. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The term "hereunder" shall mean this entire Agreement as a whole unless reference to a specific section or provision of this Agreement is made. Any reference to a Section, subsection and provision is to this Agreement unless otherwise specified.

Section 5.5. No Right to Employment or Additional Options or Share Awards

The Option granted hereunder shall impose no obligation on the Company or any Affiliate to continue the Optionee's Employment and shall not lessen or affect the Company's or any Affiliate's right to terminate such Employment. Neither the Optionee nor any other Person shall have any claim to be granted any additional Option or any other Share Award and there is no obligation under the Plan for uniformity of treatment of Participants, or holders of beneficiaries of Options or other Share Awards. The terms and conditions of the Option granted hereunder or any other Share Award granted under the Plan or otherwise and the Committee's determinations and interpretations with respect thereto and/or with respect to the Optionee and any other Participant need not be the same (whether or not the Optionee and any such Participant are similarly situated). In addition, except as otherwise provided in the Optionee's Employment Agreement, if the Optionee ceases to be an employee or other service provider to the Company or any of its Affiliates, as applicable, under no circumstances will the Optionee be entitled to any compensation for any loss of any right or benefit or prospective right or benefit under the Plan which the Optionee might otherwise have enjoyed whether such compensation is claimed by way of damages for wrongful dismissal or other breach of contract or by way of compensation for loss of office or otherwise. By accepting the Option granted hereunder, the Optionee acknowledges and agrees that the Option granted hereunder and any other Options or other Share Awards the Optionee has been awarded under the Plan and any other Options or other Share Awards the Optionee may be grated in the future, even if such Options or other Share Awards are made repeatedly or regularly, and regardless of their amount, (i) are wholly discretionary, are not a term or condition of Employment and do not form part of a or contract of Employment, or any other working arrangement between the Optionee and the Company or any of its Affiliates, (ii) do not create any contractual entitlement to receive future Options or other Share Awards or to continued Employment, and (iii) do not form part of salary or remuneration for purposes of determining pension payments or any other purposes, including, without limitation, termination indemnities, severance, resignation, redundancy, bonuses, long-term service awards, pension or retirement benefits, or similar payments, except as otherwise required by Applicable Law or as otherwise provided in the Optionee's Employment Agreement.

Section 5.6. [Data Privacy][2]

(a) The Optionee hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Optionee's personal data as described in this document by and among, as applicable, the Company and its Affiliates, (including any of their respective payroll administrators), wherever they may be located, (collectively, the "Data Recipients") for the exclusive purpose of implementing, administering and managing the Optionee's participation in the Plan. The Optionee understands that the Data Recipients will collect, hold, and process certain personal information about the Optionee (including, without limitation, name, home address, telephone number, date of birth, nationality and job detail and details of the Option granted hereunder and any other Share Award granted to the Optionee).

2 To be included for applicable participants.

(b) The Data Recipients will treat the Optionee's personal data as private and confidential and will not disclose such data for purposes other than the management and administration of the Optionee's participation in the Plan and will take reasonable measures to keep such personal data private, confidential, accurate and current.

(c) Where the transfer is to a destination outside the jurisdiction in which the Optionee resides, the Company and its Affiliates (including any of their respective payroll administrators) shall take reasonable steps to ensure that such personal data continues to be adequately protected and securely held. Nonetheless, by accepting the Option granted hereunder, the Optionee acknowledges that personal information about the Optionee may be transferred to a jurisdiction that does not offer the same level of protection as the jurisdiction in which the Optionee resides. The Optionee understands that he or she may request a list with the names and addresses of any potential recipients of the Data by contacting his or her local human resources representative. The Optionee authorizes the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing the Optionee's participation in the Plan, including any requisite transfer of such Data as may be required to a broker or other third party with whom he or she may elect to deposit any Shares of stock acquired upon exercise of this Option. The Optionee understands that Data will be held only as long as is necessary to implement, administer and manage the Optionee's participation in the Plan.

(d) The Optionee may, at any time, view their personal data, require any necessary corrections to it or withdraw the consent referenced in this Section 5.6 by contacting the Secretary of the Company. The Optionee understands, however, that refusing or withdrawing his or her consent may affect his or her ability to participate in the Plan. For more information on the processing of personal data, including the consequences of the Optionee's refusal to consent or withdrawal of consent, the Optionee understands that he or she may contact his or her local human resources representative. [If you are a Malaysian Participant, a translation in Malay of this Section 5.6 is attached hereto as Annex A.][3]

Section 5.7. Nature of Grant

In accepting the grant, the Optionee acknowledges that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, unless otherwise provided in the Plan and this Option Agreement;

