

**NOTICE OF PENDENCY AND CERTIFICATIONS OF CLASS ACTIONS AND PROPOSED SETTLEMENT,  
SETTLEMENT FAIRNESS HEARINGS, AND MOTIONS FOR ATTORNEYS' FEES AND  
REIMBURSEMENT OF LITIGATION EXPENSES**

This Notice relates to the following actions:

- ***In re SMART Technologies, Inc. Shareholder Litigation*, No. 11-CV-7673-(KBF) in the United States District Court for the Southern District of New York; and**
- ***Tucci v. SMART Technologies Inc., et al.*, Court File No. CV-12-447546-00CP in the Ontario Superior Court of Justice.**

**Courts in the United States and Canada authorized this Notice. This is not a solicitation from a lawyer.**

This Notice provides important information concerning the proposed settlement of the two above-captioned class action lawsuits which were separately brought in the United States and Canada. If you purchased SMART Technologies Inc. ("SMART") common stock from July 14, 2010 through and including May 18, 2011 in the United States or from July 15, 2010 through and including July 20, 2010 from an underwriter domiciled in Canada (as defined in paragraph 30 below), this Notice explains important rights you may have, including the possible receipt of cash from the Settlement. If you are a member of the U.S. Class and/or the Canadian Class, your legal rights will be affected whether or not you act. PLEASE READ THIS NOTICE CAREFULLY.

**NOTICE OF PENDENCY AND CERTIFICATIONS OF THE CLASS ACTIONS:** The United States District Court for the Southern District of New York (the "U.S. Court") and the Ontario Superior Court of Justice (the "Canadian Court") have each certified a class in the action pending before it. If you are a member of either or both of the certified classes, your rights will be affected by the determinations in the action or actions in which you are a class member. The definitions of the classes certified by the respective Courts differ and are set forth in paragraph 30 below.<sup>1</sup>

**NOTICE OF SETTLEMENT OF THE CLASS ACTIONS:** Lead Plaintiff, the City of Miami General Employees' and Sanitation Employees' Retirement Trust (the "U.S. Lead Plaintiff"), in the action captioned *In re SMART Technologies, Inc. Shareholder Litigation*, No. 11-CV-7673-(KBF) (the "U.S. Action"), on behalf of itself and the U.S. Class, and representative plaintiff Frank Tucci (the "Canadian Representative Plaintiff") in the action captioned *Tucci v. SMART Technologies Inc., et al.*, Case No. CV-12-447546-00CP (the "Canadian Action"), on behalf of himself and the Canadian Class, have reached a proposed global settlement (the "Settlement") with the Settling Defendants<sup>2</sup> of the U.S. Action and the Canadian Action (collectively, the "Actions") for \$15,250,000 in U.S. dollars in cash<sup>3</sup> that, if approved by both the U.S. Court and the Canadian Court (collectively, the "Courts") and subject to other conditions

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<sup>1</sup> Any capitalized terms used in this Notice that are not otherwise defined herein shall have the meanings ascribed to them in the Stipulation and Agreement of Settlement of Class Actions dated April 30, 2013 (the "Stipulation"), which is available at [www.SMARTTechnologiesShareholderLitigation.com](http://www.SMARTTechnologiesShareholderLitigation.com).

<sup>2</sup> The "Settling Defendants" consist of (a) the following settling defendants in the U.S. Action: SMART; Nancy L. Knowlton, G.A. (Drew) Fitch, David A. Martin, Salim Nathoo, Arvind Sodhani, Michael J. Mueller, and Robert C. Hagerty (the "Individual Defendants"); Apax Partners L.P. and Apax Partners Europe Managers Ltd. ("Apax Partners"); Intel Corporation ("Intel"); and Morgan Stanley & Co. LLC (f/k/a Morgan Stanley & Co. Incorporated), Deutsche Bank Securities, Inc., RBC Dominion Securities Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Credit Suisse Securities (USA) LLC, CIBC World Markets Inc., Cowen and Company, LLC, Piper Jaffray & Co., and Stifel Nicolaus & Company (the "U.S. Underwriters") (collectively, the "U.S. Settling Defendants"); and (b) the following settling defendants in the Canadian Action: SMART; the Individual Defendants; Apax Partners; Intel; School, S.A.R.L. ("School"); and Morgan Stanley Canada Limited, Deutsche Bank Securities Limited, RBC Dominion Securities Limited, Merrill Lynch Canada Inc., Credit Suisse Securities (Canada) Inc., and Stifel Nicolaus Canada Inc. (f/k/a Thomas Weisel Partners Canada Inc.) (the "Canadian Underwriters") (collectively, the "Canadian Settling Defendants").

<sup>3</sup> All dollar amounts set forth in this Notice are in United States dollars, unless specifically noted otherwise.

of the Settlement being satisfied, *i.e.*, the Effective Date (as defined in ¶ 67 below) occurs<sup>4</sup>, will resolve all claims asserted in the respective Actions and release the Released Plaintiffs' Claims (as defined in ¶ 64 below) against the Defendants' Releasees (as defined in ¶ 65 below).

**In this Notice, the U.S. Lead Plaintiff and the Canadian Representative Plaintiff are collectively referred to as "Settling Plaintiffs"; the U.S. Action and the Canadian Action are collectively referred to as the "Actions"; and members of the U.S. Class and members of the Canadian Class are collectively referred to as "Class Members."**

1. **Description of the Actions and the Classes:** This Notice relates to a proposed global Settlement of claims in the Actions brought by investors alleging, among other things, that the public offering materials for the July 14, 2010 initial public offering of SMART common stock (the "IPO") contained material misrepresentations or omissions concerning the demand for products manufactured by SMART and one of its subsidiaries. A more detailed description of the Actions is set forth in paragraphs 13-29 below. The proposed Settlement, if approved by each of the Courts and if the Effective Date occurs, will settle claims of all Class Members except for certain persons and entities who are excluded from the Classes by definition (*see* ¶ 30 below) or who validly elect to exclude themselves from the Classes (*see* ¶¶ 75-78 below).

2. **Statement of the Classes' Recovery:** Subject to approval of the Courts and the occurrence of the Effective Date, the settlement payment of \$15,250,000 in cash (the "Settlement Amount"), which is to be deposited into an escrow account, plus any and all interest earned thereon (the "Settlement Fund") less (a) any Taxes, (b) any Notice and Administration Costs, (c) any Litigation Expenses awarded by the Courts, and (d) any attorneys' fees awarded by the Courts (*i.e.*, the "Net Settlement Fund") will be distributed in accordance with a plan of allocation that is approved by the Courts, which will determine how the Net Settlement Fund shall be allocated among Class Members. The proposed plan of allocation (the "Plan of Allocation") is set forth on pages 11-14 below.

3. **Estimate of Average Amount of Recovery Per Share:** U.S. Lead Plaintiff's damages expert estimates that approximately 131.69 million shares of SMART common stock purchased by U.S. and Canadian Class Members during the respective Class Periods may have been affected by the conduct at issue in the Actions. If all eligible Class Members elect to participate in the Settlement, the estimated average recovery per affected share of SMART common stock would be approximately \$0.12, before deduction of Court-awarded attorneys' fees and expenses, Taxes, and the costs of providing notice and administering the Settlement. Class Members should note, however, that this is only an estimate based on the overall number of potentially affected shares. Some Class Members may recover more or less than the estimated amount per share.

4. **Average Amount of Damages Per Share:** The parties in both Actions disagree on the average amount of damages per share that would be recoverable if the Settling Plaintiffs were to prevail in their respective Actions. Among other things, the Settling Defendants deny that any of the offering materials for SMART's IPO contained materially false or misleading statements or omitted material information. Plaintiffs in the respective Actions assert that the declines in the price of SMART common stock were caused by disclosures of the alleged misrepresentations but the Settling Defendants assert that they were prepared to establish that the declines were caused for reasons not related to the disclosure of any allegedly false or misleading statements in the IPO offering materials. In sum, the Settling Defendants do not agree with the assertion that they engaged in any actionable misconduct under the United States federal securities laws, the Ontario *Securities Act* or any other Canadian securities legislation or that any damages were suffered by any Class Members as a result of their conduct.

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<sup>4</sup> One of the conditions to the Effective Date occurring is that the Superior Court of the State of California, County of San Francisco, dismiss the class claims in the action pending before it styled *Harper v. SMART Technologies Inc., et al.*, Case No. CGC-11-514673 (the "California Action"), with prejudice, and all appeal rights with respect to such dismissal have been exhausted.

