



## SMART GLOBAL HOLDINGS, INC. CORPORATE GOVERNANCE GUIDELINES

The board of directors of SMART Global Holdings, Inc. (the “Board,” and such company together with its subsidiaries, “SGH” or the “Company”) has adopted the following Corporate Governance Guidelines (the “Guidelines”) to assist the Board in exercising its responsibilities. The Guidelines reflect the Board’s commitment to monitor the effectiveness of policy and decision making at the Board and management levels, with a view to enhancing shareholder value over the long term. The Guidelines also ensure that the Board will have the necessary authority and practices in place to review and evaluate the Company’s business operations as needed and to make decisions that are independent of the Company’s management. The Guidelines are subject to modification from time to time as the Board deems necessary or advisable.

### 1.0 BOARD MEMBERSHIP CRITERIA; DIRECTOR QUALIFICATIONS; SIZE AND COMPOSITION OF THE BOARD

The Board is elected by the shareholders to oversee the Company’s management and ensure that the long-term interests of the shareholders are served. The Board is the ultimate decision-making authority within the Company, except with respect to those matters, including the election of directors that are reserved for the Company’s shareholders. Each director is expected to discharge his or her duties in good faith and in a manner the director reasonably believes are in the best interests of the Company.

#### 1.1 Selection of Director Candidates and Board Membership Criteria

The Board is responsible for nominating director candidates for election to the Board and for filling vacancies on the Board that may occur between annual meetings of shareholders. The Nominating and Corporate Governance Committee is responsible for identifying, screening and recommending director candidates to the full Board, taking into consideration the needs of the Board and the qualifications of the candidates. The Board, based on the recommendation of the Nominating and Corporate Governance Committee, will also review each director’s continuation on the Board in connection with the director’s re-election.

In evaluating the suitability of director candidates and when considering whether to nominate a director for re-election as appropriate, the Nominating and

Corporate Governance Committee and the Board take into account many factors as approved by the Board from time to time. In making its recommendations to the Board, the Nominating and Corporate Governance Committee shall:

- Review candidates' qualifications for membership on the Board (including making a specific determination as to the independence of the candidate) based on the criteria approved by the Board, such general understanding of various business disciplines (e.g., marketing, finance, etc.), the Company's business environment, educational and professional background, analytical ability, independence, diversity of experience, viewpoints and backgrounds, willingness to devote adequate time to Board duties, ability to act in and represent the best interests of the Company and its shareholders as a whole, rather than special constituencies, and candor toward other directors, management and professionals retained by the Company, the Board or its committee (and taking into account the enhanced independence, financial literacy and financial expertise standards that may be required under law or by NASDAQ rules for audit committee and compensation committee membership purposes);
- Evaluate current directors for re-nomination to the Board at which time the Nominating and Corporate Governance Committee can take into account or rely on the self-evaluations done by the Board members; and
- Periodically review the composition of the Board in light of the current challenges and needs of the Board and the Company, and determine whether it may be appropriate to add or remove individuals after considering issues of judgment, diversity, age, skills, background, conflicts, and experience.

The Nominating and Corporate Governance Committee considers not only an individual's qualities, performance, and professional responsibilities, but also the composition of the Board and the challenges and needs of the Board at that time. The Nominating and Corporate Governance Committee also considers the impact of any change in the principal occupation of existing directors. The Nominating and Corporate Governance Committee reports to the full Board its conclusions and recommendations for nominations to the Board.

## 1.2 Board Size

The Board intends to have a number of members, consistent with the Company's Second Amended and Restated Memorandum and Articles of Association (as may be hereafter amended, the "Articles"). Although the Board considers its present size to be appropriate, it may consider expanding its size to accommodate its needs or reducing its size if the Board determines that a smaller Board would be more efficient. The Nominating and Corporate Governance Committee shall periodically review the size of the Board and recommend any proposed changes to the Board.

## 1.3 Independence

A majority of the Board shall be comprised of directors meeting the independence requirements of NASDAQ at a minimum. The Board shall make an affirmative determination at least annually as to the independence of each director pursuant to the NASDAQ listing standards. Each independent director is expected to promptly disclose to the Board any existing or proposed relationships or transactions that could impact his or her independence.

## 1.4 Retirement Age

It is the policy of the Board to avoid a mandatory retirement age for directors which would have the disadvantage of discontinuing the availability and contributions of directors who are otherwise capable and valuable members of the Board based on their experience with, and understanding of, the Company's business, history and objectives.

## 1.5 Simultaneous Service on Other Public Company Boards

A director must notify the Chair of the Nominating and Corporate Governance Committee prior to accepting any invitation to serve on another public company board or not-for-profit/tax-exempt board or with a government or advisory group that is expected to require significant commitments of time, in order for SGH to confirm the absence of any actual or potential conflict of interest.

