

	Policy Name: <b>Related Party Transactions Policy</b>
	Owner: SMC Audit Committee
	Effective Date: March 26, 2019
	Last Revision: March 26, 2019

**General Policy Statement**

Super Micro Computer, Inc. (the “**Company**”) seeks to conduct its business in accordance with the highest standards of business conduct and ethics. The Company is particularly careful about entering into transactions with its directors, executive officers and significant shareholders and their affiliates because such relationships can increase the risk of real or perceived conflicts of interest. The Company’s Board of Directors (the “**Board**”) has adopted this policy (this “**Policy**”) to provide for the review, approval or ratification of Related Party Transactions (as defined below). The Board has determined that the Audit Committee (the “**Committee**”) is best suited to review, approve or ratify Related Party Transactions in accordance with this Policy. The Board will review and may amend this policy from time to time.

It is the Company’s policy that a Related Party Transaction shall not be initiated or materially modified unless and until the Committee has approved such transaction or modification, and that any existing Related Party Transaction shall not continue past its next contractual termination date unless it is reapproved by the Committee, in each case in accordance with this Policy. Notwithstanding the foregoing, if advance Committee approval of a Related Party Transaction is not feasible, then the transaction may be preliminarily entered into by the Company upon prior approval of the transaction by the Chair of the Committee subject to ratification of the transaction by the Committee at the Committee’s next regularly scheduled meeting; provided that if ratification shall not be forthcoming, the Company shall make all reasonable efforts to cancel or annul such transaction. In addition, the Board has delegated to the Chair of the Committee the authority to pre-approve or ratify (as applicable) any Related Party Transaction in which the aggregate amount involved is expected to be less than \$1,000,000.

**Compliance with Other Company Policies**

This Policy is designed to complement, not supersede, the Company’s existing policies and charters of Board committees. Any notice, approval or other action required under any other Company policy or code must be properly observed regardless of whether a report has been or will be made in compliance with this Policy. Moreover, no approval of a Related Party Transaction pursuant to this Policy shall be construed as a waiver or approval under any other Company code or policy, and any such waiver or approval must be separately obtained in compliance with the applicable code or policy.

## **Reporting Related Party Transactions**

Directors and officers are expected to promptly notify the General Counsel, Chief Compliance Officer and the Chair of the Committee of any potential or existing Related Party Transactions of which they are aware. For the purposes of this Policy, the term “***Related Party Transaction***” refers to any transaction, arrangement or relationship, or any series of similar transactions, arrangements or relationships, in which the Company or any of its subsidiaries was, is or will be a participant, in which the amount involved exceeds \$120,000, and in which any of the following persons (each a “***Related Party***”) had, has or will have a direct or indirect material interest:

- 1) Any person who is, or was at any time since the beginning of the Company’s last fiscal year, a director or executive officer of the Company, or a nominee to become a director of the Company;
- 2) Any person who is, or was at any time since the beginning of the Company’s last fiscal year, the beneficial owner of more than 5% of any class of the Company’s voting securities; and
- 3) Any immediate family member of any of the foregoing, which means any child, stepchild, parent, stepparent, spouse, sibling, mother-, father-, sister-, brother-, son- or daughter-in-law of, and any person (other than a tenant or employee) sharing a household with, any person covered in Item 1 or 2 (“***Immediate Family Members***”).

## **Indirect Material Interest**

A person can have an indirect material interest in a transaction by virtue of a position or relationship with a firm, corporation or other entity that engages in a transaction with the Company. However, a person shall not be deemed to have an indirect material interest where his or her interest arises only from:

- such person’s position as a director of such firm, corporation or other entity; or
- the direct or indirect ownership, by that person and all other persons specified in Items 1, 2 and 3 above, in the aggregate, of less than a 10% equity interest in any such firm, corporation or other entity (other than a partnership); or
- such person’s position as a limited partner in a partnership in which such person and all other persons specified in Items 1, 2 and 3 above have an aggregate interest of less than 10%.

Subject to the Pre-Approved Transactions described below, in all other cases, including transactions with a firm, corporation or other entity in which a Related Party is an officer, employee or general partner, all applicable facts regarding such transaction shall be presented to the General Counsel, Chief Compliance Officer and Chair of the Committee, who shall then collectively make the determination whether there is an indirect material interest. Accordingly, if you believe that a transaction might be a Related Party Transaction, you should err on the side

of caution and report it to the General Counsel, Chief Compliance Officer and Chair of the Committee for review in accordance with this Policy.

### **Transactions Not Covered by this Policy**

This Policy shall not apply to any employment relationship with an executive officer of the Company, the Board membership of any director of the Company, or any related compensation, to the extent such compensation is required to be disclosed under Item 402 of Regulation S-K. In addition, compensation paid to an executive officer who is not an Immediate Family Member of a person listed in Item 1 or 2 above is not covered by this Policy to the extent such compensation has been approved by the Compensation Committee.