5. **Attorneys' Fees and Expenses Sought:** Plaintiffs' Counsel, which have been prosecuting their respective Actions on a wholly contingent basis, have not received any payment of attorneys' fees for their work on behalf of their respective Classes and have advanced the funds to pay expenses necessarily incurred to prosecute their respective Actions. U.S. Lead Counsel, Bernstein Litowitz Berger & Grossmann LLP, and Canadian Class Counsel, Siskinds LLP, will apply to their respective Courts for awards of attorneys' fees in amounts not to exceed, in total, 25% of the Settlement Fund, which amount shall cover the attorneys' fees of all Plaintiffs' Counsel except for taxes applicable on legal fees in Canada for which Canadian Class Counsel will also ask the Canadian Court. U.S. Lead Counsel and Canadian Class Counsel will also apply to their respective Courts for reimbursement of Litigation Expenses paid or incurred in connection with the institution, prosecution and resolution of their respective Actions in amounts not to exceed, in total, \$550,000.00, which may include an application for reimbursement of the reasonable costs and expenses incurred by U.S. Lead Plaintiff directly related to its representation of the U.S. Class. Any fees and expenses awarded by the Courts will be paid from the Settlement Fund. If the Courts approve U.S. Lead Counsel's and Canadian Class Counsel's applications for attorneys' fees and the respective requests for reimbursement of Litigation Expenses, the average cost per affected share of SMART common stock will be approximately \$0.03 exclusive of any payment of taxes that Canadian Counsel may be awarded by the Canadian Court.

6. **Identification of Attorneys' Representatives:** U.S. Lead Plaintiff and the U.S. Class are represented by Hannah G. Ross, Esq., Bernstein Litowitz Berger & Grossmann LLP, 1285 Avenue of the Americas, New York, NY 10019, 1-800-380-8496, [blbg@blbglaw.com](mailto:blbg@blbglaw.com). Canadian Representative Plaintiff and the Canadian Class are represented by Michael G. Robb, Siskinds LLP, 680 Waterloo Street, London, ON N6A 3V8, 1-800-461-6166, ex. 2380, [michael.robb@siskinds.com](mailto:michael.robb@siskinds.com).

7. **Reasons for the Settlement:** The Settling Plaintiffs' principal reason for entering into the Settlement is the substantial immediate cash benefit to the Class Members that they respectively represent without the risk or the delays inherent in further litigation. Moreover, the substantial cash benefit provided under the Settlement must be considered against the significant risk that a smaller recovery – or indeed no recovery at all – might be achieved after contested motions, a trial of one or both of the Actions and likely appeals that would follow trial, a process that could be expected to last several years. The Settling Defendants, who deny all allegations of wrongdoing or liability whatsoever, are entering into the Settlement solely to eliminate the uncertainty, burden and expense of further protracted litigation.

<b>YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT:</b>	
<b>SUBMIT A CLAIM FORM BY OCTOBER 4, 2013.</b>	This is the only way to be eligible to receive a payment from the Settlement. If you are a member of one or both of the Classes and you remain in the Class(es), you will be bound by the Settlement as approved by the applicable Court(s) and you will give up any Released Plaintiffs' Claims (defined in ¶ 64 below) that you have against the Settling Defendants and the other Defendants' Releasees (defined in ¶ 65 below), so it is in your interest to submit a Claim Form.
<b>EXCLUDE YOURSELF FROM THE CLASS(ES) BY SUBMITTING A WRITTEN REQUEST FOR EXCLUSION SO THAT IT IS RECEIVED NO LATER THAN JULY 22, 2013.</b>	If you exclude yourself from the Class(es), you will not be eligible to receive any payment from the Settlement Fund. This is the only option that allows you ever to be part of any other lawsuit against any of the Settling Defendants or the other Defendants' Releasees concerning the Released Plaintiffs' Claims.

<p><b>OBJECT TO THE SETTLEMENT BY SUBMITTING A WRITTEN OBJECTION TO THE COURT(S) SO THAT IT IS RECEIVED NO LATER THAN JULY 22, 2013.</b></p>	<p>If you are a member of either Class and you do not like the proposed Settlement, the proposed Plan of Allocation, or the request for attorneys' fees and reimbursement of Litigation Expenses, you may write to the Court(s) and explain why you do not like them. You cannot object to the Settlement, the Plan of Allocation, or the fee and expense request unless you are a Class Member and do not exclude yourself.</p>
<p><b>GO TO A HEARING IN COURT:</b></p> <p><b>U.S. ACTION HEARING WILL BE ON SEPTEMBER 17, 2013 AT 1:00 P.M.</b></p> <p><b>CANADIAN ACTION HEARING WILL BE ON SEPTEMBER 13, 2013 AT 10:00 A.M.</b></p> <p><b>AND, WITH RESPECT TO THE U.S. ACTION, FILE A NOTICE OF INTENTION TO APPEAR SO THAT IT IS RECEIVED NO LATER THAN JULY 22, 2013.</b></p>	<p>If you are a Class Member, and you submit a written objection and, if the objection is submitted to the U.S. Court you also file a notice of intention to appear by July 22, 2013, you will be allowed to speak at the fairness hearings, at the discretion of the Courts. If you are a Class Member and submit a written objection, you may (but you do not have to) attend the hearing.</p>
<p><b>DO NOTHING.</b></p>	<p>If you are a member of either or both Classes and you do not submit a Claim Form by October 4, 2013, you will not be eligible to receive any payment from the Settlement Fund. You will, however, remain a member of the applicable Class(es), which means that you give up your right to sue about the claims that are resolved by the Settlement and you will be bound by any judgments or orders entered by the applicable Court(s) in the respective Actions.</p>

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## WHY DID I GET THIS NOTICE?

8. This Notice is being sent to you pursuant to Orders of the United States District Court for the Southern District of New York and the Ontario Superior Court of Justice because you or someone in your family or an investment account for which you serve as a custodian may have (a) purchased or otherwise acquired SMART common stock in the United States during the period from July 14, 2010 through and including May 18, 2011; and/or (b) purchased or otherwise acquired SMART common stock offered by SMART's Canadian Prospectus from an underwriter domiciled in Canada during the period from July 15, 2010 through and including July 20, 2010. As a potential member of the U.S. Class or the Canadian Class (as those Classes are defined in ¶ 30 below), you have a right to know about your options before the Courts rule on the proposed Settlement of these lawsuits. Additionally, you have the right to understand how a class action lawsuit may generally affect your legal rights. If the Courts approve the Settlement and the Plan of Allocation (or some other plan of allocation), and the Effective Date occurs, the claims administrator approved by the Courts will make payments pursuant to the Settlement.

9. In a class action, one or more persons, called "plaintiffs" sue on behalf of people who have similar claims. The court must certify the action to proceed as a class action and it will appoint the "class representatives." In the U.S. Action, the Court-appointed representative for the U.S. Class is the City of Miami General Employees' and Sanitation Employees' Retirement Trust (the "U.S. Lead Plaintiff"), and the U.S. Court has approved U.S. Lead Plaintiff's selection of the law firm of Bernstein Litowitz Berger & Grossmann LLP ("U.S. Lead Counsel") to serve as class counsel for the U.S. Class. In the Canadian Action, the Court-appointed representative for the Canadian Class is Frank Tucci (the "Canadian Representative Plaintiff"), and the Canadian Court has approved Canadian Representative Plaintiff's selection of the law firm of Siskinds LLP ("Canadian Class Counsel") to serve as class counsel for the Canadian Class. A class action is a type of lawsuit in which the claims of a number of individuals are resolved together, thereby allowing for the efficient and consistent resolution of the claims of all class members in a single proceeding. Once the class is certified, the court must resolve all issues on behalf of the class members, except for any persons or entities who choose to exclude themselves from the class. (For more information on excluding yourself from the Classes, please read "What If I Do Not Want To Be A Member Of The Classes? How Do I Exclude Myself?," on page 16 below.)

10. The court in charge of the U.S. Action, which is known as *In re SMART Technologies, Inc. Shareholder Litigation*, No. 11-CV-7673-(KBF), is the United States District Court for the Southern District of New York, and the Judge presiding over this case is The Honorable Katherine B. Forrest, United States District Judge. The court in charge of the Canadian Action, which is known as *Tucci v. SMART Technologies Inc., et al.*, Case No. CV-12-447546-00CP, is the Ontario Superior Court of Justice, and the Judge presiding over the this case is The Honourable Justice Paul Perell, Ontario Superior Court. The persons and entities that are suing are called "plaintiffs," and those who are being sued are called "defendants." If the Settlement is approved by the Courts and becomes effective, it will resolve all claims in the Actions and will bring the Actions to an end.

11. Each of the Courts will hold a hearing (the "Settlement Fairness Hearing") to determine:
- (a) whether the proposed Settlement is fair, reasonable and adequate, and should be approved;
  - (b) whether the Action pending before it should be dismissed with prejudice as set forth in the Stipulation;
  - (c) whether the proposed Plan of Allocation is fair and reasonable, and should be approved;
  - (d) whether the motion pending before it for an award of attorneys' fees and reimbursement of Litigation Expenses should be approved; and
  - (e) any other relief the Court deems necessary to effectuate the terms of the Settlement.