## 1.6 Changes in Primary Employment

If a director significantly changes his or her primary employment during his or her tenure, that director must offer to tender his or her resignation to the Nominating and Corporate Governance Committee, which resignation may be accepted or rejected by the Nominating and Corporate Governance Committee. Management directors must offer their resignation from the Board upon their resignation, removal or retirement as an officer of the Company. A director shall promptly notify the Chair of the Board and the Secretary of the Company in the event of any change or anticipated change in his or her affiliations, activities or professional or personal circumstances that (i) may create a conflict or potential conflict of interest, (ii) may trigger any Company reporting obligation, (iii) may result in the director engaging in significant political activity (such as participating in a visible leadership position in a political campaign, running for office or accepting an elected or appointed political office), (iv) has the potential to cause embarrassment, negative publicity or reputational harm to the Company or the director, and/or (v) could result in a possible inconsistency with the Company's policies or values. The Nominating and Corporate Governance Committee shall evaluate the continued appropriateness of Board membership under the new circumstances and make a recommendation to the Board as to any action to be taken with respect to such offer of resignation.

## 1.7 Share Ownership

The Board believes that directors should hold meaningful equity ownership positions in SGH. The Compensation Committee may recommend to the Board, director ownership guidelines.

## 1.8 Conflicts of Interest

All directors must comply with the applicable provisions of the Conflicts of Interest section of the Company's Code of Business Conduct. Each director is expected to promptly disclose to the Board any existing or proposed relationships or transactions that involve or could give rise to a conflict of interest. If a significant conflict of interest involving a director cannot be resolved, the director should promptly offer to tender his or her resignation to the Board. The Nominating and Corporate Governance Committee shall then review the appropriateness of that director's continued service on the Board in light of the

conflict and make a recommendation to the Board as to whether the resignation should be accepted.

## 2.0 DIRECTOR RESPONSIBILITIES

The Board acts as the ultimate decision-making body of the Company and advises and oversees management, who are responsible for the day-to-day operations and management of SGH. In fulfilling this role, each director must act in what he or she reasonably believes to be in the best interests of SGH and must exercise his or her business judgment.

### 2.1 Participation at and Preparation for Board Meetings

SGH expects directors to be active and engaged in discharging their duties and to keep themselves informed about the business and operations of SGH. Directors are expected to attend all Board meetings and the meetings of the committees on which they serve and to prepare themselves for these meetings. Directors are also encouraged to attend the Company's annual meeting with shareholders.

In order for the Board to exercise fully its oversight functions, management provides the Board with access to information regarding SGH and the markets in which SGH operates. This information comes from a variety of sources, including management presentations and reports about the performance and operations of the business, securities analysts' reports, competitive and peer companies' information, interaction with senior management at Board meetings and visits to Company facilities. Any written materials that assist directors in preparing for a Board or committee meeting shall be distributed to the directors in advance of the meeting, to the extent possible, and directors are expected to review such materials prior to the meeting.

### 2.2 Company Performance and Corporate Strategy

The Board reviews the Company's financial performance on a regular basis at Board meetings and through periodic updates, with a particular focus on peer and competitive comparisons. These reviews include the views of management as well as those of investors and securities analysts.

The Board also conducts an annual meeting to review and approve SGH's long-term strategy, and assess its strategic, competitive, and financial performance.

### 3.0 BOARD AGENDA

The Chairman of the Board, in conjunction with the Chief Executive Officer ("CEO"), establishes on an annual basis, an agenda of topics for consideration and review by the Board to be addressed during the following year. This annual schedule of topics is then provided to the full Board for review and comment and is adjusted, as appropriate, during the year. The Chairman of the Board, in conjunction with the CEO, shall determine the frequency and length of Board meetings and shall set the agenda for each Board meeting. Board members are encouraged to suggest the inclusion of additional items on an agenda, and any director may request that an item be placed on an agenda.

### 4.0 CHAIRMAN OF THE BOARD AND CEO

The Board believes it is important to retain its flexibility to allocate the responsibilities of the offices of the Chairman and CEO in any way that is in the best interests of SGH at a given point in time. The Board may make a determination as to the appropriateness of its current policies in connection with the recruitment and succession of the Chairman of the Board and/or the CEO.

### 5.0 LEAD DIRECTOR

The Chairman of the Board and the CEO are free, as is the Board as a whole, to call upon any one or more directors to provide leadership in a given situation should a special need arise. Such a lead director shall assume the following responsibilities:

- preside at all meetings of the Board at which the Chairman is not present, including executive sessions of the independent directors;
- serve as liaison between the Chairman and the independent directors;
- approve information sent to the Board;
- approve meeting agendas for the Board;
- approve meeting schedules to assure that there is sufficient time for discussion of all agenda items;
- have the authority to call meetings of the independent directors; and

- if requested by major shareholders, ensure that he is available for consultation and direct communication.