(b) the grant of this Option is voluntary and occasional and does not create any contractual or other right to receive future grants of options, or benefits in lieu of options, even if options have been granted repeatedly in the past;

(c) all decisions with respect to future option grants, if any, will be at the sole discretion of the Company;

(d) the Optionee's participation in the Plan shall not create a right to further employment with the Company or any of its Affiliates and shall not interfere with the ability of the Company or any of its Affiliates to terminate the Optionee's Employment at any time with or without cause;

(e) the Optionee is voluntarily participating in the Plan;

(f) this Option is an extraordinary item that does not constitute compensation of any kind for services of any kind rendered to the Company or its Affiliates, and which is outside the scope of the Optionee's employment contract, if any;

(g) this Option and Option benefit is not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments;

(h) in the event that the Optionee ceases to be an employee, director, or consultant, this Option grant will not be interpreted to form an employment contract or relationship with the Company or any of its Affiliates, and furthermore, this Option grant will not be interpreted to form an employment contract with the Company or any of its Affiliates;

(i) the future value of the underlying Shares is unknown and cannot be predicted with certainty;

(j) if the underlying Shares do not increase in value, the Option will have no value;

(k) if the Optionee exercises his or her Option and obtains Shares, the value of those Shares acquired upon exercise may increase or decrease in value, even below the exercise price;

(l) no claim or entitlement to compensation or damages shall arise from termination of the Option or diminution in value of the Option or Shares purchased through exercise of the Option resulting from termination of the Optionee's Employment by the Company or any of its Affiliates (for any reason whatsoever and whether or not in breach of local labor laws) and the Optionee irrevocably releases the Company and its Affiliates from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by signing this Option Agreement, the Optionee shall be deemed irrevocably to have waived his or her entitlement to pursue such claim;

(m) in the event of involuntary termination of Employment (whether or not in breach of local labor laws), the Optionee's right to exercise the Option after termination of Employment, if any, will be measured by the date of termination of the Optionee's active Employment (*e.g.*, active employment would not include a period of "garden leave" or similar period pursuant to local law), and will not be extended by any notice period mandated under local law; the Company shall have the exclusive discretion to determine when the Optionee is no longer actively employed for purposes of the Optionee's Option grant; and

(n) regardless of any action the Company or its Affiliates takes with respect to any or all income tax, social insurance, payroll tax, payment on account or other tax-related withholding ("Tax-Related Items"), the Optionee acknowledges that the ultimate liability for all Tax-Related Items legally due by the Optionee is and remains the Optionee's responsibility, and the Optionee shall pay to and indemnify and keep indemnified the Company and its respective Affiliates from and against Tax-Related Items that are attributable to the exercise or any benefit derived by the Optionee from any Option and that the Company and/or the Affiliate (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of this Option grant, including the grant, vesting or exercise of this Option, the subsequent sale of Shares acquired pursuant to such exercise and the receipt of any dividends; and (ii) do not commit to structure the terms of the grant or any aspect of the Option to reduce or eliminate the Optionee's liability for Tax-Related Items.

3 To be included for applicable participants.

Section 5.8. Applicability of the Plan

The Option and the Shares issued to the Optionee upon exercise of the Option shall be subject to all of the terms and provisions of the Plan, to the extent applicable to the Option and such Shares. In the event of any conflict between this Agreement and the Plan, the terms of the Plan shall control.

Section 5.9. Proprietary Information and Inventions Agreement

The Optionee shall, as a condition precedent to the exercise or settlement of an Award, have executed and be in compliance with the Company's (or its Affiliate's) standard form of confidentiality and non-disclosure agreement.

Section 5.10. [Tax Indemnity for U.K. Participants][4]

Solely with respect to U.K. Participants, the Optionee:

(a) shall indemnify the Company and each of its Affiliates in respect of all liability to United Kingdom income tax (including taxation required to be deducted through the PAYE system) and both primary (employees') and secondary (employers') national insurance contributions, which arise as a consequence of or in connection with the exercise of any portion of the Option granted hereunder and hereby authorizes the Company or any of its Affiliates, as applicable, to deduct such amounts from any payments which are or, at any time in the future, become due to the Optionee and whether pursuant to this Agreement or otherwise; and

(b) hereby permits the Company or any of its Affiliates, as applicable, to sell at Fair Market Value such number of Shares allocated or allotted to the Optionee following exercise of any portion of the Option as will provide such entity with an amount equal to the United Kingdom tax for which such entity is obliged under the PAYE regulations to account to H.M. Revenue & Customs in consequence of the exercise of the Option (including, without limitation, primary and secondary national insurance contributions referenced in Section 4.6(a) above).