The date, time and location of the respective Settlement Fairness Hearings are set forth in paragraph 81 below.

12. This Notice does not express any opinion by either of the Courts concerning the merits of any claims in the Actions, and the Courts still have to decide whether to approve the Settlement.

## WHAT ARE THESE CASES ABOUT?

13. These Actions are class action lawsuits alleging that there were materially untrue statements and omissions in the public offering materials issued in connection with SMART's July 14, 2010 IPO. SMART is a Canadian company with its principal executive offices in Calgary, Alberta. SMART's primary business is the manufacture and sale of its "interactive whiteboard" products, which are modern replacements for the traditional chalkboards used in schools. In the U.S. Action, SMART and the other U.S. Defendants are being sued for violations of the United States federal securities laws based on the alleged misrepresentations in the U.S. Offering Materials concerning, among other things, the demand for SMART's interactive whiteboard products and the demand for products manufactured by SMART's "NextWindow" subsidiary. The Canadian Action raises similar allegations against SMART and the other Canadian Defendants based on the Ontario securities laws and other Canadian securities legislation.

14. Beginning in December 2010, several putative securities class actions were filed in the United States District Court for the Southern District of New York and in the United States District Court for the Northern District of Illinois against SMART, certain officers and directors of SMART, Intel, Apax Partners, and certain U.S. Underwriters.<sup>5</sup>

15. By Order dated June 16, 2011, the Northern District of Illinois appointed the City of Miami General Employees' and Sanitation Employees' Retirement Trust as Lead Plaintiff in the U.S. Action. In the same Order, the Northern District of Illinois approved U.S. Lead Plaintiff's selection of Bernstein Litowitz Berger & Grossmann LLP as Lead Counsel. By Order dated October 14, 2011, the Northern District of Illinois transferred the U.S. Action to the Southern District of New York.

16. On November 4, 2011, U.S. Lead Plaintiff filed a Consolidated Amended Class Action Complaint (the "First Amended Complaint"), which alleged, among other things, that the SMART Defendants violated Sections 11 and 12(a)(2) of the Securities Act of 1933 (the "1933 Act") by (a) misrepresenting that, as of the date of the IPO, demand for SMART's interactive whiteboard products was increasing, when it was actually decreasing; (b) failing to disclose certain trends or uncertainties regarding the demand for products manufactured by SMART's NextWindow subsidiary; (c) misrepresenting SMART's capabilities to expand its sales to corporate and foreign customers, when, in reality, SMART required significant additional investments to accomplish such expansion; and (d) failing to adequately disclose significant problems with SMART's internal business management and accounting system referred to as the "enterprise resources planning" system ("ERP"). The First Amended Complaint also alleged that certain of the U.S. Defendants violated Section 15 of the 1933 Act as alleged "control persons." The First Amended Complaint alleged that investors who bought SMART common stock in the IPO, or in transactions traceable to the U.S. Registration Statement, were unaware of these material facts. It was further alleged that the truth as to all the alleged misrepresentations was not disclosed until May 18, 2011. The U.S. Defendants denied, and continue to deny, these allegations.

17. The U.S. Defendants moved to dismiss the First Amended Complaint on January 6, 2012. The motions were fully briefed and argued, and on April 3, 2012, the U.S. Court issued an Opinion and Order that granted in part, and denied in part, the U.S. Defendants' motions to dismiss. Specifically, the U.S. Court denied the motion to dismiss U.S. Lead Plaintiff's claims regarding certain of the U.S. Defendants' alleged failure to disclose material information regarding the demand for SMART's NextWindow products and U.S. Lead Plaintiff's "control person" claims against certain of the U.S. Defendants. The U.S. Court dismissed U.S. Lead Plaintiff's remaining claims, including U.S. Lead Plaintiff's claims regarding certain of the U.S. Defendants' alleged misrepresentations and

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<sup>5</sup> Subject to a tolling agreement between U.S. Lead Plaintiff and certain of the U.S. Underwriters (Morgan Stanley & Co. LLC (f/k/a Morgan Stanley & Co. Incorporated), Deutsche Bank Securities, Inc., and RBC Dominion Securities Inc.), on August 19, 2011, U.S. Lead Plaintiff voluntarily dismissed those Underwriters from the U.S. Action pursuant to Rule 41(a)(1) of the U.S. Federal Rules of Civil Procedure without prejudice and without costs.

omissions concerning the demand for SMART's interactive whiteboard products, but granted leave to replead these claims.

18. On April 24, 2012, U.S. Lead Plaintiff filed a Corrected Second Amended Class Action Complaint (the "Second Amended Complaint" or "Complaint"), which contained additional allegations in support of U.S. Lead Plaintiff's claims regarding the SMART Defendants' alleged misrepresentations and omissions concerning the demand for SMART's interactive whiteboard products and the control person claims alleged against certain of the U.S. Defendants.

19. On May 11, 2012, the U.S. Defendants moved to dismiss the claims concerning demand for SMART's interactive whiteboard products alleged in the Second Amended Complaint. After full briefing and oral argument on the U.S. Defendants' motions to dismiss the Second Amended Complaint, by Memorandum and Order dated August 21, 2012, the U.S. Court denied the motion to dismiss U.S. Lead Plaintiff's claims regarding the SMART Defendants' alleged misrepresentations and omissions concerning the demand for SMART's interactive whiteboard products and the control person claims alleged against certain of the U.S. Defendants.

20. On September 17, 2012, the U.S. Defendants answered the Second Amended Complaint. The U.S. Defendants denied U.S. Lead Plaintiff's claims and asserted several affirmative defenses to liability.

21. On October 16, 2012, U.S. Lead Plaintiff filed its Motion for Class Certification and Appointment of Class Representative and Class Counsel. After class certification discovery and a full round of briefing and oral argument, on January 11, 2013, the U.S. Court issued an Opinion and Order certifying a class in the U.S. Action and appointing U.S. Lead Plaintiff as Class Representative for the U.S. Action and U.S. Lead Counsel as Class Counsel for the certified class in the U.S. Action. For purposes of the Settlement only, U.S. Lead Plaintiff and the U.S. Settling Defendants have stipulated to, and the U.S. Court has certified, the U.S. Action as a class action on behalf of the U.S. Class (as defined in paragraph 30 below).

22. Prior to reaching the agreement in principle in March 2013 to settle the U.S. Action, counsel for U.S. Lead Plaintiff conducted an investigation relating to the claims asserted and extensive discovery which included the review of approximately one million pages of documents that were produced and the taking of fourteen depositions.

23. Trial of the U.S. Action was scheduled by the U.S. Court to begin on July 15, 2013.

24. The Canadian Action was commenced pursuant to a Statement of Claim issued May 6, 2011. The Statement of Claim issued in the Canadian Action, as amended on November 1, 2011, May 10, 2012, and September 4, 2012, asserted claims against the Canadian Defendants that are substantially similar to the claims asserted in the U.S. Action.<sup>6</sup>

25. On February 4, 2013, the Canadian Court issued an Order certifying the Canadian Action as a class action on behalf of the Canadian Class.

26. On December 12, 2012, U.S. Lead Counsel, Canadian Class Counsel, and counsel for Defendants participated in a mediation under the supervision of David Geronemus, Esq. of JAMS. With the ongoing assistance of Mr. Geronemus after that mediation, on March 11, 2013, U.S. Lead Counsel, Canadian Class Counsel and counsel for Defendants, on behalf of their respective clients, entered into a term sheet (the "Term Sheet") providing for a global settlement of the Actions in return for a cash payment of \$15,250,000 by SMART for the benefit of the Classes. On April 30, 2013, the Settling Parties entered into the Stipulation setting forth the terms and conditions of the proposed Settlement.

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<sup>6</sup> Subject to a tolling agreement between Canadian Representative Plaintiff and the Canadian Underwriters, claims against the Canadian Underwriters were discontinued in the Canadian Action without prejudice and without costs by order of the Canadian Court dated April 2, 2012.

27. Based upon Settling Plaintiffs' investigations and prosecution of their respective Actions and the mediation that led to the Settlement, Settling Plaintiffs have each concluded that the terms and conditions of the Settlement are fair, reasonable and adequate as to each of them and as to the Class that they respectively represent. Based on their direct oversight of the prosecution of their respective Actions and with the advice of their respective counsel, Settling Plaintiffs have agreed to settle the claims raised in their respective Actions pursuant to the terms and provisions of the Stipulation, after considering (a) the substantial financial benefit that they and the Class Members that they respectively represent will receive immediately under the proposed Settlement; (b) the significant risks of continued litigation and trial; and (c) the desirability of permitting the Settlement to be consummated as provided by the terms of the Stipulation. The fact that the Settling Plaintiffs have agreed to settle their respective Actions shall in no event be construed or deemed to be evidence of, or an admission or concession on their part, of any infirmity in any of the claims asserted in the respective Actions, or an admission or concession that any of the Settling Defendants' affirmative defenses to liability had any merit.