## 6.0 MEETINGS OF NON-MANAGEMENT DIRECTORS

SGH's non-management directors shall regularly schedule executive sessions in which management does not participate. If this group includes directors who are not considered independent, the independent directors must also meet in executive sessions at least twice a year. These executive sessions may include such topics as the non-management or independent directors determine. During these executive sessions, the non-management or independent directors shall have access to members of management and other guests as they may determine.

The non-management directors shall establish and publicly disclose in the annual proxy statement the procedure by which a presiding director is selected for each executive session and the method for interested parties to communicate directly with SGH's then-presiding director or with the non-management directors as a group.

## 7.0 BOARD COMMITTEES

The Board shall have at all times an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee. Subject to any changes that the Board may make from time to time:

- the Audit Committee shall generally be responsible for overseeing the integrity of the Company's financial statements, its independent auditor, its internal audit function and compliance by the Company with legal and regulatory requirements;
- the Compensation Committee shall generally be responsible for overseeing the Company's executive compensation and benefits policies, evaluating executive officer performance and compensation, and overseeing director compensation; and
- the Nominating and Corporate Governance Committee shall generally be responsible for identifying qualified Board candidates, recommending director nominees and appointments to Board committees, evaluating Board performance, overseeing the Company's management succession plan, and overseeing the Company's Corporate Governance Guidelines.

Each of the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee shall operate pursuant to its own written charter. These charters shall, among other things, set forth the purpose, goals and responsibilities of the particular committee, the procedures for committee member appointment and removal, and committee structure and operations, as well as reporting to the Board. The charters shall also provide for an annual review of each committee's charter and for a periodic review of each committee's performance.

Only independent directors meeting the independence requirements of NASDAQ and, for Audit Committee and Compensation Committee members, meeting Rule 10A-3 of the Securities Exchange Act of 1934 and any related rules promulgated by the Securities and Exchange Commission, may serve on these three committees. Committee members shall be appointed by the Board based upon the recommendation of the Nominating and Corporate Governance Committee, except for the Nominating and Corporate Governance Committee, which is directly appointed by the Board. The Board may, from time to time, establish or maintain additional committees as it deems appropriate and in the best interests of SGH.

While the rotation of committee members at certain set intervals should be considered periodically, rotation is not required because the Board believes there are significant benefits attributable to continuity and experience gained in service on a particular committee over time.

## 8.0 BOARD MEMBER ACCESS TO MANAGEMENT AND INDEPENDENT ADVISORS

Board members shall have access to the management and employees of SGH and to its internal and outside counsel and auditors. Any meetings or contacts that a director wishes to initiate may be arranged through the CEO or the Secretary.

Executive officers and other members of senior management are expected to be present at Board meetings at the invitation of the Board. The Board encourages senior management to make presentations and to invite to Board meetings managers and other employees who can provide additional insight into the items being discussed. The Board also encourages senior management to include in Board meetings, individuals that the senior management believes may become prospective leaders of SGH.

The Board and each of its committees, in accordance with their respective charters, is authorized to hire independent legal, financial or other advisors as they may consider

necessary, without conferring with or obtaining the approval of management or, in the case of committees, the full Board in accordance with their respective charters, for which SGH shall pay the fees and expenses.

## 9.0 DIRECTOR COMMUNICATIONS WITH THIRD PARTIES

Unless otherwise indicated in these Guidelines or SGH's policies, all requests for communications with individual directors or the Board by shareholders, analysts, or media outlets shall initially be made to the Corporate Secretary. Generally, management speaks for SGH, and the Chairman speaks on behalf of the Board. Other communications between individual directors and interested parties may be held at the request of the Board or the CEO and Chairman.

## 10.0 DIRECTOR COMPENSATION

The Compensation Committee shall annually review and report to the Board the compensation (including equity-based compensation) for the Company's directors. In so reviewing and reporting director compensation to the Board, the Compensation Committee shall, among other things:

- Identify corporate goals and objectives relevant to director compensation;
- Review and report how the Company's director compensation practices compare with those of other comparable companies; and
- Evaluate the performance of the Board in light of such goals and objectives and recommend director compensation based on such evaluation and such other factors as the Compensation Committee deems appropriate and in the best interests of SGH (including the cost to SGH of such compensation).

The Board determines its director compensation practices after the Compensation Committee completes this review and report. It is the general policy of the Board that Board compensation should be a mix of cash and equity-based compensation. Directors who are also SGH employees will receive no additional compensation for their service as directors.