Section 5.11. [Malaysian Participants][5]

So with respect to Malaysian Participants:

(a) If the Option is subject to Malaysian law, the Optionee shall be responsible to ensure that all payments made or to be made pursuant to the exercise of the Option shall comply with all applicable foreign exchange rules in Malaysia.

(b) The Shares issued to the Optionee under the Plan in Malaysia constitute or relate to an "excluded offer," "excluded invitation" or "excluded issue" pursuant to Sections 229 and 230 of the Malaysian Capital Markets and Services Act 2007. To the extent applicable or required, copies of the Plan documents may be lodged with the Securities Commission of Malaysia. The Plan documents do not constitute, and may not be used for the purpose of, an offer, or or invitation to acquire, purchase or subscribe or issue of any securities requiring the registration of a prospectus with the Securities Commission in Malaysia under the Capital Markets and Services Act 2007.

Section 5.12. Language

If the Optionee has received this or any other document related to the Plan translated into a language other than English and if the translated version is different than the English version, the English version will control.

Section 5.13. Amendment

This Agreement may be amended only by a written instrument executed by the parties hereto, which specifically states that it is amending this Agreement.

Section 5.14. Governing Law

This Agreement shall be governed in all respects by the laws of the Cayman Islands.

Section 5.15. Severability

Any provision of this Agreement which is invalid, illegal or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability, without affecting in any way the remaining provisions hereof in such jurisdiction or rendering that or any other provision of this Agreement invalid, illegal or unenforceable in any other jurisdiction.

[*Signature on next page*.]

4 To be included for applicable participants.

5 To be included for applicable participants.

IN WITNESS WHEREOF, this Agreement has been executed and delivered by the parties hereto.

SMART Global Holdings, Inc.

Name:
Title:

Optionee:

Name:

[Annex A][6]

Addendum for Malaysian Participants

Data Privasi

(a) Penerima Opsyen, dengan jelas, bersetuju dengan pengumpulan, penggunaan dan pemindahan data peribadinya, sama ada dalam bentuk elektronik atau bentuk lain, yang terkandung di dalam dokumen ini yang boleh dipakai oleh dan di antara Syarikat dan Anggota Sekutunya tanpa mengira lokasi mereka, hanya untuk tujuan pelaksanaan, pentadbiran dan pengurusan penglibatan Penerima Opsyen dalam Pelan tersebut. Penerima Opsyen faham bahawa Syarikat dan Anggota Sekutunya (termasuk pentadbir gaji mereka masing-masing), tanpa mengira lokasi mereka, (secara kolektif dirujuk sebagai "Penerima-penerima Data") akan mengumpul, memegang dan memproses data peribadi tertentu Penerima Opsyen (termasuk tetapi tidak terhad, nama, alamat, nombor telefon, tarikh lahir, kewarganegaraan, maklumat pekerjaan dan maklumat mengenai Opsyen yang diberikan di bawah Pelan dan *Share Award* lain kepada Penerima Opsyen).

(b) Penerima-penerima Data akan menganggap data peribadi Penerima Opsyen sebagai sulit dan rahsia dan tidak akan mendedahkan data tersebut untuk apa-apa tujuan selain daripada tujuan mengurus dan mentadbir penglibatan Penerima Opsyen dalam Pelan tersebut dan akan mengambil langkah yang munasabah untuk memastikan data peribadi tersebut kekal sulit, rahsia, tepat dan terkini.

(c) Di mana data peribadi akan dipindah ke destinasi di luar bidang kuasa di mana Penerima Opsyen menetap, Syarikat dan Anggota Sekutunya (termasuk pentadbir gaji mereka masing-masing) akan mengambil langkah yang munasabah untuk memastikan data peribadi tersebut terus dilindungi dengan sewajarnya dan disimpan secara selamat. Walaubagaimanapun, dengan menerima Opsyen yang diberi di sini, Penerima Opsyen mengakui bahawa maklumat peribadinya berkemungkinan akan dipindahkan ke bidang kuasa yang tidak mempunyai perlindungan yang sama dengan bidang kuasa di mana Penerima Opsyen menetap. Penerima Opsyen memahami bahawa dia boleh meminta senarai nama dan alamat individu-individu yang berkemungkinan menerima data peribadinya dengan menghubungi wakil sumber manusia tempatannya. Penerima Opsyen memberi izin kepada individu-individu yang disenaraikan dalam senarai tersebut untuk menerima, memiliki, menggunakan, menyimpan dan memindahkan data peribadi Penerima Opsyen, sama ada dalam bentuk elektronik atau bentuk lain, untuk tujuan pelaksanaan, pentadbiran dan pengurusan penglibatan Penerima Opsyen dalam Pelan, termasuk pemindahan data yang diperlukan tersebut kepada broker atau pihak ketiga yang dipilih oleh Penerima Opsyen untuk mendeposit apa-apa Saham yang diperoleh apabila menjalankan Opsyen in. Penerima Opsyen memahami bahawa data ini akan disimpan selama tempoh yang diperlukan untuk tujuan pelaksanakan, pentadbiran dan pengurusan penglibatan Penerima Opsyen dalam Pelan.