28. The Settling Defendants have entered into the Settlement solely to eliminate the uncertainty, burden and expense of further protracted litigation. Each of the Settling Defendants denies any wrongdoing, and the Settlement shall in no event be construed or deemed to be evidence of, or an admission or concession on the part of any of the Settling Defendants, or any other of the Defendants' Releasees (defined in ¶ 65 below), with respect to any claim or allegation of any fault or liability or wrongdoing or damage whatsoever, or any infirmity in the defenses that the Settling Defendants have, or could have, asserted. The Settling Defendants expressly deny that the Settling Plaintiffs have asserted any valid claims as to any of them, and expressly deny any and all allegations of fault, liability, wrongdoing or damages whatsoever.

29. On May 15, 2013, the U.S. Court preliminarily approved the Settlement, authorized this Notice to be disseminated to potential U.S. Class Members, and scheduled the U.S. Settlement Fairness Hearing. On May 13, 2013, the Canadian Court entered an Order authorizing this Notice to be disseminated to potential Canadian Class Members and scheduling the Canadian Settlement Fairness Hearing.

#### HOW DO I KNOW IF I AM AFFECTED BY THE SETTLEMENT?

30. If you are a member of the U.S. Class and/or the Canadian Class, you are subject to the Settlement, unless you timely request to be excluded.

The U.S. Class consists of:

all persons and entities who purchased or otherwise acquired, from July 14, 2010 through and including May 18, 2011 (the "U.S. Class Period"), SMART common stock in the United States, and were damaged thereby.<sup>7</sup>

The Canadian Class consists of:

all persons and entities, wherever resident, who purchased or otherwise acquired SMART common stock offered by SMART's Canadian Prospectus from an underwriter domiciled in Canada (*i.e.*, Morgan Stanley Canada Limited, Deutsche Bank Securities Limited, RBC Dominion Securities Limited, Merrill Lynch Canada Inc., Credit Suisse Securities (Canada) Inc., and Stifel Nicolaus Canada Inc. (f/k/a Thomas Weisel Partners Canada Inc.)) during the period of distribution to the public, *i.e.*, from July 15, 2010 through and including July 20, 2010 (the "Canadian Class Period") and continued to hold any of those shares on or after November 10, 2010.<sup>8</sup>

Excluded from both the U.S. Class and the Canadian Class are: the Settling Defendants; the members of each Individual Defendant's Immediate Family; the respective current or former officers or directors of each entity Settling Defendant; the respective past or present parents, subsidiaries or affiliates of each entity Settling

<sup>7</sup> SMART common stock traded in the U.S. under the ticker symbol "SMT".

<sup>8</sup> SMART common stock traded on the Toronto Stock Exchange under the ticker symbol "SMA".



Defendant and each of their respective current or former officers, directors, partners, or members; any entity in which any Settling Defendant has or had a controlling interest, *provided, however*, that any Investment Vehicle<sup>9</sup> shall not be excluded from either of the Classes; and, in their capacity as such, the legal representatives, heirs, beneficiaries, successors or assigns of any such excluded party. Also excluded from both the U.S. Class and the Canadian Class are any persons or entities who submit a request for exclusion in accordance with the requirements set forth in this Notice. See “What If I Do Not Want To Be A Member Of The Classes? How Do I Exclude Myself?,” on page 16 below.

**PLEASE NOTE: RECEIPT OF THIS NOTICE DOES NOT MEAN THAT YOU ARE A MEMBER OF EITHER OF THE CLASSES OR THAT YOU WILL BE ENTITLED TO RECEIVE PROCEEDS FROM THE SETTLEMENT. IF YOU ARE A MEMBER OF THE U.S. CLASS AND/OR THE CANADIAN CLASS AND YOU WISH TO BE ELIGIBLE TO PARTICIPATE IN THE DISTRIBUTION OF PROCEEDS FROM THE SETTLEMENT, YOU ARE REQUIRED TO SUBMIT THE CLAIM FORM THAT IS BEING DISTRIBUTED WITH THIS NOTICE AND THE REQUIRED SUPPORTING DOCUMENTATION AS SET FORTH THEREIN POSTMARKED NO LATER THAN OCTOBER 4, 2013.**

WHAT ARE SETTLING PLAINTIFFS’ REASONS FOR THE SETTLEMENT?

31. Settling Plaintiffs each agreed to the Settlement because of the certain, substantial and immediate monetary benefit it will provide to the Class Members that they respectively represent, compared to the risk that a lesser or no recovery might be achieved after a contested trial of their respective Actions and likely appeals, possibly years into the future.

32. Settling Plaintiffs, and their respective counsel, believe that the claims asserted against the defendants in their respective Actions have merit. They also recognize, however, that the claims involve numerous complex legal and factual issues that may be difficult to prove at trial. If the respective Actions were to continue through trial, Settling Plaintiffs each would have to overcome significant defenses asserted by the defendants in their respective Actions. Indeed, in each Action, the parties disagree about fundamental issues such as whether the offering materials at issue contained any material misstatements or omissions regarding the matters alleged in the Action. Furthermore, in each Action, even if liability were established, the parties disagree on the appropriate amount of damages under the relevant securities laws, as defendants in each Action have argued that decline in the price of SMART common stock was caused by factors unrelated to the alleged misstatements and omissions. Each of these issues would have been vigorously disputed at trial. Moreover, due to the many disputed issues surrounding liability and damages, even if defendants were found liable in the respective Actions and damages were awarded, defendants would likely appeal the verdicts with the attendant risk that the verdicts could be overturned in their entirety or the damage awards could be reduced. This Settlement enables Class Members to recover without incurring any additional risk or litigation costs.

33. The Settling Defendants have expressly denied and continue to deny all assertions of wrongdoing or liability against them arising out of any of the conduct, statements, acts, or omissions alleged, or that could have been alleged, in the Actions. The Settling Defendants also continue to believe that the claims asserted against them in the Actions are without merit. In particular, the Settling Defendants have denied and continue to deny that the offering materials at issue contained any material misstatements or omissions. The Settling Defendants

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<sup>9</sup> “Investment Vehicle” means any investment company or pooled investment fund, including, but not limited to, mutual fund families, exchange-traded funds, fund of funds and hedge funds, run by an Underwriter, Intel or Apax Partners for Persons that are not related to or affiliated with the Underwriter, Intel or Apax Partners to invest indirectly in securities purchased by the investment company or pooled investment fund by purchasing shares or interests in the investment company or pooled investment fund. The Underwriter, Intel or Apax Partners may have a direct or indirect interest in such investment company or pooled investment fund, or their respective affiliates may manage or act as an investment advisor to the investment company or pooled investment fund, provided that the Underwriter, Intel or Apax Partners or any of their respective affiliates, may not be a majority owner of or hold a majority beneficial interest in any such investment company or pooled investment fund. If any of these conditions are not met, the investment company or pooled investment fund shall not be an “Investment Vehicle”.

have agreed to enter into the Settlement, as embodied in the Stipulation, solely to avoid the uncertainty, burden and expense of further protracted litigation.

34. In light of the risks associated with trial, the monetary amount of the Settlement and the immediacy of this recovery to Class Members, Settling Plaintiffs, and their respective counsel, believe that the proposed Settlement is fair, reasonable and adequate. Settling Plaintiffs, and their respective counsel, believe that the Settlement provides a substantial benefit to Class Members, namely \$15,250,000 in cash (less the various deductions described in this Notice), as compared to the risk that the claims asserted in the Actions would produce a smaller, or no, recovery after motions for summary judgment, trial and appeals.

#### WHAT MIGHT HAPPEN IF THERE WERE NO SETTLEMENT?

35. If there were no Settlement and the plaintiff in either Action failed to establish any essential legal or factual element of the claims in that Action against the applicable defendants, the members of the applicable Class would not recover anything from the defendants. Also, if the defendants in either Action were successful in proving any of their defenses, either after motions for summary judgment, at trial or on appeal, class members in the applicable Class could recover substantially less than the amount provided in the Settlement, or nothing at all.

#### HOW MUCH WILL MY PAYMENT BE?

36. At this time, it is not possible to make any determination as to how much any individual Class Member may receive from the Settlement.

37. Pursuant to the Settlement, SMART has agreed to pay Fifteen Million Two Hundred Fifty Thousand Dollars (\$15,250,000) in cash. The Settlement Amount will be deposited into an interest-bearing escrow account. The Settlement Amount plus all interest earned thereon is referred to as the "Settlement Fund." If the Settlement is approved by the Courts and the Effective Date occurs, the "Net Settlement Fund" (that is, the Settlement Fund less (a) all federal, state and local taxes on any income earned by the Settlement Fund and the reasonable costs incurred in connection with determining the amount of and paying taxes owed by the Settlement Fund (including reasonable expenses of tax attorneys and accountants); (b) the costs and expenses incurred in connection with providing notice to the Class Members and administering the Settlement on behalf of the Class Members; and (c) any attorneys' fees and Litigation Expenses awarded by the Courts) will be distributed to Class Members who submit valid Claim Forms, in accordance with the proposed Plan of Allocation or such other plan of allocation as the Courts may approve.

