

SMART GLOBAL HOLDINGS, INC. COMPENSATION COMMITTEE CHARTER

1.0 PURPOSE AND SCOPE

The Compensation Committee (the “**Committee**”) is created by the Board of Directors (the “**Board**”) of SMART Global Holdings, Inc. (the “**Company**”) to discharge the responsibilities set forth in this Charter. The Committee shall have the authority and membership and shall operate according to the procedures provided in this Charter.

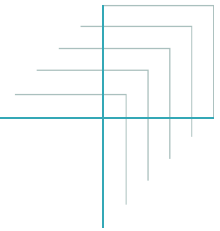
2.0 MEMBERSHIP

The Committee shall consist of at least two members comprised solely of directors deemed by the Board to be independent and who meet the independence requirements of NASDAQ, provided that the Board may elect to take advantage of any exception from such requirements provided in the NASDAQ rules, the Company’s Corporate Governance Guidelines and any other requirements deemed by the Board to be applicable, including any requirements imposed by the Securities and Exchange Commission (the “**SEC**”) or the Internal Revenue Service. Determinations as to whether a particular director satisfies the requirements for membership on the Committee shall be made by the Board.

The Company’s Nominating and Corporate Governance Committee shall recommend nominees for appointment to the Committee annually and as vacancies or newly created positions occur. Committee members shall be appointed by the Board to serve for such terms as the Board may determine, or until their earlier resignation, death or removal, and may be removed by the Board at any time. The Board shall designate the Chair of the Committee.

3.0 RESPONSIBILITIES

In addition to any other responsibilities which may be assigned from time to time by the Board, the Committee is responsible for the following matters.



3.1 Director Compensation

The Committee shall review and approve compensation (including equity-based compensation) for the Company's directors. In so reviewing and approving director compensation, the Committee shall:

- identify corporate goals and objectives relevant to director compensation; and
- evaluate the performance of the Board in light of such goals and objectives and set director compensation, including any long-term incentive component, based on such evaluation and such other factors as the Committee deems appropriate and in the best interests of the Company (including the cost to the Company of such compensation).

3.2 Executive Compensation

The Committee shall determine, or recommend to the Board for determination, the compensation of the Chief Executive Officer and each of the Company's other executive officers. In determining, or recommending for determination, executive officer compensation, the Committee shall, among other things:

- identify, review, and approve corporate goals and objectives relevant to executive officer compensation;
- review and approve the Company's peer companies and data sources for purposes of evaluating the Company's compensation competitiveness and establishing the appropriate competitive positioning of the levels and mix of compensation elements;
- review and approve, for each executive officer of the Company, when and if appropriate, employment agreements, severance agreements, consulting agreements and change in control or termination agreements;
- evaluate at least annually each executive officer's performance in light of such goals and objectives, and determine each executive officer's compensation, including salary, bonus, fees, benefits, incentive awards and



perquisites, based on such evaluation and other factors as the Committee deems appropriate and in the best interests of the Company; and

- determine any long-term incentive component of each executive officer's compensation.

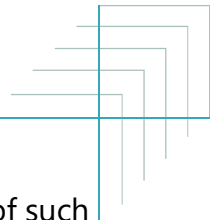
3.3 Share Ownership

The Committee may determine and recommend to the Board ownership guidelines for directors and officers.

3.4 Compensation Policies and Procedures

The Committee shall:

- review and evaluate the Company's executive compensation and benefits policies and programs generally (subject, if applicable, to shareholder approval), including the review and recommendation of any incentive-compensation and equity-based plans of the Company that are subject to Board approval. In reviewing such compensation and benefits policies, the Committee may consider the recruitment, development, promotion, retention, and compensation of executive officers and other employees of the Company in order to motivate their performance in the achievement of the Company's business objectives, alignment of interests with the long-term interests of the Company's stockholders and any other factors that it deems appropriate;
- review and administer the Company's employee and management compensation and benefit plans and policies, and provide oversight of each employee benefit plan;
- evaluate and recommend to the full Board appropriate compensation for the Company's non-employee directors, including compensation and expense reimbursement policies for attendance at Board and committee meetings;
- review the results of any advisory stockholder votes on executive compensation and consider whether to recommend adjustments to the



Company's executive compensation policies and practices in light of such votes; and

- develop and implement policies with respect to the recovery or "clawback" of any excess compensation (including stock options) paid to any of the Company's executive officers based on erroneous data.

3.6 Disclosure

The Committee shall prepare the Compensation Committee Report required by SEC rules to be included in the Company's annual proxy statement or Form 10-K, and the Committee shall review and discuss the Company's Compensation Disclosure and Analysis as required by SEC rules ("**CD&A**") with management and provide a recommendation to the Company's Board regarding the inclusion of the CD&A within the Company's proxy statement or Form 10-K, as applicable.

3.7 Reporting to the Board

The Committee shall report to the Board regularly. At least once every other year, the Committee shall evaluate its own performance and report to the Board on such evaluation.

The Committee shall annually review and assess the adequacy of this Charter and make changes as they deem appropriate. The Committee shall present proposed changes to the Board for review and approval.

3.8 Risk Assessment

The Committee shall at least annually review and assess risks arising from the Company's compensation policies and practices and whether any such risks are reasonably likely to have a material adverse effect on the Company, including whether the Company's incentive compensation plans encourage excessive or inappropriate risk taking.

4.0 AUTHORITY AND DELEGATIONS

The Committee has the sole authority to retain, obtain the advice of or terminate a compensation consultant, legal counsel or other adviser and shall be directly responsible for the retention, appointment, compensation, and oversight of the work of



any such adviser retained by the Committee. The Committee has sole authority to approve all such advisers' fees and other retention terms. The Company shall provide for appropriate funding, as determined by the Committee, for the payment of reasonable compensation and expenses to such advisers retained by the Committee, in addition to any costs or expenses related to the ordinary administrative expenses of the Committee that are necessary or appropriate for carrying out its duties. The Committee may select such advisers, or receive advice from any other advisers, other than in-house legal counsel, only after taking into consideration those independence factors enumerated by the rules of NASDAQ. The Committee shall also have authority to obtain advice and assistance from any officer or employee of the Company and shall have full, unrestricted access to Company books, records and facilities.

The Committee may delegate its authority to subcommittees or the Chair of the Committee when it deems it appropriate and in the best interests of the Company.

The Committee may delegate to one or more officers of the Company the authority to make grants and awards of share rights or options to any non-Section 16 officer of the Company under such of the Company's incentive-compensation or other equity-based plans as the Committee deems appropriate and in accordance with the terms of such plans.

5.0 PROCEDURES

The Committee shall meet as often as it determines is appropriate to carry out its responsibilities under this Charter. The Committee will meet at such times as determined by the Chair of the Committee or as requested by any two of its members. The Chair of the Committee, in consultation with the other Committee members, shall determine the frequency and length of the Committee meetings and shall set meeting agendas consistent with this Charter.

No executive officer should attend that portion of any meeting where such executive's performance or compensation is discussed, unless specifically invited by the Committee. The Chief Executive Officer may not be present during voting or deliberations related to his or her compensation.



The Committee shall maintain copies of minutes of each meeting of the Committee, and each written consent to action taken without a meeting, reflecting the actions so authorized or taken by the Committee. A majority of the members of the Committee shall constitute a quorum and determinations of the Committee shall be made only by a majority of the members present at a duly convened meeting or by the unanimous written consent of all the Committee members. Each member of the Committee shall have one vote.