### **Pre-Approved Transactions**

The following types of Related Party Transactions shall be deemed to be approved or ratified, as applicable, under this Policy without the need for any further action by the Committee:

- 1) Transactions that are in the Company's ordinary course of business and where the interest of the Related Party arises solely from the ownership of a class of equity securities in the Company and all holders of such class of equity securities of the Company will receive the same benefit on a pro rata basis.
- 2) Transactions where the rates or charges involved in the transactions are determined by competitive bids.

In addition, in fulfilling its duties as delegated by the Board, the Committee is authorized to establish policies and procedures that provide general pre-approvals to certain classes or types of Related Party Transactions.

Without limiting the generality of the foregoing authority, the Committee specifically recognizes that each of Ablecom Technology, Inc. ("**Ablecom**") and Compuware Technology, Inc. ("**Compuware**", and collectively with Ablecom, the "**Contract Parties**", and each a "**Contract Party**") are major contract manufacturers of the Company, and therefore the interaction of the Company with either Contract Party involves day-to-day business decisions that may be time-sensitive. The Committee has determined, based on information provided by the Company's management team, that its transactions with each Contract Party are being conducted (i) on an arm's length basis, (ii) in accordance with the Company's standard sales, pricing and other terms and policies and (iii) in a manner such that such Contract Party has not received preferential treatment. Transactions with each Contract Party shall be deemed to be pre-approved under this Policy to the extent that they continue to be conducted (i) on an arm's length basis, (ii) in accordance with the Company's standard sales, pricing and other terms and policies, (iii) in a manner such that such Contract Party does not receive preferential treatment, and (iv) within the current scope of the Company's business relationship with such Contract Party (specifically, sales of chassis, power supplies, PCBs and distributors). In addition, all transactions with each Contract Party, including pre-approved transactions in accordance with this section, shall be reported by the management team to the Audit Committee on a quarterly basis in such manner as the Audit Committee requests.

## **Review Procedures**

The Chief Financial Officer shall be responsible for collecting information regarding transactions, arrangements and relationships between the Company and Related Parties, determining whether a relationship meets the definition of “Related Party Transaction,” and preparing information regarding Related Party Transactions for presentation to the Committee, except to the extent otherwise determined by the Chair of the Committee.

## **Proposed or Materially Amended Related Party Transactions**

Related Party Transactions or material amendments to any existing Related Party Transaction that are identified as such prior to the consummation thereof or amendment thereto shall be consummated or amended only after following the procedures set forth herein. The material terms of such transaction shall be presented to the Committee for approval at the first meeting of the Committee following such time as notice of the Related Party Transaction is provided to the Committee; provided such notice is given at least three days prior to the meeting. If the Chief Executive Officer or the Chief Financial Officer determines that it is not practical for the Company to wait until the next Committee meeting, the Chair of the Committee has the authority to act between Committee meetings unless the Chair of the Audit Committee is the Related Party in the Related Party Transaction, in which case the remaining members of the Audit Committee who are not Related Parties shall determine whether such transaction is approved. The Committee shall consider all relevant factors regarding the transaction including, but not limited to, any Related Party’s relationship to the Company and interest in the transaction, the material facts of the proposed Related Party Transaction, including the aggregate value of the transaction, the role of Company employees in arranging the transaction, the impact on the independence of any director, the potential costs and benefits to the Company, if applicable, the availability of other sources of comparable products or services, and an assessment of whether the proposed Related Party Transaction is competitively bid, or otherwise on terms that are fair to the Company and comparable to those that could be obtained in an arms-length negotiation with an unrelated third party. No member of the Committee may participate in any review, consideration or approval of any Related Party Transaction in which such member has any interest. The Committee shall approve only those Related Party Transactions which it determines in good faith to be in, or not inconsistent with, the best interests of the Company and its stockholders. The Chair of the Committee will report to the Committee at its next meeting with regard to any approval of a proposed Related Party Transaction between Committee meetings under this Policy. In the event that multiple members of the Committee, including the Chair of the Committee, are Related Parties in the Related Party Transaction, such Related Party Transaction will be considered by the disinterested members of the Board of Directors in place of the Committee.

If the Company or a Related Party becomes aware of the existence of any Related Party Transaction that has not been previously approved or ratified under this Policy, it will promptly submit the transaction to the Committee for consideration. The Committee will evaluate the transaction considering the criteria set out in the approval process under this Policy and will consider all options, including ratification, amendment or termination of the Related Party Transaction.

### **Review of Ongoing Transactions**

At the Committee's first meeting of each fiscal year, the Committee will evaluate any continuing Related Party Transactions (other than pre-approved transactions described above) that have remaining amounts of more than \$120,000 to determine if it is in the best interests of the Company and its stockholders to continue, modify or terminate the Related Party Transaction.

### **Interpretation**

Notwithstanding anything herein to the contrary, this Policy shall be interpreted in such a manner as to comply with Item 404 of Regulation S-K and FASB Accounting Standards Codification Topic 850 or subsequent applicable accounting standards.