38. The Net Settlement Fund will not be distributed unless and until the Courts have approved the Settlement and a plan of allocation, and the Effective Date occurs.

39. Neither SMART, nor the other Settling Defendants, nor any other person or entity that paid any portion of the Settlement Amount on their behalf are entitled to receive back any portion of the Settlement Fund once the Effective Date has occurred. The Settling Defendants shall not have any liability, obligation or responsibility for the administration of the Settlement, the disbursement of the Net Settlement Fund or the plan of allocation.

40. Approval of the Settlement is independent from approval of a plan of allocation. Any determination with respect to a plan of allocation will not affect the Settlement.

41. Only members of the U.S. Class and/or the Canadian Class who do not exclude themselves from the Classes will be eligible to share in the distribution of the Net Settlement Fund. The only security that is included in the Settlement is SMART common stock.

42. Please note: If you are a member of both Classes and submit a request for exclusion from either Class, such request shall exclude you from both Classes. Therefore, you will not be eligible to receive any distribution from the proceeds of the Settlement.

43. Each Class Member wishing to participate in the distribution of the Net Settlement Fund must timely submit a valid Claim Form establishing membership in one or both of the Classes, and including all required documentation, postmarked on or before October 4, 2013 to the address set forth in the Claim Form that accompanies this Notice.

44. Unless otherwise ordered by the applicable Court, any Class Member who fails to submit a Claim Form postmarked on or before October 4, 2013 shall be fully and forever barred from receiving payments pursuant to the Settlement but will in all other respects remain a Class Member and be subject to the provisions of the Stipulation, including the terms of any Judgment entered in the applicable Action and the releases given. This means that each Class Member releases the Released Plaintiffs' Claims (as defined in ¶ 64 below) against the Defendants' Releasees (as defined in ¶ 65 below) and will be enjoined and prohibited from filing, prosecuting, or pursuing any of the Released Plaintiffs' Claims against any of the Defendants' Releasees whether or not such Class Member submits a Claim Form.

45. Information Required on the Claim Form: Among other things, each Claim Form must state and provide sufficient documentation for each Claimant's (a) purchases/acquisitions of SMART common stock during the respective Class Periods; (b) sales/dispositions of SMART common stock (if any) through April 30, 2013; and (c) closing position in SMART common stock as of April 30, 2013. Additionally, the Claimant must submit supporting documentation that demonstrates: (a) as to U.S. Class Members, that the shares were purchased in the United States; and (b) as to Canadian Class Members, that the shares were purchased from an underwriter domiciled in Canada (as defined in paragraph 30 above) during the Canadian Class Period. Further details as to what is required to be submitted are set forth in the Claim Form that accompanies this Notice and which can also be downloaded from [www.SMARTTechnologiesShareholderLitigation.com](http://www.SMARTTechnologiesShareholderLitigation.com).

46. Each Claimant who is only a member of the U.S. Class shall be deemed to have submitted to the jurisdiction of the U.S. Court and each Claimant who is only a member of the Canadian Class shall be deemed to have submitted to the jurisdiction of the Canadian Court with respect to his, her or its Claim Form. Claimants who are members of both Classes shall be deemed to have submitted to the jurisdiction of both Courts with respect to their Claims. The determinations of the Claims Administrator with respect to Claimants who are only members of one Class shall be submitted for approval to the Court before which the relevant Action is pending. As to those Claimants who are members of both Classes, if the determination of the Claims Administrator accepting or rejecting the Claim is uncontested, the Claim will be presented to the U.S. Court. If, however, the Claims Administrator's determination is contested, the Claimant shall designate the Court to which the dispute shall be presented for resolution; if no designation is made, the dispute shall be submitted to the U.S. Court.

47. The Courts have reserved jurisdiction to allow, disallow, or adjust on equitable grounds the Claims of Class Members.

#### **PROPOSED PLAN OF ALLOCATION**

48. The objective of the Plan of Allocation is to equitably distribute the settlement proceeds to those Class Members who suffered losses as a result of the alleged wrongdoing. The calculations made pursuant to the Plan of Allocation are generally based upon the damages theories advanced in the Actions and the measure of damages set forth in Section 11 of the 1933 Act.

49. The calculations made pursuant to the Plan of Allocation, which has been developed by U.S. Lead Plaintiff's damages expert in consultation with U.S. Lead Counsel and Canadian Class Counsel, are not intended to be estimates of, nor indicative of, the amounts that Class Members might have been able to recover after a trial.

Nor are the calculations pursuant to the Plan of Allocation intended to be estimates of the amounts that will be paid to Class Members pursuant to the Settlement. The computations under the Plan of Allocation are only a method to weigh the claims of Class Members against one another for the purposes of making *pro rata* allocations of the Net Settlement Fund.

50. Consistent with the foregoing, and as detailed below, the Net Settlement Fund will be distributed on a *pro rata* basis to all eligible Authorized Claimants based on net recognized losses calculated on their purchases/acquisitions of shares of SMART common stock that are eligible to participate in the Settlement.

#### **CALCULATION OF SPECIFIC RECOGNIZED LOSS OR GAIN AMOUNTS**

51. A “Recognized Loss Amount” or “Recognized Gain Amount” will be calculated as set forth in paragraph 52 below for (a) each share of SMART common stock purchased or otherwise acquired in the United States during the U.S. Class Period (*i.e.*, from July 14, 2010 through and including May 18, 2011), and for which adequate documentation is provided (the “Eligible U.S. Class Shares”); and (b) each share of SMART common stock purchased or otherwise acquired from a Canadian Underwriter during the Canadian Class Period (*i.e.*, from July 15, 2010 through and including July 20, 2010) that was still held on or after November 10, 2010, and for which adequate documentation is provided (the “Eligible Canadian Class Shares” and, together with the Eligible U.S. Class Shares, the “Eligible Shares”). The calculation of Recognized Loss or Gain Amounts will depend upon several factors, including when the shares of SMART common stock were purchased or otherwise acquired, and in what amounts, and whether those shares were sold, and if so, when they were sold, and for what amounts.

52. **Calculation of Recognized Loss or Gain Amounts.** For each Eligible Share of SMART common stock:

(a) Sold at a loss<sup>10</sup> prior to the opening of trading on December 3, 2010,<sup>11</sup> a Recognized Loss Amount shall be calculated, which shall be the purchase or acquisition price, not to exceed \$17.00,<sup>12</sup> *minus* the sale price. If this calculation results in a negative number, then the Recognized Loss Amount shall be zero.

(b) Sold for a gain<sup>13</sup> prior to the opening of trading on December 3, 2010, a Recognized Gain Amount shall be calculated, which shall be the sale price *minus* the purchase/acquisition price.

(c) Still held as of the opening of trading on December 3, 2010, but sold at a loss prior to the close of trading on April 30, 2013, a Recognized Loss Amount shall be calculated which shall be the purchase or acquisition price, not to exceed \$17.00, *minus the greater of:* (x) the sale price; or (y) \$9.01.<sup>14</sup> If this calculation results in a negative number, then the Recognized Loss Amount shall be zero.

(d) Still held as of the opening of trading on December 3, 2010, but sold for a gain prior to the close of trading on April 30, 2013, a Recognized Gain Amount shall be calculated which shall be the sale price *minus* the purchase/acquisition price.

(e) Still held as of the close of trading on April 30, 2013, and the purchase/acquisition price is greater than \$9.01, a Recognized Loss Amount shall be calculated which shall be the purchase or acquisition price, not to exceed \$17.00, *minus* \$9.01.

(f) Still held as of the close of trading on April 30, 2013, and the purchase/acquisition price is less than or equal to \$9.01, a Recognized Gain Amount shall be calculated which shall be \$9.01 *minus* the purchase/acquisition price.

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<sup>10</sup> “Sold at a loss” means the purchase/acquisition price is greater than the sale price.

<sup>11</sup> December 3, 2010 is the date that the first class action lawsuit relating to this Action was filed.

<sup>12</sup> \$17.00 is the price at which shares of SMART common stock were offered to the public in the IPO.

<sup>13</sup> “Sold for a gain” means the purchase/acquisition price is less than or equal to the sale price.

<sup>14</sup> \$9.01 is the opening price of SMART common stock on December 3, 2010.

## ADDITIONAL PROVISIONS

53. The Net Settlement Fund will be allocated among all Authorized Claimants whose Distribution Amount (defined in paragraph 56 below) is \$10.00 or greater.