### 10.1 Contributions to Tax Exempt Organizations

Proposed contributions or pledges of contributions to tax exempt organizations by SGH within any such organization's given fiscal year in an aggregate amount of \$1 million or more, or 2% of the annual consolidated gross revenues of the

organization, whichever is greater, to an entity for which a director or a member of his or her immediate family serves as a director, officer, or member of such entity's fundraising organization or committee, shall be subject to prior review and approval by the Nominating and Corporate Governance Committee.

The Nominating and Corporate Governance Committee shall be provided on an annual basis with a report from management of the contributions to tax exempt organizations or pledges made by SGH during the fiscal year in an amount of \$1 million or more, or 2% of the annual consolidated gross revenues of the organization, whichever is greater, to an entity for which a director or executive officer, or a member of his or her immediate family, serves as a director, officer, or member of such entity's fundraising organization or committee.

#### 11.0 DIRECTOR ORIENTATION AND CONTINUING EDUCATION

The Nominating and Corporate Governance Committee is responsible for developing and overseeing an orientation program for new directors and a continuing education program for all directors. All new members of the Board are required to participate in SGH's orientation program for directors. The orientation program will include discussions with and presentations by senior management and visits to SGH's facilities, and provide new directors with a review of SGH's financial position, an overview of the industry in which SGH operates and competes and an introduction to the regulatory and legal environment that affects SGH's business, as well as governs directors' fiduciary duties.

All directors will be offered the opportunity, and are encouraged, to participate in continuing education programs with any associated expenses to be reimbursed by SGH.

#### 12.0 MANAGEMENT EVALUATION AND MANAGEMENT SUCCESSION

The Compensation Committee shall evaluate the performance of the CEO at least annually. The Compensation Committee establishes the evaluation process and determines the criteria by which the CEO is evaluated. The results of this review are communicated to the CEO.

The Compensation Committee shall evaluate the performance of the senior management of SGH and shall present its findings to the full Board. The Board shall review the Compensation Committee's report in order to ensure that management's

performance is satisfactory and that management is providing the best leadership for SGH in the long and short-term.

The Nominating and Corporate Governance Committee shall review and report to the Board on SGH's succession planning, including succession planning in the case of the incapacitation, retirement or removal of the CEO. Periodically the CEO shall provide a report to the Nominating and Corporate Governance Committee recommending and evaluating potential successors, including successors in the event of an unexpected emergency, along with a review of any development plans recommended for such individuals.

### 13.0 PERIODIC PERFORMANCE EVALUATION

The Board, led by the Nominating and Corporate Governance Committee, shall establish and conduct periodic self-evaluations to determine whether it and its committees are functioning effectively. The collective evaluation shall be presented by the Chair of the Nominating and Corporate Governance Committee or a designee of the Chair of the Nominating and Corporate Governance Committee to the full Board for discussion. This process shall also include periodic self-assessments by each Board committee, relying on a review process similar to that used by the Board.

### 14.0 CONFIDENTIALITY

The proper functioning of the Board requires a candid and open exchange of information, ideas and opinions among directors in an atmosphere of trust, confidence and mutual respect. Directors have an affirmative duty to protect and hold confidential all non-public information obtained in the role of a Board or committee member. Accordingly:

- No director shall use Confidential Information for his or her own personal benefit or to benefit persons or entities outside the Company; and
- No director shall disclose Confidential Information to any person or entity outside the Company, either during or after his or her service as a director of the Company, except with express prior authorization of the Company's General Counsel or the Chair of the Board of Directors or as may be otherwise required by law (in which event a director shall promptly advise the General Counsel and the Chair of such anticipated disclosure and take all reasonable steps to minimize the disclosure of such Confidential Information). In considering whether to permit a director to share Confidential Information, the

General Counsel or Chair may consider, among other things, whether sharing the information would give rise to a conflict and/or potential harm, including whether the information is protected by attorney-client privilege.

For purposes of these Guidelines, “**Confidential Information**” is all non-public information (whether or not material to the Company) entrusted to or obtained by a director by reason of his or her position as a director of the Company. In addition to information regarding Board and committee meetings, discussions, deliberations and decisions, Confidential Information includes, but is not limited to, non-public information that might be of use to competitors or harmful to the Company, its customers, suppliers or other stakeholders if disclosed, including but not limited to:

- Non-public information about the Company’s financial condition, forecasts, prospects or plans, its marketing and sales programs and research and development information, as well as information relating to mergers and acquisitions, stock splits and divestitures;
- Non-public information concerning possible transactions with other companies or information about the Company’s customers, suppliers or joint venture partners, which the Company is under an obligation to maintain as confidential; and
- Non-public information about discussions, deliberations and decisions relating to business issues between and among Company employees, officers and directors.