(d) Penerima Opsyen boleh pada bila-bila masa melihat dan meminta pembetulan dibuat kepada data peribadinya, ataupun menarik balik persetujuannya yang dirujuk dalam Seksyen 5.6 ini dengan menghubungi Setiausaha Syarikat. Walaubagaimanapun, Penerima Opsyen memahami bahawa keenggannannya untuk memberi persetujuannya atau menarik balik persetujuannya berkemungkinan akan menjejaskan kelayakann untuk terlibat dalam Pelan ini. Untuk maklumat lanjut mengenai pemprosesan data peribadi, termasuk kesan sekiranya Penerima Opsyen enggan memberi persetujuannya atau menarik balik persetujuannya, Penerima Opsyen boleh menghubungi wakil sumber manusia tempatannya.

"**Anggota Sekutu**" dengan merujuk kepada mana-mana Pihak, bermaksud, (i) mana-mana Pihak lain secara langsung atau tidak mengawal, dikawal atau di bawah kawalan yang sama dengan Pihak tersebut dan mana-mana entiti yang, secara langsung atau tidak, dikawal oleh Pihak Syarikat dan (ii) mana-mana entiti lain yang Pihak tersebut mempunyai faedah ekuiti ketara atau mempunyai faedah ekuiti ketara dalam Pihak tersebut, sama ada dalam hal yang ditentukan oleh Jawatankuasa. Untuk tujuan definasi ini, istilah "kawalan" (termasuk kata korelatifnya, istilah-istilah "megawal", "dikawal" dan "di bawah kawalan yang sama") apabila diggunakan untuk merujuk kepada mana-mana Pihak, bermaksud pemilikan, secara langsung atau tidak, kuasa untuk mengarah atau menyebabkan arahan pihak pengurusan dan polisi Pihak tersebut, sama ada menerusi pemilikan sekuriti berundi, dengan contract atau sebaliknya. Tertakluk kepada proviso di atas, untuk tujuan apa-apa ISO, "Anggota Sekutu" bermaksud mana-mana perbadanan induk atau Anak Syarikat perbadanan pihak Syarikat sebagaimana istilah itu ditakrifkan dalam Seksyen 424(e) dan (f) masing-masing, dalam *Internal Revenue Code of 1986*;

"**Jawatankuasa**" bermaksud Jawatankuasa Kompensasi Lembaga (atau mana-mana anak jawatankuasa), atau mana-mana jawatankuasa Lembaga yang telah diberi kuasa mewakili oleh Lembaga mengikut peruntukan Pelan ini, kecuali dalam ketiadaan jawatankuasa ini, istilah jawankuasa" ini merujuk kepada Lembaga. Untuk mengelakkan keraguan, Lembaga diberi kuasa untuk bertindak sebagai Jawatankuasa pada setiap masa di bawah atau menurut peruntukan Pelan ini;

"**Pelan**" bermaksud Pelan Insentif Saham oleh SMART Global Holdings, Inc. Amended and Restated 2017 Share Incentive Plan; dan

"**Penerima Opsyen**" bermaksud *[nama individu] ;*

"**Syarikat**" bermaksud SMART Global Holdings, Inc., perbadanan Cayman Islands yang dikecualikan.

6 To be included for applicable participants.

Exhibit 31.1

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Iain MacKenzie, certify that:

1. I have reviewed this quarterly report on Form 10-Q of SMART Global Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 29, 2017

By: /s/ IAIN MACKENZIE
Name: Iain MacKenzie
Title: President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Jack Pacheco, certify that:

1. I have reviewed this quarterly report on Form 10-Q of SMART Global Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 29, 2017

By: /s/ JACK PACHECO
Name: Jack Pacheco
Title: Senior Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of SMART Global Holdings, Inc. (the "Company") on Form 10-Q for the period ending May 26, 2017 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Iain MacKenzie, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: June 29, 2017

By: /s/ IAIN MACKENZIE
Name: Iain MacKenzie
Title: President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of SMART Global Holdings, Inc. (the "Company") on Form 10-Q for the period ending May 26, 2017 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jack Pacheco, Senior Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: June 29, 2017

By: /s/ JACK PACHECO
Name: Jack Pacheco
Title: Senior Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)