54. If a Class Member has more than one purchase/acquisition or sale of SMART common stock, all purchases/acquisitions and sales shall be matched on a First In, First Out ("FIFO") basis, such that sales will be matched against purchases/acquisitions in chronological order, beginning with the earliest purchase/acquisition made during the relevant Class Period.

55. A "Recognized Claim" shall be calculated for each Claimant by totaling all of the Claimant's Recognized Loss Amounts and subtracting from that total the sum of all of the Claimant's Recognized Gain Amounts. If this calculation results in a positive number, that figure will be the Claimant's Recognized Claim; if this calculation results in a negative number or zero, the Claimant's Recognized Claim shall be zero.

56. The Net Settlement Fund will be distributed to Authorized Claimants on a *pro rata* basis based on the relative size of their Recognized Claims. Specifically, a "Distribution Amount" will be calculated for each Authorized Claimant, which shall be the Authorized Claimant's Recognized Claim divided by the total Recognized Claims of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund. If any Authorized Claimant's Distribution Amount calculates to less than \$10.00, it will not be included in the calculation and no distribution will be made to such Authorized Claimant.

57. Purchases or acquisitions and sales of SMART common stock shall be deemed to have occurred on the "contract" or "trade" date as opposed to the "settlement" or "payment" date. The receipt or grant by gift, inheritance or operation of law of shares of SMART common stock during the Class Periods shall not be deemed a purchase, acquisition or sale of those shares of SMART common stock for the calculation of a Claimant's Recognized Loss or Gain Amounts, nor shall such receipt or grant be deemed an assignment of any claim relating to the purchase/acquisition of such shares of SMART common stock during the Class Periods unless (a) the donor or decedent purchased or otherwise acquired such SMART common stock during the relevant Class Period; (b) no Claim Form was submitted by or on behalf of the donor, on behalf of the decedent, or by anyone else with respect to such SMART common stock; and (c) it is specifically so provided in the instrument of gift or assignment.

58. The date of covering a "short sale" is deemed to be the date of purchase or acquisition of SMART common stock. The date of a "short sale" is deemed to be the date of sale of SMART common stock. In accordance with the Plan of Allocation, however, the Recognized Loss and Gain Amounts on "short sales" are zero. In the event that a Claimant's initial transaction during the Class Period is a short sale of SMART common stock, the earliest Class Period purchases or acquisitions shall be matched against the Claimant's short position, and not be entitled to a recovery, until that short position is fully covered.

59. SMART common stock is the only security eligible for recovery under the Plan of Allocation. Option contracts are not securities eligible to participate in the Settlement. With respect to SMART common stock purchased or sold through the exercise of an option, the purchase/sale date of the SMART common stock is the exercise date of the option and the purchase/sale price is the exercise price of the option.

60. To the extent that any monies remain in the Net Settlement Fund after the Claims Administrator has caused the initial distribution to be made to Authorized Claimants, whether by reason of uncashed distributions or otherwise, then, after the Claims Administrator has made reasonable and diligent efforts to have Authorized Claimants cash their distributions, any balance remaining in the Net Settlement Fund one (1) year after the initial distribution of such funds shall be re-distributed to Authorized Claimants who have cashed their initial distributions and who would receive at least \$10.00 from such re-distribution, after payment of any unpaid costs or fees incurred in administering the Net Settlement Fund, including for such re-distribution. Additional re-distributions to Authorized Claimants who have cashed their prior distribution checks and who would receive at least \$10.00 on

such additional re-distributions may occur thereafter if U.S. Lead Counsel and Canadian Class Counsel, in consultation with the Claims Administrator, determine that additional re-distributions, after the deduction of any additional fees and expenses incurred in administering the funds, including for such re-distributions, would be cost-effective. At such time as it is determined that the re-distribution of funds remaining in the Net Settlement Fund is not cost-effective, the remaining balance of the Net Settlement Fund shall be contributed to non-sectarian, not-for-profit organization(s), to be recommended by U.S. Lead Counsel and Canadian Class Counsel and approved by the Courts.

61. Payment pursuant to the Plan of Allocation, or such other plan of allocation as may be approved by the Courts, shall be conclusive against all Authorized Claimants. No person shall have any claim against the Settling Plaintiffs, U.S. Plaintiffs' Counsel, Canadian Class Counsel, the Settling Defendants, Settling Defendants' Counsel, or any of the other Defendants' Releasees, U.S. Lead Plaintiff's or Defendants' damages experts, or the Claims Administrator or other agent designated by U.S. Lead Counsel or Canadian Class Counsel arising from distributions made substantially in accordance with the Stipulation, the plan of allocation approved by the Court, or further Orders of the Courts. The Settling Plaintiffs, the Settling Defendants and their respective counsel, and U.S. Lead Plaintiff's and Defendants' damages experts and all other Defendants' Releasees, shall have no responsibility or liability whatsoever for the investment or distribution of the Settlement Fund or the Net Settlement Fund, the plan of allocation, or the determination, administration, calculation, or payment of any Claim Form or nonperformance of the Claims Administrator, the payment or withholding of taxes (including interest and penalties) owed by the Settlement Fund, or any losses incurred in connection therewith.

62. The Plan of Allocation set forth herein is the plan that is being proposed by U.S. Lead Counsel and Canadian Class Counsel to the respective Courts for approval. The Courts may approve this plan as proposed or may modify the Plan of Allocation without further notice to the Classes. Any Orders regarding any modifications of the Plan of Allocation will be posted to the website for the Settlement, [www.SMARTTechnologiesShareholderLitigation.com](http://www.SMARTTechnologiesShareholderLitigation.com).

HOW ARE CLASS MEMBERS AFFECTED BY THE ACTIONS AND THE SETTLEMENT?
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63. If you are a U.S. Class Member and/or a Canadian Class Member and you do not exclude yourself from the Classes by submitting a request for exclusion, upon the Effective Date (defined in ¶ 67 below), you on behalf of yourself, your heirs, executors, administrators, predecessors, successors, affiliates and assigns, will fully and finally release as against the Settling Defendants and the other Defendants' Releasees (as defined in ¶ 65 below) all Released Plaintiffs' Claims (as defined in ¶ 64 below), and shall forever be enjoined from prosecuting any or all of the Released Plaintiffs' Claims against any of Defendants' Releasees. If you are a member of the U.S. Class, all of the U.S. Court's orders will apply to you and legally bind you, and if you are a member of the Canadian Class, all of the Canadian Court's orders will apply to you and legally bind you.

64. "Released Plaintiffs' Claims" means any and all claims, rights, demands, liabilities, or causes of action of every nature and description whatsoever (including, but not limited to, any claims for damages, interest, attorneys' fees, expert or consulting fees, and any other costs, expenses or liabilities whatsoever), whether based on federal, state, provincial, local, statutory or common law or any other law, rule or regulation, whether known claims or Unknown Claims, whether class or individual in nature, whether fixed or contingent, accrued or un-accrued, liquidated or unliquidated, whether at law or in equity, matured or unmatured, against any of the Defendants' Releasees, to the fullest extent their release is permitted in the Actions, that (i) are based on, relate to or arise out of the allegations, transactions, facts, matters, events, disclosures, statements, occurrences, representations, acts or omissions or failures to act that have been or could have been alleged in the U.S. Action and/or the Canadian Action, as well as in the California Action, and/or (ii) relate to or arise out of the Settling Plaintiffs' or any other Class Members' purchase, acquisition, or holding during the respective Class Periods of SMART common stock issued or distributed pursuant or traceable to the IPO in the United States and Canada, insofar as it relates in any way to any other matters covered in this definition of Released Plaintiffs' Claims. Released Plaintiffs' Claims do not

include, release, bar, waive, impair or otherwise impact any claims to enforce the Settlement. For the sake of clarity, it is understood and agreed that dismissal of the class claims in the California Action and that dismissal becoming final and non-appealable is an express condition of the Settlement.

65. “Defendants’ Releasees” means the Settling Defendants, and each of their respective predecessors, successors, past, present or future parents, subsidiaries, affiliates, and each of their respective past or present officers, directors, shareholders, agents, partners, principals, members, employees, attorneys, advisors, auditors and accountants, insurers and reinsurers, and any firm, trust, corporation, or other entity in which any of the Settling Defendants has or had a controlling interest.

66. “Unknown Claims” means any Released Claims which each of the Settling Plaintiffs or any other Class Member, each of the Settling Defendants or any of the other Releasees, does not know or suspect to exist in his, her or its favor at the time of the release of each or any of the other Releasees, which, if known by him, her or it, might have affected his, her or its decision(s) with respect to the Settlement. With respect to any and all Released Claims, the Settling Parties stipulate and agree that, upon the Effective Date of the Settlement, each of the Settling Plaintiffs and each of the Settling Defendants shall expressly waive, and each of the other Class Members and each of the other Releasees shall be deemed to have waived, and by operation of the Judgments shall have expressly waived, any and all provisions, rights, and benefits conferred by California Civil Code §1542, which provides:

[a] general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor,

and any law of any state or territory of the United States, or principle of common law or foreign law, which is similar, comparable, or equivalent to California Civil Code §1542.

67. “Effective Date” shall occur only if (a) each of the Courts has approved the Settlement, entered a Judgment, and those Judgments have become Final; and (b) the California Court has dismissed the class claims in the California Action with prejudice, and all appeal rights with respect to such dismissal have been exhausted.

WHAT PAYMENT ARE THE ATTORNEYS FOR THE CLASSES SEEKING?  
HOW WILL THE LAWYERS BE PAID?

68. Plaintiffs’ Counsel have not received any payment for their services in pursuing claims against the respective Settling Defendants on behalf of their respective Classes, nor have Plaintiffs’ Counsel been reimbursed for their out-of-pocket expenses.

69. Before final approval of the Settlement, U.S. Lead Counsel and Canadian Class Counsel will apply to their respective Courts for awards of attorneys’ fees in amounts not to exceed, in total, 25% of the Settlement Fund, which amount shall cover the attorneys’ fees of both U.S. Plaintiffs’ Counsel and Canadian Class Counsel except for taxes applicable on legal fees in Canada for which Canadian Class Counsel will also ask the Canadian Court. U.S. Lead Counsel and Canadian Class Counsel will also apply for reimbursement of Litigation Expenses in amounts not to exceed, in total, \$550,000.00, which may include an application for reimbursement of the reasonable costs and expenses incurred by U.S. Lead Plaintiff directly related to its representation of the U.S. Class.

70. The Courts will determine the amount of any awards of attorneys’ fees or reimbursement of Litigation Expenses. Such sums as may be approved by the Courts will be paid from the Settlement Fund. Class Members are not personally liable for any such fees or expenses.

HOW DO I PARTICIPATE IN THE SETTLEMENT? WHAT DO I NEED TO DO?

71. To be eligible for a payment from the proceeds of the Settlement, you must be a member of the U.S. Class or the Canadian Class (or both) and you must timely complete and return the Claim Form with adequate supporting documentation **postmarked no later than October 4, 2013**. A Claim Form is included with this Notice,

or you may obtain one from the website maintained by the Claims Administrator for the Settlement, [www.SMARTTechnologiesShareholderLitigation.com](http://www.SMARTTechnologiesShareholderLitigation.com), or you may request that a Claim Form be mailed to you by calling the Claims Administrator toll-free at 1-855-793-1368. Please retain all records of your ownership of and transactions in SMART common stock, as they may be needed to document your Claim. If you request exclusion from one or both of the Classes or do not submit a timely and valid Claim Form, you will not be eligible to share in the Net Settlement Fund.

72. If you are a U.S. Class Member you are represented by U.S. Lead Plaintiff and U.S. Lead Counsel, unless you enter an appearance in the U.S. Action through counsel of your own choice at your own expense. If you are a Canadian Class Member you are represented by Canadian Representative Plaintiff and Canadian Class Counsel, unless you enter an appearance in the Canadian Action through counsel of your own choice at your own expense. You are not required to retain your own counsel, but if you choose to do so, such counsel must file a notice of appearance on your behalf in the relevant Action and must serve copies of his or her appearance on the applicable attorneys listed in the section entitled “When And Where Will The Courts Decide Whether To Approve The Settlement?” below.

73. If you are a member of one or both of the Classes and do not wish to remain a member of the Class(es), you may exclude yourself by following the instructions in the section entitled, “What If I Do Not Want To Be A Member Of The Classes? How Do I Exclude Myself?” below. Please note that if you exclude yourself from one of the Classes, you will be excluded from both Classes.

74. If you are a Class Member and you wish to object to the Settlement, the Plan of Allocation, or the application for attorneys’ fees and reimbursement of Litigation Expenses, and if you do not exclude yourself from the Classes, you may present your objections by following the instructions in the section entitled, “When And Where Will The Courts Decide Whether To Approve The Settlement?” below.

WHAT IF I DO NOT WANT TO BE A MEMBER OF THE CLASSES?  
HOW DO I EXCLUDE MYSELF?

75. **Requests for Exclusion from the U.S. Class.** Each U.S. Class Member will be bound by all determinations and judgments in the U.S. Action, whether favorable or unfavorable, unless such person or entity mails or delivers a written Request for Exclusion, addressed to *SMART Technologies Shareholder Litigation, EXCLUSIONS, c/o Rust Consulting, Inc., P.O. Box 2434, Faribault, MN 55021-9134*. The exclusion request must be **received** no later than July 22, 2013. You will not be able to exclude yourself after that date. Each Request for Exclusion must (a) state the name, address and telephone number of the person or entity requesting exclusion; (b) state that such person or entity “requests exclusion from the U.S. Class in *SMART Technologies Shareholder Litigation, Case No. 11-CV-7673-(KBF)*”; (c) state the number of shares of SMART common stock that the person or entity requesting exclusion purchased/acquired in the United States during the U.S. Class Period (*i.e.*, from July 14, 2010 through and including May 18, 2011), as well as the number of shares of SMART common stock sold/disposed of during the U.S. Class Period or thereafter through April 30, 2013, as well as the dates and prices of each such purchase/acquisition and sale; and (d) be signed by such person or entity requesting exclusion or an authorized representative. A Request for Exclusion shall not be valid and effective unless it provides all the information called for in this paragraph and is received within the time stated above, or is otherwise accepted by the U.S. Court.

76. **Requests for Exclusion from the Canadian Class.** Each Canadian Class Member will be bound by all determinations and judgments in the Canadian Action, whether favorable or unfavorable, unless such person or entity mails or delivers a written Request for Exclusion, addressed to *SMART Technologies Shareholder Litigation, EXCLUSIONS, c/o Rust Consulting, Inc., P.O. Box 2434, Faribault, MN 55021-9134*. The exclusion request must be **received** no later than July 22, 2013. You will not be able to exclude yourself after that date. Each Request for Exclusion must (a) state the name, address and telephone number of the person or entity requesting exclusion; (b) state that such person or entity “requests exclusion from the Canadian Class in *Tucci v. SMART Technologies Inc., et al., Court File No. CV-12-447546-00CP*”; (c) state the number of shares of SMART common stock that the person or



entity requesting exclusion purchased/acquired from a Canadian Underwriter (see paragraph 30 above) during the Canadian Class Period (i.e., from July 15, 2010 through and including July 20, 2010) as well as the number of shares of SMART common stock sold/disposed of through April 30, 2013, as well as the dates and prices of each such purchase/acquisition and sale; and (d) be signed by such person or entity requesting exclusion or an authorized representative. A Request for Exclusion shall not be valid and effective unless it provides all the information called for in this paragraph and is received within the time stated above, or is otherwise accepted by the Canadian Court.

77. **Please Note:** If you request exclusion from one of the Classes, you will also be excluded from the other Class. This means that if you are a member of both Classes and you request exclusion from only one of the Classes, you will also be excluded from the other Class, you will not be eligible to receive any payment from the Settlement Fund, or any other benefit provided for in the Settlement, and you also will not be bound by the Judgments or any other orders entered in either of the Actions.

78. If you do not want to be part of the Class of which you would otherwise be a member, you must follow the instructions for exclusion set forth above. In order to be excluded, you must file a request for exclusion, even if you have pending, or later file, another lawsuit, arbitration, or other proceeding relating to any Released Plaintiffs' Claim against any of the Defendants' Releasees.

79. SMART has the right to terminate the Settlement if valid requests for exclusion are received from persons and entities entitled to be members of the Classes in an amount that exceeds an agreed to amount.

WHEN AND WHERE WILL THE COURTS DECIDE WHETHER TO APPROVE THE SETTLEMENT?  
DO I HAVE TO COME TO THE HEARINGS?  
MAY I SPEAK AT THE HEARINGS IF I DON'T LIKE THE SETTLEMENT?

80. **Class Members do not need to attend the Settlement Fairness Hearings. The Courts will consider any submission made in accordance with the provisions below even if a Class Member does not attend the hearings.**

81. The Settlement Fairness Hearings will be held as follows:

**The U.S. Settlement Fairness Hearing** will be held on September 17, 2013 at 1:00 p.m. before The Honorable Katherine B. Forrest at the United States District Court for the Southern District of New York, Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, Courtroom 15A, New York, NY 10007-1312.

**The Canadian Settlement Fairness Hearing** will be held on September 13, 2013 at 10:00 a.m. before The Honourable Justice Paul Perell at Osgoode Hall, 130 Queen Street West, Toronto, Ontario, M5H 2N5.

The Courts reserve the right to approve the Settlement, the Plan of Allocation, the motions for an award of attorneys' fees and reimbursement of Litigation Expenses, and/or any other matter related to the Settlement at or after the hearings without further notice to Class Members.

82. Any Class Member who does not request exclusion may object to the Settlement, the proposed Plan of Allocation or the motions for an award of attorneys' fees and reimbursement of Litigation Expenses. Objections must be in writing. Any objection, together with copies of all other papers and briefs supporting the objection, must be filed with the Clerk's Office of the U.S. Court if you are objecting in the U.S. Action or delivered to Canadian Class Counsel who will file any objections with the Canadian Court if you are objecting in the Canadian Action. Objections must be filed or delivered at the relevant addresses set forth below on or before July 22, 2013. You must also serve the papers on applicable Plaintiffs' Counsel and on applicable Representative Settling Defendants' Counsel at the addresses set forth below so that the papers are **received** on or before July 22, 2013.

**U.S. COURT CLERK'S OFFICE**

United States District Court  
Southern District of New York  
Clerk of the Court  
Daniel Patrick Moynihan  
United States Courthouse  
500 Pearl Street  
New York, NY 10007-1312

**PLAINTIFFS' COUNSEL**

**U.S. Lead Counsel:**

Bernstein Litowitz Berger &  
Grossmann LLP  
Hannah G. Ross, Esq.  
1285 Avenue of the Americas  
New York, NY 10019

**Canadian Class Counsel:**

Siskinds LLP  
Michael G. Robb  
680 Waterloo Street  
London, Ontario  
Canada N6A 3V8

**REPRESENTATIVE SETTLING DEFENDANTS' COUNSEL**

**U.S. Settling Defendants' Counsel:**

Sidley Austin LLP  
Andrew W. Stern, Esq.  
787 Seventh Avenue  
New York, NY 10019

**Canadian Settling Defendants' Counsel:**

Bennett Jones LLP  
Michael A. Eizenga  
3400 One First Canadian Place  
P.O. Box 130  
Toronto, Ontario  
Canada M5X 1A4

83. Any objection (a) must state the name, address and telephone number of the person or entity objecting and must be signed by the objector; (b) must contain a statement of the Class Member's objection or objections, and the specific reasons for each objection, including any legal and evidentiary support the Class Member wishes to bring to the Court's attention; and (c) must include documents sufficient to prove membership in a Class, including proof of the number of shares of SMART common stock that the objecting Class Member purchased/acquired during the relevant period (*i.e.*, from July 14, 2010 through and including May 18, 2011 with respect to U.S. Class Members and from July 15, 2010 through and including July 20, 2010 with respect to Canadian Class Members), as well as the number of shares of SMART common stock sold from July 14, 2010 through April 30, 2013 as to U.S. Class Members and from July 15, 2010 through April 30, 2013 as to Canadian Class Members, and the dates and prices of each such purchase/acquisition and sale. Additionally, U.S. Class Members must provide proof that their purchases/acquisitions were made in the United States and Canadian Class Members must provide proof that their purchases/acquisitions were made from a Canadian Underwriter (*see* paragraph 30 above). You may not file an objection if you exclude yourself from the Classes.

84. Class Members may file a written objection without having to appear at the Settlement Fairness Hearings. You may not, however, appear at a Settlement Fairness Hearing to present your objection unless you first filed or delivered and served a written objection in accordance with the procedures described in paragraphs 82 and 83 above, unless otherwise allowed by the Courts.

85. If you wish to be heard orally in the U.S. Court in opposition to approval of the Settlement, the Plan of Allocation or a motion for an award of attorneys' fees and reimbursement of Litigation Expenses, and if you file and serve a timely written objection as described above, you must also file a notice of appearance with the Clerk's Office of the U.S. Court and serve it on U.S. Lead Counsel and Representative U.S. Settling Defendants' Counsel at the addresses set forth in paragraph 82 above so that it is **received** on or before July 22, 2013. There is no requirement to file a notice of appearance in order to be heard in the Canadian Court. Persons who intend to object and desire to present evidence at a Settlement Fairness Hearing must include in their written objection (or notice of appearance, if applicable) the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the hearing. Such persons may be heard orally at the discretion of the Court.

86. You are not required to hire an attorney to represent you in making written objections or in appearing at a Settlement Fairness Hearing. However, if you decide to hire an attorney, it will be at your own expense, and that attorney must serve and file a notice of appearance in the relevant Court(s) in accordance with the instructions set forth in paragraph 82 above.

87. The Settlement Fairness Hearing(s) may be adjourned by the respective Court(s) without further written notice to Class Members. If you intend to attend the U.S. Settlement Fairness Hearing, you should confirm the date and time with U.S. Lead Counsel. If you intend to attend the Canadian Settlement Fairness Hearing, you should confirm the date and time with Canadian Class Counsel.

**88. Unless the Courts order otherwise, any Class Member who does not object in the manner described above will be deemed to have waived any objection and shall be forever foreclosed from making any objection to the proposed Settlement, the proposed Plan of Allocation or the motions for an award of attorneys' fees and reimbursement of Litigation Expenses. Class Members do not need to appear at the Settlement Hearings or take any other action to indicate their approval.**

WHAT IF I BOUGHT SHARES ON SOMEONE ELSE'S BEHALF?

89. If you (a) purchased or otherwise acquired SMART common stock in the United States for the beneficial interest of persons or organizations other than yourself from July 14, 2010 through and including May 18, 2011; or (b) if you are an underwriter domiciled in Canada (as defined in paragraph 30 above) who sold SMART common stock in its IPO; or (c) if you purchased or otherwise acquired SMART common stock from an underwriter domiciled in Canada for the beneficial interest of persons or organizations other than yourself from July 15, 2010 through July 20, 2010, you must either (a) within seven (7) calendar days of receipt of this Notice, request from the Claims Administrator sufficient copies of the Notice and Claim Form (the "Notice Packet") to forward to all such beneficial owners and within seven (7) calendar days of receipt of those Notice Packets forward them to all such beneficial owners; or (b) within seven (7) calendar days of receipt of this Notice, provide a list of the names and addresses of all such beneficial owners to *SMART Technologies Shareholder Litigation*, c/o Rust Consulting, Inc., P.O. Box 2434, Faribault, MN 55021-9134. If you choose the second option, the Claims Administrator will send a copy of the Notice and the Claim Form to the beneficial owners. Upon full compliance with these directions, such nominees may seek reimbursement of their reasonable expenses actually incurred, by providing the Claims Administrator with proper documentation supporting the expenses for which reimbursement is sought. Copies of this Notice and the Claim Form may also be obtained from the website maintained by the Claims Administrator, [www.SMARTTechnologiesShareholderLitigation.com](http://www.SMARTTechnologiesShareholderLitigation.com), or by calling the Claims Administrator toll-free at 1-855-793-1368.

CAN I SEE THE COURT FILE? WHOM SHOULD I CONTACT IF I HAVE QUESTIONS?

90. This Notice contains only a summary of the terms of the proposed Settlement. For more detailed information about the matters involved in the U.S. Action, you are referred to the papers on file, including the Stipulation, which may be inspected during regular office hours at the Office of the Clerk, United States District Court for the Southern District of New York, Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, NY 10007. For more detailed information about the matters involved in the Canadian Action, you are referred to the papers on file, including the Stipulation, which may be inspected during regular office hours at 130 Queen Street West, Toronto, Ontario, M5H 2N5. Additionally, copies of the Stipulation, and any related orders entered by the Courts will be posted on the website maintained by the Claims Administrator, [www.SMARTTechnologiesShareholderLitigation.com](http://www.SMARTTechnologiesShareholderLitigation.com).

All inquiries concerning this Notice and the Claim Form should be directed to:

*SMART Technologies Shareholder Litigation*  
c/o Rust Consulting, Inc.  
P.O. Box 2434  
Faribault, MN 55021-9134  
1-855-793-1368

[info@SMARTTechnologiesShareholderLitigation.com](mailto:info@SMARTTechnologiesShareholderLitigation.com)  
[www.SMARTTechnologiesShareholderLitigation.com](http://www.SMARTTechnologiesShareholderLitigation.com)

or

**As to inquiries about the U.S. Action:**

Hannah G. Ross, Esq.  
BERNSTEIN LITOWITZ BERGER  
& GROSSMANN LLP  
1285 Avenue of the Americas  
New York, NY 10019  
1-800-380-8496  
[blbg@blbglaw.com](mailto:blbg@blbglaw.com)

**As to inquiries about the Canadian Action:**

Michael G. Robb  
SISKINDS LLP  
680 Waterloo Street  
London, ON N6A 3V8  
1-800-461-6166, ex. 2380  
[michael.robb@siskinds.com](mailto:michael.robb@siskinds.com)

**DO NOT CALL OR WRITE EITHER OF THE COURTS REGARDING THIS NOTICE.  
DIRECT ALL OF YOUR QUESTIONS TO THE CLAIMS ADMINISTRATOR  
OR THE APPLICABLE PLAINTIFFS' COUNSEL**

Dated: June 6, 2013

By Order of the United States District Court  
Southern District of New York

- and -

By Order of the Ontario Superior Court of Justice